



April 11th, 2018

Members of the Standing Policy Committee on Community and Protective Services:

Lyft appreciates the opportunity to provide you with comments on the revised Livery Services' staff report on Transportation Network Companies (TNCs). Lyft is the first company to establish peer-to-peer on-demand ridesharing, which is now what the world knows as ridesharing, or TNCs. Lyft was created to provide the world's best transportation and every week, we connect millions of people with efficient, affordable, and safe rides. We want to make it easier for people to offer their neighbors a ride and help people carpool more efficiently.

We operate in over 350 communities across all 50 United States, and as of December 2017, we expanded to our first international community when we launched in Toronto. We have since launched our services in 3 other Canadian communities and are eager to begin operations in Calgary.

When we reviewed the economic data on markets with comparable size, density and population to Calgary we found that Lyft could have enabled drivers to earn \$27.7 million last year alone. In addition, Lyft passengers could have generated an estimated \$34.4 million in additional spending by patronizing local, Calgarian owned businesses. Beyond economic benefits, 88 percent of Lyft passengers tell us they are less likely to drive while impaired because of Lyft.

We were encouraged upon learning that Livery Services would conduct a review of Calgary's TNC pilot program, however, we are disappointed with the report and suggested changes put forth by Livery services in several meetings since the beginning of the year. In the administration's report they erroneously indicated that TNCs were largely in favor of their proposal and fee structure, however, we have concerns with a number of the conclusions drawn and proposed amendments in the by-law. We have included a list of the bylaw provisions that we feel could be more welcoming to innovation and increase competition in an addendum to this letter.

In reference to the report before you today we would like to highlight the following points:

Driver Licensing Requirement and Associated Fees

Across Canada and the U.S., municipalities that require their regulatory body to license TNC drivers individually are the rare exception and not the rule. Most regulators have found this process to be cumbersome, unnecessary and costly. Like us, their first priority is ensuring that every time a passenger gets in to a Lyft their driver has been thoroughly screened and is qualified to provide rides in their community. Across North America regulators have worked with TNCs to develop enforcement and audit procedures that allow them to regularly check, review, and audit TNC compliance with all regulations including those that govern driver requirements.

While we understand the administration's desire to ensure safety through upfront licensing of drivers individually there are more efficient and cost effective ways for the administration to monitor and oversee drivers on TNC platforms.

Instead, we suggest requiring TNCs to routinely submit information about every driver on their platform on an established regular schedule. When this submission of driver data is coupled with regular compliance audits conducted on both drivers and their vehicles it is a powerful tool. It gives regulators consistent, detailed information on every TNC driver in their jurisdiction without having the expense of licensing drivers. In fact, in many jurisdictions we work directly with enforcement officers to carry out driver and vehicle audits.

The administration's current proposal is to continue a costly licensing process that provides no additional safety benefit. For example, even if Livery revokes a driver's TNDL they must still contact each company to let them know to offboard the driver. The TNDL license is not an effective means of controlling who drives on a TNC platform; working closely with TNC companies and adopting audit-based compliance/enforcement is a far more advantageous way of managing and regulating drivers on these platforms.

Rather than to seek ways to reduce costs and make processes more efficient, the administration has proposed raising fees. Over the last several months Livery staff worked to develop an online portal that allows TNCs to directly and securely upload driver information. This essentially eliminates the need for drivers to visit the administration's office, work with a staff member and submit paper copies of all their documents in person. Despite this savings in staff time and improved efficiency for document review, the Livery department maintains that their costs will actually increase, and substantially so. In fact, despite all of this streamlining, simplification, and integration, much to our surprise the Livery department posits that the the cost of processing a driver's application is expected to significantly increase.

The administration suggests that the cost to license each driver individually is \$229, however, they do not provide any breakdown or insight into these costs beyond a high level operations budget. Nor do they allow drivers who have a TNDL to use it for multiple ridesharing companies. Instead they require a licensed driver to be licensed again. And remarkably, even though the driver has already been vetted by their process and the same mechanical and police checks are used, Livery suggests that the cost is the same-\$229 per driver. What this means is if the same driver applies on the same day to drive for Lyft, Uber, TappCarr, and InstaRyde, despite the same information being obtained during the process and obtained with regard to the same individual at the same time, the administration states that each application of that individual would cost them \$229, or a total of \$1,100. Our experience in the rest of North America suggests that a substantial super-majority of Lyft drivers also drive for another TNC. As outlined above, we strongly believe there is a better way to conduct this process while putting the safety of Calgarians first.

Proposed Fee Structure

As proposed, this fee structure represents the highest and most complex in North America. In order to register as a TNC, each company is required to pay an application fee of \$141, a brokerage fee of \$1824 and an administration fee of \$50,000 (an increase of over \$30,000 from 2017). The proposal also requires TNCs to pay \$229 for each driver on the platform. TNCs have the option of paying this per driver cost upfront or charging a per trip fee to help Livery recoup their costs of processing TNDLs. However, if the per trip fee collected over the course of the year does not equal the amount Livery would have collected if the TNC paid \$229 for each driver up front, the TNC must remit payment for the difference. This means each TNC driver would need to complete 1,145 trips for the per trip fees generated to reach \$229. This is of particular concern because over 90% of Lyft drivers drive part time and many are driving towards a goal—to pay off a medical bill, make extra money or save for a child's summer program. Drivers may give 5 rides or 500 but the vast majority would not come close to completing 1,145 trips. These part-time drivers are critical to Lyft being a reliable transportation option 24/7 including and especially during nights and weekends when alcohol consumption is the highest.

This fee structure could easily result in millions of dollars owed to the administration by a single TNC as ridesharing continues to gain popularity in Calgary. For instance, if a TNC has 5,000 drivers it would owe Livery \$1,145,000 in fees at \$229 per driver. Even if the same TNC completed 4,000,000 trips that year it would still owe the administration over \$300,000—an unprecedented fee for operations in a Canadian or U.S. city. An illustrative comparison is that the City of Toronto charges .30 per trip, while their driver fee is only \$15 per driver. The proposed per driver fee in Calgary is over 1,500 percent more than that of Toronto. The City of Toronto is able to support and regulate the two largest TNCs in the country on these fees, surely Calgary is just as, if not more than, capable of doing the same.

One example of a simplified fee schedule would be to make the following adjustments;

1. Raise the TNC administration fee from \$50,000, to \$55,000 to fold in the application fee and brokerage fee
2. Raise the per ride fee from .20 to .30 and collect that fee on all trips taken in a TNC
3. Eliminate or drastically reduce the per driver fee to \$15/driver

We believe there is ample opportunity for the fee structure to be simplified and streamlined. While we have met with the administration several times in the last 5 months to discuss this problematic fee structure, we welcome the opportunity to continue our work with this committee and the administration to determine appropriate fees.

Data Sharing Requirements

Lyft's first priority is the safety of our passengers, drivers, and the citizens and visitors of Calgary. It is the reason that municipalities and alcohol distributors across North America have chosen to partner with Lyft to reduce drunk driving and save lives. As currently outlined, the data sharing requirements are onerous and do not necessarily lead to added public safety. Based on our experiences working with governments across North America we believe that there are less cumbersome ways to ensure that the City receives information it needs for city planning and logistical purposes which we are committed to collaborating with the City of Calgary on. We would like to work with this body and the Livery Department so that public safety is ensured while protecting the highly sensitive personal information and trip data of Calgarians and those who visit your city.

We urge you to support a clear, workable regulatory framework that can be applied to all ridesharing companies and ensures that safe, reliable, and affordable rides are available for residents and visitors in Calgary. Thank you again for the opportunity to provide our thoughts and we look forward to continued conversations with the Council and Livery Transport Services.

Thank you,

A handwritten signature in black ink, appearing to read "Rena A. Davis". The signature is fluid and cursive, with the first name "Rena" being the most prominent.

Rena A. Davis
Senior Public Policy Manager-Lyft

Addendum: By-Law barriers to Lyft market entry

We conducted a thorough review of the by-laws and presents these edits for your consideration. We believe the items below hinder TNC service and operations. Where applicable we have included a summary of alternatives.

- **Elimination of the requirement that TNC drivers obtain license (TNDL) issued by the Chief Livery Inspector (56.1; 135.7). If license required, clarify that TNC may apply on driver's behalf (Sec. 70(3) likely covers this)**--We've found that when you individually license drivers and require them to obtain a separate and distinct license it is a barrier to entry for the 92% of Lyft drivers who drive part time to earn extra income. By shifting the responsibility to the company in conjunction with regular audits by Livery Transport Services we believe the same safety results can be achieved as they have in over 350 jurisdictions across North America.
- **Elimination of the requirement that TNDL number appear on receipt (Sec. 54.8(e))** We do not believe this identifying information is necessary as the make, model, color and license plate are available to passengers along with the driver's name and photo. When multiple specialized changes are requested to the Lyft app it requires engineering resources to build out those changes. This process can take months for approval and implementation. Unfortunately it is not as simple as typing in a change but involves an overhaul to the operating structure of multiple aspects of our app.
- **Elimination of the requirement that the App is subject to approval (Sec. 54.9(1)(b))** What people love about Lyft is that when they open their app in Calgary it is the same experience as when they open it in Houston, Miami or Denver. As such we believe this is an unnecessary requirement. If approval is required we do not believe that a representative of the company would need to be physically present during the review and approval.
- **Elimination of the requirement that drivers must register vehicle with CLI (Sec. 88.5) or clarify that the TNC may register on behalf of the driver.** We prefer to take on these requirements and regulatory compliance for drivers. We've found that that over 90% of drivers are on the platform a few hours a week or month. As with the licensure requirement it presents an additional barrier to entry.
- **Elimination of the requirement to submit annual inspection forms to CLI (Sec. 150.1)** We would propose a randomized audit based means of enforcement rather than multiple voluminous data transfers. Sharing the inspection forms does not yield any additional safety benefits.

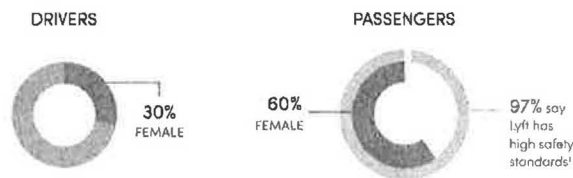
- **Eliminate authority for CLI to require that each officer of a corporate application obtain the recommendation of the Chief of Police (160.2)(i)** This would be burdensome given the number of corporate officers and is not a requirement we've seen before.
- **Eliminate requirement for driver to check for and deliver lost property to TNC company (85(f))** One of the great things about Lyft drivers is their ability to deliver forgotten property to passengers--usually within minutes or hours. We believe this requirement would eliminate the ability of drivers and passengers to remedy a lost property situation quickly and efficiently.
- **Eliminate requirement for vehicles that drive over 50km since last inspection to obtain bi-annual inspection (150.1(2))** As with the other barriers to entry we believe that levying additional requirements on personal vehicles restricts drivers who have full time employment.

LYFT ADDITIONAL COMMENTS ON RIDESHARING

1) Safety

Lyft places the highest emphasis on safety. With our strict criminal background and driving record checks for drivers, GPS ride tracking, in-app feedback, 24-hour Trust & Safety team, and two-way rating system, it's no surprise that people across the U.S. and Toronto trust Lyft.

Lyft has also been designed and built with the safety of women particularly in mind:



Women leading at Lyft:

When making decisions that affect driver and passenger safety, women at Lyft are leading the way.

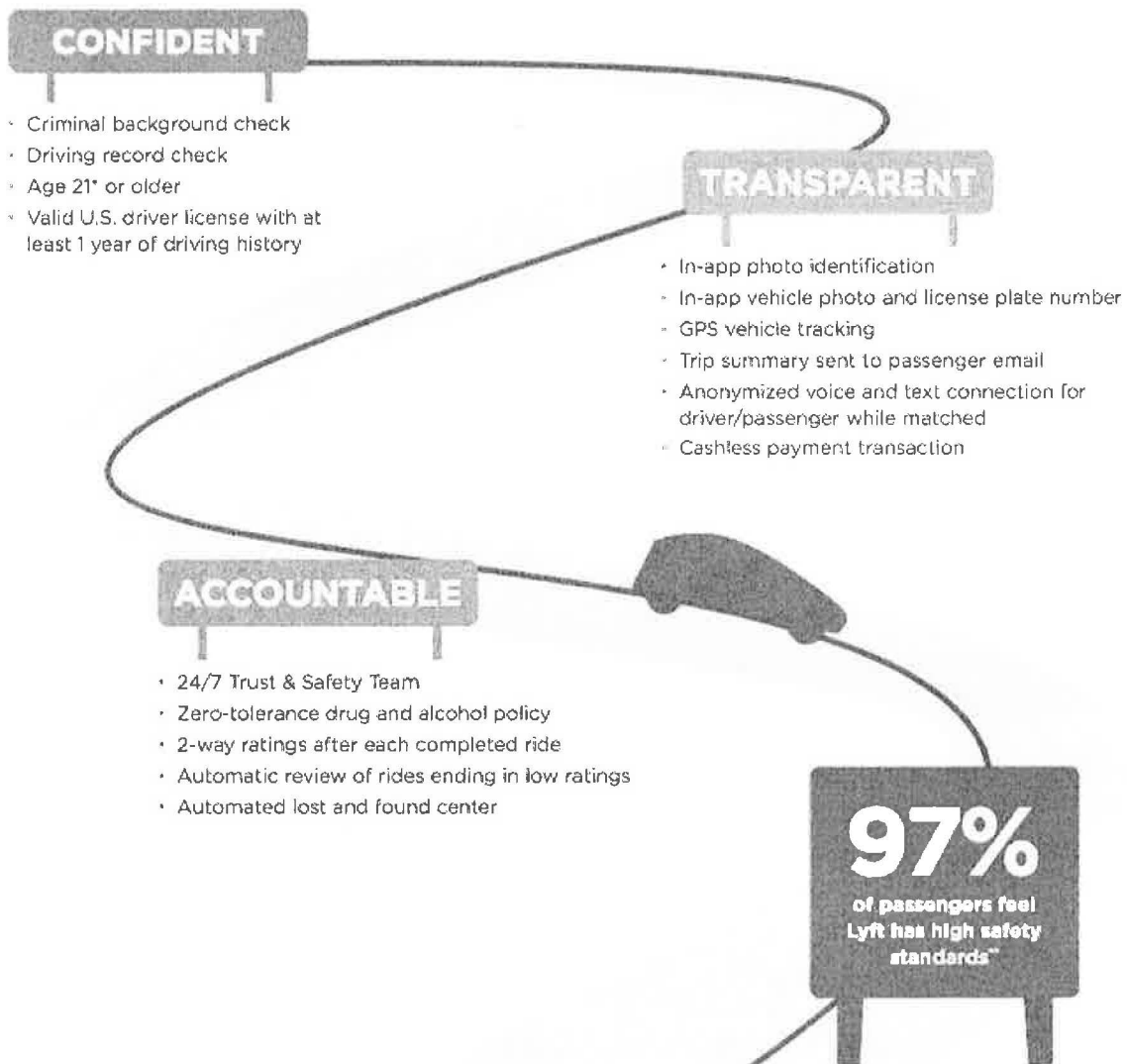
Mary Winfield		VP of Trust
Tali Rapaport		VP of Product
Alix Rosenthal		VP of Compliance
Melissa Waters		VP of Marketing
Kristin Sverchek		General Counsel

"Keeping women safe is a key focus, one that is at the forefront of every decision we make. We are constantly working to ensure every ride is a comfortable ride by providing comprehensive emergency support for our drivers and passengers at any time."

Mary Winfield, VP of Trust

2) Safety Innovations

The Lyft platform was designed with a holistic approach to safety, and we'd recommend that the regulations promote utilizing innovative features to keep both drivers and passengers feeling confident, informed and accountable at all times.



3) Criminal and Driving Record Checks

Lyft supports requiring an annual criminal record and driver's abstract check for each potential Lyft driver, to be conducted before any driver is permitted to fulfill ride requests via the Lyft platform. Lyft suggests that the regulations specifically enumerate the criminal and driving offenses that would disqualify drivers, and specify any relevant lookback time periods to be searched for criminal or driving history. Lyft requests that the criminal records check may be carried out by a third party professional criminal background check provider, such as Sterling Talent Solutions, who contracts with local police agencies to obtain criminal record information. Lyft further requests that professional third party providers be permitted to obtain province-wide driver's abstracts on behalf of applicants.

4) Preserving Flexibility for Drivers

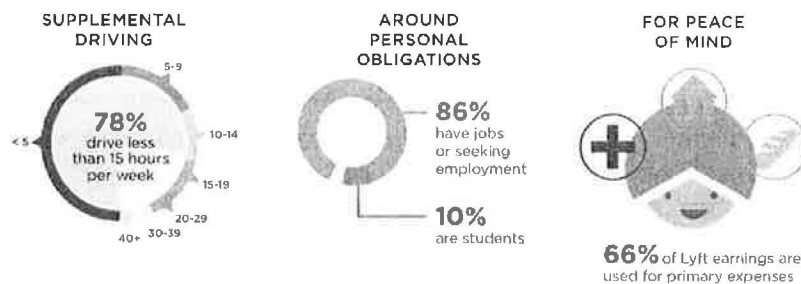
The Lyft driver community is made up of retirees, single moms, students, folks trying to get around and families simply trying to make ends meet. Driving with Lyft creates important economic opportunities for drivers, who believe that the ability to earn extra income driving for Lyft has been a lifesaver. In fact 82% of Lyft drivers drive part-time, and every penny counts to our drivers.¹ Requiring additional licenses and inspections for Lyft drivers creates an undue burden on them and Lyft suggests creating regulations that preserve such flexibility for drivers.

Driver Profile

Drivers undergo a rigorous screening process prior to approval and high standards are enforced via real-time passenger ratings after each ride.



Flexible Supplemental Earnings



5) Accessibility

Lyft expands transportation access, and we believe everyone benefits from ridesharing innovation. Ridesharing allows people in our communities to get around conveniently and affordably, expanding independence for the elderly and those with disabilities. And Lyft has been designed with accessibility in mind:

- **Request a ride from wherever you are.** Real-time arrival estimates and alerts mean no difficult street hailing or uncertain wait times.
- **Voiceover capability** in the app makes it easy for those who are blind or have low vision to request a Lyft ride.

¹ *Economic Impact Report*. Lyft Blog. January 2017.
<https://take.lyft.com/economic-impact/Lyft-Drives-Economy.pdf>

- **Cashless payments and ride summary emails** eliminate the possibility of blind or cognitively disabled passengers receiving incorrect change or unknowingly being charged.
- **All Lyft vehicles are accessible to individuals who can enter a standard vehicle with assistance**, and those using foldable wheelchairs who can transfer to a standard seat while drivers stow their devices in the back seat or trunk. Lyft drivers are more than happy to provide this assistance.
- **Lyft's anti-discrimination policy** strictly prohibits discrimination based on disability or the presence of service animals.

As discussed during testimony, Lyft remains committed to accessibility and looks forward to working with the Committee and other stakeholders on innovative policies to address accessibility, including innovative pilots and programs to promote wheelchair accessible vehicles.

6) Congestion

Traffic is on the rise in many major cities across North America.² The vast majority of commuters drive to work, and most of these trips are taken alone.³ The cheaper gas gets, the more people drive their own cars instead of taking transit. The Mineta Transportation Institute's study estimates that for every 10% decrease in gasoline prices, there is a 1.8% decrease in transit ridership⁴. In addition, increased construction to support the increased population growth in dense urban centers is causing additional stress on our roadways. In Lyft's hometown of San Francisco, records from the San Francisco Municipal Transportation Agency indicate that the amount of "special traffic" permits has doubled in the last 10 years.⁵ This has resulted in road closures and temporarily relocation of bus stops -- which affects all moving traffic, including public transit buses.

Lyft is focused on reducing congestion by increasing vehicle occupancy, helping folks connect to public transit, and using pricing to shift travel behavior. Increasingly, Lyft is also participating in urban planning conversations to advocate for smart land use and street design treatments to encourage certain travel behaviors. For example, Lyft publicly supports congestion-reducing initiatives, such as smart lanes that are free to use for cars with high occupancy.⁶ These smart lanes would not only help reduce congestion, but do so equitably in a way that has yet to be seen in current solutions. And in Los Angeles, where commuters spend over 100 hours stuck in traffic each year, Lyft has advocated support for "GoZones," which are based on the congestion

² *2015 Urban Mobility Scorecard*. Texas A&M Transportation Institute. 2015 <http://bit.ly/2taV7eB>

³ *Spaced Out: Perspectives on Parking Policy*. RAC Foundation. July 2012 <http://bit.ly/2wkKFDv6>

⁴ *Net Effects of Gasoline Price Changes on Transit Ridership in U.S. Urban Areas*. Mineta Transportation Institute. Report 12-19. <http://transweb.sjsu.edu/PDFs/research/1106-gas-price-changes-and-transit-ridership.pdf>

⁵ *Analysis: Traffic-slowing construction projects have doubled in SF in past decade*. San Francisco Examiner. www.sfexaminer.com/analysis-traffic-slowing-construction-projects-doubled-sf-past-decade/

⁶ Zimmer, John. *The End of Traffic*. Medium. January 2017. <http://bit.ly/2ju8yRi>

pricing models of London and Stockholm. Lyft also has explored road diet projects that prioritize space for walking, biking, and high-occupancy vehicles like public transit and Lyft Line⁷.

Increasing Vehicle Occupancy

Lyft is successful at activating real-time carpooling. Services such as Lyft Line, which uses real-time data to match passengers headed in similar directions into the same car, are designed to reduce single-occupancy trips. Lyft Line offers passengers a strong financial incentive to share a ride with others traveling along a similar route, making the service cost-competitive with vehicle ownership and increasing the efficiency of vehicles on the road. Where it is available, more than 50% of returning passengers share rides using Lyft Line. In these areas, Line rides already comprise nearly 40% of Lyft rides. Since its launch in 2014, Lyft Line has matched over 28 million rides and saved 25 million miles due to shared trips. And shared rides are more popular than ever - the number of Lyft Line rides has doubled just in the past year. Sharing rides leads to fewer cars which results in healthier communities.

Lyft Line's passenger load factor— as well as not having to circle for parking— reveal the efficiencies of rideshare services when compared to private automobiles and single-occupancy vehicle trips. Recently, the Rocky Mountain Institute (RMI) released a report that used Lyft trip data from November 1, 2016 to October 31, 2017 to measure Lyft's vehicle miles traveled efficiency compared with personally owned vehicles.⁸ As a result of this research, RMI found:

- Lyft moves people at least 20 percent more efficiently through San Francisco than a personal car.
- New policies could make Lyft up to 60 percent more efficient than personal vehicles.

Example policies that RMI proposes to increase Lyft's efficiency include, "short-term parking in high-demand areas, seamless integration with public transit, and dedicated pick-up and drop-off areas." This is a strong, scientific endorsement of developing policies and infrastructure that encourage participation in shared transportation options.

Connecting to Transit

Around the U.S and Toronto, Lyft passengers are using Lyft to close the first and last mile gap between their home and the nearest transit station. For example, in Boston, MA, 33% of Lyft rides start or end near a transit station.

⁷A New Vision for Los Angeles Streets Medium. September 2017.
<https://medium.com/@emilycwarren/a-new-vision-for-los-angeles-streets-74613e2f0dba>

⁸ Does Lyft Alleviate City Traffic? Rocky Mountain Institute. January 2018.
<https://www.rmi.org/news/lyft-alleviate-city-traffic/>

Lyft empowers communities to drive less and live car-free confidently. Studies show if areas have affordable rideshare services, consumers buy fewer cars and take fewer trips.⁹ Lyft believes multimodal coordination is necessary to reduce car ownership and single occupancy vehicle trips — a goal Lyft and the Committee shares. We've made good progress. According to Lyft's passengers in San Francisco:

- 75 percent use their personal vehicle less because of Lyft.
- 49 percent are more likely to avoid owning a personal vehicle entirely because of Lyft.
- 43 percent use Lyft to connect with public transit.

Using Pricing to Shift Travel Behaviors

Lyft's PrimeTime pricing feature responds to real-time demand, sometimes resulting in higher fares during peak times of day like the AM or PM commute hours. Passengers who are price sensitive may choose to travel during off-peak times of day, causing less congestion on the roads.

8) Supporting Public Transit

Research from the American Public Transit Association¹⁰ (APTA) has shown that shared mobility modes like Lyft complement public transit and enhance urban mobility. Also, people who use shared mobility modes are more likely to use public transit, own fewer cars, and spend less on transportation overall.

Lyft has worked with over a dozen major local transit agencies to provide convenient on-demand mobility to those who need it most.

Our transit partnership models include:

⁹ *Evidence that Uber, Lyft reduce car ownership*. University of Michigan Transportation Research Institute. August 2017. <http://theatln.tc/2sGENSF>

¹⁰ *Shared Mobility and the Transformation of Public Transit*. American Public Transportation Association. March 2016. <http://bit.ly/2xg4ifp>

- **First/Last Mile Connectivity:** Filling the gaps between your home and the light rail station
- **Suburban Solutions:** A new tool in the suburban transportation tool box
- **Guaranteed Ride Home Programs:** The reliable option for vanpool/carpool commuters
- **Paratransit:** Accessible, inclusive, on-demand mobility for those who need it most
- **Jobs-Access Reverse Commute:** Providing connections from transit to hard to reach job locations
- **Late Night Service:** Get where you're going when the buses aren't running
- **Parking Mitigation:** Say goodbye to cars circling parking lots looking for an open spot

In support of a Lyft paratransit partnership in Boston, Massachusetts Governor Charlie Baker stated:

“The success of this partnership with ridesharing companies is changing lives and improving reliability for the MBTA’s paratransit customers who rely on THE RIDE for their daily travels. We are proud the MBTA is expanding this program to all user of THE RIDE, and providing individuals with disabilities greater flexibility and convenience that many of us take for granted.” - Massachusetts Governor Charlie Baker, February 2017¹¹

At the U.S. federal level, **Lyft is also partnering closely with the U.S. Federal Transit Administration’s “Mobility On-Demand (MOD) Sandbox Program”¹², an innovative research program designed to help transit agencies stay current with changing consumer demands, help meet regional sustainability goals, and leverage new technologies.** These partnerships are uniquely positioned to let the U.S. federal government test innovative business models where Lyft and agencies can work together to collectively deliver better service to passengers, while promoting internal cost savings. Research from the MOD Sandbox Program will help transit agencies build 21st century transportation networks that feature innovative, inclusive and seamless transit options.

¹¹ *Lyft and MBTA Expand Partnership for Passengers with Disabilities.* Lyft Blog. March 2017. <http://lft.to/2fiKn8u>

¹² Mobility On-Demand Sandbox Program
<https://www.transit.dot.gov/research-innovation/mobility-demand-mod-sandbox-program.html>