



PUBLIC TRANSPORTATION AND THE RISE OF THE TRANSPORTATION NETWORK INDUSTRY

Prepared for the Transport Workers Union of America

April 2017



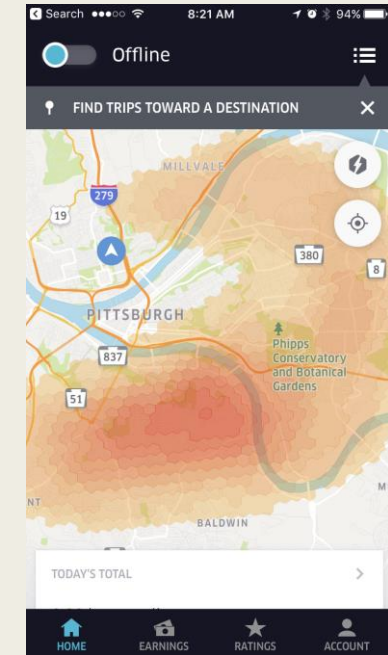
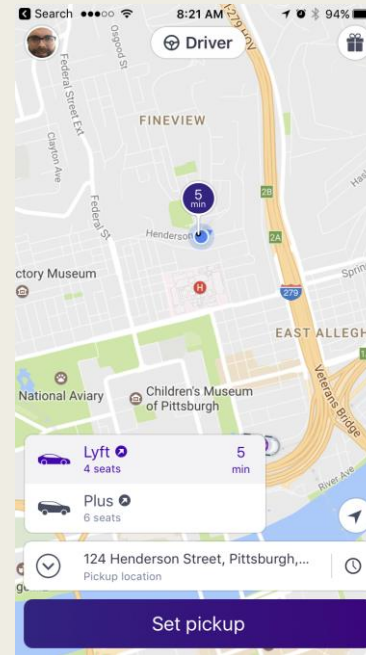
The Emerging Transportation Network Industry

- Fueled by giants like Uber and Lyft, the transportation network industry has grown to become a major and disruptive force in all forms of transportation in urban centers in the United States and around the world.
- The earliest precursor of the industry is Zipcar, founded in 2000
- Lyft precursor Zimride is founded in 2007
- Uber is launched as a black car hailing service in 2010
- Zimride launches Lyft in 2012
- Today Uber service is available in more than 500 cities around the world and Lyft operates in more than 300 cities across the United States



Transportation Network Companies

- Most TNCs allow users to request rides through a smart phone app.
- When a ride is requested, the app connects riders with nearby drivers.
- Payments are handled through the app and riders are charged a trip fee, cost per minute and cost per mile.
- Many companies implement surge pricing during periods of peak demand to encourage more drivers to drive during those time periods.



Rider Demographics

- As of 2015, 15% of American adults reported ever having used a ride-hailing service.
- For most, use of the services is sporadic.
- Riders hailing apps are more popular among younger users.
- People of color report using ride-hailing apps more frequently than whites.

Ride-hailing popular among young adults, urbanites, college grads

% who have used a ride-hailing service like Uber or Lyft

All U.S. adults	15%
Men	16
Women	14
White	14
Black	15
Latino	18
18-29	28
30-49	19
50-64	8
65+	4
HS grad or less	6
Some college	15
College grad	29
<\$30,000	10
\$30,000-\$74,999	13
\$75,000+	26
Urban	21
Suburban	15
Rural	3

Source: Survey conducted Nov. 24-Dec. 21, 2015.

"Shared, Collaborative and On Demand: The New Digital Economy"

PEW RESEARCH CENTER

Driver Demographics



- Drivers for ridesharing services are overwhelmingly male.
 - *A recent survey of 1,250 drivers found that only 19% of Uber drivers and 19.2% of Lyft drivers are female.*
 - *That is, however, considerably higher than the national average of 12.7% for taxi drivers and dramatically higher than New York City where only 1% of taxi drivers are women.*
 - *The same survey found a pay disparity between men and women with women reporting earning \$14.26 per hour compared to \$16.61 per hour for their male counterparts.*
- Drivers are also predominantly white.
 - *In a recent survey, more than 78% of respondents were white while only 7.1% were Hispanic or Latino, 6.8% Black, 0.2% Native America and 4% Asian or Pacific Islander.*
 - *Uber and Lyft drivers also reported pay discrepancies among certain ethnicities, with Black drivers reporting earning \$13.96 per hour compared to an average of \$16.08 for all Uber and Lyft drivers.*



U B E R

Uber Technologies Inc.
1455 Market St.
San Francisco, CA 94103
Uber.com

Uber



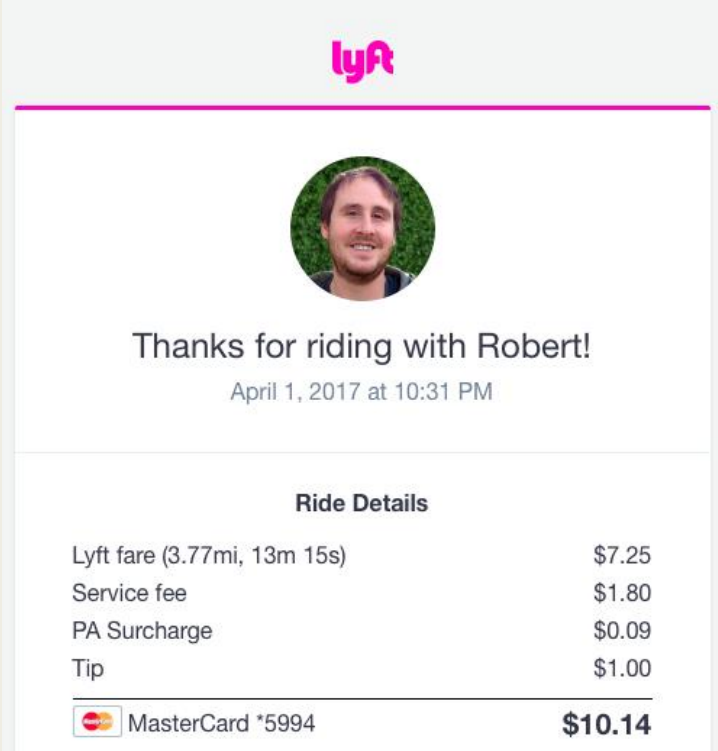
- Uber Technologies Inc. is a transportation network company headquartered in San Francisco, California with operations in more than 500 cities around the world.
- The company markets and operates Uber car transportation and food delivery mobile apps.
- The company's most well-known product uberX connects drivers operating their own cars with riders via a mobile app.
 - *Drivers use their own vehicles and are characterized by the company as independent contractors.*
- The company also operates a food-delivery service, UberEATS; a courier package delivery service, Uber Rush; a carpooling service, UberPOOL, and yellow-cab taxi hailing service, UberTAXI.
- The company reports that more than 40 million unique riders use the service each month.

Fares and Rates

- Unlike regulated yellow-cab services, Uber's fare pricing system is incredibly opaque and based on at least six variables:
 - **City**—Uber's pricing scheme varies dramatically from city to city.
 - **Vehicle Type**—Users can choose to request different types of vehicles (uberX, uberXL, uberPREMIUM, uberBLACK, uberPOOL, etc.). Rates vary for different types of vehicles.
 - **Base Fare**—In most cities, Uber charges a base fare for initiating every trip.
 - **Fare Per Minute**—Uber charges passengers a set rate for each minute of their ride.
 - **Fare Per Mile**—Uber charges passengers a set rate for each mile driven.
 - **Surge or Boost Pricing**—To encourage more drivers to offer rides at peak times and in busy areas, Uber implements surge and boost pricing. Surge and boost rates are charged as a multiplier of the fair. For example, a rider in a surging area may see a surge multiplier of 1.3x meaning that fares are 130% of normal fares.

Fees

- The company deducts an Uber Fee of 25% of the total fare and a flat Booking Fee of \$1.75 from the portion of the fares paid to drivers.
- In some cities, Uber offers drivers guaranteed hourly rates. To be eligible for the hourly guarantee, drivers must be logged into the program for a specified portion of the hour and maintain a specified acceptance rate (90% in most markets).
- Uber maintains the right to change any of its rates, fees or guarantees at any time with no notice. The lack of transparency and arbitrary nature of the company's fare and fee calculations is often cited by drivers as a major point of frustration.



The screenshot shows a Lyft ride receipt. At the top is the Lyft logo. Below it is a circular profile picture of a man with a beard, identified as Robert. The text reads "Thanks for riding with Robert!" followed by the date and time "April 1, 2017 at 10:31 PM". A section titled "Ride Details" lists the following items and prices:

Ride Details	
Lyft fare (3.77mi, 13m 15s)	\$7.25
Service fee	\$1.80
PA Surcharge	\$0.09
Tip	\$1.00
MasterCard *5994	\$10.14

History

- The idea for an app based ride-sharing service originated in Paris in 2008 when founders Travis Kalanick and Garrett Camp had trouble hailing a cab.
- UberCab launched in the summer of 2010
 - *When the company received a cease and desist order from the San Francisco Municipal Transit Agency and the California PUC the company changed its name to Uber.*
- In February of 2011 the company, then valued at \$60 million, raised an additional \$10 million in financing from Benchmark.
- In 2013 Shervin Pishevar, then of Menlo Ventures invested \$20 million in Uber and recruited syndicate of celebrities including Ari Emanuel, Ashton Kutcher, Jay Z and Jeff Bezos to invest an additional \$17.5 million.
- The company continued to grow quickly and by the summer of 2014 it would reach pre-money valuation of \$17 billion.

Travis Kalanick—Founder and CEO

- In 1998 Kalanick dropped out of UCLA to launch Scour Inc. a peer-to-peer file sharing service similar to NAPSTER.
- In 2000 the company was sued for \$250 billion for copyright infringements and went bankrupt.
- In 2001 Kalanick and his partners launched another peer-to-peer file-sharing company.
 - *The company was largely unsuccessful but Kalanick was able to sell the company for \$23 million in 2007.*



Travis Kalanick

- Today, Kalanick is worth \$5.3 billion and is the 283rd richest person in the world.
- He has developed a reputation as a relatively impulsive and confrontational character, getting into fights with the taxi industry, regulators, rivals and even customers and drivers.
 - *One venture capitalist who has worked with Kalanick says of his demeanor: “It’s douche as a tactic, not a strategy.”*
 - *He fully embraces this persona. In 2014, he told Vanity Fair, “Look, I’m a passionate entrepreneur. I’m like fire and brimstone sometimes. And so there are times when I’ll go—I’ll get too into the weeds and too into the debate, because I’m so passionate about it.”*
- In recent months Kalanick has faced down a rash of damaging news relating to his irresponsible behavior.
 - *A female employee reported an incident in 2014 where Kalanick and SVP of Business Emil Michael took Uber staffers to an escort-karaoke bar in Seoul, where male Uber managers picked women working at the bar out of a lineup.*
 - *In February, Kalanick was forced to quit President Trump’s Strategic Policy Forum after facing a massive backlash for his involvement, which was seen as tacit support of Trump and his racist policies.*
 - *Later the same month, Kalanick was forced to e-mail an apology to Uber’s entire staff after an embarrassing video of him arguing with a driver went viral*

Garret Camp—Co-Founder and Chairman



- In 2002, Garrett Camp co-founded SumbleUpon, the first web-discovery platform and personalized recommendation engine.
 - *The app was hugely successful and by 2007 Camp was able to cash in, selling the company to eBay for \$75 million.*
- Later that year, while still acting as CEO of StumbleUpon, Camp and Kalanick developed the idea for Uber and in 2009 he threw in \$250,000 of his own money to self-fund the seed round of UberCab.
- Kalanick has consistently credited Camp with coming up with the idea for Uber, saying at one early Uber event, “Garrett is the guy who invented that shit.”
- In 2013 Camp formed Expa, a startup studio that works with founders to develop and launch new products. By 2014 Expa had raised its first \$50 million from investors to fund the design and development of new companies and in 2016 the company raised another \$100 million.
- According to Forbes Magazine, Camp is the 226th richest person in the world with an estimated net worth of \$6.3 billion

Board of Directors

Name	Primary Company	Other Affiliations
Garrett Camp	Co-Founder and Chairman of Uber Technologies	Founder of Expa Capital, LC; Director of Reserve Media
Travis Kalanick	Co-Founder and CEO of Uber	Director of Hangzhou Kauizhi Technology, Co.; Director of Dolores Labs
Ryan Graves	Head of Global Operations for Uber	
Shervin Pishevar (Board Observer)	Executive Chairman of Hyperloop Technologies,	Co-Founder and Managing Director of Sherpa Ventures; Co-Founder and Co-CEO of Sherpa Global; Advisor of Task Rabbit, Inc., LaunchBox Digital and Commagere Ventures; Advisor of Fotomoto; Mentor at Oasis 500;
Bill Gurley	General Partner of Benchmark	Director of Home Grocer.com, Tradeout.com, Research Inc., Nordstrom.com, Fanbase Inc., Nextdoor, Red 5 Studios, Linden Research, Demandforce, Engim, Tropos Networks, Vessel, 1stdibs.com. Member of the Advisory Council of Red McCombs School of Business. Board member at KIPP Bay Area Schools.
David Bonderman	Chairman and Founding Partner of TPG Capital, LP	Boards of Airbnb; China International Capital Corporation; Cushman & Wakefield; the Grand Canyon Trust; Kite Pharma; the Rock and Roll Hall of Fame Foundation; Ryanar Holdings; the Wilderness Society
David Drummond	Chief Legal Officer, Senior Vice President of Corporate Development and Secretary of Alphabet Inc.	Director of Next Autowork Company, V-Vehicle Company, Rocket Lawyer Incorporated and SSI Investments II Limited.
Arianna Huffington	Thrive Global Holdings	Boards of the Berggruen Institute, the Center for Public Integrity, and Onex Corporation.

Financing and Ownership

- Uber is a privately held company that has grown rapidly and been through several rounds of financing so its financing structure is relatively opaque.
- During the company's most recent round of financing, the Uber was valued at \$62.5 billion (however some experts indicated that number was dramatically inflated).
- The initial \$250,000 in seed money needed to launch the project in 2009 came from co-founder Garrett Camp.
- The following year the company raised \$1.25 million in angel funding from a conglomerate of 29 investors.
- Over the following five years the company would go through a total of 15 funding rounds raising a total of \$11.56 billion. Notable investors include Glade Brook Capital Partners, Morgan Stanley, Fidelity Investments, and Saudi Arabia's Public Investment Fund.

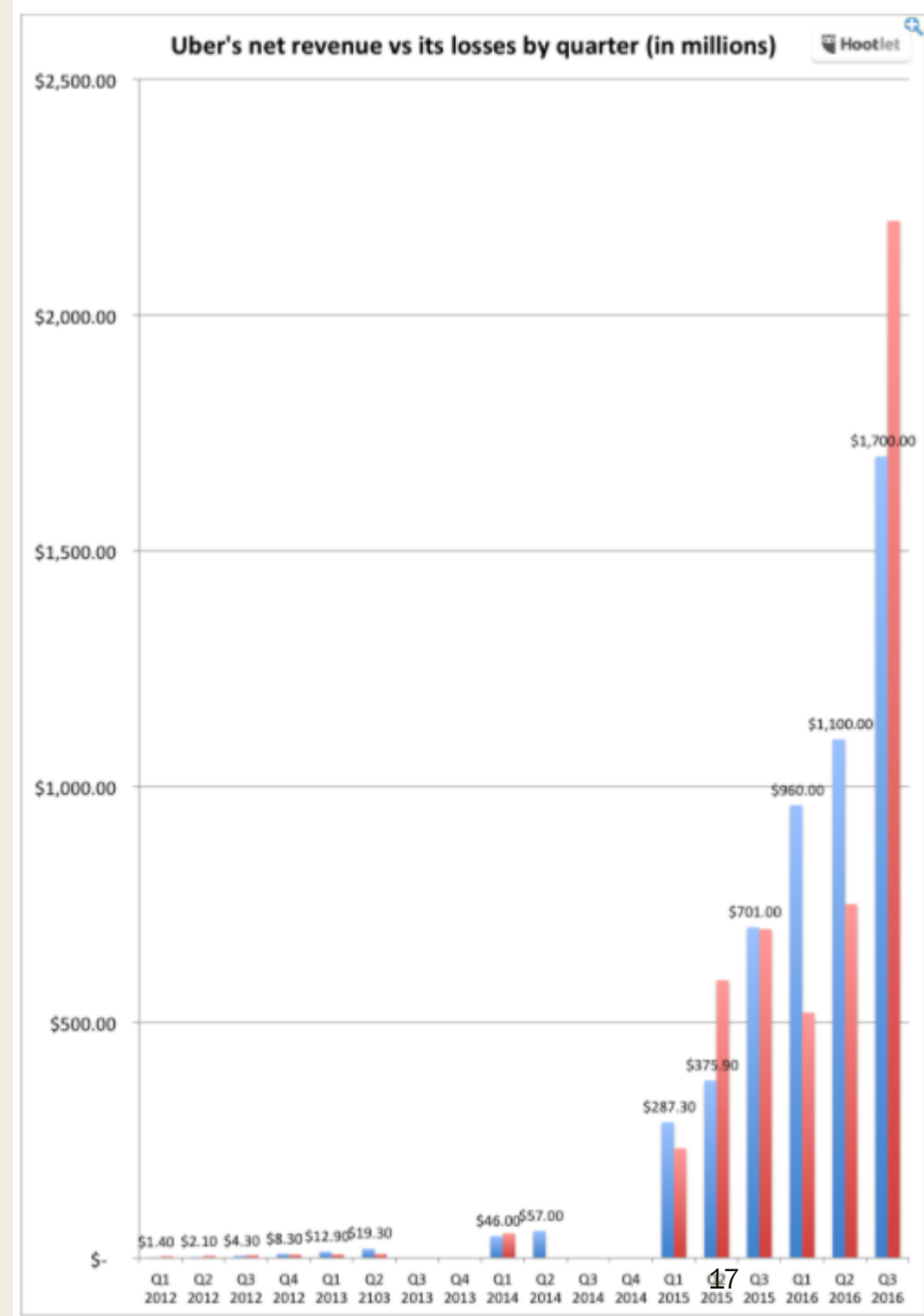
Financing

Date	Amount / Round	Valuation	Lead Investor
Jul, 2016	\$1.15B / Debt Financing	—	Morgan Stanley
Jun, 2016	\$3.5B / Private Equity	—	Saudi Arabia's Public Investment Fund
May, 2016	undisclosed amount / Series G	—	—
Feb, 2016	\$200M / Private Equity	—	Letterone Holdings SA
Aug, 2015	\$100M / Private Equity	—	Tata Capital
Jul, 2015	\$1B / Series F	—	—
Feb, 2015	\$1B / Series E	—	Glade Brook Capital Partners
Jan, 2015	\$1.6B / Debt Financing	—	Goldman Sachs
Dec, 2014	\$1.2B / Series E	\$40B	Glade Brook Capital Partners
Jun, 2014	\$1.4B / Series D	\$18.2B	Fidelity Investments
Aug, 2013	\$363M / Series C	\$3.5B	GV
Dec, 2011	\$37M / Series B	—	Menlo Ventures
Feb, 2011	\$11M / Series A	\$60M	Benchmark
Oct, 2010	\$1.25M / Angel	—	First Round
Aug, 2009	\$200k / Seed	—	Garrett Camp, Travis Kalanick

Profitability

- Although Uber is worth a reported \$62.5 billion the company is still yet to turn a profit.
- Uber's finances are not publicly disclosed and the company is notoriously secretive but a series of leaks have offered a look into the company's losses.
- In every year since its launch, Uber's losses have been greater than the previous year, growing to a loss of \$2.8 billion in 2016.
- Other metrics, however, seem more promising for Uber.
 - *The company's net revenue has grown, reaching \$1.7 billion in the 3rd quarter of 2016 (the most recent quarter on record).*

April 2017



Political and Regulatory Activity

- As Uber expanded into other cities it faced additional resistance from regulators and taxi drivers.
 - *In Washington, DC one city councilwoman introduced a transportation bill with provisions targeting the company that were literally called “Uber Amendments,” which would have put a price floor under car-service rides, effectively making Uber five times as expensive as a taxi for short trips.*
 - *Uber responded by launching a massive social media campaign which drove 50,000 original e-mails and 37,000 tweets with the hash tag #UberDCLove. The DC City Council quickly reversed its position eliminating the amendments and introducing a legal framework for “digital dispatch” in the District.*
 - *Similar scenarios played out in cities across the country.*
 - *Kalanick bragged, “what we do in all these cities is reach out to all of our users and say, take action—email your councilperson; email the mayor. Uber riders are the most affluent, influential people in their cities. When we get to a critical mass, it becomes impossible to shut us down.”*

Developing the Political Approach

- Over time, Uber has further developed its approach to moving into new markets. Kalanick told Vanity Fair, *“What we maybe should’ve realized sooner was that we are running a political campaign and the candidate is Uber...And this political race is happening in every major city in the world. And because this isn’t about a democracy, this is about a product, you can’t win 51 to 49. You have to win 98 to 2.”*
- In 2014 Uber hired David Plouffe, the campaign manager for Barack Obama’s 2008 presidential campaign to lead Uber’s public policy and communications departments.
- At the local level, the company has hired successful and high profile lobbyists to help navigate the political landscape:
 - *In Chicago, Uber hired a three-man lobbying team led by Michael Kasper, who helped Mayor Emanuel beat back an effort to remove him from the ballot during the 2011 mayoral race.*
 - *In New York City, Uber’s primary political strategist is Bradley Tusk, who served as campaign manager for Bloomberg’s reelection campaign and was former communications director for Senator Chuck Schumer.*
 - *In Denver, Uber hired former City Attorney David Fine and former Rep. David Skaggs to lobby state regulators to back off new rules that would shut down the company’s operations in the state.*
 - *In Houston, Uber hired five lobbyists to help it change city taxi ordinances. One of those lobbyists, Jeri Brooks, got himself appointed to the mayor’s city advisory committee.*
 - *In Baltimore Uber hired H. Russell Frisby, the former chairman of the Maryland PUC to help fight off a subpoena on the company’s business practices that could support the regulator’s assertion that the ridesharing company should be subject to the same regulations as traditional cab companies.*

Federal Lobbying Spending

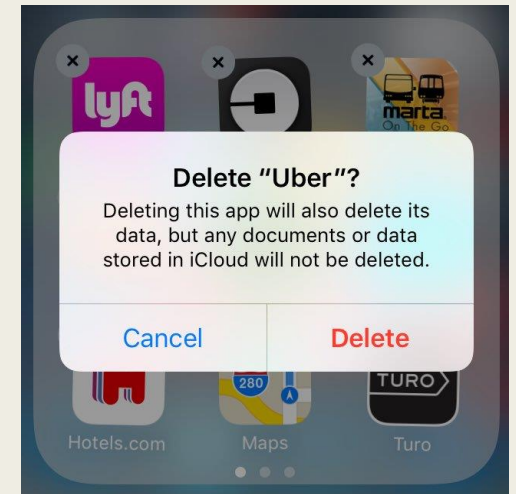
Lobbying Firm Hired	Amount	Lobbyist
<u>Capitol Tax Partners</u>	\$160,000	<u>Grafmeyer, Richard, Heck, Patrick G, Triolo, Jacob, Willcox, Lawrence G</u>
<u>Doerrer Group</u>	\$120,000	<u>Doerrer, Paul</u>
<u>Federal Hill Group</u>	\$80,000	<u>Murphy, John G</u>
<u>Franklin Square Group</u>	\$180,000	<u>Ackil, Josh, Campbell, Kara Calvert, Peters, Brian, Tanielian, Matthew, Triplette, Ryan</u>
<u>Heather Podesta & Partners</u>	\$150,000	<u>Becker, Jonathan, Hoffman, Robert, Podesta, Heather, Stanton, Mary Beth, Willoughby, Patrice</u>
<u>Mayer Brown LLP</u>	\$30,000	<u>Keeler, Timothy J</u>
<u>Uber Technologies</u>	\$1,360,000	<u>Anderson, Amanda, Worth, Brian</u>
<u>Ulman Public Policy & Federal Relations</u>	\$0	<u>Ortega, Jennifer, Thomson, Basil, Iman, Josh</u>

President's Economic Advisory Group

- In December of 2016, Uber CEO Travis Kalanick agreed to join several other industry leaders on President' Trump's Economic Advisory Group.
 - *The move was very unpopular with many senior Uber employees who found the President's politics and personal conduct abhorrent. When Trump's travel ban took effect the outrage escalated forcing Kalanick to address his involvement in the advisory council publicly, writing in an e-mail to all employees,*
 - *"I understand that many people internally and externally may not agree with that decision [to continue to participate in the advisory council], and that's OK. It's the magic of living in America that people are free to disagree. But whatever your view please know that I've always believed in principled confrontation and just change; and have never shied away (maybe to my detriment) from fighting for what's right."*
- Days later, as internal and external pressure continued to mount, Kalanick reversed course, announcing that he would be stepping down from the council. In a second e-mail to Uber employees he wrote, *"There are many ways we will continue to advocate for just change on immigration but staying on the council was going to get in the way of that."*

New York Taxi Drivers Strike

- On January 28, 2017, the New York Taxi Workers Alliance announced a one-hour strike in protest of the President's ill-fated travel ban on people from 7 majority-Muslim countries.
- Uber became part of the story when its New York City twitter handle, @Uber_NYC sent out a tweet announcing that, "Surge pricing has been turned off at #JFK Airport. This may result in longer wait times. Please be patient." Turning off surge pricing was perceived by many as a move to undermine the strike.
- Lyft entered the fray the next day when its CEO, Logan Green condemned the ban and promised that the company would donate \$1 million to the American Civil Liberties Union over the next four years.
- Within days the hashtag #DeleteUber was trending on twitter and over 200,000 users deleted their twitter accounts.
- In an effort to save face and slow the bleeding, Uber put out a statement strongly condemning the travel ban, offering free legal support for drivers impacted by the ban and creating a \$3 million legal defense fund to help drivers with immigration and translation services.



Sexual Harassment Allegations

- In February 2017 Susan Fowler, a former Uber software engineer published an expose on the culture of sexism at the company.
- The piece prompted an avalanche of reports by female employees who had also experienced sexual harassment.
- Uber quickly activated its public relations machine.
 - *The company hired former Attorney General Eric Holder to conduct an internal investigation and committed to making the findings of the investigation public.*
 - *The company also mobilized Ariana Huffington, the only woman on the company's board, and two other senior female executives for a conference call with reporters. Kalanick did not participate in the call.*
 - *Attorney General Holder's report is expected to be completed in April.*

Greyball Scandal

- In early March 2017, the New York Times published report on Uber's use of a tool called Greyball to evade and deceive authorities in areas where the service was facing scrutiny.
- The program collected data from the Uber app and other techniques to identify and circumvent officials who were trying to clamp down on the service.
- When Uber was able to identify a potential sting operation and 'greyball' authorities and block them from hailing a ride.

Ergo Surveillance

- In 2015 Andrew Schmidt filed a lawsuit against Uber alleging that CEO Travis Kalanick coordinated surge pricing in violation of anti-trust laws. The company responded by hiring a firm with ties to the CIA called Ergo (also known as Global Precision Research, LLC) to investigate Schmidt. Ergo researchers called several of Schmidt's colleagues and friends under the false pretense that they were profiling "up and coming labor lawyers."
- When Schmidt learned of the surveillance he brought the issue to the attention of the judge presiding over the ongoing price-fixing lawsuit. The judge granted a motion for discovery and ordered Uber to turn over communications between the company and Ergo.
 - *Based on the tone of the e-mails it appeared very likely that this type of investigation into opponents is standard practice for the company.*
- Tech magazine The Verge uncovered evidence that Uber had contracted with Ergo to investigate union politics in Seattle after the city passed an ordinance allowing the city. Uber confirmed having hired Ergo to conduct the investigation, characterizing the project as research into the city's political landscape.



Lyft, Inc.
185 Berry St., Ste 5000
San Francisco, CA 94107
Lyft.com

Lyft



- Riders access the Lyft platform by downloading the Lyft mobile app on their smart phone, creating an account and entering a valid form of payment. When users request a ride, the app will send the request to the nearest driver, who will have 15 seconds to accept the ride.
- Lyft currently offers four types of rides within the app:
 - *Lyft line, which is not available in all cities, is the cheapest option and will match passengers with other riders if they are going in the same direction.*
 - *Lyft is the basic offering that matches passengers with nearby drivers.*
 - *Lyft Plus matches passengers with a six-seater car.*
 - *Lyft premier matches passengers with a luxury car.*

Lyft

- Lyft charges riders a base fare, a cost per minute and a cost per mile. Fares vary from market to market.
- The company then deducts a 20-25% (20% for drivers who applied before January 2016 and 25% for drivers who applied after January 2016) commission from fares before paying drivers. The commission does not, however, apply to tips.
 - *When there are not enough drivers in a particular area to cover demand, Lyft will implement “Prime Time,” making passengers pay, an extra percentage on top of the normal fare.*
- The company also offers a Power Driver Bonus for frequent drivers. In order to be eligible for the Power Driver Bonus, drivers must maintain a 90% acceptance rate, drive a certain number of trips during pre-determined “Peak Hours” that week and drive a certain number of trips (at any time) that week. Power driver bonuses range from 10% to 20% of weekly earnings.
- Fares per minute, fares per mile, Power Driver Bonus requirements, and Lyft fees all vary from location to location and are subject to change at any time.

History

- Lyft was launched in the summer of 2012 by Logan Green and John Zimmer as a service of Zimride, a ridesharing company the two founded in 2007.
- While Zimride focused on carpools for longer trips, often between cities, Lyft was launched as an on-demand ridesharing network for shorter trips within cities.
- While Lyft faced some of the same regulatory hurdles that have hampered Uber as it grew into new markets, the company has been somewhat less confrontational with municipalities, allowing Uber to take the lead in battling with local regulators.



Logan Green—CEO

- Logan Green is the co-founder and CEO of Lyft.
- Green grew up in Santa Monica, California and studied Business Economics at the University of California at Santa Barbara.
- As a student, Green created the Green Initiative Fund, served as a board member for the Isla Vista Recreation and Park District and was the youngest member of the board of directors of the Santa Barbara Metropolitan Transit District. From August of 2007 to February 2008, Green was the Sustainability Director at UCSB.
- Green's involvement in sustainability projects and the board of Santa Barbara's Metropolitan Transit District does not necessarily mean that he's an advocate of public transportation. In 2011 he told the New York Times, "public transportation is broken. We're trying to create the next form that works"



John Zimmer—President



- John Zimmer is the co-founder and president of Lyft.
- Zimmer grew up in Greenwich, Connecticut and attended the Cornell University School of Hotel Administration.
- After graduation, Zimmer worked as an analyst in real estate finance at Lehman Brothers in New York City, spending most of his time building real estate models. He left Lehman Brothers three months before the bank declared bankruptcy.
- In 2007 Zimmer and Green co-founded Zimride, a ridesharing platform that coordinated carpools, especially across college campus.
- *In an interview with Forbes, Zimmer cited his experience traveling to and from Cornell University's remote upstate New York campus as his motivation for starting Zimride*

Board of Directors

Name	Primary Company	Other Affiliations
Anna Miura-Ko, PhD	Managing Partner of FLOODGATE Fund, LP	Director of Thinkful, Xamarin, Rise, Ayasdi, RunMyErrand, ModCloth, Refinery29, Chloe and Isabel, Wanelo, Inscopix, and CSS.
Manu Kumar (Advisor)	Founder of K9 Ventures	Director of Netspoke, Member of the Advisory Board for the Information Technology Network of the Pittsburgh Technology Council.
Scott Weiss	General Partner at Andreessen Horowitz, LLC	Director of Solera Networks, Bluebox Security, ToutApp, Pindrop Security, Skout, Distelli, Optimizely, Platfora, Silver Tail Systems, Cisco IronPort Systems, and Return Path, Inc.
Johnathan Christodoro	Chairman Enzon Pharmaceuticals, Inc.	Managing Director of Ichan Capital LP, Director of Xerox Corporation, Director of Cheniere Energy, Director of Herbalife International
Daniel Ammann	President of General Motors	Director of Hewlett Packard Enterprise Company, Opel, and General Motors Finance Company
Benjamin Horowitz	Co-Founder and General Partner at Andreessen Horowitz, LLC	Director of Skype Global, Factual Inc, 21 Inc, Usermind, Lytro Inc, Rap Genius, Tidemark Systems, Magnet Systems, SignalFix, AliphCom, Foursquare Labs, Medium, Genius Media Group, Capriza Inc, and PROFERI Inc.

Investors

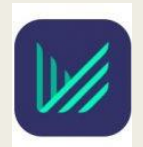
- In its first nine years in operation, Lyft raised about \$2 billion from a long investor list which includes Andreessen Horowitz, Floodgate, and Carl Ichan.
- More recently, 2015, General Motors invested \$500 million in Lyft, laying out plans to develop an on-demand network of self-driving cars with Lyft.
- In 2016 Lyft hired the boutique investment firm Qatalyst Partners to attempt to sell all or part of the company to a large automaker but at the time there were no interested buyers

Financing

Date	Amount / Round	Lead Investor
Oct, 2016	undisclosed amount / Secondary Market	—
Dec, 2015	\$1B / Series F	General Motors
May, 2015	\$150M / Series E	Icahn Enterprises
Mar, 2015	\$530M / Series E	Rakuten
Apr, 2014	\$250M / Series D	Coatue Management
May, 2013	\$60M / Series C	Andreessen Horowitz
Jan, 2013	\$15M / Series B	Founders Fund
Sep, 2011	\$6M / Series A	Mayfield Fund
Aug, 2010	\$1.2M / Seed	FLOODGATE K9 Ventures
Jul, 2008	\$300k / Seed	fbFund

Other Players in the Industry

- **ARRO**—Currently operating in New York, Chicago and Boston, Arro works exclusively with taxis, connecting riders with drivers via a smart-phone app. The service also allows users to pay their taxi drivers through the app.
- **BRIDJ**—Bridj is a commuter shuttle service based in Boston, Massachusetts, with a mobile-phone application that allows passengers to request shuttle rides between home and work during commuting hours. The company provides services in Boston and in 2016 the company announced a partnership with the Kansas City Area Transportation Authority to offer micro-transportation services to augment the city’s existing public transportation infrastructure.
- **JUNO**—Juno is a new startup ride-sharing company operating in New York City. The company launched in 2016 with the explicit goal of usurping Uber. The company only recruits drivers with a 4.7 or higher previous rating from Lyft or Uber and takes a lower commission from drivers than Uber. Juno has a finance structure that will allow drivers to own fifty percent of the founder’s equity in the company by 2026.
- **VIA**—Via offers specialty low flat rates for shared rides – from \$3.95 to \$5.95 – instead of pricing based on the duration and distance of the ride. The company is currently operating in Chicago and New York City.
- **WINGZ**—Wingz offers services to and from the airport in Dallas, Houston, Los Angeles, Phoenix, San Diego, Seattle, San Francisco and Sacramento. Users are able to book their trips in advance and “meet” their driver online.



LEGISLATIVE AND REGULATORY ISSUES

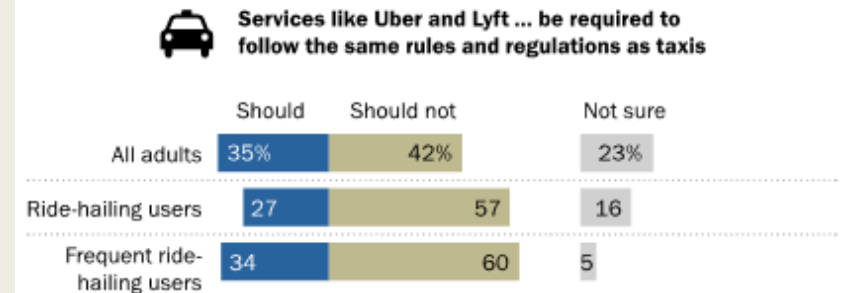


Tech or Transportation Company?

- As ridesharing services have expanded across the country, state and local officials and regulators have all struggled to keep up with the rapidly emerging industry.
- Taxi drivers and advocates for traditional taxi and chauffeur services have argued that ride sharing services are essentially taxi services and should be regulated as such. Advocates for ridesharing services have argued that ridesharing services are part of a sharing economy and should not be subject to the same regulations as taxi services.

They also tend to feel that these services should not be subject to existing regulations

Among those who have heard about the regulation debate, % who say the following statement is closest to their view



Note: Frequent users are those who use ride-hailing services on a daily or weekly basis.
Source: Survey conducted Nov. 24-Dec. 21, 2015.
"Shared, Collaborative and On Demand: The New Digital Economy"

PEW RESEARCH CENTER

Emerging Regulations

- In 2013, after declaring ridesharing illegal and slapping both Lyft and Uber with cease and desist orders in 2012, California became the first state to legalize rideshare services when the California Public Utilities Commission voted to pass proposed rules creating a new class of “transportation network companies.”
- As Uber and Lyft expanded into new markets they ran into similar roadblocks but, with a few notable exceptions and after aggressive public relations and political campaigns, transportation network companies have won the right to operate in nearly every market they have entered.
- By March 2016, 31 states and the District of Columbia had enacted rideshare legislation and at the end of March 2016 another five states were in the process of considering legislation

Regulatory Framework

- State rideshare legislation has focused on a handful of key issues including:
 - *The legality of ridesharing;*
 - *Requirements for public safety, including the adequacy of insurance coverage and background checks for drivers (particularly whether or not background checks will involve fingerprinting)*
 - *Licensing for drivers and TNCs; disclosure requirements for regulators and insurers;*
 - *Training requirements for drivers*
 - *The rights of municipalities to enact their own regulations.*

Austin, TX

- While Uber and Lyft have been able to elbow their way into most markets they have tried to enter Austin, Texas is one notable exception.
- When regulators enacted legislation that would have required fingerprinting drivers as part of a background check program both tech companies launched an aggressive lobbying campaign to overturn the rules.
- In addition to being costly and time consuming to implement, the rideshare companies argued that because fingerprint background checks reveal arrests, whether or not the arrest leads to a conviction, the law would disproportionately impact low income people and people of color who are more likely to be wrongly arrested.
- The companies collected 65,000 signatures on a petition asking the City Council to put a two-year hold on fingerprinting. The Austin City Council rejected the proposal in favor of keeping the fingerprinting requirement forcing the companies to take the issue to a referendum.
- When the proposal failed both Lyft and Uber abruptly stopped operations in Austin, with Lyft issuing the following statement, “Unfortunately, the rules passed by city council don’t allow true ride sharing to operate. Instead, they make it harder for part-time drivers, the heart of Lyft’s peer-to-peer model, to get on the road and harder for passengers to get a ride.”

Self-Driving Technology

- Self-driving vehicle technology is one of the most rapidly expanding areas of research and development in Silicon Valley and around the world.
- Uber and Lyft have both stepped into the fray joining tech giants Tesla and Waymo (Google) as well as traditional auto manufacturers in developing self-driving vehicle technology.
- Uber is currently piloting self-driving cars in California, Pittsburgh and Nevada.
- Lyft raised \$500 million from General Motors in 2016 in exchange for a 10% stake in the company and an agreement to build a network of self-driving cars together.



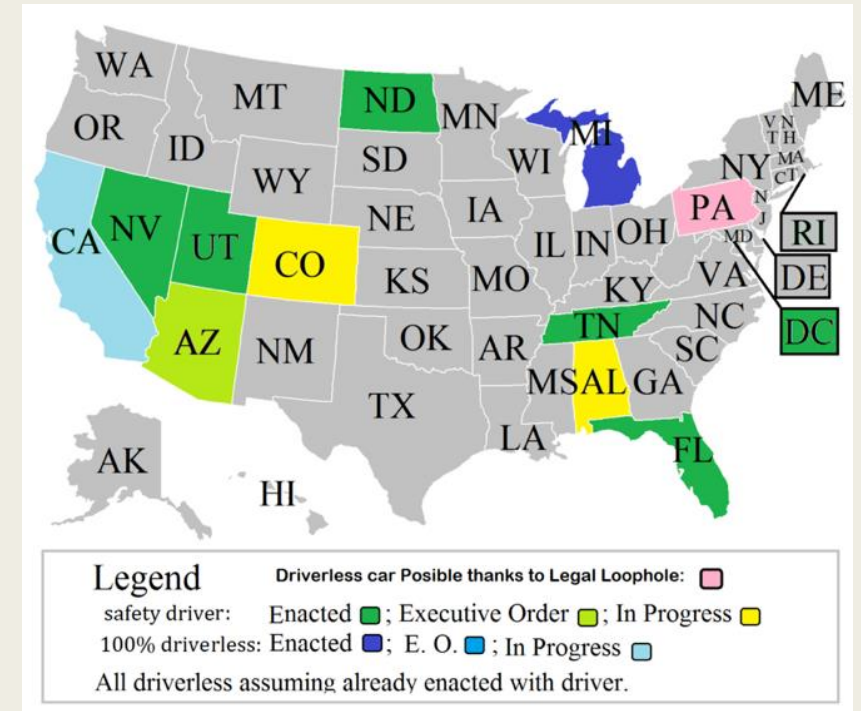
Safety

- Not surprisingly, the rise of self-driving cars has prompted enthusiastic debates about the safety of the new technology and scrutiny after accidents.
- In 2016 a fatal crash involving a Tesla Model S equipped with autopilot technology prompted an investigation by the NTSB.
 - *The NTSB released a report concluding that Tesla was not at fault and noted that crash rates were 40% lower in Tesla vehicles with autopilot installed.*
- Google reported that its Waymo driverless cars have been involved in 14 accidents since launching the vehicle in 2012, of which other drivers were at fault 13 times.
- In March of 2017 Uber suspended its self-driving car program briefly after one of its vehicles was involved in a high-impact crash in Tempe, Arizona. Police determined that the Uber car was not at fault in the accident and the self-driving cars returned to the streets days later



Regulation

- Currently there are state laws on the books governing the use of automated cars in nine states and the District of Columbia.
- At this point, only one state—Michigan—allows the use of vehicles without a backup driver in the driver’s seat.
- Many developers of self-driving car technology have complained that the patchwork of state-by-state regulations has made it difficult to make long term investments in developing the technology.
- *Several Congressional committees are currently investigating the issue and federal level legislation will likely come forward in the near future.*



Uber/Waymo Trade Secret Lawsuit

- In February 2017, Waymo, the self-driving car company owned by Google's parent Alphabet, filed a suit against Uber alleging that the company engaged in the "calculated theft" of its self-driving car technology.
- Waymo alleges that its former employee, Anthony Levandowski stole company secrets before leaving to start his own self-driving truck company, Otto.
- Uber acquired Otto and all of its intellectual property for a reported \$680 million in 2016 and began using LiDAR, a technology that Levandowski had allegedly stolen from Waymo, on its own self-driving cars.
- It is unclear how the litigation will play out if Uber is found to be at fault it could have a devastating effect on the company's plans to further deploy self-driving technology.

EMPLOYMENT ISSUES

Employment Issues

- Since its inception, one of the most controversial aspects of the ride on demand industry has been the legal status of drivers.
- Uber and Lyft have emphatically argued that drivers are independent contractors and, as such, are not entitled to minimum wage guarantees, workers compensation and unemployment coverage, or protection under the National Labor Relations Act.
- The question has been the subject of extensive litigation and is currently not fully resolved.



Litigation Regarding the Status of Employees

- In 2013, attorney Shannon Liss-Riordan filed a class action lawsuit on behalf of 385,000 current and former Uber drivers in California and Massachusetts, arguing that Uber was obligated to provide them with the kind of pay and benefits usually afforded to employees.
 - *In April of 2016, Uber agreed to pay up to \$100 million to settle the suit but still would not agree to treat drivers as employees. August of that year, the court rejected the settlement citing concerns that the settlement would undercut the potential for massive penalties that could be recovered under the Private Attorney General Act (PAGA).*
- A complicating factor in the litigation is the arbitration clause that appears in the terms of service that drivers agree to while signing up to drive for Uber. Uber argues that any claims related to use of its service should be adjudicated through a binding arbitration process. Different courts have issued different rulings on the issue.
- In the time since the lawsuit was originally filed, the California Labor Commissioner, the California Unemployment Insurance Appeals Board, and the New York State Department of Labor have ruled that Uber drivers are employees, not independent contractors and the Bureau of Labor and Industries of the State of Oregon has issued an Advisory Opinion that Uber drivers are employees.
- The class action suit led by Liss-Riordan is not the only challenge to Uber's use of independent contract classifications. In June of 2016 a group representing 5,000 Uber drivers in New York City filed a lawsuit arguing that drivers were misclassified as independent contractors by the company.
- At least nine other employment classifications are pending in states including Massachusetts, Indiana, and Texas. Four other cases have been sent to arbitration where drivers are bringing individual claims rather than seeking settlement as a class.

Background Check Suits

- In February of 2011 Uber agreed to settle two class-action lawsuits alleging that it misrepresented its driver screening and safety program by charging a safe ride fee and marketed itself as “the safest ride on the road.”
- The company also agreed to change the name of the fee from the “safe ride fee” to “booking fee.” Later, Uber agreed to pay \$10 million to settle another lawsuit in California alleging that the company misrepresented the stringency of its background checks.
 - *The case was filed in 2014 after the District Attorney for San Francisco discovered 25 instances of Uber allowing drivers with serious criminal backgrounds to transport passengers.*
- At the complete opposite end of the spectrum, Uber also agreed to pay \$7.5 million to settle another lawsuit brought forth by drivers who alleged that Uber terminated their accounts after obtaining their background reports without authorization

Austin WARN Suit

- After voters in Austin, TX failed to pass a ballot initiative backed by Uber and Lyft that would have eliminated a requirement for fingerprint background checks for drivers both companies abruptly stopped service in the city leaving roughly 10,000 drivers without work.
- Two drivers filed suit against the rideshare companies alleging that they violated the WARN act by failing to provide employees at least 60 days' notice before the mass layoff.
 - *As with other employment related litigation, the core question here will be whether or not rideshare drivers are considered employees or independent contractors.*



Drivers' Guilds

- In May of 2016 the International Association of Machinists (IAM) and Uber announce that they had reached a five-year agreement that would allow the union to provide some representation to the 35,000 Uber drivers in New York City.
 - *Drivers would become members of the Independent Drivers Guild which would meet with Uber management on a “regular basis” to discuss drivers’ issues. The agreement also established an appeals panel to review account deactivations..”*
 - *While the IAM touted the agreement as a major victory for drivers, other labor advocates argued that the quasi-union guild model fell far short of address drivers’ needs for a voice at work. In October 2016, a group of Uber drivers along with the New York Taxi Workers Alliance (NYTWA) relaunched a lawsuit arguing that drivers should be considered employees and have the right to collectively bargain under the NLRA.*
- The IAM is working to organize a similar guild in Philadelphia and the Teamsters are working to employ a similar model in San Francisco and Los Angeles with both Lyft and Uber drivers.

Seattle Unionization Efforts

- In late 2015, the Seattle City Council passed an ordinance that would allow rideshare and taxi drivers to engage in collective bargaining.
 - *The US Chamber of Commerce and a group of Lyft and Uber drivers have filed separate lawsuits arguing that as independent contractors, drivers do not have the right to unionize under federal labor law.*
- The lawsuit hasn't stopped organizing efforts. Teamsters Local 117 has launched an aggressive campaign to unionize drivers and filed a request for a list of drivers' contact information.
- The legal challenges to the collective bargaining law have not stopped Uber from wading into the campaign either.
 - *The company has launched an extensive anti-union campaign including a podcast series, television and newspaper advertisements as well as e-mails and in-person meetings. The most salient threat that Uber has made in its anti-union campaign is that if drivers were to be unionized they would lose the flexibility to drive when they want—a key feature attracting many drivers to the platform*

IMPACT ON ESTABLISHED TRANSIT INDUSTRY

Impact on Taxi Industry

- The emergence of the sharing economy or the gig economy has widely been referred to as a disruptive market force.
- While the emergence of these new economic models has impacted industries ranging from public transportation to grocery distribution to hotels and hospitality, no single market has faced as direct a challenge as the taxi industry.
- As Uber and Lyft drivers working in a largely unregulated market compete head-to-head with taxi drivers working under onerous regulatory schemes wages for traditional taxi drivers have fallen and large taxi companies have been forced out of business.
- Perhaps the most measurable impact on the traditional taxi industry is the precipitous drop in prices for the taxi medallions required to operate a cab.
 - *In New York, medallion prices dropped to \$805,000 in 2015 from a peak of \$1.05 million in 2013—a 23% drop. In Chicago prices dropped by 17% over the same time period and in Boston, prices dropped from \$700,000 to \$500,000*

Impact on Mass Transit Industry

- Within a few years of initiating service in many cities Uber, Lyft and public transit officials noticed a large portion of rides starting or ending near transit stations meaning that people were using the ridesharing service to complete the “first and last” miles between existing public transportation infrastructure.
- Lyft has launched a “Friends with Transit” program to “Explore the intersection of Lyft and public transportation.”
- In 2015, Lyft conducted a nationwide survey of riders and found that a full 25% of riders use Lyft to connect to public transit. The study also found that a large portion of weekend rides occur between midnight and 5 am—times with limited public transit coverage.

Contracts and Collaborations with Municipalities

- In early 2016, the Pinellas Suncoast Transit Authority (PSTA) piloted a program to offer Uber rides at a 50% discount, with a maximum subsidy per ride of \$3, to connect riders to the transit system.
 - *Based on early projections officials believe that the program will cost \$40,000 per year, about a quarter of the cost of the two bus lines it replaced. In August of 2016 PSTA expanded the program to offer subsidies on all trips beginning or ending at 20 designated transit stops.*
- Later in 2016, Lyft developed a similar partnership with Centennial, Colorado cutting shuttle buses to some areas but offering to pay for Lyft rides to and from a regional rail stop that had been previously covered by a shuttle bus. ***The city believes that the program will actually increase ridership, predicting that the new system will generate 280 rides per day, about six times as many rides as it handles through the bus services.***
- In February 2016, the Los Angeles Times reported on talks between Lyft and the Los Angeles County Metropolitan Transit Authority to begin sharing data on the percentage of rides beginning or ending at key Metro stations. By November of 2016 Lyft and Metrolink had announced a joint promotion to offer Metrolink pass holders \$50 in Lyft ride credit for rides to and from Los Angeles Union Station, and Lyft users were offered two free round-trip tickets on Metrolink

Uber and Lyft Public/Private Partnerships

Location	Partnership	Summary
Pinellas County, Florida	PSTA & Uber Free/Discounted Ride Program	Free rides and transportation for economically disadvantaged riders and discounted rides within certain geographic areas.
San Diego, California	MTS San Diego & Uber	\$5 discount for UberPool rides to or from MTS transit centers during Comic-Con and MLB All Star Game
Philadelphia, Pennsylvania	SEPTA & Uber Transit Partnership	40% discount on Uber rides to or from suburban rail stations
Altamonte Springs, Florida	Altamonte Springs & Uber	Discount on rides within Altamonte Springs and to/from commuter train station
Boston, Massachusetts	MBTA & Uber/Lyft	Subsidized rides for disabled passengers. Passenger pays first \$2 with MBTA covering next \$13.
Centennial, Colorado	Centennial & Lyft	Fully subsidized Lyft Line rides to/from the city's light rail station during commuting hours
Atlanta, Georgia	MARTA & Uber ("Last Mile Campaign")	\$20 Uber discount for users signing up using the code MARTAGuide
Dallas, TX	DART & Uber	Uber available through DART's mobile app
Los Angeles, California	Lyft, Xerox and the City of LA	Integrated mobility app that combines public transportation and Lyft routing options
Washington, DC	Washington DC Emergency Services & Uber	Proposal to use Uber to transport non-critical 911 callers
Dublin, California	LAVTA & Uber/Lyft/Taxis	Replace bus service with wheels on demand service to Dublin BART station
Arlington, Virginia	Arlington County & Uber/Lyft	Proposal to use rideshare to replace low use (15 passengers/hour) bus routes and connect riders with transit centers

Impact on Paratransit Industry

- The paratransit industry is one segment of the transportation sector that is likely to face significant competition from ridesharing services like Uber and Lyft.
- With the cost of a paratransit ride at a nationwide average of \$29.30, transit agencies are eager to look to ridesharing programs to cut costs.
- In September 2016, the Massachusetts Bay Transit Authority launched a first-of-its-kind pilot program to allow some residents with disabilities to make subsidized travel with Lyft or Uber. Boston's door-to-door service for disabled and elderly passengers known as The Ride has a budget of over \$100 million per year and each ride costs \$31. Under the new program each Uber and Lyft ride will cost the agency \$13, a savings of more than 70%.
- In 2015 the Brookings Institute released a report suggesting that transit authorities could save \$1.1 to \$2.1 billion per year by partnering with TNCs to offer paratransit services.
 - *In response the ATU published its own paper arguing that the position fails to consider the specific requirements of paratransit vehicles and “unwittingly promotes the segregation of transportation for people with disabilities and the elimination of labor protections for an already devastated workforce.”*

Accommodating Riders with Disabilities

- While taxi services and public transportation authorities are required to offer accommodations to riders with disabilities, Uber and Lyft have argued that the law does not apply to them.
- The two companies have been named as defendants in a smattering of lawsuits alleging that they violated the Americans with Disabilities Act by failing to make their cars handicapped accessible.
 - *One lawsuit filed by the National Federation of the Blind of California alleges that an UberX driver stuffed a blind passenger's guide dog in the trunk, and refused to stop to let the animal out.*
 - *A physically disabled woman in Austin, Texas filed a lawsuit after a Lyft driver left her on the curb because her wheelchair couldn't fit in the car.*

TRANSPORTATION NETWORK COMPANIES IN MARKETS WITH SIGNIFICANT TWU MEMBERSHIP

Ann Arbor, MI

Start Date	April 2014
Regulatory History	Just three weeks after Lyft and Uber launched in Ann Arbor, City Attorney Kristen Larcom sent cease and desist letters demanding that the companies immediately stop their Ann Arbor operations per the existing Michigan Limousine Transportation Act. Uber and Lyft both ignored the order and continued operating in the city, promising to pay fines any drivers receive. The city blinked and ended up not fining any drivers.
Current Regulations	In December 2016, Michigan Governor Snyder signed a state-wide bill into law that would classify TNCs as taxis but dramatically relax regulations on taxis. Under the new law taxis and TNCs would be required to register annually with the state and pay a per-vehicle fee. Drivers would register through companies (not the state) and companies would be required to conduct background checks.
Public Sector Partnership	None have been publicly reported.
Uber Rates	Uber offers service but rates are unavailable.
Lyft Rates	Base Fare: \$1 Cost Per Mile: \$0.90 Cost Per Minute: \$0.15 Service Fee: \$2.00

Chicago, IL

Start Date	April 2012
Regulatory History	In 2012 taxi and livery companies sued Uber for consumer fraud alleging that they were not properly inspecting vehicles, or ensuring that vehicles were properly ensured.
Current Regulations	Rideshare drivers must acquire a special chauffeur's license, which can be attained through an online course but must be renewed yearly. Drivers may not use vehicles older than 6 years old unless they submit to semi-annual vehicle testing.
Public Sector Partnership	None have been publicly reported.
Uber Rates	Base Fare: \$1.79 Cost Per Minute: \$0.20 Cost Per Mile: \$0.90 Service Fee: \$1.40
Lyft Rates	Base Fare: \$1.70 Cost Per Mile: \$0.15 Cost Per Minute: \$0.20 Service Fee: \$1.40 City & Accessibility Fee: \$0.50

Columbus, OH

Start Date	October 2013
Regulatory History	The city of Columbus implemented an ordinance in September of 2014 that would require each driver to apply for a license through the city's license administration, pay a \$35 fee and submit to a background check. Lyft left the city arguing that the regulations were too onerous. Then in 2016 a new state law pre-empted the local regulations.
Current Regulations	Companies must pay a \$5,000 permit to the PUC of Ohio, ensure that drivers are covered by liability insurance and conduct background checks. Drivers must be at least 19 years old and are barred from picking up passengers off the street.
Public Sector Partnership	In February 2017, the Central Ohio Transit Authority raised the possibility of partnering with ridesharing companies for first/last mile service as part of its NextGen plan.
Uber Rates	Base Fare: \$0.50 Cost Per Minute: \$0.18 Cost Per Mile: \$1.10 Service Fee: \$1.80
Lyft Rates	Base Fare: \$0.50 Cost Per Minute: \$0.18 Cost Per Mile: \$1.10 Service Fee: \$1.80

Houston, TX

Start Date	February 2014
Regulatory History	In 2014 Houston adopted a set of stringent policies that would require drivers to submit to fingerprint background checks, submit to a physical exam, carry a fire extinguisher in their car and always wear a collared shirt. Lyft left the city immediately but Uber stayed to fight it out with local regulators. In the lead up to Super Bowl Uber, Lyft and the city council came up with a short term compromise.
Current Regulations	Drivers must submit to a fingerprint background check, limited drug testing, drive a car no older than 10 years old.
Public Sector Partnership	None have been publicly reported.
Uber Rates	Base Fare: \$1.00 Cost Per Minute: \$0.11 Cost Per Mile: \$0.87 Service Fee: \$2.30
Lyft Rates	Not Available

Miami, FL

Start Date	Summer of 2014
Regulatory History	Regulators initially cracked down heavily on drivers writing close to \$4 million worth of citations (which Uber promised to pay). In 2016 Miami-Dade commissioners passed an ordinance that legalized TNCs.
Current Regulations	New law requires companies to conduct background checks on drivers (but no fingerprints) and loosens existing regulations on taxi drivers but requires traditional cab services to offer app-based hailing software.
Public Sector Partnership	In August 2016 the Miami-Dade Department of Transportation and Public Works (DTPW) announced a promotion that would offer \$3 UberPOOL rides to and any Metrorail stop.
Uber Rates	Base Fare: \$0.95 Cost Per Minute: \$0.13 Cost Per Mile: \$0.85 Service Fee: \$1.90
Lyft Rates	Base Fare: \$0.95 Cost Per Mile: \$0.85 Cost Per Minute: \$0.13 Service Fee: \$1.90

New York City

Start Date	May 2011
Regulatory History	The relationship between TNCs and New York City regulators got off to a very rocky start with a series of legal battles, proposals to cap the number of vehicles on the road, and other regulations. In 2016, after a 5 year battle the New York City Council passed a set of regulations governing the ride sharing service.
Current Regulations	Drivers are required to get a TLC license from the city including a fingerprint background check, drug test, medical exam, and defensive driving course.
Public Sector Partnership	In December 2016 MTA started a pilot program putting Access-A-Ride paratransit passengers in Uber cars and taxi-cabs. Disability advocates blasted the move as discriminatory because Uber vehicles are not wheelchair accessible.
Uber Rates	Base Fare: \$3.85 Cost Per Minute: \$0.50 Cost Per Mile: \$2.85 Service Fee: \$0.00
Lyft Rates	Base Fare: \$2.55 Cost Per Mile: \$1.75 Cost Per Minute: \$0.35 Service Fee: \$0.00

Omaha, NE

Start Date	April 2014
Regulatory History	When Uber and Lyft came to Omaha both companies received cease and desist orders some drivers received tickets but by mid 2015 regulators passed a law legalizing and regulating TNCs.
Current Regulations	Drivers be at least 21 years old and must obtain permits and pay fees to the Nebraska Public Service Commission.
Public Sector Partnership	Omaha MTA told the Omaha World that it has “not had any discussions about going out for bid to subcontract our paratransit services to Uber, Lyft or anyone else.”
Uber Rates	Base Fare: \$0.40 Cost Per Minute: \$0.20 Cost Per Mile: \$0.90 Service Fee: \$1.90
Lyft Rates	Base Fare: \$0.40 Cost Per Mile: \$0.90 Cost Per Minute: \$0.20 Service Fee: \$1.90

Philadelphia, PA

Start Date	2014
Regulatory History	Uber began operating in Philadelphia in 2014 in the face of strong opposition from Philadelphia taxi drivers. The Pennsylvania Public Utilities Commission issued a cease and desist order and ultimately fined the company \$11.4 million for operating for six months without approval. In the lead up to the Democratic National Convention, while many SEPTA trains were out of service the city relaxed regulations and in 2016 Governor Wolf signed new regulations into law.
Current Regulations	Drivers must be at least 21 years old and pass an online background check. There is a 1.4% tax on all Uber and Lyft rides that benefits Philadelphia School District.
Public Sector Partnership	In May 2016 Uber and SEPTA announced a pilot program to offer 40% discounts on Uber rides that begin or end at 11 select Regional Rail stations in Bucks, Chester, Delaware, and Montgomery Counties.
Uber Rates	Base Fare: \$3.00 Cost Per Minute: \$0.25 Cost Per Mile: \$2.00 Service Fee: \$1.45
Lyft Rates	Base Fare: \$1.25 Cost Per Mile: \$1.10 Cost Per Minute: \$0.18 Service Fee: \$1.45

San Francisco, CA

Start Date	Summer 2010
Regulatory History	By October 2010 the California Public Utilities Commission issued a cease and desist order against UberCab. The company changed the name of the service to Uber and ignored the order.
Current Regulations	Drivers are required to pass background checks. TNCs are required to open their books to the CPUC on proof of insurance, background check information, licenses, and inspection records. TNCs must also prepare annual reports on ‘fair-splitting’ programs like UberPool and Lyft Line.
Public Sector Partnership	None have been publicly reported.
Uber Rates	Base Fare: \$2.00 Cost Per Minute: \$0.22 Cost Per Mile: \$1.15 Service Fee: \$1.75
Lyft Rates	Base Fare: \$2.00 Cost Per Mile: \$1.15 Cost Per Minute: \$0.22 Service Fee: \$1.75

Washington, DC

Start Date	December 2011
Regulatory History	One city councilwoman introduced a transportation bill with provisions targeting the company that were literally called “Uber Amendments,” which would have put a price floor under car-service rides, effectively making Uber five times as expensive as a taxi for short trips. Uber responded by launching a massive social media campaign which drove 50,000 original e-mails and 37,000 tweets with the hash tag #UberDCLove. The DC City Council quickly reversed its position eliminating the amendments and introducing a legal framework for “digital dispatch” in the District.
Current Regulations	Companies must provide insurance coverage of at least \$1million per occurrence for accidents, drivers must be 21 years old, pass a criminal background check and driving history check. Similar laws are in effect or being proposed in Virginia and Maryland.
Public Sector Partnership	In fall 2016 DC Metro issued a request for proposals for ride sharing services to participate in a pilot program providing service to paratransit riders in Maryland suburbs. Service is expected to begin in spring 2017.
Uber Rates	Base Fare: \$1.15 Cost Per Minute: \$0.17 Cost Per Mile: \$1.02 Service Fee: \$1.55
Lyft Rates	Base Fare: \$1.15 Cost Per Mile: \$1.02 Cost Per Minute: \$0.17 Service Fee: \$1.55

Winston Salem, NC

Start Date	June 2014
Regulatory History	The South Carolina PUC sent Uber a cease and desist order shortly after the company launched. When the PUC saw a huge backlash from lawmakers it granted the company a temporary license to operate while lawmakers worked out a solution.
Current Regulations	Drivers must pass a background check, maintain proper insurance, pass a vehicle safety inspection and display a removable emblem while available to riders.
Public Sector Partnership	None have been publicly reported.
Uber Rates	Uber offers service but rates are unavailable.
Lyft Rates	Base Fare: \$1.20 Cost Per Mile: \$0.80 Cost Per Minute: \$0.15 Service Fee: \$2.25