



City of Phoenix

AVIATION DEPARTMENT

November 6, 2019

Bakari Brock
Lyft
185 Berry St, Suite 5000
San Francisco, CA 94107

Dear Mr. Brock,

We are in receipt of your letter of November 4, regarding the cost of doing business at Phoenix Sky Harbor International Airport. While we have met with Lyft on multiple occasions, you have asked to meet with us again, and we are open to doing that and providing further clarification on the proposed fee increase.

Prior to our meeting, allow me to set the record straight on several claims made in your letter.

- *Lyft passengers and drivers were prohibited from providing public comments prior to the Council vote on October 16:*
This is not true. On October 16, five people testified on behalf of the rideshare position and public comment lasted 50 minutes. Lyft was also in attendance and had the opportunity to comment three other times where this item was addressed, including the Phoenix Aviation Advisory Board subcommittee on September 12, the full board meeting on September 19 and the Phoenix City Council subcommittee meeting on October 2.
- *The new fee will increase to \$4, then \$5 for both pick-up and drop-off:*
This is not fully accurate. There is a proposed option for pick-up and drop-off at the 44th Street Sky Train station with the fee of only \$2.80. (All of which is for service that is similar to that of many other large airports.) However, the premium curbside service is proposed \$4.00.
- *Price sensitive Lyft riders can't afford the increase:*
Saying this is misguided as the business fee increase is intended for the transportation companies. It will be up to Lyft to determine if the increase is passed on to customers.

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- *This tax punishes riders. This unfairly burdens them with a \$26M price tag tied to the train:*

This is false on several fronts. First, the \$26M covers multiple areas that allow for all ground transportation companies to conduct their business. Lyft's share, based on current ridership, would be about \$6M of that total. It is very expensive to provide a suitable environment for ride share companies to make a profit from airport customers. The overall \$26M includes roadway maintenance, signage, technology and staffing to ensure the safety of drivers and riders. It is up to those for-profit companies if they choose to pass their cost of doing business on to their customers. At this time, the airport and all of its vendors (except ground transportation) are subsidizing this cost of doing business for companies like Lyft.

Second, it is not a tax, it is a business fee. There is a significant difference between the two. Just like the shops, restaurants and services at the airport pay rent at market rate for the privilege of making a profit from airport customers, so should ride share companies. As businesses profit from airport customers and pay fees to the airport, those fees are 100% reinvested into the airport to provide facilities and services.

As for the PHX Sky Train, it was built to alleviate roadway and curbside congestion in a highly-constrained, city airport environment. The Airport's investment in train service clears the way for businesses like ride share companies to easily access the roadways and curbs, thousands of times each day and make a profit from airport customers.

If you choose to cease operations at Sky Harbor we will do our utmost to assist in directing passengers to other services available. Again, we are happy to meet again and explain further if necessary.

Sincerely,



James E. Bennett, A.A.E.
Director of Aviation Services

cc: Mayor Kate Gallego, City of Phoenix
Ed Zuercher, City Manager, City of Phoenix
Leezie Kim, Chair, Phoenix Aviation Advisory Board