



185 Berry Street
Suite 5000
San Francisco, CA 94107

President Elliot Payne
City Hall
350 Fifth St. S., Room 304
Minneapolis, MN 55415

Re: Lyft Opposition to proposed Ordinance 2024-00146

Dear President Payne,

We are writing to express our grave concerns regarding the proposed rideshare ordinance currently before the City Council.

Last summer, we wrote to express our concerns about a previous, similar ordinance. In that letter, we stated that we were committed to working with stakeholders to develop policies that provide Minnesota rideshare drivers with a minimum earnings guarantee and other protections. Lyft has upheld that commitment. We have continued to participate in the Governor's Task Force, engaged in ongoing conversations with drivers, labor, and City Council, and confidentially provided unprecedented amounts of data to the Minnesota Department of Labor for a study on driver earnings, all in the hopes of arriving at a sustainable policy solution. This on top of proactive steps the company has taken in recent weeks to improve Minneapolis driver pay, including implementing a \$5 per ride pay minimum and announcing a new earning commitment where drivers will now earn at least 70% of what riders pay on a weekly basis, after external fees.

In contrast, over that same period, Lyft did not receive a single invitation to meet or work with City Council members or city agencies, nor a single request for information or data, even while the city conducted its own rideshare "study." The study was not based on any real-world data and was instead based on assumptions. Indeed, the City Council decided to ignore the ongoing stakeholder collaborations and instead put forth the same unworkable proposal, picking the most extreme option presented to the Council through its study, even though the same study states clearly that the other pricing models would also achieve the stated policy goal. Model A, as the study calls it, would likely make rider fares too high for Minneapolis Lyft riders, the majority of whom are well below the state's median household income, and significantly undercut driver earnings by reducing ride volume. As we have stated previously, if this proposal becomes law, Lyft will be forced to cease operations in the City of Minneapolis, and possibly the rest of the state, on its effective date of April 1, 2024.

The Washington Legislation is not a fit for Minneapolis

The legislation in Washington is often cited as a model for the requirements that the Minneapolis City Council wishes to implement. However, Seattle and Minneapolis are two very different cities, and any legislation for Minneapolis should take into account the unique needs of the city's residents. Riders in Seattle are significantly more wealthy than riders in Minneapolis: the median income of a Seattle rider is \$103k, nearly twice that of the \$56,500 median income of a Minneapolis rider.

And furthermore, one of the consequences of the legislation in Washington is that it led to increased fares for Lyft riders that likely made the rider pool skew significantly higher income. In 2022, before implementation, the median income of Seattle riders was \$77,600, a difference of over \$25k from the current median income. This data suggests that legislation such as the Washington model might make rideshare a luxury good, only available to the highest-income residents. This is not what the people in Minneapolis need from their City Council. Much like last year's ordinance, this purportedly pro-driver ordinance is actually anti-working family.

The Washington legislation is an example of cross-functional collaboration between lawmakers, companies, drivers, and labor. However, it is a unique solution designed for Washington, and we are continuously monitoring its impacts on riders and drivers in that state. The solution for Minneapolis should be just as carefully designed and monitored, and not copied exactly from a market that bears little resemblance to Minneapolis and its riders.

In fact, delivery [workers in Seattle have recently been expressing concerns](#) about a new proposal the city adopted early this year to increase pay. While delivery workers are finding individual assignments that offer higher pay, they note that the total number of opportunities in the market has fallen, with customers ordering less and even deleting the apps. Ultimately, the ordinance is hurting the very workers it was designed to help. The Minneapolis City Council is considering a similar approach with very high pay figures that could potentially lead to less ride requests and ultimately less money for Lyft drivers.

The City Council rates exceed all other reasonable proposals

Thousands of people in Minneapolis rely on rideshare as an important earning opportunity. Earlier this month, Lyft released a white paper on driver earnings. It found that nationally, the U.S driver, using their own vehicle, earned \$23.46 per engaged hour (including tips and bonuses) in the 2nd half of 2023 after subtracting costs such as estimated fuel, maintenance/repair, marginal depreciation, and cleaning costs from gross earnings. We also found drivers on the Lyft platform in Minneapolis earn higher than the national figure, at \$25.94 per engaged hour (including tips and bonuses) after estimated expenses, far exceeding the city's \$15.57 minimum wage.

While we have said repeatedly we would support a proposal to create an earnings floor, this proposed ordinance sets driver earnings at over \$50 per engaged hour. This is out of step with the reality of how our marketplace can be run – and to suggest that the goal of this policy is simply to ensure drivers clear the city's minimum wage is blatantly dishonest. Ignoring these facts sets up this policy for failure and is unfair to the drivers and riders the Council aims to serve.

Lyft requests that the City Council join other stakeholders and add its voice to advocate for a sustainable statewide solution.

Sincerely,



Jeremy Bird
Chief Policy Officer
Lyft

CC: Council Member Elliot Payne
Council Member Robin Wonsley
Council Member Michael Rainville
Council Member LaTrisha Vetaw
Council Member Jeremiah Ellison
Council Member Jamal Osman
Council Member Lisa Goodman
Council Member Jason Chavez
Council Member Aisha Chughtai
Council Member Emily Koski
Council Member Andrew Johnson
Council Member Linea Palmisano
Mayor Jacob Frey