



February 12, 2019

Hon. Mark Mitchell, Mayor  
Hon. Members of the Tempe City Council  
31 E. 5<sup>th</sup> Street  
Tempe, AZ 85281

RE: Shared Active Transportation Vehicle (SATV) License Application

Dear Mayor Mitchell and Members of the City Council,

Since Razor launched its dockless shared scooter service in Tempe last year, we have responsibly provided residents and visitors with a reliable, convenient, and green means of transportation. We have worked to be a dependable community partner, while developing a transit option for Tempe that is both financially and operationally sustainable for our company.

We have been pleased with the results of our efforts and the roots we have developed within the Tempe community. We have now served tens of thousands of riders, all the while forging close partnerships with Tempe's various micro-mobility stakeholders. However, the City's new license agreement, as currently written, seriously threatens our ability to continue operating in Tempe.

The daily \$1.06 per vehicle fee is, without exaggeration, orders of magnitude higher than any other market in which we currently operate or are planning to operate. From the City's perspective, it may seem like (a) micro-mobility businesses can afford to pay more, and (b) all Tempe needs is for at least one vendor to remain in market. However, this fee will fundamentally prevent any vendor from creating a sustainable business in the city. Although some operators may attempt to maintain operations in the short term, it is highly likely that all vendors, including Razor, will be forced fold their Tempe operations under this substantial financial burden.

This fee, coupled with the license's overly-broad indemnification language, will ultimately suffocate operators, which we believe is not in the best interests of Tempe. We have sought to work with the City to establish more reasonable license terms that also protect Tempe's legal and financial interests. We have proposed an alternative fee structure that would require operators to pay an up-front permit fee plus a per/ride fee. We have also submitted proposed indemnification language that precludes the City from being liable for negligence on the part of operators or their customers. These suggested provisions are in line with the regulatory frameworks of most other cities, and would allow for a thriving marketplace of micro-mobility solutions.

While we hoped to come to a mutually beneficial resolution to this policy debate, we have been wholly unsuccessful in our efforts thus far. As it stands, the status quo will prevent Razor from being able to serve Tempe beyond the next 30-60 days. We will continue to closely

evaluate the viability of our Tempe operations over the next month in hopes of finding a way to operate sustainably without completely suspending our service.

We encourage you to reconsider the previous suggestions that we, and other operators, have shared with you over the past months. We hope to continue working with Tempe to ensure that micro-mobility remains a welcome and integral part of your City's transit network.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Simon', with a stylized flourish at the end.

Danny Simon  
Chief Operating Officer  
Razor USA