

Executive Summary

Legislative

Infrastructural

Technical

Behavioural

Refutation

Micro-case №2

# LOVE-HATE relationship with electronic scooters

Scooter Transportation Management Concept



# Our Team



# Executive Summary

**Key task:** Produce Scooter Transportation Management Concept, that can be implemented by municipalities of Yerevan.

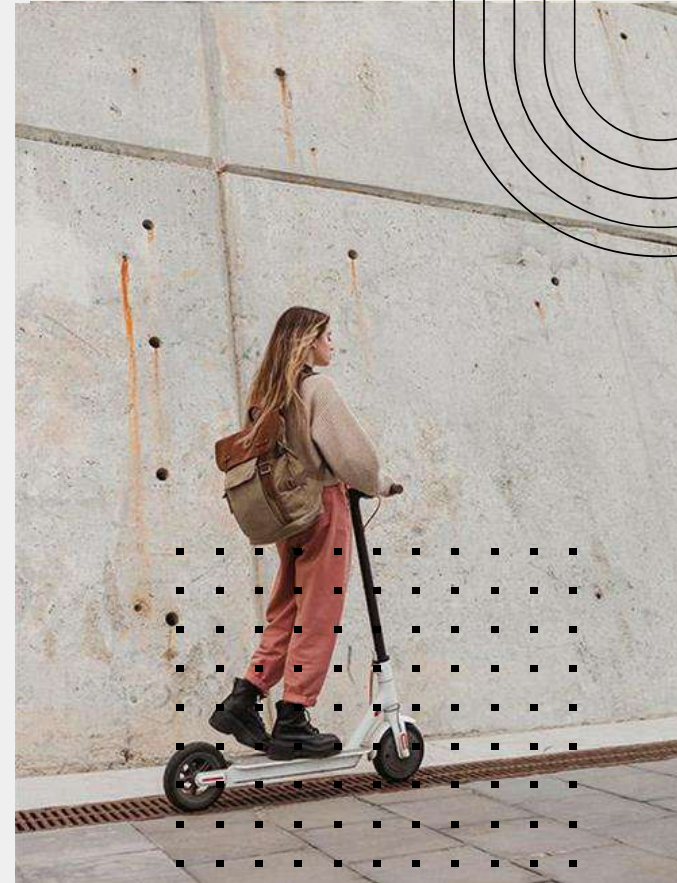
## Suggested

**concept:**

- Patrol regulation
- Campaign
- Infrastructure
- Fines
- App functionalities

## Impact:

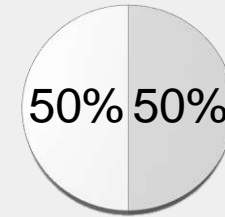
- Specified regulatory developments aiming at involving patrols in e scooter traffic supervision processes and creating specific fines for reckless behavior
- More aware people about poor e scooter management consequences
- Improved infrastructure
- Technical developments towards security improvements



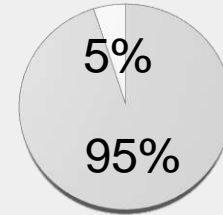
# Local analysis

Data was provided by Heratsi 1 hospital. It can be considered as a representative sample for whole accidents happened in Yerevan from March 2022 to June 2022.

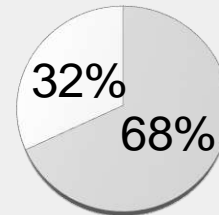
- Total number of cases - 38 *registered* cases;
- Causes of accidents - lose of control when getting close to obstacles or other vehicles, riding e-scooter by 2 or 3 people;
- Result of the accidents happened - 24% had fractures, 76% had injuries, only 2 cases of hospitalization.



□ Men  
□ Women



□ Riders  
□ Pedestrians



□ 18-30 YO  
□ 30YO+

Characteristics of injured people

# Global data (Hamburg 2019-2020)

**37%**

of E-scooter accidents occurred at night

**52%**

of accidents happened at the weekend

**==**

Most accidents happen in summer

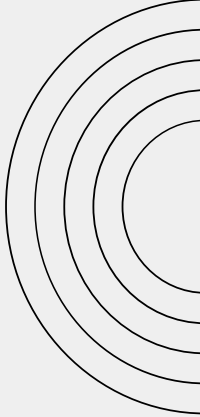
**54%**

of the injured e-scooter riders suffered trauma to the head or face

**28%**

of the persons who sustained them were under the influence of alcohol





# International overview of practice

- Monaco and GB have banned e-scooters
- Most of European countries have legalized use of e-scooters

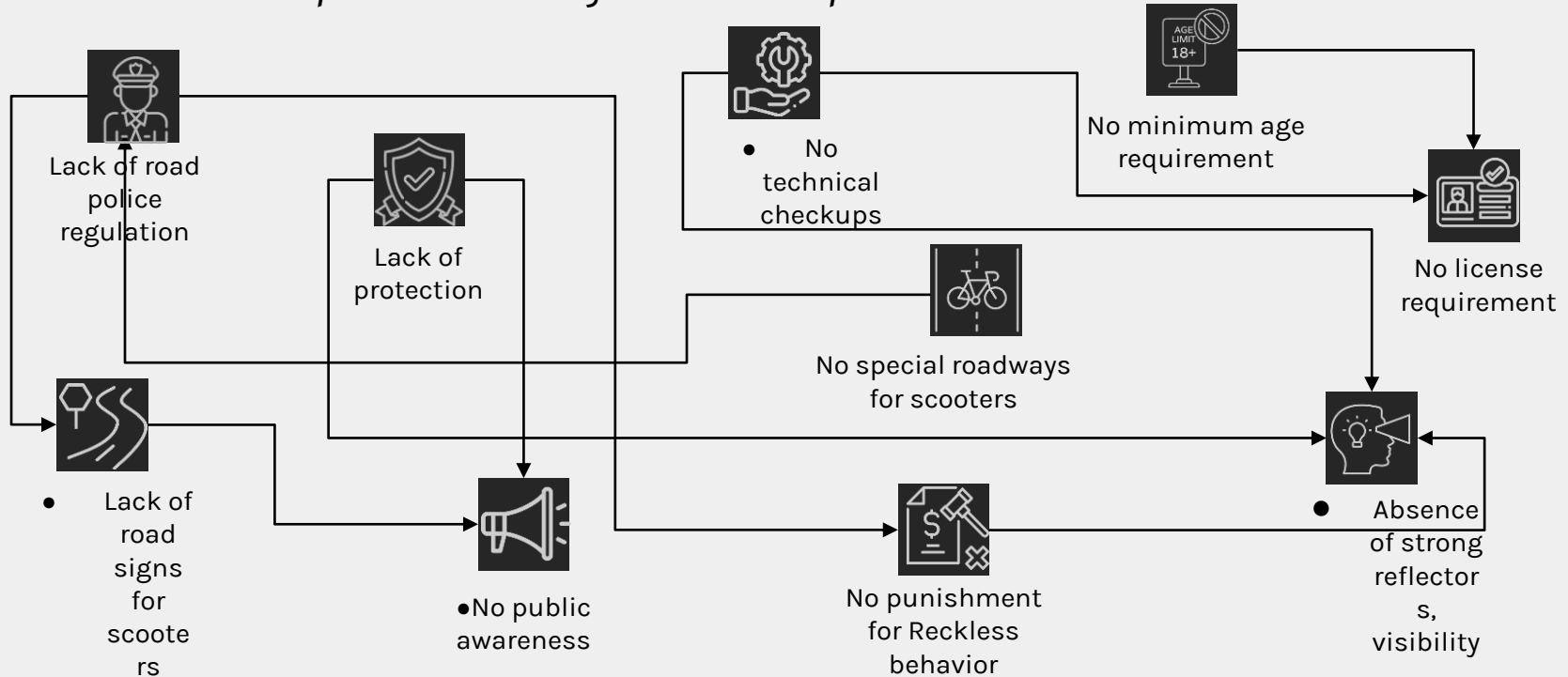
## In EU countries

- scooter driving license
- 25 km/h is the maximum speed
- riding is prohibited from sidewalks (some countries allow riding on sidewalks under 6 km/h speed )
- scooters have separate roads
- wearing helmet is recommended, yet not enforced by law
- children under 16 can ride on parks and private lands
- scooters are required to have front and rear headlights, bell, brakes



# Problems Chain to be created

## *Scooter Transportation Management Concept*



# Strategy and Tactics



## Strategy:

Maximizing security of e-scooter riders and community.

## Tactics:

- Legislative
- Infrastructural
- Behavioral
- Technical





# Problem of non-regulation

*“No one rides without the rules. Neither should e-scooter riders!”*

According to the policy of the main operator of e-scooters in Yerevan (Yerevan Ride);

- *E-scooters are prohibited to ride on pavements*
- *E-scooters should be ridden only on roadways*
- *E-scooter riders should necessarily possess knowledge on traffic rules*

E-scooter is not anyhow covered in the law of RA and is not considered a vehicle.

As of now use of e-scooters in Armenia is not regulated by the Law of the Republic of Armenia "On Ensuring Road Safety".

As a result it is not supervised by the Patrol Service of the Police of RA, which was launched to ensure public safety touring both pedestrian groups and cars, as well as regulating the traffic in Yerevan at peak hours.

Legislative change will be the starting point of integrating e-scooters in city traffic.

It will declare the rules of using e-scooter on roads and the responsible authority for supervision (Patrol Service) will ensure e-scooters are used in ways, which are safe to public.

# According to regulation:

Rental e-scooters should be allowed on roads and cycle lanes, but be banned from pavements either allowed with strict restrictions;

E-scooters will be limited to a maximum speed of 12.5 mph (20 km/h), they will automatically reduce speed to 8mph (13 km/h) in 'go slow' areas. E-scooters will also come to a safe stop in 'no-go' zones to ensure they can be ridden safely;

Riders should wear helmets, but they will not be mandatory;

Privately-owned e-scooters will be illegal;

Riders will need a full or provisional car, motorcycle or moped licence to use the devices, and they must be aged 16 or over. (Age requirement is implemented because e-scooters can be dangerous for children. Children might use them for fun and drive recklessly, which will endanger both their and citizens' safety. )

Riders will face fines and points on their licence if they use them improperly (currently a similar system is implemented for cars in Armenia);

# INSURANCE -what it does for business?

E-scooters are mostly driven in crowded areas and very often hit people, causing serious injuries, or damaging someone's property. In many countries, liability insurance, just like for cars, is mandatory for scooters as well.

Making insurance mandatory for scooters requires changes in some laws, which is a long-term implementation, we suggest that the companies that will be engaged in providing scooters' rental, license their activities and make liability insurance one of the mandatory points of the license. The insurance contract will cover property and personal damages caused to third parties.

The annual insurance premium for one scooter will be **1500-3000 AMD.**



# Not following the regulation?- Fines

Fining is a widespread regulation enforcing measure when it comes to transportation means. When people feel the impact of their irresponsible driving on their financial state, they become more cautious when breaking the enforced rules, and in the long run, their reckless driving behavior changes. Here are some fines that can be implemented: →

This **fines** are for the rider, however **for business** which operate the e-scooters fines should be imposed as well. They will be fined if a scooter with damage was available to ride, if the scooters do not have the necessary technical parts, if they do not have designated parking spots, etc.

## Fines

- Failing to use to specific routes
- Reckless riding that poses danger to others' lives
- Riding or parking e-scooter on paths designated for walking or jogging
- Using an e-scooter without a permit
- Failing to commit to speed limits specified by the authority
- Taking passengers
- Failing to adhere to safety requirements
- Riding a scooter that does not meet technical requirements
- Parking in undesignated areas or in a manner that may block traffic or pose risk
- Ignoring instructions on road signs
- If rider is below 16 and without the supervision of an adult aged 18 and above
- Failing to dismount on pedestrian crossings
- Failing to report an accident that caused injuries or damages
- Riding against traffic



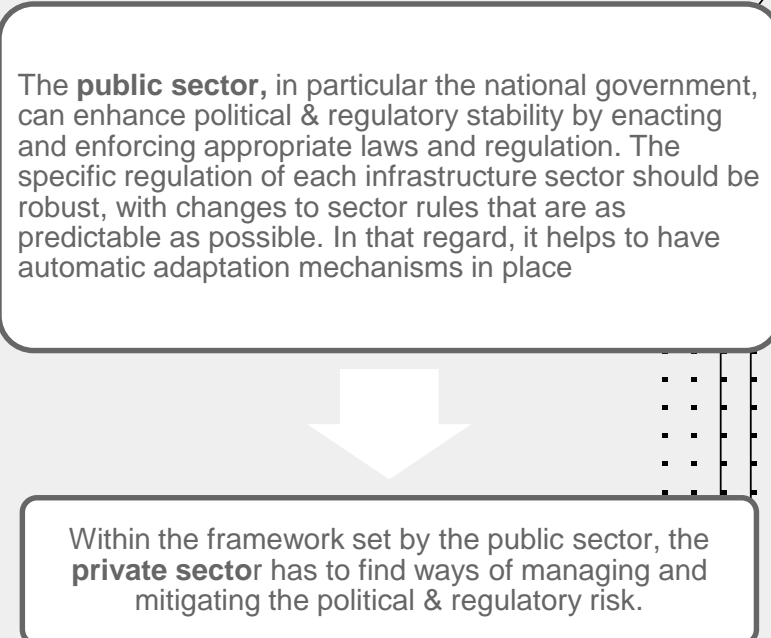
# Legislative change: Risks and mitigations

## *Regulatory risk*

The risk that a change in regulations or legislation will affect a security, company, or industry. Regulations can increase costs of operations, introduce legal and administrative hurdles, and sometimes even restrict a company from doing business.

Because the infrastructural change affects both public and private sector (governing body and scooter providing companies in this case) risks can arise within the both parties. Hence, we present a risk-mitigation framework by BCG presented at WEF, which is aimed at regulating such an issue.

The framework structures the various measures according to responsibility: the public sector is responsible for laying the foundations of a low-risk environment; the private sector has to manage risks efficiently based on those foundations; and both the public and private sectors are responsible for a culture of open dialogue.



The **public sector**, in particular the national government, can enhance political & regulatory stability by enacting and enforcing appropriate laws and regulation. The specific regulation of each infrastructure sector should be robust, with changes to sector rules that are as predictable as possible. In that regard, it helps to have automatic adaptation mechanisms in place

Within the framework set by the public sector, the **private sector** has to find ways of managing and mitigating the political & regulatory risk.

# What will be the output?



## Regulating the use of e-scooters

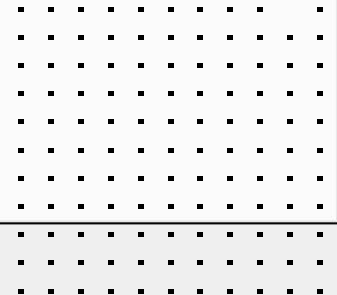
- This change will ensure the safety of citizens and scooter riders by defining traffic rules for e-scooters and supervising it as it is done in case of other transportation means. Imposed regulations regarding the speed limit, minimum age requirement and prohibition of scooter riding in pavements etc. will reduce the risk of accidents.

## Licensing and insurance

- Licensing both businesses and drivers would make both of them to undertake some actions and close remaining gaps before starting the operations/ driving a scooter. This would partially eliminate the risk of uneducated drivers and not well operating scooters to be on the road and endanger safety of both citizens and drivers. Insurance is a post-accident regulatory measure, which does not prevent the accidents, however, makes sure that any damage caused to property and personal damages will be covered, which in a sense makes a citizen feel somewhat secure knowing that even if an accident occurs, there are means to compensate losses if any.

## Fines

- Fines have a short-term impact on the financial state of the penalized, but long-term impact on improving rider's attitude and responsible behavior while driving.



# Infrastructural changes

- Prioritize city investments
- Attract private investments

in lanes and parking, and other street redesigns to improve safety for e-scooter riders as well as other micromobility users, in partnership with e-scooter providers and community groups.

- Build scooter paths
- Build special parking spots
- Allocate road signs



# On-Road paths



Image: Protected cycle lane, Auckland

Architects and city planners must rethink their perceptions of what is necessary for urban life. First of all we need **special paths** for this transportation mean.

Bicycle lanes on the sidewalk are not the solution. The combination of fast bikes with pedestrians is not only dangerous, but is also problematic at intersections shared with cars. Only paths that take up part of the road can really become a valid traffic network, and examples for those are emerging in London, Paris and other big cities.

Protected lanes are dedicated paths for people using scooters. They are physically separated from people driving and people walking, using various forms of separation including planter boxes, concrete kerbs, flex-posts, or berm space. The increase in incidents is also caused the lack of traffic signs.

- Require **signage** where e-scooter travel, speed, or parking is restricted.



Image: Protected cycle lane, Portland



Image: Protected scooter lane, Melbourne



Image: On-road cycle lane, Auckland



# Shared paths

*For those who ride e-scooter for fun there may be special shared paths*

Shared paths are for all users, on all kinds of mobility including people walking or on bikes, pushchairs, scooters, and more. It is important to look out for others, slow down, and pass with care.



# Special parking spots

One of the biggest knocks against the scooters that have become ubiquitous in cities across the United States, Europe, and other parts of the world is how they can be parked anywhere. That inevitably leads to people leaving them in places that aren't ideal parking spots: the middle of sidewalks, streets, near doorways, blocking accessibility ramps, or up in trees. Sometimes they fall down — or are pushed. Incorrectly parked e-scooters can rightly frustrate local residents and vulnerable road users.



• Require e-scooters to be parked upright; prohibit parking of e-scooters in or in front of pedestrian crossings and loading zones

• Create specific parking locations in cities near workplaces and schools.  
• (Some cities have painted parking areas for these services onto their sidewalks, but putting the parking on the street is a much better approach. Pedestrians already have very limited space.)

• Allow the community to report inappropriately parked scooters through the relevant e-scooter provider's app so they can be quickly adjusted.

# Risks and mitigations

## Risks

## Mitigations

Any attempt to allocate driving or parking lanes for those small vehicles will encounter great opposition from community.

The key to optimising services to local needs and responding to resident concerns is open and regular dialogue with the local community and advocacy groups, listening to their feedback and taking necessary action.

Social status/intelligence level of the driver/pedestrian

Development of the driving culture/pedestrian behavior level, development of the intelligence level (passing of IQ tests)

A rider is a creature that architects and planners hardly know.

Create a framework for collecting and analysing data to understand what makes rider behavior unsafe and causes the crashes.

The traffic of e-scooters and bicycles on the same path can interfere with each other because of e-scooter offering faster deceleration and up to two times shorter stopping distance.

Correctly calculated path width

# What output it will have?

## Scooter roads

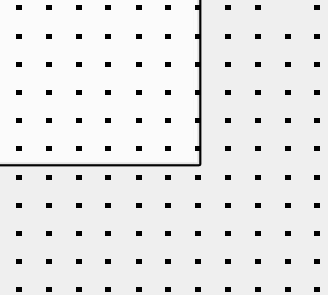
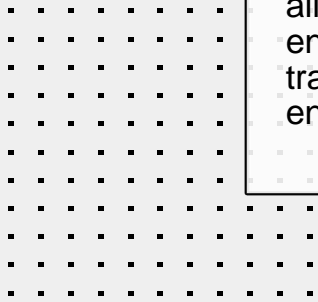
- Considering e-scooters in city design and maintenance policies and providing specific operating space for e-scooters would benefit all road users and will ensure a safe transportation environment.

## Special parking spots

- Parking bays could be physical docks or hubs such as those used for public bike hire schemes or brightly marked out areas that will encourage riders to park in safer areas and guide them to make the right choices when parking.

## Road signs

- Properly placed road signs will help reduce accidents.



# Technical changes

## In-App technical measures

### Auto max speed limit change based on location

Having default max speed of 20km/h

Set max speed of 13km/h on special areas

#### RISKS:

Risk of max speed change awareness

*Suggestion: scooters to have a beep alarm if max speed changes*

### Add point in Guidance regarding reflectors and lights

(Make sure to check lights/ reflectors before each ride)



## Weather based ride limitations

Don't allow ride in bad weather conditions

Based on real time weather data

#### RISKS:

**Inaccurate data on weather forecast**



# User scoring system

Based on user behavior provide bonus points.

## Rider bonus system

-

**Accidents**

**Inappropriate parking**

**Scratches and dents**

**Breaking driving rules**

**Etc**

+

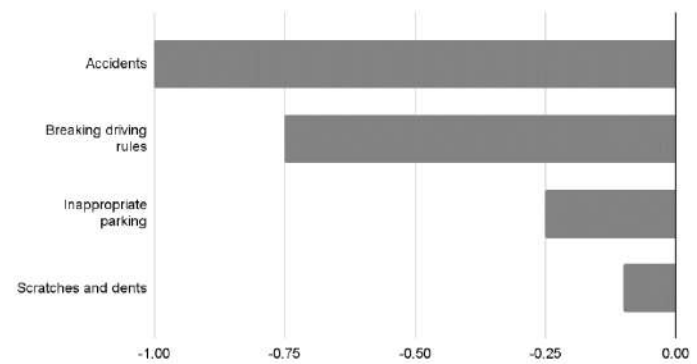
**Parking spot rules**

**Accident avoidance for some period of time**

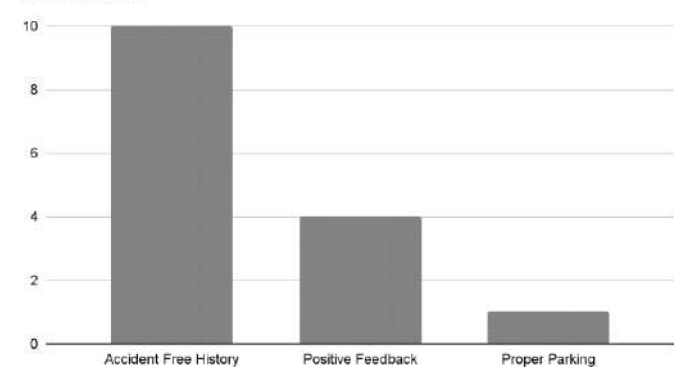
**Self-damage report sensors (log, data analysis)**

**RISKS: Inaccurate data received from the hardware**

Scoring System



Bonus Score



# Awareness

## ***Social media campaigns***

- Via influencers
- Via Recruiting (collect like minded people)-Facebook groups, Twitter and instagram hashtags-e.g. #Safe streets for all
- Through quizzes, surveys and questions in our stories and posts, we show the most common mistakes users make when they ride an e-scooter and explain what they should do instead

## ***TV Campaigns-slogan***

***Wear it*** t-shirts, caps, rubber wristbands, -e-scooter businesses can distribute t-shirts (with warning signs) for some time

## ***OOH Advertising***

- Outdoor floor ads (like it was in an abortion case,e)
- Posters e.g. Be cautious save lives

## ***Basics of road safety in the app***

use bike lanes  
not to ride on the sidewalks  
park only in designated areas  
local traffic rules  
keep riders informed about no-go zones  
leaving city boundaries  
ending a ride in no-park zones  
throughout their experience  
Galisa quiz

## ***Collaboration with non-profit organization***



# Safety measures and rules- short run solutions unless decided by law- AWARENESS CONTENT



- RULE #1: Riding solo
- RULE #2: Wearing a helmet
- RULE #3: Riding in not busy areas
- RULE #4: Not using phone while riding
- RULE #5: Setting the scooter upright
- RULE #6: Keeping scooters out of the rain
- RULE #7: Following regular road safety





# Behavioural changes

- **Problem**-severe lack of public awareness about safety rules
- **Solution**-Raising public awareness of need for safety requirements
- **Why?**
- Convince policy makers of the urgency of a certain issue
- Educates people about the topic
- Output: 8.9% decrease of accident rates

- **Risks**
- Misperception-It can be perceived as a propaganda rather than a preventive action
- Or perceived as a money laundering
- **Risk Mitigation**
- Transparency in showing data on the quantity of the injured before and after campaigns
  - CRRC Armenia
  - Economy and Values Research Center
  - HRRC Armenia



# Ideas we can destroy- Banning scooters?

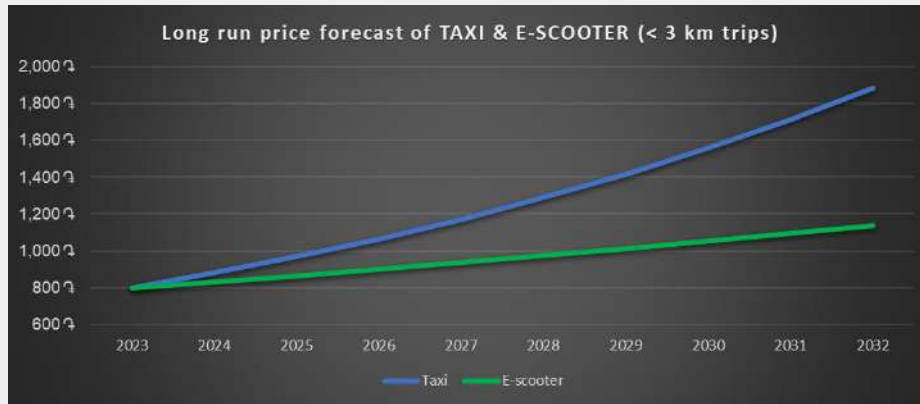
Many people see the solution of the above-mentioned problems in banning the scooters. However, the world is moving towards shifting from other PT measures to e-scooters. This is done because of on-road in PT congestion, which is gradually getting out of hand. In Yerevan this issue is present as well, and taking into account that Yerevan is a small city, people would prefer shifting to e-scooters when crossing small distances.

Also, recently many private investors such as “Jet AM” LLC and “EGEA” LLC have made significant investment in launching e-scooter services in Armenia. Besides being an alternative transporting solution, this also suggests creation of new workplaces.

In Yerevan there are several public transportation means - buses, minibuses, trolleys, subway, taxis. However, we still have a congestion problem in main three transportation means (buses, minibuses, subway). Taxis, which have the most common characteristics to e-scooters, have been increasing fares abruptly recently. Now we will present you a financial analysis with taxi and e-scooter comparison in the long run, which will show that for average citizen riding an e-scooter is more profitable in the long run.



# Financial Analysis: Taxis VS e-scooters in 10 year time horizon



As seen from the graph, taxi prices are expected to grow on a much higher rate than e-scooter prices.

|                                           |                      |
|-------------------------------------------|----------------------|
| <b>NPV (in AMD)</b>                       | <b>2,819,001,855</b> |
| For trips with distance <                 | 3 km                 |
| Time horizon                              | 10 years             |
| Location                                  | Yerevan, RA          |
| Taxi expenses (NPV, in AMD)               | 4,917,504,967        |
| <b>Saved % of estimated taxi expenses</b> | <b>57%</b>           |

Taxi factors: gas, petrol, automobile maintenance costs, average wages of drivers or courriers  
 E-scooter factors: electricity, technical characteristics will be improved in time increasing scooters' efficiency, competition may drive prices down

We used NPV analysis and compared taxis with e-scooters. If average wage earning people choose e-scooters over taxis, they would save 57% of the estimated expenses in 10-year time horizon.



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# Thanks!



# References

## International overview of practice

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## Legislation

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## Infrastructural

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## Behavioral

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## Technical

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## Ideas we can destroy

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- <https://investin.am/news/egea-llc-invests-37000000-amd-into-the-launch-of-electric-scooter-service-in-armenia/v>
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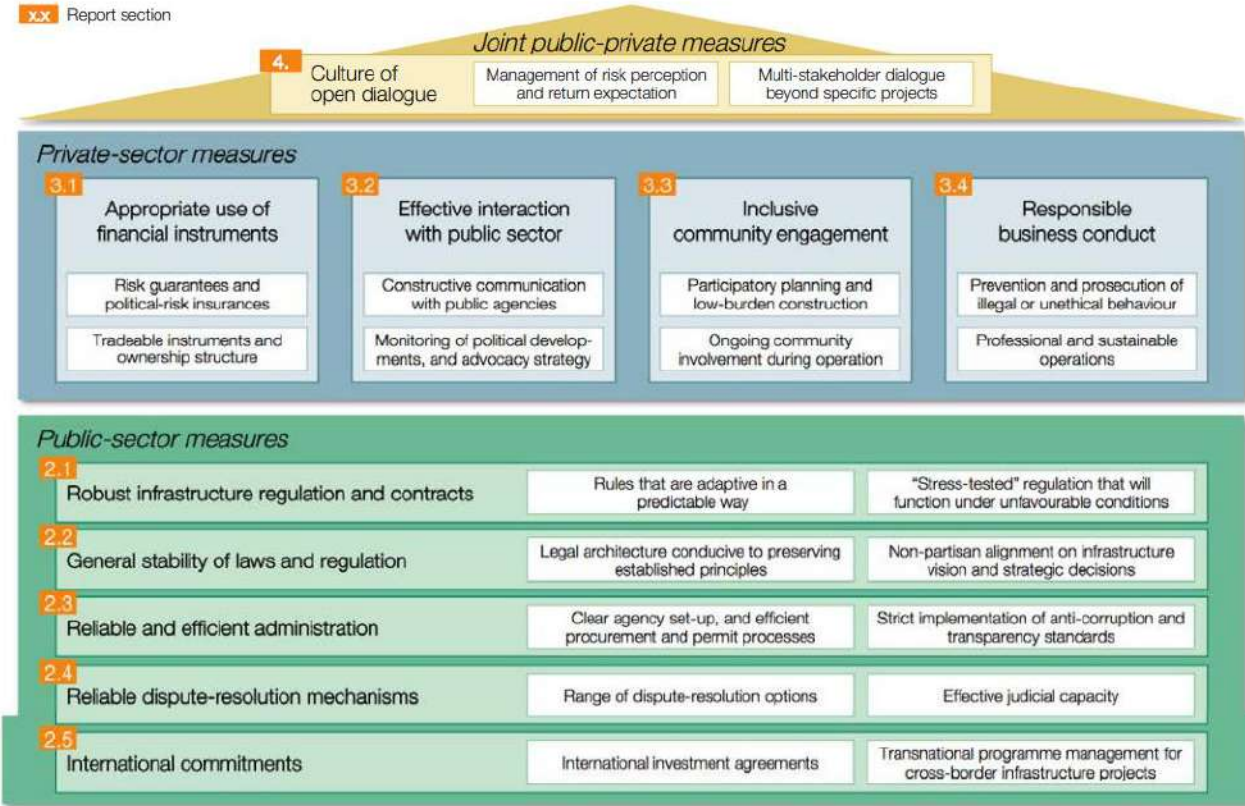
## Financial calculation

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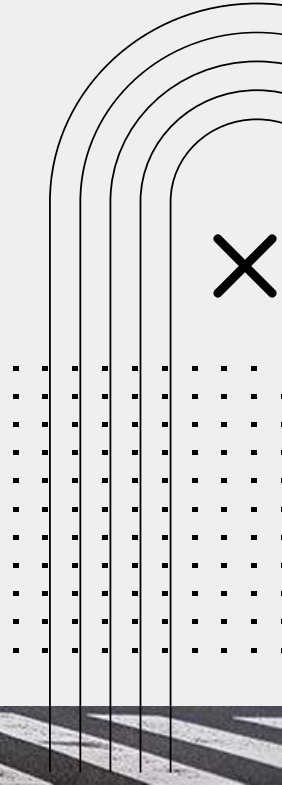


Figure 7: Risk-Mitigation Framework

xx Report section



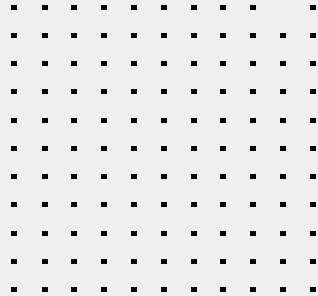
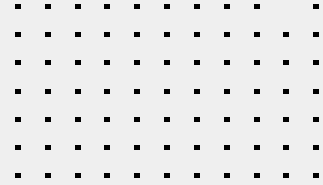
# BCG risk mitigation framework



# Future suggestions

Future implementation of scooters with camera-based sidewalk detection using AI

Will work when proper city infrastructure with full roads and standarts will be implemented





## Appendix 1: NPV analysis: NPV of saved money in case of using e-scooters instead of taxi for short distance trips,

| Year                                    |            |   | 2023          | 2024        | 2025        | 2026        | 2027        | 2028        | 2029          | 2030          | 2031          | 2032          |
|-----------------------------------------|------------|---|---------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|
| Number of customers (1)                 |            |   | 493,135       | 542,449     | 596,693     | 644,429     | 695,983     | 751,662     | 811,795       | 860,502       | 912,133       | 966,860       |
| Minimal fee of taxi, in AMD, (2)        |            |   | 800           | 880         | 968         | 1,065       | 1,171       | 1,288       | 1,417         | 1,559         | 1,715         | 1,886         |
| E-Scooter price per minute, in AMD, (3) |            |   | 40            | 42          | 43          | 45          | 47          | 49          | 51            | 53            | 55            | 57            |
| Average speed of e-scooters (kmh)       |            |   | 9             | 10          | 10          | 10          | 10          | 11          | 11            | 11            | 11            | 12            |
| 1 km                                    | 3%         | 1 | 13,001        | 14,301      | 15,731      | 16,989      | 18,348      | 19,816      | 21,401        | 22,686        | 24,047        | 25,489        |
| 2 km                                    | 23%        | 2 | 114,707       | 126,177     | 138,795     | 149,899     | 161,891     | 174,842     | 188,829       | 200,159       | 212,169       | 224,899       |
| 3 km                                    | 48%        | 3 | 237,027       | 260,730     | 286,803     | 309,747     | 334,527     | 361,289     | 390,192       | 413,603       | 438,420       | 464,725       |
| time                                    | 60 minutes |   | 86,673        | 90,322      | 94,386      | 101,934     | 110,088     | 108,087     | 116,733       | 123,742       | 131,165       | 127,445       |
|                                         |            |   | 1,529,427     | 1,593,815   | 1,665,540   | 1,798,788   | 1,942,692   | 1,907,367   | 2,059,953     | 2,183,553     | 2,314,571     | 2,248,990     |
|                                         |            |   | 4,740,540     | 4,940,147   | 5,162,454   | 5,575,446   | 6,021,486   | 5,912,002   | 6,384,960     | 6,768,049     | 7,174,145     | 6,970,875     |
| Total time consumed (minutes) (4)       |            |   | 6,356,640     | 6,624,284   | 6,922,380   | 7,476,168   | 8,074,266   | 7,927,456   | 8,561,645     | 9,075,344     | 9,619,882     | 9,347,310     |
| Consumer expenses (in AMD) in case of   |            |   |               |             |             |             |             |             |               |               |               |               |
| Taxi                                    |            |   | 394,508,000   | 477,354,680 | 577,599,163 | 686,187,805 | 815,191,113 | 968,447,042 | 1,150,515,086 | 1,341,500,590 | 1,564,189,688 | 1,823,845,176 |
| E-scooter                               |            |   | 254,265,600   | 275,570,223 | 299,489,848 | 336,386,890 | 377,829,968 | 385,798,512 | 433,328,513   | 477,701,324   | 526,618,901   | 532,165,469   |
| Difference                              |            |   | 140,242,400   | 201,784,457 | 278,109,314 | 349,800,916 | 437,361,145 | 582,648,530 | 717,186,573   | 863,799,266   | 1,037,570,787 | 1,291,679,707 |
| Discount coefficient (5)                |            |   | 0.90          | 0.81        | 0.72        | 0.65        | 0.58        | 0.52        | 0.47          | 0.42          | 0.38          | 0.34          |
| Present value of saved money            |            |   | 125,958,685   | 162,774,090 | 201,493,891 | 227,622,964 | 255,613,692 | 305,843,569 | 338,122,157   | 365,765,800   | 394,599,729   | 441,207,277   |
| Net Present Value of saved money        |            |   | 2,819,001,855 |             |             |             |             |             |               |               |               |               |

(1) for further details see appendix 3

(2) each year + 10% price growth estimation, taking into account the probable inflation of petrol & gas, & other services. We do not foresee electromobile usage for taxis in 10 years in Yerevan

(3) inflation of price of 4% each year, the main resource of this transport is electricity, inflation of which is not high, and scooter rental businesses can profit from night charging prices of electricity that are 22% lower than that of day

(3) = average price of 35 AMD + average fixed cost for 2 km distance ~ 5 AMD

(4) see appendix 5

(5) for 10 year forecast - 10 year Treasury bond yield to maturity; see appendix 4

| Year                                            |                   |          | 2023                 | 2024        | 2025        | 2026        | 2027        | 2028        | 2029          | 2030          | 2031          | 2032          |
|-------------------------------------------------|-------------------|----------|----------------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|
| <b>Number of customers (1)</b>                  |                   |          | 493,135              | 542,449     | 596,693     | 644,429     | 695,983     | 751,662     | 811,795       | 860,502       | 912,133       | 966,860       |
| Minimal fee of taxi, <i>in AMD</i> , (2)        |                   |          | 800                  | 880         | 968         | 1,065       | 1,171       | 1,288       | 1,417         | 1,559         | 1,715         | 1,886         |
| E-Scooter price per minute, <i>in AMD</i> , (3) |                   |          | 40                   | 42          | 43          | 45          | 47          | 49          | 51            | 53            | 55            | 57            |
| Average speed of e-scooters (kmh)               |                   |          | 9                    | 10          | 10          | 10          | 10          | 11          | 11            | 11            | 11            | 12            |
| 1 km                                            | <b>3%</b>         | <b>1</b> | 13,001               | 14,301      | 15,731      | 16,989      | 18,348      | 19,816      | 21,401        | 22,686        | 24,047        | 25,489        |
| 2 km                                            | <b>23%</b>        | <b>2</b> | 114,707              | 126,177     | 138,795     | 149,899     | 161,891     | 174,842     | 188,829       | 200,159       | 212,169       | 224,899       |
| 3 km                                            | <b>48%</b>        | <b>3</b> | 237,027              | 260,730     | 286,803     | 309,747     | 334,527     | 361,289     | 390,192       | 413,603       | 438,420       | 464,725       |
| time                                            | <b>60 minutes</b> |          | 86,673               | 90,322      | 94,386      | 101,934     | 110,088     | 108,087     | 116,733       | 123,742       | 131,165       | 127,445       |
|                                                 |                   |          | 1,529,427            | 1,593,815   | 1,665,540   | 1,798,788   | 1,942,692   | 1,907,367   | 2,059,953     | 2,183,553     | 2,314,571     | 2,248,990     |
|                                                 |                   |          | 4,740,540            | 4,940,147   | 5,162,454   | 5,575,446   | 6,021,486   | 5,912,002   | 6,384,960     | 6,768,049     | 7,174,145     | 6,970,875     |
| Total time consumed (minutes) (4)               |                   |          | 6,356,640            | 6,624,284   | 6,922,380   | 7,476,168   | 8,074,266   | 7,927,456   | 8,561,645     | 9,075,344     | 9,619,882     | 9,347,310     |
| <i>Consumer expenses (in AMD) in case of</i>    |                   |          |                      |             |             |             |             |             |               |               |               |               |
| <b>Taxi</b>                                     |                   |          | 394,508,000          | 477,354,680 | 577,599,163 | 686,187,805 | 815,191,113 | 968,447,042 | 1,150,515,086 | 1,341,500,590 | 1,564,189,688 | 1,823,845,176 |
| <b>E-scooter</b>                                |                   |          | 254,265,600          | 275,570,223 | 299,489,848 | 336,386,890 | 377,829,968 | 385,798,512 | 433,328,513   | 477,701,324   | 526,618,901   | 532,165,469   |
| <b>Difference</b>                               |                   |          | 140,242,400          | 201,784,457 | 278,109,314 | 349,800,916 | 437,361,145 | 582,648,530 | 717,186,573   | 863,799,266   | 1,037,570,787 | 1,291,679,707 |
| Discount coefficient (5)                        |                   |          | 0.90                 | 0.81        | 0.72        | 0.65        | 0.58        | 0.52        | 0.47          | 0.42          | 0.38          | 0.34          |
| <b>Present value of saved money</b>             |                   |          | 125,958,685          | 162,774,090 | 201,493,891 | 227,622,964 | 255,613,692 | 305,843,569 | 338,122,157   | 365,765,800   | 394,599,729   | 441,207,277   |
| <b>Net Present Value of saved money</b>         |                   |          | <b>2,819,001,855</b> |             |             |             |             |             |               |               |               |               |



# Appendix 2: Taxi price forecast

| Year                 | 2012                                                                              | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | Averaged   |
|----------------------|-----------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------|
| Average wage* (AMD)  |                                                                                   | 146,524 | 158,580 | 171,615 | 174,445 | 177,817 | 172,727 | 182,673 | 189,716 | 204,048 |            |
| Growth rate          |                                                                                   |         | 8%      | 8%      | 2%      | 2%      | -3%     | 6%      | 4%      | 8%      | 4.3%       |
| Minimum Wage** (AMD) | 35,000                                                                            |         | 55,000  |         |         |         |         | 68,000  |         |         | 10.0%      |
| Final Judgement      | <i>prices in taxi service are growing much faster than the average wage =&gt;</i> |         |         |         |         |         |         |         |         |         | <b>10%</b> |

\*source: <https://www.armstat.am/en/?nid=12&id=08001>

\*\* source: <https://www.arlis.am/DocumentView.aspx?docid=136979>

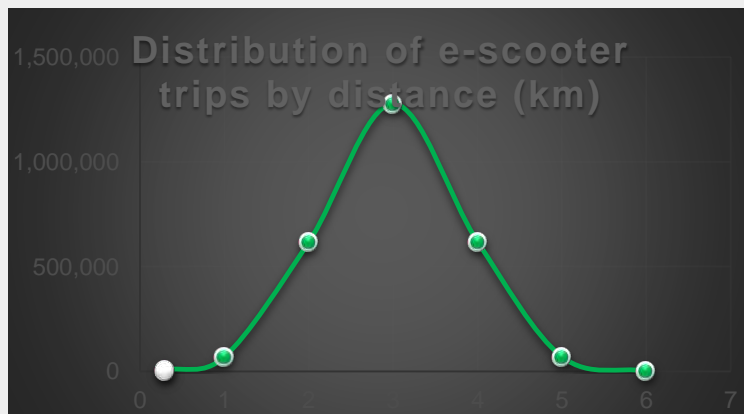
# Appendix 3: Passenger number estimation

|                               |                  |
|-------------------------------|------------------|
| Daily e-scooter rides         | 17,500           |
| < 3 km rides                  | 70%              |
| Weekends + not season days    | 148              |
| Working days                  | 217              |
| <b>yearly, &lt;3 km trips</b> | <b>2,658,250</b> |

*If there were no e-scooters 25% would switch to taxis => 493,135*

\* under the assumption that the distance of trips has a normal distribution

| Distance of trips (km) | Proportion in total* | Number of passengers | Number of passengers with trips < 3 km, in 2020 |
|------------------------|----------------------|----------------------|-------------------------------------------------|
| 0.3                    | 0.002                | 6,435                | <b>1,972,540</b>                                |
| 1                      | 0.026                | 70,080               |                                                 |
| 2                      | 0.233                | 618,328              |                                                 |
| 3                      | 0.481                | 1,277,697            |                                                 |
| 4                      | 0.233                | 618,328              |                                                 |
| 5                      | 0.026                | 70,080               |                                                 |
| 6                      | 0.001                | 1,860                |                                                 |
| <b>Total</b>           | <b>1.00</b>          | <b>2,660,948</b>     |                                                 |



# Appendix 4: Discount rate estimation

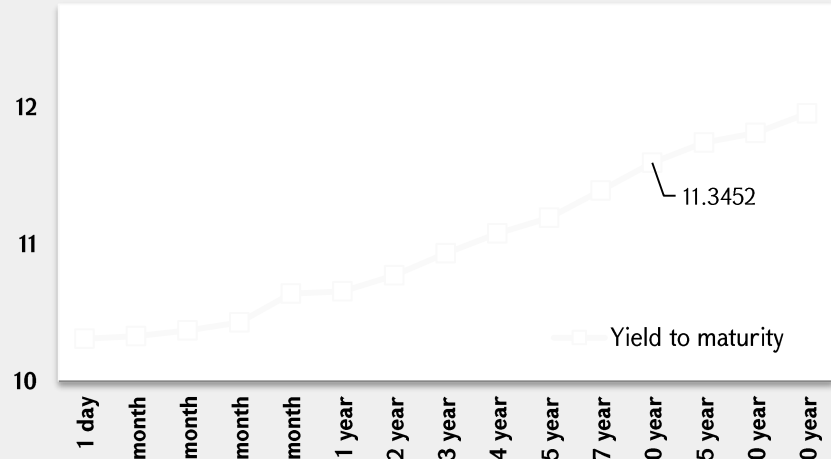
| Treasury Bond Yield Curves (ACT/ACT) |         |           |                   |
|--------------------------------------|---------|-----------|-------------------|
| Date                                 |         | 7/15/2022 |                   |
| N                                    | Term    | Spot      | Yield to maturity |
|                                      | A       | B         | C                 |
| 1                                    | 1 day   | 10.0606   | 10.0606           |
| 2                                    | 1 month | 10.0802   | 10.0802           |
| 3                                    | 3 month | 10.1206   | 10.1206           |
| 4                                    | 6 month | 10.1789   | 10.1789           |
| 5                                    | 9 month | 10.2366   | 10.3906           |
| 6                                    | 1 year  | 10.2937   | 10.4064           |
| 7                                    | 2 year  | 10.4995   | 10.5225           |
| 8                                    | 3 year  | 10.6834   | 10.6832           |
| 9                                    | 4 year  | 10.8466   | 10.8283           |
| 10                                   | 5 year  | 10.9896   | 10.9428           |
| 11                                   | 7 year  | 11.2332   | 11.1421           |
| 12                                   | 10 year | 11.5058   | 11.3452           |
| 13                                   | 15 year | 11.8133   | 11.4916           |
| 14                                   | 20 year | 11.9642   | 11.5630           |
| 15                                   | 30 year | 12.2661   | 11.7059           |
| Treasury Bill Yield Curve (ACT/360)  |         |           |                   |
| 16                                   | 1 day   | 10.0050   |                   |
| 17                                   | 7 day   | 10.0089   |                   |
| 18                                   | 14 day  | 10.0134   |                   |
| 19                                   | 30 day  | 10.0238   |                   |
| 20                                   | 90 day  | 9.9559    |                   |
| 21                                   | 180 day | 10.1789   |                   |
| 22                                   | 270 day | 10.3069   |                   |
| 23                                   | 365 day | 10.5696   |                   |

$$\begin{aligned} \text{Discount rate} &= \text{Risk free rate} + \text{Risk Premium}^* \\ \text{Discount rate} &= 11.34\%^{**} + 0 \\ \text{Discount rate} &= 11.34\% \end{aligned}$$

\*as the Discount rate is being calculated for consumers and not for business units, the 2nd part has been excluded in this case.

\*\*an estimation for the "Risk free rate" has served the 10 years treasury bond yield rate, source: <https://www.cba.am/en/sitepages/fmofinancialmarkets.aspx>

*Treasury Bond Yield Curve*



# Appendix 5: Estimation of time spent on e-scooter

| Year                                             |                   |          | 2023             | 2024             | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             | 2031             | 2032             |
|--------------------------------------------------|-------------------|----------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| E-Scooter price per minute ( <i>in AMD</i> )*    |                   |          | 40               | 42               | 43               | 45               | 47               | 49               | 51               | 53               | 55               | 57               |
| Average speed of users of e-scooters (kmh)       |                   |          | 9                | 10               | 10               | 10               | 10               | 11               | 11               | 11               | 11               | 12               |
| 1 km                                             | <b>3%</b>         | <b>1</b> | 13,001           | 14,301           | 15,731           | 16,989           | 18,348           | 19,816           | 21,401           | 22,686           | 24,047           | 25,489           |
| 2 km                                             | <b>23%</b>        | <b>2</b> | 114,707          | 126,177          | 138,795          | 149,899          | 161,891          | 174,842          | 188,829          | 200,159          | 212,169          | 224,899          |
| 3 km                                             | <b>48%</b>        | <b>3</b> | 237,027          | 260,730          | 286,803          | 309,747          | 334,527          | 361,289          | 390,192          | 413,603          | 438,420          | 464,725          |
| <i>Estimated time for trips with distance of</i> |                   |          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| 1 km                                             | <b>60 minutes</b> |          | 86,673           | 90,322           | 94,386           | 101,934          | 110,088          | 108,087          | 116,733          | 123,742          | 131,165          | 127,445          |
| 2 km                                             |                   |          | 1,529,427        | 1,593,815        | 1,665,540        | 1,798,788        | 1,942,692        | 1,907,367        | 2,059,953        | 2,183,553        | 2,314,571        | 2,248,990        |
| 3 km                                             |                   |          | 4,740,540        | 4,940,147        | 5,162,454        | 5,575,446        | 6,021,486        | 5,912,002        | 6,384,960        | 6,768,049        | 7,174,145        | 6,970,875        |
| <b>Total time consumed (<i>in minutes</i>)</b>   |                   |          | <b>6,356,640</b> | <b>6,624,284</b> | <b>6,922,380</b> | <b>7,476,168</b> | <b>8,074,266</b> | <b>7,927,456</b> | <b>8,561,645</b> | <b>9,075,344</b> | <b>9,619,882</b> | <b>9,347,310</b> |

\*see appendix 6

\*\*according to the estimated distribution proportions, see appendix 3.

\*\*\* calculated only for trips < 3 km, so those, who use for other purposes, such as entertainment, were excluded

# Appendix 6: Comparison justifications for taxis and e-scooters

|                       |                                                                      |
|-----------------------|----------------------------------------------------------------------|
| <b>E-scooters</b>     |                                                                      |
| Main purpose of usage | transportation from A to B point                                     |
| Average distance (km) | 3                                                                    |
| main characteristics  | does not require much efforts to ride                                |
|                       | easy to pick up from almost every spot and leave at your destination |

|                        |                                                                      |
|------------------------|----------------------------------------------------------------------|
| <b>E-scooters</b>      |                                                                      |
| Main purpose of usage* | transportation from A to B point                                     |
| Average distance (km)  | 3                                                                    |
| main characteristics   | does not require much efforts to ride                                |
|                        | easy to pick up from almost every spot and leave at your destination |

| <i>Means of transportation</i> | Why is <b>comparable</b>       | Why is <b>NOT</b> comparable     |
|--------------------------------|--------------------------------|----------------------------------|
|                                |                                |                                  |
| <b>Metropolitan</b>            | no congestion                  | few picking & dropping stations  |
| <b>Buses</b>                   |                                | congestions, crowded             |
| <b>Bike</b>                    | Requires to use apps           | demands physical efforts to ride |
| <b>Taxi</b>                    | many picking & dropping places | congestions                      |

| <i>Means of transportation</i> | Why is <b>comparable</b>       | Why is <b>NOT</b> comparable     |
|--------------------------------|--------------------------------|----------------------------------|
|                                |                                |                                  |
| <b>Metropolitan</b>            | No congestion                  | Few picking & dropping stations  |
| <b>Buses</b>                   |                                | Congestions, crowded             |
| <b>Bike</b>                    | Requires to use apps           | Demands physical efforts to ride |
| <b>Taxi</b>                    | Many picking & dropping places | Congestions                      |

# Solution evaluation framework: Analysis of Competing Hypotheses

## done with PARC ACH 2.0.5

| #   | Relevance                                | H. 1      | H. 2    | H. 3            | H. 4              | H. 5            | H. 6             | H. 7          |     |
|-----|------------------------------------------|-----------|---------|-----------------|-------------------|-----------------|------------------|---------------|-----|
|     |                                          | Insurance | license | safety measures | patrol regulation | age requirement | app+ speed limit | scooter roads |     |
|     | Weighted Inconsistency Score ⇄           | -4.121    | -4.707  | -3.414          | -1.0              | -4.121          | -3.414           | -2.828        |     |
|     | Enter Evidence                           |           |         |                 |                   |                 |                  |               |     |
| E10 | Lack of road police regulation           | MEDIUM    | C       | I               | I                 | C C             | C                | NA            | N   |
| E9  | Lack of road signs for scooters          | MEDIUM    | NA      | I               | C                 | C               | I                | N             | C   |
| E8  | No public awareness                      | HIGH      | NA      | NA              | NA                | NA              | NA               | NA            | C   |
| E7  | No technical checkups                    | MEDIUM    | I       | I               | C                 | C               | I                | I             | NA  |
| E6  | No punishment for Reckless behavior      | HIGH      | NA      | C               | N                 | C C             | C                | C             | I   |
| E5  | Absence of strong reflectors, visibility | MEDIUM    | I       | I               | C                 | I               | NA               | C             | N   |
| E4  | No minimum age requirement               | HIGH      | C       | C               | N                 | C               | C C              | I             | I   |
| E3  | Lack of protection                       | LOW       | I       | I               | C C               | C               | I                | C C           | C C |
| E2  | No license requirement                   | MEDIUM    | C       | C C             | I                 | C               | C C              | I             | N   |
| E1  | No special roadways for scooters         | HIGH      | I       | NA              | I                 | C C             | I                | C             | C C |



## Cont: Solution evaluation framework: Analysis of Competing Hypotheses

done with PARC ACH 2.0.5

| H: 8       | H: 9                  | H: 10                       | H: 11                     | H: 12                                 | H: 13               | H: 14                          | H: 15  |
|------------|-----------------------|-----------------------------|---------------------------|---------------------------------------|---------------------|--------------------------------|--------|
| road signs | special parking spots | refelctors, lights, signals | app + reports self-damage | app+ limiting traffic in busy streets | app+ scoring system | ad campaign (public awareness) | fines  |
| -6.242     | -4.121                | -5.242                      | -7.242                    | -5.414                                | -4.121              | -1.0                           | -3.828 |
| C          | C                     | N                           | I                         | C                                     | C                   | NA                             | NA     |
| C C        | C                     | N                           | I                         | I                                     | I                   | NA                             | I      |
| C C        | C                     | N                           | I                         | I                                     | N                   | C C                            | I      |
| NA         | NA                    | N                           | C C                       | I                                     | N                   | I                              | C C    |
| I          | C                     | I                           | C                         | C                                     | C C                 | NA                             | C C    |
| I          | I                     | C C                         | C C                       | I                                     | I                   | NA                             | NA     |
| I          | I                     | I                           | I                         | NA                                    | C                   | NA                             | C C    |
| C          | I                     | C C                         | C                         | C                                     | I                   | C                              | C C    |
| I          | I                     | I                           | I                         | I                                     | C                   | NA                             | C C    |
| I          | N                     | I                           | I                         | N                                     | I                   | NA                             | I      |

# The importance of building special roads for scooters

Special roads for scooters have several important missions to fulfill:

- **1. Pedestrian safety:** one of the main causes of frequent collisions is the use of scooters on sidewalks, if there are separate roads, it will be prohibited to ride on sidewalks and parks, people who will use scooters as a means of transportation can use a special road, and those who want to just use scooters for fun will have a dedicated special place
- **2. Traffic improvement:** at many peak times, scooters with their dedicated lane are a real lifesaver for people avoiding traffic jams (that's everyone :D), and in the long run, noticing the comfort and smoothness of the scooters, many drivers will prefer them because they are fast. , flexible, almost cost-free compared to the car and do not harm the nature, which in turn will contribute to the relief of the main traffic roads
- **3. Ensuring coordinated traffic:** clearly separated roads will allow to see the behavior of scooter drivers, it will give an opportunity to punish bad drivers within the limits of the law, which will contribute to the reduction of accidents involving scooters, while without separated roads, it is largely impossible to regulate or notice unruly drivers.

# Timeline

