Ride Fair

A Policy Framework for Managing
Transportation Network Companies

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- Context
- Our approach
- 4 key regulatory elements
- Structural barriers + recommendations

Transportation Network Companies (TNCs)

Digital applications that match potential riders (or deliveries) with drivers in real time

The challenge:

TNCs will never substitute for a robust, high-capacity transit network and compact, pedestrian-friendly development

- Connect to/from transit
- Flexibility for complex trips, limited mobility

TNC operations and use have grown rapidly since 2011

- New technologies, business models, public interests
- Bikeshare, scootershare, delivery services

An effective, holistic policy to regulate TNCs has eluded most cities

CONTEXT

Impacts of TNCs on transit

The need:
OUTCOME-
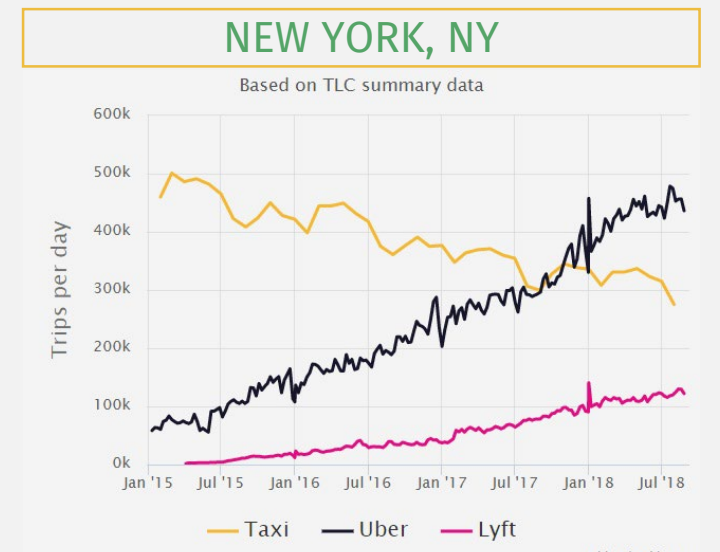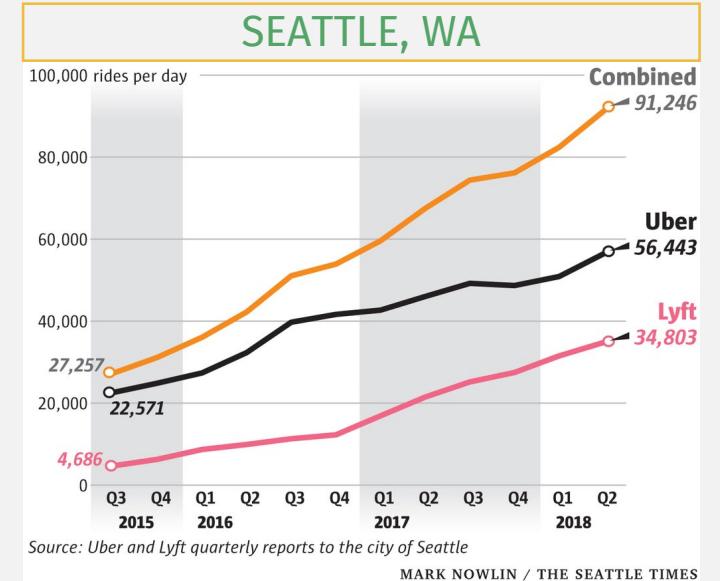**ORIENTED**
REGULATION

Demand for TNCs is growing
What transportation gaps might be contributing?

MAXIMIZE BENEFITS

+ Reduce SOV trips
+ Ability to live car-free
+ Connect people to economic opportunities

MINIMIZE COSTS

- Congestion
- Pulling riders from public transit
- Zero passenger miles

SEATTLE, WA

100,000 rides per day
Combined 91,246
Uber 56,443
Lyft 34,803
27,257
22,571
4,686

Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2
2015 | 2016 | 2017 | 2018

Source: Uber and Lyft quarterly reports to the city of Seattle

MARK NOWLIN / THE SEATTLE TIMES

NEW YORK, NY

Based on TLC summary data

Trips per day

Jan '15 Jul '15 Jan '16 Jul '16 Jan '17 Jul '17 Jan '18 Jul '18

Taxi — Uber — Lyft

toddwschneider.com

- Case studies
- Lit review
- Interviews with experts

DECISIONMAKING FRAMEWORK

PERIODIC EVALUATION FRAMEWORK

1 POSITION TNCs WITHIN CITY GOALS

2 ESTABLISH POLICIES FOR CRITICAL REGULATORY ELEMENTS

HIRE GOVERNMENT STAFF

REAL-TIME EVALUATION FRAMEWORK

ACCESS AND VERIFY OPERATOR DATA

3 MONITOR OPERATIONS

3 ENFORCE POLICIES

DEVISE A PRICING STRATEGY

IDENTIFY PERFORMANCE METRICS

REQUIRE OPERATORS SHARE DATA

PROMOTE REGIONAL COORDINATION

4 AMEND POLICIES (IF NECESSARY)

ANALYZE OPERATOR DATA AND USER FEEDBACK

CONSIDER NEW TECHNOLOGIES, BUSINESS MODELS, ETC.

4 EVALUATE POLICIES

ITDP | Institute for Transportation & Development Policy

1. Price
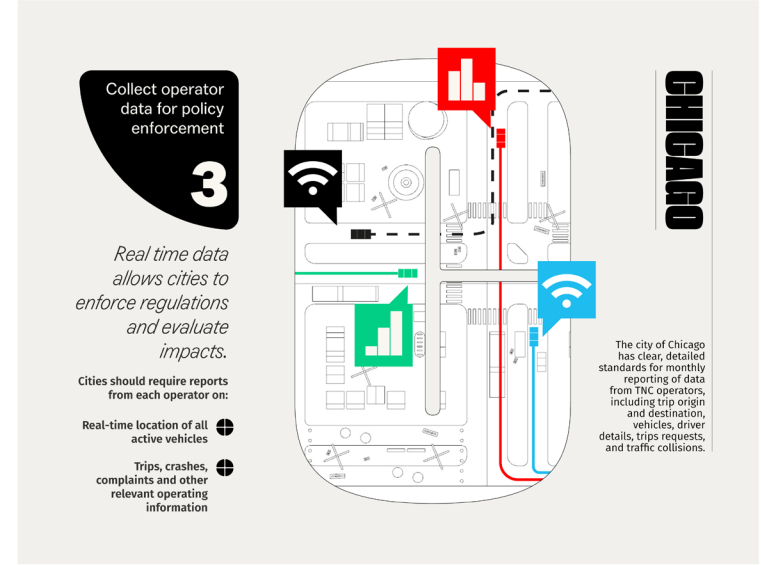2. Establish metrics
3. Require data
4. Coordinate regionally

1 Set fees to incentivize shared, shorter, and less frequent trips

Cities should use pricing to achieve desired outcomes

Pricing should penalize inefficient routes, cruising for passengers

Pricing should reward shared trips and serving transit-poor neighborhoods

Surcharges can help cities cover the cost of TNC program management, as well as support transit and accessibility improvements

ALL vehicle travel should be priced, to account for congestion, pollution, etc.

SÃO PAULO

São Paulo, Brazil's **"road use charge"**, a fee per kilometer traveled by TNCs, encourages efficient routes and shared trips. The city can raise the charge during peak periods and in areas already well-served by transit, and lower charges for preferred vehicles (e.g electric or wheelchair-accessible) and for trips in underserved areas.

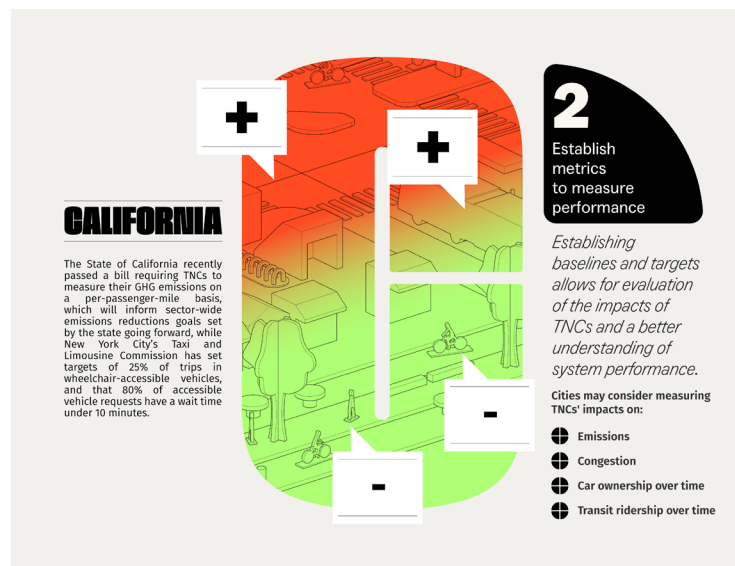**3 Collect operator data for policy enforcement**

Real time data allows cities to enforce regulations and evaluate impacts.

Cities should require reports from each operator on:

Real-time location of all active vehicles

Trips, crashes, complaints and other relevant operating information

CHICAGO

The city of Chicago has clear, detailed standards for monthly reporting of data from TNC operators, including trip origin and destination, vehicles, driver details, trips requests, and traffic collisions.

CALIFORNIA

The State of California recently passed a bill requiring TNCs to measure their GHG emissions on a per-passenger-mile basis, which will inform sector-wide emissions reductions goals set by the state going forward, while New York City's Taxi and Limousine Commission has set targets of 25% of trips in wheelchair-accessible vehicles, and that 80% of accessible vehicle requests have a wait time under 10 minutes.

2 Establish metrics to measure performance

Establishing baselines and targets allows for evaluation of the impacts of TNCs and a better understanding of system performance.

Cities may consider measuring TNCs' impacts on:

Emissions

Congestion

Car ownership over time

Transit ridership over time

GREATER LONDON

In the UK, London categorizes TNCs as private hire vehicles, and they are regulated regionally by Transport for London (TFL), rather than by local governments. TFL is responsible for managing transport across metropolitan London, which includes the city of London and its surrounding 32 boroughs.

4 Coordinate regionally for better connections

Trips are made daily across city, county, state boundaries.

To better coordinate across jurisdictions, cities should:

Set regulations at a regional level, if possible, or

Create a regional partnership to oversee implementation and enforcement of TNC rules

PRICING

Incentivize shared, shorter, less frequent trips

PRICING STRATEGY	OBJECTIVE	EXAMPLE
Surcharge	Generate revenue to offset costs of program administration, transit improvements, etc.	Mexico City (1.5% tax/trip) San Francisco (proposed: 1.5–3.5% tax/trip depending on number of passengers)
Congestion pricing	Reduce congestion during peak times	Stockholm (taxis and for-hire vehicles including TNCs must pay the fee)
Price per kilometer traveled	Reduce zero-passenger ("deadhead") miles traveled by TNCs	Sao Paulo (variable fee based on occupancy and time of day, discounts for preferred vehicles)
Pricing the curb	Incentivize more efficient use of curb space, especially during peak times	N/A

METRICS

Establish baselines to better understand TNC impacts
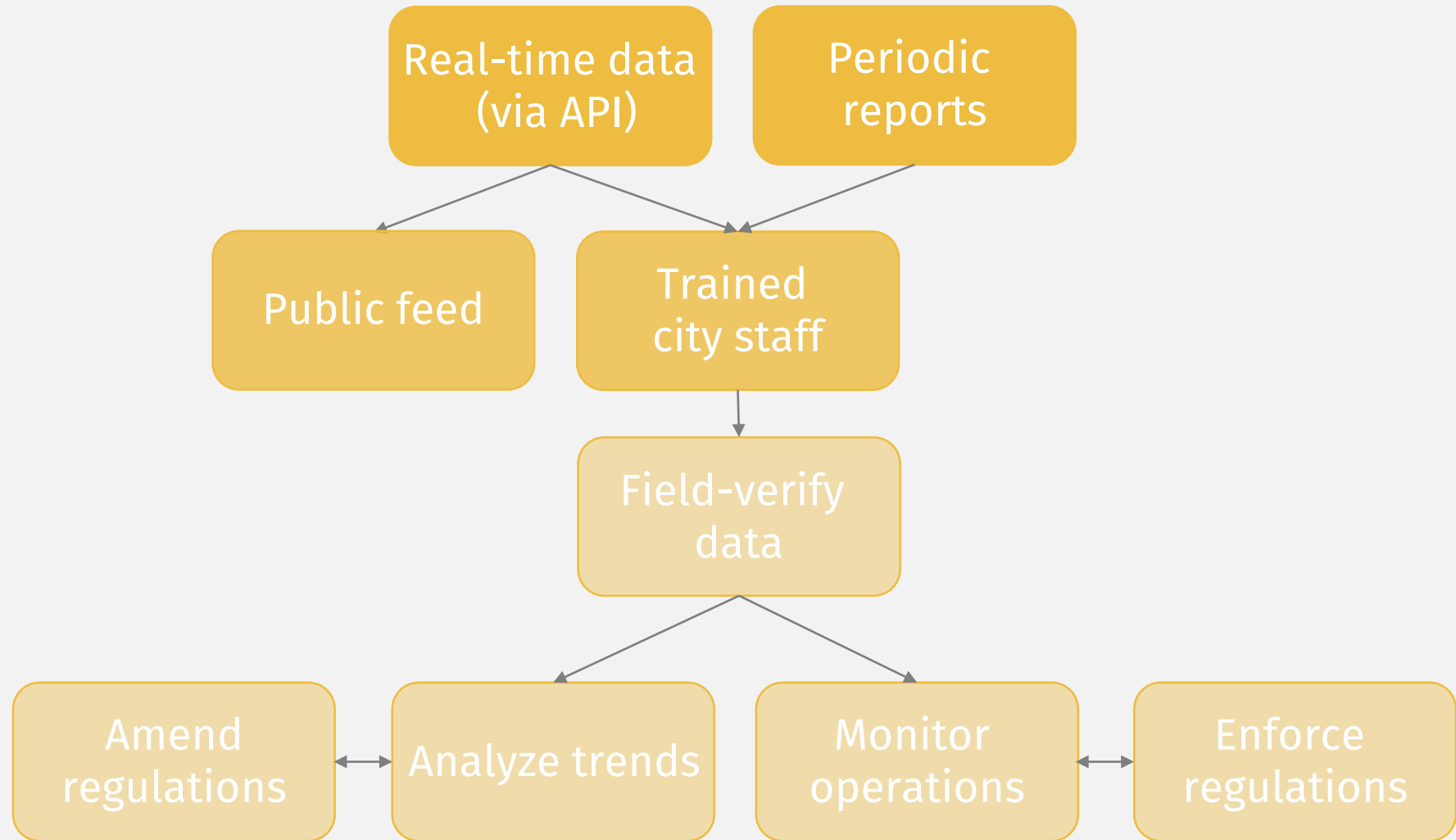
GOAL	METRIC
Spatial equity	• Average wait time in designated underserved areas
Congestion reduction	• Average km traveled/TNC vehicle • Percentage of time with no passenger(s)/TNC vehicle • Average passengers/vehicle (during trips & total)
Safety	• Traffic injuries involving TNCs/1,000,000 vehicle km • Fatalities involving TNCs/1,000,000 vehicle km • Number of passenger complaints regarding safety/1,000 passenger trips • TNC traffic citations/passenger km
Emission reduction	• Greenhouse gas emissions/total km driven

DATA

Use operator data for policy enforcement and evaluation

Real-time data (via API)

Periodic reports

Public feed

Trained city staff

Field-verify data

Amend regulations

Analyze trends

Monitor operations

Enforce regulations

REGIONAL COORDINATION

Facilitate connectivity through multi-jurisdictional regulation

- Reduce duplicated staff time, administrative costs
- More streamlined communication with operators and the public

GREATER LONDON
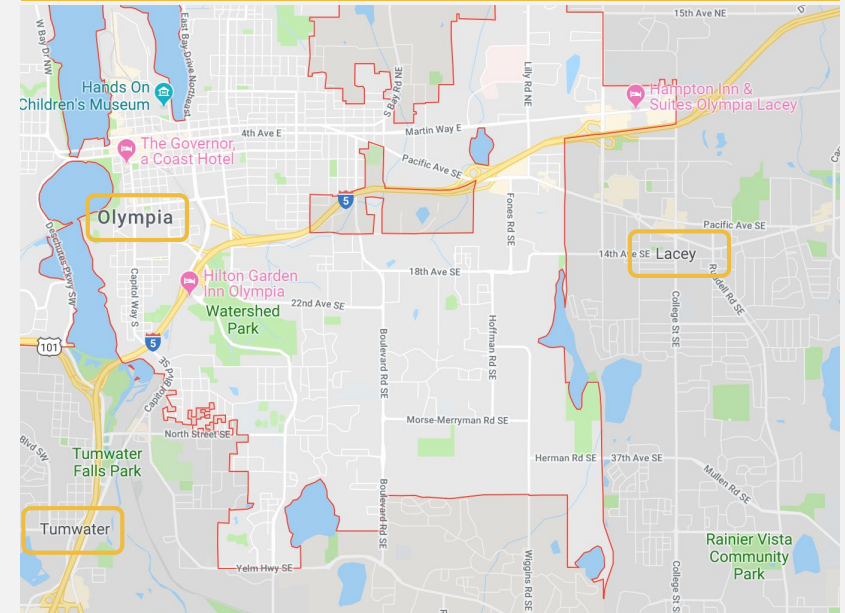

WASHINGTON STATE

STRUCTURAL BARRIERS

Lack of political will

Legal authority restrictions

Governing capacity

- **Level playing field**
  Extend consistent regulations to all for-hire vehicles

- **Understand concerns**
  Convene public and private stakeholders

- **De-politicize**
  Focus on TNCs as smart city/innovative technologies

- **Collaborate**
  Contribute to regulations drafted by higher level of gov't

- **Join forces**
  Work with other cities to request devolution of power

- **Build capacity**

- **Redefine mobility**
  Reframe approach to service provision

- **Update outdated plans**
  Revise transport plans to reflect new modes

- **Support champions**
  Identify political champions willing to consider new modes

- **Stress enforcement**
  Set clear enforcement protocols

Thank you!

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https://www.itdp.org/publication/ride-fair-framework-managing-tncs/