

Transportation Network Companies and the Future of Shared Mobility

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As Transportation Network Companies become integral components of urban life, local governments will continue to face regulation and policy issues. “First generation” issues dealt with defining TNCs and managing their abrupt entry into the transportation market. Our analysis focuses on “second generation” issues that have arisen recently centering around **legal challenges, managing transit integration, and traffic congestion.**

This project analyzes policy innovations implemented by state and municipal governments across the United States.

LEGAL CHALLENGES

STATE INTERFERENCE - AUSTIN, TX

In response to a bill in Austin that called for fingerprinting and background checks of TNC workers, Uber and Lyft pulled their services from the city until the state passed House Bill 100, which overruled the local measure. By lobbying state legislatures, TNCs have been able to get states to preempt municipal/urban regulations of their drivers, the gig economy labor force on which TNCs rely.

LABOR LAW - CALIFORNIA

In an ongoing lawsuit, Uber vs Drivers, Uber drivers are suing the company for withholding tips, failing to pay minimum wage and for price discrimination. If the lawsuit is successful, it will force TNCs to reevaluate their current business models and labor force practices.

POLICY IMPLICATIONS

FOR MUNICIPALITIES

- Identify and regulate market disruptors
- Identify ways in which TNCs can supplement existing infrastructure
- Establish data policy framework to obtain TNC's traffic data and increase accessibility of Open Data
- Ensure TNC workers are protected by labor law
- Consider the impact of TNCs on taxi drivers and companies

TRANSIT INTEGRATION

SUPPLEMENTING TRANSIT - FLORIDA & CALIFORNIA

Several municipalities have begun subsidizing TNC rides in lieu of expensive investments in fixed bus routes. Pinellas County, Florida, has replaced late night service with TNC subsidies. Monrovia and Dublin, California have established blanket programs with flat, subsidized fares for TNC rides within the city limits. Both programs promote “last-mile” rides to mass transit stations.

PARATRANSIT - BOSTON, MA & LAS VEGAS, NV

Although Uber and Lyft's Wheelchair Accessible Vehicle (WAV) services do not satisfy all of the Americans with Disabilities Act's criteria for paratransit service, Boston and Las Vegas transit agencies have both launched pilot programs to subsidize Uber or Lyft WAV rides as a convenient, voluntary alternative to dial-a-ride paratransit.

TRAFFIC CONGESTION

MARKET CAP & CONGESTION SURCHARGE - NEW YORK, NY

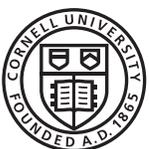
To ease traffic congestion and improve low driver wages, NYC temporarily stopped providing new licenses for ride-hailing vehicles in August 2018, capping the number of ride-hailing vehicles permitted in the city and increasing drivers' minimum pay rate. In February 2019, NYC enacted a congestion surcharge of \$2.75 per trip (\$2.50 for yellow taxis) on ride-hailing vehicles below 96th Street in Manhattan, with all generated revenue going to the Metropolitan Transit Authority (MTA). The rise of Transit Network Companies, such as Uber, and the new congestion surcharge have become significant sources of financial hardship and stress for yellow taxi drivers in NYC.

NEXT STEPS

Uber and Lyft are seeking to evolve from their role as ride-hailing services to become a one-stop destination for all transit needs. They are expanding into bike, scooter, and carsharing industries that are leading to similar state preemption and regulatory policy challenges.

FOR SERVICE PROVIDERS

- Consider TNC's ability to complement and supplement public transportation networks
- Increase transparency with collected data and business practices while prioritizing rider privacy
- Revise labor practices to ensure fair treatment and quality of life for drivers
- Collaborate with regulators and community stakeholders on user safety and fair competition with traditional taxi service



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This project was conducted under the direction of Professor Mildred Warner in the Department of City and Regional Planning at Cornell University. For the full report please see <http://www.mildredwarner.org/restructuring/preemption>