

PRTC Executive Director's Time

A. Follow Up From Previous Meeting

B. Executive Director's Report

- **Industry Article from CITYLAB – “Another Study Blames Uber and Lyft for Public Transit's Decline”**

Another Study Blames Uber and Lyft for Public Transit's Decline

By Laura Bliss, first appeared in CityLab January 24, 2019

When Uber and Lyft enter a city, the app-based taxis decrease rail ridership by 1.29 percent per year and decrease bus ridership by 1.7 percent, the study by three University of Kentucky researchers found.

Worse, the effect is cumulative. Authors Michael Graehler, Richard Mucci and Gregory Erhardt estimate that Uber and Lyft for example, have reduced bus ridership in San Francisco a staggering 12.7 percent since they have entered the market in 2010.

This isn't the first study to make such findings, but it is one of the broadest, helping to explain why transit ridership has declined in almost every U.S. city over recent years. These declines could not be explained by service reductions or by maintenance issues alone – although those have been an issue in Washington and New York City.

Increased service could counter the trend, but it would not be enough to make up for the damage. Graehler and his co-authors estimated that San Francisco would have to increase bus service by 25 percent to offset the effects of Uber and Lyft in depressing ridership.

The study comes as transit agencies like L.A. Metro are grappling with unexplained ridership drops. The system's ridership declined 3.4 percent last year, despite major investments in the rail network.

But the declines have occurred in almost every major city – save Seattle – and they track closely with the rise of Uber and Lyft. In New York City, Graehler points out, daily Uber and Lyft trips grew from 60,000 to 600,000 from 2015 to 2018. That's almost identical to the decline in daily transit boardings in New York: 580,000.

This makes sense, because Uber/Lyft trips are short and concentrated in city centers, which are the exact same places bus ridership is highest. What appears to happen is that travelers divert from transit to TNCs, increasing congestion for everyone, including the buses.

The study also found that bike share has an effect on transit ridership – although the relationship was a little more complex. The study found that bike share increased rail ridership, but decreased bus ridership by 1.7 percent.

The results of their study suggest that the recent decline in transit ridership in major U.S. cities cannot be attributed to transit service cuts alone. The ridership decline is steepest from 2015 onwards, and correlates with the introduction of Uber into a market.

Transit agencies may not have the resources to increase service at the scale needed to counteract the effects of Uber and Lyft. On average they would need a 20 percent increase, Erhardt said.

A more effective approach may be to think beyond the bounds of transit agencies to consider policies such as congestive pricing, or a broader rethinking of how right-of-way is allocated in the urban streetscape between cars, transit, bicycles, pedestrians and other uses, Erhardt said.

So What? How can OMNIRIDE compete with TNCs?

Uber introduced its service in the Richmond area in August 2014, prompting state lawmakers to take action to regulate the emerging ride-hailing industry. In July 2015, Virginia began requiring such transportation network company drivers – people who use their personal vehicles to earn money through smartphone app-based platforms such as Uber and Lyft - to register as part of a larger framework of rules for what was then a new business model.

Legislation passed in 2017 that repealed the requirement for Uber and Lyft driver vehicle registration, with that law taking effect March 25th. In less than two years, the growth in the number of drivers in the ride-hailing platforms grew 14-fold, according to numbers from the DMV. At the time of the legislation, more than 184,000 Uber and Lyft partner vehicles were registered with the DMV.

Indeed.com reports that Lyft driver monthly salaries in the state of Virginia average \$3,782 per month. This salary is 116 percent above the national average. Advertisements for Lyft claim top drivers earn \$23 per hour driving with Lyft in Washington DC.

Ride-hailing effects are so substantial that, if the current trend continues, bus service in cities studied could be hit nearly 13% over the next 8 years.

Fewer residents in our service area are taking public transit each year. OMNIRIDE should partner with Uber and Lyft. The TNC apps could include public transit options. It's a commitment to transportation equity for all riders.

As it stands for OMNIRIDE passengers, the process of using public transit is cumbersome, making the experience undesirable, deterring riders. Calling an Uber or Lyft is more convenient than taking public transit. In addition, ride-sharing apps eliminate the confusing transit schedules and map navigation that plague public transit, particularly when there's a need to switch from a train to a bus or another service. There's instant gratification of a guaranteed wait time, and the apps accurately predict arrival times according to traffic patterns and routes, while also dealing with the payment.

Ride-hailing apps are great for large hub stations and as a first-mile/last mile supplement to train transit service, but not so much for bus companies that are now forced to compete directly with them. The only way to combat declining bus ridership, is by embracing the customer-service-centric features that make Uber and Lyft so popular and include them in public transit. This is happening in cities like Las Vegas where their mobile ticketing app provides mobile ticketing, route planning, access to upcoming arrival times and determining the location of buses in real time.

OMNIRIDE could partner with Uber and/or Lyft for a "guaranteed ride home program", which could offer four free Uber or Lyft rides a year to qualifying riders in certain conditions. Los Angeles addressed some public transit issues by doing this and experienced an 8.6 percent increase in light rail ridership. Creating a harmonious public transit ecosystem should be centered on ease and convenience for riders in order to be successful.