What Urban Policymakers Can Learn From the Rideshare Wars

New transportation options that make increasing demands for curb and sidewalk space call for innovative regulatory approaches.

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Across the country, city halls are struggling to find the right regulatory approach for new transportation modes -- most recently dockless bikes and electric scooters. Policymakers will benefit from lessons learned in the Uber/Lyft rideshare wars. Those fights were not about improving transit but rather about managing competition between taxis and rideshares. While the components of the regulatory approach of the future remain elusive, one thing is clear: producing the best possible regulatory regime requires that cities prioritize the right goals.

Currently, technology moves faster than regulators. New transportation modes attract a set of advocates who want to enjoy new ways of getting around with the lowest possible fees. Those opposing widespread adoption of new mobility options -- whether scooters or rideshares -- represent a diverse set of interests, from land owners to entrenched competitors. The government

response is complex because it involves a thicket of policy goals related to mobility, livability, economic development, safety, climate and equity, all in the context of limited public space.

If a person sets up any kind of kiosk or inappropriately abandons a scooter or bike, they decrease the availability of the sidewalk for others, whether for passenger drop-offs or commerce. Cities spend considerable resources on sidewalk construction and maintenance. A store owner who uses space on the sidewalk pays property taxes for the right. Is it fair, then, that general taxpayers subsidize scooter users, autonomous vehicles or rideshares? User fees should at least in part offset taxes. When the sidewalk itself becomes the place where scooter inventory is stored, important new regulatory questions come into focus covering safety, availability and cost.

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The policy objectives and considerations that frame local action concerning sidewalk and curb availability for right-of-way users such as private cars, scooters, bikes, autonomous vehicles, rideshares, delivery trucks and other commercial vendors should include the following:

• **Achieve better mobility for residents, particularly the underserved.** Any solution should be oriented around how to provide better mobility options, particularly in underserved communities. This means holding companies accountable for providing equitable service across the city, even when that may not be most profitable form of service delivery.

• **Sustainability counts.** Some actions, such as a scooter that replaces a gasoline-powered vehicle, will mitigate environmental effects. Others, such as burgeoning rideshare volumes, might increase environmental impact by adding congestion to city streets. Given that cities now lead in sustainability efforts, policymakers will need to spearhead environmentally conscious mobility networks.

• **Commercial providers and their users should pay appropriate fees.** In large part, property taxes and state contributions of gas-tax revenues pay for streets, curbs and sidewalks. Just as a store owner's property taxes pay for the infrastructure and public-safety services that facilitate its business, rideshares, shared bikes, scooters and other commercial users of the curb should follow suit by contributing to the construction and maintenance of critical infrastructure -- public resources these companies need in order to thrive. Motorists are accustomed to usage-based pricing when paying for on-street parking. Let's build on that.

• **Use pricing, not caps on supply, to allocate scarce resources.** Anyone who has waited for an Uber after a game, at an airport or on a busy block of restaurants and bars knows curb space can be scarce. Yet caps on supply -- limiting, for instance, the number of rideshares, taxis, scooters, bikes or, eventually, even autonomous vehicles -- tend to discriminate against those most in need of services and contribute to decisions driven by lobbying influence rather than market influence. Cities could start now with charges for places set aside for rideshare pickups and drop-offs in

congested areas at certain times of the day. Some dynamic parking pricing efforts are already in place: Boston's Performance Parking Pilot, for example, will allow it to use data from sensors and mobile pay applications to increase availability. And Santa Monica, Calif., is piloting a dynamic device cap based on utilization. Once cities "code the curb," they will have the data they need to refine charges and use those fees to nudge curb usage to less-congested locations.

• **Negotiate robust data-sharing agreements as a condition of licensing.** Cities need to facilitate a market with transparent information that allows for better public and private planning, as well as clarity about pricing. The more real-time, geo-based information that is made available, the more useful that data will be for cities, consumers and providers. In New York City, taxis provide real-time GPS tracking for all pickups and drop-offs, greatly facilitating both enforcement and planning.

• **Licensed transit offerings should be required to interact with a citywide digital platform.** Cities should require that information be coordinated through a centralized system that provides pricing and availability information, thus facilitating more payment options and more useful data. This digital infrastructure, built on a standardized application programming interface (or API), will provide a uniform way to transfer fees and information to the city.

• **Enforcement matters.** Whatever the rules, they need to be vigorously enforced. Otherwise, those who ignore the regulations will have an unfair advantage. Enforcement needs to include associated traffic rules such as a prohibition against dropping off passengers in the middle of the street or leaving scooters in front of certain locations.

No one can predict what new transportation options -- passenger drones? flying cars? -- might suddenly show up in and around our cities in years to come. The regulatory structures of yesteryear won't be adequate to deal with them. Maintaining and improving the quality of city living will require an agile, innovation-forward approach.

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