



# Joint PAPCO and ParaTAC Meeting

## Technical Notes

### May 20, 2019

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### **Three Panelists – Key points**

- Transit Cooperative Research Program (TCRP) Research – Terra Curtis
  - [TCRP Report: Partnerships Between Transit Agencies and Transportation Network Companies](#)
    - How should partnerships between transit agencies and Transportation Network Companies (TNCs) be pursued?
      - Terra acknowledged that this left open the question of “if partnerships should be pursued?”
    - Cost-effectiveness is big driver of *Why* agencies enter into partnerships, cost savings and cost efficiency
    - TNC perspective: Showing it is more effective than saying it – demonstrate that they want to be partners
      - These are learning opportunities for their staff
    - All transit agencies must comply with drug and alcohol testing, but taxis were exempt due to regulatory loophole in testing – if there is a choice between two providers, drug/alcohol testing isn't required
    - American with Disabilities Act (ADA) – equivalent service; FTA hasn't gotten any formal complaints about TNCs not having equivalent service
    - Cash and phone options are common themes and are a Title VI issue
    - National Transit Database (NTD) – currently TNCs cannot count towards allocations
    - Sunshine Laws – TNCs are hesitant to share data, laws/rules vary by state/jurisdiction
    - Typical Storyline –
      - Motivation: save money, increase ridership, or demonstrate innovation
      - Engage: informal and formal RFP
      - Negotiate: a lot around data sharing
    - Case Studies
    - Play book
      - What makes a good pilot?
      - How should partnerships be pursued?
        - Do it for a reason and check whether its working
        - Clear problem statement
        - These pilots should be iterative
  - *Questions for Terra*
    - Aside from drug/alcohol testing, what about background checks?

- Are there good examples/case studies for countywide setting like Alameda County? Not just transit agencies
      - TCRP report focused on transit agencies but hoping findings are more broadly applicable
      - These partnerships are largely local, some use local sales tax, some use lottery, other local revenue sources
      - Pinellas Suncoast Transit Authority (PSTA) case study in Florida – good one to look at, part of mobility on demand program, perhaps as cautionary tale, trying to do too much on platform
    - What do you do after hours if bus services have quit and Uber/Lyft don't have wheelchair access?
      - Definitely a challenge, gap in existing system and wheelchair access and late night are still gaps
      - Keep eyes on Uber-MV partnership active in 6 cities, they claim that response times for wheelchair accessible vehicles are 15 minutes or less; they have hired outside organization to evaluate
    - Criminal background checks – what checks are done for all staff at all levels, incl. contracting staff?
      - Fairly set on TNC side, and haven't heard anything about this changing unless in response to local requirement
- Cody Naylor – TNC Access for All Act (SB 1376)
  - [California Public Utilities Commission \(CPUC\) TNC Access for All Final rule published June 27, 2019](#)
  - Amended public utilities code
  - Most of law focuses on lack of wheelchair accessible vehicles (WAVs)
  - TNCs – on demand form of transportation
    - The TNCs do not own vehicles, they rely on personally owned vehicles; most people don't own their own WAV
    - State has started collecting money – a per trip “Access Fund” fee starting 7/1/19, in select geographic areas - \$0.05/trip, but may be adjusted in each geographic area based on cost of providing adequate WAV service
      - Paid for by passengers
      - Fees must be spent where generated
      - Geographic areas – selected based on demand for WAVs, known and latent demand (e.g. SF and LA high known demand)
      - TNCs can spend the money themselves if they fulfil specific criteria – presence of WAVs, improved level of service, reasonable response times, efforts to market services, and a full accounting of funds expended
    - If TNCs meet requirements – they are exempt for next year
    - “Access Providers” can submit applications to receive funds by 4/1/2020, funds will be distributed beginning 7/1/2020, similar requirements for WAV services as TNCs

- Who will the "Access Providers" be? Could be TNCs, transit agencies, taxis, cities
- Law in California very different from any other state – this money could flow to local governments
- Both TNCs and Access Providers must report data
- Key next steps for CPUC, moving fast
- How to get involved
  - CPUC is a formal body, their process is like a little court
  - Any entity that has resources and interest – encouraged to become a “party” to the proceeding, a process, but relatively simple
  - Can also:
    - Join “Service List”
    - Submit “Informal Comments” – not part of evidentiary record, but Commissioners are people who are influenced by what people say (especially if a lot of people say it)
    - Visit “TNC Access” Website
- *Questions for Cody Naylor*
  - Has Commission decided what happens if TNC cannot meet accessibility requirements in geographic area?
    - They don't get funding and Access Provider can apply to have that funding
  - So local government can apply for money?
    - No reasons money couldn't flow to them
  - Surcharge is on all TNC trips, including WAV trips?
    - A bit of an open question, but makes sense that it would apply to all trips (all TNC trips)
  - Geographic area - Origin or destination?
    - Origin
  - So, all of state won't be covered?
    - Geographic area wasn't necessarily created to adhere to existing geographic units
    - Staff recommended Counties, but commission could decide to do something else, lump counties together to be a region. This was left to commission to define.
  - Is there anything you can say about Uber-MV partnership – will this weigh scales in favor of Uber?
  - Uber has an existing pilot partnership with MV. Uber will not be able to recoup what they have spent to date. When the fee is being collected if Uber wants to continue the MV partnership it still needs to fulfil the criteria set by commission for being able to have those expenses offset (to obtain money from new program). Does not have any bearing on implementation of new law. Except sharing information on what their pilot has achieved thus far help better understand implementation as program is rolled out. What they spent to dates comes out of their own pockets

- Shouldn't affect law, everything spent to date comes out of own pocket of pilot participants
- Cody Lowe – Marin Transit Connect
  - Purpose of Connect – increased same day option for riders with disabilities and also:
    - Increase first and last mile connectivity to existing fixed route transit
    - Help commuter traveling to jobs in Marin County reach their final destinations
  - Local paratransit provider runs Connect, it operates within the transit area
  - Can a new service meet multiple goals?
  - Partnership with [Via](#) which provides the Software platform that handles ride requests and Vehicle routing.
    - Data – full sharing
    - Can directly communicate with customers via an app
    - 2/3<sup>rd</sup> are using the service for work trips
    - Sonoma county residents are only 48% users – indicates commuter usage, SMART train stop is a major pick up spot
    - 1.5 - 2 mile trips, first/last mile primarily
    - 10,040 total rides in first year
    - Almost half are employer sponsored trips (Kaiser and County of Marin)- employers pay quarterly
    - 8.2% were WAV or Marin Access customer trips
    - Call in option for those who don't use software
    - Dispatch oversees communication between users and vehicle
      - Unlike standard TNC
  - Marin Transit is conducting an evaluation this summer to be completed by the end of July

### **General Q&A**

- What are first considerations for partnerships with TNCs?
  - What are you trying to do and why do you think this partnership will help solve this problem? Keep coming back to problem statement, don't let eagerness "go" distract from being very clear about goals and why this has high likelihood of success
  - There are more TNCs than most people are aware – many different specialties of different providers. Make sure they are operating under regulatory authority, and have legal standing
  - Reiterate – key goals and have them as "guiding north stars"
  - Need to have formal business and outreach plan ahead, marketing before revenue service is very important
- For Cody Lowe – you have gotten requests to broaden service area, will you?
  - From evaluation perspective, we have to keep service characteristics mid-pilot, but could expand post-pilot, took 6 months to stabilize, they will be extending the pilot to have 1 year of stabilized program to evaluate
  - Goal is to determine if there is a long-term program to ensure continuity of service beyond pilot

- For Terra – for those entities that got FTA funds, how did they meet ADA equivalency requirements?
  - Very few pilots used federal funding
  - But several examples of that took considered approach with FTA regional rep to assess if approach would meet FTA requirements
  - Mostly locally funded, most avoided using federal funds knowing constraints that come with those
- For Terra – discussion of latent demand, when there is a paucity of options, are there desires that are currently unmet? Better options can reveal demand – and then induced demand outweighs cost savings. Is there a marketplace for these technology options or is every app being developed as a one-off for specific purpose?
  - As with other expansions in accessibility options – there is induced demand; there are structures in place in most programs to limit demand, e.g. some have subsidy cap or cap in number of trips per month, but want to make sure rules aren't too complex and become a barrier
  - Marketplace – concierge type services, Via is leaning more towards this model – turnkey option with vehicles or just software
  - CPUC response – Presentation to Commission – if you build it, they will come; looked at data from Department of Transportation, there is significant unmet demand in US for accessible trips – Fee will generate 10s of millions each year
  - Uber did not market WAV well in LA
  - Lyft/Uber are trying to become one-stop-shop (MaaS) for transportation
  - These types of partnerships are an emerging model – there are many local examples, that are very different
- For Cody Naylor - How much do they estimate the fund will be? And how did you estimate it?
  - Depends of geographic areas and how much the fee is set at
  - If just SF and LA are at 5 cents per trip – would be tens of millions
  - If 10 cents, would be double that
- For Terra - How many pilots terminated and how many continued?
  - Those that have ended, ended for specific reasons
  - Most have continued operating
  - There was another study from University of North Dakota – might have more insight into the success/failure questions
- Life Eldercare: They have successfully requested Uber WAV trips that arrived in less than 20 minutes
- In Boston Lyft is doing their own call center for free, could we do this here?
  - Cody L. spends a lot of time with his customers, but helps improve service- they fit this service into existing dispatch service; Contractors are adjusting to the new service also, sometimes he cues contractor into looking at certain things
  - Cody N. – Commission can require call center, but not sure if they will
  - Terra – Big Blue Bus in Santa Monica – replaced dial-a-ride service with Lyft; realized that there would be high need for customer outreach – they

overlapped the services, they subsidized a Lyft ride for their customers to get to training, they did one-on-one with all 3,000 customers

- Worth noting that TNCs are curb-to-curb services
- For Cody Naylor – if Access Providers can provide accessible trips, what will the parameters be? We cannot currently provide 24-7 service, can you comment on push for Access Providers to provide WAV services, but what are parameters?
  - A lot of rules haven't been set, they have received many comments
  - At a minimum – improve response time, presence and availability of WAV, and marketing – it is very general in statute at this point
  - Anything that Access Provider or TNC does will improve service, but there have been comments/requests for very specific parameters
- Clarification of yellow bus for Marin Transit
  - Cody Lowe clarifies that this is just a unique feature of Marin Transit
- One of the most impressive pilots is Boston pilot – is anyone considering regional approach
  - It is a long-standing challenge to cross county boundaries – Cody has recognized that Access Providers could seek money on a regional basis, give money to MPO to overcome county boundaries challenges that have hindered existing/past services
  - When Commission creates geographic areas – money must go back to the source;
    - Challenges with creating very large region e.g. how to balance SF creation of funds with demand for rides in Contra Costa or Solano Counties
    - Response times are one of key features that make this law transformative – response times in Solano may not be able to be the same as SF .
    - This is one of hardest parts of law to figure out
    - Things can change over time as we learn things
- Is there any way for CPUC to regulate price for TNCs? Livermore is providing one town pilot program that is great. People with low income cannot afford higher fares, they couldn't afford to get into an Uber.
  - Cody N. – can only speak to what CPUC regulates, monopoly franchise service, transportation is a competitive sector so CPUC does not do rate regulation under existing regulatory framework
  - If how TNCs are classified changes, they could do rate regulation – but a lot would have to change – they would have to come to a place of a “monopoly” type situation
    - Rate regulation is done on a state-wide basis
  - WAV – subsidizing rides is one possible use of funds
- Concern about screening of drivers and proper training for drivers for older people, people with Alzheimer's, etc. What are each of you doing with regards to training? How to ensure safety for customers?
  - One thing agencies can do who are entering into these partnerships is set requirements in RFP. If too onerous, you may limit the respondents
  - Industry responds when many public agencies start setting the same rules – public sector has the potential to steer industry in a specific direction

- Cody N – we don't fingerprint, unless they primarily transport minors; we have a zero-tolerance policy for drug/alcohol, TNCs have to report on complaints to customers, they can fine, suspend revoke operating authority. Companies are required to investigate when they get a complaint.
  - Last year we cited Uber \$750,000 for failing to report on zero tolerance policy – as an outcome, we require Uber to file a motion to expand proceeding to discuss compliance with zero tolerance policy
  - Could be more robust (regarding safety protocols); it is more robust in other parts of country
- Must create customer comfort – Marin Connect is utilizing local paratransit provider which has provided some sense of comfort and safety for customers
- What is the long-term sustainability of TNC business model?
  - They are currently losing money; only with autonomous vehicles will they become more sustainable financially but that is 10-15 years away; filings reveal that they are awaiting driverless future
  - With IPOs of Uber and Lyft, a lot of information has been revealed – will be interesting to see how companies respond to shareholder pressure
  - Depends on regulatory framework – CPUC primary responsibility is to ensure safety, they must demonstrate safety, there could be an interaction with regulation of AVs
- What about credit card fraud?
  - Big Blue Bus pilot recommended not using credit cards – sensitivity around credit cards, especially seniors and other populations served by specialized transportation programs.
- What is your vision for future of transportation for seniors and people with disabilities?
  - Yes!
  - With new laws – need more options and zero emission options
  - One of largest generations is about to retire and they need to give up car keys