Can TransLink adapt to ride hailing? Uber, Lyft ... and TransLink say yes

Uber and Lyft have been teaming up with transit agencies and are hoping for similar arrangements with TransLink

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In almost every major city in the United States, the number of people using public transit has plummeted, a phenomenon that <u>study</u> (http://usa.streetsblog.org/wp-content/uploads/sites /5/2019/01/19-04931-Transit-Trends.pdf) after study (http://www.schallerconsult.com/rideservices /automobility.pdf) has largely attributed to the growing popularity of ride-hailing.

With ride-hailing finally coming to B.C. — service providers will be able to apply to the Passenger Transportation Board in September to operate — experts don't believe Metro Vancouver is doomed to the same fate.

"It really boils down to how transit authorities, in all honesty, develop their relationships with the customer and seek to maintain their level of customer service and the meeting of customer needs," said Roger Francis, director of energy and environment for the Conference Board of Canada.

A Conference Board report said recently the effect on transit of shared mobility, which includes ride-hailing, depends a lot on local factors, one of which is the quality of service.



Roger Francis, director of energy and environment for the Conference Board of Canada. SUBMITTED / PNG

In this area, Metro Vancouver is starting from a position of strength.

Transit ridership here has outpaced virtually every other public transit agency in Canada and the U.S., climbing about 17 per cent in the past three years. Last year alone, there was a seven-per-cent increase in system-wide boardings. Those gains have been attributed to transit service improvements, high gas prices and a relatively strong economy.

Customer satisfaction ratings have consistently been just below eight out of 10, and more transit investments are on the way.



TransLink CEO Kevin Desmond doesn't expect the arrival of ride-hailing to create major hassles for TransLink. *ARLEN REDEKOP / PNG*

Since his early days in Metro Vancouver, TransLink CEO Kevin Desmond has been of the view that ride-hailing offers opportunities.

"We at TransLink see ourselves as purveyors of mobility, and our mission here ought to be how we maximize the mobility options for people," Desmond said. "As it relates to ... ride-hailing, we don't see them as something to be feared, we see them as something to both partner with and coexist with."

However, he is not naive. Desmond does concede that ride-hailing could reduce demand for transit, depending on how it rolls out.

"It may have a slight negative impact on our ridership, probably more likely reducing the rate of growth in ridership, so we have to be wary of that," he said.

Desmond came to Metro Vancouver from King County Metro Transit in Washington state, and he sees some similarities in the transit environments in the Seattle area and Metro Vancouver. There, Uber and Lyft use has grown, but public transit ridership continues to buck the downward trend experienced in other cities thanks to spending on buses and light rail.

"That's why I've not been overly worried about it here," Desmond said.



Don MacKenzie, an assistant professor of civil and environmental engineering who also leads the Sustainable Transportation Lab at the University of Washington, said the ride-hailing services interact with transit in complicated ways, and he objects to the idea that companies like Uber and Lyft "steal" customers from transit.

Don MacKenzie, assistant professor of civil and environmen tal engineering at the University of Washington . SUBMITT ED / PNG

"I think that's kind of an irresponsible framing, because it really implies that transit has some ownership claim on customers and ultimately people are going to make choices that work for them," MacKenzie said.

If transit is an undesirable option, then service providers need to find a way to make it more attractive than ride-hailing. This could be by improving the quality of transit service — which he said is already high in Metro Vancouver — or making

ride-hailing more expensive with congestion pricing or fare restrictions.

"Ultimately, the individual travellers in this system are individual consumers and travellers who are making decisions about how to kind of most effectively get around for themselves, so if those choices don't align with the public interest, then you need to realign the incentives that they face," MacKenzie said.

Desmond agrees, noting that public transit agencies shouldn't be viewed as monopolies — they need to stay competitive to earn their

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riders.

"Instinctually, I've never really feared (ride-hailing) because it forces us to step up our game," Desmond said.

Francis said the attitude a transit authority has toward ride-hailing can determine whether the relationship is complementary or competitive. He said the most important recommendation for B.C.'s transit authorities is to develop symbiotic relationships with shared mobility services — while recognizing there is potential for risk.

Given the time it has taken for ride-hailing to be allowed here, "TransLink, and Vancouver, does have the opportunity to really look at what that symbiotic relationship is and should be," said Francis.

"There's a strong recognition that you can't have a bus or train going down every single street ... so how do you actually utilize your system in a broader mobility environment? The synergy is really important."

Ride-hailing companies are eager to say that they are not in competition with transit, but that they have a common enemy — the personal vehicle — and they want to work together.

In a <u>regulatory filing (https://www.sec.gov/Archives/edgar/data/1543151</u> /000119312519120759/d647752ds1a.htm) made before its initial public offering this spring Uber did explicitly say that it considered public transit to be competition, but it <u>eliminated the language in a</u> <u>subsequent refiling (https://www.cnn.com/2019/04/26/tech/uber-</u> <u>public-transportation-update/index.html)</u>.

"I think it's really important to read the final copy of the (filing), which makes it super clear that we partner with public transportation agencies, are complementary to public transit agencies," said David Reich, head of transit at Uber. "We want to be judged by our actions here."

Reich said Uber has "doubled down" on efforts to work with public

transit agencies in the past 18 months, and has been talking to TransLink about partnership opportunities.

"I think that TransLink is an amazing transit agency that's doing pretty well, and they're providing a great service," Reich said. "We can be complementary to that and help make movement throughout the city easier."

Uber has worked with the Massachusetts Bay Transportation Authority on a subsidized on-demand para-transit project in Boston and provided "ride-sharing transit" in Innisfil, Ont., where fixed-route bus service would have been too costly.

Uber's latest move is to team up with Denver's Regional Transportation District to include public transit information and ticketing in its app.



Aaron Zifkin of Lyft Canada. SUBMITTED / PNG

Lyft has more than 50 partnerships with transit agencies in the U.S., and just started a six-month pilot project with Metrolinx in Ontario. Commuters can get discounts for travelling to and from four transit stations, and there are designated pickup and drop-off spots at those stations.

"The competition for public transit is not

actually ride-sharing, it's car ownership, individual car ownership," said Aaron Zifkin, managing director of Canada at Lyft. "I think the better word to use is complementary. What we've seen is when we're part of expanding and supporting the existing transit infrastructure, everybody wins."

The CEO of a Vancouver technology company that has already started a hybrid ride-hailing and taxi company said he "100 per cent" agrees.

"Anything that works to lower congestion, in our opinion, would be good," Scott Larson, who is the head of Kater, said. "Taking people to public transportation, incorporating that into trips, is good for

everybody."

Desmond has talked about working with ride-hailing companies to provide services for the first and last few kilometres of a person's trip, serve customers during off-peak periods or in areas with infrequent transit, or supplement HandyDart, but he did have any further details.

"We will be eager to reach out to the ride-hailing companies once we understand what their operating mode will be in the region and figure out different ways that we might partner," Desmond said.

Hendrik Wolff, an associate economics professor at Simon Fraser University, suggested that another way ride-hailing could support transit is through congestion pricing. The proceeds could be used to increase transit in areas that are not well served or subsidize ridehailing trips that link to public transit or take place in areas where there is no transit option.

"Basically, we want to work on models where the private sector is complementary to the public sector," Wolff said.

Finding out exactly how much ride-hailing is affecting transit can be difficult because of a lack of data from ride-hailing companies, which work hard to protect their information.

In many cases, that means researchers conduct surveys to find out about which modes of transportation people are using. A <u>recent</u> <u>study (https://steps.ucdavis.edu/new-research-ride-hailing-impacts-travelbehavior/)</u> of seven U.S. cities found that ride-hailing served as a complementary mode while also attracting passengers away from public transit, biking and walking. The average net change in transit use is a drop of six per cent.

MacKenzie said, however, that asking people about individual trips only tells part of the story — "some people would say that's a meaningless part of the story" — and instead we should be looking at the way people make decisions about what he calls tours, or the combination of trips they take in a day.

"When people make choices about transportation modes, they make those choices in the context of a whole tour, not just a single trip," MacKenzie said. "People make choices about tours based on the options they have available."

He admits there is little data in this area and it can be hard to measure, but it could provide a broader picture.

MacKenzie said that if he could give one piece of advice to government and transit agencies in B.C. it would be to require ridehailing companies to share high-resolution data and make it available to a wide audience.

"I think a condition of operating in the city needs to be a robust set of requirements around data disclosure and data sharing," he said.

A <u>report on modernizing B.C.'s taxi industry (http://www.th.gov.bc.ca</u> /<u>rpt/Documents/20180718_Modernizing%20Taxi%20Regulation.pdf)</u> noted that transit agencies and municipal planners say trip data from taxis and ride-hailing companies needs to be provided for better planning and congestion management.

The Passenger Transportation Board, which will decide which companies will be allowed to operate, has also said that it will need better origin, destination and performance indicator data to make decisions. What that will look like has not been determined.

The board is working on <u>policies (http://www.th.gov.bc.ca</u> /<u>ptb/documents/2019-07-08_TNS&Taxi-SEC_Metro-Vanc.pdf)</u> about fares, fleet sizes and boundaries for ride-hailing, which could play a role in how it affects transit. It's expected that the board will have those policies ready in a few weeks.

Both Uber and Lyft have said those policies, along with the ability to attract drivers who require Class 4 professional drivers' licences, will influence their decision to apply to operate in B.C.

Desmond said because there are so many variables, it will remains to be seen what will happen when ride-hailing arrives.

"Next year, a year from now, three years from now it's going to be fascinating to see how it rolls out, and it will be fun to see what kinds of responses we'll have and what kind of partnerships we might be able to gin up with some of these companies," said Desmond.

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