Transportation Sharing:
Market-Based Policy Change

Frank Douma, State and Local Policy Program
Transportation: market or government driven?

• **Railroads** (Gov’t gave land to private companies)
  – Peak ridership and rail miles in 1920’s
  – Decline in 1950’s
    • Existing RR regulation
    • Jet air travel
    • Highways

• **Highways** (Gov’t retain ownership and responsibility)
  – 1945: 25 million cars in US
  – 2008: 137 million
Why Share?

- Vehicle Automation
- Vehicle Electrification
- Smart Phone Apps
Electrification

**Innovations**

Death of gas and diesel begins as GM announces plans for ‘all-electric future’

*By Peter Holley  October 2*

**The Switch**

Volvo says it will abandon traditional engines by 2019

*By Hamza Shaban  July 15*
Cost/Ownership

• Does it make sense to own a vehicle which is used only 2 out of 24 hours?

• Morgan Stanley estimate that Automated cars will result > $1.3 trillion in saving every year in USA (8% of GDP) and >$5.6 trillion Globally

• End of Minimum Parking Requirements?
Apps . . .

Bikes???
Bikes!

• **Hubless bike share**
  – Low cost of capital
  – Low cost of operation
  – Easily scalable

• **New Private operators**
  – Ofo, Mobike, Spin, LimeBike, etc.

• **Funded by venture capital**

• **The $$ is in the transaction!**

Bikes!

- Seattle – 4 providers, allowed to scale up to 1000’s of bikes
- Aurora, CO: 250 bikes – up to 1000’s
- Dallas
- Boston
- Washington, D.C.
Role of Government / Policy

• “Many transportation experts lament how ridesharing networks, such as Uber and Lyft, arrived in cities. The companies moved quickly into cities, winning over consumers and leaving local governments with little leverage to make demands.

• Now these cities have scant data about the impact of ridesharing vehicles on their roads. This makes it challenging for governments to plan transportation and serve citizens.”

• “How Seattle morphed from bikeshare failure to industry leader in five months” CNN Tech, August 18, 2017


https://www.dmagazine.com/frontburner/2017/10/dallas-cant-handle-bike-share/
New Paradigm: Mobility as a Service

**CURRENT INDIVIDUAL OWNERSHIP**

**PERCEPTION**
- My car, my privacy, no mileage tracking

**RELATIONSHIP WITH TRANSPORTATION**
- My vehicle serves me

**USER PAYS**
- Gas tax

**EMERGING MOBILITY-AS-A-SERVICE**

**PERCEPTION**
- Using my smartphone, I’m tracking a car I will use as I need it

**RELATIONSHIP WITH TRANSPORTATION**
- A fleet of vehicles serves my community

**USER PAYS**
- User-based fee per mile
• Seniors, Poor, Children?
• First and Last Mile Solution for Transit
• Complement to existing service
• Increase the impact of transit stations on adjoining properties
• Greater efficiency in low density
• From few blocks to a few miles?

https://meetolli.auto/manual.html
In summary: Policy Disruption

• In transportation: the app’s the thing

• In economics: the bike’s the thing

• Thanks to:
  – Bill Dossett, NiceRide
  – Chris Berrens and Ken Buckeye, MnDOT
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Questions?
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