

Monday, May 13, 2019

House Committee on Revenue
Oregon Legislature

RE: HB 3023 A-Engrossed.

Dear Chair Nathanson and Members of the House Committee on Revenue,

My name is Becky Steckler, AICP and I am writing on behalf of myself and my colleague Nico Larco, AIA. While we are testifying today as citizens, I work for the University of Oregon as the Program Director of the Urbanism Next Center and Nico Larco is the Urbanism Next Center Director, and a Professor of Architecture at the University of Oregon¹. At the Urbanism Next Center, we study how autonomous vehicles, e-commerce, and the sharing economy, impact land use, transportation, urban design, and real estate and the implication these changes have on equity, public health, the economy, the environment, and how government at the local, regional, state, and federal levels should respond to these implications. **We oppose HB 3023 and especially Section 2 that would preempt local jurisdictions from being able to regulate transportation network companies (TNCs).**

What the data show us is that transportation network companies (TNCs) like Uber and Lyft have a much greater impact on the transportation system than people who own their own vehicles. Studies have found that TNCs result in an increase in congestion and vehicle miles traveled (VMT) due to a shift in mode from walking, biking, and transit ridership; inducing new trips; and an increase in VMT as they travel without a customer from dropping off one customer off and picking another one up^{2, 3, 4}.

The impact of TNCs on walking, biking, and particularly transit ridership is particularly disturbing. A study in the Boston-area by the Metropolitan Area Planning Council found that transit riders are substituting TNC trips for transit trips, even when it costs riders much more.⁵ In 2017, researchers from the University of California, Davis Institute of Transportation Studies asked TNC riders in cities around the country what they would

¹ For informational purposes only.

² Gehrke, S., Felix, A., and Reardon, T. (2018). Fare Choices: A Survey of Ride-Hailing Passengers in Metro Boston. Boston: Metropolitan Area Planning Council.

³ Schaller, B. (2017) Unsustainable; The Growth of App-Based Ride Services and Traffic, Travel and the Future of New York City. New York: Schaller Consulting.

⁴ SFCTA. (2017). TNCs Today: A Profile of San Francisco Transportation Network Company Activity. San Francisco: San Francisco County Transportation Authority.

⁵ Gehrke, Felix, and Reardon (2018).

have done if they hadn't taken a TNC trip. Approximately 60% of respondents indicated they would have walked, biked, taken transit or *not taken the trip at all* (emphasis added).⁶ Most alarming is the work done by the University of Kentucky researchers⁷ that wanted to see if the recent declines in transit ridership could be explained, in part, by the introduction of TNCs. Their study of 22 large cities across the United States, controlling for changes in service, gas price, auto ownership, and other factors, found that,

“...each year after TNCs enter a market, heavy rail ridership can be expected to decrease by 1.3% and bus ridership can be expected to decrease by 1.7%. The effect of TNCs is substantial—after eight years this would be associated with a 12.7% decrease in bus ridership....the consequences of a shift from public transit to TNCs go beyond the effect on transit agencies. Recent research suggests that this shift results in a large increase in traffic congestion (citations omitted), which may result in most travelers being worse off.

The implication of misdiagnosing the causes of recent ridership declines is that it may lead to ineffective policy responses. Boisjoly et al (11) recommend that transit agencies should focus their efforts on expanding service to attract ridership. While expanding service does result in a net increase (in) ridership, as can be observed from recent bus service expansion in San Francisco, the amount of service expansion required to offset the TNC effect is substantial. To offset the expected 1.7% annual loss of bus riders to TNCs, transit agencies would need to increase bus VRM (vehicle revenue miles) by 3.7% per year. After eight years, this would result in more than a **25% service expansion just to maintain existing ridership** (emphasis added). While service expansions are clearly valuable, transit agencies are fighting an uphill battle. In order to implement effective policies, it may be necessary to reach beyond the bounds of the transit agencies themselves and partner with cities to consider strategies such as congestion pricing, or reallocating right-of-way on urban streets away from cars and to transit.”⁸

TNCs have a place in our cities and provide transportation options that were unavailable previously. Ride-hailing services virtually end discrimination in service for people of

⁶ Clewlow, R.R., and Mishra, G.S. (2017). Disruptive Transportation: The Adoption, Utilization, and Impacts of Ride-Hailing in the United States: University of California Davis Institute of Transportation Studies.

⁷ Graehler, M., Mucci, R.A., and Erhardt, G.D. (2018). Understanding the Recent Ridership Decline in Major US Cities: Service Cuts or Emerging Modes? 98th Annual Meeting of the Transportation Research Board.

⁸ Ibid, p 15 and 16.

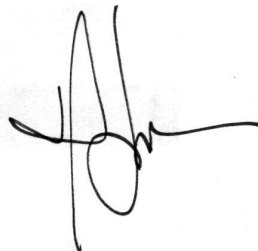
color compared to taxi service⁹. It helps transport people to and from bars, thereby potentially reducing drinking and driving. However, we should not treat TNC the same as individual drivers, as their impact on the transportation system is much more significant. In addition, we should not assume a “one size fits all” regulation for TNCs will be in the best interests of cities as diverse as Portland, Lincoln City, Ashland, and Pendleton. We can understand why TNCs would want to pre-empt local jurisdictions from regulation, it is easier for the companies and increases their bottom line. But just as each city is unique, we should ensure that the regulatory approaches to TNCs in each city meet the unique needs of those cities. And if a city sees no need to regulate TNCs, they are under no obligation to do so. The current system does not restrict TNC deployment unless a city expressly forbids it.

Cities in Oregon invest millions if not billions of dollars every year into transportation infrastructure, operations, and maintenance. City leaders are working hard to improve safety; promote active transportation; increase access to jobs, education, shopping, and recreation—especially our most vulnerable residents that are often transit-dependent; and reduce greenhouse gas emissions. HB 3023 takes away important regulatory tools that Oregon cities need to achieve these goals. Please do not pass HB 3023 A-Engrossed.

Thank you,



Becky Steckler, AICP



Nico Larco, AIA

⁹ Brown, A.E. (2018). Ridehail Revolution: Ridehail Travel and Equity in Los Angeles — A dissertation submitted in partial satisfaction of the requirements for the degree Doctor of Philosophy in Urban Planning. University of California, Los Angeles.