

PARTNERING WITH TNCsⁱ

Over the last several years, Transportation Network Companies (TNCs) have expanded into such strategic business areas as partnering with municipalities, healthcare organizations, regional transit authorities, and others. In this brief overview I describe two local examples: the MBTA Ride program and the Greater Attleboro/Taunton Regional Transit Authority (GATRA) “Community Accessing Rides” (CAR) pilot. I also provide high-level data from the CAR pilot on Uber usage and costs, as illustration of what similar programs could expect under similar conditions.

Examples: MBTA and GATRA

MBTA: This pilot began in fall 2016 to provide on-demand transportation for Ride-eligible residents using Uber, Lyft, and (later) Curb. It should be noted that riders can only sign up with one of the TNC companies. Residents apply to the MBTA/Ride for 1-month passes of varying numbers of rides based on historical use. A 3rd-party vendor supplies a WAV fleet that can be used in the pilot program, but riders needing ADA paratransit service are encouraged to continue to use the RIDE.

MBTA determines eligibility and sets caps on trips per month, beginning with a 2-pass minimum. Riders pay \$1/trip (i.e., one way) for Uber pool and \$2/trip for UberX. For both Lyft and Curb, riders pay \$2/trip. For Uber riders, the MBTA subsidizes trips up to \$40 per trip, and the rider pays for the overage. For Lyft, the MBTA subsidizes up to \$20/ride (no information was available for Curb). Companies bill the MBTA monthly (taking into account any surge pricing of rides). TNCs conduct customary background checks on the drivers, using RMV data and other public sources; MBTA conducts CORI checks for this program.

For riders choosing Uber, all rides must be scheduled by rider smartphone (Uber provided free smartphones on request and may continue to do so). Lyft and Curb offer a concierge service that can be called by telephone to book rides, after an individual has been approved for this service. All companies require riders to set up a credit or debit card account. Curb allows the rider to pay the copay in cash to the driver.

If a Lyft ride is canceled but the driver has driven for fewer than 60 seconds, there is no cost; otherwise, the rider pays \$5 (the same fee is attached to a no-show).

GATRA: The Greater Attleboro/Taunton Regional Transit Authority (GATRA) became part of a “Community Accessing Rides” (CAR) consortium initiated by the Attleboro YMCA. To meet night and weekend needs, as well as weekday needs of residents unable to access GATRA transport, Uber was selected because of the availability of cars/drivers in the region. GATRA secured a Community Transit Grant and developed (with MAPC) a Google Earth resource so that

consortium members could identify the extent and limits of fixed route transport and the gaps to be filled via Uber.¹

Member organizations of the CAR consortium qualify clients and dispatch transportation via the Uber app (riders do not need smartphones). Each organization involved receives management reports, to track utilization and cost.

Pricing

Uber pricing is based on time and distance: \$0.26/minute, and \$1.14/mile, excluding surge pricing (trips at certain hours and under certain traffic and weather conditions are priced at higher rates). Typically, Uber receives 25% of each ride fee and the driver the other 75%. Uber also applies a 10% fee for “service access” (i.e., their application and customer support) in determining total cost billed per ride. Both Uber and Lyft waive the 10% administration fee—that is, the cost to partner with the company—for municipalities.

Lyft provides a website Fare Estimator to determine the cost of rides. On average, Lyft rides are \$8 less than Uber rides (\$13 vs. \$21). Data were not available on Curb prices.

GATRA Experience

Data from the CAR year’s experience can help determine the feasibility of a similar program. Although regions may differ from one another, the results provided below are likely to be generalizable to those considering partnering with TNCs.

Data Collected

Uber tracks the following parameters per rider:

- Trip ID
- Request date
- Request time
- Drop off date
- Drop off time
- Rider first name
- Rider last name
- Rider email
- Service (e.g., UberX)
- City/town

¹ The grant was for \$30,000, and the state requested and received \$28,000 to match. Additional monies came from consortium members and others. Social service organizations that were members of the pilot contributed between \$250 and \$1,000, which entitled them for up to \$2,000 worth of rides for their clients.

- Distance
- Duration
- GST amount
- Fare (US\$)
- Service/technology fee (including applicable tax)
- Total charge (fare plus fee); no tips
- Pickup address
- Drop-off address
- Expense memo (purpose of ride)
- Group (agency subsidizing/vetting request)

The above can be used to create reports to involved agencies showing, for example, monthly total cost, number of rides, distance (miles); as well as average cost, budget, and monies remaining. Total system data reports are also available.

CAR pilot results of interest to other organizations (municipalities, RTAs, etc.) are summarized below.

Primary use of services:

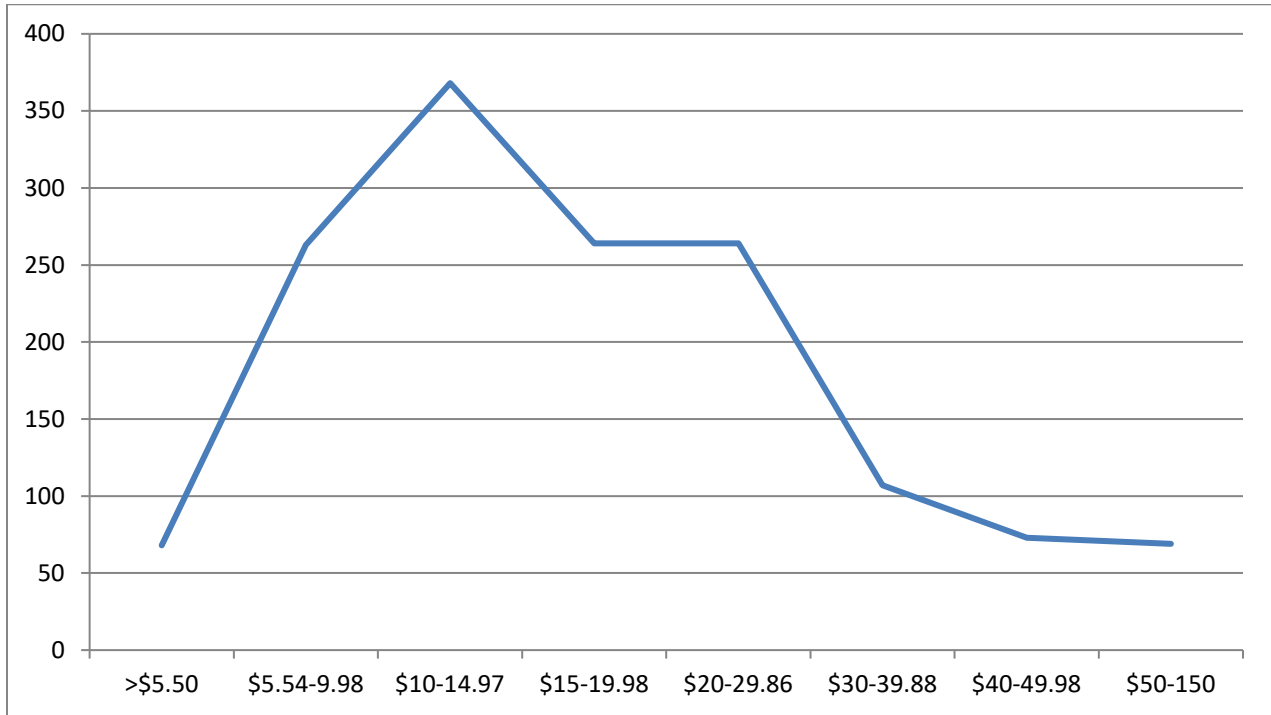
- Medical related appointments
- Renewal of or application for government benefits (SNAP, Heat Assistance, etc.)
- Appointments at Social Service Agency (ESL Class, Counseling, etc.)
- 2nd or 3rd shift job
- Food access.

Percentage rides by day of week: More than 80% of rides occurred during week days (see primary use, above).

Costs:

- Average monthly = \$2,500 (range, excluding startup month, \$1,535 - \$4, 954)
- Range of total cost borne by partner organizations = \$139 - \$6,916 (organizations included YMCA, hospitals, schools, St Vincent DePaul Conference, ARC)
- Average cost per ride = \$21

As the figure, below, indicates, most trips (about 80%) cost between \$10 and \$30 total, with only 20% higher. In fact, nearly 50% of trips cost less than \$15.



Number of Rides Provided per Fee Category (1,488 total rides)

ⁱ Sources of information:

Uber presentation to Carlisle CoA, 10/4/18 (Haven Nichols) and Lyft presentation to Carlisle CoA, 10/10/18 (Ben Sisko).

Uber Revenue and Usage Statistics (2017) by Artyom Dogtievu; updated: July 23, 2018 available at <http://www.businessofapps.com/data/uber-statistics/#3>

Uber and Lyft partner with Boston transit agency to provide on-demand rides to disabled residents, Amy MacMillan Bankson | March 14, 2017; available at <http://mitsloan.mit.edu/newsroom/articles/uber-and-lyft-partner-with-boston-transit-agency-to-provide-on-demand-rides-to-disabled-residents/>

On-Demand Paratransit Pilot, available at <https://www.mbta.com/accessibility/the-ride/on-demand-pilot>