

FAST COMPANY

Cities Say Uber and Lyft Are "Gap Fillers" In Public Transit

As cities begin to subsidize Uber rides, a recent report urges public transportation services to cooperate with ride-hailing companies.

Next week, Altamonte Springs, Florida, will begin spending the \$500,000 it has budgeted to subsidize its residents' Uber rides during a year-long pilot program. "It is infinitely cheaper than the alternatives," city manager Frank Martz told Reuters. By "alternatives," he meant spending more money building roads and extending public transportation.

Though a report commissioned by American Public Transportation Association (APTA) released on Tuesday stopped short from calling for Uber subsidies, it advised public transportation systems to follow Altamonte's lead in cooperating with ride-hailing services like Uber and Lyft.



The report, which surveyed 4,500 customers of both public transportation and services like Lyft and Uber in seven cities, found that people who use public transportation are also the most likely customers for new shared transportation services like ride-hailing apps. It also suggested that ride-hailing apps and public transportation were complements rather than competitors. Survey respondents used the ride-sharing apps most frequently between 10 p.m. and 4 a.m., times when public transit runs infrequently or is not available, and they were most likely to use public transportation for daily commutes, while using ride-sharing apps to travel to recreational events.

Both Uber and Lyft have been pushing into public transportation. Lyft has even launched a "friends with transit" marketing campaign, in which it positions itself as a last-mile option supplement to train and bus routes.

Dallas has integrated Uber and Lyft into its GoPass trip-planning app. When users are planning their commute, they can book a ride with either service directly. "We're basically a sales window for them," said Morgan Lyons, an assistant vice president at Dallas Area Rapid Transit (DART). Uber has also partnered with Florida's Pinellas Suncoast Transit Authority—which pays half of riders' fares when they travel to or from select bus stops—as well as Atlanta, Los Angeles, and Minneapolis public transportation systems. Lyft has partnered with Chicago, among others.

Through these partnerships, public transportation services have advertised ride-hailing apps as connection points, offered discounts, and integrated access to ride-hailing services within their own apps.

At a news event to announce the APTA report, both companies framed their collaborations with public transit as extending service into "transportation deserts." Lyft's director of transportation, Emily Castor, said ride-hailing could fill gaps in public transportation. "So that late-night trip home, that was after the train stopped running, we can get you there. When you need that last-minute connection to a rail station, we can do that for you too."

Uber said that it does much of its business in areas that are underserved by public transportation. David Plouffe, its chief advisor, said 30% of trips in New York originate in a borough other than Manhattan and that 50% of trips in Chicago originate in the south or west side of the city.

Even so, some have expressed concerns that relying on private companies to fill gaps in public transportation could backfire. Andrae Bailey, chief executive for the Central Florida Commission on Homelessness, has said that she worried that the homeless would not benefit the same way from Uber subsidies that they might if the city had instead spent money on extended bus

routes. Others have argued that when customers choose to use Uber or Lyft instead of public transportation, people who have no choice but to use public transportation suffer. "As the wealthy—and, as the prices of Uber and Lyft fall, the slightly less so—essentially remove themselves from the problems of existing mass transit infrastructure with Uber and other services, the urgency to improve or add to it diminishes," wrote reporter Matt Buchanan in one particularly sharp piece of criticism. "The people left riding public transit become, increasingly, the ones with little or no political weight to demand improvements to the system."

Uber and Lyft have made many efforts to cut prices, some of which make the services look not unlike public transportation: They have established car-pooling options and set routes. They have steadily paid drivers less per mile. And they are actively working on self-driving cars. Among survey respondents—whose median income was \$90,000—even many of those who used Lyft and Uber said they used a train (50%) and bus (45%) frequently.

Lyons of Dallas was confident that the ride-hailing services would not decrease use of public transportation systems like the one for which he works. "Five dollars gets you our whole system all day," he said. "That's a pretty good deal. Even our ride-sharing colleagues can't match that. Sorry."