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17 February 2014

Mayor Annise D. Parker
City of Houston
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Honorable Mayor and Councilmembers –

My name is Paul Steinberg, VP Business Development, Carma (dba of Avego) with offices in Austin and Silicon Valley. Carma operates Real-Time Rideshare projects funded by the Federal Highway Administration. Our Austin project team includes the Texas Department of Transportations (TxDOT), the Central Texas Regional Mobility Authority (CTRMA) and the Texas A&M Transportation Institute (TTI).

Several Texas cities are currently evaluating regulations for what seems to be a new breed of transportation vendors (UberX, Lyft, Sidecar) categorizing themselves as smartphone apps that enable legal "ridesharing" services. In contrast, these vendors are actually connecting "for hire" drivers with passengers by way of a smartphone.

We want to encourage Texas policy makers to consider several areas before defining any new regulations for vendors or their independent contract "for hire" drivers;

- Federal laws and benefits
- Texas state and local regulations
- Houston government funded rideshare services, and
- Impacts on city transportation networks

Any regulations should clearly state these vendors are not enabling "ridesharing", and should not inadvertently, or adversely, affect; government funded projects, funding for public transit agencies, or legal forms of carpooling/vanpooling/ridesharing as defined by the federal government. Any consideration should look past the mechanics of how trips are dispatched or the equipment used to fulfill the request, and recongnize that UberX, Lyft, and Sidecar all enable "for-hire" drivers to provide a similar service to that of a traditional taxi driver.

Ridesharing History

More than 10% of the USA population engages in true ridesharing each and every day, by commuting to/from work or school in a car or van, whereby the driver does not earn more than it costs to operate the vehicle. Many government programs encourage ridesharing because it reduces peak commute hour congestion, and helps cities achieve their emission reduction goals.

Ridesharing, defined as carpooling and vanpooling, has been an important part of American culture since the invention of the automobile. Car Clubs were created during World War II to conserve resources, federally funded carpool programs during the 1970's were a response to the oil energy crises and organized ridesharing arrived in the 1990s with reliable ridesharing systems deployed in most major US cities over the past decade. More history can be found in "RIDESHARING IN NORTH AMERICA" – UC Berkeley Nelson Chan & Susan Shaheen, PhD

Federal Policy

Ridesharing definitions may be found in many programs and laws set by the Federal Highway Administration, Federal Transit Administration and the the Internal Revenue Service;

> "Carpooling", "Vanpooling" and "Real-Time Ridesharing" are defined in US Public Law 112-114, and funding for qualified programs is subject to the condition, "the cost recovered does not exceed the cost of the trip provided."
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> The Federal Commuter Tax Benefit (TEA-21 Transportaton Equity Act) provides millions of Americans with pre-tax payroll benefits that encourage alternative transportation options. The qualifications require "…employees commute to work using mass transit, commuter highway vehicles, or carpools…"
>
> The Congestion Mitigation and Air Quality Improvement Program (CMAQ) provides over $2.2 billion annually to reduce emmissions through programs if "the project or program shifts traffic demand to nonpeak hours or other transportation modes, increases vehicle occupancy rates, or otherwise reduces demand for roads through such means as telecommuting, ridesharing, carsharing, alternative work hours, and pricing created to reduce emmission and improve air quality".

Austin Policy

Last year the City of Austin City Council approved the Urban Transportation Commission's Recommendation Number 20130813-004A which defined legal, or unregulated, ridesharing as a service that limits "reimbursement up to federal rates", currently defined by the Internal Revenue Service as $0.565 per mile.

Texas cities do not suffer limited taxi medallions like cities on the east or west coast, and Austin regulators decided there was no difference in types of service, and Yellow Cab, Checker Cab, Uber, UberX, Sidecar, Lyft all must comply with the same regulations.

City of Austin regulators also said vendors like Carma are legal ridesharing, and not affected by their regulations, because users do not earn more that Federal limits. Finally, both the Texas Department of Transportation (TxDOT) and the Central Texas Regional Mobility Authority (CTRMA) provide toll reimbursements for commuters that use Carma to carpool along Highway 183 and Manor Expressway.

Houston Programs

The Metropolitan Transit Authority of Harris County (METRO) supports more than 600 METRO Star vanpools in the region because they qualify for Federal Transit Administration 5307 funds under Federal definitions of "ridesharing".

Houston qualifies for CMAQ funds due to the poor air quality in the metro region and the
Houston-Galveston Area Council leverage these funds to promote alternative transportation options including carpooling (from NuRide) and the organic version found on I-10 and Hwy 290 commonly referred to as "casual carpooling or "slugging" and detailed in "Slugging in Houston—Casual Carpool Passenger Characteristics" - Mark W. Burris, Texas A&M University.

These are some of the many government-sponsored programs that encourage 2 or more people to share a ride during the peak commute hours. In all these examples the vehicle is off the road during work, and only returns to the transportation network for the return trip home.

Congestion & Financial Impacts

The average US commuter drives 25+ miles to work each day, and the 2012 Urban Mobility Report from TTI shows Dallas, Houston, Austin and San Antonio commute times greater than 40 minutes during peak hours. Taxis and peer-to-peer provide good solutions for addressing the first/last mile problem, but with base pricing above

$1.00 per mile (not including UberX and Lyft surge pricing) they have an insignificant impact daily on congestion.

The California Public Utilities Commission recently defined a new category of "for hire" providers called Transportation Network Company (TNC). UberX, Lyft and Sidecar are all subject to these "for hire" regulations, and claim more than 5,000 drivers in San Francisco. During the same time period the State CA has seen an increase in vehicle registrations, and there is no evidence of 5,000+ UberX, Lyft and Sidecar riders selling their cars to compensate for this additional burden on the city infrastructure.

Thousands of more cars on city streets, providing short distance on-demand trips, may be convenient for riders, but it's a large financial burden on the city. Each automobile is comprised of 30,000+ parts and weighs more than 4,000 pounds. These vehicles will not be parked while their owners are busy at an office job, and instead these vehicles will be driving around city streets more hours each day costing taxpayers >$0.05 per vehicle mile traveled in road maintenance costs alone. Taxi license fees generally go into a cities general fund, yet these new "for profit" drivers are leveraging the same infrastructure without providing any taxes or fees.

Liability Responsibilities

For-hire vehicles are on the road far more than private cars and thus have higher insurance liabilities. The taxi profession is consistently ranked as "high-risk", based upon the increased number of accidents and crime. A relevant example would be the tow truck industry. Members download the AAA smartphone app, request a tow, and the software dispatches the closest driver from their network. AAA is an independent company and the tow trucks belong to small businesses or sole-proprietors. The tow truck driver is bound by the same special licensing and regulations regardless if they are an independent contractor or an employee of the tow truck company.

Conclusion

Any regulations should clearly state these vendors are not enabling "ridesharing", and should not inadvertently, or adversely, affect; government funded projects, funding for public transit agencies, or legal forms of carpooling/vanpooling/ridesharing as defined by the federal government. Any consideration should look past the mechanics of how trips are dispatched or the equipment used to fulfill the request, and recongnize that UberX, Lyft, and Sidecar all enable "for-hire" drivers to provide a similar service to that of a traditional taxi driver.

Respectfully,

Paul Steinberg
VP Business Development

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