

REALLY RIDE

A new publication proves that when it comes to transportation options and regulation, words matter.

By Josh Kavanagh, CAPP

Transportation options are expanding rapidly in communities across the United States, and that's a good thing; expanding choice is good for consumers and can spur innovation and economic development. However, when those choices come in the form of disruptive technologies and business models, they create unique challenges. With no history to serve as reference, consumers may not understand what they're buying and local leaders lack a regulatory template to ensure that the public interest is protected.

Among the most dynamic cases of innovation outpacing consumer information and regulation is the rapid expansion of transportation network companies (TNCs) that include Uber and Lyft. Describing themselves as "ridesharing" services, these companies mounted a challenge to established taxi and livery services in large and mid-size cities nationwide.

Consumers have, by and large, welcomed these new entrants enthusiastically, viewing them as an antidote to the perceived high cost and complacency of the taxi and livery industry. That industry, which is heavily regulated, was quick to cry foul, citing an uneven playing field and

Understanding Commuter Transportation Terms: Carpooling

Subcategory	Description	Marketing or Matching Process
Family Pool	Family members, usually spouses, drive together to work and return home together. Family pool trips are often combined with other errands before and after work (e.g., grocery shopping, dropping kids off).	No matching software or other marketing is utilized. Spouses or partners must have common routes and work schedules in order to 'pool'.
Employer-based Carpool	Employers or transportation management organizations (TMOs) encourage employees to carpool. Poolers either meet at a common spot near their home, such as a park & ride lot, or the volunteer driver picks up the riders at their homes. Poolers will sometimes share the costs of the trip or take turns driving.	Employers, TMOs, or another entity will encourage employees at a worksite or an employment center to carpool together. Employers may use ridematching software to identify employees with common commute times as origin points. The employer, TMO, or agency may offer preferred parking, prizes/giveaways, or other small incentives.
Slugging (Casual Carpooling)	People looking for a ride to work will gather at a common park & ride location. Drivers pick people up from these groups based on their common work-area destinations. The same is true for the trip home: riders gather at a common location and pool together back to their park & ride location.	Slugging/casual carpooling is very organic and only occurs in areas with a well-managed HOV lane system and sufficient population density.
Ride-matched Carpool	Local/regional public agencies provide ridematching services linking commuters who have common routes to and from work as well as common schedules. Poolers will sometimes share the costs of the trip or take turns driving.	Riders and drivers are recruited in a variety of ways, including mass media (radio/print/highway signage), surveys, or targeted means such as employer-based marketing (see above). Ridematching software is usually used to identify drivers and riders who share a common route and work schedule. Ridematching is generally paired with a guaranteed ride home program.
Real-time Carpool	Drivers will use a phone- or tablet-based app to locate commuters in real time who are looking for a ride along a common route. In some cases, micro-payments are used for cost-sharing (but not profit). In other cases, drivers are incentivized through coupons or prizes. At no point does the driver profit from this activity and the incentive is cost-sharing, not profit.	Some regional governments have programs that contract with real-time carpool providers such as CarMa, NuRide, and Zimride. They offer a variety of incentives and promotions for both drivers and riders. The incentives do not exceed the cost of the commute.

SHARING?

Driver Motivation	Rider Motivation	Public Benefits	Insurance Provided By	Car Ownership	Equity
<ul style="list-style-type: none"> • HOV lane access • Financial/gas savings • Spending time with significant other 	<ul style="list-style-type: none"> • HOV lane access • Financial/gas savings • Spending time with significant other 	<ul style="list-style-type: none"> • VMT/congestion reduction • Energy conservation • Parking demand reduction • Air quality improvement 	Car owners; no special insurance needed	Personal auto	N/A
<ul style="list-style-type: none"> • HOV lane access • Shared cost • Employer/TMO-provided incentives: <ul style="list-style-type: none"> • Preferred parking • Prizes/giveaways • Financial incentives 	<ul style="list-style-type: none"> • HOV lane access • Financial/gas savings • Employer/TMA-provided incentives: <ul style="list-style-type: none"> • Preferred parking • Prizes/giveaways • Financial incentives 	<ul style="list-style-type: none"> • VMT/congestion reduction • Energy conservation • Parking demand reduction • Air quality improvement 	Car owners; no special insurance needed	Personal auto	Some employers will partner with public agencies to provide special programs for low-income workers, including guaranteed ride home programs.
HOV lane access	<ul style="list-style-type: none"> • HOV lane access • Financial/gas savings 	<ul style="list-style-type: none"> • VMT/congestion reduction • Energy conservation • Parking demand reduction • Air quality improvement 	Car owners; no special insurance needed	Personal auto	No equity protections. Slugging is generally utilized by commuters travelling more than 20 miles to and from work.
<ul style="list-style-type: none"> • HOV lane access • Shared cost • Other incentives: <ul style="list-style-type: none"> • Preferred Parking • Prizes/giveaways • Small financial incentives (not exceeding cost of commute) 	<ul style="list-style-type: none"> • HOV lane access • Financial/gas savings • Prizes/giveaways • One-time financial incentive 	<ul style="list-style-type: none"> • VMT/congestion reduction • Energy conservation • Parking demand reduction • Air quality improvement 	Car owners; no special insurance needed	Personal auto	Some programs geared toward low-income workers; most programs offer guaranteed ride home program.
<ul style="list-style-type: none"> • HOV lane access • Shared cost • Real-time flexibility • Prizes/giveaways 	<ul style="list-style-type: none"> • HOV lane access • Shared cost • Real-time flexibility • Prizes/giveaways 	<ul style="list-style-type: none"> • VMT/congestion reduction • Energy conservation • Parking demand reduction • Air quality improvement 	Car owners; no special insurance needed. In most states true carpooling is exempt from commercial insurance requirements so long as financial transactions are shared costs versus profit.	Personal auto	Little evidence to suggest equity issues are being addressed through real-time carpool as drivers (and passengers) have the option to reject offering or accepting rides. However, there is certainly space for real-time ridesharing to be used as a job access tool.

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calling for regulation of the TNCs. Similarly, consumer and social justice advocates raised questions about everything from safety, driver screening, and insurance coverage, to the risk of inequities in service to ethnic minorities, low-income communities, and physically disabled riders.

Recognizing the need to strike a balance between supporting innovation, establishing a level playing field for business, and protecting consumers, city councils, state legislatures, and regulatory agencies leapt into the fray and attempted to create a regulatory framework for TNCs. Unfortunately, with most jurisdictions acting independently and without a regulatory template for these new companies, the results have been a patchwork quilt of regulation that places a burden on TNCs, which operate nationally, and often comes with unintended consequences for consumers, public agencies, and existing industry.

Need to Know Information

The nonprofit Association for Commuter Transportation (ACT), representing ridesharing and transportation demand management (TDM) professionals, recently highlighted the unintended consequences of this effort on its industry with the publication “‘Ridesharing’: What Legislators and Regulators Need to Know.” It focuses on the TNCs’ self-description of their operations as ride-sharing and the implications when local leaders regulate ridesharing without realizing the difference between for-profit driving services such as Uber and Lyft, and traditional, noncommercial ridesharing.

California and Arizona, for example, recently drafted legislation and policies meant to regulate TNCs such as Uber and Lyft, but definitional ambiguity almost led to the unintended regulation of those engaged in traditional carpooling and vanpooling. ACT argues that well-intentioned efforts to address policy issues raised by TNCs that fail to distinguish between TNCs and traditional, non-commercial ridesharing could place extraordinary burdens on carpoolers and vanpoolers. Examples of potential unintended consequences could include requiring commercial insurance, commercial driver licenses, background checks, and registration for acts as simple as two colleagues riding together in an employer-coordinated carpool program.

In attempting to bring definition to the services provided by TNCs, some jurisdictions and agencies became overly focused on the technology used to connect driver

and rider. For example, in some cases, Arizona would have even required carpoolers and vanpoolers who were matched with ridematching software to register with the department of motor vehicles, among other things.

We at ACT say the focus on technology misses the point. The unique defining attribute of TNCs is not how drivers and riders are connected, but that drivers for TNCs operate like businesses—with a profit motive—unlike carpool or vanpool drivers who do not profit.

Traditional ridesharing, carpooling, and vanpooling, are not for-hire commercial services. Riders do not hail a carpool or a vanpool, and drivers do not profit or collect fares as they do with a taxi or TNC. Traditional ridesharing involves people pooling from a common origin, such as a residence or park-and-ride lot, or to a common destination, such as an employer or business park. In some cases, an arrangement is made that allows carpool or vanpool drivers to recoup the cost of the commute or receive some *de minimus* consideration, but the pool driver is simply a volunteer commuter whose goal is getting to the same destination and home again, not to profit as a commercial driver.

A Good Example

California’s Public Utility Commission made one of the more effective attempts to bring reasonable regulation to this new market while limiting unintended consequences. The state’s findings and California Assembly Bill 2293 represent current best practices and are an excellent point of departure for leaders in other jurisdictions attempting to navigate this new space. Copies are linked online in the advocacy section of the ACT website, ACTweb.org.

Because all parties benefit from clear and standard terminology, ACT released a matrix that describes the various categories of personal mobility options, including standard names, definitions, methodologies, public benefits, and rider/driver motivations (see p. 42–43). This quick reference guide is a must-have tool for local leaders looking to make their intentions clear, whether in public statements or legislation. It is also a critical tool for transportation industry and media professionals seeking to help the public navigate new options and follow the regulatory debate.

At the end of the day, consumers have made it clear that TNCs such as Uber and Lyft meet a need in the marketplace and that more choice is arguably a good thing. Local leaders have the opportunity to bring clarity to and even stimulate that marketplace while protecting consumer interests through thoughtful regulation, and that starts with a complete understanding of existing personal mobility options and with standard terms and definitions. **P**



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