

# AN ACT TO REDUCE TRAFFIC & ENCOURAGE SHARED RIDES: FACT SHEET

Legislators from Boston, Cambridge, and Lynn are joining together with the Metropolitan Area Planning Council to call for increased fees on transportation network companies (TNCs) such as Uber and Lyft. TNCs are changing the way that we get around; our research has shown that TNCs directly contribute to congestion by creating new car-based trips that would have otherwise been taken by transit, biking or walking. TNC drivers also circle while waiting for new passengers. In 2016, the Legislature passed a bill aimed at regulating the TNC industry, assessing a fee of \$0.20 per trip. This fee is well below national and regional averages. In 2017, 64.8 million trips originated in Massachusetts, generating nearly \$13 million in revenue.

## REVENUE ALLOCATION

50%	25%	25%
Municipality of Origin	MassDOT MBTA	Taxi Fund

## WHAT THE BILL DOES

### MODIFY & REPLACE THE FEE

#### PROPOSED FEE

**6.25%**  
of fare per  
single rider

**4.25%**  
of fare per  
shared rider

#### ANTICIPATED REVENUE

**\$41.7M**

assuming no ridership  
growth & \$11 average  
estimated fare



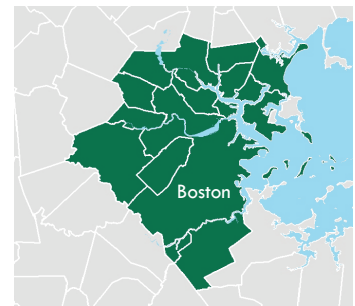
2017 Revenue (\$13M)  
2017 Projected Revenue  
Given New Fee (\$41.7M)

### ENCOURAGE SHARED RIDES

In order to address the congestion created by TNCs, this legislation encourages shared trips by charging a reduced fee for riders electing to share rides. Shared ridership gets cars off the road while still supporting and encouraging this important mobility option.



### MBTA SERVICE FEE OPTION



The 14 core municipalities served by the MBTA may impose an additional fee equivalent to one-way subway fare during peak service hours.

#### WHAT FEES DO TNCs CURRENTLY PAY?



20¢ per trip

#### WHY IS THE FEE PROPOSED AS A PERCENTAGE?

The cost of a TNC ride is a function of mileage, time, and geographic demand; a fee charged as a percentage of the total fare more accurately captures vehicle miles traveled (VMT) and congestion than a flat price.

#### HOW WERE THE FEE PERCENTAGES CALCULATED?

Researching and assessing TNC fees in other cities and states; the proposed fees will bring ride-hailing fees in-line with peer states and regions.

#### WHY CHARGE DIFFERENT FEES FOR SINGLE AND SHARED TRIPS?

Compared to single rides, shared trips will help reduce traffic and pollution. The reduced fee for shared trips will encourage their use and get more cars off the road.

#### DOES THE LEGISLATION DO ANYTHING BEYOND FEE INCREASES?

Yes! The legislation would allow the 14 closest-to-Boston municipalities with transit service to impose an additional fee during MBTA service hours, equivalent to the cost of a subway ride. The bill also encourages the Massachusetts Department of Public Utilities to update data requirements so we can better understand the impact that TNCs are having on our roads. Data and revenue would be dedicated to improving the transportation network, such as municipal investment in public transportation and improved bicycle and pedestrian infrastructure.

#### HOW WILL THE REVENUE FROM THE FEE BE DISTRIBUTED?

The revenue will be distributed in the same way as the current 20 cent fee: half is allocated to the municipality from which the ride originated, and the rest is split between the state and taxi industry. The taxi fee is set to expire in 2022.

#### HOW WILL I BE AFFECTED?

On a standard \$10, single rider trip, the fee will cause a 63¢ increase; for a shared trip, the cost will increase by 43¢.

#### WILL THE TAXI INDUSTRY BE SUBJECT TO THIS FEE?

No.



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