

FraserAlert

March 2015

Metro Vancouver's Transit Plan: Static Thinking in a Dynamic World

Kenneth P. Green

Main conclusions

- The Metro Vancouver Mayors' Council has an ambitious 30-year vision for transit in Vancouver that begins with a 10-year plan
- But even as funding for that plan is being considered by Vancouverites, new forms of transportation are changing the way that people use transportation
- Private intercity buses and dynamic shared car/shared ride services are growing in cities around the world, and may undercut assumptions about the use and value of building more fixed route, station-to-station transit.
- The Mayors' Council vision gives little consideration to emerging forms of dynamic transportation, putting the benefits of its plan, and the investment of Vancouverites at risk.

The Vancouver Mayor's Council on Regional Transportation has an ambitious 30-year vision, kicked off by a 10 year plan that would dramatically expand mass transit in Vancouver by increasing bus service (including both carrying capacity, frequency, and service areas); increasing Sea bus service; upgrading light rail lines and stations; increasing heavy rail train service; installing over 2,700 km of dedicated bikeways; and more (Mayors' Council on Regional Transportation, 2015). Metro Vancouverites will vote via a mail-in plebiscite over the coming months whether or not to raise \$250 million a year to fund the new metro build-out with a region-only increase in British Columbia's Provincial Sales Tax. Other cities are poised to copy Vancouver, including Toronto and Montreal.

There may well be merit in some or all of these proposals. However, recent developments in personal transportation raise questions about long-term plans to build fixed point-to-point transit systems. Privately owned bus lines are moving people between cities inexpensively, and with user-selectable levels of amenities (Yauch, 2014). Car sharing services such as Car2Go are already changing the economics of personal transportation, offering individualized, flexible door-to-door options for non-car owners who were formerly limited only to mass transit or often-rationed taxi services (Agrawal, 2012, May 22). Newer car service networks being created by companies such as Uber, Lyft, and others are also beginning to change the way that people are transported.

That transportation revolution is expected to grow significantly as shared ride companies/applications expand into commuter rideshare programs. Shared commuting programs such as UberPool and Lyft Line are already being tested in select markets. The Mayors' Council plan, however, barely mentions such dynamic private services, and then only primarily in the context of ensuring that payment plans are compatible with their planned transit services and parking arrangements.

For those not following the transportation revolution, a few explanations are in order. In simple terms, Uber, Lyft (and other competitors) are companies that, through smartphone applications, create dynamic networks that connect people who want to be driven somewhere with drivers who are willing to transport them. Those drivers might be conventional taxi drivers, they might be licensed chauffeurs, or (somewhat controversially) they might simply be individuals working full or part-time as drivers, but who are unaffiliated with existing taxi or limousine services. Uber, arguably the best known of the new transport companies/applications, offers services in Canada in Toronto, Montreal, and Halifax, while Vancouver is engaged in a study of person-to-person (P2P) transportation services such as Uber (CTV Vancouver, 2014, October 1).

There are many nuances to these new transportation options, but the overarching attribute that defines them is that they are highly dynamic. Prices are estimated individually for each trip before the trip; premium prices reflect (and alleviate) scarcity at peak demand or in peak congestion; and market signals rather than transit planners determine the number of vehicles available to transport passengers. Rather than only being licensed to operate in certain areas, over certain routes, dynamic systems will be able to spontaneously adapt to population growth, changes in population distribution, changes in the age and ability of the population, changes in employment distribution, and much more.

Emerging transportation options also offer much more individualized mobility. The new P2P services offer customers door-to-door service, and give customers access to a great deal of information about who will pick them up, where the car is on its journey to them, how others have evaluated the driver they've selected, and more. Customers can choose the type of vehicle they want to ride in (from bargain to deluxe high-end vehicles) and ever more individualized transportation options are being offered, such as WiFi connections (Weiss, 2014, July 23), as well as snack and beverage options. Perhaps you want to ride in a Camry for your Lyft Line

About the author



Kenneth P. Green is Senior Director, Natural Resource Studies at the Fraser Institute. He has studied environmental, energy, and natural resource policy for more than 20 years at think-tanks across North America.

commute, but order up a driver with a Jaguar for your date-night expedition. P2P services offer that promise.

And new transportation options will probably save commuters time. We already know that motorists have shorter commute times than do mass transit users. According to Statistics Canada, in 2010, automobile commuters spent an average of 24 minutes getting to work, while transit users spent 44 minutes (Statistics Canada, 2012). Even if ride share services such as those being offered by Uber and Lyft have to add on an extra few minutes to gather up riders along their shared commute path, time savings are likely to be considerable, in addition to increased convenience and comfort.

There's also reason to believe that new transportation options will save people money. Some reports suggest that in crowded cities such as San Francisco and Los Angeles, using Uber for all one's transportation is less expensive than car ownership (Manjoo, 2014, June 11). Uber is also less costly than taking taxis, at least some of the time. Uber itself estimates that its lowest cost service (the UberX service) is 30% less expensive than taxi service (Manjoo, 2014, June 11). And Uber's model is one of producing more and more individualized, dynamic mobility that is more omnipresent and is less and less expensive (Gurley, 2015, January 30).

Opinions are mixed about the potential impact of dynamic mobility services like Uber and Lyft on mass transit. Some fear that these

services will "skim off" younger, more tech savvy, better-heeled riders from transit, leaving transit with a poorer, older, less diverse ridership (Peterson, 2013, July 8). And there is a bit of evidence that some transit riders view the new dynamic car services as an alternative when transit lets them down. When transit workers went on strike in San Francisco recently, both Lyft and Sidecar (another dynamic service) saw their business boom (Peterson, 2013, July 8). Others suggest that the new P2P services will blend in and make some types of transit more attractive, serving as flexible feeders into the transit system where (one presumes) the car services take passengers to the longer-haul rail services, and then move them again to their final destination (Jaffe, 2013).

Either way, there's every reason to believe that the transportation system of tomorrow will be a dynamic, personalized, person-to-person (or possibly robocar-to-person) system that will achieve many of the goals espoused by supporters of expanded mass transit, and perhaps with less cost, and less public subsidies (KPMG, 2012; Csanady, 2015, March 20). Tomorrow's transportation system is likely to reduce car ownership and increase commuter ride sharing (relieving traffic congestion and air pollution as well). That future certainly deserves extended consideration and discussion when pondering huge investments—consideration and discussion it doesn't get in the Mayors' Council plan.

In sticking with primarily traditional models of transit planning, an

approach that favours fixed routes and station-to-station movement with intermodal transfers from buses, to trains, to boats, the Metro Vancouver Mayors' Council does not seem to have considered how future personalized transport modes could make these systems obsolete and make their investments ill-advised. While there are a (very) few mentions of car sharing services (and those that are there mostly involve ensuring integrated payment systems), reading through the Mayor's Council plan suggests that they view the new forms of personal transportation as an afterthought. Before they hit up Metro Vancouverites for \$250 million more a year, they should probably give that a lot more thought.

References

Agrawal, Rocky (2012, May 22). Car2Go
Could Radically Transform
Urban Transportation. VentureBeat
News. http://venturebeat.com/2012/05/22/car2go-could-radically-transform-urban-transportation/, as of
March 24, 2015.

Csanady, Ashley (2015, March 20). Why Do Big Transit Projects Almost Always Go Over Budget? In this Case, You Really Can Blame the Politicians. *National Post.* http://news.nationalpost.com/2015/03/20/why-do-big-transit-projects-almost-always-go-over-budget-in-this-case-you-really-can-blame-the-politicians/, as of March 24, 2015.

CTV Vancouver (2014, October 1). Vancouver Delays Uber, New Cabs for Six Months. CTV News. http://bc.ctvnews.ca/vancouver-delays-uber-new-cabs-for-six-months-1.2034892, as of March 24, 2015.

Gurley, Bill (2015, January 30). Uber's New BHAG: UberPool. *Above the Crowd*. http://abovethecrowd.com/2015/01/30/ubers-new-bhag-uberpool/>, as of March 24, 2015.

Jaffe, Eric (2013). No, Ride-Sharing Is Not the Death of Public Transportation. *City Lab.* http://www.citylab.com/commute/2013/07/no-ridesharing-not-death-public-transportation/6164/, as of March 24, 2015.

KPMG (2012). Self-driving Cars: The Next Revolution. KPMG. http://www.kpmg.com/Ca/en/IssuesAndInsights/ArticlesPublications/Documents/self-driving-cars-next-revolution.pdf>, as of March 24, 2015.

Manjoo, Farhad (2014, June 11). With Uber, Less Reason to Own a Car. *New York Times*. http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html?_r=3">http://www.nytimes.com/2014/06/12/technology/personaltech/with-ubers-cars-maybe-we-dont-need-our-own.html

Mayors' Council on Regional Transportation (2015). Regional Transportation Investments: A Vision for Metro Vancouver. http://mayorscouncil.ca/wpcontent/uploads/2015/03/Mayors-Council-Vision-Document-Mar-2015.pdf, as of March 23, 2015.

Peterson, Molly (2013, July 8). Is
Ridesharing the Future of Public Transit
Systems, or the Failure of Them? 89.3
KPCC. http://www.scpr.org/blogs/environment/2013/07/08/14191/is-ridesharing-the-future-of-public-transit-system/, as of March 24, 2015.

Statistics Canada (2012, December 20).

Transportation. Canada Year Book
11-402-X. Statistics Canada.

http://www.statcan.gc.ca/pub/11-402-x/2012000/chap/trans/trans-eng.htm?
fpv=4006>, as of March 24, 2015.

About this publication

Fraser Alerts are published from time to time by the Fraser Institute to provide short, timely studies of current issues in economics and public policy.

The opinions expressed are those of the individuals themselves, and should not be interpreted to reflect those of the Institute, its staff, its Board of Directors, or its donors and supporters.

Copyright and ISSN

Copyright © 2015 by the Fraser Institute.

All rights reserved. No part of this publication may be reproduced in any manner whatsoever without written permission except in the case of brief passages quoted in critical articles and reviews.

ISSN 1714-6720

Date of Issue: March 2015

Media inquiries and information

For media inquiries, please contact our Communications department by telephone at 604.714.4582 or e-mail *communications@fraserinstitute.org*

Our web site, www.fraserinstitute.org, contains more information on Fraser Institute events, publications, and staff.

Development

For information about becoming a Fraser Institute supporter, please contact the Development Department via e-mail at development@ fraserinstitute.org; or via telephone: 1-800-665-3558, ext. 586

Weiss, Todd R. (2014, July 23). Google and Uber Test WiFi in Uber Vehicles in Philadelphia. *eWeek*.

http://www.eweek.com/networking/google-and-uber-test-wifi-in-uber-vehicles-in-philadelphia.html, as of March 24, 2015.

Yauch, Brady (2014). *The Transportation Revolution*. Consumer Policy Institute. http://cpi.probeinternational.org/2014/10/24/the-transportation-revolution/, as of March 24, 2015.