July 9, 2020

Mayor Kevin Faulconer
City of San Diego
202 “C” Street, 10th Floor
San Diego, CA 92101

Subject: Recommendations for Updating Shared Mobility Device Regulations

Dear Mayor Faulconer,

On behalf of Circulate San Diego, whose mission is to create excellent mobility choices and vibrant, healthy neighborhoods, I am writing to share recommendations for updating Shared Mobility Device (SMD) regulations.

SMDs such as scooters or bicycles continue to provide transportation options for San Diegans to get around conveniently. Our recommended updates to the regulations are meant to ensure their viability long-term, so that San Diegans can continue to benefit from expanded mobility options.

1. **Prioritize safe street infrastructure implementation**

First and foremost, the safety and well-being of scooter riders and bicyclists must be prioritized to advance San Diego’s Vision Zero policy and Climate Action Plan. Without safe infrastructure, San Diegans will continue to be at risk for serious injury or even death while traveling and that risk will deter more people from choosing to use SMDs. Even with a limited budget, we continue to urge the City to prioritize public safety and climate goals within its existing transportation funding.

2. **Create a competitive process to select a limited number of operators**

San Diego should develop a competitive process to select an appropriately limited number of SMD operators based on their history and record in San Diego, their plan to equitably distribute and maintain SMDs across San Diego, and other relevant factors.

Circulate and many of the operators supported the City’s strategy of not limiting the number of operators or SMDs when the City was developing the original regulations. A combination of the adopted regulations and the large number of providers flooding the market with SMDs resulted in the majority of the operators, including all of the bicycle providers, leaving the San Diego market. This outcome is not consistent with the City’s goal to improve mobility choices.

The City’s strategy was based on the information available at that time and prioritized a light touch-approach to the regulations. The experience with those regulations shows their limitations. The City
The lesson we should take from the initial set of regulations is that a purely open market creates conditions for operators to fail. Without a cap on the number of vehicles, operators have an incentive to flood the market to capture market-share. The excessive numbers of SMDs are both prohibitively expensive for operators to maintain, and they create externalities to residents by crowding sidewalks and parking areas.

Therefore, we recommend a new competitive bid process. The City should update its requirements with a competitive process, and consider the following:

- **Fleet size**: Propose a reasonable minimum and maximum number of vehicles per operator, even if the size is based on a dynamic fleet cap size.

- **Fleet rebalancing and redistribution**: Require rebalancing, with a special focus on ensuring SMD access near transit and underserved neighborhoods.

- **Discounted prices and cash-based payment**: Reward SMD operators that provide robust income-based discounted payment programs. Operators should also be required or incentivized to offer cash-based payment options.

- **Insurance and Indemnification**: Reevaluate the liability insurance and indemnification requirements for SMD operators to ensure that requirements are proportionate to the actual risks of SMDs in comparison to other road users.
  - **Indemnification**: Operators should receive fair treatment in their partnership with the city. The City of San Diego does not require shared-fleet operators, such as Zipcar, to indemnify for acts of users, even though these car sharing operations pose a greater risk to infrastructure and residents than scooter sharing operations.
  - **Insurance**: High insurance limits have a detrimental impact on operators’ ability to operate, as higher insurance limits can lead to inflated claims or lawsuits. The City should look to peer cities to gauge the appropriate level of insurance limits, and be able to explain if and why their limits differ from those peer jurisdictions.

### 3. Update No-Ride and 3 MPH Zones to 8 MPH Zones

The City of San Diego implemented scooter prohibition areas and Slow Zones (3 or 8-10 MPH) to ensure the safety of pedestrians and SMD riders in certain high traffic areas. 3 MPH zones result in practically prohibiting use of SMD’s as 3 MPH is the speed of walking.

The imprecision of geo-fencing technology for current 3 MPH zones also creates unintended consequences by encompassing nearby bicycle facilities. For example, the 3 MPH zone around Petco Park often captures the City’s new award-winning protected bicycle lanes on J Street. This facility should be an ideal location for scooters to safely ride, but the current 3 MPH zone prevents their use there.

The number of operators has undeniably declined since the launch of SMDs in San Diego. To maintain the continued viability of SMDs, the City should reconsider the full prohibition of SMDs on the Mission Bay Boardwalk and consider converting those areas into slow 8 MPH zones. The prohibited areas and 3 MPH zones discourage the use of SMDs by limiting the destinations where riders can go, and sometimes
catching riders off guard in their travels. We recommend allowing SMDs to travel 8 MPH in prohibited or 3MPH zones.

Our recommendations focus on continued viability and equitable access of this flexible, innovative, and unique mobility option.

Sincerely,

Maya Rosas  
Director of Policy

CC:  
Council President Pro Tem Barbara Bry  
Councilmember Jennifer Campbell  
Councilmember Chris Ward  
Councilmember Monica Montgomery  
Councilmember Mark Kersey  
Councilmember Chris Cate  
Councilmember Scott Sherman  
Councilmember Vivian Moreno  
Council President Georgette Gomez