

How Baker's \$1 charge on Uber and Lyft rides might affect your commute

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Commuters in Massachusetts may soon find their Uber or Lyft prices ticking upward.

Gov. Charlie Baker's proposal to raise the current 20-cent flat fee on ride-hailing services to \$1 is gaining traction in the State House after legislators' first budget hearing on his 2021 fiscal year plan.



Gov. Charlie Baker proposed raising the flat fee for Uber and Lyft rides to \$1 Wednesday, with plans to use the revenue for transit improvements. JASMINE LI/ DAILY FREE PRESS STAFF

This fivefold fee increase has drawn criticism from transportation network companies, or TNCs. Both Uber and Lyft have released statements saying they support the transit improvements such revenue would allow the state to undertake, but that the fee increase would place new burdens on both riders and drivers.

Under Massachusetts General Laws, ride-hailing companies are prohibited from shifting the cost of any fee increase onto consumers or employees. However, this does not necessarily mean users won't feel the effects anyway.

Marc Fantasia, head of development for BestRides, an app providing safety precautions and real-time pricing information for Uber and Lyft, said such a law is too specific to truly ensure pricing stays stable.

“They may not be able to pass it along as a fee, but they can simply raise their price to cover it,” Fantasia said. “There’s no legislation that they can make that can stop Uber and Lyft from just simply raising their price.”

In the case that prices do rise, Fantasia said college students would be some of the most impacted.

“Everyone needs to cut corners where they can if prices go up,” Fantasia said. “College students especially, they’re already living on a budget, especially commuters.”

Use of ride-hailing apps also increased 25 percent in Massachusetts between 2017 and 2018, according to the Department of Public Utilities. Boston saw the largest difference — a spike of 7.3 million rides — while Cambridge came in second with 1 million more rides.

The state’s most prominent college towns, both cities are also where the largest number of rides tends to originate. The DPU reported that in 2018, 42.2 million rides began in Boston and 7.8 million began in Cambridge.

The state expects ride-hail apps to continue their surge in usage. Massachusetts Administration and Finance Secretary Michael Heffernan said at the Feb. 11 budget hearing he projects TNC rides will reach 98 million in fiscal year 2020, as compared to 81 million in 2019.

With more than 50 colleges in the Greater Boston area, the region is densely populated. Cities such as Boston, Cambridge and Brookline saw the slowest travel speeds in 2018 due to heavy traffic, according to the DPU.

A hike in ride-hail prices, Fantasia said, could potentially decrease this congestion by enticing more students to shift their commuting habits toward public transportation.

“You hope so. I mean, I think that’s probably something the state wants,” Fantasia said. “But unfortunately, the state hasn’t done a very good job of keeping public transportation reliable and-cost effective. So that’s why you see Uber and Lyft doing so well.”

A 2018 research report by the Metropolitan Area Planning Council released findings that 15 percent of ride-hailing trips were contributing to rush hour traffic in Greater Boston.

Alison Felix, senior transportation planner and emerging technologies specialist at MAPC, is a co-author of the report. She said much remains unclear about how heavily ride-hail services play a part in the region’s congestion problem.

“Right now it is something that’s very difficult to measure,” Felix said. “And that is primarily because of the fact that providers such as Uber and Lyft do not share the data to help determine that calculation.”

MAPC has advocated for more transparency from TNCs surrounding the release of trip data to the Massachusetts government. This information, Felix said, would foster a better understanding of what kinds of trips exacerbate traffic most and in turn should be discouraged through fees or surcharges.

“With more detailed data, hopefully in the future,” Felix said, “a fee structure can be refined to help shift traffic patterns or congestion when there are inefficiencies in trips or during times of day and locations where there is high congestion with TNCs.”

Louisa Gag, public policy director of transportation advocacy group LivableStreets Alliance, said the metropolitan traffic crisis is unlikely to wane if TNCs choose not to pull prices up in response to Baker's fee increase.

"Especially because the fee is being paid by the company and not riders," Gag said, "I don't think that that's going to change rider behavior and decrease congestion."

Baker's 80-cent fee increase currently aims solely to raise revenue for the Massachusetts Bay Transportation Authority — a sum of about \$73 million going toward his total fundraising goal of \$134.8 million.

Gag said LivableStreets supports imposing higher fees on TNCs, but that to effectively reduce congestion, Massachusetts must look at such hikes as not only a mechanism to accrue more money but also as a way to shape behavior.

Another solution the organization would back instead is a proposal to charge percent-based fees rather than a flat rate. This way, rather than \$1 per ride, the fee would be calculated as a percentage of the total ride cost.

"And also that there would be a higher fee if it's just one rider in the car and then a reduced fee if it's a shared ride," Gag said. "That encourages more shared driving, obviously, and therefore, we hope would reduce congestion. So that's the kind of bill that we would love to see."

Mattapan resident Tyrese Joseph, 20, said he uses rail-hail services around three times a week to travel between home and work. However, it is not his most cost-effective mode of transportation.

"Sometimes it's cheap, sometimes it's not, depending on the day," Joseph said. "I go on the MBTA if I'm early."

Maria Pappas, 44, of Roslindale said she prefers taking the commuter rail, but that she relies on Uber during the weekends when the T is experiencing closures.

"I do [use] Uber occasionally, but not all the time," Pappas said. "[Pricing is] pretty good. Better than the cab. And it's convenient, too."

As a bartender, 30-year-old South Boston resident Joseph McDonough gets out of work late at night when the T, his preferred commute, is no longer running.

"If I get out closer to 2 [a.m.], then I'm not going to use it for at least half an hour or 45 minutes because the pricing is so absurdly high," McDonough said. "I live 15 minutes away by car, tops. I'm not paying \$40 to get home."

McDonough said he chooses to walk home some nights when he doesn't want to wait for surge pricing to wind down.

"It's like almost two hours for me," McDonough said. "But I also got my heavy-ass backpack with all my work stuff in it so it's obviously slower than just a regular walk."