Why Uber Is Promoting Road Pricing

Cities that charge drivers to use gridlocked roads would play well with the company’s aggressive expansion of carpool options.

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Cities aspiring to see traffic move might consider charging drivers more. (Mark Lennihan/AP Photo)

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Uber built its empire by avoiding paying for stuff, especially the fees cities levy on traditional car services. But at end of a PR month as fraying as the last two, the ride-hailing giant is changing its tune about at least one kind of fee: road pricing, or any scheme that charges car commuters to ease horrendous traffic.

“We’re ready to support this type of broad-based road pricing because a marketplace for efficiency is an exciting prospect for ridesharing companies,” writes Andrew Salzberg, Uber’s head of transportation policy and research, in a Medium post published Thursday. “When all car users pay a price for their travel, we believe even more people will be incentivized to share.”

From a company that traffics in earth-shaking news, a statement of advocacy for congestion pricing is pretty mild. But the timing makes sense: If Uber is going to continue to dominate an increasingly crowded field of app-based car services, now is the moment for it to align itself with the public agenda.

“This is a shift to a longer-term view,” says Salzberg in a phone interview. “There are obvious objectives regarding the use of road space that we share with cities. We’re looking for places where we can collaborate.”

The backstory here: Congestion in U.S. cities is bad, and it’s only getting worse. When cities put a price tag on a choked-up road, commuters will look for ways to avoid it. Maybe they choose transit. Maybe they bike. Maybe they snag a seat in a buddy’s car—or, if Uber’s betting correctly, they hitch a ride in an UberPOOL and split the cost of the fee with other passengers.

Certainly, cities that have price-tagged roads have reaped the rewards. Car use, carbon emissions, traffic delays and even taxi fares have gone down since London implemented a £10 charge for drivers entering the center city at peak hours. Since Stockholm booted up its time-sensitive fee structure, transit ridership has gone up, traffic’s been slashed by nearly 20 percent, and rush-hour delays have shrunk dramatically. Singapore has enjoyed decades of suppressed traffic volumes and emissions, and possibly increased pedestrian safety, due to its pioneering electronic pricing system.

Congestion fees are a holy grail for transport wonks in the U.S., where center-city pricing schemes have proven too politically thorny to gain traction in the
past. Traditionally, the American answer for congestion has been to build more and wider roads, though it’s been proven, time and again, that more road space simply means more vehicles. Improving public transportation systems, as many U.S. cities are endeavoring to do in a stupendously unfriendly funding environment, is great for urban riders, but it does little to ease horrendous traffic problems in a wider metropolitan area. Pricing roads is just about the only thing that does—with a host of other pay-offs. That’s why many cities, including New York City, Washington, D.C., and San Francisco, keep pushing for it.

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Uber, Lyft, and other car services have long claimed urbanist cred by insisting that ride-hailing options pull private vehicles off roads. That’s been a murky proposition: These apps may be adding to traffic volumes by luring would-be transit riders, cyclists, and pedestrians into plush backseats. One new study suggests that’s the case in Denver; in New York City, ride-hailing’s traffic impacts seem to depend on time and neighborhood. Without access to Uber’s trip data, it’s hard for cities to know for sure.

The expansion of carpooling options, however, makes a much more convincing stab at congestion relief than cheap private car rides ever did. Uber CEO Travis Kalanick has stated that the company’s intention is to make every ride shared, and it’s made progress toward that goal. Rolled out in 2014, uberPOOL now accounts for about 20 percent of all Uber trips in the 32 cities it is currently available in. Launched last week in Washington, D.C., a pilot called “Commute” will test out a peer-to-peer shared-ride option housed in the Uber app—perhaps a move to eventually compete with Waze’s emerging carpool service.
Is Uber Over?

Experts surmise that the growing demand for ride-hailing services, even in the form of carpooling, still stands to worsen traffic. But that’s in the absence of local policies to control the number of cars on the road. In a recent study of Uber’s impact on local congestion, the transportation consultant Bruce Schaller concluded that the only way for New York City to head off traffic-pocalypse was to get serious about transit investments and implement a road-pricing scheme once and for all.

Such a strategy would bump up incentives to use carpool services—a boon for Uber and other apps with shared-ride options, such as Lyft. But, again, it would also reduce the overall number of private autos on the road. If transit gets more crowded in the short term, congestion fee revenues could pay for improvements down the line.

A bit of soft advocacy of such schemes from Uber and Lyft—which has also made overtures of road-pricing support—may not have much concrete effect for now. But it does serve as a signal to public officials laboring to pilot fee-based strategies that they’ve got powerful allies. On this issue, at least, Uber
and other transportation “disrupters” need not have an adversarial relationship with local governments.

Ride-hailing apps are here to stay. Whether or not they cannibalize transit services that are already bleeding riders and strangle roads that are already choked with cars is for public leaders, and their voters, to decide through investments and policymaking. At this stage, the important question isn’t whether the Ubers of the world are the enemies of cities. It’s what cities want for their future.
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