

MMITM Ep 017 – Public Transportation Grows Up

Announcer: From Curtco Media. So what cha gonna do about?

Bill Curtis: This traffic is terrible. If I have to spend another hour sitting on this freeway rolling along slower than I could walk, I'm going to lose my... Oh, hi, everyone.

Welcome to Politics. Meet Me in the Middle. I'm Bill Curtis. Once upon a time, public transportation meant commuter trains, sleek, sometimes squeaky subways, crowded buses, or, God forbid, sitting in traffic, paying for gas tolls and parking. And yet, even those options were mainly reserved for larger cities. For a generation of new users, public transportation is getting more creative, more politically controversial, and sometimes even stomps with a bit less carbon footprint. So nowadays, public transportation can include ride sharing services like Uber and Lyft and more fun perhaps, mobility as a service that offer high tech solutions like smartphone connected electric bikes and even e-scooters. We've got a couple of experts today that will meet us in the middle and guide us through our commute to the future. Firstly, as usual, once again I'm here with co-host, Pulitzer Prize winning historian, author, professor, worldwide lecture and font of government historical facts, figures, intent and sometimes truth teller of epic fails in our history, Ed Larson, welcome Ed.

Ed Larson: Nice to be here again. Sometimes I think you do me more than justice by calling me co-host. I think sidekick might be better.

Bill Curtis: Ok, joining me and Ed today are two experts in public transportation in the mobility realm. They represent multiple continents and they're here to discuss the politics, technology and potential future of traditional mass transit, as well as the growth of micro mobility services that are truly coming of age. Melika Jahangiri is vice president of Wonder Mobility, a software provider headquartered in Germany that allows companies and cities to get mobility services up and running well, really fast. Wonder is Europe's fastest growing mobility technology company. Melika oversees all of the Americas, as well as key accounts in Dubai, Costa Rica, Spain and even France. Rudy Salo. Rudy hails from Georgetown University Law Center and even UCLA here in town. He's an infrastructure finance attorney with Nixon Peabody. He's a public speaker and he's a writer. And he advises governmental entities and financial institutions on the ins and outs of financing transportation systems. He advocates for critical rethinking of our

infrastructure to accommodate advanced transportation technology so that our commutes can be more tolerable, safer and productive. Rudy, if I hug you now, would that be weird?

Rudy Salo: Never.

Bill Curtis: Oh, Rudy is a regular contributor to Forbes.com. Melika, let's get small for a minute. So what led us to look at the concept of micro mobility and then what would be maybe the top products that we're using?

Melika Jahangiri: Yeah. So I would look at it as, you know, two categories. One, mobility in general which includes ride hailing, which would be something like an Uber and Lyft, and then micro mobility, which is more the kick scooters and the mopeds as well as like the e-bikes. And I think, you know, the trend around that has become they want to utilize public transit more often and more consistently and be able to have the option to give up one of their vehicles. But the only way that they can do that is if there's other services around for them to be able to utilize when they are using those services. So I think that there's a few ways that you can think about mobility.

Bill Curtis: So tell us about the experience for those who haven't scanned a QR code and zipped away on a scooter. Can you tell us a little about the experience of quick rental of a scooter?

Melika Jahangiri: Essentially, you would download the app of whatever provider vendor that you want to use. So let's say you could download the Bird or Lime app or the Hive app, which is something that's powered by Wonder, and you would sign up like you would traditionally. It's very seamless and then you put your credit card and you can quickly go up to a kick scooter that's available and they're just fun. I mean, that is my favorite way to go and see any city that I'm in for the first time. I can zip around. It's convenient. It's free floating, which I can take and drop off wherever I want to. It's just a really fun way to get around. Of course, we have to build a city and infrastructure within our cities to support this new micro mobility. If the infrastructure is there then people are gonna trust it and utilize it more.

Bill Curtis: Rudy?

Rudy Salo: I truly believe that if we're ever going to take that next leap forward, the railroad was one leap forward in transportation. The bicycle was one leap forward. The automobile was one leap forward. The next leap forward in transportation, put aside air and air copters and all that stuff, but on the ground transportation, if we're ever going to get there, we have to redo our infrastructure.

Bill Curtis: What I'd like to understand is what's the goal? Are we focusing on reducing carbon emissions? Are we dealing with climate change here? Who's going to motivate the local city to do the work you're talking about to make these things more usable.

Rudy Salo: It's not motivating of the local city. Infrastructure, to redo it in order to rebuild it, costs money. And the one thing that local governments do not have a lot of is a lot of money. And as a part of the.

Bill Curtis: So, what's the goal? Why spend the money? If the greatest resource that they don't have enough of his money, why should they want to do this?

Rudy Salo: Weren't you just complaining about sitting in traffic at the beginning of the show, how much you hated it? Well, that's going to continue to get worse unless we change things like building out more public transportation, like redoing our roads, like bringing in other technology ushered in by companies like Wonder Mobility and other solution providers. They would want to do this in order for our lives to be better because we're losing billions upon billions of dollars when we're wasting time in traffic.

Bill Curtis: So they will have kind of a benevolent sensibility, Feel bad about me sitting in traffic, feel bad about people losing billions of dollars, and therefore they will spend this rare resource.

Rudy Salo: Governments lose billions of dollars by people sitting in traffic.

Melika Jahangiri: I mean, if government agencies want people to utilize their services more than they have to have the infrastructure there so that people feel comfortable to be able to take micro mobility and bikes, etc. to get around and give up their vehicles.

The only way that they're going to do that is if there's infrastructure in place for them to feel comfortable.

Bill Curtis: Ed, is the infrastructure in a city the purview of the federal government or local, state and city government?

Ed Larson: Much of the money comes from the federal government. There's the federal highway tax. It gets divided up. But who's in control of it? Who's in control of the metro in New York or the metro in San Francisco? It's regional government and local government.

Rudy Salo: It is true that the federal government is involved in helping to fund our infrastructure projects, but a lot of it actually we pay for it through our property taxes, through our sewer bills, through our utility bills to everybody who's involved in the financing of our infrastructure projects. It's not just the government. It's all of us.

Bill Curtis: And how much does it cost if I want to hop on a scooter and ride around for an hour?

Melika Jahangiri: It really depends. Most people are probably not riding around for an hour, but I would say on average it's about a price per minute and then an unlocked fee of a dollar so it could go from \$1 to unlock it no matter how long you ride it. And then it starts anywhere from 29 cents all the way to 49 cents that I've seen lately. So you could, you know, pay just to go a couple of blocks, \$3.

Bill Curtis: So who are we actually building these things for? Is this for everybody? Is this for people who don't have a lot of money to kick around? Or is this for people who have money to blow on a \$3 two block ride? Who is it for?

Melika Jahangiri: I think, I think it's for everybody. I've seen every type of person you can imagine using it. And I've never seen like people who only wear designer clothes using it. I see all kinds of people using it every single day.

Rudy Salo: What you need to have a smartphone and you need to have a credit card, OK, so that, you know, that does eliminate some segments. I think with these micro

mobility solutions, who they're really supposed to service are the people that live or work in transportation gaps. A transportation gap is an area of town or an area of a city or an area of a county that's not serviced by an existing train line or an easily accessible bus line. So where they're really supposed to be used for is to fill that gap. A lot of people refer to that, whether that be a first mile or a last mile. But it's like a gap filler because you can't, we can't build enough trains to go to every single street or every single corner throughout a big city. So scooters are great to fill in that gap.

Bill Curtis: And how are you guys doing convincing local towns and cities to adopt a permitting process for companies who can put these micro mobility products out there?

Melika Jahangiri: Most are actually really excited about having these services because then it allows their citizens to utilize their public transit more. So if I am a tertiary market, so like for example, Blue Duck, which is a scooter provider, only works in tertiary markets. So they're going into like the San Antonio's and like smaller cities and are having a lot of success in those markets because there's a need for it, whereas like a Bird and a Lime may not go into those markets because it doesn't make as much sense for their unit economics. But, you know, they're having a lot of success utilizing their service within more of the tertiary markets because people still need that gap and the cities are much more open to it.

Rudy Salo: And that's one great thing about technology and companies like Wonder Mobility, is government, local governments have limited resources. We talked about that. We talked about revenues. We talked about, you know, the problem of redoing infrastructure, that's where private companies like Wonder Mobility can come in and provide solutions. That's why everything, I mean, in the history of all enterprise and in transportation, it's always been a partnership of government and private enterprise. Right now, it's government and private technology companies that are gonna be working together to bring forth that next transportation revolution.

Bill Curtis: Well, we hope so. But let's take a 30 second break so I can take the scooter once around the parking lot. And we'll be right back.

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Bill Curtis: So we're back. I'll get this arm set later. My impression out there, that so many people are complaining and it's hard to get these permits going in these towns. Is this a political nightmare? Or are we working positively toward this kind of solution?

Ed Larson: What is their fear? Are they afraid that people are going to run into people with the scooters? What are they afraid of?

Melika Jahangiri: Usually the people that I hear who have so many opinions about scooters are people who don't actually use scooters.

Rudy Salo: That's correct.

Melika Jahangiri: Or they've used it one time in their life and then they have like this, you know, they don't know how to use it or they don't feel comfortable utilizing it, and so they have all these opinions around why scooters are horrible or unsafe, et cetera. But the people who actually utilize it everyday and understand how they work and how much help they are to get around every single day, I mean, I personally gave up a car, we are a zero car home in Los Angeles. It's like everything else in life. It's usually the people who almost never use it or have like have done it once. But they have all these opinions. It's those people who feel some kind of way about it. And they don't really understand what the use case is for. But the people who understand it, they definitely have a different experience. And just to go back to the cities. Some cities just don't have the appetite for it.

Rudy Salo: Certain cities just don't want it as a part of their culture. They're just saying, nope, we don't have the manpower to police these. We don't have the manpower to regulate these. We're already hurting with revenues. We don't want it. Forget it.

Bill Curtis: Rudy and Melika, how are you going into towns and inspiring them in an organized fashion to convince the public that these are good things?

Rudy Salo: Something that I do, is I do write for Forbes.com. I do talk about the benefits of public transportation. I do talk about how you can be much more productive if you're letting someone else do the driving. While you're commuting on a bus or a train, you can work, you can write that novel. You can write that screenplay. You can take that class right on your smartphone. So that's something I'm advocating to on an individual basis to people that are, that have a public transportation option available to them. Because remember, there's a lot of, still transfer transportation gaps. But people who are, who have a train and like, I don't want to use the train. I'd want to stick in my car. I like to be in my car. I want to be alone. I'm trying to convince them of the benefits of getting out of the car. The health benefits, the cost, the benefits, the educational benefits to it. That's what I'm personally doing.

Bill Curtis: On the day that we're recording this, I think there's another Democratic debate tonight. And I guarantee you this isn't going to come up. However, every candidate is interested in climate change and carbon footprints, in economics, in more jobs. Why isn't this going to come up?

Rudy Salo: Well, I mean, it will be a part of climate change discussions in the fact that people do want, perhaps they want to sway their government officials to convince the Ubers, Lyfts, to perhaps expand their fleets to have more electric vehicles. Right? I mean, electric vehicles would have less of a carbon footprint.

Bill Curtis: So who is working on that for an Uber or Lyft?

Melika Jahangiri: So I don't think it's necessarily something that Uber and Lyft is going to have to figure out how to mandate. But I think it's something that government officials are going to have to think about and are thinking about. So if you look at what Eric Garcetti said recently, he wants everything to be electric by 2050 in Los Angeles County, for example, or GM recently came out and said over 80 percent of their fleet is going to be all electric, I think by 2024, which is pretty soon. So I think it's going to be up to the manufacturers and also the city regulators to put in those mandates and put in those processes in place.

Bill Curtis: But just for a second, in yesterday's Wall Street Journal, it said that Uber and Lyft promised their existence would ease congestion. But in the reality, they made it

much worse. It's like you can't move in a lot of these cities because there are too many vehicles.

Melika Jahangiri: The one way that you can kind of work with that, even within an Uber and Lyft, is if people start utilizing pool more often, which is the ability to be able to take one vehicle with multiple people who are going in the same direction.

Bill Curtis: Are you going to do that?

Melika Jahangiri: I do it all the time.

Rudy Salo: I do, too. I use it. I think it's great. I mean, it means it's a ride sharing company.

Melika Jahangiri: Yeah.

Rudy Salo: She and I look, she and I are, we use public transportation. We're okay being around other people. It might be some listeners out there that fear public transportation, that fear share.

Bill Curtis: Well, I wouldn't in a million years dial up a car and have somebody roll up and hop in the backseat with someone that I have no idea who they're gonna be.

Rudy Salo: That's ok.

Melika Jahangiri: That's you.

Bill Curtis: That's me.

Rudy Salo: That's fine, that's totally fine.

Melika Jahangiri: But you're also not the majority of demographic that probably an Uber and Lyft is trying to cater to.

Bill Curtis: Why?

Melika Jahangiri: Because you just mentioned you're not going to do that. And so they're going to cater to...

Bill Curtis: No, that means it's a PR problem, means I need to be educated, means somebody needs to get me to try it. It means that governments need to get involved with convincing people to think differently about their transportation.

Rudy Salo: It's a good point and I bring this up a lot. People ask me, why do I go on to all of these podcasts? Why do I write for Forbes? Why am I, why am I doing this? Because gover- you think governments have time and money to do marketing and things like that? They don't. They don't have that. So me as a citizen who cares about our fellow man, who has received benefits from thinking differently, I'm going out there and I'm trying to convince people because some people don't trust the government, they're like uh they're just trying to tell me to do this so they can get more money for my transit fees. Forget it. But me, Rudy Salo, I'm telling people out there, I'm telling people like you, I'm telling everybody else that's out there to think differently. You can change your life in a positive way if you stop commuting on your own in your own personal vehicle. You could do amazing, great things with your life if you just try it out.

Bill Curtis: That was good. That was good. This is open to everybody at the table. Why does it seem like European countries are way better at this than we are?

Melika Jahangiri: I can speak to that as someone who works for a European company and is in Europe every 10 days. I think that the mindset over there is different and people are used to using these services. So they're used to taking mopeds. They're used to doing free-floating car-sharing, scooters sharing etc. They also have the infrastructure there. So there's very good public transportation.

Bill Curtis: Eurail Pass can get you anywhere incredibly easily, comfortably, safely.

Rudy Salo: You can't divorce the history of these cities and their existence and how long the people and the DNA of these people that lived there before the automobile. It's impossible. These cities were there before anything was even, before there was rail, before there was anything else. Well, L.A. Sure it came about in the late seventeen

hundreds, but when L.A. truly exploded was in the late eighteen hundreds, early nineteen hundreds and 1920s with Ford Model T bring in the cost of a car down very, very low and the automobile explosion. It's a part of our culture. So you can't divorce that. Here in the United States we believe in individual rights. Right? You could see that in gun rights. You could see that with our, you know, our driver's licenses. Being the individual is a huge part of the U.S. identity. The personal vehicle is like a cult-like obsession with the with Americans. It's going to take generations for us to divorce ourselves from that dedication to the car. Before the automobile exploded in 1920s, there was a whole menu of options. There were trolleys, there were street cars, there was bikes, there was other transit lines. And then the automobiles came in and basically took that all down. They bought up the trolley lines and they dismantled them. And they, there was this distrust of rail and they just got away from rail and they made us addicted to the personal vehicle. It's incumbent upon us to get people away from that addiction.

Ed Larson: Where the government has played a role in Europe is with ,which again, makes it a tough sell in America, in Europe, strict zoning. They really don't let the cities in Europe sprawl. If you're in Switzerland or if you're in Sweden, that city can't sprawl. There are very strict limits where you can build and you have to basically build up. So you end up with high rises. And if you go to the European cities or to Vancouver, you'll see grocery stores and restaurants and other amenities on the ground floor and then people living above it. You're beginning to see that more in America and that move toward higher density living, which some cities and city governments are pushing like Seattle. If they moved more toward that, it will naturally lead because these people aren't buying cars. They're instead, whatever age they are, they're instead using these other alternatives. And that is another step toward this future.

Melika Jahangiri: And another thing that we're seeing as a trend is cities are actually taking some streets and making it where you can't actually take a vehicle on there. It's kind of they're giving it back to the pedestrian, to the citizens. And you can take micro mobility by schools walking and only buses can go through. But no, like Uber, Lyft and no personal vehicles as well. And that's happening like with Market Street in San Francisco. We're seeing that in Madrid. We're seeing it throughout Europe as well, where they're taking it back and they're making it more of a community where people feel safe. One, to use micro mobility services like that, but also to be able to get some of that congestion off the road.

Bill Curtis: And there are a couple of places where I do feel like our government is starting to do the right thing. So let's give just a small hand to the Department of Transportation who wrote today about their Smart City Challenge. It's their way of encouraging cities to show what's possible when they use technology to connect transportation assets into an interactive, data fueled network. The challenge is going to award up to \$40 million in federal funding to medium sized cities that are selected through this competition. That's actually pretty cool.

Melika Jahangiri: And you're also seeing private companies helping with that as well. So Ford actually created a division called the Ford One City, One Challenge, where they're also selecting cities that have a high potential like Mexico City or Columbus, Ohio, for example, and giving them \$100000 to create that infrastructure and work with them as well on the ground, because they understand that in order for them to be able to create these mobility services and for them to be adopted and utilized, they have to have infrastructure. So if they have to pay for it themselves and they have to be part of that discussion, so be it. And it's become this really interesting thing that like cities like Miami Dade or Mexico City, for example, have participated in and have seen a lot of growth.

Bill Curtis: And I would think that you guys would be excited about their Build America Transportation Investment Center. They plan to have a single point of contact and coordination for all states, municipalities and transportation projects sponsors that are looking to use the federal expertise and apply for federal credit programs.

Rudy Salo: Yeah, that's when I spoke of earlier about the TIFIA program that the federal government it's in their Build America bureau,.

Bill Curtis: What does TIFIA stand for?

Rudy Salo: Transportation Infrastructure Financing Act. That's where the federal government will loan upwards of billions and billions and billions of dollars for a very large scale infrastructure, transportation projects throughout the country. And that's a part of the Build America bureau. And yeah the government the federal government is a partner.

Bill Curtis: It sounds like we've got a long way to go and some of the way we're going to go is up. That'll be interesting. So I'm going to break out my roller skates and blow this popsicle stand. Thank you, Rudy Salo, Melika Jahangiri and of course, Ed Larson. Join us again on Politics. Meet me in the Middle, if you can catch up to me on this very cool electric scooter. Please subscribe to the show. And it would be so much help if you rate us and recommend us to your friends. You can also subscribe to the show on Apple podcasts, Stitcher or wherever you listen to your favorite podcast. This episode was produced and edited by Mike Thomas. Audio Engineering by Michael Kennedy. And the theme music was composed and performed by Celeste and Eric Dick. Thanks for listening.

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