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**TO:** Powered Scooter Share Program Staff and Interested Parties

**FROM:** Edward D. Reiskin, Director of Transportation *Edward Reiskin*

**THROUGH:** Jamie Parks, Acting Livable Streets Director *JP*

**DATE:** August 28, 2018

**SUBJECT:** Pilot Powered Scooter Share Permit Program

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This memorandum provides direction to SFMTA Scooter Share Program staff regarding the issuance of permits for powered scooter share operations in San Francisco. This directive reflects due consideration of the public interest and safety of the transportation system and is based on findings and analysis by the SFMTA.

In accordance with San Francisco Transportation Code Sec. 916, SFMTA scooter share program staff are directed to issue permits for a Powered Scooter Share Pilot Program, starting no later than October 15, 2018. Detailed in this memorandum is the agency's analysis and background for its decisions to:

- Issue 12-month permits to Scoot and Skip, with a start date no later than October 15, 2018. Each permit will allow a maximum of 625 scooters in the first six months, with the potential for the original permittees to increase the number of scooters after six months at the SFMTA's sole discretion to a maximum of 2,500 scooters total.
- Prior to issuance of the first permit, the SFMTA will publish the Agency's final permit terms and conditions, including the Agency's expectations for community engagement. Based on a finding that none of the 12 received applications proposed sufficiently thorough outreach approaches, the SFMTA will require Scoot and Skip to submit revised community engagement plans reflecting these expectations.
- Prior to six months after issuance of the first permit, conduct a thorough evaluation of the performance of each permittee, including a public hearing to solicit feedback and input from San Francisco residents and other stakeholders. This evaluation will be used to determine whether further increases to the number of shared scooters is advisable and would serve the public interest. As part of the evaluation, the SFMTA will evaluate compliance with the community engagement plans.
- Prior to 11 months after issuance of the first permit, evaluate and document the performance of each permittee and the pilot as a whole, and make policy recommendations for scooter share operations going forward, including amending the Transportation Code if necessary.



- During the 12-month evaluation period, the SFMTA will not consider additional powered scooter share permits.

This directive reflects the SFMTA's thorough review of the 12 powered scooter share applications received, and determination that the proposals submitted by Scoot and Skip were the strongest applications. These two applications not only met all of the standards set in the Agency's permit criteria, but exceeded those standards in most respects as compared to other applicants. The actions detailed in this memorandum will ensure that the powered scooter share pilot serves the public interest and maintains safe and accessible public rights-of-way, while continuing to provide opportunities for mobility innovation.

## **BACKGROUND**

Scooter share systems have expanded rapidly across the United States in the past six months. The SFMTA supports innovative solutions that complement the City's transportation network. Scooter share programs could introduce a new transportation option that may be convenient for users making short trips or as a "last mile" solution when paired with public transit. Further, if scooter share replaces trips otherwise taken by automobile, scooter share programs have the potential to reduce traffic congestion, parking demand and carbon emissions.

However, when several companies deployed scooter share programs in the spring of 2018 in San Francisco, numerous challenges surfaced. In particular, the scooter programs impacted the safety and accessibility of San Francisco's sidewalks due to illegal sidewalk riding and scooters left in locations that impeded pedestrian access and created tripping hazards. Not only did the SFMTA and other City agencies observe these conditions, they also received thousands of complaints through the City's 311 system and other methods, documenting significant public concern. In addition, during this period, San Francisco Public Works impounded more than 500 scooters that were blocking sidewalks or otherwise improperly parked.

Based on these concerns and San Francisco's past experience regulating shared mobility systems, the Board of Supervisors and the SFMTA Board of Directors amended Divisions I and II, respectively, of the San Francisco Transportation Code to regulate scooter services. The resulting Transportation Code amendments authorize the SFMTA to implement a 12-month Pilot Powered Scooter Share Permit Program to address the significant concerns observed with the initial deployment of scooter share programs in San Francisco and ensure consistent and effective regulation of scooter share programs. The Transportation Code also authorizes penalties for operating a scooter share program without a permit and failing to comply with permit conditions. In addition, the San Francisco Public Works Code provides penalties for unlawfully obstructing the public right of way.



The pilot program establishes requirements for issuing permits to regulate scooter share programs and seeks to maintain public safety and ensure that the scooter share operators' use of public resources results in improved mobility options for all members of the public.

The pilot program terms, as established by the SFMTA Board of Directors, authorize the SFMTA to issue up to five total permits during the one-year pilot period, with a maximum total of 1,250 scooters during the first six months increasing to 2,500 scooters after six months. As of the June 7, 2018 application deadline, the SFMTA received 12 applications.

## **APPLICATION EVALUATION CRITERIA**

The permit requirements regulate scooter sharing in San Francisco to promote the public interest by prioritizing safety, equity and accountability. In accordance with the Transportation Code, the SFMTA developed a comprehensive application process that set forth many of the substantive terms and conditions that would be included in the permits. In addition, the application included several open-ended specifications, setting forth general criteria but looking to the applicants to provide innovative approaches as to how they would operate. The responses helped inform the SFMTA of the range of approaches and operational considerations associated with operating a scooter share program.

The requirements of the application and the corresponding review criteria are aligned with San Francisco's Guiding Principles for Emerging Mobility Services and Technology (Guiding Principles), which were adopted by the SFMTA Board of Directors on July 18, 2017.<sup>1</sup> The Guiding Principles are a framework to assess the benefits and impacts of all emerging mobility services and technologies in San Francisco.

The criteria also reflect the requirements for a permit detailed in Transportation Code Section 916. The SFMTA thoroughly reviewed each application over a 3-month period, documenting the degree to which proposals demonstrated ability to meet or exceed each of the criteria described below. The review was conducted by SFMTA staff assigned to the Powered Scooter Share Pilot Program, the director of the SFMTA's Sustainable Streets Division and the SFMTA Director of Transportation. Multiple staff reviewed each application, and the group collectively assigned ratings to the responses, based on the degree to which they demonstrated a high level of commitment and ability to solving known challenges and concerns related to the operation of a scooter share program.

The following table summarizes the primary Guiding Principles used in the review of the scooter applications, as well as the specific evaluation criteria used to assess adherence to each principle.

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<sup>1</sup> [https://www.sfmta.com/sites/default/files/reports-and-documents/2017/11/final\\_guiding\\_principles\\_emst\\_factsheet.pdf](https://www.sfmta.com/sites/default/files/reports-and-documents/2017/11/final_guiding_principles_emst_factsheet.pdf)



Guiding Principle	Applicability to Scooters	Application Evaluation Criteria
Safety	<p>State law establishes legal requirements to ensure the safe use of electric scooters in the public right-of-way. During the deployment of scooters in the spring of 2018, the following unsafe and/or illegal uses of scooters were observed by City staff or stated in complaints received from the public:</p> <ul style="list-style-type: none"> <li>• Illegal and unsafe riding on the sidewalk;</li> <li>• Illegal and unsafe riding without a helmet;</li> <li>• Use by minors including illegal use of scooters by individuals without driver's licenses; and</li> <li>• Illegally riding a scooter with a passenger.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategies to educate and train users should result in safe operations of scooters by riders</li> <li>• Strategies to promote and distribute helmets should result in helmet use by riders</li> </ul>
Disabled Access	<p>California Vehicle Code Section 21235 prohibits motorized scooters and other objects from blocking pedestrian paths on the sidewalk, and Section 63 of the San Francisco Police Code generally prohibits the obstruction of sidewalks. During the time unpermitted scooters were on San Francisco streets, the SFMTA and other City agencies regularly observed instances where parked scooters illegally blocked or hindered access to the sidewalk.</p>	<ul style="list-style-type: none"> <li>• Strategies to ensure properly parked scooters, including any commitments to locking or tethering, should result in parking that does not block the right of way</li> <li>• User penalties for poor compliance by users with laws governing scooter operation, including possibility of suspension by the applicant, should support appropriate operation and parking by users</li> </ul>
Equitable Access	<p>Under the scooter share business model, private companies profit by providing a service that uses the public right-of-way. Programs receiving permits from the SFMTA must be available to all, including groups who have historically lacked access to mobility benefits. Regulation can ensure that service is available in diverse geographic areas and that service is available to low-income residents through discount programs and varied payment options.</p>	<ul style="list-style-type: none"> <li>• Approach to providing service to low-income residents, including diverse payment options and fare discounts, should reduce barriers to participation.</li> <li>• Service Area beyond the downtown core and commitment to rebalancing should ensure availability of scooters in underserved areas</li> </ul>
Collaboration	<p>Scooter share operators and the City must engage and collaborate with each other and the community to improve the city and its transportation system. Operators receiving permits must commit to robust community outreach to ensure that any scooter services reflect community feedback and target a diverse set of users including low-income residents.</p>	<ul style="list-style-type: none"> <li>• Outreach approach should include strategies to ensure that low income residents are aware of service and how to participate</li> <li>• Approach to outreach should ensure that members of the public, including those that choose not to use scooter services, have the opportunity to be heard and to stay informed about program</li> </ul>



Guiding Principle	Applicability to Scooters	Application Evaluation Criteria
Labor	Scooter share operators should support San Francisco’s local hire principles, and promote equitable job training opportunities. A trained and motivated workforce is necessary to ensure the safe and reliable operation of scooter share services.	<ul style="list-style-type: none"> <li>• Should demonstrate understanding of operational needs and resource requirements to ensure service reliability</li> <li>• Approach to hiring and training employees and/or contractors should ensure that staff have the knowledge and skills to ensure safe operational practices and knowledge of the communities in which they operate</li> </ul>
Sustainability	Scooters are no-emission and low-carbon vehicles; yet observations of the initial deployment identified concerns with disposal practices, particularly related to lithium-ion batteries. Moreover, the impact of scooters to overall vehicle miles traveled is unclear when considering vehicle trips made to collect, charge and distribute scooters.	<ul style="list-style-type: none"> <li>• Approaches to operations and disposal should demonstrate commitment to environmental sustainability.</li> </ul>

Finally, the SFMTA’s review considered an applicant’s experience in operating and maintaining shared mobility systems, in San Francisco and elsewhere. The agency also took into account the applicant’s history, and the history of their users, in complying with city regulations as a way to assess their capacity to comply with the terms of the scooter share permit.

**PERMIT ISSUANCE DECISION**

Based on review and consideration of all 12 applications, the SFMTA will grant two of the maximum allowable five permits to Scoot and Skip for a period of 12 months. Each permit will allow for 625 scooters over the first six months with the potential for additional scooters after the six months at the SFMTA’s discretion.

This decision reflects the finding that the two recommended permittees are the applicants best-suited to meet and exceed the requirements set by the SFMTA Board of Directors for this pilot program. While no application was flawless, the SFMTA finds that Scoot’s and Skip’s applications, considered in total, clearly demonstrate their commitment to the goals of the pilot program and their ability to meet the terms of the permit in ways that other applicants did not.

This recommendation follows a thorough review of application materials based on the evaluation criteria described above to ensure that these operators have the capacity to meet or exceed all permit requirements and operate in the public interest. The applications from Scoot and Skip met or exceeded the SFMTA’s requirements across the full range of



criteria including Safety, Disabled Access, Equitable Access, Collaboration, Labor, Sustainability, and Experience and Qualifications.

This includes the capacity and intent to meet the permit terms and conditions, ensure compliance by users with applicable laws, and otherwise operate in the public interest.

Furthermore, Scoot and Skip demonstrated a high level of commitment to San Francisco's Guiding Principles for Emerging Mobility Services and Technologies, as well as a strong understanding of what it will take to achieve them. In particular, their applications demonstrated the highest levels of commitment to safety and disabled access, offering in-person training classes, "lock-to" technology, helmet distribution in the field, and field staff that proactively issue safety reminders to users.

The decision that each permit will allow for 625 scooters over the first six months reflects the SFMTA's finding, separate and independent from the review of the individual applications, that issuing fewer than the maximum of five allowable permits, thus allowing for a larger number of scooters for each permittee, will improve the likelihood of an equitable and sustainable pilot program.

The Financial District, SoMa and other central neighborhoods form the core of the proposed service area for all applications, reflecting their centrality, relatively flat grade and high-density. Issuing fewer than five permits with more scooters per permittee will reduce the likelihood of over-concentration and crowding of scooters within this core area, by allowing permittees to adequately serve the downtown core as well as additional neighborhoods with the allotted number of scooters. As a result, the higher number of scooters per permittee will improve the potential geographic equity of the program by promoting the distribution of scooters to additional neighborhoods beyond SoMa and the Financial District. Additionally, several applicants stated that 250 scooters (the maximum number of scooters per permittee with five permits) would be insufficient to achieve critical mass for operations and attracting users.

Finally, the SFMTA finds that none of the 12 received applications, including Scoot and Skip, proposed sufficiently thorough outreach approaches, although a variety of potentially successful tactics were identified. This deficiency in the applications could result from a lack of clarity regarding expectations on the part of the SFMTA, a lack of experience engaging with San Francisco communities on the part of the applicants, or other factors. Regardless, ensuring culturally competent community engagement is critical to the potential success of the pilot program, suggesting that the SFMTA will need to play a stronger role in defining outreach expectations and monitoring success.



## SCOOT'S APPLICATION & PROPOSAL

**Scoot** demonstrated a strong commitment to training users in safe operations of scooters with mandatory instructional videos, helmets included in rentals, and free in-person trainings. In addition, Scoot's scooter charging model is unique because they will use swappable batteries instead of requiring the vehicles to be taken off the streets for charging. The SFMTA believes this innovative model may help reduce VMT associated with recharging. Highlights of Scoot's application included the following:

### Safety and Disabled Access

- Mandatory instructional videos and free operating classes
- Field staff that monitor/enforce good behavior
- Developing integrated helmet box for scooters
- Commitment to pilot locking technology

### Equitable Access

- Commitment to ensure 20% of scooters are available in Communities of Concern
- 24/7 operation ensures scooters available during hours with reduced transit service
- Promotion of services to low income users

### Labor

- Detailed operations plans and commitment to staff training

### Sustainability

- Recharging synergy with existing Scoot program and use of existing Scoot off-street parking where feasible such as at private garages<sup>2</sup>

### Collaboration

- History of close collaboration with the SFMTA in operation of their shared moped service

## SKIP'S APPLICATION & PROPOSAL

**Skip** demonstrated a strong commitment to the safety of both its users and the general public and went beyond most other applicants with its plan to deploy compliance-monitors who will help distribute helmets and warn users who are operating scooters in an unsafe manner. Skip has also successfully operated a permitted scooter program in a major U.S. city (Washington, D.C.), Highlights of Skip's application included the following:

### Safety and Disabled Access

- "Lock-to" prototype already developed
- Ambassadors to approach users about safe behavior and provide helmets

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<sup>2</sup> Scoot currently rents space in SFMTA-owned garages for their shared e-moped program, in addition to space at privately owned garages.



- In-person training sessions for users
- Free ride incentives for riders without scooter parking violations per SFMTA and San Francisco Public Works guidelines

### **Equitable Access**

- Over 50 percent discount for low-income users
- Proposes deploying 20% of scooters in southeastern communities such as Bayview, Hunters Point, Excelsior, and Visitacion Valley

### **Labor**

- Partnerships with job training and re-training organizations for staff recruitment and retention
- Detailed operations plans and commitment to staff training

### **Collaboration**

- 16-member Community Advisory Board to consider scooter approach and ensure responsiveness to community concerns

## **OTHER APPLICATIONS RECEIVED**

The SFMTA finds that none of the other applications received meet and exceed the standards for operating a shared scooter program in San Francisco, as established by the Transportation Code, to the extent that these two permittees do.

The applications from the remaining applicants had notable flaws including, but not limited to, the following:

- Insufficient measures to ensure the safe operation and storage of scooters, including reluctance or a lack of firm commitment to institute a lock-to/tethering mechanism, inadequate education around hazardous user behavior such as sidewalk riding and adherence to applicable helmet laws;
- Plans for providing a low income option that do not explain the mechanism that would be used to approve participation, and/or fail to address key issues for low income users such as how a potential user would access services if they do not have access to a credit card or smart phone;
- Outreach plans that do not include opportunities for members of the public, including those that choose not to use scooter services, to provide feedback or stay informed about programs;
- Lack of experience owning, operating, and maintaining shared mobility equipment in the public right-of-way;
- Demonstrated lack of commitment and/or effectiveness in training and disciplining users, drivers or contractors in complying with applicable laws in San Francisco, sufficient to raise doubts about the operator's accountability for effective operation of a Powered Scooter Share system;





- Lack of sufficient detail, overall or in some proposal areas, limiting the SFMTA's ability to evaluate plans and/or indicating insufficient preparedness to deliver a scooter program.

Any permit applicant denied a permit may appeal under procedures issued by the Director in accordance with Transportation Code §916(e)(1).

## **PILOT PROGRAM, EVALUATION AND NEXT STEPS**

By October 15, 2018, the SFMTA will issue the two permits, including permit terms and conditions, to Scoot and Skip. The SFMTA may revoke either or both permit at any time based on documented non-compliance with the permit terms and conditions.

Based on the finding that no applicant proposed sufficiently detailed or comprehensive community outreach, the SFMTA will thoroughly document the Agency's expectations for community engagement prior to issuance of the first permit. These expectations will detail potentially appropriate outreach strategies (e.g., use of community meetings, partnerships with local Community-Based Organizations, etc.), based on experience with bikeshare and other shared mobility programs in San Francisco as well as peer city best practices. Moreover, the SFMTA will require Scoot and Skip to submit revised community engagement plans reflecting these expectations. The SFMTA will use compliance with the engagement expectations in review of proposed scooter program service areas, consideration of further increases to the number of permitted scooters, and evaluation of pilot program effectiveness.

Over the 12-month pilot period, SFMTA staff will collect data and assess whether further increases to the number of shared scooters is advisable and would serve the public interest. The permit and pilot reflect the SFMTA's data-driven method to better understanding how new mobility services impact San Francisco and its communities. This model is similar to approaches the SFMTA has taken in the past, including using pilots and short-term permits to better understand the needs and impacts of new services such as on-street car sharing and electric moped sharing.

During the 12-month pilot period, the SFMTA will not consider additional scooter share permittees. The SFMTA has determined that the second six-month period of the pilot program is not long enough to introduce new permittees and the main focus of the second six months will be monitoring and evaluating an increase in the overall number of scooters by existing applicants (if such an increase is warranted at all).

The SFMTA has chosen to issue a permit for the maximum number of scooters (1,250 for the first six months) in the interest of promoting geographic equity and allowing the necessary scooter density to serve neighborhoods beyond the downtown core. This will also provide a broader analysis context, which the SFMTA believes will lead to a thorough evaluation, and more meaningful conclusions and recommendations.



The SFMTA, at its sole discretion, may increase the total number of scooters granted to the two permittees to 2,500 after six months depending on preliminary results of the pilot evaluation. This will be contingent upon meeting all terms and conditions of the permit, successfully fulfilling commitments made in applications (e.g., implementing community engagement plans, deploying locking or tethering mechanisms), and other factors the SFMTA deems important based on the preliminary pilot evaluation.

As part of the six-month review and evaluation, the SFMTA will hold a public hearing to solicit feedback and input from San Francisco residents and other stakeholders regarding the performance of the pilot scooter share program. The input received through the public hearing will be included in the evaluation and will inform any modifications to the permitted number of scooters.

The pilot will be an opportunity for a thorough evaluation and monitoring of scooter share programs in San Francisco, as well as examining the experiences of other peer cities' scooter share systems. This evaluation will include, but not be limited to, the following topics:

- Understanding safety impacts of scooters by reviewing reports of collisions, if any, particularly those involving injury;
- Assessing the impact of scooter share on the public right-of-way, including maintaining accessible pedestrian paths of travel and eliminating sidewalk riding, as well as the enforcement/ maintenance burden on City staff;
- Evaluating the use patterns of permitted scooter share systems to identify geographic and/or demographic gaps where scooter share could be promoted;
- Understanding users' choice to travel by scooter share vis a vis other transportation options, in the context of operational needs, to understand the overall impacts to congestion and vehicle miles traveled in San Francisco; and
- Understanding any unforeseen impacts of scooter operations on the communities they serve.

As the program emerges, the SFMTA will continue to develop evaluation criteria as appropriate. The pilot program's permit conditions require that each company provide data to the SFMTA sufficient for this evaluation. The SFMTA will also collect data regarding compliance with parking and riding rules as well as documenting public feedback about the pilot program. The evaluation will be documented, and will result in policy recommendations for regulating scooter share programs going forward, including amendments to the Transportation Code if necessary.