

Airport Cooperative Research Program 01-35 TNCs: Impacts to Airport Revenues and Operations

**Session 3A - Ground Transportation:
Airport Challenges and Opportunities for Evolving Business Models**

PRESENTED TO:
ACI-NA Business of Airports Conference

PRESENTED BY:
Craig Leiner, Ricondo

PRESENTED ON:
June 11th, 2019

Presentation outline

- Purpose of the research
- Project tasks
- ACRP website
- Preliminary results
- Final product: Reference Guide
- Schedule for completion/conclusion

Purpose of the research

- Identify best practices for managing impacts of TNCs on ground transportation operations
- Develop a data base and tools so that airport operators can estimate impacts on airport revenues
- Prepare a Reference Guide for airport operators

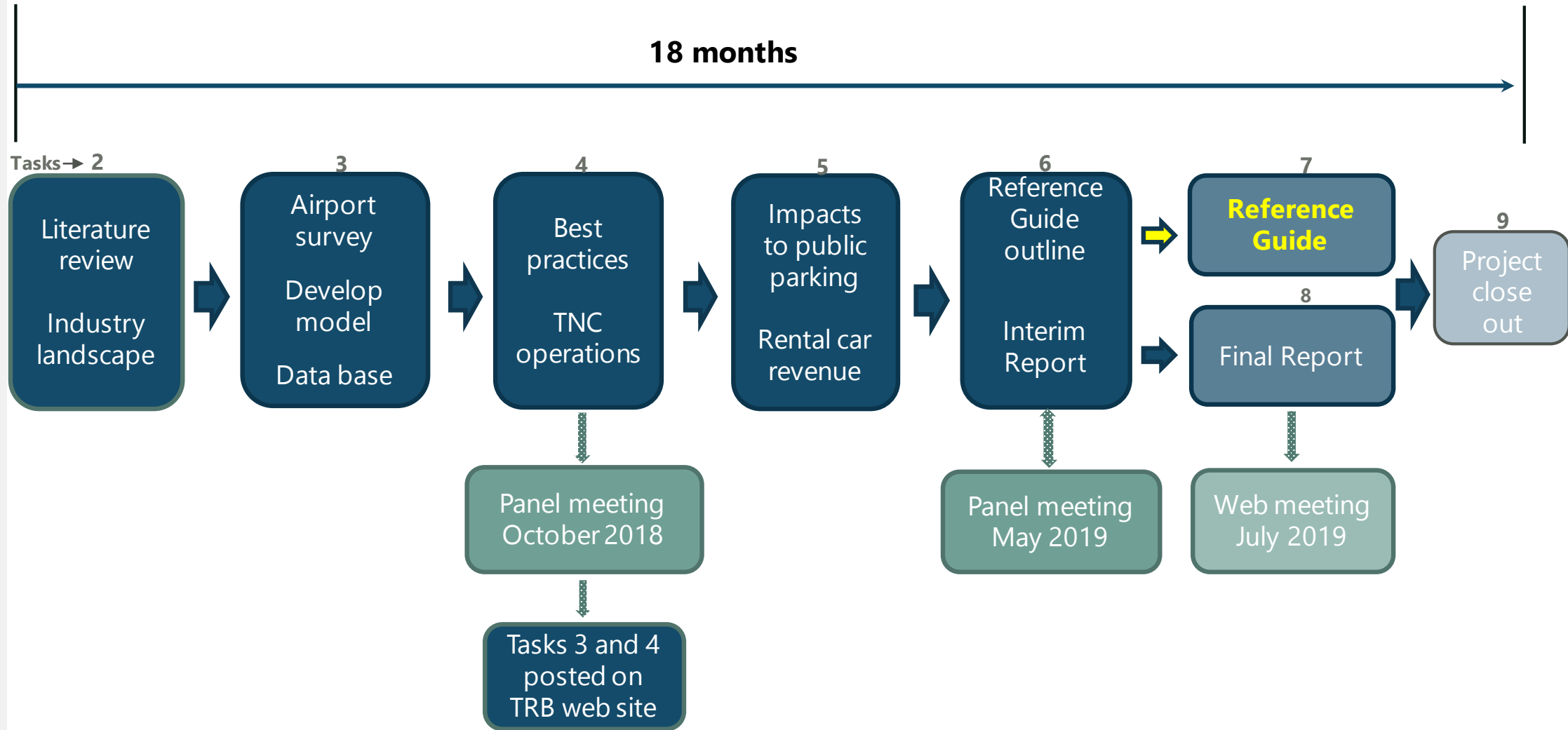
Panel

- Eva Maria Cheong, SFO, *Chair*
- Bakari Brock, Lyft
- Tracy R. Harrison, PMP, ATL
- Mr. Kiran S. Limaye, PMP, KSL LLC
- Geoff Morrison, The Cadmus Group, Inc.
- Gary L. Myers, PPC, MWAA
- Laurie Noyes, TPA
- Susan A. Shaheen, University of California (Berkeley)
- Aneil Patel, ACI
- Sarah Pilli, AAAE
- Kathleen Brockman, FAA
- Rodney Clark, FAA

Program Officer/Contractors

- Senior Program Officer: Theresia Schatz
- Principal Investigators:
 - Craig Leiner, *Ricondo*
 - Thomas Adler, *RSG*

ACRP 01-35 Project tasks



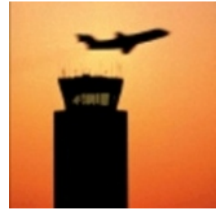
Preliminary results

- Airport survey database: 50 full participants from top 100 airports
- Landside managers concerned about TNC impacts on revenue and operations, while recognizing the attractiveness of the new mode to air pax
- Total ground transportation revenue has continued to increase at most airports, although revenue per passenger has been relatively flat
- TNC revenue now a significant source of GT revenue: TNCs take mode share from other commercial GT operators, but also replace private vehicle trips and thereby contribute a new source of revenue
- No significant negative impact found on near-term ability to finance airport capital programs

Preliminary results (cont.)

- Models for SFO and DCA developed by RSG to simulate effects on airport revenues based on changes in TNC use and airport ground access fee structures
 - What are the mode share implications for new policies under consideration?
 - Estimate tradeoffs amongst “door-to-door” commercial GT options
 - Effects of TNC services on airport revenues are a function of mode substitution patterns, airport fee structures and other factors and, as a result, are airport-specific

- TNCs draw mode share widely: taxis, parking, transit, etc.
- Raising parking prices no longer a reliable source for revenue growth (those parking can now shift to TNCs)
- Increasing TNC fees may not grow revenue either (shift to private vehicle drop-off)
- Impacts may vary widely by airport (different elasticities and different fee structures)



Access slides at:

http://onlinepubs.trb.org/onlinepubs/acrp/docs/ACRP01-35_Tasks3and4.pdf

ACRP 01-35

Transportation Network Companies (TNCs): Impacts to Airport Revenues and Operations

Summary of Results for:

Task 3 – Airport Survey and Model Development

Task 4 – Best Practices and Operational Configurations

January 2019

Senior Program Officer: Theresia H. Schatz

Contractors: Ricondo and RSG

Principal Investigator: Craig Leiner

Reference Guide Outline

SECTION I

■ Introduction

- Purpose of the Guide
 - Provide the basis for integrating TNCs into commercial ground transportation operations
 - Outline for a strategic approach to managing change and new technologies in airport ground access services
 - Compile effective approaches to managing TNC operations
 - Present tools for estimating impacts of changes in fee structure and mode share
- Audience

■ Background on Transportation Network Companies

- Emergence and historical development
- Evolving business model
- Impacts on airport revenues and operations

Reference Guide Outline (cont.)

SECTION II

- **Policy Development, Regulations and Permits**
- **TNC and Ground Access Management, Operations and Analysis**
- **Business and Revenue Analysis and Capital Programming**
- **Technology**

SECTION III

- **Updating the Guide**
- **Sources and selected references; acronyms; glossary**



Reference Guide Practice x – Staging areas

- Situation assessment
 - Objective
 - Description
 - Application
- Benefits
 - Operations and management
 - Customer service
- Trade-offs
- Long-term planning
- Sources and further information

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for illustration only**

Example

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Reference Guide Practice y – Wayfinding

■ Description

- The challenge of managing TNCs starts with the matching stage. Passengers and drivers are matched via the smartphone app prior to either of them being at the curb. This means the passenger and driver must first find each other amid the activity at the frontage. Drivers move slowly looking for a passenger with whom they are not familiar, while passengers attempt to look over the nearest vehicles to find a license plate or vehicle number on “their” vehicle. This is neither pleasant nor efficient.

- **Objective** – Efficiently connecting drivers and customers; limiting impact on roadways and curbs.

■ Application

- Standardized icons
- Signs with est. walk times

■ Benefits

- Operations and management
- Customer service
- Safety

■ Trade-offs

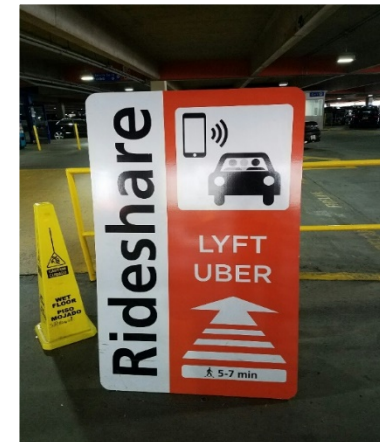
■ Sources and further information

Illustration/drawing



Source: AAE

Illustration



Source: ATL

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Section III: Updating the Guide

- FAA CATS data and individual airport revenue and transaction data
- TNC changing landscape
 - Regulations
 - *e.g., continuous background checks and enhanced identity verification*
 - Best practices
 - *rematch*
 - *curb pick-up and drop-off locations*
 - Financial trends and impacts
 - *trip fees and other pricing strategies/differentiation*
 - *evolving business practices*
 - Technology
 - *PIN*
- Role for industry associations (ACI and AAAE), companies and ACRP:
 - Newsletters, working groups, conferences, webinars
- Airport passenger surveys
- Development of standardized ground access revenue forecasting model template
- Research statement(s) for follow on work or future ACRP projects

Next steps

- Prepare Final Deliverables
 - Draft Reference Guide (June)
 - Draft Contractor's Final Report – July
 - Technical Memo: Implementing Research Findings (June)
- Panel web meeting – Reference Guide (July)
- Project Close-out (August-September)