



PRESS RELEASE

For Immediate Release

Issued on Behalf of:

Safe Walkways

and

Mission Beach Town Council

IN NOVEMBER 2023 THE CITY'S SHARED MOBILITY DEVICE PROGRAM COLLAPSED.

PROPOSALS TO SALVAGE THE PROGRAM IMPLY THAT SAFETY RULES MADE THE PROGRAM FAIL BUT THE REAL PROBLEM IS SCOOTER COMPANY ECONOMICS.

THE CITY OF SAN DIEGO IS SPENDING OVER A MILLION DOLLARS A YEAR ON ITS FAILED SHARED MOBILITY DEVICE PROGRAM.

IF COUNCIL REVERSES THE RULES IT CREATED TO PROTECT PUBLIC SAFETY THE CITY MAY BE EXPOSED TO SIGNIFICANT LIABILITY IF PEDESTRIANS ARE INJURED.

DON'T COMPROMISE SAFETY TO SALVAGE THE FAILED SHARED MOBILITY DEVICE PROGRAM

In August 2022 the City of San Diego contracted private companies to operate its Shared Mobility Device (SMD) program. A little more than a year later none of the companies the City selected were operating and the program collapsed.

The program required the selected operators to provide the public with a wide variety of devices to meet different transportation needs. None did.

The City requires that its programs cover their costs. The SMD program ran at a loss.

The City also put in place regulations to enforce both state and federal law. State regulations prohibit driving on sidewalks and underage, unlicensed driving. Federal ADA regulations require the City to keep the sidewalks clear.

Scooter rental companies say they will return for the Summer season only if the City removes Municipal Code protections for the safety of pedestrians. Specifically they say that in order for their scooters to operate safely in the street they must be able to drive 15mph on sidewalks. For years they said they could control where and how their scooters were used, but now they say they cannot.

These proposals are to be considered by the City Council on **Monday, January 22nd starting at 2pm.**

If the City Council adopts these proposals the effect will be:

- Children will access and drive potentially lethal vehicles again.
- Motorized scooters will be driven on sidewalks at 15mph again.
- Confusion as to where scooters may be parked.
- Cluttered and obstructed sidewalks again.
- Federal funding for roads will be threatened again.
- Potential of significant liability for personal injury claims against the City.

The people most impacted will be the elderly, who run the risk of severe injury and death and the vision and mobility impaired, i.e. some of the **most vulnerable** of our citizens.

Pedestrians should not fear walking in places they used to feel safe. The City of San Diego has a duty of care to protect our safety and we strongly oppose these proposed changes.

A. ECONOMICS OF THE SCOOTER RENTAL INDUSTRY

THE PROBLEM IS THE ECONOMICS OF THE DOCKLESS SCOOTER RENTAL INDUSTRY, NOT THE SAFETY RULES,

The scooter company proposals were forwarded via the City's Active Transportation & Infrastructure (AT&I) committee. The claim was that the new rules reduced ridership. The committee did not consider the economics of the scooter rental industry, which has fading appeal because of its increased costs and risk of injury. The scooter rental companies told the committee that the requirements, put in place to apply state and federal laws that protect the safety of pedestrians, are onerous for them and so must be rolled back for them to return but **the rules are not the major ridership problem.**

Problem 1: It Costs More To Rent A Scooter

Initially renting a scooter was cheap because prices were set unprofitably low to generate demand and gain market share, e.g. fifteen cents a minute in 2018. In an effort to become profitable rental prices rose e.g. forty-nine cents a minute in 2023. Renting a motorized scooter became uneconomical compared to buying one or even traveling by Uber. In 2018 a twenty

minute ride on a Bird scooter cost \$4. In 2023 the same ride cost \$11.55. **Higher rental prices reduced demand.**

SMD operators failed to get even one ride a day from each scooter they deployed. This was not because renters were not allowed to drive on sidewalks or kids were prevented from renting. It was simply because **renting a scooter had become too expensive.**

Problem 2: Buying Is Cheaper Than Renting

As the cost of private ownership of a motorized scooter for commuting dropped, commuters who want to use a motorized scooter bought their own scooter and helmet. **It's cheaper for a commuter to own a scooter than rent one.**

Problem 3: Renters Get Injured and Die

The remaining market for renting a scooter is tourists, who generally do not pack a helmet.

Demand also dropped as word spread of the horrific injuries caused by falling off vehicles traveling at 15mph or more. **Brain bleeds and death are bad for business.**

Problem 4: Theft

The costs to the operators rose as a steady stream of dockless rentable scooters were stolen and found their way across the border. Referring to Bird's newest scooters, Kylee Floodman, a spokesperson for Bird, stated in an email to the City in May 2023: "we anticipate these vehicles will be stolen within 3-6 weeks." **Dockless means easy to steal.**

To counter theft operators deployed old scooters, without advanced technology, which were less attractive to rent. **Too ugly to steal means too ugly to rent. Expensive advanced tech is more attractive to steal.**

Problem 5: Legal Claims

Beyond their lack of curb appeal [Amy Martin's December 21st 2023 article in Wired about Bird](#), which repeatedly refers to San Diego, raises serious concerns about the adequacy of the maintenance of the brakes of shared scooters and refers to **mounting legal claims.**

Problem 6: Operators Focus On A Narrow Market Segment

The City required operators to provide a wide range of transportation devices. Instead almost all the devices offered were motorized scooters, which appeal to only a small part of the public. **Only providing motorized scooters is cheaper.**

Problem 7: Seasonality

Amy Martin also makes clear that the scooter rental business is seasonal and in the Winter **there are fewer tourists.**

"As the spring of 2023 turned to summer, some fleet managers felt trapped. Scooter shepherding is a seasonal business, with some operating at a loss in the winter but making their money back and more in the summer, when more people take rides. After the new contract cut their payouts, some fleet managers struggled to keep up with their scooter expenses. "The only reason I continue to do this is to pay off the commercial vans I purchased when I still believed in the American dream," says one current fleet manager."

So economic issues that impacted the program include:

- **Demand affected by:**
 - Higher prices.
 - Buying is cheaper than renting.
 - Injuries and deaths put renters off.
 - Old scooters are less appealing.
 - Legal claims.

- Lack of variety of devices.
- Seasonality.
- **Operator costs increased by:**
 - Theft.
 - Lawsuits.

These are economic factors affecting the scooter rental industry. None were considered by the AT&I committee. **Reversing rules put in place to protect the safety of pedestrians will not solve them.**

B. WHY WE NEED THE CURRENT SAFETY REGULATIONS

DRIVING: THE CURRENT RULES ARE THE ONLY EFFECTIVE OPTION FOR PREVENTING SIDEWALK DRIVING.

Sidewalk driving prevention technology is necessary because renters do not obey state and federal laws and endanger pedestrians.

The City has **no effective alternative** way of preventing sidewalk driving and protecting pedestrians. The proposal would replace the requirement that scooters driven on sidewalks be slowed to 3 mph with one requiring a noise. Unfortunately, **noises can be ignored**. The SDPD is not an alternative for enforcement since it is understaffed and focuses on other illegalities.

For years scooter rental companies claimed they could detect when scooters were driven on sidewalks. Director Muto and colleagues selected rental companies that promised they could detect sidewalk driving and the companies signed contracts with the City promising that they could do it. Then they said they could not, blamed the rules and left. Ignoring all the economic issues, they say to resurrect the SMD program in time for the Summer tourist season the rules protecting the safety of pedestrians must be rolled back. **Rolling back safety regulations for companies that promised they could meet them but didn't may be more profitable for the rental companies but does not serve the public interest.**

STAGING AND PARKING: THE PROPOSED CHANGES TO RULES FOR STAGING AND PARKING WILL NEGATIVELY IMPACT THE DISABLED CITY-WIDE AND RESIDENTS IN THE BEACH COMMUNITIES AND DOWNTOWN. THE PROPOSED RULES ARE NEITHER CLEAR NOR TRANSPARENT AND THREATEN FEDERAL PROVISION OF SURFACE TRANSPORTATION FUNDS.

The City's current rule requires all scooters to be parked in the street in painted corrals. This rule is clear, simple and easily understood. It resulted from *Safe Walkways* filing a complaint with the ADA division of the Federal Highway Administration who investigated and made the City adhere to federal ADA law.

The proposed rules allow private corporations to stage their rental vehicle using public bike racks. Particularly in the Beach communities, this will leave **nowhere for the public to park their bikes**. The Beach and Downtown communities have battled to reduce the negative impact of the scooter rental invasion on their lives. **This proposal reverses gains made after years of effort.**

The proposed parking changes are **neither clear nor transparent**. For example the City proposes that scooters be parked within an undefined "virtual geographic boundary". Giving Director Muto the authority to secretly change the rules removes transparency and creates confusion about where it is legal to stage and park. That risks scooter sidewalk parking. If Council changes the rules and scooters are parked on sidewalks again, blocking the path for people with disabilities, **the City is at risk of another federal investigation and losing money for roads.**

C. ECONOMIC IMPACT ON TAXPAYERS DUE TO THE PROPOSED CHANGES

THE PROPOSALS WILL MAKE THE SHARED MOBILITY DEVICE PROGRAM DEPEND ON TAXPAYER SUBSIDIES.

Director Muto told the AT&I committee that the City's Shared Mobility Device Program costs between \$1.1m and \$1.3m per year. In 2023 City income from the Program was a fraction of that amount. The AT&I committee's new fee proposals will slash City income **even further**. It will cost the City far more to run the SMD program than it will generate. That violates the City's User Fee policy. **Resurrecting the program adopting the proposed fee plan will result in significant taxpayer subsidies.**

IF COUNCIL REVERSES THE RULES IT CREATED TO PROTECT PUBLIC SAFETY THE CITY MAY BE EXPOSED TO SIGNIFICANT LIABILITY IF PEDESTRIANS ARE INJURED.

The City requires operators to indemnify it against lawsuits. Indemnification is nullified if a litigant can show the City acted negligently or wilfully endangered the public. The reversal of safety measures at the request of scooter rental companies is, in our opinion, both negligent and willful misconduct. We presented this argument to the City Attorney last month - letter attached. **Reversing public safety rules is a personal injury lawyer's dream come true.**

D. INSTEAD OF REVERSING SAFETY REGULATIONS, HERE'S WHAT NEEDS TO BE DONE.

THE SHARED MOBILITY DEVICE PROGRAM COSTS MILLIONS OF DOLLARS. THE COUNCIL SHOULD DEMAND A REVIEW OF THE ECONOMIC FACTORS BEFORE CONSIDERING WHETHER TO RESURRECT IT.

If the City truly believes the SMD Program provides a First Mile/Last Mile solution for transit users, shared vehicles would be staged at trolley stations and major bus stops not concentrated at the beach and downtown for joy-riding.

The collapse of the SMD program is a costly managerial failure which is a serious embarrassment. Rather than passively acquiescing to the demands of bankrupt scooter companies with flawed business models **the Council should require a thorough economic review of the collapsed program to prevent the waste of millions more dollars.**

IF THE CITY INSISTS ON A SMD PROGRAM, THEN IT SHOULD BE ONE THAT SERVES ITS CITIZENS RATHER THAN TOURIST JOY-RIDERS

If the Council is determined to resurrect the SMD Program, then rather than rolling back safety provisions, it needs to direct the Mayor to establish **a viable program that pays for itself**, offers a **variety of options that appeal to a wide range of people** to replace cars and meets the transportation needs of all its citizens, including **those carrying packages, those with children, the elderly and those needing a stable vehicle they feel is safe and protects pedestrian safety**, not just providing **thrills and spills for tourists**.

This range of options is what the City's Sustainability and Mobility department promised yet the operators it selected failed to provide them. Those operators are now demanding changes to safety regulations in order to return. **They should be ignored.**

The City needs leadership and management that benefits citizens rather than being at the beck and call of scooter rental companies that **failed to deliver and are now seeking to undermine our safety.**

We urge the public to contact their Council Member to both:

- **object to these proposals and insist that protections for pedestrian safety are maintained and**

- to call for the Council to conduct a review of the collapsed Shared Mobility Device Program before considering enabling a new one to be instigated.

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