



CITY OF CHICAGO • OFFICE OF THE MAYOR



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**MAYOR LIGHTFOOT ANNOUNCES NEW REGULATIONS TO EASE TRAFFIC
CONGESTION AND ENCOURAGE SUSTAINABLE TRANSIT USE THROUGHOUT
CHICAGO**

New regulations built to mitigate congestion driven in part by ride-hailing companies, incentivize sustainable transportation, and raise \$40 million in new revenues for the city

CHICAGO – Mayor Lori E. Lightfoot today announced the first steps toward addressing citywide traffic congestion with a set of regulations designed to encourage more sustainable forms of transportation and address rising congestion. Under this plan, the City will impose a new congestion tax applied to ride-hailing companies, whose use has significantly grown in recent years, particularly in areas of the central business district, Near North and West Loop. The regulations will place a premium on single rides and during peak periods when the city faces high levels of gridlock on downtown roadways while offering a decreased rate for passengers opting for shared rides in the neighborhoods.

In recent years, the ride-hailing use in Chicago has grown by 271 percent and continues to steadily increase. Designed to ensure ride-hailing companies pay their fair share while incentivizing customer use of more sustainable transportation options, this new pricing model is expected to generate \$40 million in new revenues for the city.

“Our city, like many others across the nation, has experienced skyrocketing congestion growth due in part to the rapid growth of ride-hailing companies, making it increasingly difficult for those who rely upon Chicago’s streets for commerce or transportation, and plaguing our downtown,” said Mayor Lightfoot. “Using an evidence-based approach to combat our congestion challenges, Chicago is taking these first steps to improve mobility and further our goals of ensuring sustainable, affordable and reliable access to transportation options in every neighborhood.”



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To inform these regulations, the City conducted an analysis of ride-hailing trips since 2015, which reveals the downtown area consistently faces the highest density of ride-hailing congestion compared to any other area in the city, with nearly half of all citywide ride-hailing trips beginning or ending in the downtown area and one out of every three of those trips both starting and ending in the downtown area. What's more, trips hailed by a single rider account for the majority of all trips taken, as opposed to shared trips accessed by multiple riders independently, contributing to even more vehicles on the roadways.

This analysis, which can be found attached, examines a variety of data that reveal the overall impact of ride-hailing on the city, its infrastructure and transit, and leverages data on ride-hailing from the City's open data portal, which houses the most expansive set of publicly released data on ride-hailing trips of any city.

Based on peak congestion locations and times, the City is proposing a new variable Ground Transportation Tax (GTT) structure. Under the current GTT, a flat rate of \$0.60 is assessed per trip citywide, and a \$5.00 flat rate is assessed per trip in special zones (the airports, Navy Pier and McCormick Place). As part of an effort to incentivize shared rides to combat both congestion and rising vehicle emissions in Chicago as well as encourage use of higher efficiency modes of like transit downtown, the City proposes the following progressive structure:

- Decreasing the GTT on all citywide shared ride-hailing trips from \$0.60 per trip to \$0.53 per trip.
- Increasing the GTT on all citywide single ride-hailing trips from \$0.60 per trip to \$1.13 per trip.
- Assessing a downtown zone surcharge, placing an additional \$1.75 per trip for single rides and \$0.60 per trip for shared rides.

No changes are proposed to the current \$5 special zone fee, the \$0.10 per trip accessibility fee or the \$0.02 per trip administrative fee.

“Improving our City’s transportation infrastructure and reducing congestion is crucial to ensure that residents throughout Chicago are able to travel the city efficiently, but more importantly safely,” said Alderman Howard Brookins Jr., Chairman of the Committee on Transportation and Public Way. “I commend our Mayor’s plan to address congestion throughout the entire city and thank both CDOT and CTA in executing projects to make this vision a reality.”

Representing areas among the highest density of trips citywide, the proposed structure will target ride-hailing trips in the downtown zone, a map of which can be found attached, during the hours of 6 a.m. to 10 p.m. on weekdays, when congestion



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is most prevalent. To ensure continued, reliable access for customers citywide—particularly for the south and west sides—the city’s progressive structure will offer a discount on shared trips in the neighborhoods. Shared trip requests on south and west sides can range upwards of 50 percent of all requests, in comparison to less than 30 percent on the north side and downtown.

“We applaud Mayor Lightfoot for taking a bold first step to address the inequity in our transportation system. These new fees will help ease congestion and reduce emissions on many of the city’s busiest corridors,” Melody Geraci, Interim Executive Director of Active Transportation Alliance. “When paired with the expansion of Bus Priority Zones, they make it safer and easier to walk, bike, and ride transit in neighborhoods across the city.”

A portion of the \$40 million generated revenue as a part of the 2020 Budget will be allocated to support public transportation investments to improve Chicago Transit Authority (CTA) bus operations and the Chicago Department of Transportation (CDOT), including investments in seven Bus Priority Zones to improve access for the city’s south and west sides, and to enhance transportation accessibility initiatives.

“CDOT is committed to working with CTA to improve the performance and attractiveness of their bus system, which is the backbone to the City’s transportation system,” said Thomas Carney, Acting Commissioner of CDOT. “An efficient, reliable and affordable transit system, provides an option for commuters to avoid congestion and improve access to jobs, services and education across the City.”

Additional funding will support the City’s long-term efforts to ease congestion across the entire city, including commissioning an independent analysis to conduct a comprehensive congestion pricing study that will look at every community and how congestion impacts it.

“Decongestion pricing presents an opportunity for Chicago to both reverse the inequities embedded in its existing transportation system and to improve access to opportunities, said Amanda Eaken, Director of Transportation at Natural Resources Defense Council (NRDC). “Mayor Lightfoot is right to explore this bold climate solution, which would support healthy, affordable, and low-carbon transportation options for Chicagoans.”

A recognized leader in open data initiatives on ride-hailing companies, BACP will be seeking additional data from the city’s three active ride-hailing companies, Uber, Lyft and Via, on items including driver compensation, total number of passengers per trip and miles traveled without a passenger in an effort to better understand the impact and to support ongoing operations. The additional data on ride-hailing



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vehicles, drivers and trips, which would be posted on the City's Data Portal, will allow the department to implement the full extent of its regulations on a relatively new industry, to partner on accessibility and equity initiatives, and to inform more well-rounded and long-term transportation plans.

“These initiatives represent an important step towards ensuring that Chicago’s transportation network remains equitable, accessible and safe into the future,” said Rosa Escareno, BACP Commissioner. “With this additional information, we will have the tools to continue developing forward-thinking policies that support Chicago’s workers while preserving choice within the public vehicle industry.”

Chicago is one of 25 cities selected to participate in the American Cities Climate Challenge, an effort to resource cities to take strong action to reduce pollution that contributes to climate change and impacts public health. As part of the challenge, Chicago has pledged to take bold action to reduce emissions from its transportation and building sectors. Working with other challenge cities and cities around the world, Chicago has extensively explored approaches taken elsewhere to tackle similar congestion and pollution issues, as well as looking at data from independent researchers and transportation policy experts.

The Mayor's Office and Chicago Department of Transportation will continue to work with all stakeholders – from ride-hailing companies to transportation advocates – on long-term congestion policies that will further Mayor Lightfoot’s goal of ensuring affordable, accessible and reliable transportation options serving all areas of the city.

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