

N. Marin Breakfast Club

Driving Change – Autonomous Vehicles’ Big Impact

National Economic Education Delegation

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Available NEED Topics Include:

- Healthcare Economics
- Climate Change
- Economic Inequality
- Economic Mobility
- US Social Policy
- Trade and Globalization
- Minimum Wage
- The U.S. Economy
- Immigration Economics
- Housing Policy
- Federal Budgets
- Federal Debt
- Black-White Wealth Gap
- Autonomous Vehicles



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 - Ronald Fisher, Michigan State University
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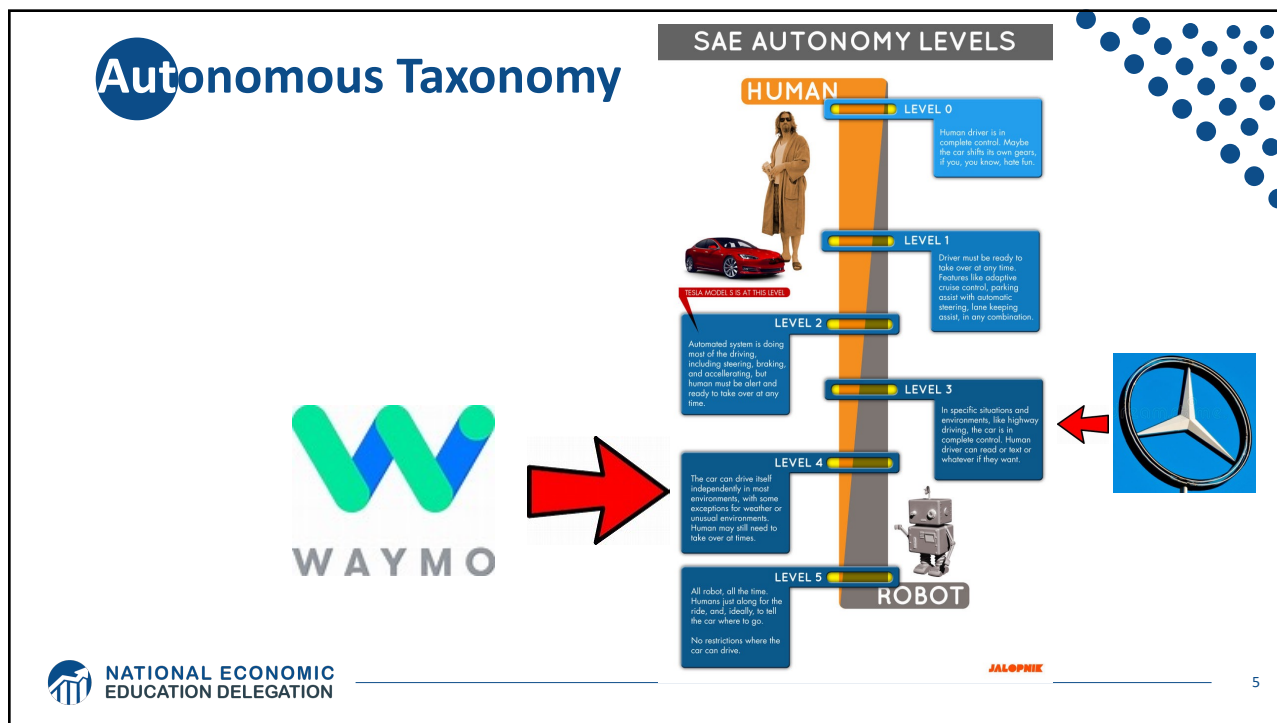
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Outline

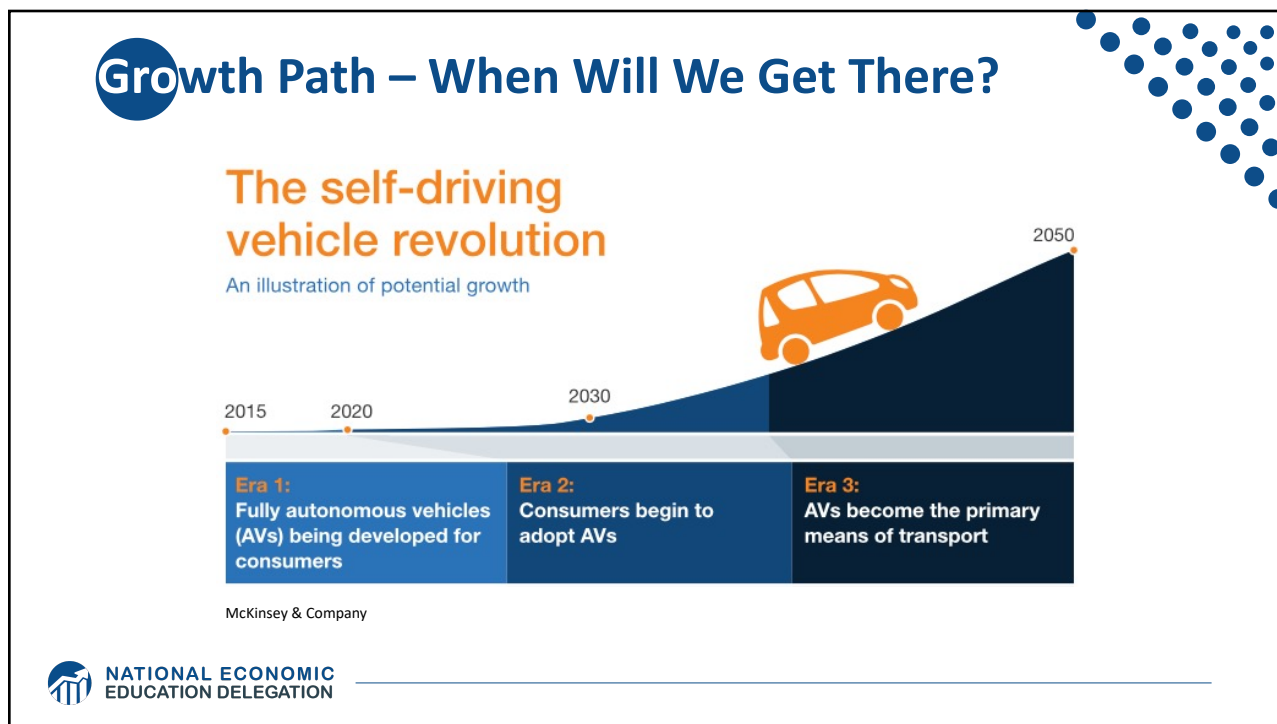
- **Where does the AV path lead?**
- **Policy/Planning Issues**
- **Major Economic/Development Changes**



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40+ Corporations Working On Autonomous Vehicles



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WHEN?

What is possible?

- **By 2025 (?)**
- **Potentially 95% of VMT by 2035.**
 - Last 5% may be very difficult to achieve.
- **Is this possible?**
 - Horses to cars: 10 years – early 1900s
 - But adoption of EVs is so slow!
 - Adoption of AVs will be rapid.



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What will the future look like?



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This:



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But, will it be:



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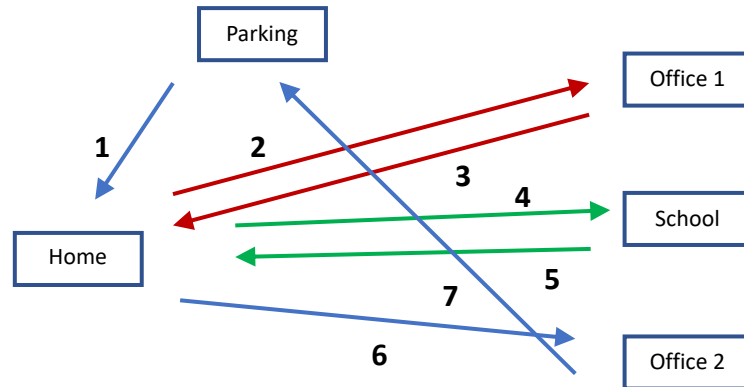
Hell

- **Primarily individual private car ownership**
 - Much as today.
- **Internal combustion engines**
- **Why Hell?**
 - Dramatically increased VMT and pollution.
 - Potentially increased congestion.
 - Parking



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Two Adults and a Child: Morning Miles



And this is just the morning.....

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Heaven



- **Vehicle ownership will be very limited**
 - Private ownership for those with specialized vehicle needs.
 - Fleet ownership will serve everybody else.
- **Engines: electric**
- **Not clear when we will get there, but this is the likely model.**
 - 2030 for widespread adoption in many regions.

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Why is this Heaven?

- **Not only autonomous, but:**
 - Shared
 - Connected
 - Green
- **Far fewer cars in existence.**
 - Better resource utilization: steel, rubber, aluminum, and land!
- **VMT could go up or down, but more productive than in Hell.**
- **Congestion effects – unclear, but likely reduced.**
 - Right-sized vehicles, platooning, sharing, V2V communication
- **Minimal need for parking.**



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Economics Drives Transition: Private

- **Adoption dividend for private individuals**
 - Eliminate car ownership
 - Ave annual cost of owning a car: \$9,666 (2021)
 - Cost per mile will fall: \$0.64 to \$0.19
 - Repurpose your garage
 - \$50,000 from transition to bedroom
- **Time recovery**
 - 50% of the King County workforce has a commute in excess of 30 minutes.

Average Costs Per Mile

Miles per Year	10k	15k	20k
Average Cost	82¢	64¢	55¢



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Economics Drives Transition: Public

- **Economic and social costs associated with human drivers are enormous:**
 - ACCIDENTS (U.S.):
 - Drive 25% of congestion.
 - Result in 40,000 deaths.
 - And 2 million injuries.
 - 90+% caused by human error.
 - Increased productivity from not driving.
 - Costs of human drivers estimated at up to \$1.3 TRillion each year in the U.S.

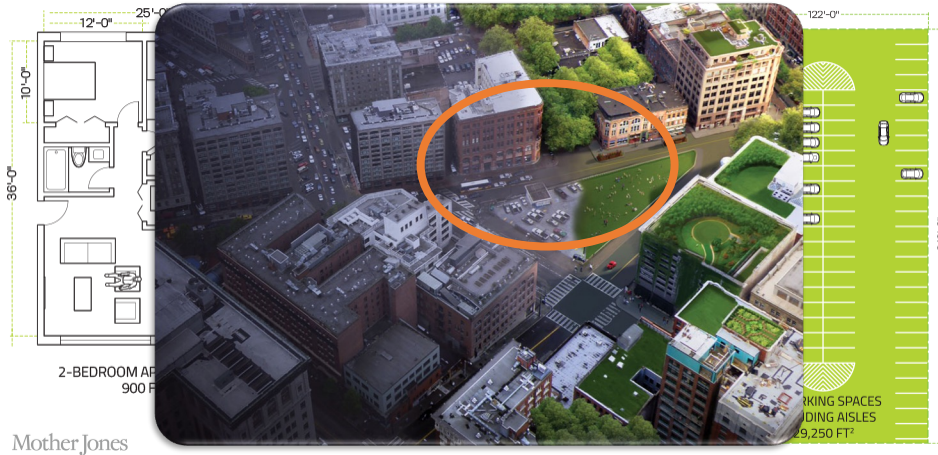


Encourage Change

- **Mobility and equity considerations**
 - Elderly/disabled/impovertished
- **Safety:** only way to reduce traffic fatalities is by coordinated effort
- **Productivity:** reduced congestion
- **Environment:** speed transition to electric vehicles

These are all societal benefits that come about too slowly
if the private market is left to itself.

Environment

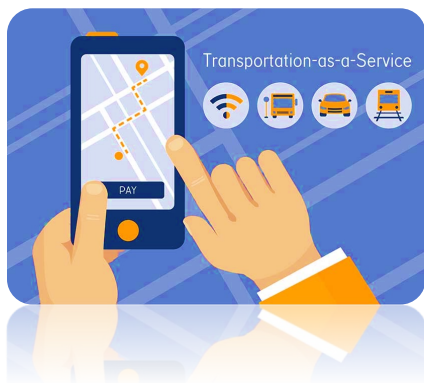


What Changes Will This Bring?

- Disposable income
- Government finances
- Transportation demand
- Infrastructure
- Public transportation
- Housing
- Employment
- Parking

Potentially dramatic improvements in infrastructure planning and maintenance -
Data sharing and integration

Public Transportation



- **Ambiguous implications for public transportation**
- **Demand may:**
 - Shrink because of low cost of TaaS
 - Grow because last mile problem is solved
- **Extensions may be added through contract with TaaS company**

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Housing



- **Housing is suddenly easier to build**
 - Issue of traffic congestion is significantly reduced.
 - Space for new housing is available where parking lots used to be.
- **Existing houses can now accommodate more people: garage to bedroom conversions.**

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Employment

- **Massive job displacement/relocation (Millions!):**
 - Drivers of all varieties: truck, taxi, delivery...
 - Car production jobs, car parts production jobs
 - Gas station, vehicle repair, and body shop
 - Police and fire
 - Health care workers
 - And so on...



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Parking

- **Greatly reduced demand for parking lots.**
- **Service providers will own parking lots in strategic places.**
- **Street parking will largely be a thing of the past.**
 - More green space in cities.
- **Shopping mall and apartment parking?**
 - Converted to housing?



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Freeing Up Urban Space from Parking

- **Los Angeles: 14% of incorporated land area**
 - 200 Square miles
- **San Francisco: 275,450 on-street parking spaces**
 - Enough to parallel-park a line of cars 60 miles longer than California's entire 840-mile coastline
- **In the US: (estimate) 500 million spaces**
 - That's larger than Delaware and Rhode Island combined.
 - Could be as many as 2 billion (add in Connecticut and Vermont).



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Potential Problems and Concerns

- **Expansion of the electric grid to provide sufficient capacity.**
- **Mining for rare earth minerals for batteries.**
- **Hacking of autonomous vehicles for nefarious purposes.**
- **Competition in service provision in some markets.**
- **And many more...**



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Summary of Change

- **Massive employment upheaval.**
- **Local government finances will look very different.**
- **Housing will be easier to build and more plentiful.**
- **Parking conversions will be commonplace.**
- **Demand for transportation infrastructure will likely decline.**
 - Transportation infrastructure technology will be a booming business.
- **Demand for public transportation may well decline.**
- **Coming likely sooner rather than later!**



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Thank you!

Any Questions?

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