My first morning in Altamonte Springs, Florida, I was faced with a dilemma: how to travel the two miles from my hotel to city hall without a car. Walking would take nearly an hour in the sweltering June heat. Taking a bus would entail waiting up to a half hour at a stop with little shelter from the forecasted thunderstorms, followed by a looping detour to the local mall. The trip could potentially take longer than walking.

I was on my way to meet Frank Martz, Altamonte’s city manager. For nearly two decades, Martz had fought to overhaul Altamonte’s transit system with a fleet of demand-responsive public busses. He called the plan FlexBus, and it would use custom-designed software to optimize routes for vehicles that riders would order from kiosks or even desktop computers. Martz saw FlexBus as the key to transforming Altamonte, a loose agglomeration of palm tree-lined strip malls and culs-de-sac a few miles north of Orlando, into a thriving and walkable destination.
Despite Martz’s persistent lobbying, bureaucratic delays and disagreements with the regional transit authority stalled the project for years, Martz says. Finally last October, the Federal Transit Administration withdrew millions in vital funding. FlexBus was dead.

But the transit landscape had changed since Martz began his quest. In the years before FlexBus was founded, some of Silicon Valley’s most prominent companies had begun offering on-demand transportation reminiscent of Martz’s vision. So just weeks after burying FlexBus, Martz called Uber. His inquiry was blunt: did the company want to make Altamonte the world’s first public transportation system based on ride-share technology?

Martz’s proposal would make the suburb of Altamonte an unlikely test bed for one future of public transit. It would also raise questions about whether such a future can serve everyone equally, and force Martz to navigate between the transparency of public office and the demands of a multibillion dollar company with a penchant for secrecy.

**y the time** Martz called Uber, less radical versions of his proposal had begun proliferating across the county. *As Bloomberg noted last month,* both Uber and Lyft have been striking agreements with transit agencies, mostly for so-called “first-last mile” programs — meant to shuttle commuters to bus or train stations. Since last year, Uber has scored public transit agreements with San Francisco, Atlanta, Philadelphia, Dallas, Cincinnati, and Pittsburgh, among other cities. Uber and Lyft have also been edging
into niche public transportation services, like transit for disabled people or low-income residents who need rides to work or the grocery store. Last month officials in Washington, DC proposed having Uber respond to some 911 calls for ambulances.

Even Google’s Alphabet, through its Sidewalk Labs program, has joined the transit bonanza. The company recently offered to overhaul transit in Columbus, Ohio with a system that sets parking prices based on demand and funnels low-income commuters into subsidized ride-share vehicles.

These companies are arriving at an opportune time for cities, many of which are struggling just to fund existing transit service, much less expand it to meet the needs of growing numbers of urban commuters. Both Uber and Lyft tell The Verge that the past year has seen a surge in public officials interested in giving the companies taxpayer dollars for public transit contracts. For the companies, it’s an appealing new way to establish themselves as vital infrastructure, especially in low-density communities like Altamonte where running traditional mass transit can be expensive. Given the pace at which these partnerships are coming together, it’s possible to imagine ride-hail companies taking on the role of all-encompassing, smartphone-driven public transit providers, one town at a time.

But for some transit advocates, the embrace of Uber and its competitors risks undermining civic ideals of accessibility and transparency. In Altamonte, there are already signs that these concerns could be warranted. The pilot program is unusable for people without a smartphone or credit card, and the company attempted to have the city sign an unusually far-reaching nondisclosure agreement.

Ultimately, critics worry that if these programs succeed, they could pluck the affluent commuters who wield real political influence off trains and busses, leading to a crisis of declining ridership and decreasing clout for traditional public transportation.

Uber has so far been pitching itself as a supplement to existing transit programs rather than a replacement. But in June of last year, for the company’s five-year anniversary, Uber CEO Travis Kalanick envisioned a future where increasing efficiency would make Uber cost-competitive not just with owning a car, but with traditional mass transit. When drivers drop off a customer only to pick up another, chained together in a "perpetual trip," Kalanick said, "not only is it much less expensive than taking a cab or owning a car, it has the potential to be as affordable as taking a subway, or a bus, or other means of transportation. And that's what we believe is the real game-changer. Those are the things we'll be working on in years to come."

With the help of public subsidies, that future is coming fast. The speed with which
Uber has entered the public transit sector has stunned industry activists. "It's happening very quickly," says Lawrence Hanley, the international president of the Amalgamated Transit Union. "It's like a tsunami."

I didn't have an hour to spare getting across town to meet Martz, so government Uber was the obvious choice. Opening the app, I noticed a new option had appeared next to UberX: an "Altamonte" car. Upon being scooped up by an off-duty drug counselor in a sleek Chrysler, it became clear that the app had so seamlessly incorporated the municipal transit program as to, aside from the car name, wholly hide its civic underpinning. It was Uber as usual in every way, but cheaper. Indeed, most of the Uber drivers who shuttled me around town that week told me they had no idea their rides were being subsidized by the government.

It wasn't until I arrived at city hall that I fully understood the aggressively suburban layout of Altamonte. I had imagined Martz’s office as being inside a stately administrative building somewhere central, but though it’s technically a municipality, Altamonte has nothing resembling a center. Its low-slung city hall sits anonymously amid a cluster of one-story gray-brick buildings off the six-lane State Road 436, largely hidden by the Altamonte Executive Center strip mall.

Martz led me into his conference room and took a seat in front of a floor-to-ceiling city map, which, because of Altamonte’s curlicue suburban street scheme, could double as
patterned wallpaper. He wasted little time in noting, with a prideful note of irony, that the building that once housed the regional commuter rail headquarters was where he had conceived the first fully smartphone-driven public transit network.

A former minor league baseball player, Martz has a sturdy frame and speaks with prim efficiency, but he slips into exuberance when discussing his long-delayed success in bringing demand-responsive public transit to Altamonte.

"We recognized this much earlier than most, that the issue of transit usage was not about infrastructure," Martz said. "It's about convenience and control."

When Martz dialed Uber in November, the company jumped at his inquiry. Within two weeks of the call, an Uber manager flew from Washington, DC to Orlando to meet with him, he says. After two months of discussions, Uber sent Martz a chart laying out the possible future of their partnership. At a subsidy rate of 25 percent — and assuming the ridership would grow annually by 100 percent — Uber would receive roughly a million dollars per year from the city. A potential indication of Uber's aspirations, the chart also included a scenario in which Altamonte would pay Uber a full 100 percent subsidy, putting the town on the hook for up to nearly $7 million in ride-share funding over a two-year span.

(Uber also sent Martz a document instructing that its logo "should be treated with respect" and laying out in anxious detail what that entails. In promoting the program, Martz was forbidden from placing the Uber logo "anywhere that could degrade our brand," including on doormats or anywhere else where it could be trodden on; on things like napkins or paper plates that would be quickly thrown away; on dartboards or urinals; on food, which, the document explains, will be sliced, broken, eaten, and is associated with the feces it will later become; or on underwear, condoms, "or anything else that would link Uber and sexual situations.")

Martz settled on a 20 percent subsidy for any trip within Altamonte, and 25 percent for rides to and from the city's commuter rail station. Martz foresees the yearlong pilot costing taxpayers less than a hundred thousand dollars, far cheaper than building a new bus system. Nor does it involve navigating the regional transit authority or negotiating with potentially unionized public employees.

In the final days of February, the city cemented the details of its new public transit system, and on March 4th, it announced the pilot.

The response shocked even Martz: in the weeks following the launch, Uber ridership within Altamonte exploded, rising tenfold, Martz told me. Calls cascaded in from
EXPLODED, RISING TENFOLD

officials in other cities curious about Martz’s experiment

Just weeks after the March launch, the neighboring, more affluent suburb of Maitland began considering an identical pilot program. By July, it and three other cities in the northern Orlando area had approved copycat Uber deals, bringing more than a hundred thousand of the region’s residents into the sphere of Uber-run public transit. Interest in Martz’s deal was not limited to central Florida, either. Martz said transit officials from Los Angeles, Boulder, and Boston have called him for information on the partnership.

During my time in Altamonte, the government-backed Ubers worked just as intended. The two-mile ride to city hall came out to around $4 — two dollars more than the local bus system, but taking a fraction of the time.

On a sweltering Wednesday afternoon, I visited some of Altamonte’s train and bus stations to get a sense of its non-Uber transit options. The Altamonte station of the new greater-Orlando commuter rail system, known as SunRail, lies on a desolately commercial intersection of State Road 436 — populated on its other three sides by a Citgo station, a funeral home, and a bright yellow cash advance service touting itself as “Almost a Bank.”
The station was completely empty when I got there. Eventually, a train arrived and a trickle of people debarked and meandered toward the adjoining bus depot.

One of them was Todd Harrold, a 53-year-old resident of nearby Sanford, which has also approved an Altamonte-style subsidy. He had just stepped off SunRail with his bicycle and was headed to the mall to look for a new pair of glasses. He had planned to take the bus, but finding it would be a half hour wait, decided to bike the two miles down the six-lane highway. "It's 15 minutes to bike — not bad if I don't get hit," he said. Harrold has no smartphone and has never been able to use Uber.

More than half a dozen residents I spoke with in Altamonte had been shut out of the city's new transit system for various reasons — some lacked credit cards or smartphones, while others were disabled and would have difficulty getting in a regular car. Unlike taxis, Uber isn't required to provide services for disabled passengers.

At a bus station near the freight area of the Altamonte Mall, I spoke with a homeless man who has no credit card or smartphone, a wheelchair-bound woman waiting for the bus, and a man with a severely cracked Motorola LG onto which he'd downloaded an Uber app that could not get past its undulating loading page. Like Harrold, they were all effectively left behind by the city's new transit system, and would take the Lynx bus home that day.

Some transit advocates fear that such stories will become more common in a world of Uberized public transport. "Quality public transportation is just that — public — and it's the fundamental reason transit agencies are required to make an effort to reach out to people with disabilities, people without bank accounts, and people without smartphones," says Jacob Anbinder, a spokesperson for the TransitCenter, a foundation dedicated to improving urban mobility. "As Uber finds itself entering into contracts that require it to act as a provider of public transportation, the company will have to adapt to serve this same broad market of riders."

For Altamonte's pilot project, this has not yet been the case. The city's contract with Uber includes nothing regarding the access of people with disabilities or those without smartphones.

"YOU'VE GOT THE CITY DECIDING THAT THEY'RE GOING TO UNLIKE TAXIS, UBER ISN'T REQUIRED TO PROVIDE SERVICES FOR DISABLED PASSENGERS"
SUBSIDIZE THE EASIEST TO SERVE, ABLE-BODIED YOUNG PEOPLE GOING OUT FOR BEER AND WINGS."

Uber acknowledges its services aren’t as accessible as they could be, but says it is fast evolving. Andrew Salzberg, head of Transportation Policy and Research at Uber, pointed to experiments the company has launched to deploy fleets of wheelchair-accessible Ubers, and noted that in Pinellas County, Florida, Uber is testing a call-in dispatch service for low-income residents who will be able to access the system with or without smartphones. "We’re not at the final answer to these problems," Salzberg told me, "but we’re getting to the right places through a bunch of initiatives."

Martz acknowledged that some people would be denied access to Altamonte’s Uber system, but said that a "one-size-fits-all" mode of transit would be too inefficient, and that people without smartphones have alternatives, like the public bus system. He also pointed to a Lynx-run transit service that disabled Altamonte residents can call upon.

In discussing the accessibility gaps in his transit system, Martz described it as a matter of consumer choice. "A hunter using a bow and arrow will not feed his family as efficiently as a hunter with a gun," Martz told me. "And there are still plenty of transportation choices, although not as good, for those people who don’t have smartphone access. Users have to make the choice, and I think that’s the beauty of our pilot. Instead of jamming tech or infrastructure down the throats of potential users, we’ve provided just one more of them. Users will make the choice that’s best for them. If they prefer to not have a smartphone that’s the life they choose to live."
On January 27th, a partnership specialist at Uber sent Martz’s colleague a nondisclosure agreement and asked for an e-signature. The NDA was broad in scope, requiring Altamonte keep secret "any technical or business information" regarding Uber, or else face a potential lawsuit that could put the city on the hook for attorney fees and civil damages. It would also mean that a taxpayer-funded program could potentially violate the spirit, if not the letter, of the state’s transparency laws.

Martz responded immediately, asking a different Uber official whether the company would reconsider. "[R]emember we are a government in the sunshine," Martz told an Uber general manager for Florida. "So some of the codicils here are not lawful."

Martz quickly prevailed in getting Uber to drop the NDA, but a few weeks later, something odd popped up in a draft of the public transit agreement Altamonte would sign with Uber. In a proviso toward the bottom of the agreement, Uber granted itself a privilege to field public records requests that the city receives regarding its partnership. "In the event City receives a Public Record Law request for documents that Uber considers trade secret or otherwise confidential," the final contract reads, the city "agrees to promptly notify Uber of said request and shall not make an immediate disclosure."

Uber’s penchant for secrecy can put it at odds with conventions of government transparency. In other cities, the company has convinced regulators to allow it to hide its ridership data — Uber’s agreement with

IN SAN FRANCISCO,
Boston requires the city to keep Uber’s ridership data under wraps, even stipulating that the company will pay the city’s litigation costs in a fight to keep that data confidential. In San Francisco, data that Lyft or Uber gives the city is under seal and thus reportedly hidden — even from city transportation planners.

For public transit partnerships that allot tax dollars to private companies, a wide degree of openness about ridership data is standard, says Anbinder of TransitCenter. "We like to say you can’t manage what you don’t measure."

Ridership data can also shed light on whether a transit system is benefiting an entire community or just a part of it. "Where and when are trips ending?" asks Mariah Montgomery, a campaign strategist at the Partnership for Working Families, which has pressed Uber for ridership data. "That data... allows you to see where there is a need, and also gives you a sense of whether they are serving all neighborhoods equitably."

An Uber spokesperson told The Verge that asking public agencies to sign NDAs is not a standard company practice. And Uber’s Salzberg acknowledged that his company has been less forthcoming with ridership data than some of its older competitors, but said that times have changed — and competition has intensified. "Yellow cabs have been great about this in the past," Salzberg said, adding that such companies often held monopolies over their markets, making the release of data of little competitive concern. "There’s a different competitive situation for data that makes it different for us to be as transparent as things were before."

When I asked Martz for Altamonte’s ridership data, he politely declined, citing Uber’s preference for confidentiality as well as a Florida state court ruling on Uber’s ridership data. "Sometimes the thing that matters most is moving people, not being able to find every piece of paper," he said. Martz says that he, a few members of his senior staff, and city commissioners are allowed to review the Altamonte ridership data, but not the general public.

"THEY JUST WANT TO KEEP IT UNDER WRAPS."

Uber’s desire for confidentiality in its dealings with public agencies extends beyond ridership data. Last month, a transit official in Pinellas County named Chris Cochran told me about an initiative in which Uber would experiment with a call-in dispatch system for riders who lack smartphones. Cochran’s openness came off as routine: he was a public official simply talking about a partnership his agency was negotiating.
But shortly after I asked Uber about the program, I received an email from Cochran. Uber had contacted him, urging him not to release the name of the initiative even though it was technically a matter of the public record. Cochran feared that the very act of releasing the Uber product name — UberCentral — before the official launch could have killed the entire partnership. "We just don’t want to jeopardize our partnership by not at least trying to prevent that from going out," Cochran said, later adding that, "they just want to keep it under wraps."

(Like Martz, Cochran came to Uber after facing a setback in a major push to widen Pinellas County’s existing mass transit options. In 2014, his agency failed to pass a 1 cent sales tax that would have expanded bus service and created a light rail system, and instead was forced to cut back the existing bus system.)

I also asked for ridership data from the local transit authority in Pinellas County regarding its deal with Uber to subsidize trips to local bus stations. Citing a state statute governing trade secret exemptions to government records, a spokesperson denied the request.

After several days in Altamonte, I went to Pinellas County to see how one of Uber’s first partnerships with a public transit agency was faring. Like many of the company’s early efforts, Uber had attempted to bridge gaps in the existing transit infrastructure, offering discounted rides to and from bus stations.
Parking on a street in a tucked-away, working-class neighborhood on the outskirts of St. Petersburg, I summoned an Uber to take me to a bus station just under a mile away. A few minutes later, a driver appeared in an immaculate Kia Soul and whisked me to the Walmart bus stop. Largely subsidized by the county, the trip cost only $2.77.

My experience was smooth, but in June Cochran of the PSTA told me that the program’s ridership had been modest. "It has not been a huge success in terms of ridership numbers," said Cochran. "I can be upfront about that."

In the case of Altamonte, the city’s first-last mile initiative, which offers a discount of 25 percent when traveling to train stations, has lagged far behind the city’s main Uber program. "The monstrous majority" of subsidized Uber rides in Altamonte, Martz says "are intra community trips."

The experiences of Pinellas County and Altamonte Springs comport with the observations of Jon Orcutt, director of communications and advocacy at the Transit Center. "The whole idea of First Mile Last Mile is really overblown," says Orcutt. "It misses the point that most people that use transit most often live and work near it."

Uber tells a different story, saying that its rides to and from transit stations bridge a key gap. Salzberg, Uber’s transportation policy official, says this role fits perfectly with the company’s mission of getting more people into fewer cars, and with transit agencies’ need to maintain ridership. And Salzberg says, Uber may not need public transit dollars to influence the sector. Even in cities without partnerships with public transit agencies, customers have begun relying on Uber to shuttle them to and from commuter rail stations, Salzberg says. "And that’s happening without us promoting it — it just made sense."

Yet this month the Bay Area suburb of Dublin will launch an Altamonte-style program with Uber and Lyft, offering subsidized fares capped at $5 rides throughout the project area, rather than a first-last mile incentive. In fact, thanks to the program, the local transit agency reportedly cut a low-ridership bus route.

Subsidies or not, if Uber can drive its price low enough, at a certain point it could start to look more like a replacement for mass transit than a supplement to it. Recently the company has struck out on its own, experimenting with big-picture alternatives to public transit even in cities that have yet to fund its services. In February Uber reportedly offered its fixed-route “UberHOP” rides for just $1 in Seattle, a significant savings over buses. In May, as Washington, DC was preparing for more subway shutdowns due to maintenance, Uber announced it would expand its UberPool program throughout the agency’s service area, pitching itself as a congestion-reducing alternative to the city’s faltering transit system. Uber’s popularity in the city apparently got the attention of a DC transit official, who said that "the need for late-night service is lower since people are using [ride-hailing] services."
THANKS TO THE PROGRAM, IN DUBLIN THE LOCAL TRANSIT AGENCY REPORTEDLY CUT A LOW-RIDERSHIP BUS ROUTE

In New York, where Uber has skirmished with Mayor Bill de Blasio and where the Metropolitan Transit Authority has blamed it and Lyft for $10 million in lost revenue, Uber rolled out a summertime monthly pass granting commuters unlimited Uber rides during morning and evening rush hours. At $79 per month, the price significantly undercuts the MTA’s prices for someone riding the subway twice daily, though its hours and coverage area are more limited. That cost may be further driven down through a partnership with WageWorks that was announced this week, which will let New York riders pay for UberPool using pretax dollars.

Of course, all these cost cuts will pale in comparison to what Uber will be able to do once it replaces human drivers with autonomous vehicles, which the company recently began testing in Pittsburgh.

With or without the cooperation of public agencies, Uber is becoming a new transit provider for at least a segment of the population. For cities like New York with extensive transit systems, this could mean a new front in the Uber wars — or a new era of private-public collaboration in transit. Either way, the rise of ride-sharing will spell major changes in how the country’s largest transit systems move people.

Yet, as officials from both Uber and Lyft emphasized in speaking with me, America’s largest cities could be mere sideshows compared to smaller towns and suburbs. And some experts say that the highest-density subway and bus lines could not be replaced by Uber anyway, arguing that it would cause too much roadway congestion. But the vast majority of Americans live in places more like car-dominated Altamonte than hyperdense Manhattan. "That is an emerging area where you can expect to see more activity," said Emily Castor, director of transportation policy at Lyft. Castor says Lyft is "very interested" in propagating the Altamonte model across the country and sees it as "an opportunity to grow Lyft in suburban areas rather than just the urban core." Uber’s Saltzberg noted that only 2 or 3 percent of total trips in the US are done via public transit and asserts that Uber wants to be "a tool in the toolkit for cities that are trying to make better transportation choices."

Despite lingering concerns over transparency and accessibility, the earliest results of Uber’s Altamonte experiment show a considerable demand for Uber in government. As soon as next year, Martz said, the five neighboring cities that have signed copycat deals could create a seamless network of Uber subsidies that will allow riders to traverse the region on the tax-funded Ubers. And Edward L. Johnson, the head of the greater Orlando regional transit system, Lynx — which services more than 1.8 million residents in an area roughly the size of Delaware — says his agency is hoping to soon begin incorporating ride-share companies into its offerings, possibly with an across-the-board subsidy similar to Altamonte’s.

With FlexBus, Martz says he had failed to make the regional transit authority budge.
Now, thanks to Uber, projects are racing ahead, and Martz doesn’t seem surprised.

"Uber had brought to the market a very workable solution," Martz told me. "The choice was obvious to us."