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THE WALL STREET JOURNAL.

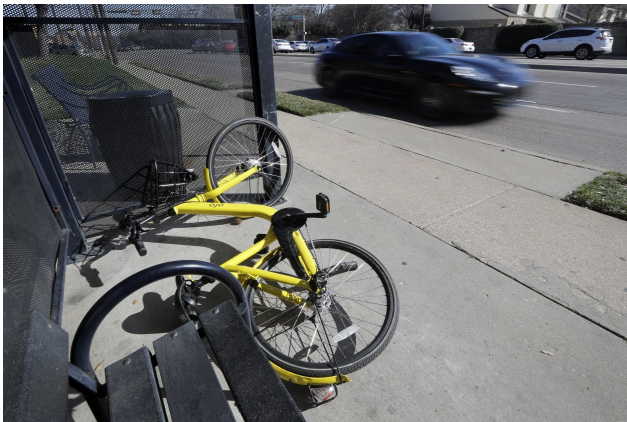
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BUSINESS

Dockless Bike Share Floods into U.S. Cities, With Rides and Clutter

Dallas, awash in brightly colored bicycles, looks to clean things up; 'You see bikes everywhere, all scattered out'



A shared bike is left abandoned at a bus stop in Dallas, where 'dockless' bikes are multiplying, but cluttering public spaces. PHOTO: TONY GUTIERREZ/ASSOCIATED PRESS

By *Eliot Brown*

Updated March 26, 2018 12:49 p.m. ET

Dallas, the sprawling, highway-ringed city where summer temperatures routinely top 100 degrees, was never a bikers' paradise.

Yet in recent months, Dallas has become ground zero for a nascent national bike-share war, as five startups armed with hundreds of millions of venture capital dollars have blanketed the city with at least 18,000 bikes. That makes it the country's largest bike share fleet, with 50% more than New York City's popular Citi Bike program. And unlike New York's program, where users must use racks to retrieve and return rented bikes, the bikes flooding Dallas are "dockless." In other words, these bikes—popular in many Chinese cities—can be left almost anywhere when the rider is done.

The result has thrilled transit and bike advocates while upsetting some residents. The ubiquitous, brightly colored bikes have been credited with replacing car trips and improving commutes for many who use them to get to public transit. But they also are viewed as an aesthetic mess, being abandoned on sidewalks or yards. They are sometimes left hanging in trees or are sunk in creeks and waterways. City officials are scrambling to write regulations. “You drive down a street, you see bikes everywhere, all scattered out,” said Dallas City Council member Tennell Atkins. “We’ve got to think it through. It’s a mess.”

Other U.S. cities are having a similar experience, if on a smaller scale.

The startups, which include China’s two leading bike-share companies, are in the early stages of a plan to blanket U.S. cities with hundreds of thousands of dockless bikes in the coming year.

Typically acting with cooperation and encouragement from city governments, companies seed a city with bikes placed on sidewalks, by bus stops and throughout downtowns. Users pay \$1 per half-hour or hour for a bike they locate and unlock with an app on their smartphones, eliminating the need for a bike rack.

LimeBike, a Silicon Valley-based company backed by \$132 million from venture capitalists like Andreessen Horowitz LP and Fifth Wall Ventures, plans to distribute at least 50,000 bikes by year-end, more than double what it has on streets today in 50 cities and college campuses like Bay Area suburbs and South Bend, Ind. Ofo, the Beijing-based giant backed by Alibaba Group Holding Ltd., hopes to have an additional 300,000 bikes on the ground in U.S. cities and towns by the end of the year, on top of the 30,000 it already has in places like San Diego and Seattle, said Chris Taylor, who runs the company’s domestic operations.



The dockless bike-sharing model has gained popularity in China in recent years. PHOTO: JASON LEE/REUTERS

“We’re excited about the U.S. as an opportunity,” he said.

Others, including China-based operator Mobike and U.S.-based Spin, are also rapidly branching out, while docked bike-share companies like Motivate Co. are considering expansion into the sector. Ofo and the other

companies said they work with cities to address complaints by moving bikes when asked.

For the startups, the desire to move fast comes from the experience in China, where the dockless business has exploded in popularity in recent years. Warring companies have collectively raised billions of dollars to battle one another, sometimes clogging China’s streets with hundreds of thousands of bikes. Prices are often cheap and upkeep can fall behind, as illustrated by the photos of giant piles of broken bikes that have come to symbolize the trend. Supporters note that the bikes are widely used by millions a day, reducing car traffic.

Importing the model to the U.S. faces numerous obstacles.

For one, many of the country’s densest cities already have exclusive long-term contracts with traditional bike-share services that use docks; such programs are now in effect in well over 150 cities, up from just six in 2010, according to Russell Meddin, who curates Bike-sharing World Map, a website that tracks such programs. These programs—typically subsidized by taxpayers—are generally resistant to allowing competitors in, and some are trying to parlay their deals with cities to run dockless programs too, city officials and company executives say. Behind-the-scenes fights have been taking place in New York and San Francisco, both of which are only allowing small dockless pilot programs.

That is why the land grab for dockless bike-share companies is playing out largely in low-density cities like Dallas, as well as suburbs and college towns. Cars tend to dominate in these places, and the economics are less compelling than dense cities.

Take It or Leave It

Dockless bikeshare programs are sprouting across the U.S.

COMPANY	CITY	STATE
Spin	Seattle	Washington
Spin	Los Angeles	California
Spin	Dallas	Texas
Spin	San Diego	California
Spin	Little Rock	Arkansas
Spin	South San Francisco	California
Spin	Miami Lakes	Florida
Spin	Doral	Florida
Spin	Miami Springs	Florida

Among the recipients of bike-share in the past year: Worcester, Mass., Scottsdale, Ariz., Alameda, Calif., and a set of small cities outside of Los Angeles.

Many cities have capped the number of bikes allowed, which limits aesthetic complaints but makes it harder for the companies to hit their ambitious expansion goals. Venture capital investors and bike-share companies say each bike needs more than two or three rides a day to make economic sense.

Spin	Location	State
Spin	Scottsdale	Arizona
Spin	Tempe	Arizona
Spin	Aurora	Colorado
Spin	Washington	DC
Spin	Silver Spring	Maryland
Spin	Towson	Maryland
Spin	Salisbury	Maryland
Spin	Charlotte	North Carolina
Spin	Durham	North Carolina
Spin	University of California, San Diego	California
Spin	Duke University	North Carolina
Spin	Rochester Institute of Technology	New York
Spin	Furman University	South Carolina
Spin	University of Washington	Washington
Spin	Towson University	Maryland
Spin	Goucher College	Maryland
Spin	Southwestern Adventist	Texas
Spin	St. Edwards University	Texas
Spin	Salisbury University	Maryland
Spin	University of Arkansas	Arkansas
Spin	Antelope Valley College	California
Spin	Brookhaven College	Texas
Spin	California Baptist University	California
Spin	Calvin College	Michigan

Some early signs aren't encouraging. In Alameda—a flat suburb across the bay from San Francisco—usage in the first four months has hovered around 0.9 rides per bike per day for the city's 300 bikes, according to the local officials. Dallas estimates each of its bikes gets an average of less than one ride a day.

The bike share companies aren't deterred. As the number of bikes rise and people adapt to them, usage will rise, said Caen Contee, a vice president at LimeBike.

Meanwhile, LimeBike and other companies are already experimenting with new models. Social Bicycles Inc. has a pilot program in San Francisco that uses bikes propelled by small electric motors. Users have to lock them to street poles or racks, a move meant to avoid clutter.

Another company, Bird, distributed electric scooters around Santa Monica, Calif., in a similar model to the dockless bikes. It just raised \$100 million and hopes to expand to 50 markets this year.

Over the weekend, a new front opened in the transportation battle: Dozens of Bird and LimeBike scooters appeared on the streets of San Francisco.

Write to Eliot Brown at eliot.brown@wsj.com

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Spin	Indiana State University	Indiana
Spin	La Salle University	Pennsylvania
Spin	Mississippi College	Mississippi
Spin	Mountain View College	Texas
Spin	North Lake College	Texas
Spin	Richland College	Texas
Spin	Southern Utah University	Utah
Spin	Texas Woman's University	Texas
Spin	University of La Verne	California
Spin	University of North Texas	Texas
Spin	University of Wisconsin-Stevens Point	Wisconsin
Spin	Utah State University	Utah
Spin	Wesleyan University	Connecticut
Spin	Western Oregon University	Oregon
Spin	Wichita State	Wichita
Ofo	San Diego	California
Ofo	Bellflower	California
Ofo	Griffith Park	California
Ofo	Pico Rivera	California
Ofo	Scottsdale	Arizona
Ofo	Tempe	Arizona
Ofo	Mesa	Arizona
Ofo	Seattle	Washington
Ofo	Dallas	Texas
Ofo	Plano	Texas

Ofo	Arlington	Texas
Ofo	Aurora, Centennial	Colorado
Ofo	Greenwood Village	Colorado
Ofo	Lone Tree	Colorado
Ofo	Washington	DC
Ofo	Silver Spring	Maryland
Ofo	Takoma Park	Maryland
Ofo	Durham	North Carolina
Ofo	Charlotte	North Carolina
Ofo	South Miami	Florida
Ofo	Malden	Massachusetts
Ofo	Revere	Massachusetts
Ofo	Chelsea	Massachusetts
Ofo	Worcester	Massachusetts
Mobike	San Diego	California
Mobike	Washington	DC
Mobike	Charlotte	North Carolina
Mobike	Dallas	Texas
Mobike	Woodlands	Texas
LimeBike	Key Biscayne	Florida
LimeBike	South Bend	Indiana
LimeBike	South Lake Tahoe	California
LimeBike	Seattle	Washington
LimeBike	Dallas	Texas
LimeBike	Greensboro	North Carolina
LimeBike	South San Francisco	California
LimeBike	Imperial Beach	California
LimeBike	Washington	DC
LimeBike	Alameda	California
LimeBike	Aurora	Colorado
LimeBike	Miami Shores	Florida

LimeBike	North Bay Village	Florida
LimeBike	Malden	Massachusetts
LimeBike	Silver Spring	Maryland
LimeBike	Los Angeles	California
LimeBike	Charlotte	North Carolina
LimeBike	Scottsdale	Arizona
LimeBike	Plano	Texas
LimeBike	Arlington	Texas
LimeBike	National City	California
LimeBike	San Jose	California
LimeBike	Durham	North Carolina

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