

a) The equation for production is given as follows:

$$P(m) = 36000m \cdot \exp\left(-\frac{29}{600}m\right)$$

To find the maximum of the production function, which also corresponds to the critical point, we solve $\frac{dP}{dm} = 0$:

$$\frac{dP}{dm} = 36000 \cdot \exp\left(-\frac{29}{600}m\right) \left(1 - \frac{29}{600}m\right)$$

By setting the above derivative to 0 and solving for m , we get that $m^* = \frac{600}{29}$. The critical accumulation n^* is hence equal to 20'690 veh. If the fleet size is equal to 3'000 veh, then the accumulation of private vehicles in the network is 17'690 veh.

b) The production under the critical condition is:

$$\begin{aligned} P^* &= 36000m^* \cdot \exp\left(-\frac{29}{600}m^*\right) \\ P^* &= 36000 \frac{600}{29} \cdot \exp(-1) \\ P^* &= 274007 \text{ veh.km/hr} \end{aligned}$$

The trip completion rate for ride-sourcing vehicles O_{RS} is:

$$\begin{aligned} O_{RS} &= 0.8 \frac{n_{RS}}{n_{RS} + n_{PV}} \frac{P^*}{L_{RS}} \\ O_{RS} &= 0.8 \frac{3000}{20690} \frac{274007}{1.05 \cdot 3.8} \\ O_{RS} &= 7966 \text{ veh/hr} \end{aligned}$$

Similarly, the trip completion rate for private vehicles O_{PV} is:

$$\begin{aligned} O_{PV} &= \frac{n_{PV}}{n_{RS} + n_{PV}} \frac{P^*}{L_{PV}} \\ O_{PV} &= \frac{17690}{20690} \frac{274007}{3.8} \\ O_{PV} &= 61652 \text{ veh/hr} \end{aligned}$$

c) The new trip completion rate for private vehicles which we denote by O'_{PV} is computed as follows:

$$\begin{aligned} O'_{PV} &= \frac{P^*}{L_{pv}} \\ O'_{PV} &= \frac{274007}{3.8} \\ O'_{PV} &= 72107 \text{ veh/hr} \end{aligned}$$

The difference between O'_{PV} and $O_{PV} + O_{RS}$ is 2'489 veh/hr.

d) Pricing empty VKTs, use off-street parking for idle vehicles...

