

April 15, 2016

Sent via E-mail: [lsc@toronto.ca](mailto:lsc@toronto.ca)

Ms. Dela Ting  
Licensing and Standards Committee  
City of Toronto  
10th floor, West Tower, City Hall  
100 Queen Street West  
Toronto, ON M5H 2N2

**RE: A New Vehicle-for-Hire Bylaw to Regulate Toronto's Ground Transportation Industry**

Dear Ms. Dela Ting,

We would like to thank Municipal Licensing & Standards' (ML&S) and City Staff for the tremendous amount of work that went into their report and recommendations.

In poll after poll, Torontonians are overwhelmingly asking City Council to create regulations around ridesharing around the principles of public safety and consumer protection. The recommendations made by ML&S, if adopted with a few amendments, would satisfy that demand.

The ML&S staff report - while not perfect - is a positive step forward, providing a progressive framework for ridesharing regulations in Toronto. The recommendations concerning Private Transportation Companies (PTCs), provide strict rules that will ensure appropriate protection of the public, while still allowing innovation and new models to flourish.

Regulations for core pillars of public safety and consumer protection are absolutely crucial. However, one too many seemingly innocuous pieces of regulatory red tape that don't serve to advance a core pillar such as public safety risks putting ridesharing on life support.

We ask the Licensing and Standards Committee, with a few modest changes, to support the report by ML&S and recommend progressive regulations to full City Council.

**BENEFITS THAT RIDESHARING OFFERS CITIES**

Uber is a technology platform that operates in over 400 cities in 67 countries. Through a mobile application, Uber connects passengers to drivers to arrange reliable and safe transportation. Uber can be accessed through any web-enabled device and payment is via credit card or other electronic payment (e.g. PayPal). Uber's most popular platform is uberX, or peer-to-peer (p2p) ridesharing, where individuals provide transportation in their personal vehicles.

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The benefits of ridesharing to cities include:

- **Empowering thousands of Torontonians to earn extra income** by driving their own car on their own time around other work, family, and personal schedules
- **Complementing existing ground-transportation options** by giving riders and drivers more choices to get around their city
- **Enhancing nighttime road safety** by increasing reliability of late-night transportation
- **Combating congestion and emissions** by making carpooling a reality with uberPOOL
- **Making on-demand transportation more affordable** by removing downtime in the system and removing layers of expensive middlemen
- **Improving accessible transportation** for the accessibility community and older adults with products like uberWAV for people requiring a wheelchair accessible vehicle and uberASSIST for those who require an extra hand to go from door to door
- **Expanding the reach of the transit network** by introducing affordable first/last KM options and facilitating car-free or car-light lifestyles
- **Empowering restaurants** with uberEATS by helping them grow their business by providing an effective food delivery service offered by uberX drivers

## UBER IN TORONTO

Uber is changing how Toronto moves. Below are some key facts about Uber's operations in Toronto today:

- Uber is creating flexible earning opportunities for over **15,000 active driver-partners**
- Over **1,000,000 riders** have used Uber in Toronto and benefitted from affordable, reliable and safe rides; hundreds of thousands rely on it each week for transportation
- **Under 4 minute wait times**, whether in Downtown, Etobicoke, North York or Scarborough
- Nearly **100,000 uberPOOL trips occur every week in Toronto**, putting more people in fewer vehicles, thereby helping to remove cars from the road, reducing traffic congestion and pollution

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- **uberWAV** and **uberASSIST** are providing much needed reliable transportation options for the accessibility community at uberX prices
- Over **250 Toronto restaurants have partnered with uberEATS**, our food delivery product, with some restaurants seeing their business grow by 10-30% and led to them hire more staff

## RESPONSE TO STAFF RECOMMENDATIONS

Issue	ML&S Recommendation	Uber's Position
<p><b>Separate PTC Category</b></p>	<p>Create a separate category for PTCs, recognizing them as a distinct industry.</p> <p>ML&amp;S would license the PTC, which in turn would be responsible for allowing only those drivers and vehicles onto the platform that meet strict requirements set out by ML&amp;S.</p> <p>ML&amp;S maintains strong oversight and enforcement powers to ensure PTC is complying with the bylaw.</p>	<p>Uber Supports this recommendation:</p> <ul style="list-style-type: none"> <li>• Key change with ridesharing regulations is move from dual-licensing (with companies and drivers both needing a license) to a unified regime where only companies are licensed and where any Torontonionian can become a driver as long as they meet/pass the criteria outlined by the City (criminal background checks, vehicle safety inspection, motor vehicle reference check, etc.).</li> <li>• Ridesharing is regulated in 70+ jurisdictions internationally under this model</li> </ul> <p>Licensing Regime</p> <ul style="list-style-type: none"> <li>• Uber must have license before operating. To obtain license, Uber must provide proof of insurance. Drivers do not need be individually licensed.</li> <li>• To get started drivers must submit application to Uber. This enables Uber to check a driver's age, driving license, driving history, vehicle registration, auto insurance and criminal record (through accredited 3rd parties).</li> <li>• Uber cannot accept drivers whose records show they do not meet City required standards (e.g.criminal record).</li> </ul> <p>Safety Requirements</p> <ul style="list-style-type: none"> <li>• Drivers undergo a rigorous pre-screening process.</li> </ul>

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		<ul style="list-style-type: none"> <li>Records must be maintained for minimum period to ensure City &amp; law enforcement can access information when necessary</li> </ul> <p>Consumer Protection</p> <ul style="list-style-type: none"> <li>Drivers not allowed to solicit or accept street hails/taxi stands.</li> <li>Ridesharing companies free to set prices but they must be transparent about how fares are calculated. Customers must be able to get an accurate fare estimate before booking trip and receipt when trip ends</li> </ul>
<b>Issue</b>	<b>ML&amp;S Recommendation</b>	<b>Uber's Position</b>
<b>Driver Background Screening</b>	Require the PTC to have appropriate agreements, contracts and/or processes in place to screen the criminal and driving histories of drivers providing transportation to passengers through the PTC's Platform.	<p>Uber Supports this recommendation:</p> <p>Uber's background screening process involves both a criminal and driver history (Motor Vehicle Reference Check). Regarding the former, each potential driver-partner must pass a police-run background screening, using CPIC to search the National Repository of Criminal Records and PIP to search local police records.</p> <p>Uber's background check uses the same checks as Girl Guides of Canada and other national and provincial organizations.</p>
<b>Issue</b>	<b>ML&amp;S Recommendation</b>	<b>Uber's Position</b>
<b>Vehicles</b>	Require that vehicles used to provide transportation through a PTC be no more than 7 model years old	This provision unfairly prohibits people with 8-10 year old vehicles in good working condition and with few kilometres from using that vehicle on the platform, not to mention that these vehicles would be subject to an annual vehicle inspection under the proposed bylaw. This will likely disadvantage those most in need of a flexible working opportunity.

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		<p>It also fails to reflect that the majority of uberX partners in Canada are using the platform very occasionally, with over 50% of partners driving less than 10 hours per week. This means that you can have an 9 year old vehicle in great condition and with few kilometres on it only being used incrementally more to provide PTC services.</p> <p>It's important to note that nearly all jurisdictions that have regulated ridesharing have not placed a vehicle age cap less than 10 years. This includes Edmonton, Calgary, and, most recently, Ottawa.</p> <p>We believe that there are more precise ways of achieving the desired policy outcome without needlessly infringing on the ability of Torontonians to earn money with an unnecessary regulatory requirement that does not advance public safety.</p>
	Require that all PTC Vehicles pass an annual Safety Standards Certificate inspection	<p>Uber driver partner vehicles are already roadworthy before going on platform. They also are subject to an annual 26-point vehicle inspection currently by a licensed mechanic.</p> <p>Moreover, the rider has the option to rate each ride and provide written feedback to Uber that is monitored and responded to in real-time 24-hours a day, meaning that Uber constantly gets feedback about the condition of a driver-partner's vehicle, and can act quickly to address any concerns, including remotely deactivating a driver-partner's access to receive ride requests on the Uber platform.</p> <p>The Safety Standards Certificate was designed by the province for the sale of used vehicles (to ensure a purchaser isn't getting a "lemon"), registering a rebuilt motor vehicle, etc. It was not designed for the purpose for which it is being proposed to be used under this draft bylaw.</p>
<b>Issue</b>	<b>ML&amp;S Recommendation</b>	<b>Uber's Position</b>
<b>Insurance</b>	Require that a PTC ensure all PTC	Uber Supports this recommendation:

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	<p>drivers and vehicles have Automobile Liability Insurance with limits of not less than \$2,000,000 inclusive per occurrence for bodily injury, death, and damage to property, and inclusive of such requirements as set out below in the body of the report.</p>	<p>This provision is consistent with the recently passed Ottawa ridesharing bylaw and with recommendations in various reports including the recent MaRS sharing economy report.</p> <p>Currently, every ride on the uberX platform is backed by contingent liability insurance coverage.</p> <p>Uber has previously announced a relationship with Intact Financial, Canada's largest home, auto and business insurer.</p> <p>Intact Financial is working with insurance regulators and different levels of government in the provinces where ridesharing currently exists (Ontario, Alberta and Québec) to create a ridesharing specific insurance product in collaboration with stakeholders that satisfies the requirements of both insurance and transportation regulators.</p>
<b>Issue</b>	<b>ML&amp;S Recommendation</b>	<b>Uber's Position</b>
<p><b>Accessibility</b></p>	<p>City Council mandate that any PTC that has more than 500 vehicles affiliated with or registered to provide transportation services be required to provide wheelchair accessible service to the public within wait times that are comparable to non-accessible services and at fares that are the same as basic non-accessible services.</p>	<p>Uber is supportive of this recommendation:</p> <p>Uber notes that an accessibility service standard based on industry wait times is new to Toronto's ground transportation bylaws and the industry needs a chance to adjust. Uber is constantly working to reduce the wait time for all of product categories in all parts of the GTA.</p> <p>Uber has worked closely with the accessibility community in developing services to help ensure those with accessibility needs have affordable and reliable transportation options. That's why Uber launched uberWAV for those that require a wheelchair accessible vehicles and uberASSIST for those need and extra hand going from door to door. These products are priced at uberX prices.</p> <p>Additionally, with VoiceOver iOS and wireless braille display compatibility, the Uber app provides a safe and reliable transportation option for the blind and visually impaired community.</p>

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		<p>Uber designed product innovations to further economic opportunity for deaf and hard of hearing driver partners. Visible and vibrating alerts aid deaf and hard of hearing riders, and in-app features such as the ability to enter destination ensure effective communication from the rider to the driver partner.</p>
<b>Issue</b>	<b>ML&amp;S Recommendation</b>	<b>Uber's Position</b>
<b>Fares</b>	<p>Permit PTC to set rates for fares, and require them to clearly and transparently communicate the amount of all rates to be charged; and ensure a record is maintained that the passenger accepted the rate prior to the trip commencing.</p>	<p>Uber is supportive of this recommendation:</p> <p>The goal at Uber is to ensure everyone can push a button and always get a ride within minutes—whatever the weather and on the busiest nights of the year. Uber's dynamic pricing model, or "surge" pricing as it is known, makes this possible.</p> <p>Uber's algorithms monitor demand and supply in real time all over a city. When the systems notices an increase in wait times (because there aren't enough drivers nearby), surge pricing automatically kicks in. This has two effects: people who are not in a hurry wait until the price falls—reducing demand; and drivers who are nearby go to that neighborhood to get the higher fares—increasing supply. As a result, the number of people wanting a ride and the number of available drivers starts to balance out, ensuring that wait times do not increase.</p> <p>Uber uses fare multipliers—1.5X the standard fare, 2X, and so on—to balance supply and demand. The system updates the multiplier every five minutes to adjust the fares in light of the the latest conditions. If wait times continue to rise, the multiplier rises; when wait times fall, the multiplier falls. To ensure that any fare increase is accurate and effective, Uber divides cities into zones called "geofences".</p> <p>Uber provides an "estimate your fare" feature so riders can always check the price in advance. But when surge pricing kicks in, Uber is extra careful to ensure that riders know how much more they will be charged.</p>

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		<p>When riders open the app, they instantly see whether their Uber ride is surging thanks to the lightning bolt icon at the bottom of their smartphone screen. If they request a ride, a pop up alerts them to the surge multiplier at that time, and they're then asked to confirm the fare increase or given the option to be notified when the price drops. When the multiplier is unusually high, riders will be asked to manually type-in the multiplier to ensure they really are OK to pay the higher fare.</p>
<b>Issue</b>	<b>ML&amp;S Recommendation</b>	<b>Uber's Position</b>
<b>Fees</b>	<p>Application fee:</p> <ul style="list-style-type: none"> <li>• \$20,000 (non-refundable)</li> <li>• Provisional licence issuance fee of \$10 per Driver</li> <li>• Per trip fee: \$0.20 per trip originating in Toronto</li> <li>• 3-month provisional licence fee of \$10 per Driver</li> <li>• Licence renewal fee</li> </ul>	<p>Uber supports fees that cover the city's administrative and enforcement related regulatory compliance costs. We believe a flat fee and/or per ride fee is an appropriate means to achieve this, as those mechanisms combined capture the overall size of activity of a given PTC.</p> <p>We expect current proposed PTC fees to net the City over \$5,000,000 annually.</p> <p>A flat annual fee imposed on the PTC rather than per driver and/or vehicle fees ensure a City recoups regulatory compliance costs while not creating an unnecessary obstacle to local citizens looking to rideshare as a means to supplement income.</p> <p>The Edmonton and Ottawa ridesharing bylaws license the PTC and fees are imposed on Uber rather than the individual driver partner looking to take advantage of a flexible earning opportunity via the sharing economy.</p> <p>The key change with ridesharing regulations is the move from dual-licensing (with companies and drivers both needing a license) to a unified regime where only companies are licensed and where anyone can become a driver so long as they meet/pass the standard criteria (background checks, etc.).</p> <p>Separate requirements on drivers deter people who</p>



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		only want to drive for a few hours each week and will benefit from this kind of flexible work.
<b>Issue</b>	<b>ML&amp;S Recommendation</b>	<b>Uber's Position</b>
<b>Training</b>	City Council delete the requirement that owners and drivers of non-accessible taxicabs complete initial and refresher training programs to obtain a licence, effective immediately	<p>Uber is supportive of this recommendation:</p> <p>Uber uses GPS technology in app for routing trips. Passengers can determine their location and destination by using GPS and/or entering information such as an address or location name (i.e. hotel name, restaurant name, etc.).</p> <p>Uber facilitates learning and training on using the app and customer service, among other items. For prospective and current Uber driver partners, video training is available online, see: <a href="#">The Uber Experience</a>. See also <a href="#">Uber Driver Partner App</a>. Partners can also come into Partner Support Centres for assistance.</p> <p>Uber's in app 5-star rating and written feedback in app on each trip ensures better customer service. Feedback is anonymized and provided to driver to enhance customer service. Remedial training is available through a 3rd party.</p> <p>The fact that Uber driver partners know they are being rated on each trip, in addition to the feedback provided after trips by riders, enables Uber driver partners to constantly improve customer service.</p> <p>Of note, a KPMG study of the Ottawa market showed that Uber was outperforming taxi on wide range of customer service measures, despite not being subject to a 5 week Algonquin College driver training course.</p>
<b>Issue</b>	<b>ML&amp;S Recommendation</b>	<b>Uber's Position</b>
<b>Data Sharing</b>	Extensive PTC Record Keeping requirements	Uber supports working in collaboration with cities to provide them with data that can help them provide oversight of the PTC industry, as well as assist with city planning and other policy matters. At the same

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		<p>time, there are obligations to protect the privacy of our driver-partners and riders, as they would expect.</p> <p>It is unclear how certain information being requested achieves compliance related goals. For example, recommendation 62 could reveal much about a specific person's movements and habits. Aggregate and anonymized data would provide greater value without risking compromising Torontonians' privacy.</p> <p>We believe the most constructive path forward is to have PTCs work with ML&amp;S to develop a data sharing arrangement that allows for us to be a constructive partner with the city to help it use data to accomplish discrete and defined goals.</p>
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## SAFETY AT UBER

PTC is a new, distinct industry based on a technology that makes it possible to focus on safety for riders and drivers before, during, and after every trip in ways that have never been possible. Before anyone is allowed to partner with Uber to provide PTC services, they must pass a thorough criminal screening process run by the police.

But this is just the beginning of our safety process.

### Before Getting into the Car

- **No more street hails or waiting outside to find a ride.** You can start the Uber app from anywhere and wait safely for your car to arrive. That means no standing on the street to hail a cab or struggling to find the nearest bus stop late at night.
- **No discrimination.** No ride is too long or too short. Every request you make is matched to the closest driver—so there is no discrimination based on the color of your skin, your gender, the time of day, your pickup or drop-off point.
- **Trips are no longer anonymous.** When a driver accepts your request, you see his or her first name, photo, and license plate number. You can also check whether others have had a good experience with him or her. In addition, the driver can see your first name and rating. You can contact the driver—and vice versa—through the app if there is any confusion around pick-up details.

### During the Ride

- **Never get lost.** You can see the route on the map in the app. The location is clearly marked so you know where you are on your journey—and if you are on the right route.

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- **Share your ETA and location.** You can easily share your ride details, including the specific route and estimated time of arrival, with friends or family for extra peace of mind. They'll receive a link where they can see in real time the name and photo of the driver, their vehicle details, and where you are on the map until you arrive at your destination—and they can do all of this without having to download the Uber app themselves.
- **No need for cash.** Since Uber allows for seamless cashless transactions, the conflicts that often come from arguments about fares or a lack of money to pay are significantly reduced. This also lowers the risk of robbery, which is particularly good for drivers because [carrying large quantities of cash](#) can make them a target.

## After the Ride

- **Feedback and ratings after every trip.** After every ride, you and your drivers need to rate each other and provide feedback. Our safety team reviews this information and investigates any issues.
- **24/7 Support.** If something happens in a car, whether it's a traffic accident or altercation between you and your driver, our customer support staff are ready to respond to any issues 24 hours a day, seven days a week.
- **Rapid Response.** We have a dedicated Incident Response Team to answer any more urgent issues. If we receive a report that a driver or rider has acted dangerously or inappropriately, we suspend their account, preventing him or her from accessing the platform while we investigate.

## Behind the Scenes

- **Contact without providing personal information.** While riders and drivers are able to contact each other through the app, they won't actually see each other's real phone numbers. Uber uses technology that makes the phone numbers of riders and drivers anonymous so they do not have one another's contact details going forward.
- **Always on the map.** Accountability is one of the things that makes riders feel safe in an Uber. We use GPS to keep a record of where a driver goes during the ride, allowing us to verify that the most efficient routes are being used, which creates accountability and a strong incentive for good behavior.
- **Working with law enforcement.** In cases where law enforcement provides us with valid legal process, we work to get them the facts, for example by providing trip logs. Again, transparency and accountability are at the heart of the Uber experience.

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- **We have a global safety and security team** and independent [Safety Advisory Board](#) that is constantly assessing our processes and developing new technologies to ensure safety.

## UNDERSERVED COMMUNITIES

When uberX first launched in Toronto, a significant amount of ridesharing activity--nearly 60% of trips in March 2015--was occurring within the downtown core (south of St. Clair, from Keele to Broadview). One year later, almost 65% of uberX trips begin and/or end outside the downtown core.

This means that we are experiencing more and more ridesharing activity in parts of the GTA that have historically had less access to public transit and taxis, like Etobicoke, North York and Scarborough. Ridesharing is growing the transportation pie, providing people with an affordable and reliable option.

## EXTENDING THE REACH OF TRANSIT

In addition, we believe that ridesharing is an important complement to public transportation. We've seen how riders are using Uber to travel the [last mile](#) between their homes and the nearest transit station and we've partnered with [third party app developers](#) and transit agencies to make those connections more seamless.

This past March, the American Public Transportation Association (APTA) [released an independent study](#) that supports this emerging consensus. A survey of 4,500 people across the U.S. confirms that people who routinely use "shared modes" of transportation (e.g. bikesharing, carsharing, and ridesharing) were more likely to use public transit. These individuals were less likely to drive, more likely to walk, and saved more on overall transportation costs.

## INCLUSIVITY AND NON-DISCRIMINATION

Regardless of what a person looks like, their income, background, ability or destination—the Uber app provides ride reliability. When a rider requests, he or she is quickly matched with the closest available driver, and the driver only sees the riders' location, first name and rating before pickup. Riders have the option to enter their destination for a more seamless experience, but the destination is not visible to drivers until the rider is in the car and the trip has begun.

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## SAFE RIDES HOME AT NIGHT

**More Options When Risk Of Impaired Driving is Highest.** Not surprisingly, most of alcohol impaired driving accidents happen at night and during the weekend—exactly when it’s typically been hardest to get home, because in many cities public transport shut downs or is severely limited at night, while taxis are also few and far between.

Services like Uber—where passengers push a button and get a ride in minutes, whatever time of day it is—can help change all this. We’ve seen firsthand that when faced with a reliable alternative people don’t drink and drive after a dinner or night out. In fact, in almost all the cities where we operate, Uber’s rush hour is not first thing in the morning or at the end of the day when people are getting to and from work, but late at night when bars close. Our busiest times each week are typically Friday and Saturday night.

Earlier this year Temple University researchers Brad Greenwood and Sunil Wattal compared rates of alcohol-related deaths in California cities before and after Uber was available. They found that the arrival of Uber in a city led to a 3.6%-5.6% decrease in the number of people killed in cars due to alcohol. This means that with 13,000 DUI-related deaths a year, the researchers infer that if UberX was available nationwide, it would save 500 lives annually and the economy \$1.3 billion in losses.