RideFair

To:	General Government and Licensing Committee
From:	The RideFair Coalition
Subject:	**GL26.11 Back-to-School - Vehicle-for-Hire Driver Training**
Date:	October 19, 2021

Ridefair Toronto is a coalition of groups and organizations with an interest in ensuring ride-hailing platforms operate in ways that support the public interest. We are committed to safe and efficient transportation, cycling and pedestrian advocacy, the reduction of greenhouse gas emissions, the promotion of public transit, good jobs, and the effective regulation of online platforms.

As you are aware, the Toronto's Municipal Licensing (MLS) Division plays an important role in shaping the ways we live in Toronto. The way MLS approaches the ride-hailing file can potentially support diverse policies, including Vision Zero, TransformTO, and efforts to rebuild public transit ridership. Without careful and intentional coordination, however, the regulation of ride-hailing could conflict with or upend other critical policy initiatives.

Housing policy provides an example of effective, coordinated action. Without MLS's intervention into the short-term rental market to regulate online platforms like Airbnb, the city would have seen tens of thousands of homes converted into ghost hotels and party houses. Luckily, Mayor Tory and deputy Mayor Bailao, with the support of Council, directed MLS to devise a fair and reasonable regulatory regime that allows residents to rent out their own home on platforms like Airbnb, but protect investment properties from being turned into full-time commercial short-term rental operations. This was done to protect the housing market and the regulated hospitality industry, while allowing residents to rent out their own home on short-term rental platforms.

Now we need to see the same level of coordinated action in the transportation sector.

We have lost ground to make up. Since Uber's arrival in Toronto, the City has de-regulated existing policies that governed the vehicle-for-hire industry. At the same time, it has removed barriers to entry, so that Uber and, more recently, Lyft can sign up tens of thousands of drivers, with virtually no training and few questions asked. While this laissez-faire approach may serve gig employers like Uber and Lyft, it does not work well for the rest of us.

The collateral damage caused by virtually unrestricted growth in ride-hailing may not have been visible in 2014 or 2016, but it has become increasingly clear. Without effective guardrails in place, ride-hailing can take cities in the wrong direction - undermining public transit, increasing congestion and greenhouse gas emissions, creating more dangerous environments for other road users, including cyclists and pedestrians – all while oversupplying the market with precarious drivers who cannot make a living.

Today, while thousands of trained and licensed drivers have little or no work, the City is choosing to continue to license tens of thousands more – with no training or certification. This may present legal risk to the City as well as a safety and security risk to both passengers and drivers.

Fortunately, MLS is in a position address these adverse impacts. MLS can devise policy that supports the goals expressed through, but not limited to, TransformTO, VisionZero, ActiveTO. The decision before you today is to either implement existing driver training programs or pause issuing new licences. The tools exist, and are proven to work, and there is absolutely no reason not to use them immediately.

As a coalition, Ridefair Toronto is keenly aware that MLS needs directions from our Mayor and from Council to address each and every issue above. We encourage you to adopt this item without further delaying or weakening its provisions.

We encourage the members of this committee, to take a step back and consider the need to regulate ride-hailing companies more holistically for the benefit of all Torontonians.

Sincerely,

Thorben Wieditz
On behalf of the RideFair Toronto Coalition

Attached: “For Uber and Lyft, the Rideshare Bubble Bursts” New York Times, Opinion, Greg Bensinger, Oct. 17, 2021 economictimes.indiatimes.com

Uber | Lyft: For Uber and Lyft, the rideshare bubble bursts

7-8 minutes

Piece by piece, the mythology around ride-sharing is falling apart.

Uber and Lyft promised ubiquitous self-driving cars as soon as this year. They promised an end to private car ownership. They promised to reduce congestion in the largest cities. They promised consistently affordable rides. They promised to boost public transit use. They promised profitable business models. They promised a surfeit of well-paying jobs.

Heck, they even promised flying cars.

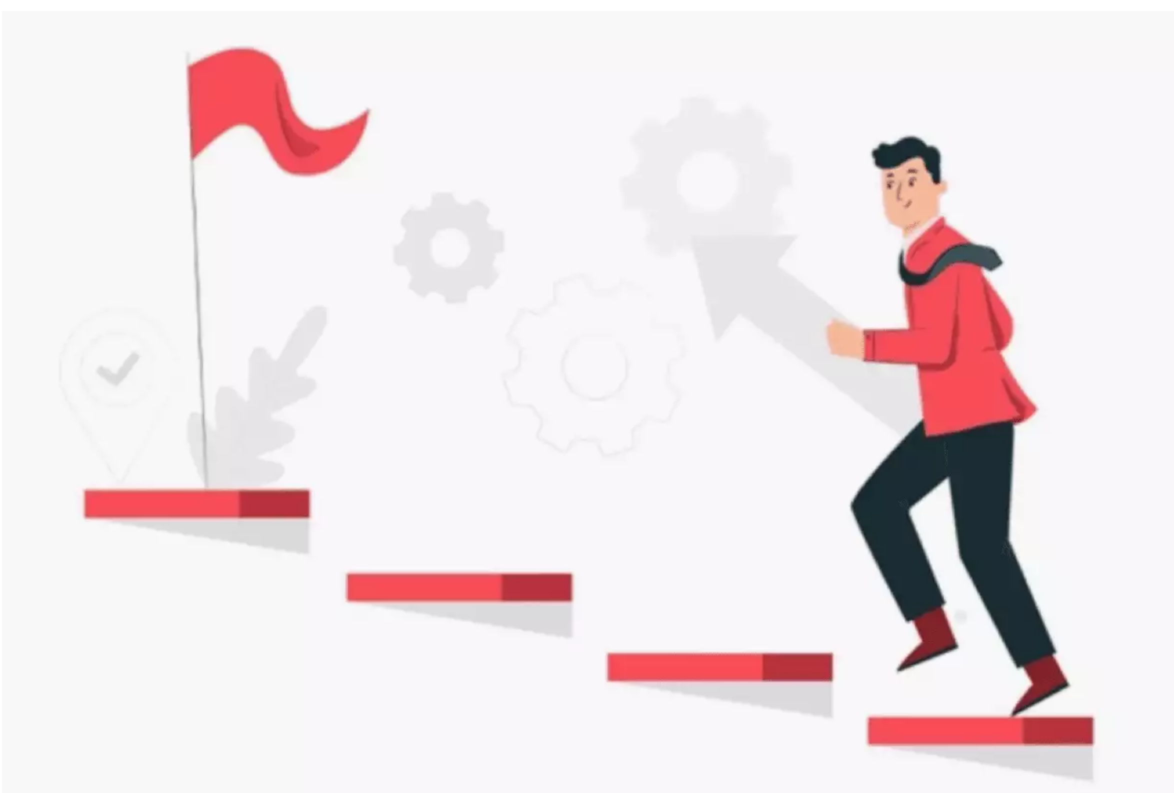
Well, none of that has gone as promised (but more about that later). Now a new study is punching a hole in another of Uber and Lyft's promised benefits: curtailing pollution. The companies have long insisted their services are a boon to the environment in part because they reduce the need for short trips, can pool riders heading in roughly the same direction and cut unnecessary miles by, for instance, eliminating the need to look for street parking.

It turns out that Uber rides do spare the air from the high amount of pollutants emitted from starting up a cold vehicle, when it is operating less efficiently, researchers from Carnegie Mellon University found. But that gain is wiped out by the need for drivers to circle around waiting for or fetching their next passenger, known as deadheading. Deadheading, Lyft and Uber estimated in 2019, is equal to about 40% of ride-share miles driven in six US cities. The researchers at Carnegie Mellon estimated that driving without a passenger leads to a roughly 20% overall increase in fuel consumption and greenhouse gas emissions compared to trips made by personal vehicles.

The researchers also found that switching from a private car to ondemand rides, like an Uber or Lyft, increased the external costs of a typical trip by 30-35%, or roughly 35 cents on average, because of the added congestion, collisions and noise from ride-sharing services.

STARTUP ROCKSTARS IN 2021

Sign-in to see our list of the most promising startups of 2021



"This burden is not carried by the individual user, but rather impacts the surrounding community," reads a summary of the research conducted by Jacob Ward, Jeremy Michalek and Constantine Samaras. "Society as a whole currently shoulders these external costs in the form of increased mortality risks, damage to vehicles and infrastructure, climate impacts and increased traffic congestion."

But as Lyft would have it, "By using Lyft to share rides, passengers are helping to reduce the carbon footprint left by our country's dominant mode of transportation — driving alone." That's what the friendly Uber alternative claimed way back in 2016.

So what about all those other pledges? They've proved to be just as illusory.

Take urban congestion. Uber and Lyft envisioned a future in which software algorithms would push each car to host three or more passengers, easing traffic and providing a complement to public transit options. Instead, passengers have largely eschewed pooled rides and public transit in favor of private trips, leading to downtown bottlenecks in cities like San Francisco. The duration of traffic jams increased by nearly 5% in urban areas since Uber and Lyft moved in.

Lyft's president, John Zimmer, once claimed the majority of rides would be in autonomous vehicles by 2021, but the company has largely backed away from its self-driving efforts, including selling its developmental unit to a Toyota subsidiary this year. Uber, which once characterized robot cars as “existential” to its future, sold off its autonomous vehicle division last year after mounting safety and cost concerns.

The efficiencies of ride hailing were supposed to all but end car ownership; instead vehicle sales are on the rise again this year, after a down year in 2020. There is also evidence that Uber and Lyft may actually spur an increase in car sales in cities where they begin operating.

Public-transit use in some areas, despite the companies’ claims, has been waning, according to several studies, as more consumers opt to jump in Ubers and Lyfts that drive them door to door. That was before the pandemic spooked users into staying away from crowded subway cars and buses.

Underwritten by venture capital, Uber and Lyft hooked users by offering artificially cheap rides that often undercut traditional yellow cabs. But labour shortages and a desperate need to find some path to a profitable future have caused ride-share prices to skyrocket, perhaps to a more rational level.

After burning through billions of venture capital dollars, Uber said it was on a path to profitability last year, using an accounting metric that ignores many of the costs that actually make it unprofitable. By the same measure, Chief Executive Officer Dara Khosrowshahi is projecting this quarter could be profitable. That remains to be seen. Sure, the pandemic had an outsize impact on ride-sharing, but even though food delivery helped prop up Uber's results, the company still lost a staggering $6.8 billion last year, following $8.5 billion in 2019 losses, in supposedly better times. Lyft hasn't fared much better, racking up $4.4 billion in combined losses over the same period.

Despite the hype for the companies' market debuts, some Lyft investors are underwater more than two years later, while Uber stockholders have eked out meager gains. Hardly winning business models.

It is tempting to chalk much of this up to marketing and typical corporate chest thumping. But the companies skirted laws for years to help drive growth and along the way have made drivers pawns in their race to the bottom. Displeased by a California law that would grant drivers employment status and guaranteed benefits, Uber and Lyft teamed up with DoorDash and other gig companies. They forked over more than $200 million to back a ballot measure that all but ensured thousands of workers would never gain the dignity of a consistent living wage — ostensibly to help safeguard the company's not-quite-thriving business models. (A state judge has called the law unconstitutional.)

Now, despite the cynicism of the California fight, Lyft and Uber are trying to foist a similar law upon Massachusetts with the promise of “historic new benefits” for “app-based ride-share and delivery drivers.” Voters shouldn’t fall for it.

The companies are correct that they offer a useful service, including food delivery to the homebound, an alternative to drunken driving and access to transportation in underserved areas. But after years of bluster, it’s hard to believe them about much else.

This article originally appeared in The New York Times.

Stay on top of technology and startup

news that matters. Subscribe to our daily newsletter for the latest and must-read tech news, delivered straight to your inbox.