

From: [Joshua Wozenilek](#)
To: [Clerk](#)
Subject: My comments for 2015.LS6.1 on September 30, 2015 City Council
Date: Tuesday, September 29, 2015 12:21:34 AM
Attachments: [1 - Urgent Message to Councillors.pdf](#)
[2 - Why UberX is a Taxicab Service.pdf](#)
[3 - 20 UberX Myths & Truths.pdf](#)
[4 - Understanding Uber-Related Political Terms.pdf](#)
Importance: High

To the City Clerk:

Please add my comments to the agenda for the September 30, 2015 City Council meeting on item 2015.LS6.1, 2015 Ground Transportation Review: Taxis, Limos and Uber

I understand that my comments and the personal information in this email will form part of the public record and that my name will be listed as a correspondent on agendas and minutes of City Council or its committees. Also, I understand that agendas and minutes are posted online and my name may be indexed by search engines like Google.

Comments:

Dear Toronto City Councillors:

In an effort to assist you in preparing for Wednesday's City Council meeting, Taxi Charger has prepared and attached a letter and three Uber-Related White Papers that we hope you will find of great interest:

- 1 – Urgent Message to City Councillors (Letter)**
- 2 – Why UberX is a Taxicab Service**
- 3 – 20 UberX Myths & Truths**
- 4 – Understanding Uber-Related Political Language**

If you have any questions about this letter and these White Papers, then please feel free to contact me at any time.

This email was sent at 12:20 am EST on September 29, 2015.

Please confirm receipt of this email and that the attached four (4) submissions will be distributed to City Councillors and form part of the record.

Sincerely
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September 28, 2015

SENT VIA EMAIL: clerk@toronto.ca

Toronto City Councillors
100 Queen St W
Toronto, ON M5H 2N2

Dear Councillors:

***Notice to Reader:** Throughout this document, when referring to Uber and Uber's taxicab services, Taxi Charger is specifically and exclusively referring to the UberX services.*

TAXI CHARGER'S POSITION WITH RESPECT TO REPORT LS6.1 2015 GROUND TRANSPORTATION REVIEW: TAXIS, LIMOS AND UBER

Based on Taxi Charger's technical expertise and vast taxicab industry experience, Taxi Charger strongly supports the L&S Committee's **Amended Recommendations** on the grounds that they will create one set of regulations for all companies providing taxicab services in Toronto. Most importantly, this will help correct the unfair and inequitable playing field that currently exists with regard to ride pricing and operating costs between Toronto's taxicab companies and Uber.

To avoid any possible confusion, Taxi Charger strongly opposes adding back the L&S Staff's **Original Recommendations 7 and 8** on the grounds that they would create a separate and distinct set of regulations for Uber's taxicab service. This would be unfair and discriminatory towards taxicab companies who are providing the materially same service as Uber. This would also essentially create a double standard in Toronto's taxicab service regulations. Most importantly, such recommendations would allow Uber to maintain an unfair competitive advantage over taxicab companies in terms of ride pricing and operating costs.



INTRODUCTION

Taxi Charger is a technology company located downtown Toronto that has provided software to licensed taxicab companies throughout Canada and the USA since 2003.

We currently work with over 50 major taxi companies across 38 cities and have visited the offices of many more, which makes us taxicab industry experts and specialists.

Our current customers include Toronto's *Beck Taxi*, *Co-op Cabs*, *Diamond Taxi*, and *Royal Taxi* as well as many others in the GTA. We also service Ottawa's *Coventry Connections*, Edmonton's *Greater Edmonton Taxi Services*, and the largest privately owned taxicab company in the USA, *Texas Taxi*.

We undoubtedly have a very unique and educated perspective on this matter considering our experience with both technology and the taxicab industry.

Unfortunately, Taxi Charger was not directly involved in the L&S staff's previous Ground Transportation Review conducted in the months of July and August, besides completing an online survey.

However, moving forward, Taxi Charger looks forward to providing its specialized expertise as a constructive partner with the City of Toronto as it undertakes an effort to review and update provisions of the Municipal Code related to bringing Uber's unlicensed taxicab services into the existing regulatory framework.

Taxi Charger is not anti-Uber nor anti-Lyft; we are pro-clarity and pro-fairness.

Taxi Charger is not pro-regulation nor pro-deregulation; we are pro-equality and anti-discrimination. We are more concerned with how and to whom the regulations are applied than with what the regulations actually are. We believe that the same set of laws should apply to all those providing the same type service and using the same type of business model.

REGULATE THE BUSINESS MODEL, NOT THE TECHNOLOGY

The Association of Commuter Transportation ("ACT") makes recommendations to local governments who are facing the types of decisions that Toronto is currently facing related to Uber and is a helpful resource for Toronto's City Hall.¹

¹ <http://actweb.org/advocacy/ridesharing-definition-resources/>



ACT is a not-for-profit international trade association and leading advocate for commuter transportation and transportation demand management, headquartered in Alexandria, VA.² They have studied Uber and provide various transportation definition resources.³

ACT explains that law makers need to focus on regulating the business processes rather than the technology being used, because the technology will inevitably just keep changing. ACT specifically says: "Regulate business models, not the technology... As state and local governments move to regulate these services, they should be careful not to regulate the technology."⁴

THE BIG DECISION

Ultimately, Toronto City Hall must decide:

Is UberX's service and business model somehow distinct and separate from a taxicab service and business model?

If YES, then a distinct and separate set of regulations for Uber can be justified.

If NO, then both Uber and taxicabs must follow the same set of regulations.

TAXICAB COMPANIES & UBERX USE THE SAME BUSINESS MODEL

In the case of Uber and taxicab companies, both follow the materially same taxicab service business model,⁵ but use different technologies. Thus, ACT would conclude that the use of a different technology for the materially same taxicab service business process does not provide sufficient grounds for Toronto's City Hall to create a distinct and separate set of regulatory laws for Uber.

As a quick summary, Uber and taxicab companies use the materially same business model because they both provide what is called a "taxicab service."⁵ Sure, Toronto's legal definitions of a taxicab company and taxicab services may need updating, but Uber provides a taxicab service nonetheless by all modern definitions.

² <http://actweb.org/>

³ <http://actweb.org/advocacy/ridesharing-definition-resources/>

⁴ Association for Commuter Transportation (ACT) Policy Statement (PDF), August 18, 2014, Jason Pavluchuk

⁵ For a full details, please see Taxi Charger's document titled "Why UberX is a Taxicab Service"



More specifically, UberX is a taxicab service because:

- UberX’s service perfectly matches the definition of a taxicab service;⁶
- UberX’s service and business model are materially the same as modern taxicab companies;⁶ and
- UberTaxi is a taxicab service and the main differences between the services of UberTaxi and UberX are lower pricing and the use of unregulated vehicles, neither of which changes the type of service being provided.⁶

DON’T GET CONFUSED BY THE POLITICAL LANGUAGE

Navigating your way through this big decision can be very confusing given all of the misleading political language. Thus, please find below a helpful summary of UberX-related political language and matching language, which is more accurate:

Political Language⁷	Accurate Language⁷
Ridesharing (<i>proper meaning</i> ⁸)	Carpooling
Ridesharing (<i>as used by Uber</i> ⁹)	Taxicab Service
Sharing Economy (<i>applied to Vehicle Transportation</i>)	Carsharing, Carpooling, Taxicab Services
Transportation Network Company	Unlicensed Taxicab Service
Taxicab Company	Licensed Taxicab Service

UBERX DOES NOT PROVIDE “RIDESHARING”

UberX calls its service “ridesharing”¹⁰ instead of calling its service a taxicab service. It has been suggested that Uber uses the term ridesharing in an attempt to avoid costly regulations applicable to taxicab companies.¹¹

⁶ For a full details, please see Taxi Charger’s document titled “Why UberX is a Taxicab Service”

⁷ For full details, please see Taxi Charger’s document titled “Understanding UberX-Related Political Language”

⁸ <http://actweb.org/advocacy/ridesharing-definition-resources/>

⁹ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Used Throughout

¹⁰ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Used Throughout

¹¹ Ridesharing and (not ridesharing) (PDF Presentation), Jason Pavluchuk of Pavluchuk & Associates, Representing the Association for Commuter Transportation (ACT)



“The Association for Commuter Transportation defines ridesharing as individuals sharing a ride with common origination and destination or along a common route, whereby costs may be shared, but the driver does not profit above the costs of the trip.”¹²

ACT further explains that ridesharing is, “Any form of traditional carpooling or vanpooling. Ridesharing is a catch-all term most commonly applied to workplace-oriented carpooling or vanpooling but may also include household pooling. The drive services/car service industry (TNCs, taxis, etc.) does NOT offer traditional ridesharing.”¹³

Clearly, ridesharing does not accurately describe Uber’s service and is highly misleading.

UBER HAS NOT PROPERLY EXPLAINED WHY AND HOW IT IS NOT A TAXICAB SERVICE

In Taxi Charger’s opinion, Uber has failed to accurately explain why and how its service is separate and distinct from a taxicab service. Such a proper explanation should first be required before Uber should even be considered for its own set of regulations from Toronto’s City Hall.

Instead, Uber uses political buzz terms like “ridesharing” and “sharing economy,”¹⁴ but these political terms and their arguments do not provide grounds to conclude that Uber’s service is somehow distinct and separate from a taxicab service.¹⁵

Uber also presents how happy its drivers are, how much the public likes and supports Uber, and how certain US jurisdictions are passing TNC laws¹⁶, but unfortunately, none of these things somehow make Uber’s service separate and distinct from a taxicab service in Toronto.¹⁷

SAME SERVICE, SAME LAWS

Since there are no material differences between the type of service provided or the business model used by Uber and taxicab companies, both Uber and taxicab companies should be subject to exactly the same set of regulatory laws.

¹² Association for Commuter Transportation (ACT) Policy Statement (PDF), August 18, 2014, Jason Pavluchuk

¹³ Understanding Commuter Transportation Terms (PDF), Association for Commuter Transportation (ACT)

¹⁴ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Throughout

¹⁵ For full details, please see Taxi Charger’s document titled “Understanding UberX-Related Political Language”

¹⁶ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Pages 6-10

¹⁷ For full details, please see Taxi Charger’s document titled “20 UberX Myths & Truths”



Obviously, having two different sets of laws for the same type of service would create a double standard of regulations for taxicab services. This would be completely unfair and discriminatory as well as create a substantial competitive advantage for the party following the less costly and more lax regulations.

THE PLAYING FIELD IS NOT CURRENTLY LEVEL

In fact, Uber already has a massive competitive advantage in Toronto due to its lack of regulation. According to Uber, the price of its rides are 40-50% less than its taxicab company competitors!¹⁸ This is a huge price discount and, according to City Hall's recent survey, it is the most substantial factor in why the public uses Uber!¹⁹ Passengers love paying half the price for their taxicab services – wouldn't you? Uber has basically entered the highly regulated market of Toronto and, being completely unregulated itself, has won over vast market share from the incumbent taxicab companies by undercutting their prices. At the same time, Toronto's taxicab companies cannot respond with lower prices themselves because all ride pricing is mandated by City Hall's regulations.

Not only does Uber have a pricing advantage over taxicab companies, but it can add or remove as many vehicles as it wants as quickly as it wants, which is a huge capacity advantage. Additionally, Uber has a significant cost advantage over taxicab companies by not currently being regulated. For example, Uber drivers do not have to adhere to City Hall's regulations related to, but not limited to, having proper taxicab driver licenses, taxicab plates, commercial vehicle insurance, vehicle accessibility, meters, cameras, and panic buttons.

PROPERLY DEFINING A "TRANSPORTATION NETWORK COMPANY"

Regardless, if Toronto City Hall were to add back the L&S Staff's Original Recommendation 7 and 8 against Taxi Charger's advice, then Taxi Charger highly recommends that Toronto first attempt to actually define what a Transportation Network Company ("TNC") is in a way that: (i) actually makes a TNC distinct and separate from a taxicab service; (ii) the definition will still actually apply to Uber's service; and (iii) the term can be used to regulate a business model rather than a technology, as ACT advises.

¹⁸ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Page 4

¹⁹ <http://www.toronto.ca/legdocs/mmis/2015/ls/bgrd/backgroundfile-83503.pdf>, Page 56



Taxi Charger's recent analysis shows that there is currently no material aspect of Uber's service or business model that would qualify it as a distinct and separate service from a taxicab service.²⁰ Thus, it will be virtually impossible for City Hall to define the term TNC while meeting the above three conditions or without simply describing some subset of taxicab services, which would create a double standard of taxicab service regulations.

CONCLUSIONS

- City Hall must focus on regulating business models rather than technologies.
- Since Uber's business model is materially the same as a taxicab service, Uber should not receive its own set of regulations.
- By all modern definitions, Uber provides a taxicab service.
- The Uber-related political language can be confusing and should be approached with caution.
- Uber does not provide "ridesharing," which really means carpooling.
- Uber has not properly explained why and how it is not a taxicab service.
- To avoid an unfair, discriminatory, double standard of regulations, the same type of service must be subject to the same set of regulations.
- The playing field in the Toronto taxicab industry is not currently level and Uber has an unfair competitive advantages in terms of ride pricing, growth capacity, and operating costs.
- If City Hall were to separately regulate Uber, it would first have to properly define the term Transportation Network Company, as the current definition has serious issues.
- Like Taxi Charger, Toronto City Councillors should support the L&S Committee's Amended Recommendations on the grounds that they will create one set of regulations for all companies providing taxicab services in Toronto. Most importantly, this will help correct the unfair and inequitable playing field that currently exists.
- To avoid any possible confusion, a City Councillor who supports the MSL Committee's Amended Recommendations will not vote in favour of adding back L&S Staff's Original Recommendations 7 and 8, which would create an unfair playing field with separate and distinct set of regulations for Uber's taxicab service.

²⁰ For full details, please see Taxi Charger's documents titled "Understanding UberX-Related Political Language", "Why UberX is a Taxicab Service", and "20 UberX Myths & Truths"

**A Councillor who Supports the L&S Committee's
Amended Recommendations is Saying:**

- UberX is a taxicab service by all modern definitions and practices.
- “Yes” to fair technology, innovation, and the sharing economy.
- “Yes” to fair market play and an equal playing ground for all vehicles-for-hire.
- “Yes” to passenger and driver health and safety.
- “No” to double standards and discrimination.
- To Uber: Please stay in Toronto and compete fairly, but you simply have to follow our regulations like everyone else providing the same type of service as you. If your taxicab service is superior to that of the other taxicab companies, you will not have any problems attracting vehicles, drivers, and passengers while also following our regulations.
- To Uber Riders: While we know that you have enjoyed Uber’s significantly cheaper, unregulated taxicab service, we cannot fairly continue to allow Uber to provide the materially same service as taxicab companies without also following our city’s regulations, especially those with regard to safety. We know that the existing regulations can be improved and we promise to work on improving them as soon as possible while keeping things fair for all stakeholders.



WHY UBERX IS A TAXICAB SERVICE

SUMMARY

UberX is a taxicab service because:

1. UberX's service perfectly matches the definition of a taxicab service;
2. UberX's service and business model are materially the same as modern taxicab companies; and
3. UberTaxi is a taxicab service and the main differences between the services of UberTaxi and UberX are lower pricing and the use of unregulated vehicles, neither of which changes the type of service being provided.

Notice to Reader: Throughout this document, when referring to Uber and Uber's services, Taxi Charger is specifically and exclusively referring to the UberX services. Taxi Charger is not anti-Uber nor anti-Lyft; we are pro-clarity and pro-fairness.



1. UBERX'S SERVICE PERFECTLY MATCHES THE DEFINITION OF A TAXICAB SERVICE.

By definition, "a taxicab, also known as a taxi or a cab, is a type of vehicle for hire with a driver, used by a single passenger or small group of passengers, often for a non-shared ride. A taxicab conveys passengers between locations of their choice."¹

This perfectly describes UberX's taxicab service and business model. There is no part of this definition that doesn't apply to UberX's service.

2. UBERX'S SERVICE AND BUSINESS MODEL ARE MATERIALLY THE SAME AS MODERN TAXICAB COMPANIES.

Over the past 25 years, prior to the more recent rise of smart phones, tablets, and Apps, almost every major taxicab company in North America embraced new information technology by transitioning from radio dispatch to GPS/computer-based dispatch whereby the taxicab companies used online-enabled platforms (called dispatch systems) with advanced matching algorithms based on GPS locations to connect passengers with drivers in the most efficient methods possible. The passengers could request rides using their phones (by voice, web, or text), the platforms would then perform the ride matching based on GPS locations, and then the platforms would communicate the trip information to the drivers using online mobile data terminals/computers stored in the drivers' vehicles.

With the advent of smart phones, tablets, and apps, this same business process has remained in place while the technology has evolved from using the older, physically larger technology of passenger mobile phones and in-vehicle mobile data terminals/computer terminals into the newer, physically smaller technology of passenger mobile phones and in-vehicle mobile tablets/phones. Over the past five years, many taxicab companies have been converting their in-vehicle mobile data terminals into mobile tablets or phones. Most recently, UberX has simply been part of the traditional taxicab business model transitioning into using the most recent technology. UberX has certainly not invented any new type of business model or business process.

How is the above described business process materially different than what UberX is doing right now? With Uber, customers still request rides using their phones (but use apps instead of voice, web, or text). The in-vehicle mobile data terminals/computer terminals have simply shrunk into smart phones (mini computers). Uber still uses GPS locations and matching algorithms to connect passengers with drivers. The drivers still receive the trip information from the company using their in-vehicle computers/phones. There is nothing fundamentally new going on here! It's the same business process. Please see the following page for a full comparison of taxicab companies' and UberX's business models and services.

¹ <https://en.wikipedia.org/wiki/Taxicab>



Comparison of Taxicab & UberX Services & Business Models

SERVICES / BUSINESS MODEL	TAXICAB Companies	UBERX
Market, advertise, and promote immediate ground transportation to public passengers in specific geographical regions.	Yes	Yes
Hire drivers as independent contractors to provide rides to passengers. (Drivers are <u>not</u> employees of taxicab companies.)	Yes	Yes
Usually do <u>not</u> own any of the vehicles in their fleet. Most of the vehicles are driver owner/operators, with the exception of a few large garages that own vehicles in Canada's biggest cities.	Yes	Yes
Charge drivers a fixed and/or percentage fee of each ride's fare in consideration of dispatching rides to the drivers and processing payments.	Yes	Yes
Allow passengers to request immediate rides at a specific originations using their phones by App, Web, Text, and/or Voice, or a subset thereof.	Yes	Yes
Use an online-enabled platform to match passengers to drivers using GPS locations as efficiently as possible.	Yes	Yes
Dispatch ride information to drivers using an online phone/mobile data terminal/computer located in each driver's vehicle.	Yes	Yes
Transport passengers from originations to destinations of their choosing.	Yes	Yes
Charge passengers a fare for each ride provided with the intention of making a profit for the company and the drivers.	Yes	Yes
Passengers to pay for each fare using credit cards, debit cards, cash, vouchers, and loyalty cards, or a subset thereof.	Yes	Yes
Adhere to costly taxicab regulations mandated by City Hall, which significantly impact pricing and service quality.	Yes	No



3. UBERTAXI IS A TAXICAB SERVICE AND THE MAIN DIFFERENCES BETWEEN THE SERVICES OF UBERTAXI AND UBERX ARE LOWER PRICING AND THE USE OF UNREGULATED VEHICLES, NEITHER OF WHICH CHANGE THE TYPE OF SERVICE BEING PROVIDED.

We certainly do not need to debate that UberTaxi is a taxicab service. We can all agree on this. It even has the word "Taxi" in its name. UberTaxi acts as a taxicab service, which receives ride requests from passengers and dispatches the rides to drivers in regulated commercial vehicles, which then convey passengers between locations of their choice.

So, if we can show that UberX provides the same type of service as UberTaxi, then it will follow that UberX is also a taxicab service. In Taxi Charger's opinion, the only main differences between the services of UberTaxi and UberX are that UberX's services are priced lower and use unregulated commercial vehicles.

Does the price of a service materially change the type of service being provided?

Generally speaking, the price of a service alone does not change the type of service being provided. For example, if someone cuts your lawn for \$20 or \$50, he is still providing the same lawn cutting service in both scenarios. Additionally, according to the definition of a taxicab service, whether or not the service is priced to make a large or small profit does not seem to be a determining factor in making it a taxicab service. Again, what appears to make a taxicab service a taxicab service is that it is a for-hire-vehicle with a driver that conveys passengers between locations of their choice. When comparing UberTaxi and UberX, the core service of conveying passengers between locations of their choice remains exactly the same despite the lower pricing provided with UberX. Thus, UberX's lower pricing compared to UberTaxi does not change the type of service being provided. Both are providing taxicab services.

Does the use of unregulated commercial vehicles materially change the type of service being provided?

According to the definition of a taxicab service, whether or not the commercial vehicle being used is regulated by the government does not seem to be a determining factor in making the service a taxicab service. Again, what appears to make a taxicab service a taxicab service is that it is a for-hire-vehicle with a driver that conveys passengers between locations of their choice. When comparing UberTaxi and UberX, the core service of conveying passengers between locations of their choice remains exactly the same whether or not the driver is using a regulated or unregulated vehicle. Thus, UberX's use of unregulated vehicles compared to UberTaxi does not change the type of service being provided. Both are providing taxicab services.

In conclusion, since UberTaxi provides a taxicab service and the type of service provided by UberTaxi and UberX is the same, it is clear that UberX also provides a taxicab service.



20 UBERX MYTHS & TRUTHS

Notice to Reader: Throughout this document, when referring to Uber and Uber's services, Taxi Charger is specifically and exclusively referring to the UberX services. Taxi Charger is not anti-Uber nor anti-Lyft; we are pro-clarity and pro-fairness.

MYTH	TRUTH
<p>1. UberX is not a taxicab service because it provides “ridesharing.”</p>	<p>Uber actually provides a taxicab service. Ridesharing is a misleading political term used by Uber that actually means carpooling.¹ Uber does not provide carpooling and appears to use the term in an attempt to avoid regulations.²</p>
<p>2. UberX is not a taxicab service because UberX is a “Transportation Network Company” (TNC).</p>	<p>Uber is actually just a taxicab service company. TNC is a misleading political term. Under some definitions, TNC does not accurately describe Uber’s service. Under other definitions, TNC can be used to describe <u>both</u> Uber’s service and a taxicab service.³ Thus, using the term TNC to describe Uber does <u>not</u> somehow make Uber’s service distinct and separate from a taxicab service.</p>
<p>3. UberX is not a taxicab service because UberX is part of the “sharing economy.”</p>	<p>Both Uber and taxicab companies are part of the sharing economy. Since the birth of taxicab dispatching services, taxicab companies have been continually using new information technologies to further optimize the matching of passengers to their drivers in vehicles, which perfectly meets the definition of what the sharing economy is all about.⁴</p>
<p>4. UberX is not a taxicab service because UberX is primarily a “technology company.”</p>	<p>Uber is primarily a taxicab service company. The fact that Uber has built its own in-house proprietary dispatch platform does not somehow make it unique or special within the taxicab industry as others have done the same before Uber, but perhaps not on a global scale.⁵</p>

¹ For details, please see Taxi Charger’s document titled “Understanding Uber-Related Political Terms”

² Association for Commuter Transportation (ACT) Policy Statement (PDF), August 18, 2014, Jason Pavluchuk

³ For details, please see Taxi Charger’s document titled “Understanding Uber-Related Political Terms”

⁴ For details, please see Taxi Charger’s document titled “Understanding Uber-Related Political Terms”

⁵ For details, please see Taxi Charger’s document titled “Understanding Uber-Related Political Terms”

MYTH	TRUTH
<p>5. UberX is not a taxicab service because UberX has a different business model than taxicab companies.</p>	<p>Uber’s business model is materially the same as a taxicab service. Both Uber and taxicab companies hire drivers as independent contractors to perform rides, market their services to passengers who need immediate ground transportation, require commercial vehicle insurance, use mobile phones/computers/devices, the Internet, information technology, and GPS locations to optimize the matching of passengers to drivers, transport passengers from origins to destinations, and charge passengers for rides with the goal of making a profit for the drivers and the company.</p>
<p>6. UberX is not a taxicab service because UberX passengers use a mobile app to book rides.</p>	<p>Both Uber and many taxicab companies provide mobile apps for their passengers to use to book rides. For example, Toronto’s <i>Beck Taxi</i> was the first to come out with a mobile app for passengers to use to books rides in Toronto. Beck Taxi’s app had 100,000 downloads as soon as it was released.⁶ Thus, Uber’s use of a mobile app for passengers to use to book rides does <u>not</u> somehow make it unique or distinct from a taxicab service.</p>
<p>7. UberX is not a taxicab service because UberX drivers use a mobile app to receive rides dispatched by the company.</p>	<p>Both Uber drivers and most taxicab drivers use mobile apps to receive rides dispatched by their companies. While Uber drivers typically run their apps on mobile phones, most taxicab drivers typically run their apps on mobile tablets or mobile data terminals/computers. In fact, taxicab companies have been dispatching ride information to mobile data terminals/computers in taxicab vehicles for at least 20 years now, long before Uber was founded. Thus, Uber’s use of a mobile app for drivers to receive rides dispatched by company does <u>not</u> somehow make Uber unique or distinct from a taxicab service.</p>

⁶ <http://www.thestar.com/news/insight/2015/09/20/beck-taxis-kristine-hubbard-the-woman-whos-taking-on-uber.html>

MYTH	TRUTH
<p>8. UberX is not a taxicab service because UberX drivers do not pick up flagged rides.</p>	<p>While Uber drivers do not pick up flagged rides, there are also taxicab drivers that do not pick up flagged rides. Uber drivers have simply chosen not to pick up any flagged rides to date, but this could easily change. The reality is that some taxicab drivers also only pick up dispatched rides. Thus, Uber’s lack of interest in flagged rides does <u>not</u> somehow make it separate and distinct from a taxicab service.</p>
<p>9. UberX is not a taxicab service because UberX drivers do not require commercial insurance and can use their own personal, non-commercial insurance.</p>	<p>This is dangerously wrong as both Uber drivers and taxicab drivers require commercial insurance in order to properly protect themselves and their passengers. If Uber drivers only have the same regular personal, non-commercial insurance that they had before joining Uber, then their insurance companies may <u>not</u> cover any claims related to Uber rides for the drivers or their passengers.⁷</p>
<p>10. UberX is not a taxicab service because most UberX drivers only work part-time.</p>	<p>While many Uber drivers only work part-time, there are many that also work full-time, just like taxicab drivers. Uber’s large share of part-time drivers has been Uber’s choice to date and could easily change. In fact, according to Uber, 10% of its drivers already work full-time.⁸ The frequency with which a driver works does not change the type of service that the driver is providing. If any driver uses his vehicle week after week to transport public passengers for a profit, then he is using his vehicle commercially to provide a taxicab service.</p>

⁷ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55370.pdf>

⁸ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>

MYTH	TRUTH
<p>11. UberX is not a taxicab service because UberX uses its own ride pricing model.</p>	<p>Uber’s use of its own ride pricing model does not make Uber’s service materially different than a taxicab service. Price is just one aspect of a taxicab service and does not somehow make a taxicab service no longer a taxicab service.⁹ In fact, Uber’s current Toronto pricing model has very similar structure to the taxicab pricing model mandated by City Hall. Uber’s main pricing difference is that it currently prices its rides 40%-50% less than Toronto taxicab companies¹⁰, which gives Uber an enormous, unfair competitive advantage over taxicab companies. Uber has been quickly growing in popularity because of its deeply discounted pricing. It is well known that taxicab passengers are price sensitive. In fact, City Hall’s recent Uber survey confirmed this when it discovered that 76% of those surveyed indicated Uber’s lower pricing as the 1st or 2nd most important reason that the public uses Uber while only 30% of those surveyed indicated public dissatisfaction with the taxi/limo industry as the 1st or 2nd most important reason that the public uses Uber.¹¹ Thus, it is clear that the public likes Uber most significantly because it is cheaper and not because the public was originally unhappy with taxicab companies! It is greatly unfair that taxicab companies who are providing the same service as Uber cannot also offer cheaper rides because they are handcuffed by City Hall’s regulations while Uber is not. Thus, Uber using its own pricing model does <u>not</u> somehow make Uber’s service separate and distinct from a taxicab service and only underlines Uber’s most substantial unfair advantage over taxicab companies.</p>
<p>12. UberX is not a taxicab service because UberX does not have a “bricks and mortar” office.</p>	<p>This is simply wrong as Uber has many “bricks and mortar” offices. Currently, Uber has an office in Toronto (312 Adelaide St. W.) and in Mississauga (5110 Creebank Rd.).¹²</p>

⁹ For full details, please see the Taxi Charger document titled “Why UberX is a Taxicab Service”

¹⁰ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Page 4

¹¹ <http://www.toronto.ca/legdocs/mmis/2015/ls/bgrd/backgroundfile-83503.pdf>, Page 56

¹² <https://www.uber.com/>

MYTH	TRUTH
<p>13. UberX is not a taxicab service because UberX drivers own their vehicles.</p>	<p>While Uber drivers currently own their vehicles in Toronto, 33% of taxicab drivers in Toronto are also owner/operators who own their vehicles.¹³</p> <p>Uber has simply chosen not to own any vehicles to date in Toronto, but this could easily change. In fact, in other jurisdictions, Uber has already started to lease vehicles to drivers.¹⁴ In Canada, most taxicab companies do not own any of the vehicles in their fleets either. Thus, Uber drivers owning their vehicles does <u>not</u> somehow make Uber’s service separate and distinct from a taxicab service.</p>
<p>14. UberX is not a taxicab service because UberX drivers do not brand their vehicles with the “UberX trademark.”</p>	<p>While most Uber vehicles are not branded with Uber’s trademark, there are also many taxicab vehicles that are not branded with a taxicab company’s trademark.</p> <p>Uber’s lack of visual branding has simply been Uber’s choice to date and could easily change. Thus, the lack of visual Uber branding on Uber vehicles does <u>not</u> somehow make Uber’s service separate and distinct from a taxicab service.</p>
<p>15. UberX is not a taxicab service because UberX passengers know their drivers’ names, can rate their drivers, and can provide feedback in the UberX app.</p>	<p>Both Uber and taxicabs communicate their drivers’ names to passengers and both provide methods for passengers to provide feedback to the company.</p> <p>In most Canadian cities, drivers are required to display their pictures, names, and license numbers in their vehicles to passengers and the taxicab companies are usually eager to receive feedback about their drivers, vehicles, and passenger experiences by phone or email (which can be found on their public websites). While Uber makes this process easier for a subset of passengers who like using mobile apps, these facts certainly do <u>not</u> make Uber’s service distinct and separate from a taxicab service.</p>

¹³ <http://www.toronto.ca/legdocs/mmis/2015/ls/bgrd/backgroundfile-83503.pdf>, Page 59

¹⁴ <http://money.usnews.com/money/blogs/my-money/2015/08/11/should-you-let-uber-help-you-lease-a-car>

MYTH	TRUTH
<p>16. UberX is not a taxicab service because UberX picks up passengers faster than taxicab companies.</p>	<p>If Uber actually picks up passengers faster than taxicab companies, on average, then this still does not make Uber’s service materially different than a taxicab service – it just makes it better in one feature aspect. The taxicab industry is certainly not immune from variances in service quality from one company to another. Speed of passenger pick-up is simply one measure of the overall taxicab service. Most importantly, pick-up speed is a direct function of the number of vehicles that a dispatch company has in its fleet. Uber currently has the unfair competitive advantage that it can add as many vehicles as it wants to its fleet, while taxicab companies are restricted in their abilities to grow due to City Hall’s regulations. Thus, it would not be surprising at all if Uber is actually able to pick up passengers faster than its taxicab competitors since it currently has a significant growth capacity advantage over taxicab companies. Overall, Uber’s possibly faster passenger pick-ups do <u>not</u> somehow make Uber’s service distinct and separate from a taxicab service, but rather highlights Uber’s current unfair market advantage.</p>
<p>17. UberX is not a taxicab service because several state and city jurisdictions have passed TNC regulations in the United States.</p>	<p>The fact that some US jurisdictions have passed TNC regulations does <u>not</u> somehow make Uber’s service distinct and separate from a taxicab service. The reality remains that there are many US and global jurisdictions that have <u>not</u> been confused by the terms like “ridesharing,” “sharing economy,” and “TNC” and are instead recognizing Uber for what it is – an unlicensed taxicab service, which uses the same business model as taxicab companies. Thus, the fact that others have passed new TNC regulations does <u>not</u> somehow make Uber’s service distinct and separate from a taxicab service.</p>

MYTH	TRUTH
<p>18. UberX is not a taxicab service because UberX drivers provide better customer service and have better vehicles than taxicabs.</p>	<p>If Uber drivers actually provide better customer service and have better vehicles than taxicab drivers, on average, then this still does not make Uber’s service materially different than a taxicab service – it just makes it better in two feature aspects. Again, the taxicab industry is certainly not immune from variances in service quality from one driver/vehicle to another. Driver customer service and vehicle quality are simply two measures of the overall taxicab service. Most importantly, driver customer service and vehicle quality are most likely a direct function of the amount of profit a driver is making for transporting customers. Uber drivers currently have many unfair cost advantages over taxicab drivers because Uber drivers do not have to follow costly City Hall regulations related to, but not limited to, having proper taxicab driver licenses, taxicab plates, commercial vehicle insurance, vehicle accessibility, meters, cameras, and panic buttons. Thus, with such significant cost advantages, it would not be surprising at all if Uber drivers were actually making more profit than taxicab drivers and, in turn, were providing better customer service to passengers and spending more money on the quality of their vehicles. Overall, Uber’s possibly better customer service and vehicles do <u>not</u> somehow make Uber’s service distinct and separate from a taxicab service, but rather highlights Uber’s current unfair cost advantage.</p>
<p>19. UberX is not a taxicab service because it uses an intermediary platform that connects passengers to drivers – it’s just acting as a “middle man.”</p>	<p>All taxi companies use an intermediary platform to connect passengers to drivers – they are called dispatch systems! While the general public may not realize it, most Canadian taxi companies do not own any vehicles in their fleet and their core business function is to connect passengers with drivers, acting a “middle man.” As well, in this modern era, every taxi company that dispatches vehicles uses some type of advanced software platform to help match its passengers to its drivers. Thus, Uber’s use of its own in-house dispatching system does <u>not</u> somehow make Uber’s service distinct and separate from a taxicab service. Instead, it validates that Uber’s service is a taxicab service!</p>

MYTH	TRUTH
<p>20. UberX is not a taxicab service because UberX has significant public support and popularity.</p>	<p>Uber’s public support and popularity does <u>not</u> somehow make it distinct and separate from a taxicab service since popularity has no bearing on the type of service being performed. It is not surprising at all that the public likes Uber. Uber is providing the cheapest taxicab service currently available to passengers in Toronto. The public likes Uber most significantly because its pricing is 40-50% less than its taxicab competitors¹⁵ and <u>not</u> because they are unhappy with the service of taxicab companies.¹⁶ This further illustrates Uber’s unfair pricing advantage due to the fact that taxicab companies have their pricing mandated by City Hall’s regulations. Overall, Uber’s public support and popularity is most significantly attributed to its unfair pricing advantage, but this has absolutely no bearing on the type of service being performed by Uber and does <u>not</u> somehow make it distinct and separate from a taxicab service.</p>

¹⁵ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Page 4

¹⁶ <http://www.toronto.ca/legdocs/mmis/2015/ls/bgrd/backgroundfile-83503.pdf>, Page 56

UNDERSTANDING UBER-RELATED POLITICAL TERMS

SUMMARY

To properly assess and discuss UberX's place within a regulatory framework, we need to eliminate any misleading, political language and discuss UberX's service in an accurate manner. Please find below a summary of UberX-related political language and matching language, which is more accurate:

Political Language	Accurate Language
Ridesharing (<i>proper meaning</i> ¹)	Carpooling
Ridesharing (<i>as used by Uber</i> ²)	Taxicab Service
Sharing Economy (<i>applied to Vehicle Transportation</i>)	Carsharing, Carpooling, Taxicab Services
Transportation Network Company	Unlicensed Taxicab Service
Taxicab Company	Licensed Taxicab Service

Notice to Reader: Throughout this document, when referring to Uber and Uber's services, Taxi Charger is specifically and exclusively referring to the UberX services. Taxi Charger is not anti-Uber nor anti-Lyft; we are pro-clarity and pro-fairness.

¹ <http://actweb.org/advocacy/ridesharing-definition-resources/>

² <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Used Throughout



1. “RIDESHARING” IS A MISLEADING POLITICAL TERM

Do not be fooled by the misleading political term “ridesharing.” It is currently used by Uber to describe its UberX service³ instead of using the more accurate term “unlicensed taxicab service.” It has been suggested that Uber uses the term ridesharing in an attempt to avoid the costly regulations applicable to taxicab companies.⁴

One of the leading experts on ridesharing is the Association for Commuter Transportation (“ACT”), which is a not-for-profit international trade association and leading advocate for commuter transportation and transportation demand management, headquartered in Alexandria, VA.⁵ They have studied the topic in detail and provide various ridesharing definition resources.⁶

“The Association for Commuter Transportation defines ridesharing as individuals sharing a ride with common origination and destination or along a common route, whereby costs may be shared, but the driver does not profit above the costs of the trip.”⁷

ACT further explains that ridesharing is, “Any form of traditional carpooling or vanpooling. Ridesharing is a catch-all term most commonly applied to workplace-oriented carpooling or vanpooling but may also include household pooling. The drive services/car service industry (TNCs, taxis, etc.) does NOT offer traditional ridesharing.”⁸

Similarly, by general definition of ridesharing is “a service that arranges shared rides on very short notice.”⁹ Then, it defines “shared rides” as equivalent to “carpooling” and defines carpooling as “the sharing of car journeys so that more than one person travels in a car. By having more people using one vehicle, carpooling reduces each person's travel costs such as fuel costs, tolls, and the stress of driving.”¹⁰

Clearly, there is a general consensus amongst the experts (ACT) and the general public that ridesharing actually means carpooling. This makes sense given that we are taught at a young age what “sharing” actually means. Sharing is the act of using or enjoying something jointly with someone else in an equitable fashion. Thus, when we share a ride with someone, we split the costs equitably and both benefit equitably from the ride.

³ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Used Throughout

⁴ Ridesharing and (not ridesharing) (PDF Presentation), Jason Pavluchuk of Pavluchuk & Associates, Representing the Association for Commuter Transportation (ACT)

⁵ <http://actweb.org/>

⁶ <http://actweb.org/advocacy/ridesharing-definition-resources/>

⁷ Association for Commuter Transportation (ACT) Policy Statement (PDF), August 18, 2014, Jason Pavluchuk

⁸ Understanding Commuter Transportation Terms (PDF), Association for Commuter Transportation (ACT)

⁹ https://en.wikipedia.org/wiki/Real-time_ridesharing

¹⁰ <https://en.wikipedia.org/wiki/Carpool>



As stated above by ACT, Uber's services (specifically UberX) cannot be described as "sharing rides" or carpooling since Uber drivers and passengers do not equitably share in each ride's costs and benefits, but rather the drivers are selling rides at a profit to passengers who solely determine each ride's origination and destination. This type of service is much better known as a "taxicab service." Clearly, ridesharing does not accurately describe Uber's service and is highly misleading.

Despite the obvious fact that Uber does not provide ridesharing or carpooling services (specifically UberX), it is fair to say that Uber continues to use the term "ridesharing" to describe its UberX services. Most recently, Chris Schafer, Uber's Public Policy Manager for Canada, used the term "ridesharing" 23 times in an email he sent to Toronto City Hall's Licensing and Standards Committee on September 15, 2015.¹¹ Thus, we must all take a step back and think deeply about why Uber keeps calling its services ridesharing when Uber's services are no such thing.

ACT has already studied in detail Uber's use of the term ridesharing to describe its services and explains that: "Transportation service providers Uber, Lyft, and Sidecar have recently been under siege from local taxicab companies... In order to avoid being regulated, these entities have called what they provide 'ridesharing'. However, their models certainly do not mirror those of ridesharing. Specifically, the models employed provide car owners with an incentive to act as taxis."¹²

ACT further explains: "Uber/Sidecar/Lyft are getting out in front and are using the umbrella of "ridesharing" to limit their exposure to regulations."¹³

We can now clearly see that the use of the term "ridesharing" to describe Uber's service is somewhat laughable and is possibly used by Uber in an attempt avoid taxicab regulations.¹⁴ The continued use of this misleading political term by the public and law makers to describe Uber's taxicab service only further leads people to believe that Uber's service is distinct and separate from a taxicab service, when really it is not.

¹¹ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>

¹² Association for Commuter Transportation (ACT) Policy Statement (PDF), August 18, 2014, Jason Pavluchuk

¹³ Ridesharing and (not ridesharing) (PDF Presentation), Jason Pavluchuk of Pavluchuk & Associates, Representing the Association for Commuter Transportation (ACT)

¹⁴ Ridesharing and (not ridesharing) (PDF Presentation), Jason Pavluchuk of Pavluchuk & Associates, Representing the Association for Commuter Transportation (ACT)



2. "TNC" IS ALSO A MISLEADING POLITICAL TERM

While Uber likes to call its service ridesharing¹⁵, the public has taken to calling companies like Uber, Lyft, and Sidecar "Transportation Network Companies" ("TNCs"). Unfortunately, this new term has become a political benefit for Uber.

Please approach the new term "TNC" with extreme caution. Its increasing usage can mistakenly lead us to believe that Uber is providing some type of fundamentally different service than a taxicab service, when really it is not.

The definition of a TNC according to Susan A. Shaheen, Ph.D., from the University of California, Berkeley is: "A service that allows passengers to connect with and pay drivers who use their personal vehicles for trips facilitated through a mobile application."¹⁶

Similarly, the general definition of a TNC is: "a company that uses an online-enabled platform to connect passengers with drivers using their personal, non-commercial vehicles."¹⁷

When we hear these definitions the key difference that comes to our minds when comparing them to a taxicab service are that they refer to "personal, non-commercial vehicles." This leads us to believe that companies like Uber are different than taxicab companies because we all know that taxicab vehicles are non-personal, commercial vehicles. The huge problem with these definitions of a TNC is that Uber drivers also use non-personal, commercial vehicles, just like taxicabs. Thus, these definition of the term TNC do not even accurately describe Uber's service.

By definition, a "commercial vehicle" is "any type of motor vehicle used for transporting goods or paid passengers."¹⁸ It also clarifies that: "A vehicle may be considered a commercial vehicle if it: Is used for business, but is in an individual's name, such as a sole proprietor."¹⁹

Since Uber drivers are in the business of transporting paying passengers for a profit, they are clearly operating commercial vehicles. Even if a vehicle is held in an Uber driver's individual name, when the driver transports paying passengers in his vehicle, he is acting as a sole proprietor for business purposes. Thus, Uber's service does not meet the definition of "using non-commercial vehicles."

¹⁵ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Used Throughout

¹⁶ Introduction to Ridesharing: Overview of definitions and setting the stage (PDF Presentation), Susan A. Shaheen, Ph.D., University of California, Berkeley, August 5, 2014

¹⁷ https://en.wikipedia.org/wiki/Transportation_network_company

¹⁸ https://en.wikipedia.org/wiki/Commercial_vehicle

¹⁹ https://en.wikipedia.org/wiki/Commercial_vehicle



Similarly, we must attempt to define the term “personal vehicle.” The word “personal” means “intended for use by one person: *a personal car.*”²⁰ Thus, we can conclude that the term “personal vehicle” means a vehicle that is intended for use by one person.

Since Uber drivers are in the business of using their vehicles on an ongoing basis for the commercial purpose of transporting many different paying public passengers, their vehicles are clearly not being used just for the sole driver’s personal use. Thus, Uber’s service does not meet the definition of “using personal vehicles.”

For anyone unfamiliar with the Canadian taxicab industry, many taxicab drivers are also owner/operators, just like Uber drivers, who own their vehicles in their own names (Within Toronto, approximately 33%²¹). So, if we think that Uber drivers owning their vehicles somehow makes Uber distinct and unique from taxicab drivers, we are completely mistaken.

Finally, in case we are still in doubt, if Toronto City Hall were to add back and implement the MLS Staff Recommendations 7 and 8, then City Hall would require that: “TNCs obtain insurance coverage at a similar level to taxicabs and limousines that is sufficient to protect the drivers of and individuals using private vehicles-for-hire.”²² Since all taxicabs and limos must currently have non-personal, commercial insurance to protect drivers and passengers, then Uber vehicles would obviously also require non-personal, commercial insurance. We can all agree that if a vehicle has non-personal, commercial insurance, then it is no longer a personal, non-commercial vehicle. Since Uber drivers do not use personal, non-commercial vehicles, Uber clearly does not actually meet the generally accepted definitions of a TNC.

Despite all of this, if we insist on calling an Uber driver’s vehicle a personal, non-commercial vehicle, then we must also be willing to call a taxicab driver’s vehicle the same thing. As Uber recently disclosed, at least 10% of Uber drivers in Toronto use their vehicles on a full-time basis for transporting paying public passengers.²³ There certainly exist many Toronto taxicab drivers that also use their vehicles on a full-time basis for transporting paying public passengers. So, for example, if both an Uber driver and a taxicab driver each own a Ford Crown Victoria registered in their individual names and they both use the vehicles on a full-time basis to transport paying public passengers, then both drivers are either using personal, non-commercial vehicles or are both drivers are using non-personal, commercial vehicles. We can all agree that when both drivers are

²⁰ <http://dictionary.reference.com/browse/personal>

²¹ <http://www.toronto.ca/legdocs/mmis/2015/ls/bgrd/backgroundfile-83503.pdf>, Page 59

²² <http://www.toronto.ca/legdocs/mmis/2015/ls/bgrd/backgroundfile-83268.pdf>

²³ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Page 7



doing exactly the same thing, one vehicle cannot be considered a personal, non-commercial vehicle while the other is considered a non-personal, commercial vehicle.

As you can see, the definition of a TNC does not accurately describe Uber's services and likely should not be used at all in relation to Uber. Uber cannot obviously be called a TNC by these generally accepted definitions because its drivers operate non-personal, commercial vehicles just like taxicab drivers.

Thus, if we are going to insist on using the term TNC to describe Uber, then we will need to change the type of vehicles in the definition from "personal, non-commercial" to "non-personal, commercial." However, when we do this, we simply end up with the description of a taxicab service!

As part of a company that has visited almost every major taxicab company in Canada, we can assure you that each Canadian taxicab company can be accurately described as "a company that uses an online-enabled platform to connect passengers with drivers using their non-personal, commercial vehicles."

We might feel like we're splitting hairs here with the definition of TNCs, but these details are vastly important for illustrating how the term TNC is a misleading, political term that leads people to believe that Uber's service is distinct and separate from a taxicab service, when really it is not.

In the recent Report LS6.1, the Toronto City Hall defines TNCs as: "transportation companies that connect passengers with private vehicles-for-hire through smartphone technology."²⁴

Since taxi companies are transportation companies that also connect passengers with vehicles-for-hire through smartphone technology, such as Toronto's *Beck Taxi*, the crux of this definition lies in the term "private vehicle." What exactly does it mean?

Generally speaking, in the vehicles-for-hire industry, when we refer to a "private car" or a "private vehicle," it just means that the passengers will not have to share the vehicle with any other public passengers for the duration of their ride. This type of meaning is defined as: "confined to or intended only for the persons immediately concerned; confidential: *a private meeting*."²⁵ If this is the intended meaning of the term private vehicle, then it most certainly applies to both Uber vehicles and taxicab vehicles because both provide passengers with rides where the passengers do not have to share the rides with any other public passengers. Therefore, under this meaning, City Hall's definition of a TNC can be

²⁴ <http://www.toronto.ca/legdocs/mmis/2015/ls/bgrd/backgroundfile-83268.pdf>, Page 21

²⁵ <http://dictionary.reference.com/browse/private?s=t>



applied to both Uber and taxicab companies and, thus, does not make Uber separate or distinct from a taxicab service.

Perhaps City Hall is using the term private to mean: “belonging to some particular person: *private property*”?²⁶ If so, then we have the same problem. Since many taxicab drivers own their vehicles just like Uber drivers, this type of definition of a TNC would also not make Uber separate or distinct from a taxicab service and could be applied to both.

Or perhaps the City Hall is using the term private to mean: “not of an official or public character; unrelated to one's official job or position: *a former senator who has returned to private life; a college president speaking in his private capacity as a legal expert.*”²⁷ If so, then we have the situation where the definition of a TNC does not actually apply to Uber. Uber has recently explained that in order for its drivers to work for it in an official capacity, each driver must be subject to a criminal background check in addition to a mandatory vehicle inspection.²⁸ Obviously, Uber drivers work for Uber in an official job that is clearly public-facing as any passenger could be connected with any driver through Uber's dispatch system. Thus, this type of definition of a TNC would not apply to Uber nor a taxicab company.

We can now also see that the use of the term TNC to describe Uber's service is somewhat absurd and that if the term can be used to describe Uber's service, then it can also be used to describe a taxicab service. The continued use of this misleading, political term by the public and law makers to describe Uber's taxicab service only further leads people to believe that Uber's service is distinct and separate from a taxicab service, when really it is not.

3. TAXICABS HAVE ALWAYS BEEN PART OF THE SHARING ECONOMY

Please do not get confused by the use of the buzz term “sharing economy.” Uber claims that it has learned that imposing the existing taxicab regulatory framework onto “the new business models of the sharing economy will not.”²⁹ The reality is that taxicab services have always been part of the sharing economy!

²⁶ <http://dictionary.reference.com/browse/private?s=t>

²⁷ <http://dictionary.reference.com/browse/private?s=t>

²⁸ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Page 3

²⁹ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Page 3



By definition, “A sharing economy can take a variety of forms, including using information technology to provide individuals, corporations, non-profits and governments with information that enables the optimization of resources through the redistribution, sharing and reuse of excess capacity in goods and services.”³⁰

Applying this definition specifically to the for-hire-vehicles ground transportation industry, we can reasonably say that the sharing economy concept applies if a company is using information technology to provide passengers, drivers/vehicles, and/or itself with information that enables the optimization of the passenger-to-driver vehicle matching and dispatching process.

For some reason, Uber appears to think that the sharing economy somehow makes UberX’s service special. Most recently, Chris Schafer of Uber Canada writes to the Toronto Licensing and Standards Committee on September 15, 2015:

“We know from our experience in over 350 cities around the world, that trying to impose an existing taxi regulatory framework onto the new business models of the sharing economy will not work, as it will only burden it with the same problems that technology is now capable of solving. Simply put, we can’t put the “genie back in the bottle” by pretending technology hasn’t changed the ways in which we live, work, connect and travel.”³¹

If Uber’s service is a sharing economy business model, then so is the taxicab service business model because both parties use the materially same business model. The taxicab industry has always been part of the sharing economy and has continually embraced new information technology in an attempt to more efficiently match passengers to vehicles.

Over the past 25 years, prior to the rise of smart phones, tablets, and Apps, almost every major taxicab company in Canada embraced new information technology by transitioning from radio dispatch to GPS/computer-based dispatch whereby the taxicab companies used online-enabled platforms (called dispatch systems) with advanced matching algorithms based on GPS locations to connect passengers with drivers in the most efficient methods possible. The passengers could request rides using their phones (by voice, web, or text), the platforms would then perform the ride matching based on GPS locations, and then the platforms would communicate the trip information to the drivers using online mobile data terminals/computers stored in the drivers’ vehicles. If this is not an example of the sharing economy in action, then what is?

³⁰ https://en.wikipedia.org/wiki/Sharing_economy

³¹ <http://www.toronto.ca/legdocs/mmis/2015/ls/comm/communicationfile-55222.pdf>, Page 3



More importantly, how is this business process materially different than what Uber is doing right now? With Uber, the in-vehicle mobile data terminals/computer terminals have simply shrunk into smart phones (mini computers). Customers still request rides using their phones (by app). Uber still uses GPS locations and matching algorithms to connect passengers with drivers. The drivers still receive the trip information using online computers/phones in their vehicles. There is nothing fundamentally new going on here! It's the same business process.

As we can now see, both Uber and taxi companies are part of the sharing economy and it is simply wrong for us to think that Uber's business model is part of the sharing economy while the business model of a taxicab service is not, since they both use the materially same business model. The continued use of this misleading, political term by the public and law makers to exclusively describe Uber's taxicab service only further leads people to believe that Uber's service is distinct and separate from a taxicab service, when really it is not.

4. UBER IS MORE OF A TAXICAB COMPANY THAN A TECHNOLOGY COMPANY

Similarly, do not be misled by the term "technology company" in reference to Uber. People have been known to call Uber a technology company rather than a taxicab service company. The truth is that if Uber were primarily a technology company, then it would likely be selling its dispatching technology to the actual taxi companies, but this is obviously not the case.

It is a fact that there are many taxicab companies in North America that have built their own proprietary dispatching technology platforms in-house or with a partner in an attempt to gain a competitive advantage and these companies certainly didn't start calling themselves technology companies instead of taxicab companies.

By definition, "A technology company (often tech company) is a type of business entity that focuses primarily on the development and manufacturing of technology. IBM, Microsoft, Apple, Oracle and others are considered prototypical technology companies."³²

So, is Uber primarily focusing on the development and manufacturing of technology?

³² https://en.wikipedia.org/wiki/Technology_company



No. Uber appears to have already built its core dispatching technology and appears to be more focused on providing taxicab services to paying passengers than developing and manufacturing new technologies.

Just recently, Toronto's *Beck Taxi* designed and built its own in-house custom dispatching platform in an effort to better compete and improve its operations.³³ So, should we now start calling Beck Taxi a technology company instead of a taxicab company?

As you can now see, the term "technology company" to refer to Uber as if Uber is not actually a taxicab service company is highly misleading. Uber is much more of a taxicab service company than a technology company. The continued use of this misleading, political term by the public and law makers to exclusively describe Uber's taxicab service only further leads people to believe that Uber's service is distinct and separate from a taxicab service, when really it is not.

³³ <http://www.cbc.ca/news/canada/toronto/beck-taxi-tries-out-new-dispatch-systems-sees-some-delays-1.3000674>