OLOA
OntarioLimousineOwnersAssociation

September 16, 2015

To: Toronto Licensing & Standards Committee
Re: OLOA Position Paper – 2015 Ground Transportation Review

Dear Committee,

For years the taxi and limousine industries have coexisted under regulations designed to ensure public safety and that both operate in a manner that distinguish them as separate and distinct. In fact, many of the limousine regulations that were enacted in the 2005 amendments were to specifically address concerns of the taxi industry.

Both industries have followed these regulations at great cost and respect for the law. Both have been made accountable with respect to vehicle inspections, driver background checks, and proper commercial insurance coverage as required by the Ontario Highway Traffic Act for **ALL** vehicles for hire.

When these rules are followed as required, it results in a level of expense to operators that translates to the amount of fare necessary to be charged in order to cover expenses and make a reasonable profit; hopefully. That is not guaranteed.

When such a service is able to be offered at a significantly reduced rate, it stands to reason that it is because the provider has either found a way to reduce the cost, or does not bear them at all.

Such is the case with Uber.

Its business model is reliant upon operating outside the boundaries of the law, without any of the overhead associated with the **duty of care** required of vehicle for hire services transporting passengers.

While it would like to be known as a "ridesharing" service, it is clearly providing the exact same service as that of a traditional taxi, and should be treated as such. In fact, if you search Uber on Google, its own description reads as follows:

1. Uber

https://www.uber.com/

Get a taxi, private car or rideshare from your mobile phone. Uber connects you with a driver in minutes. Use our app in cities around the world.

Note **"private car *OR* rideshare".**

What exactly is ridesharing? Logically, it would mean something like carpooling. So, if they are providing a ridesharing service, what is it that the "private cars" are doing?

Providing vehicles for hire, private or otherwise, is known as a taxi or limousine service.

While there is no disputing the following Uber has created amongst the public, it has done so based on a business model that can only exist by not bearing the cost of providing responsible properly licensed and insured passenger transportation services. Naturally it's supporters like the cheaper service, but it can only be that way through evading laws and taxes.

If it were to pay all the associated costs of a vehicle for hire service, there is no question its pricing model would be less competitive.

Not only do their rates not reflect previously mentioned costs, they also do not include any taxes. So when compared to regulated fares charged by taxis that include tax, it is obvious they appear to be a better deal.

Uber claims the drivers are responsible for collecting HST from the passengers, yet it is Uber that sets the rates, charges the passengers, and then pays the driver what it decides to be their share. How is that different from any other transportation provider?

Uber says each ride is covered by insurance. They say so in the most general of terms with the intention of deceiving the public. Insurance authorities and providers have clearly stated that people providing these services with private coverage are doing so illegally and are not covered.

It has also been eluded to that the "proprietary" liability coverage Uber claims to have is a widely available one in which a company can have to cover its employees in cases where they use their own car to take care of something business related, such as running an errand.

Now Uber has effectively admitted they don't have proper insurance by announcing they are working with Intact Insurance to create some type of coverage. Clearly their riders are currently at risk.

Uber thrives in environments with weak enforcement. The very reason for this report, and all the surrounding efforts and debates on this issue are taking place, are due to the city's inability to enforce the existing laws that clearly prohibit the activities of Uber and its drivers.

Now, city is being asked to consider creating a separate accommodation, under a "TNC" framework for a service that is no different from any other taxi service. The OLOA, strongly opposes this recommendation and urges council to treat Uber as it would any other taxi service.

Uber has highlighted deficiencies in traditional taxi. The city should focus on ways to foster an environment where the level of existing taxi service can be improved. The public has clearly spoken; they want better service. That is why people use Uber. It is not about the technology, for that exists in many available apps that taxis could adopt immediately. It is clearly about the quality of service.

It is the belief of the OLOA that the city should treat Uber as it would any other transportation provider. It should be made to follow the law rather than be given special status, and more meaningful consequences be enacted to enable an effective degree of enforcement.

Respectfully,

The Ontario Limousine Owners Association