

From: [Chris Schafer](#)
To: [Licensing and Standards Committee](#)
Subject: Uber: Written Submission re LS6.1 - 2015 Ground Transportation Review
Date: Tuesday, September 15, 2015 11:34:22 PM
Attachments: [ResponsetoMLSReportLS6.1September2015 \(2\).pdf](#)

Dear Licensing and Standards Committee,

Please find attached a written submission on behalf of Uber in response to LS6.1 re 2015 Ground Transportation Review: Taxis, Limos and Uber. This email was sent at 11:33pm EST on September 15, 2015.

Please confirm receipt of this email and that the attached submission will be distributed to Committee members and form part of the record. I will also bring printed copies to Committee on the 16th as I'm on the list to depute.

Sincerely,

Chris Schafer
Uber Public Policy Manager - Canada
chris.schafer@uber.com | +1 (647) 389-8052
www.uber.com

U B E R

September 15, 2015

SENT VIA EMAIL: lsc@toronto.ca

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

Dear Licensing and Standards Committee,

RE: LS6.1 2015 GROUND TRANSPORTATION REVIEW: TAXIS, LIMOS AND UBER

On behalf of Uber Canada, I am writing to you in response to Report LS6.1 re “2015 Ground Transportation Review: Taxis, Limos and Uber”.

INTRODUCTION

At its July 2015 meeting, City Council directed Municipal Licensing and Standards (MLS) to undertake a review of the operations of Uber and similar technology-based companies in Toronto, including the interests of the public in the technology and impacts on the current taxicab and limousine industries in the City.

During the months of July and August, MLS staff conducted their Ground Transportation Review. Among other stakeholders consulted, Uber was consulted by MLS Executive Director Ms. Tracey Cook and staff, and Uber was pleased to share information with respect to its operations in Toronto.

Uber looks forward to continuing to be a cooperative and 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 and ridesharing into a regulatory framework while making further amendments to the Municipal Code so that the taxicab and limousine industries can enhance their competitiveness.

UBER’S POSITION WITH RESPECT TO REPORT LS6.1 - 2015 GROUND TRANSPORTATION REVIEW: TAXIS, LIMOS AND UBER

Uber supports the recommendations made by MLS in its 2015 Ground Transportation Review Report.

There is a growing trend around the world - including Edmonton, Ottawa and Waterloo Region in Canada - towards updating laws to account for changing technology. With over 400,000

U B E R

Torontonians who regularly ride with Uber and half a million Uber trips happening each month in Toronto, finding a permanent and smart regulatory solution is absolutely critical and one Uber supports.

We specifically support the Report's specific recommendation to pursue Transportation Network Company (TNC) regulations in Toronto. This is the model that has proven successful in other jurisdictions that have regulated ridesharing - such as Austin, TX, Washington, DC and the State of Illinois. Our experience operating in these jurisdictions shows that well crafted TNC regulations protect safety and consumer interests, while still allowing for growth and innovation of a popular new service.

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.

With that said, we also have to recognize that technology has caused disruption of established industries, be it transportation or otherwise. Crafting ridesharing regulations while at the same time reducing the regulatory burden on the existing taxi industry, is the right thing to do. In fact, MLS has done just that through the recommendations it has made coming out of its Ground Transportation Review.

MLS has shown thoughtful leadership in crafting recommendations for City Councillors to consider that provide the City with assurances that ridesharing companies like Uber are both regulated and welcome, while also positively reframing its regulatory approach to taxi.

Uber welcomes the opportunity to be regulated and follow smart TNC rules proposed by MLS. We also applaud the additional recommendations brought forward to "level the playing field" by reducing the initial cost for a taxi ride, as well as a recommendation that MLS comes back in the New Year with further recommendations to enhance competitiveness in the taxi and limousine industries.

UBER IN CANADA AND TORONTO

Uber operates in 350+ cities and 60 countries around the world. In Canada, Uber operates in Edmonton, Toronto (GTA - 30 municipalities), South Western Ontario (Hamilton, Waterloo Region, Guelph, London), Montreal, Quebec City and Halifax.

UberX, the peer-to-peer ridesharing service, is the focus of this submission. Ridesharing is an industry in which drivers use their own personal vehicles and are matched with passengers through simple and convenient GPS-enabled smartphone apps that allow for shared rides. Uber

UBER

driver partners do not accept ride requests from street hails, nor do they occupy taxi stands. Rides can only be requested and accepted through the Uber app.

Uber began operations in Toronto in March 2012, launching uberX service in Toronto in September 2014. UberX is priced at 40 to 50% cheaper than traditional taxi in Toronto. Currently, there are over 500,000 uberX trips a month in Toronto, about 10,000 uberX driver partners in Toronto (most drive 5 hours or less on the Uber platform a week), and greater than 400,000 regular uberX passengers in the City.

Demand for ridesharing is growing by 15,000 to 20,000 new riders a month in Toronto and is outpacing (on a per capita weekly trips basis) growth in more mature markets such as New York City, Chicago, and San Francisco.

UBERX AND BACKGROUND CHECKS & VEHICLE INSPECTIONS

In November 2014, the City of Toronto brought a court application seeking an injunction against Uber to stop its operations. In July 2015, the court decided that Uber's operations were outside existing taxi and limo by-laws.

In the absence of regulation, all uberX driver partners are subject to thorough criminal background checks, in addition to vehicles being subject to a mandatory vehicle inspection.



TORONTO uberX

CRIMINAL BACKGROUND CHECK	YES
LOCAL POLICE CHECK <small>(RECENT OFFENSES AND CHARGES)</small>	YES
SEXUAL OFFENSES BACKGROUND CHECK	LIFETIME
DUI BACKGROUND CHECK	LIFETIME
TRAFFIC OFFENSE CHECK <small>(SERIOUS ACCIDENTS / RECKLESS DRIVING)</small>	LIFETIME
INSURANCE COVERAGE	\$5 MILLION
NO ANONYMOUS PICKUPS	YES
SHARE YOUR ETA <small>(WITH FRIENDS / FAMILY / CO-RIDERS)</small>	YES
FEEDBACK REQUESTED AFTER EVERY RIDE	YES
24/7 FEEDBACK REVIEW AND RESPONSE	YES

U B E R

Moreover, with respect to the Uber platform:

- **Nobody's a Stranger**

Uber is a two-way street. Drivers see their rider's name before they get in an Uber vehicle and riders see their driver's name, photo, and vehicle information. These details are also available on trip receipts and on the driver partner dashboard.

- **You're Always on the Map**

Uber collects information about trips, so if anything goes wrong, we can easily determine when and where it happened and make this available to police when necessary.

- **Risk-Free Transactions**

Uber is cashless, so drivers never need to worry about driving with money in their car.

- **Zero Tolerance**

If there's ever an issue or incident, Uber support teams work to ensure safety by immediately and permanently removing anyone--rider or driver--who behaves inappropriately.

- **24/7 Feedback Review and Response**

Drivers and riders rank each other on a 5-star ranking system and provide written feedback after each trip that is monitored and responded to in real-time 24/7.

INSURANCE

Uber recently announced a relationship with Intact Financial, Canada's largest home, auto and business insurer. Uber has been working closely with Intact Financial to develop a new and innovative insurance plan for ridesharing in Canada.



IFC Reaches Cooperative Agreement with Uber to Develop Tailored Insurance Products for the Canadian Marketplace

UBER

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 an insurance product in collaboration with stakeholders that satisfies the requirements of both insurance and transportation regulators.

In the interim, every uberX ride in Canada continues to be covered by auto liability insurance with Uber's current insurance provider. Every ride on the uberX platform in Canada is backed by \$5,000,000 of contingent auto liability insurance covering bodily injury and property damage. In the event of an accident during an uberX trip, passengers, pedestrians, other drivers, and the community at large can rest assured knowing that ridesharing partners are well covered by commercial auto insurance in addition to any insurance coverage maintained by the driver. This \$5,000,000 of liability coverage is more than two times the liability requirement for taxi and limo insurance in all Canadian cities, and is written by an insurance company rated A (excellent) AM Best rating.

If the City, as a part of updated regulations, were to impose an insurance requirement of \$1,000,000 or \$2,000,000 for TNCs in Toronto, similar to the current requirements for taxi and limousines, Uber would be in a position to meet such municipal insurance requirements.

UBERX DRIVER PARTNERS IN TORONTO

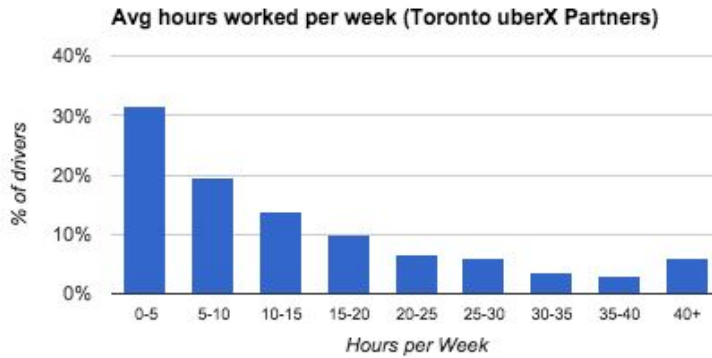
In Toronto, Uber driver partners drive on the Uber platform to earn extra income with the added benefit of flexibility to set their own schedule and work around the schedules of other part- and full-time jobs and family commitments.

WHY ARE PEOPLE CHOOSING TO DRIVE WITH UBER?



50% of uberX driver partners drive less than 10 hours per week and the average "active" tenure on the Uber platform is 3 months. Partners earn \$23.40 in gross hourly earnings across all times and areas of the city, and typically complete 1.5 - 2.5 trips per hour while online.

UBER



From the chart above, what is notable is that a majority of Uber driver partners drive less than 10 hours a week on the Uber platform, with over 30% driving 5 or less hours per week. Less than 10% drive full-time hours on the Uber platform (35 hours or more hours a week).

"I was looking for something that would allow me to earn money, interact with people and fill in spaces in my day that would feel rewarding and give me joy. I also do not want to put myself on someone else's schedule. I want to have the freedom to take off and travel, do what I want to do, when I want to do it! Uber is that for me!"

ESTHER / TORONTO, ON



"I was looking for something to supplement my income, that was safe, fun and lucrative. It has helped me to develop more confidence in myself; the power to manage my life is exhilarating! Being able to decide when I work and how much I make, is very empowering and freeing, especially in an industry that is male dominated."

RACHEL / TORONTO, ON

The statements above from actual Uber Toronto driver partners themselves are a testament to why Uber driver partners are tapping into the sharing economy through Uber as a flexible way to use existing assets they possess (vehicles) and earn additional income to support themselves and their families through the flexible economic earning opportunity provided through the Uber platform.

SUPPORT FOR UBER IN TORONTO

Public opinion poll after public opinion poll finds significant support for Uber in Toronto. This was confirmed by the public consultations conducted by MLS this past summer, including the City's public survey and an Ipsos Reid qualitative and quantitative study contracted for by MLS.

U B E R

According to public opinion polls going back to 2014 in Toronto and Ontario more broadly:

- 2/3's of Torontonians approve of Uber (Forum Research Poll, Nov. 2014).
- 67% of Torontonians feel City should change regulations to permit Uber to operate (City of Toronto Public Survey, Summer 2015).
- Majority of Torontonians feel that having both Uber and Taxi provides Toronto with competitive marketplace (Ipsos Reid, Commissioned by City of Toronto, Summer 2015).
- Majority of Torontonians support continued operations of Uber in Toronto (Mainstreet/PostMedia Poll, Aug. 2015).
- Only 6% of Ontario population think Uber should be banned (Vision Critical Poll, June 2015)
- 4 in 5 of Ontarians believe Uber should be allowed to operate in Ontario (Leger Poll, Aug. 2105)

In its Ground Transportation Review, MLS found strong sentiment amongst Toronto residents that people should be able to choose whether they want to use Uber or taxicabs and a majority of residents felt that having both Uber and taxicabs provides Toronto with a competitive marketplace.

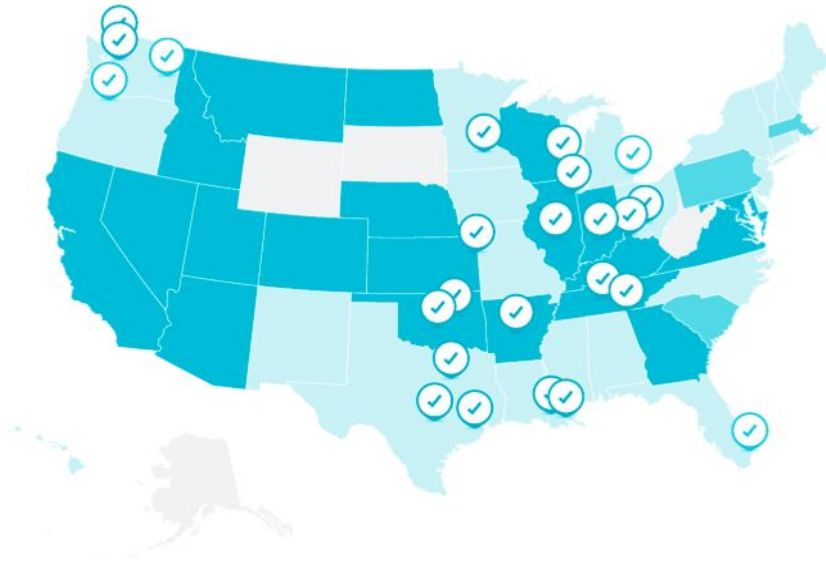
At the same time, it was found that Toronto residents expect the City to make regulations to protect passengers' personal safety and ensure safe driving in Uber vehicles, something Uber's processes in Toronto and Canada already provide and smart ridesharing regulations in a growing number of jurisdictions around the world ensure.

SMART RIDESHARING REGULATIONS

Uber supports Toronto joining cities such as Chicago, San Francisco, and Austin, in adopting smart Transportation Network Company (TNC) ridesharing regulations that protect drivers and passengers while encouraging innovation.

In the United States, 50+ jurisdictions at the state and city level have passed TNC regulations to govern ridesharing. These TNC regulations protect public safety and consumer interests.

UBER



- UBER DOES NOT OPERATE
- UBER OPERATES
- STATEWIDE TEMPORARY OPERATING AGREEMENTS
- STATEWIDE BILL ON THE GOVERNOR'S DESK
- STATEWIDE RIDESHARING REGULATIONS
- RIDESHARING REGULATIONS IN CITY
- TEMPORARY OPERATING AGREEMENTS IN CITY

RIDESHARING REGULATIONS

COLORADO 4.28.2014	HOUSTON 8.6.2014	LITTLE ROCK 11.18.2014	VANCOUVER 2.26.2015	NORTH DAKOTA 4.18.2015	TENNESSEE 5.20.2015
CHICAGO 5.28.2014	TULSA 8.28.2014	DALLAS 12.5.2014	KENTUCKY 3.19.2015	KANSAS CITY 4.23.2015	KANSAS 5.22.2015
BATON ROUGE 6.25.2014	CALIFORNIA 8.28.2014	NASHVILLE 12.16.2014	UTAH 4.1.2015	WISCONSIN 5.1.2015	BLOOMINGTON 5.26.2015
SEATTLE 7.14.2014	AUSTIN 10.16.2014	CHATTANOOGA 1.6.2015	ARKANSAS 4.6.2015	INDIANA 5.5.2015	NEBRASKA 5.27.2015
MINNEAPOLIS 7.18.2014	OKLAHOMA CITY 10.21.2014	SPRINGFIELD, IL 1.6.2015	IDAHO 4.7.2015	GEORGIA 5.6.2015	NEVADA 5.29.2015
COLUMBUS, OH 7.21.2014	DC 10.28.2014	ILLINOIS 1.12.2015	NEW ORLEANS 4.9.2015	OKLAHOMA 5.8.2015	
MILWAUKEE 7.22.2014	CINCINNATI 10.29.2014	VIRGINIA 2.17.2015	ARIZONA 4.10.2015	MARYLAND 5.12.2015	

TEMPORARY OPERATING AGREEMENTS

DETROIT MASSACHUSETTS PALM BEACH PENNSYLVANIA PORTLAND SOUTH CAROLINA
SPOKANE

U B E R

RIDESHARING REGULATORY SCAN ACROSS CANADA

While Toronto decides whether to regulate Uber, a number of cities in Canada have also begun to regulate Uber, recognizing that uberX and ridesharing is something their residents value and that they must update regulations to be more reflective of changing technology and ways citizen are choosing to get around their cities, be it through carsharing (i.e. Zipcar or Autoshare), bikesharing (i.e. Bikeshare Toronto (formerly Bixi)), or ridesharing (i.e. Uber, Lyft, Sidecar, etc.).

Vancouver

- Council directed City Staff to undertake review of “benefits of ridesharing” in Fall 2014. Uber and Taxi are currently part of a stakeholder roundtable consultation/review.

Edmonton

- Council directed staff to develop Transportation Network Company regulations for private for-hire vehicles such as uberX. A draft bylaw was published for consultation in September 2015.

Ottawa

- Council directed staff to undertake review of their taxicab regime, including the role of technology and private for-hire vehicles such as uberX.

Region of Waterloo

- Region is in public consultations with a draft bylaw that proposes to regulate private for-hire vehicles like uberX.

CONCLUSION

Ground transportation around the world, including the City of Toronto, has changed. This provides an opportunity for Toronto to take a fresh look at the ways in which Toronto has regulated the existing taxicab and limousine industries, while addressing recent technology-enabled platforms such as Uber and ridesharing.

MLS has presented a balanced Ground Transportation Review Report. Uber supports the recommendations contained within it. The Report provides City Councillors with recommendations to lessen the regulatory burden and enhance the competitiveness of the existing taxicab and limousine industries. At the same time, the Report recommends that regulations be established to bring Uber and ridesharing under a TNC regulatory framework.

U B E R

Development of ridesharing regulations would only happen once MLS is satisfied that the Financial Services Commission of Ontario (FSCO), the provincial insurance regulator, has both approved and available insurance products for TNC's like Uber. *(Intact Financial and Uber have already announced an agreement to bring an innovative new ridesharing product to market in Ontario and are actively engaged with FSCO on its development and regulation).*

If the recommendations in the MLS Report are adopted by the Licensing and Standards Committee and City Council, Uber looks forward to working with the City of Toronto to adopt and implement TNC regulations to regulate ridesharing and improve ground transportation for Torontonians.