

U B E R

September 20, 2015

SENT VIA EMAIL: lkucera@london.ca and bmercier@london.ca

Community and Protective Services Committee
% Ms. Lauren Kucera, Administrative Assistant
London City Hall, 300 Dufferin Avenue
London, ON
PO Box 5035 N6A 4L9

Dear Community and Protective Services Committee,

RE: VEHICLES-FOR-HIRE – NEW TECHNOLOGIES

On behalf of Uber Canada, I am writing to you in response to staff report re Vehicles-for-Hire: New Technologies.

INTRODUCTION

On April 28, 2015, City Council passed the following resolution: “That new technologies and approaches regarding vehicles for hire BE REFERRED to staff to review and report back at a future meeting of the Community and Protective Services Committee on what is occurring in other jurisdictions, as well as at the Association of Municipalities of Ontario (AMO) and the Federation of Canadian Municipalities (FCM), and what options might be available to the City of London; it being noted that the City’s primary concerns are health and safety, consumer protection and quality of life, as well as ensuring effective and efficient service delivery.”

On September 22, 2015, the Community and Protective Services Committee of the City of London will formally receive the staff report based on the April 28, 2015 resolution. Chris Schafer, public policy manager for Uber Canada, will be present as a delegation.

UBER IN CANADA AND LONDON

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.

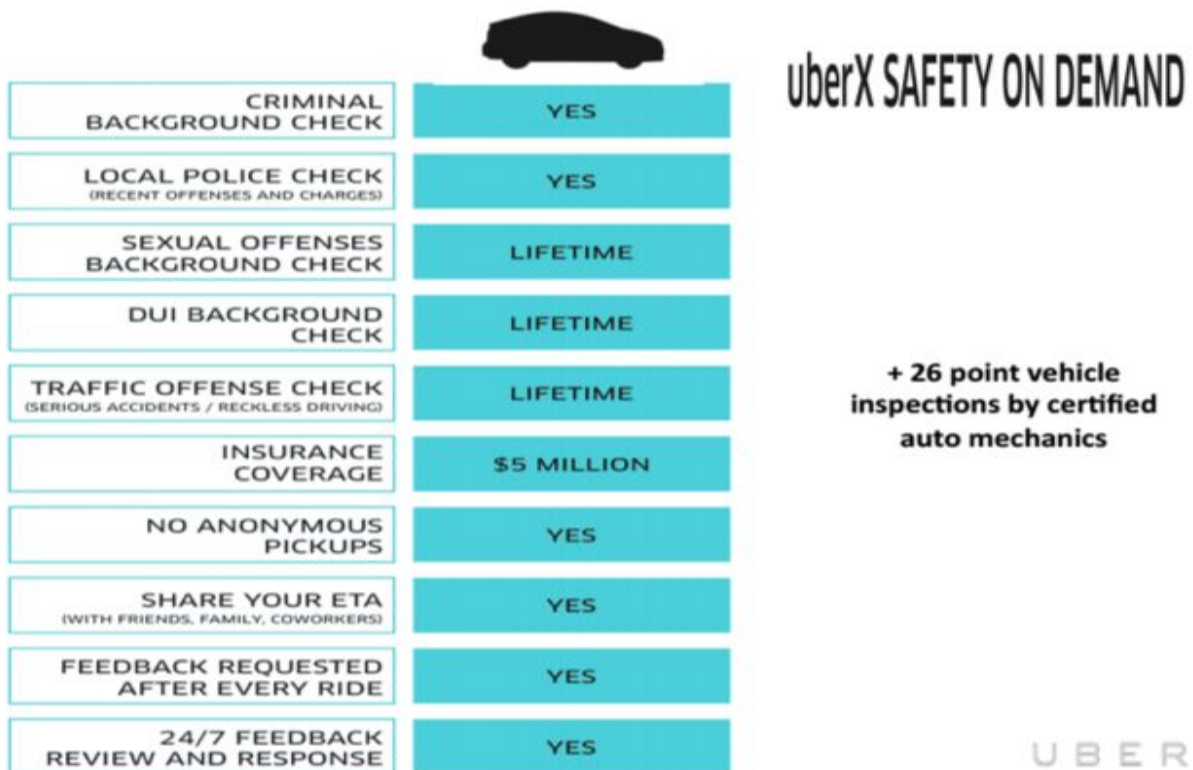
UberX, the peer-to-peer ridesharing service, is the focus of this submission. Ridesharing is an industry in which drivers use their own personal vehicles and are matched with passengers through simple and convenient GPS-enabled smartphone apps that allow for shared rides. Uber driver partners do not accept ride requests from street hails, nor do they occupy taxi stands. Rides can only be requested and accepted through the Uber app.

UBER

Initially, uberX service launched in Toronto in September 2014. UberX was launched in London, Ontario, in July 2015. UberX is priced at 30 to 50% cheaper than traditional taxi in markets across Ontario.

UBERX SAFETY: BACKGROUND CHECKS, VEHICLE INSPECTIONS ET AL.

Safety, consumer protection, and service quality are paramount to Uber. In the absence of regulation Uber is championing based on the Transportation Network Company (TNC) regulatory model that provides cities with regulatory oversight of Uber and other TNC/ridesharing companies, all uberX driver partners are subject to thorough criminal background checks and motor vehicle reference checks, in addition to vehicles being subject to a mandatory vehicle inspection.¹



The graphic features a black silhouette of a car at the top center. Below it is a table with 11 rows, each with a safety feature on the left and a corresponding value on the right. To the right of the table, the text 'uberX SAFETY ON DEMAND' is written in a bold, sans-serif font. Below this text, it says '+ 26 point vehicle inspections by certified auto mechanics'. At the bottom right, the word 'UBER' is written in a light, spaced-out font.

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

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.

¹ 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.

U B E R

- **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. Passengers can also “share their ETA” on the Uber app so that a friend or loved one can watch their trip in real time via GPS on their internet-enabled device, in addition to getting information about the driver, including licence plate number.

- **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

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.

UBER

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.

SMART RIDESHARING REGULATIONS

Uber supports the adoption of 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

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					

WHAT DO TNC REGULATIONS GENERALLY LOOK LIKE?

As per the infographic above, a growing number of jurisdictions in the United States and around the world (i.e. Mexico City and the Phillipines) are adopting TNC regulation to provide cities with regulatory oversight of uberX. This regulation typically includes:

- **Licensing:** TNC (Uber) is licensed and not individual drivers
- **Fares:** Fares are not regulated, so different companies can set their fares for different services. Fares are always transparent in-app in real time
- **Insurance:** TNC (Uber) maintains insurance with minimum liability specified by City
- **Driver Background Checks:** TNC requires drivers undergo background checks. Results of checks are made available to City to ensure compliance
- **Training:** TNC establishes driver training program and makes it available to City
- **Accessibility:** TNC includes option for accessible vehicle (e.g. [UberACCESS](#)) and if accessible vehicle not available, TNC to direct passenger to alternate service provider of accessible service
- **Record Collection and Data Reporting:** TNC provides City regular reporting of data
- **Driver Requirements:** TNC drivers do not street hail or occupy taxi stands

U B E R

- **Vehicle Inspections:** TNC ensures drivers are using vehicles that are inspected regularly by a licensed facility and TNC keeps documentation of inspection reports and makes them available to City to ensure compliance

RIDESHARING REGULATORY SCAN ACROSS CANADA

While London 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 Autosshare), 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.

Toronto

- Council will vote on staff recommendations on September 30th around creating Transportation Network Company (TNC) regulations for ridesharing.

WHY ARE TNC REGULATIONS NECESSARY?

Simply put, ridesharing/uberX is fundamentally different than traditional taxis. Ridesharing is not a full time commercial pursuit for most drivers. A majority of uberX driver partners drive less than 10 hours a week (with many driving less than 5 hours a week) and use it as a means to

U B E R

supplement wages from other employment. Ridesharing cars cannot accept street hails, and every trip is GPS tracked. There is no anonymity in ridesharing - the rider and driver are known to each other. Ridesharing vehicles are in use for under 2 hours most days. This coupled with the technology based nature of the business model, means that regulations created for the different business model of taxi doesn't make sense for ridesharing.

Below are some examples why regulations for ridesharing do not create a "two-tier" system of regulation. While regulations that go to the heart of public safety and consumer interests are key for both the taxi industry and Uber, other existing taxi regulations do not fit easily into the ridesharing business model. It's like trying to fit a square peg into a round hole.

TAXI REGULATIONS	UBER RESPONSE
Taxi regulations require a dome light.	Dome lights are necessary to facilitate street hails. uberX only accepts ride requests through the smartphone app. You cannot street hail an uberX or get one at a taxi stand. Therefore, dome lights are unnecessary.
Taxi regulations require in-taxi security cameras.	<p>Security cameras (and emergency flashing lights) are necessary for taxis because of the nature of taxis business model. Whether someone calls a broker, street hails, or gets a taxi at a taxi stand, the passenger remains anonymous to the taxi brokerage and driver. When passengers are anonymous and drivers carry cash, security cameras, shields, and emergency flashing lights are necessary.</p> <p>With uberX, no one on the Uber platform, passengers included, are anonymous. Uber knows who every driver is through criminal background checks, and who every passenger is through credit card verification in-app.</p> <p>In addition, uberX is also a cashless platform which means drivers do not need to carry cash in-vehicle, every trip is GPS monitored, and each trip is subject to in-app feedback mechanisms (that include the ability to provide written feedback after each trip) that is monitored and responded to in real-time by Uber.</p>

U B E R

<p>Taxi regulations require expensive commercial insurance.</p>	<p>Taxis are on the road 24 hours a day in 12 hour shifts. Most taxi drivers don't own the vehicle they are driving. Expensive 24 hour commercial insurance policies for taxi are necessary.</p> <p>A majority of uberX drivers work 10 hours or less per week. The rest of the time an uberX vehicle is on the road, it's off app and driving for personal reasons and covered by standard personal auto insurance policies.</p> <p>New more affordable insurance products are being developed that offer all the required protection, but at more affordable prices, to cover ridesharing drivers who only drive commercially a few hours a week.</p> <p>Uber recently announced a relationship with Intact Financial, Canada's largest home, auto and business insurer to develop a new and innovative insurance plan for ridesharing in Canada.</p> <p>Until new ridesharing specific insurance plans are approved by the provincial insurance regulator, 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 that is more than two times the liability requirement for taxi and limo insurance in all Canadian cities</p>
<p>Taxi regulations licence taxi drivers.</p>	<p>A majority of uberX drivers drive 10 or fewer hours a week. Imposing a costly licensing requirement on an individual looking to Uber as a supplementary means to earn an income and support their family, or on someone looking to make ends meet in-between jobs, does not make sense.</p> <p>Instead, licensing Uber makes sense. Uber</p>

U B E R

	<p>understands there are costs associated with regulation, and licensing fees and regulatory costs are more properly imposed on Uber.</p>
<p>Taxi regulations require the City conduct background checks and vehicle inspections.</p>	<p>Public safety is paramount. In the absence of regulation, Uber already requires driver criminal background checks and vehicle inspections.</p> <p>The difference is instead of requiring an uberX driver to come to City Hall to obtain a background check, Uber ensures background checks and vehicle inspections are done by certified professionals and documentation of compliance is stored digitally by Uber and is accessible for compliance monitoring by the City as part of an auditing process.</p> <p>Even organizations like the Canadian Military use private background check providers.</p> <p>This process reduces compliance costs on uberX drivers who are taking advantage of part-time flexible earning opportunities through the sharing economy.</p>

CONCLUSION

Ground transportation around the world, including the City of London, Ontario, is changing. This provides an opportunity for London to take a fresh look at the ways to address recent technology-enabled platforms such as Uber and ridesharing.

London does not have to reinvent the wheel. The model of TNC regulation working well to govern the ridesharing industry in numerous jurisdictions ensures safety and consumer protection, quality of service, and availability of service.