

U B E R

1

October 1, 2015

SENT VIA E-MAIL: board@guelphpolice.ca

Guelph Police Services Board
P.O. Box 31038
Willow West Postal Outlet
Guelph, ON N1H 8K1

Dear Guelph Police Services Board,

RE: REPLY TO DELEGATION - JESSE MENDOZA, CANADIAN CAB LTD.

I am writing to you in reply to the delegation by Jesse Mendoza, Canadian Cab Ltd., who presented before the Guelph Police Services Board meeting on September 17, 2015. In his letter, Mr. Mendoza raises several issues which this letter addresses below.

UBER IN CANADA AND GUELPH

Uber operates in 330+ cities and in over 60 countries around the world. In Canada, Uber operates in Edmonton, Toronto (GTA), South Western Ontario (Hamilton, Waterloo Region, Guelph, London), Montreal, Quebec City and Halifax.

UberX, the peer-to-peer ridesharing service, 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. The ability to connect drivers with riders on scale has only been possible with advances in technology over the last few years. 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.

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

UBER'S MISSION: GREATER ECONOMIC OPPORTUNITY AND BETTER ENVIRONMENTAL OUTCOMES

Economically:

- In Ontario, Uber has created to date approximately 16,000 flexible economic earning opportunities with uberX (our peer-to-peer ridesharing product category).

- uberX driver partners have grossed over \$50M on the Uber platform since the debut of uberX in Toronto in September 2014.
- Over half of uberX driver partners drive 10 or fewer hours a week. This is an opportunity people are taking advantage of in Guelph to make a little bit more income. For example, a family with an annual income of \$40,000 where the mother drives on the Uber platform 10-12 hours a week, can raise their family income to somewhere in the range of \$60,000. This is meaningful financially for families in Guelph and surrounding communities that can use an existing asset (car) they have which sits idle most of the day to earn extra income around their families schedule of meals, full-time employment, hockey practices, etc. Being an Uber driver partner provides complete flexibility of scheduling. The extra income is helping families pay their bills, save for retirement, pay a mortgage, pay for hockey registration fees, family vacations, etc.

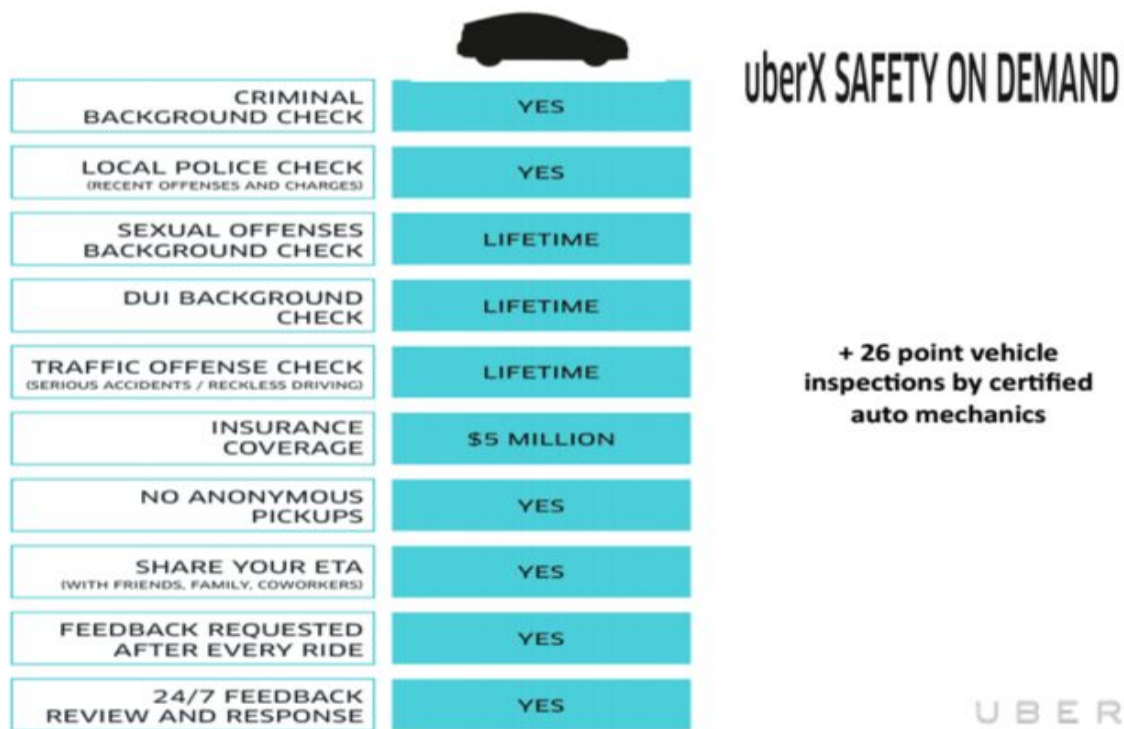
Improving the Environment: Reducing Traffic Congestion

- Uber doesn't see taxi as competition. Uber is in competition with the personal car. When less people own a personal car, they take greater advantage of car-sharing, bike-sharing, public transit, and taxis to move around. The pie grows for the entire ground transportation industry.
- There is too much traffic congestion and related pollution in our cities. Uber is helping to reduce traffic congestion through safe, but principally more reliable and more affordable transportation. To facilitate car-free or car-light lifestyles, price is important as it has to be on par or less than the cost of car ownership to get people to ditch or reduce the use of personal cars. uberPOOL is helping to achieve this goal.
- uberPOOL is carpooling through the Uber app. It allows riders to share their ride and the cost with another rider who is taking a similar route. uberPOOL offers all the safety, reliability, and comfort of uberX at lower prices.
- During the Pan Am games in Toronto, we launched UberPOOL in Toronto on a trial Canadian basis with the following results:
 - 17,500 Toronto residents and visitors used uberPOOL
 - uberPOOL trips were concentrated in the congested downtown core and along HOV routes
 - Passengers selected uberPOOL most frequently during peak commuter rush hours
 - uberPOOL resulted in >37,000km of multiple occupancy trips, lowering emissions and congestion

- Passengers saved an average of 20% off uberX prices (between 30-50% cheaper than traditional taxi in markets across Canada) by using uberPOOL
- uberPOOL was a popular choice to access all parts of the city
- uberX drivers earnings increased by 10% per trip by participating in uberPOOL

UBERX SAFETY: BACKGROUND CHECKS, VEHICLE INSPECTIONS ET AL.

Safety, consumer protection, and service quality are paramount to Uber. 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.



The infographic features a silhouette of a car at the top center. To the right, the text 'uberX SAFETY ON DEMAND' is displayed in a bold, sans-serif font. Below this, a list of safety features is presented in a two-column format. Each feature is in a white box with a teal border, and its corresponding status is in a teal box. To the right of this list, the text '+ 26 point vehicle inspections by certified auto mechanics' is shown. At the bottom right, the 'UBER' logo is visible in a light grey 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

+ 26 point vehicle inspections by certified auto mechanics

UBER

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.

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 which makes the in vehicle environment safer for drivers and more convenient for passengers.

- **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 by Uber.

Bottom line: Beyond the multi-faceted background checks on drivers and vehicle inspections by certified mechanics on all uberX vehicles, Uber’s platform provides for enhanced safety because no one is anonymous to Uber or each other, the platform is cashless, all rides are GPS tracked, and riders can “share their ETA” with friends or loved ones on each trip.

In instances where police require access to information about a trip, a brick and mortar office does not and has not prevented Uber from efficiently ensuring the police have all the information they require that our technology based systems appropriately track.

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.

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.

UBER'S DYNAMIC PRICING MODEL

Traditional pricing regulation around the taxi model of street hails and taxi stand pick-ups make sense. Given that a passenger takes the first taxi to come along or the next taxi in a taxi stand, there would be an incentive for price gouging if fares were not fixed.

However, with technology, passengers can now compare prices in-app between different ground transportation service providers, all in real time. Given that Uber does not accept street hails or occupy taxi stands, the price is always known to the Uber customer in advance in real time in the app.

When demand (ride requests) outstrips supply (available drivers/cars), dynamic or surge pricing kicks in to help bring more cars on the road. Our driver partners are people too, and as such have alternatives to being online on the Uber platform during an evening, weekend or holiday--they are not traditional taxi drivers driving 12 hour shift every day. Their response to increased earning potential allows more trips to be completed, and more people to get where they need to go safely and efficiently.

Any time dynamic pricing is in effect, riders are notified prior to placing their request to confirm that they have accepted the current multiple on the fare. If a rider isn't pressed for time and doesn't mind waiting until dynamic pricing is over, Uber's app will notify them that prices have come back down. This lets riders spend a little more time wherever they are and still ensures they can get home safe.

Given that uberX is already priced significantly lower than traditional taxi service, even when dynamic pricing occurs, most fares are still lower than traditional metered taxi fares. Providing access to safe, more affordable and more reliable transportation option like ridesharing has been shown to reduce impaired driving.

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.



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 vehicles (e.g. [UberACCESS](#)) and if accessible vehicles are not available, TNC directs 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

- **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

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 citizens 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.

Toronto

- Council voted on staff recommendations on September 30th around creating 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

U B E R

than 10 hours a week (with many driving less than 5 hours a week) and use it as a means to 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.	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. 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. 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

U B E R

	<p>is monitored and responded to in real-time by Uber.</p>
<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</p>

U B E R

	<p>someone looking to make ends meet in-between jobs, does not make sense.</p> <p>Instead, licensing Uber makes sense. Uber 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>

Ground transportation around the world, including Guelph is changing. This provides an opportunity for Guelph to take a fresh look at the ways to address recent technology-enabled platforms such as Uber and ridesharing. It also provides an opportunity to reconsider traditional taxi and limo regulations to lessen the regulatory burden on those industries and help them be more competitive in a changing industry.

Guelph 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.

U B E R

12

Please feel free to contact me anytime with questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Chris Schafer". The signature is written in a cursive style with a large, prominent "C" and "S".

Chris Schafer
Public Policy Manager
Uber Canada