

# RIDESHARING

A 21<sup>st</sup> CENTURY TRANSPORT SOLUTION FOR QUEENSLAND

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## Executive Summary.

Uber has been operating in Queensland for just over one year and in that time consumers have flocked to the service.

Since launch more than 100,000 Queenslanders have chosen ridesharing as their preferred way to get around Brisbane and the Gold Coast and this number is growing every day. Every week more than 2,000 Queenslanders are now taking advantage of the economic opportunities of being an Uber partner. **We have committed to creating 4,000 new jobs in Queensland in 2015 alone if Government works with us on finding an appropriate regulatory solution.**

Uber would like to work with policy makers to develop a regulatory approach to ridesharing that recognises the differences between it and the incumbent model and enshrines basic safety and consumer protection requirements.

Unfortunately, the Department of Transport and Main Roads (DTMR) has been unwilling to engage in a conversation about how to modernise Queensland's transport regulations. Instead it has sought to categorise Uber's operations against an old standard that is not relevant to the modern context.

This has the effect of denying Queenslanders access to a competitive market and uses the law not to protect citizens, but to protect the business model of the incumbent operators and to lock out competition.

Ridesharing is not a taxi service and in more mature markets, including Queensland, the evidence suggests that while it does compete with other services, it is a complement to both taxis and public transport and is growing the entire market and creating net new jobs.

Ridesharing does not fit into any established regulatory structure in Queensland. The rules were designed before the Internet and the smartphone became widely available. In applying old rules to new models, the government risks stifling opportunity and choice and could be accused of being purposefully rigid in its approach in order to protect the incumbent industry.

Uber has attempted to meet with the DTMR and progress a conversation about reform and modernisation. The DTMR has made it clear that it wants Uber to shut down its business in Queensland and it will not discuss reform with Uber. If Uber met the demands of the DTMR this would result in over 2,000 driver partners losing their income.

Axing the jobs of 2,000 Queenslanders and denying a further 4,000 people a job over the next 12 months is not a rational approach to policy making. Refusing to consider reforming the regulatory framework and modernise the transport services available to Queensland is a regressive way to govern.

Uber understands that the *Queensland Taxi Strategic plan 2010-2015* is due to expire at some stage this year, however the Government has not provided any specific information about when or how it will deal with this. To ask business to sit and wait for Government to look at an issue at an arbitrary date that has yet be announced and could be as long as seven months away or longer is not reasonable. If Queensland is intent on attracting innovative private sector investment in jobs and economic development, Government need to provide certainty of its intention to modernise the regulations and permit greater competition.

We believe that there is a sensible path toward reform that recognises the role of the current industry and the distinct differences with ridesharing. We want to develop a regulated outcome for ridesharing in Queensland where consumers and drivers are the winners.

The Queensland Government should be embracing technology, innovation and new business models that create economic opportunity and increased choice. If it does not it will be to the detriment of all Queenslanders.

**The Queensland Government has an opportunity to lead the nation by modernising transportation services and revolutionising the competitive environment, while creating jobs and bolstering the economic opportunities available to Queenslanders.**

## Recommendations.

1. The Government enter into meaningful conversations about reform and recognise ridesharing as a new and distinct form of point-to-point transport that requires a new regulatory approach.
2. The Government enter into discussions with Uber to develop a set of sensible, safety-based regulations.
3. A Transport Network Company regulatory framework is considered that will allow the DTMR to regulate and license both the driver-partners and the platform.
4. The Queensland Government should follow other States and reduce the Cabcharge surcharge without further delay.

## **Introduction and background.**

Uber is a technology company that connects riders with driver-partners in over 300 cities around the world through a smartphone app platform. In Queensland, driver-partners provide rides in Brisbane and the Gold Coast with plans to expand to other areas.

Uber's technology is enjoying massive adoption because we are committed to meeting consumer demands for safer, more reliable and affordable transportation options. Our commitment to consumers and our driver-partners is particularly evidenced by our mandatory background checks, vehicle standards, and our feedback system that requires every rider and driver-partner to provide feedback after every trip, which we use to improve the overall Uber experience.

By removing driver and passenger anonymity, our app creates a different travel experience, enhancing personal security and safety. Real time GPS tracking of rides before pickup gives consumers greater confidence in the reliability of the service, while in-journey mapping of the ride provides driver-partners and riders with a greater level of confidence in the integrity of the service. Riders can also share their journey in real time with loved ones, should they choose to, through the Share My ETA feature on the app.

As all users provide their payment details (such as a credit card) to be kept securely when they register with Uber, the experience of a cashless system provides greater convenience and security to consumers and driver-partners.

These are just some of the ways that the application of technology to the provision of personal transport has revolutionised the simple task of moving around cities around the world.

The smartphone technology the Uber app utilises has only been available in Australia since 2009. The framers of the existing regulations could not have envisaged that a hand held phone could revolutionise for-hire ground transport when the regulations were first drafted, or even when more recent amendments were made.

The approach taken by the DTMR has not recognised the fundamental differences between ridesharing and taxi services. Both are distinct and can operate side by side improving and increasing the transport options available to Queenslanders.

Regulatory systems should not be stagnant. They need to evolve and change to meet the needs of the public and the industries they serve. To apply rules considered from one era to a market in a different era with different capabilities does not make sense and stifles innovation and opportunities for improvement.

Simply overlaying an old regulatory framework to a changing industry isn't what Queenslanders expect from their Government or public officials. When Uber entered the market the DTMR took a narrow interpretation of the regulatory framework and has sought to use it to penalise Uber and protect the incumbent model.

The rides provided by Uber driver-partners are not a taxi service. Ridesharing does not and is not seeking to utilise rank and hail. That will always be the role of taxi. This is a distinct difference. Ridesharing services facilitated by Uber do not accept cash payments, and driver-partners do not accept tips and ridesharing rides cannot be pre-booked and must be on demand. All of these characteristics differ from the incumbent model.

Uber would like to engage in a policy conversation with the Government about how to modernise transportation regulations and deliver better services to Queenslanders recognising ridesharing as a distinct offering.

Uber believes that policy makers should approach the reform process by acknowledging the unique nature and benefits of new models, and begin working quickly to adopt safety-based, innovation-friendly regulations that provide certainty for consumers, drivers, the industry and the general public and which future proof the frameworks to allow further innovation.

## The Queensland Taxi Market.

The Queensland Taxi market is the most protected in Australia and the regulatory framework is the least progressive and modernised.

The majority of taxi licences in circulation are unrestricted perpetual licences. This creates a market dynamic where licence plate holders are incentivised to protect their asset, drive the prices high for consumers and the pay low for drivers. These are the key outcomes of the Queensland market and not ones that Government should be protecting from competition or reform.

### **A protected monopoly market.**

The market in Queensland is a protected monopoly favouring the incumbent operators. The regulatory framework is used by the regulators to protect the monopoly from any form of valid competition and to punish new entrants.

#### ❖ **Snapshot**

- A total of 3,264 licensed taxis in Queensland as at 2014.<sup>1</sup>
- In Brisbane there are two taxi networks, Black & White Taxis and Yellow Cabs Queensland concentrated into a centralised duopoly.
- Black & White Taxis and Yellow Cabs Queensland hold 1,867 licences out of a total of 3,264, of which 1,557 are conventional (non-WAT).<sup>2</sup>

These two taxi networks control more than 56% of the Queensland market and nearly 100% of the Brisbane metropolitan market. This cannot be seen as anything other than a protected and dysfunctional monopoly where competition is limited and consumers and market participants (drivers) receive minimal benefit.

On the Gold Coast there is one taxi network that services the area. There are 357 licences on the Gold Coast (of which, at least 352 belong to Gold Coast Cabs)<sup>3</sup> a staggering 98%

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<sup>1</sup> ATIA, '2014 State and Territory Statistics', 2014, <http://www.atia.com.au/wp-content/uploads/2014-State-Territory-Taxi-Statistics.pdf>, 1-2.

<sup>2</sup> Taxi Council of Queensland, 'Queensland Taxi Statistics', 2014, [http://www.tcq.org.au/uploads/3/0/6/0/30604245/queensland\\_taxi\\_statistics\\_as\\_at\\_august\\_2014.pdf](http://www.tcq.org.au/uploads/3/0/6/0/30604245/queensland_taxi_statistics_as_at_august_2014.pdf).



monopoly in a city that plans on being the focus of the world stage when it hosts the Commonwealth Games in 2018.

The stranglehold networks have over the industry permits them to resist change and to lock out any competition and innovation. When GoCatch, the taxi booking app was introduced and alternative payment systems to Cabcharge entered the market, the Taxi Council of Queensland used the same sort of fear and scaremongering rhetoric as they do about ridesharing.

*“the apps could leave customers vulnerable to fraud, physical assault or worse because they operate outside recognised taxi booking companies.”<sup>4</sup>*

Fast forward to 2015 and the taxi industry lobby has accepted GoCatch. Their model remains the same but it appears GoCatch is now on the same side as the taxi industry making the same baseless claims about Uber that were levelled at it only three years ago. This is an industry that doesn't want to change and has no incentive to.

The policy principles that underpin the kind of protectionist approach to regulation in Queensland belong in the 1950s rather than the second decade of the twenty-first century. For Queensland to overcome such a anticompetitive regulatory regime and market structure, urgent leadership will be required by Government. Unfortunately to date, that leadership has not been forthcoming.

***“Labor’s position in terms of the Uber share riding application is that we don’t close the door to any new entrants into the taxi market, but they have to abide by Queensland laws, particularly when they relate to passenger safety.”***

Despite an election pledge to be open to competition, the Government will not discuss modernising the market. The argument with respect to safety is redundant. Uber meets or exceeds every safety standard of the incumbent industry model. The lack of courage or willingness to tackle the perceived political power of the taxi-industry, its lobby groups and a small group of wealthy taxi-plate investors must be investigated.

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<sup>3</sup> Gold Coast Cabs, 'About', <http://www.gccabs.com.au/about>.

<sup>4</sup><http://www.couriermail.com.au/news/queensland/cabcharges-virtual-monopoly-on-taxi-fare-card-payments-challenged/story-e6freoof-1226538651587>

### **Anti Competitive Payment Systems.**

Queenslanders who pay by credit card when they use a taxi are still subject to a ten per cent service fee levied by Cabcharge. Drivers/Owner Operators are subject to the network fees charged by Cabcharge. As Cabcharge's EFTPOS machines are in 97% of Australia's taxis they are able to exert a disproportionate amount of influence over the industry and industry policy. This is evidenced by the fact that the Managing Director of Queensland's Yellow Cabs is also a Director of Cabcharge.<sup>5</sup> Of the ten per cent surcharge, 25% goes to the taxi networks, while Cabcharge pockets the rest. None of this goes to the drivers.

The Queensland Government even mandated automated meters in Taxis which send the full trip details to the EFTPOS terminal rather than being manually entered by the driver. This sounds like an improvement however and the only terminal type able to interface with the new mandated metres are those of Cabcharge<sup>6</sup>.

Cabcharge was taken to the Federal Court by the Australian Competition and Consumer Commission (ACCC) for anti-competitive practices and was found guilty of substantially taking advantage of its market power and for predatory pricing and was fined \$14m.<sup>7</sup>

Elsewhere in Australia, (for example in NSW and WA) Governments have legislated to require the ten per cent charge to be reduced to five per cent. However there is still no justification for that level of service fee and it should be eradicated. Cabcharge is heavily integrated with Australia's taxi networks and this service fee is another example of the market being a consolidated monopoly. **There is no excuse for any charge and the Queensland Government should legislate the removal of the surcharge immediately.** It is not in the interests of consumers or competition and serves only to line the pockets of the taxi industry elite. It is no wonder the taxi networks have said they will "fight to the death" to stop any reduction of the surcharge. The question that needs to be answered is whose interests are

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<sup>5</sup><http://www.couriermail.com.au/news/queensland/cabcharges-virtual-monopoly-on-taxi-fare-card-payments-challenged/story-e6freoof-1226538651587>

<sup>6</sup><http://www.ozcabbie.com/competitors-may-have-won-a-few-battles-but-cabcharge-looks-like-winning-the-war>

<sup>7</sup> ACCC v Cabcharge Australia Ltd [2010] FCA 1261

more important, those of the public or those of the powerful taxi elite? One of Cabcharge's largest clients in Queensland is the Queensland public sector.

### Service.

The lack of any real competition in Queensland's major point-to-point transport market has left the industry stagnant, and not serving the interests of consumers. The lack of competition has resulted in Queenslanders being forced to accept poor service without any prospect of relief.

The DTMR's own performance standards suggest that taxis have the lowest customer satisfaction rating among all public transport modes.<sup>8</sup> This is not surprising given the lack of competitive pressure and the protection that the networks receive.

	Overall KPI score (%) <sup>9</sup> (journey experience, safety, driver and taxi characteristics)			Proportion of unsatisfactory journey experiences (%) <sup>10</sup>			Proportion of drivers rated as professional (%) <sup>11</sup>		
	2011	2013	Change (% pts)	2011	2013	Change (% pts)	2011	2013	Change (% pts)
QLD	77	<b>77</b>	0	9	<b>12</b>	+33	17	<b>30</b>	+176
Brisbane	64	<b>78</b>	+22	21	<b>13</b>	-38	15	<b>37</b>	+147
Gold Coast	79	<b>77</b>	-3	6	<b>9</b>	+50	8	<b>24</b>	+200
Cairns	74	<b>74</b>	0	10	<b>13</b>	+30	34	<b>30</b>	-12
Townsville	78	<b>82</b>	+5	5	<b>6</b>	+20	10	<b>39</b>	+290
Sunshine Coast	77	<b>76</b>	-1	7	<b>16</b>	+129	5	<b>42</b>	+740

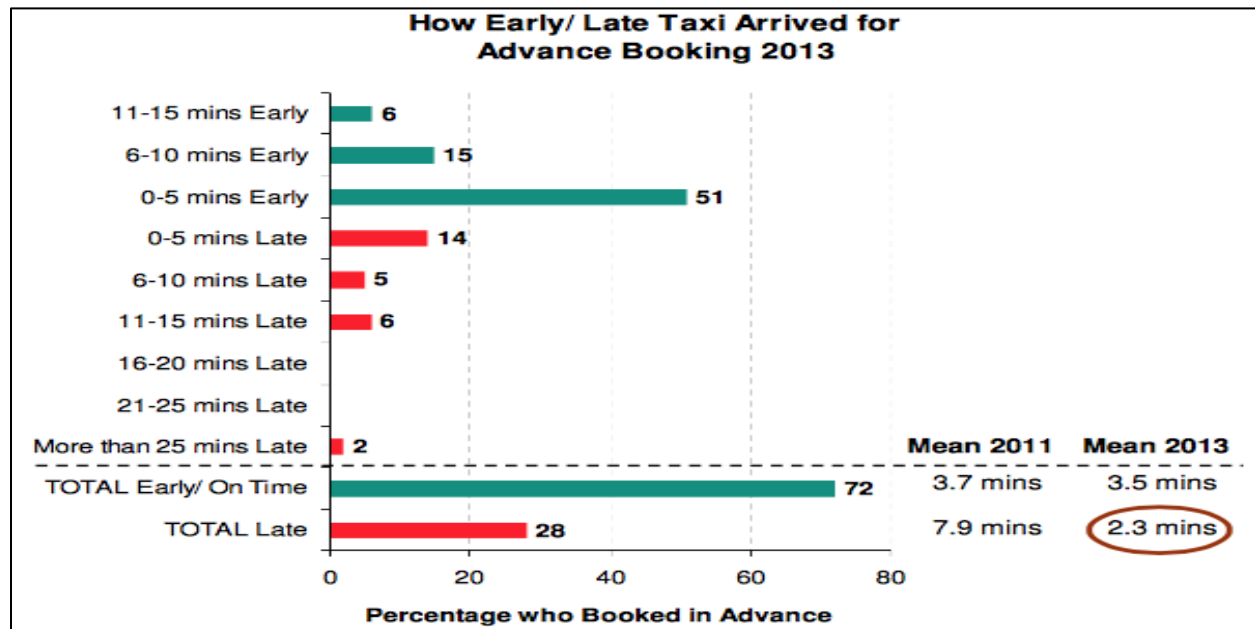
<sup>8</sup> DTMR, 'Annual Report 2013-2014', 2014, <https://publications.qld.gov.au/dataset/2013-2014-annual-report-transport-and-main-roads>, 40.

<sup>9</sup> Roy Morgan Research, 'Taxi Mystery Shopping: Summary Report', 2013, [http://www.tcg.org.au/uploads/3/0/6/0/30604245/taxi\\_mystery\\_shopping\\_2013\\_final\\_summary\\_report.pdf](http://www.tcg.org.au/uploads/3/0/6/0/30604245/taxi_mystery_shopping_2013_final_summary_report.pdf), 13.

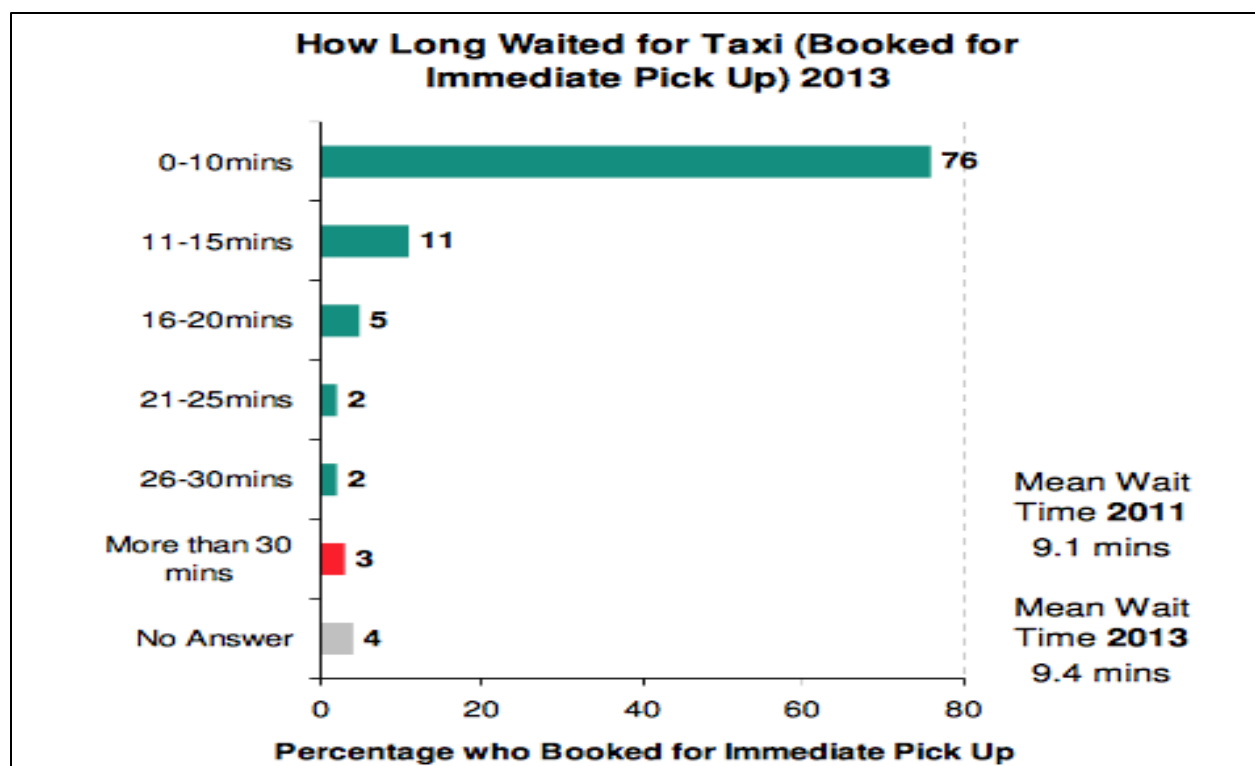
<sup>10</sup> Roy Morgan Research, 'Taxi Mystery Shopping: Summary Report', 2013, [http://www.tcg.org.au/uploads/3/0/6/0/30604245/taxi\\_mystery\\_shopping\\_2013\\_final\\_summary\\_report.pdf](http://www.tcg.org.au/uploads/3/0/6/0/30604245/taxi_mystery_shopping_2013_final_summary_report.pdf), 63-64.

<sup>11</sup> Roy Morgan Research, 'Taxi Mystery Shopping: Summary Report', 2013, [http://www.tcg.org.au/uploads/3/0/6/0/30604245/taxi\\_mystery\\_shopping\\_2013\\_final\\_summary\\_report.pdf](http://www.tcg.org.au/uploads/3/0/6/0/30604245/taxi_mystery_shopping_2013_final_summary_report.pdf), 41.

The lack of any real competitive pressure forces consumers in Queenslanders to accept transport services that do not meet their service needs. On time performance to the incumbent industry is inconsistent and consumers cannot rely on a taxi to turn up on time, or in some cases turn up at all.



The average wait time for taxis booked for immediate pick-up is 9.4 minutes. Compared with a wait time with Uber of 3 minutes and 8 seconds (as at May 2015).



**South-East Queensland (inc. Brisbane, Gold Coast and Sunshine Coast)**

<b>All prices in AUD</b>	<b>Tariff 1 (7am-7pm)</b>	<b>Tariff 2 (other)</b>	<b>Tariff 3 (12am-5am)</b>	<b>UberX</b>
Booking	1.50			-
Flagfall	2.90	4.30	6.30	2.50
Per kilometre	2.17			1.30
Per minute wait	0.82			0.40

		<b>Min</b>	<b>KM</b>		<b>uberX</b>		<b>Taxi Day</b>		<b>Taxi Night</b>	
New Farm – CBD		9	3.1		\$10		\$12	-17%	\$16	-35%
Indoorpilly - CBD		15	7.9		\$19		\$24	-21%	\$27	-31%
CBD- Airport		15	16.1		\$29		\$40	-27%	\$44	-32%
Ashgrove- Fortitude Valley		12	5.4		\$14		\$18	-20%	\$21	-33%
Indoorpilly- Fortitude Valley		19	9.2		\$22		\$28	-21%	\$31	-29%

## **Drivers.**

The way the incumbent market structure has been established, and is now being currently protected, should be at odds with the Government's desire to lift the living standards of Queenslanders and ensure working people earn a living wage.

Average taxi wages in Queensland are extremely low with many drivers forced onto welfare to supplement their incomes, owing to the way the industry structure precludes them from wealth creation opportunities.

### **Average taxi driver wages:<sup>12</sup>**

- \$10.10-12.20 per hour on weekdays (2009-10)
- \$11.20-13.50 per hour on weekends (2009-10)

***“The hard cruel fact is that taxi drivers average five dollars an hour below the Australian Minimum Wage”. - Australian Taxi Drivers Association.***<sup>13</sup>

The market structure ensures that the wealth creation opportunities reside with those with long-standing invested capital - the taxi plate owners. Their incentive is to keep prices high for consumers, costs low for themselves and incomes low for drivers. This locks out drivers from any real wealth creation opportunities.

***“As an Association we are strongly of the view that Plate Fees, Network Fees and excessive Insurance charges, established and increased over years of monopolistic influences over the Taxi Industry have caused taxi fares to rise to the maximum acceptable by the travelling public.” - Australian Taxi Drivers Association<sup>1</sup>***

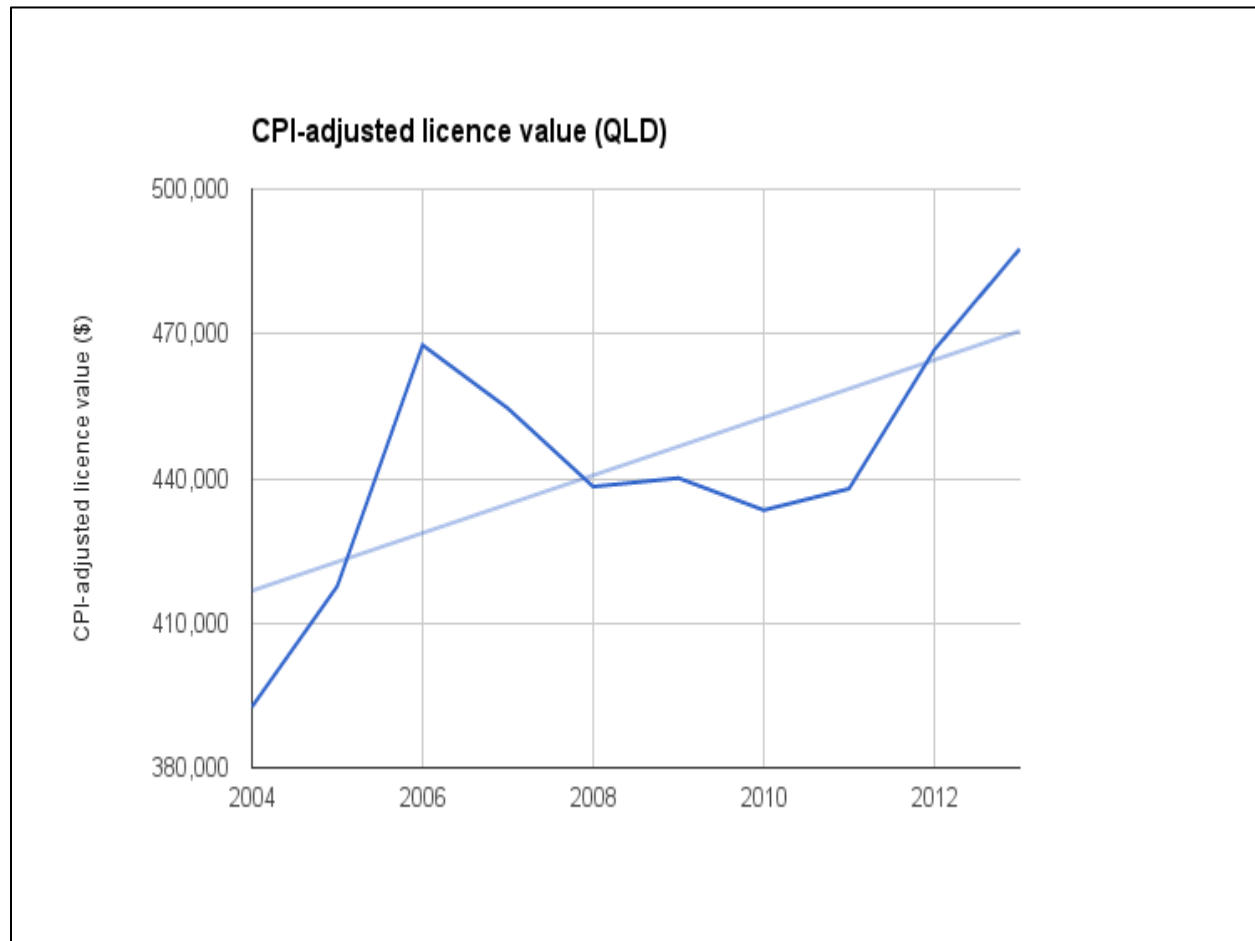
The minimum wage in Australia is \$16.87 per hour. The Government, by not moving swiftly to introduce reform appears willing to protect a system that pays workers well under the minimum wage. Preserving a system where the inflation of the artificial value of the taxi plate investments is the outcome, to the detriment of working people and consumers is not good public policy.

<sup>12</sup> LEK for DTMR, 'Taxi Industry Economic Model', 10.

<sup>13</sup> <http://www.tda.net.au/driverincome.html>

### Taxi Plate Values.

Queensland taxi plate values are still on the rise. The growth in their value is outstripping other major Australian States. By fixing supply and creating a monopoly demand grows against the available supply and the investors have no incentive to reform, compete or innovate.



### Compliance.

Proponents of the incumbent model would advocate that the regulatory regime exists to protect the public, ensure public safety and as a mechanism for compliance and enforcement. The facts however tell a different story.

Of complaints to the Taxi Compliance Unit,

- Seven per cent concerned dangerous driving (collision or near collision)
- Three per cent concerned assault

- 15% concerned overcharging or inappropriate charging
- Three per cent concerned driver training standards
- Seven per cent concerned poor driving standards
- Six per cent concerned poor service delivery

The state of the incumbent market points to a failing system that is not delivering value for drivers, or the general public. There is too much focus on regulatory process, rather than on regulatory outcomes. The regulatory framework should be focussed on delivering safety and compliance outcomes, rather than prescribing the specific mechanisms as this practice has not delivered good results for the general public and industry participants.

## Transport in Queensland.

More than 61% of Queenslanders drive to work and<sup>14</sup> 85% of Queenslanders use a passenger vehicle as some part of their commute to work. That is the second highest proportion in Australia.<sup>15</sup> Only 3.3% of Queenslanders take the bus to work, and only 2.1% take a train.<sup>16</sup>

### **Congestion in Brisbane:**<sup>17</sup>

- average of 18 minute delays per day in a 30 minute commute
- 18% congestion levels on highways
- 28% congestion levels on non-highways
- 43% average congestion during morning peak
- 46% average congestion during evening peak

There is clearly a place for a more affordable and reliable form of point-to-point transport that meets the needs of people of Queensland.

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<sup>14</sup> ABS, 'Fact Sheet: Method of Travel to Work in 2011', 2011, [http://www.abs.gov.au/websitedbs/censushome.nsf/home/mediafactsheets2nd/\\$file/Topic%20-%20Method%20of%20Travel%20to%20Work.pdf](http://www.abs.gov.au/websitedbs/censushome.nsf/home/mediafactsheets2nd/$file/Topic%20-%20Method%20of%20Travel%20to%20Work.pdf).

<sup>15</sup> ABS, 'Car Nation', 2013, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features40July+2013>.

<sup>16</sup> ABS, 'Fact Sheet: Method of Travel to Work in 2011', 2011, [http://www.abs.gov.au/websitedbs/censushome.nsf/home/mediafactsheets2nd/\\$file/Topic%20-%20Method%20of%20Travel%20to%20Work.pdf](http://www.abs.gov.au/websitedbs/censushome.nsf/home/mediafactsheets2nd/$file/Topic%20-%20Method%20of%20Travel%20to%20Work.pdf).

<sup>17</sup> TomTom Traffic Index, [http://www.tomtom.com/en\\_gb/trafficindex/#/city/BRI](http://www.tomtom.com/en_gb/trafficindex/#/city/BRI).





## Introduction of Ridesharing in Queensland

Uber introduced ridesharing into the Queensland market one year ago and it was immediately popular.

Ridesharing has introduced a level of competition to the market that has been strongly resisted by both industry and the DTMR. The opposition to competition and the dismantling of the anticompetitive monopoly from industry has been echoed by the DTMR. It has often proved difficult to determine where the voice of industry lobby finishes and that of the DTMR begins.

People have been sharing rides and carpooling for a long time. All that the Uber app has done is make it easier and provide some structure around it.

Ridesharing is the better utilisation of existing private cars to provide rides. Notably, ridesharing trips are not anonymous, cannot be hailed on the street, do not use taxi ranks and do not have taximeters and do not accept cash payments.

Flexibility is a key ingredient of the ridesharing industry and most people who choose to do so to supplement their income. The driver-partners are fully independent and have complete control of when they are online, which gives them the flexibility to enjoy a healthy work/life balance.

Governments in Queensland have previously promoted the idea of sharing rides. The previous Travel Smart programme actively promoted travel sharing arrangements for workplaces.<sup>18</sup>

The screenshot shows the 'Carpooling' page on the Queensland Transport website. The page is titled 'Carpooling' and provides information on how to carpool, including benefits, rules, and tips. It also includes a sidebar with navigation links and a footer with the date 'Last updated: 17 December 2008'.

**Navigation links:** Home > General information > TravelSmart > How to TravelSmart > Carpooling

**Carpooling**

Travelling together is travelling smart! When we carpool we can reduce the number of cars on the road and gain many potential benefits, such as:

- sharing the cost of petrol and parking with friends
- reducing the pollution and congestion in our communities
- reducing our travel time during peak hours.

Note: Cyclists, buses, motorcycles, taxis and vehicles with two or more occupants (T2) and three or more occupants (T3) can use transit lanes.

**How can I carpool?**

Carpooling is as simple as:

- catching a lift with a colleague
- organising our children into a carpool roster with other parents
- dropping a neighbour at their destination on the way to ours.

**Handy hints and tips**

To make carpooling easy here are some tips to keep in mind:

- Determine a route and schedule.
- Establish the morning pickup point(s) and designate a place(s) to meet for the trip home.
- Be punctual and decide as a group how long the pool will wait for a passenger.
- Share costs. If members do not share the driving equally, come to an understanding of how you'll share costs and agree on payment dates.
- Establish some ground rules for smoking, music, food, drinks and so on. Discuss possible irritants among the group for example, some people are sensitive to strong perfumes or colognes, some may like quiet time in the morning.
- Draw up a schedule for driving. If all members of your carpool alternate driving, decide among yourselves if you want to alternate on a daily, weekly or monthly basis.
- Drive carefully, keep the car clean and in good repair, and ensure you have enough petrol for each trip. Follow road rules for everyone's safety and peace of mind.
- Set up a line of communication for sudden changes. For example, if a driver is ill or not going to work, nominate an alternate driver to minimise inconvenience. If you are a passenger and not travelling that day, notify the driver as soon as possible. Ensure everyone has a copy of home, work or mobile numbers. Don't forget to give notice of vacation, personal or overtime plans.
- Avoid side trips on the way home unless pre-arranged. If it is for commuting to and from work, save your trips to the grocery store for the weekend. Or, you may choose not to carpool on the days you must run an errand.
- Make sure your insurance is up to date. Some policies offer rate reductions for carpooling.
- Check for preferential, free or low-cost parking with your organisation.
- Give your carpool some time to work. It usually takes a few weeks to arrange everyone's routine into a harmonious pattern. Most people enjoy the company and find unanticipated benefits to carpooling.

**How to promote carpooling in your workplace**

- Hold a 'meet and greet' morning tea to introduce the idea to staff and start signing people up—even if only for a trial period.
- Set up a simple database to match interested people who live near each other and work similar hours (you may need confidentiality procedures and consent forms).
- Provide incentives like priority or low-cost car parking for carpoolers (nearest the front door or under shade).
- Encourage people to follow basic etiquette rules (see hints and tips) and encourage participants to change carpool buddies if things do not work out the first time.
- Promote the initiative—for example, write newsletter articles with case studies and reminders about cost savings to participants.
- Celebrate successes with social events, awards and more promotions.
- For more tips on carpooling see [TravelSmart related links](#).

For other advice on initiatives visit [TravelSmart workplaces](#).

For further information contact the [TravelSmart team](#)

Last updated: 17 December 2008

At a policy level governments like to encourage the better utilisation of vehicles, reductions in traffic and congestion and the environmental and economic benefits of ridesharing. However in practice, the regulatory enforcement arms of governments appear distant from the policy objectives and are unwilling to embrace change.

<sup>18</sup>[http://web.archive.org/web/20091002044100/http://www.transport.qld.gov.au/resources/file/eb7b460547669a9/Pdf\\_flexible\\_workplace\\_plan\\_0609.pdf](http://web.archive.org/web/20091002044100/http://www.transport.qld.gov.au/resources/file/eb7b460547669a9/Pdf_flexible_workplace_plan_0609.pdf)

Uber's smartphone app simply connects two people. One who has a car and can provide a ride, and one who needs a ride and is willing to pay the other something for it. All the app does is streamline the connection between the two private individuals and the process to connect them, by using technology.

Uber does not arrange the ride, the two people arrange the ride through the app. Uber simply allows the driver-partner to access the app for a licence fee (following suitable background checks for safety). The payment that occurs is between the driver-partner and the rider the same as would occur under the previous policy. All the app does is simply facilitate the process. This is just a modern day implementation of what has previously been promoted by previous Queensland Governments.

The Government's policy even stated that workplaces should set up databases to match riders with drivers, incentivise the process and consider appropriate ways to compensate the activity.

**The Uber app has just taken what the Government previously advocated and made it a viable reality.**

Uber believes it is hypocritical for DTMR to seek to penalise one platform simply because it was more successful in achieving a policy outcome than the Government's own implementation.

In today's modern world the way the Uber app works is no different to a person advertising on a notice board or a database in their office to car-pool or share with a colleague in return for payment. The Government was more than willing to promote this and advocate for it at the time.

**Why would method of connection between individuals be considered legal and be encouraged by governments, but another be considered as outside of the law because it occurs via technology?**

The potential use of the Uber app or other apps or technologies to facilitate ridesharing is simply a modern day extension of what has been occurring for years and is something that the DTMR has openly encouraged.

Policy makers should embrace the availability of technology that takes ridesharing from being a concept to a reality with the potential to deliver tangible benefits.

Recognising the popularity of ridesharing and the need for a basic bedrock of safety and consumer protection standards, Uber agrees that some regulation should play a role in this space.

Regulators should focus on how a framework can be constructed to protect the public and impose minimum standards around safety and protection whilst allowing the market to be free and open to deliver real competition, innovation and investment.

## **Regulatory response.**

When Uber introduced ridesharing into Queensland, the DTMR wrote to Uber to advise that it was of the view that ridesharing was captured by the existing regulations. **Uber disagrees.**

### **Rides by Uber driver-partners are not a taxi service.**

No service facilitated by Uber can accept street hails, our driver-partners do not utilise ranks, and requests are not allocated through a taxi dispatch model. As Uber partners do not rank and hail they are not competing with taxis for these services. Uber driver-partners also do not accept cash payments or tips. As such, there is and will always be a segment of the market that is serviced exclusively by the incumbent taxi industry model.

No “meters” are used to calculate any fares for Uber. In no way does the Driver App or the smartphone calculate fares. The fare is not calculated during the trip. The fare is not displayed during the trip. The smartphone is not hardwired to the vehicle. The smartphone does not gather information from the vehicle in any way. The Driver App is loaded on the smartphone has GPS functionality. When the Driver App is in use, the smartphone transmits time and

location data to Uber's servers. After the trip has concluded, Uber's software uses the data received to determine the fare for the trip. The Driver App then syncs back with Uber's servers to display the total fare.

A taximeter is different because it is physically hardwired to a vehicle to collect speed, distance and other information. The meter itself calculates and displays the fare in real time. There is no need for a meter to connect with an offsite source to calculate a fare. It is all done locally on the meter itself. A taxi meter "meters" or "measures".

The smartphone does not meter or measure anything. It simply gathers information and sends it to our servers. It is also not physically hardwired into a vehicle to meter or measure anything. The smartphone transmits time and location data about itself, not a vehicle. A taxi meter meters information about the vehicle and does calculations right on board.

Other regulators around the world have already considered these issues. In the United Kingdom Transport for London determined that,

***"smartphones that transmit location information (based on GPS data) between vehicles and operators, have no operational connection with the vehicles, and receive information about fares which are calculated remotely from the vehicle, are not taximeters within the meaning of the legislation (section 11 of the Private Hire Vehicles (London) Act 1998)."***

Uber disputes the DTMR position and believes that ridesharing as it currently operates is not covered by the regulations. Rather than work with Uber to find a sensible way forward the DTMR has acted instead to protect the incumbent industry and use has used the rules to prevent new competition.

### **Regulations are used to lock out competition.**

All of Uber's driver partners hold commercial Driver Accreditations issued by DTMR. The DTMR undertake the criminal history and driver history background check and sign off their medical assessment. Owing to 100 per cent of its drivers being accredited by the DTMR, Uber sought access to the Passenger Transport Driver Authorisation System (PTDAS). The PTDAS allows for the checking of the currency of a driver's accreditation. Drivers who have committed

offences that nullify their accreditation can be identified through access to the system. The PT DAS is billed as a major public safety requirement.

Uber sought access to the PT DAS because the DTMR had granted access to other apps, such as GoCatch. The DTMR denied access to Uber first advising that access could not be granted for privacy reasons, but refused to provide any further information or advise how Uber could overcome these concerns or provide further information.

Uber then provided the DTMR with a copy of the Minutes of its own Taxi Strategic Planning Committee Meeting of Wednesday, 12th March 2014.

The DTMR then provided Uber with a different reason as to why it could not access the PT DAS, again out of synch with the rules and regulations around access and the stated objective of ensuring and preserving the safety of the public.

#### **GoCatch**

*DTMR advised that at a meeting with goCatch founders DTMR raised concerns about safety and suggested goCatch submit an application to access PT DAS to check the status of Driver Authorisation. DTMR advised that at the meeting goCatch appeared willing to do this, however, no application from goCatch had been received. TCQ expressed concern that offering goCatch PT DAS access will enhance the mobile phone application's credibility. TCQ believed goCatch should not be allowed PT DAS access without a taxi booking contract. DTMR acknowledged TCQ's concerns but reiterated that public safety is the primary concern and there are no restrictions on who can apply to have access to PT DAS.<sup>1</sup>*

It is astounding, given that the DMTR continues to deny Uber access to the PT DAS that it could make this claim: ***“public safety is the primary concern and there are no restrictions on who can apply to have access to PT DAS.”***

Given the DTMR's publically stated and consistently reiterated position that public safety is the primary concern and its willingness to allow other mobile platforms access to the PT DAS, then it should provide Uber with access to the PT DAS so it is able to undertake the daily checks of the currency of the driver authorisations of its partners.

Citing the Uber platform unsafe because it does not have access to the PT DAS, whilst at the same time denying Uber access is in direct conflict with the DTMR's own published statements and its primary concern for safety.

## **Proposed regulation of ridesharing.**

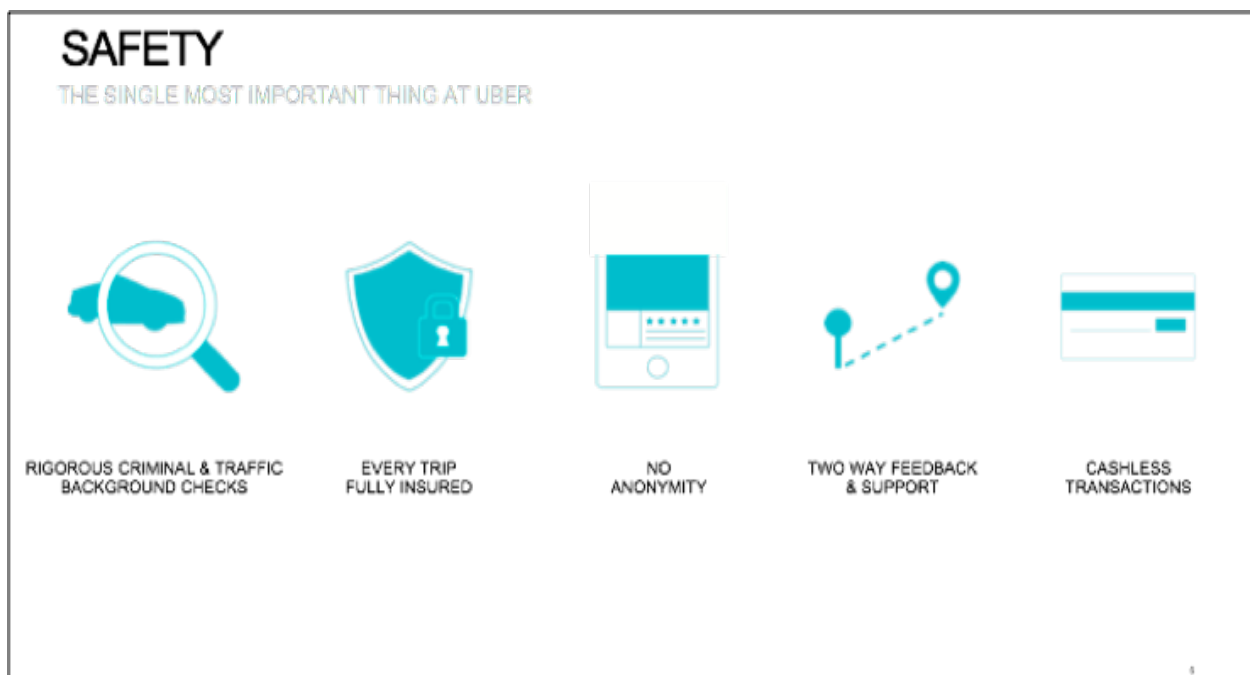
In over twenty-three jurisdictions around the world legislators and regulators have implemented a Transportation Network Company (TNC) framework that regulates ridesharing  
- see Appendix B.

### **How it would work in Queensland.**

- The Government creates a regulatory framework for a TNC. The TNC is entity that uses the app to connect riders with driver-partners.
- The TNC would need to obtain a permit from the DTMR to operate.
- The DTMR would charge an annual permit fee to the TNC.
- Driver-partners must be a member of a TNC - "TNC Driver".
- TNC Drivers offering ridesharing would be licensed by the DTMR but the barriers to entry and the time taken to overcome these barriers (licensing etc) must not be excessive.
- The TNC or TNC Driver is required to have appropriate insurance.
- There is zero tolerance for TNC Drivers in relation to alcohol, drugs and discrimination while providing ridesharing services.
- The TNC is required to ensure the vehicles of TNC Drivers are to an appropriate standard..
- No Street Hails and no rank. A TNC driver is prohibited from accepting or soliciting street hails.
- All rides must be cashless. No cash payments can be accepted or solicited including tips.
- Appropriate standards with respect to vehicles would be established.

The measure of success for any market is allowing market forces to deliver the best possible outcome for the public, whilst also maintaining a basic level of consumer protection and safety. This model achieves that outcome.

The DTMR, as the regulatory body, could put appropriate standards in place and could audit the processes and activities of the TNC to ensure that it is meeting the requirements and ensuring that TNC drivers also meet the requirements. This safely shifts the burden of administration away from the regulator to the TNC but provides appropriate oversight to ensure the maximum safety and consumer protection outcomes.





## Benefits of ridesharing.

### Economic opportunities.

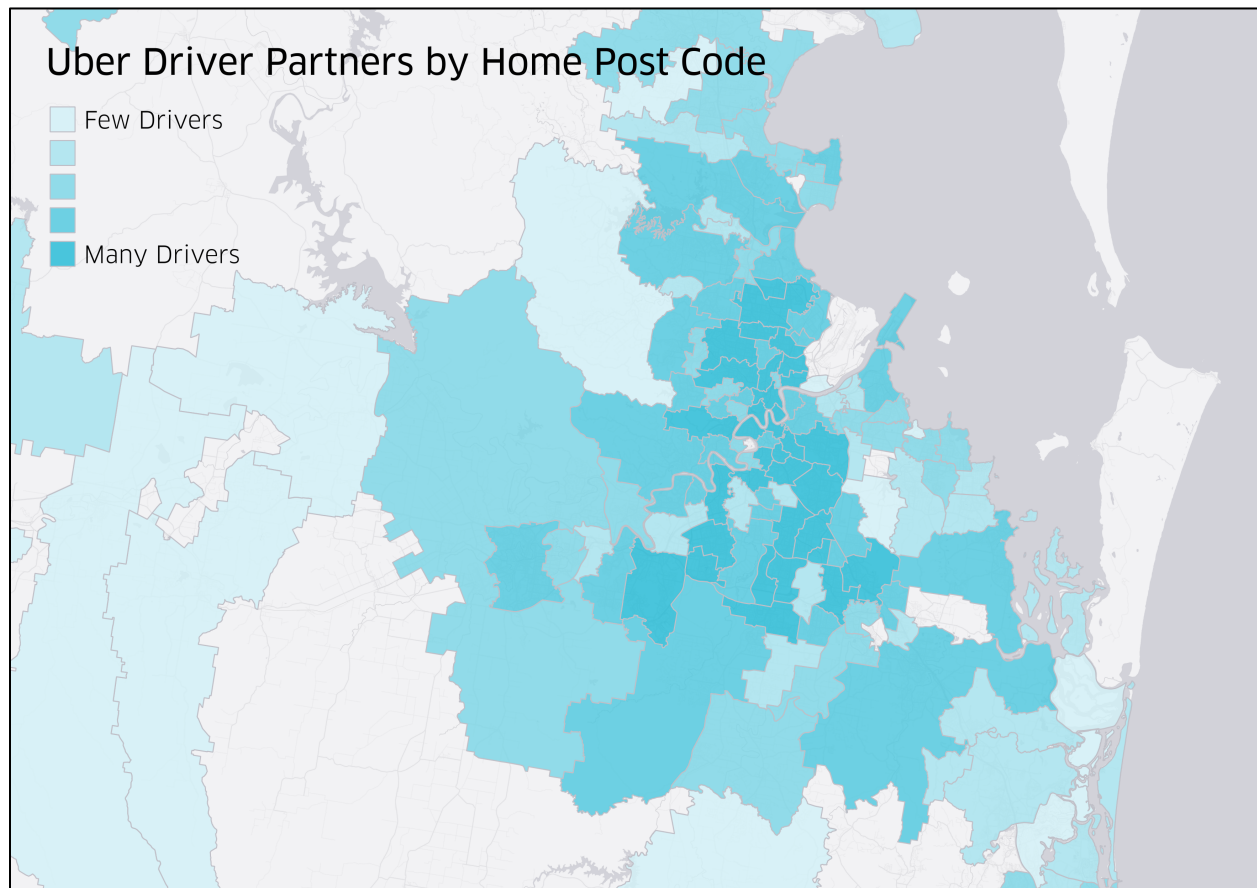
In Australia there are already more than 9,000 uberX ridesharing partners taking advantage of the flexible economic opportunities. Uber has committed that, in 2015 with the support of Government's we could create 20,000 jobs in Australia. In Queensland we have set ourselves the target of 4,000 this year alone, which is achievable if Government works with us.

In April the Australian Bureau of Statistics (ABS) reported Queensland's unemployment rate was 6.7%, which is above the national average. In addition the underemployment rate in Queensland was 9%. Many of Uber's partners use ridesharing as an income supplement and the opportunity to earn additional income. Uber can be a solution in-part to Queensland's unemployment and underemployment problem.

Even starker was the underemployment rate for women in Queensland, which reached the worst level since records began in 1978, at 11.5%. This is relevant because Uber is an attractive option for women. In the Taxi industry an overwhelming majority of drivers are male however, Uber has a higher proportion of female drivers on its platform.

Of Uber's Brisbane driver-partners nearly 10% are female, while on the Gold Coast women make up 14 % of the total driver-partner population. If a regulatory solution could be found to accommodate ridesharing, female participation in the workforce would increase and the total unemployment and underemployment rates for Queensland would reduce.

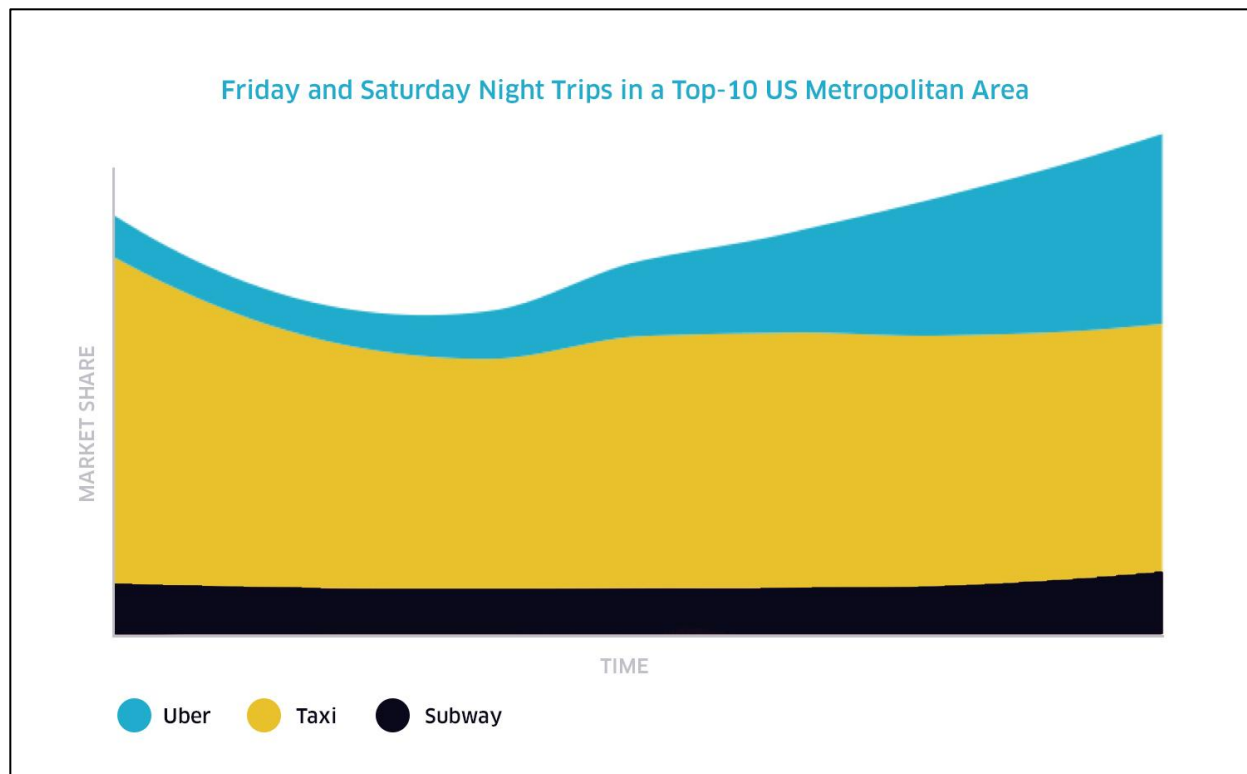
Uber draws its driver-partners from areas of high underemployment and high unemployment. **In fact, in 52% of our driver-partners come from the 20 electorates in Brisbane and the Gold Coast with the highest rates of unemployment.**



As ridesharing services like Uber expand their market share, the question remains as to what will happen to taxi companies and drivers. Does ridesharing “grow the pie” of the transportation industry, or simply take market share? What happens to taxi drivers and their jobs?

**Ridesharing does not decrease the demand for driver services.**

In mature ridesharing markets the availability of ridesharing has increased the demand for drivers in general. Using data from Uber and publicly available data on taxi and subway usage for a major US metropolitan city, we can see the total number of trips is on the rise over time - and each of these trips requires a driver.

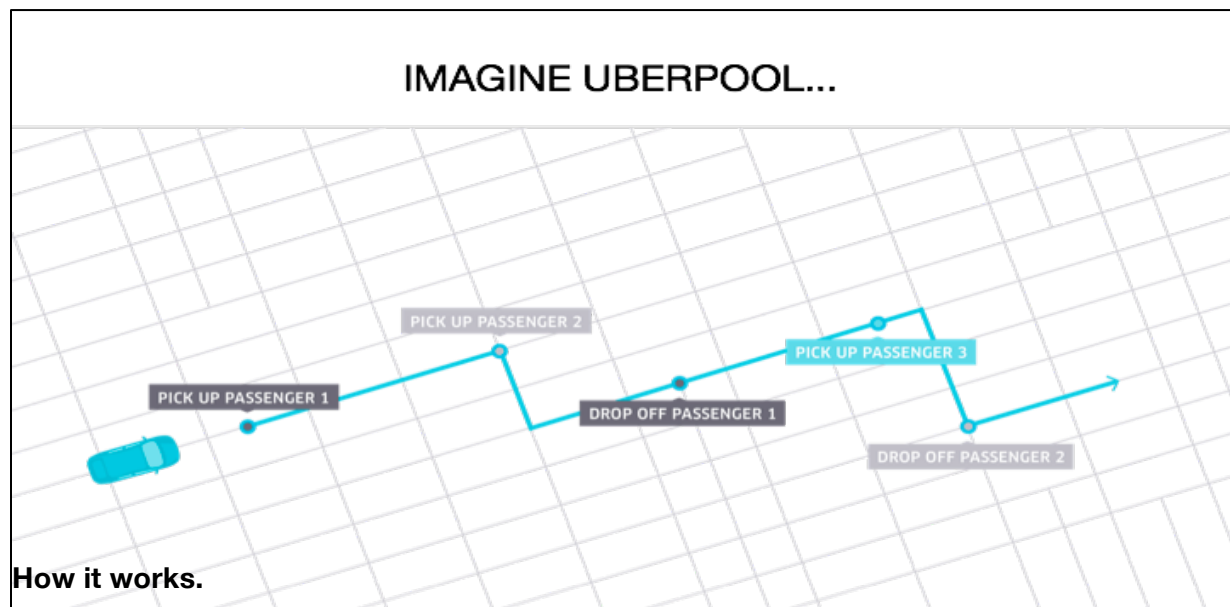


**Ridesharing doesn't put taxi drivers out of a job, it gives them better options.**

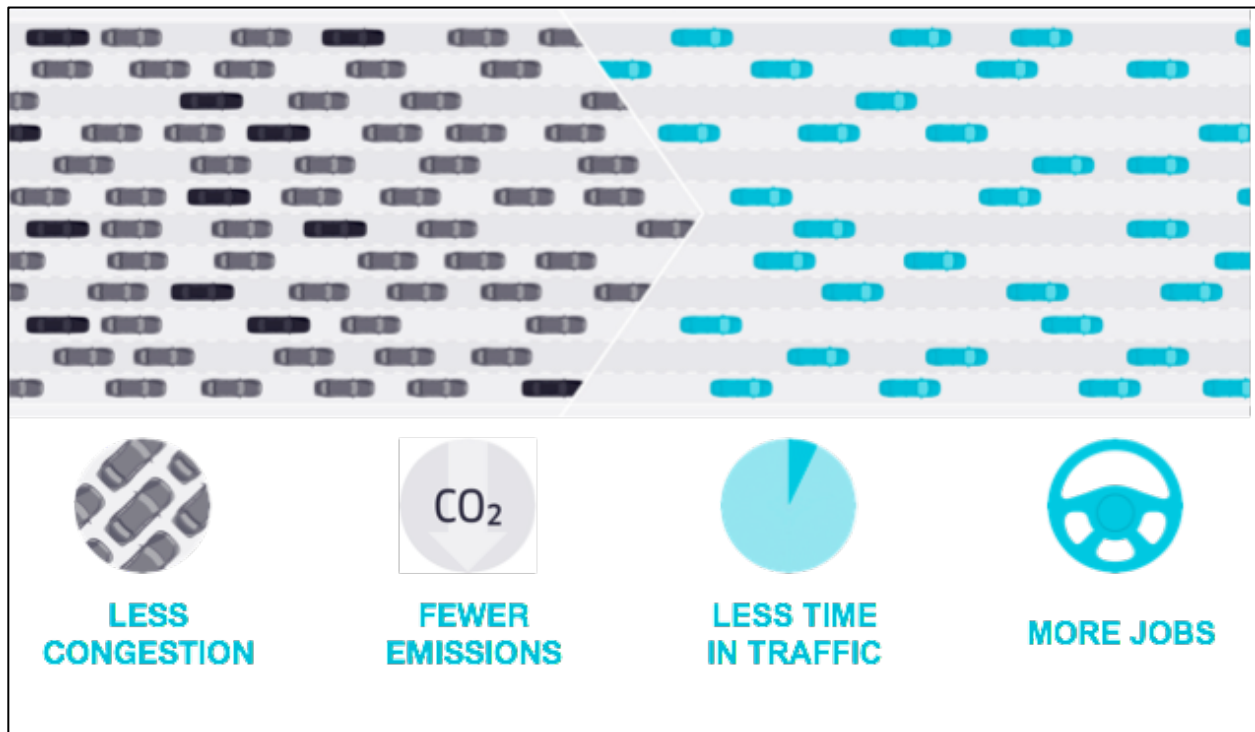
Ridesharing doesn't mean that there is less work for taxi drivers. There is a distinct and real difference between the services facilitated by Uber and taxis. Taxis will always have be part of the transport mix of the Queensland but there is also room for a different service like ridesharing.

## UberPOOL.

In markets around the world like San Francisco where ridesharing has reached scale Uber is introducing Uber Pool on the platform for ridesharing rides. Uber Pool allows a rider to agree when they book a ride to share that ride with another person on their journey.



Rider A requests a ride to go from the City to the Airport. When they request the ride they agree to UberPOOL. Rider B requests a ride from their location to the airport. The location of Rider B is within a few mins deviation from the route being taken by Rider A. The app recognises that Rider B is on the route with only a small deviation and picks up Rider B. The vehicle now has two riders in it going to the airport. At the end of the ride each rider's fare is discounted by about 40 per cent so they pay about 60 per cent of what they would have normally for the fare. The driver is paid 120 per cent of what they normally would have been paid if they were transporting only one person. UberPOOL has the potential to result in the driver being on a constant trip earning more money. It reduces the costs of travel to an extent where not owning a car becomes a reality for people. UberPOOL increases the utilisation of vehicles, reduces traffic on the roads, carbon emissions and congestion.



### **The Commonwealth Games Opportunity.**

Queensland is preparing to host the Commonwealth Games on the Gold Coast in 2018 and there will be a severe transport shortage. The Gold Coast only has on taxi network and only 357 Taxis. There will be a shortage of taxi services and the Government and municipal authorities and the games organisers will need to consider alternative solutions that deliver appropriate services, without increasing the cost to the taxpayer - Uber can be this solution.

The 2006 Melbourne Commonwealth Games were heralded as a cost-effective, well organized operation. At an initial estimated cost of \$1.1 billion, the Games were less costly than the Manchester Games held four years earlier.

As an Official Transport Partner, Toyota Australia provided up to 1,350 vehicles for the 'Games fleet', which were used by athletes, Games officials and staff.

### **Comparison to Other Large Australian Events.**

Major sporting events are substantial undertakings that require significant expenditure to be made by the host city, State and nation. For example:

The Sydney Olympics cost approximately \$6.5 billion dollars to stage. Of this, the Federal Government contributed approximately \$194 million, the private sector \$1.3 billion and the NSW State Government around \$2.3 billion. Approximately 47% of the total \$6.5 billion expenditure was invested in capital works, while the remainder was related to the operating costs of the event, and support services. Revenues derived directly from the event were \$2.8 billion. The Sydney Olympic Games involved the hosting of 300 sporting events, with roughly 10,651 athletes competing and nearly 92.7% of the 5.7 million tickets offered were sold.

The [2002 Manchester Commonwealth Games](#), an event on a scale closer to that of the Melbourne Games, cost £477 million in 2002 prices (approximately \$1.4 billion in 2006 dollars). Approximately 36 per cent of this was invested in capital works, while the remainder was related to the operating costs of the event. [Revenues to Manchester](#) from the event were £56 million in 2002 prices (AUD\$163 million in 2006 prices). The Manchester Games involved hosting 14 individual, and three team sports, with roughly 4,000 athletes competing.

### **2014 Commonwealth Games Transport Shortages.**

Glasgow offers another example of transport's role in the smooth operation a host City's Games, but not in a positive way. The first weekend of the Games, known as "Super Weekend," [saw Glasgow's transport infrastructure](#) crack under the pressure of an estimated 1.3 million visitors.

Hour-long queues at park and ride stops on Sunday meant some fans missed parts of the athletics at Hampden Park, while hundreds of people across the city were hit by delays. Angry fans were later offered refunds by Games organisers.

### **What Uber Offers.**

The Tourism and Transport Forum (TTF) Australia released a May 2014 report titled, [Backing Major Events: Australian Support for Major Events and Why Governments Should Get Behind Them](#). The report laid out the core economic and fiscal constraints of hosting major events, especially in difficult economic times: “In a tight fiscal environment governments will come under pressure to reduce spending in a variety of areas, but continued investment in tourism marketing and major events is essential to maintaining Australia’s competitiveness.”

### **Other findings of the report.**

- Major events often act as a specific motivator for travel. In fact, almost 100,000 international visitors travelled to Australia specifically to attend a cultural or sporting event. While these visitors have shorter trips, they are higher yielding, spending on average 20 per cent more per day than other visitors.
- 89 per cent of Australians think it is important for their state or territory to host major events.
- Australians rank Economic Benefit as the most important outcome of major events.
- “In a tight fiscal environment governments will come under pressure to reduce spending in a variety of areas.”
- “This funding commitment should also be backed by a commitment to cut red tape barriers for the visitor economy.”

Tourism Research Australia: [International Visitors in Australia \(Year Ending Sept. 2014\)](#)

- Rapid growth continues in visitor use of personal devices, such as tablets (up 69 per cent to 449,000), smartphones (up 40 per cent to 3.5 million), and iPads (up 28 per cent to 1.2 million) to access the Internet.

Uber offers the Queensland government the first opportunity to integrate privately delivered, flexible mobility services to the large number of visitors attending the Games, all at no cost to the government.

Due to the flexibility of the Uber platform thousands of Brisbane driver partners will be able to service the Gold Coast during the Commonwealth Games adding a flexible supply of rides when most needed at no cost to the organisers. This flexibility was demonstrated in September 2014 when a number of Gold Coast driver partners drove up to help meet the demand for Riverfire.

This option will enable the government to maintain a modest budget for transport investments, focusing exclusively on the projects that will bring Queensland the most benefits for the long-term while ensuring the Games are a success.

### **Supporting Public Transport.**

The Melbourne Games were viewed as wildly successful due to many factors: planning, strict budgeting, and most importantly, good luck. Good weather, the absence of terrorist threats, smoothly operated transport, and local residents' turnout all made for a well received event. However, even the best of plans can't guarantee that all of these factors will occur.

Redundancy in all elements of a host's strategy is essential to any plan, and when it comes to supporting a city's transport during large events, Uber offers planners a convenient and ready backup option for guests in the event of a disruption or other unexpected failure of the system.

### **Ensuring Economic Benefits Cycle to Broader Areas the City.**

Uber offers host nations and cities the ability to combine transport benefits with significant economic earnings potential that stays within the city, and reaches all communities.

Uber's partner-drivers live in the cities and markets Uber serves, and take home 80% of fares. This income stays in the community and is reinvested once again in local businesses as the families of drivers purchase goods and services.

Furthermore, the ease and reliability that Uber offers to visitors has the benefit of opening up a broader range of neighbourhoods to exploration and consumer activity. Map-based,



searchable destination features enable smaller attractions to be highlighted in advertising and “things to do” features ahead of the Games and then easily found by visitors using the search feature. This will ensure that the community benefits much more as a whole from the economic windfall of the games.

Uber is uniquely placed to partner with the Queensland Government and the Commonwealth Games Organising Committee to develop solutions to transport needs of the Games. The key elements of the Uber model of safety, reliability and flexible support, can help solve the challenges that the Government will face. **Imagine 2,000 additional vehicles travelling to the Gold Coast every day to transport athletes, officials, spectators and tourist at no cost to the taxpayer and providing an increase in employment.**

### **More transport options makes cities safer.**

In the United States, Uber has partnered with Mothers Against Drink Driving (MADD) to research the effects of the introduction of cheaper and more reliable transport like ridesharing on people’s behaviour in relation to drink driving.

The report revealed that when empowered with more transportation options like Uber, people made better choices that save lives. Some examples of the impacts of ridesharing on drink driving include;

- In Miami, Uber ridership peaks at the same time drunk-driving crashes have historically happened.
- In Pittsburgh, demand for Uber spikes at closing time for bars.
- In Chicago, 75 per cent of weekend, late-night Uber requests come from businesses with liquor licences and the pattern is the same in cities across America.

As part of the research a survey was conducted which supports the hypothesis that ridesharing helps to reduce drink driving;

- 78% of survey respondents said friends are less likely to drive home after drinking since ridesharing services like Uber started operating in their city
- 65% want their leaders to do more to keep drunk drivers off their streets

- 88% of survey respondents over the age of 21 agree with the statement that “Uber has made it easier for me to avoid driving home when I’ve had too much to drink.”

In Seattle the arrival of Uber helped reduce drunk-driving arrests by 10%. In California, Uber’s largest market and home state, drunk driving incidents fell by 6.5% per-month among drivers under 30 after the launch of uberX—an estimated total of 1,800 crashes prevented.

The results of the survey show that the availability of additional, reliable transportation options is shifting mindsets and driving people to make better, safer choices.

The introduction of cheaper, reliable and safe forms of transport like ridesharing should be considered so that people do not even consider getting behind the wheel of a vehicle if they are not sure and have access to safe and reliable transportation home.

### **Improving transport in smaller cities.**

Ridesharing allows the flexibility and scalability to provide transport services to communities that are tourist destinations and suffer from deficiencies in transport solutions over short periods when tourists swell.

In 2014-15 over the summer period Uber launched a pop up ridesharing service in the Mornington Peninsula in Victoria Australia.

Situated just over an hour’s drive southeast of Melbourne, the Mornington Peninsula is a combination of rural and coastal areas that receive an influx of tourists and seasonal locals every summer. A favourite for weekends away and events such as the Portsea Polo, the Peninsula is held back due to its size and a lack of public transport options.

The population of the Mornington Peninsula is usually around 154,000 residents but over the summer period can swell to a population size of 250,000. The area is only served by 96 taxis and limited public transport. This makes meeting the needs of the tourist population a difficult task.

Uber's pop up over the summer months added an additional 50 vehicles on the road, providing rides to more than 20,000 people.

The addition of ridesharing on the Mornington Peninsula helped inject income into the local economy through both our riders and driver-partners. Local tourism and hospitality businesses received a significant benefit with more locals and tourists taking advantage of the ability to get a safe ride home without the need to worry about how to get home. Local pubs and restaurants reported increased trade and turnover. For example Uber assisted more than 1,000 people to get home from the iconic Portsea Hotel.

## **APPENDIX A - UBER FACTS**

**The following are some facts on Uber in Queensland**

### **Safety:**

#### **Background checks.**

Before being able to access the platform, all driver-partners are fully accredited by the DTMR, including criminal background, driving history and medical checks.

#### **Vehicle safety.**

Vehicles of driver-partners are inspected by an accredited third-party vehicle inspector, must be of a four-door model and no older than nine years.

#### **Passenger Safety.**

Uber does not accept anonymous rides. When an Uber rider requests a ride through the app the rider is provided with the name, photograph and vehicle plate number of the drive-partner and can track the driver's route on a map.

In addition the rider can share the details of their trip with another person if they want the added security of someone else knowing in real time where they are going and estimated time of arrival.

#### **Cashless.**

No cash changes hands on an Uber trip. That means a rider is never at risk of having their card skimmed. In the event that someone is mis-charged for any reason, Uber's support team system ensures that a fare can always be recalculated to reflect your fare quote.

#### **Driver Safety.**

A cashless system also means a safer working environment for driver-partners and fare evasion is impossible, which is why many have expressed to us that they just prefer the low-stress working environment that driving with Uber provides. Making driver-partners feel safe allows them to focus on the job of providing great service for riders.

Also, only those who have registered their name, mobile phone number and payment details are able to access the platform

**For more information on safety visit [www.uber.com/safety](http://www.uber.com/safety)**

### **Economic opportunity:**

The Uber platform is creating economic opportunities for hundreds of new driver-partners who sign up to the platform every month in Queensland.

They can choose when they want to work, set their own shifts, and make decisions about their hours that fit into other work or family commitments. The wealth creation and economic opportunities for those using the Uber platform reside with those doing the work.

### **Fare estimate:**

Fare estimates to a specific destination are available upon request in the app and at [uber.com](http://uber.com) prior to booking. The rates for each city and service are pre-set and available in the app or via [uber.com](http://uber.com)

### **Who drives with Uber?**

Uber is incredibly proud of our driver-partners and the service they provide. We have such an interesting cross-section of people. Students, mothers, fathers, retirees, engineers, teachers, tour guides, and plenty of hard working taxi drivers dismayed by the industry incumbency, all looking to take control of when they work and increase their income to support their families. That's work that we're proud to support.

Our 5-star rating and feedback system ensures that anyone who wants to work hard to provide the quality of service that riders expect is given every opportunity to do so, and those that don't are identified and deactivated quickly.

**Customer Service and Satisfaction:**

At the end of every trip both the rider and the driver-partner are required to rate each other out of five stars, which contributes to the rider and driver-partner's overall rating. If a driver-partner scores a low rating and does not improve they will be deactivated from the Uber system. This ensures an ongoing quality control check that delivers excellent customer service and rider satisfaction.

**Detailed receipt and fare review:**

Riders are emailed a receipt after every trip that includes a fare breakdown, route map, driver details and referral code. If a trip took the long way, the fare can be adjusted.

**Taxation:**

Uber is fully compliant with all tax laws. As Uber is a cashless system every trip is recorded, which differs greatly from other forms of ground transportation that have historically used a predominantly cash-based system open to misuse.

**Uber is not a taxi service:**

No service facilitated by Uber can accept street hails, our driver-partners do not utilise ranks when using the Uber platform, requests are not allocated through a taxi dispatch model, and they do not facilitate anonymous rides, accept cash transactions or tips or use a taximeter.

## APPENDIX B

### Model Ridesharing Regulations

#### TRANSPORTATION NETWORK COMPANY SERVICES

##### [MODEL LEGISLATION]

The purpose of this Chapter is to ensure the safety, reliability and cost-effectiveness of Transportation Network Company (TNC) Services within the State of [STATE] and to preserve and enhance access to these important transportation options for residents and visitors to the State.

##### **SECTION 1. DEFINITIONS.** As used in this Chapter:

*“Transportation Network Company” or “TNC”* shall mean an entity licensed pursuant to this Chapter and operating in [STATE] that uses a digital network or software application service to connect passengers to Transportation Network Company Services provided by Transportation Network Company Drivers. A TNC is not deemed to own, control, operate or manage the vehicles used by TNC Drivers, and is not a taxicab association or a for-hire vehicle owner.

*“Transportation Network Company (TNC) Driver”* shall mean an individual who operates a motor vehicle that is:

- (a) Owned, leased or otherwise authorized for use by the individual;
- (b) Not a [TAXICAB OR FOR-HIRE VEHICLE]; and
- (c) Used to provide Transportation Network Company Services.

*“Transportation Network Company (TNC) Services”* shall mean transportation of a passenger between points chosen by the passenger and prearranged with a TNC Driver through the use of a TNC digital network or software application. TNC Services shall begin when a TNC Driver accepts a request for transportation received through the TNC’s digital network or software application service, continue while the TNC Driver transports the passenger in the TNC Driver’s vehicle, and end when the passenger exits the TNC Driver’s vehicle. TNC Service is not taxicab, for-hire vehicle or street hail service.

**SECTION 2. NOT OTHER CARRIERS.** TNCs or TNC Drivers are not common carriers (as defined in [STATE STATUTE]), contract carriers or motor carriers, nor do they provide taxicab or for-hire vehicle service.

**SECTION 3. TNC PERMIT REQUIRED.** (a) A person shall not operate a TNC in [STATE] without first having obtained a permit from the [STATE REGULATORY ENTITY].

(b) The [STATE REGULATORY ENTITY] shall issue a permit to each applicant that meets the requirements for a TNC set forth in this Chapter, and pays an annual permit fee of \$5,000 to the [STATE REGULATORY ENTITY].

**SECTION 4. AGENT.** The TNC must maintain an agent for service of process in the State of [STATE].

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**SECTION 5. FARE CHARGED FOR SERVICES.** A TNC may charge a fare for the services provided to passengers; provided that, if a fare is charged, the TNC shall disclose to passengers the fare calculation method on its website or within the software application service. The TNC shall also provide passengers with the applicable rates being charged and the option to receive an estimated fare before the passenger enters the TNC Driver's vehicle.

**SECTION 6. IDENTIFICATION OF TNC VEHICLES AND DRIVERS.** The TNC's software application or website shall display a picture of the TNC Driver, and the license plate number of the motor vehicle utilized for providing the TNC Service before the passenger enters the TNC Driver's vehicle.

**SECTION 7. ELECTRONIC RECEIPT.** Within a reasonable period of time following the completion of a trip, a TNC shall transmit an electronic receipt to the passenger that lists:

- (a) The origin and destination of the trip;
- (b) The total time and distance of the trip; and
- (c) An itemization of the total fare paid, if any.

**SECTION 8. INSURANCE.** The TNC or TNC Driver shall maintain an automobile liability insurance policy that:

- (a) Provides liability coverage of at least \$1,000,000 per accident for bodily injury and property damage involving a TNC Driver's operation of a motor vehicle while providing TNC Services;



(b) Provides coverage of at least \$50,000 per person for bodily injury and at least \$100,000 for personal injury of two or more persons per accident, and at least \$25,000 for property damage per accident, during the time that a TNC Driver is logged into the TNC's digital network and available to receive requests for transportation but is not providing TNC Services. This subsection (b) may be satisfied by a combination of insurance policies maintained by the TNC or TNC Driver.

(c) An insurance policy required by this Section 8 may be placed with an insurer licensed under [STATE ADMITTED CARRIER STATUTE] or with a surplus lines insurer eligible under [STATE ELIGIBLE SURPLUS LINES STATUTE].

(d) Any insurance policy required by this Section 8 will satisfy the financial responsibility requirement for a motor vehicle under [STATE FINANCIAL RESPONSIBILITY STATUTE].

(e) If an accident occurs involving a motor vehicle that is being used to provide TNC Services, the TNC Driver shall provide proof of insurance information to the other parties involved in the accident regarding liability insurance coverage for the TNC Driver's motor vehicle at the time of the accident. The TNC Driver shall also notify the TNC of the accident.

**SECTION 9. ZERO TOLERANCE FOR DRUG OR ALCOHOL USE.** (a) The TNC shall implement a zero tolerance policy on the use of drugs or alcohol while a TNC Driver is providing TNC Services or is logged into the TNC's digital network but is not providing TNC Services, and shall provide notice of this policy on its website, as well as procedures to report a complaint about a driver with whom a passenger was matched and whom the passenger reasonably suspects was under the influence of drugs or alcohol during the course of the trip.

(b) Upon receipt of such passenger complaint alleging a violation of the zero tolerance policy, the TNC shall immediately suspend such TNC Driver's access to the TNC's digital platform, and shall conduct an investigation into the reported incident. The suspension shall last the duration of the investigation.

(c) The TNC shall maintain records relevant to the enforcement of this requirement for a period of at least two (2) years from the date that a passenger complaint is received by the TNC.

**SECTION 10. TNC DRIVER REQUIREMENTS.** (a) Prior to permitting an individual to act as a TNC Driver on its digital platform, the TNC shall:

- (1) Require the individual to submit an application to the TNC, which includes information regarding his or her address, age, driver's license, driving history, motor vehicle registration, automobile liability insurance, and other information required by the TNC;
  - (2) Conduct, or have a third party conduct, a local and national criminal background check for each applicant that shall include:
    - (A) Multi-State/Multi-Jurisdiction Criminal Records Locator or other similar commercial nationwide database with validation (primary source search); and
    - (B) National Sex Offender Registry database;
  - (3) Obtain and review a driving history research report for such individual.
- (b) The TNC shall not permit an individual to act as a TNC Driver on its digital platform who:
- (1) Has had more than three moving violations in the prior three-year period, or one major violation in the prior three-year period (including, but not limited to, attempting to evade the police, reckless driving, or driving on a suspended or revoked license);
  - (2) Has been convicted, within the past seven years, of driving under the influence of drugs or alcohol, or who has been convicted at any time of fraud, sexual offenses, use of a motor vehicle to commit a felony, a crime involving property damage, and/or theft, acts of violence, or acts of terror;
  - (3) Is a match in the National Sex Offender Registry database;
  - (4) Does not possess a valid driver's license;
  - (5) Does not possess proof of registration for the motor vehicle(s) used to provide TNC Services;
  - (6) Does not possess proof of automobile liability insurance for the motor vehicle(s) used to provide TNC Services; or
  - (7) Is not at least 19 years of age.

**SECTION 11. VEHICLE SAFETY AND EMISSIONS.** The TNC shall require that any motor vehicle(s) that a TNC Driver will use to provide TNC Services meets [STATE'S VEHICLE SAFETY AND/OR EMISSIONS REQUIREMENTS FOR A PRIVATE MOTOR VEHICLE.]

**SECTION 12. NO STREET HAILS.** A TNC Driver shall exclusively accept rides booked through a TNC's digital network or software application service and shall not solicit or accept street hails.

**SECTION 13. NO CASH TRIPS.** The TNC shall adopt a policy prohibiting solicitation or acceptance of cash payments from passengers and notify TNC Drivers of such policy. TNC Drivers shall not solicit or accept cash payments from passengers. Any payment for TNC Services shall be made only electronically using the TNC's digital network or software application.

**SECTION 14. NO DISCRIMINATION; ACCESSIBILITY.** (a) The TNC shall adopt a policy of non-discrimination on the basis of destination, race, colour, national origin, religious belief or affiliation, sex, disability, age or sexual orientation/identity with respect to passengers and potential passengers and notify TNC Drivers of such policy.

(b) TNC Drivers shall comply with all applicable laws regarding non-discrimination against passengers or potential passengers on the basis of destination, race, colour, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity.

(c) TNC Drivers shall comply with all applicable laws relating to accommodation of service animals.

(d) A TNC shall not impose additional charges for providing services to persons with physical disabilities because of those disabilities.

(e) A TNC shall provide passengers an opportunity to indicate whether they require a wheelchair-accessible vehicle. If a TNC cannot arrange wheelchair-accessible TNC Service in any instance, it shall direct the passenger to an alternate provider of wheelchair-accessible service, if available.

**SECTION 15. ACCESSIBLE TRANSPORTATION FUND.** (a) There is hereby created the [STATE] Accessible Transportation Fund (the "Fund") into which shall be deposited an annual surcharge fee of no more than \$10,000 per year by any TNC, [TAXI FLEET] or [BLACK CAR

COMPANY] that does not provide wheelchair-accessible service. The Fund shall be administered by the [STATE REGULATORY ENTITY].

(b) The [STATE REGULATORY ENTITY] shall use funds in the Fund to provide grants in the amount of \$15,000 to any TNC Driver, [TAXI FLEET] or [BLACK CAR COMPANY] that shall provide wheelchair-accessible service and that shall meet certain minimum service thresholds established by the [STATE REGULATORY ENTITY].

**SECTION 16. RECORDS.** A TNC shall maintain:

(a) individual trip records for at least one (1) year from the date each trip was provided; and

(b) TNC Driver records at least until the one year anniversary of the date on which a TNC Driver's activation on the TNC digital network has ended.

**SECTION 17. PERSONALLY IDENTIFIABLE INFORMATION.** A TNC shall not disclose a passenger's personally identifiable information to a third party unless: the passenger consents, disclosure is required by a legal obligation, or disclosure is required to protect or defend the terms of use of the service or to investigate violations of those terms. In addition to the foregoing, a TNC shall be permitted to share a passenger's name and/or telephone number with the TNC Driver providing TNC Services to such passenger in order to facilitate correct identification of the passenger by the TNC Driver, or to facilitate communication between the passenger and the TNC Driver.

**SECTION 18. CONTROLLING AUTHORITY.** Notwithstanding any other provision of law, TNCs and TNC Drivers are governed exclusively by this Chapter and any rules promulgated by the [STATE REGULATORY ENTITY] consistent with this Chapter. No municipality or other local entity may impose a tax on, or require a license for, a TNC or a TNC Driver or subject a TNC to the municipality or other local entity's rate, entry, operational or other requirements.