

# Mobile Applications in Taxis & Limousines in BC

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<b>Prepared for</b>	Assistant Deputy Minister, Policy & Planning Department for Information
<b>Prepared by</b>	Jan Broocke, Director, Passenger Transportation Board
<b>Date</b>	September 12, 2014
<b>Issue</b>	Licensing for “Uber” type operations in BC

## Background

Representatives of Uber are meeting with Deborah Bowman, Assistant Deputy Minister, Policy & Planning Department in the upcoming week. This paper is prepared as background for that meeting.

### *What is Uber?*

Uber characterizes itself as a technology company as opposed to a transportation company. “Uber is a smartphone app that quickly connects drivers with people who need a ride.”

Uber collects fares, pays drivers, sets rates, and retains a percentage of the fares.

Uber operates a variety of “services” from ridesharing to taxis to luxury limousines. Uber is operating in Toronto and Montreal. It also operates in San Francisco, New York, LA and other American cities.

Smartphone app users like Uber because there is a direct connection between the customer & transportation service, it’s immediate and its rates are generally lower than taxis and limousines. Some drivers like Uber because payment is quicker than from taxi companies and there is an opportunity to make more revenue, especially if they do not need to pay lease fees to licensees for dispatch services.

Uber is an anathema to both taxi and limousine licensees because the company generally resists licensing and fare regulation. It tends to deal directly with “drivers”, thus by-passing licensed companies and their dispatch services.

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This  
is what occurred in Vancouver in 2012 when Uber entered the market under a cloak of

secrecy. “Hush” a new service is being introduced was its introduction on the website (or something very similar).

### *Uber in Vancouver - 2012*

Uber operated briefly in Vancouver from about May – November 2012. It was offering a sedan limousine service with rates based on time and distance that markedly undercut limousine rates, especially for short trips. Approved rates for licensed limousine operators were \$75 an hour for a sedan limousine. Uber rates were slightly higher than taxis.

The Ministry’s Passenger Transportation Branch became aware of Uber’s Vancouver operations in the summer of 2012 when the limousine and taxi industries registered complaints. At that time, Ministry staff contacted Uber to raise concern that the rates being charged were in violation of the license conditions. PT Board staff also met with Uber representatives to explain regulations in place.

On November 20, Ministry staff met with the limousine companies using Uber to explain that they were operating in violation of their license conditions and could lose their license to provide limousine services if they continue to undercut the prescribed rates. The PT Branch also posted an information sheet on its website about [concerns with apps and non-compliance with Board approved rates](#).

Uber exited the Vancouver market in November 2012, creating an e-mail and social media frenzy. The PT Board alone received over 700 e-mails in a very short period of time, the vast majority supporting Uber and its rates.

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### *Uber X*

Uber X is a ride sharing service where drivers use their own car, insured for personal use, to provide transportation services. California has created a new category of regulation for rideshare services, requiring that they obtain an operating certificate from the Public Utilities Commission. Requirements for licensing include having adequate vehicle

insurance and criminal record checks for drivers. Rates and area of operation is not regulated, thus these ridesharing services compete directly with taxis.

Ridesharing comes under the umbrella of the *Passenger Transportation Act* as commercial passenger transportation services are being offered for compensation. However, ridesharing is very difficult to enforce and police. If you look at various “classified ad” sites on the web, you’ll find ride sharing ads. These are usually one-offs for people seeking a passenger to share expenses on a journey.

Uber x is ridesharing on a massive scale. Drivers only have a class 4 drivers’ licence, vehicles are not required to undergo any inspection and there is no regulatory oversight.

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Therefore,

administrative penalties are not available. Enforcement will be through violation tickets.

### ***Uber Vancouver – Present***

Uber is not presently active in Vancouver. However, it is advertising for drivers for Uber X and Uber black (sedans and SUVs) <https://partners.uber.com/signup/vancouver/>

The Vancouver Taxi Association and the BC Taxi Association are meeting with Kristin Vanderkuip, Director, Passenger Transportation Branch on September 16, 2014. The Board may participate by telephone.

### ***PT Board Position on Apps***

(Starting Premise: Commercial passenger transportation services operating in the BC must be licensed unless exempted from the *Passenger Transportation Act*)

- The Board does not regulate mobile apps. Taxis and limousine companies are free to use apps. A number of taxi companies have apps available for smartphones.
- The Board regulates rates. Licensed limousine and taxi companies and their drivers must charge Board approved rates only.
- Taxi rates must be calculated on a meter.
- In 2014, the Board, after consultation with the limousine industry, established its *Rates and Rules for Limousines for Victoria, Vancouver & surrounding areas*. This establishes minimum and maximum hourly rates. The minimum sedan limousine rate remains at \$75 per hour

The Board has published a set of [Principles and Parameters for Mobile Apps](#) on its website.

The Board is holding a hearing in December on an application for a sedan limousine service that will dispatch via a mobile app and charge rates based on time and distance (as opposed to hourly rates).

## Bruneski, Michelle TRAN:EX

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**From:** Haskett, Sara TRAN:EX  
**Sent:** Friday, November 23, 2012 2:14 PM  
**To:** Wolford, Jessica TRAN:EX  
**Cc:** Giddens, Kiel TRAN:EX; Dawes, Jacquie TRAN:EX; Gilks, Greg E TRAN:EX; Major, Dawn E TRAN:EX; Bicknell, Liz M GCPE:EX; Spedding, Megan TRAN:EX  
**Subject:** Email from Uber's GM  
  
**Importance:** High

Hi Jessica, correspondence from Uber Vancouver's General Manager to Minister Polak. He is seeking an opportunity to discuss Uber's service with the Minister.

For now we will log as a meeting request for your attention pending a decision on action required.

I have copied Jacquie Dawes, Greg Gilks, Dawn Major and Liz Bicknell on this note so they too are aware of this request as it may impact messaging.

*Sara Haskett*

Manager, Corporate Writing Services  
Ministry of Transportation and Infrastructure  
Telephone: 250 387-5705 Facsimile: 250 356-7706 E-mail: [Sara.Haskett@gov.bc.ca](mailto:Sara.Haskett@gov.bc.ca)

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**From:** Polak.MLA, Mary [<mailto:Mary.Polak.MLA@leg.bc.ca>]  
**Sent:** Friday, November 23, 2012 12:33 PM  
**To:** Transportation, Minister TRAN:EX  
**Subject:** FW: Discussion on Uber in Vancouver

*Keeley MacDonald*  
Constituency Assistant  
To Mary Polak, MLA  
Langley  
Phone: 604-514-8206  
Fax: 604-514-0195  
[mary.polak.mla@leg.bc.ca](mailto:mary.polak.mla@leg.bc.ca)  
[twitter.com/MaryPolakMLA](https://twitter.com/MaryPolakMLA)

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**From:** Andrew Macdonald [<mailto:mac@uber.com>]  
**Sent:** November-22-12 6:27 PM  
**To:** Polak.MLA, Mary  
**Subject:** Discussion on Uber in Vancouver

Dear Minister Polak,

My name is Andrew Macdonald, I'm the General Manager of Uber Vancouver.

As I'm sure you've noticed on your Twitter feed and in your email inbox, this week the PTB has announced that they will be requiring Uber to raise our minimum rates for ANY trip to \$75 per hour, per trip. So even a 5 minute trip would be required to cost \$75. As you can probably sense, our thousands of Vancouver customers are extremely dismayed at this move by the PTB.

While I certainly recognize that you do not set the prices or direct enforcement officials on doing their jobs, I do believe that you can be a part of the conversation that helps move this industry from a protectionist, incumbent focused approach to a progressive, consumer and driver focused one. This is what the constituents of Vancouver want. This is what the hard working drivers in the industry want. And I'm hopeful that their Minister can help deliver that to them. Even voicing a positive opinion of what we're trying to do could help the PTB consider an application for lower rates, for alternative vehicle classes, etc.

**To date, my understanding is that the interests of the consumer and of industry employees (e.g. the drivers) are largely ignored in the PTB rate setting and license approval process.** It is a process and enforcement body largely aimed at protecting those players already entrenched in leadership positions in the industry - who, understandably have an interest in keeping supply low, prices artificially high, and ensuring that they can extract the most amount of profit from the industry with the least amount of competition.

If you have any time in the next week, I'd love a chance to sit down and discuss how Uber benefits the consumers, drivers and cities that we are in. We've invested in making Vancouver one of our first international markets, now up to 20+, as we believe this world class city deserves world class transportation options.

I realize that your schedule is exceptionally busy, so I'll make myself available any time, day or night, for a brief discussion.

Thank you very much in advance for your consideration.

With #UberVanLove,

Andrew

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**Andrew Macdonald | Uber**  
General Manager, Vancouver



## BRIEFING NOTE FOR INFORMATION

**DATE:** September 16, 2014

**PREPARED FOR:** Deborah Bowman, ADM, Transportation Policy and Programs

**ISSUE:** Meeting with Christopher Schafer, representing Uber.

### SUMMARY:

- The rates charged by taxis, limousines and other small passenger directed vehicles are established by the Passenger Transportation Board.
- In 2014, after consultation with industry, the Passenger Transportation Board established its rates and rules for limousine services in Victoria, Vancouver and surrounding areas.
- A U.S. based company developed a smart phone application which does not reflect the approved limousine rates for Vancouver.

### BACKGROUND:

Licensed passenger directed vehicles (PDVs) in British Columbia must charge rates that are set or approved by the Passenger Transportation Board (Board). PDVs include taxis, limousines, shuttles and vans that accommodate no more than 11 passengers. The regulation of rates and rules creates an environment where passengers are charged reasonable and predictable prices for transportation services, and where operators can properly maintain the vehicles.

Uber is a technology company, not a transportation company. Uber uses a smartphone application ("app") to quickly connect drivers with people who need a ride. Uber collects fares, pays drivers, sets rates, and retains a percentage of the fares. The company supports a variety of services such as ridesharing, taxis, and luxury limousines. Uber operates in Toronto and Montreal, as well as in San Francisco, New York, Los Angeles and other American cities.

Uber provides a direct and immediate connection between the customer and the transportation service, and the rates are generally lower than taxis and limousines. Clients must register with Uber and provide credit card information before using the system. Some drivers like Uber because payment is quicker than from taxi companies <sup>s.13</sup>

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Taxi and limousine companies oppose Uber, as it generally resists licensing and fare regulation. It tends to deal directly with drivers, thus by-passing licensed companies and their dispatch services.

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This occurred in Vancouver in 2012 when Uber entered the market.

Uber operated briefly in Vancouver from about May to November 2012. It was offering a sedan limousine service with rates based on time and distance that markedly undercut regulated limousine rates of \$75 per hour, especially for short trips. The Passenger Transportation Branch became aware of Uber's Vancouver operations when the limousine and taxi industries registered complaints. At that time, Ministry staff contacted Uber to raise concern that the rates being charged were in violation of the licence conditions. Passenger Transportation Board staff also met with Uber representatives to explain regulations in place.



In November 2012, Ministry staff met with the limousine companies using Uber to explain that they were operating in violation of their licence conditions and could lose their licence to provide limousine services if they continued to undercut the prescribed rates. The Branch focussed on licensees under its jurisdiction who could be issued administrative penalties by the Registrar of Passenger Transportation, including fines and licence suspension or cancellation. The Branch also posted an information sheet on its website about concerns with apps and non-compliance with Board approved rates. That month, Uber cancelled its services in Vancouver.

## DISCUSSION:

Traditionally, taxis have complemented the public transportation system by providing 24/7 "on demand" passenger directed service. People with disabilities, low income and without cars may rely on taxi service which is available when public transit is not. The *Passenger Transportation Act* regulates the supply of taxis to ensure that the services remain viable and open to the public.

Limousines provide an advanced booking service for corporate functions, special events, and service between airports and hotels, to name a few. Most fares are based on an hourly rate or a fixed rate. The Board seeks to maintain a price distinction between taxis and limousines. Limousines are generally of a higher vehicle quality (Lincoln town car) and the Board characterizes limousines as a discretionary service, as opposed to taxis, which are considered part of the global public transportation system.

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On November 20, 2012, staff met with the limousine companies using Uber to explain that they were operating in violation of their licence conditions and could lose their licence to provide limousine services if they continue to undercut the prescribed rates. The companies were sent "cease and desist" letters. Within three hours, Uber's legal staff contacted the Ministry to request a meeting.

The corporate General Manager flew to Vancouver from Toronto to meet with the Registrar of Passenger Transportation on November 21. The General Manager also met with the Director of the Board on November 21. s.13

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The Vancouver Taxi Association and the B.C. Taxi Association are meeting with Kristin Vanderkuip, Director, Passenger Transportation Branch and Jan Broocke, Director, Passenger Transportation Board on September 16, 2014. The Associations advised that they will also be requesting meetings with ICBC, Minister Todd Stone and Councillor Geoff Meggs.

Although Uber is not presently active in Vancouver, it is advertising online for drivers for Uber X and Uber Black (sedans and SUVs). Uber X is a ridesharing service on a massive scale where drivers use their own car, insured for personal use, to provide transportation considered to be commercial passenger transportation services regulated under the *Passenger Transportation Act*.

California has created a new category of regulation for rideshare services, requiring that they obtain an operating certificate from the Public Utilities Commission. Rates and area of operation is not regulated, thus these ridesharing services compete directly with taxis.





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### Passenger Transportation Board Position

The Board does not regulate mobile apps. Taxis and limousine companies are free to use apps but they must charge the regulated rates. The Board published a set of *Principles and Parameters for Mobile Apps* on its website.

In 2014, the Board, after consultation with the limousine industry, established its *Rates and Rules for Limousines for Victoria, Vancouver and surrounding areas*. This establishes minimum and maximum hourly rates. The minimum sedan limousine rate remains at \$75 per hour.

The Board is holding a hearing in December 2014 on an application for a sedan limousine service that will dispatch via a mobile app and charge rates based on time and distance (as opposed to hourly rates).

**PREPARED BY:**

Jan Broocke, Director  
Passenger Transportation Board  
250-953-3782

**REVIEWED BY:**

Greg Gilks, Executive Director  
Transportation Policy Branch

**INITIALS:**

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## BRIEFING NOTE FOR INFORMATION

**DATE:** September 30, 2014

**PREPARED FOR:** Todd Stone, Minister, Transportation and Infrastructure

**ISSUE:** Uber

### SUMMARY:

- The rates charged by taxis, limousines and other small passenger directed vehicles are established by the Passenger Transportation Board.
- Uber, a U.S. based company, developed a smart phone application which may not charge the approved taxi or limousine rates for Vancouver.
- Uber X is a ridesharing service where drivers use their own car, insured for personal use, to provide transportation.
- s.13

### BACKGROUND:

Licensed passenger directed vehicles (PDVs) in British Columbia must charge rates that are set or approved by the Passenger Transportation Board (Board). PDVs include taxis, limousines, shuttles and vans that accommodate no more than 11 passengers. The regulation of rates and rules creates an environment where passengers are charged reasonable and predictable prices for transportation services, and where operators can properly maintain the safety of their vehicles.

Uber is a technology company, not a transportation company, and uses a smartphone application ("app") to connect drivers with people who need a ride. Clients must register with Uber and provide credit card information before using the system. Uber collects fares, pays drivers, sets rates, and retains a percentage of the fares. The company supports a variety of services such as ride-sharing, taxis, and luxury limousines. Uber operates in Toronto, Halifax and Montreal, as well as in San Francisco, New York, Los Angeles and other American cities.

Taxi and limousine companies oppose Uber because it generally resists licensing and fare regulation and deals directly with drivers, thus by-passing licensed companies and their dispatch services. s.13

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This occurred in Vancouver in 2012 when Uber entered the market.

Uber operated briefly in Vancouver from May to November 2012 offering a sedan limousine service with rates based on time and distance that markedly undercut regulated limousine rates. When Passenger Transportation Branch became aware and staff contacted Uber to raise concern that the rates were in violation of the licence conditions. On November 20, 2012, staff met with the limousine companies using Uber to explain that they were operating in violation of their licence conditions and could lose their licence to provide limousine services if they continue to undercut the prescribed rates. That month, Uber cancelled its services in Vancouver.

### DISCUSSION:

Traditionally, taxis have complemented the public transportation system by providing 24/7 "on demand" passenger directed service. People with disabilities, low income and without cars may rely on taxi

service which is available when public transit is not. The *Passenger Transportation Act* regulates the supply of taxis to ensure that the services remain viable and open to the public.

Limousines provide an advanced booking service for corporate functions, special events, and service between airports and hotels, to name a few. Most fares are based on an hourly rate or a fixed rate. The Board seeks to maintain a price distinction between taxis and limousines, which are considered a discretionary service.

Uber X is a ridesharing service on a massive scale where drivers use their own car, insured for personal use, to provide transportation considered to be commercial passenger transportation services regulated under the *Passenger Transportation Act*.<sup>s.13</sup>

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Ridesharing is very

difficult to enforce and police.

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Although Uber is not presently active in Vancouver, it is advertising online for drivers for Uber X and Uber Black (sedans and SUVs).

The Vancouver Taxi Association and the B.C. Taxi Association met with Kristin Vanderkuip, Director, Passenger Transportation Branch and Jan Broocke, Director, Passenger Transportation Board on September 16, 2014, to express their concern with Uber's recruitment activities and possible re-entry into B.C. The Associations advised that they will also be requesting meetings with ICBC, BC Transportation Minister and a Vancouver city councillor.

Uber's public policy lead for Canada, Chris Schafer, met with Deborah Bowman, ADM, Transportation Policy & Programs and Kristin Vanderkuip, Director, Passenger Transportation Branch on September 17, 2014. Mr. Schafer provided an overview of the app and Uber X service. Uber is interested in pursuing a regulatory solution that would allow them to return to BC and will be booking further meetings with ICBC, City Councillors and Ministers.

### Passenger Transportation Board Position

The Board does not regulate mobile apps. Taxis and limousine companies are free to use apps but they must charge the regulated rates. The Board published a set of *Principles and Parameters for Mobile Apps* on its website and is holding a hearing in December 2014 on an application for a sedan limousine service that will dispatch via a mobile app and charge rates based on time and distance (as opposed to hourly rates).

#### PREPARED BY:

Jan Broocke, Director  
Passenger Transportation Board  
250-953-3782

Kristin Vanderkuip, Registrar & Director  
Passenger Transportation Branch  
604-527-2201

#### REVIEWED BY:

Deborah Bowman, ADM  
Transportation Policy and Programs

#### INITIALS:

DB

**Sundquist, Doris TRAN:EX**

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**From:** Major, Dawn E TRAN EX  
**Sent:** Thursday, July 5, 2012 9 25 AM  
**To:** Sundquist, Doris TRAN.EX  
**Subject:** FW: Uber Vancouver

FYI

-----Original Message-----

**From:** Major, Dawn E TRAN:EX  
**Sent:** Wednesday, July 4, 2012 4:56 PM  
**To:** 'supportla@uber.com'  
**Cc:** 'supportVancouver@uber.com'  
**Subject:** Uber Vancouver

Hi Uber Vancouver,

I have tried to get in touch with UBER for a while now and I would appreciate having a chance to speak to someone from your company. The Passenger Transportation Act in British Columbia requires that all commercial passenger vehicles for hire are licensed. There are also established fares under the Act. While your phone app is definitely the best thing that has happened in the taxi/limo world, it must still fit our regulations. If you are hiring or contracting out to other local car services, the posted rates must still be charged. If you have your own vehicles, you must be licensed under the Passenger Transportation Act.

I was sent the advertisement below by one of the legally licensed operators on the lower mainland today.

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JULY 4TH, 2012

CALLING ALL TOWN CARS

You're rocking a new dress, your hair is perfection and the night is still young. The only thing keeping you from your RSVP is the cab that still hasn't shown up.

Turns out the private driver you've been wishing for has arrived. With the Uber app (available on iPhone or Android) you can map your location and request a pick up. The estimated arrival time is sent to you via text and the closest available driver (and super sleek black car) will pull up to the curb. The best part? It's all cash free.

Uber charges the credit card you have on file (tip included) so you can forgo digging around your purse for toonies. Your chariot (and private driver) awaits.

Base fare. \$8, from \$.75 per minute, [www.uber.com](http://www.uber.com)

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There is concern that you are undercutting the business of established operators. As in some States in the US, our regulations do not allow rates such as you have posted.

Please call me at the number below so that we can discuss your venture.

Sincerely,

Dawn E Major

Registrar and Director  
Passenger Transportation Branch  
Ministry of Transportation and Infrastructure  
104 - 4240 Manor Street  
Burnaby, BC, V5G 1B2  
604-453-4278

L

**Swan, Louise M TRAN:EX**

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**From:** Major, Dawn E TRAN:EX  
**Sent:** Monday, July 16, 2012 4:10 PM  
**To:** TRAN ALL Passenger Transportation Inspectors  
**Subject:** FW: Uber Cars

Hi.....I found Craig's e-mail address on the UBER twitter account, so I'll see if my e-mail gets any response.

-----Original Message-----

**From:** Major, Dawn E TRAN:EX  
**Sent:** Monday, July 16, 2012 3:37 PM  
**To:** 'craig@uber.com'  
**Subject:** Uber Cars

Hi Craig,

I'd like to have a chance to talk to you about UBER and the method by which you find vehicles and drivers to work for Uber.

In BC there is legislation around the operation of passenger transportation and I'd like to help make sure that you are working within the regulatory framework.

I have followed the growth of Uber as it spread throughout the US and here in Canada, and I'm impressed. I am sure phone apps are a way of the future for passenger transportation and I'd like to see you get started 'on the right foot'.

I would appreciate a call at your convenience.

Cheers

Dawn

Dawn E Major  
Registrar and Director  
Passenger Transportation Branch  
Ministry of Transportation and Infrastructure  
104 - 4240 Manor Street  
Burnaby, BC, V5G 1B2  
604-453-4278

## Major, Dawn E TRAN:EX

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**From:** Major, Dawn E TRAN:EX  
**Sent:** Friday, August 24, 2012 10 59 AM  
**To:** 'Travis Kalanick'  
**Cc:** Major, Dawn E TRAN EX  
**Subject:** FW Emailing Uber - Vancouver - Sssh... Secret Ubers only!  
**Attachments:** Uber - Vancouver - Sssh . Secret Ubers only! htm

Hi Travis,

I haven't heard from you since our conversation back on July 17th. I wanted to touch base again.

There are some issues that are coming to light about your service that need to be addressed immediately.

In BC the rates for limos, taxis and sedans are set by the Passenger Transportation Board, you cannot establish your own rates. Also, vehicles must be licensed by the Board. Many of the drivers who are interested in working with Uber, are operating under the licence of other carriers. They can't do both. You told me that you ONLY contract with companies, this seems not to be true. I have had calls from some of the company managers in Vancouver who are frustrated by what is happening.

As we discussed, I think that your app is the way of the future, but the way it is being marketed is not legal. If you want to get into the Vancouver market, you need to take the proper steps.

I will have to insist that you pull your advertising of rates at this time.

I do hope that you still plan to come to Vancouver, so that we can meet with you and understand completely how you would like to market your app legally.

Cheers

Dawn E Major  
Registrar and Director  
Passenger Transportation Branch  
Ministry of Transportation and Infrastructure  
104 - 4240 Manor Street  
Burnaby, BC, V5G 1B2  
604-453-4278

## Swan, Louise M TRAN:EX

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**From:** Travis Kalanick [notifications-support@ubercab.zendesk.com]  
**Sent:** Tuesday, September 11, 2012 1:46 PM  
**To:** Swan, Louise M TRAN:EX  
**Subject:** [Uber] Cease & Desist letter - UBER Vancouver

- Please click to reply above this email -



**Travis Kalanick (Uber)**

September 11, 2012

hey guys, stay calm on this one.

we'll take a look at the issues they mention below and come up with a strategy to respond accordingly.

in the meantime it is BUSINESS AS USUAL until we have done the legal review.

Thanks,

Travis



**Swan, Louise M TRAN:EX**

September 11, 2012

Good afternoon Travis Kalanick,

Please find attached a Cease & Desist letter from Dawn Major, Registrar of the Passenger Transportation Branch. Dawn Major has requested a written response date of September 28, 2012.

Regards,

Louise Swan  
Passenger Transportation Inspector  
Passenger Transportation Branch  
Ministry of Transportation and Infrastructure  
104 – 4240 Manor Street  
Burnaby, BC V5G 1B2  
Tel: 604-453-4220 Fax: 604-453-4253 or  
email: [louise.swan@gov.bc.ca](mailto:louise.swan@gov.bc.ca)

**Swan, Louise M TRAN:EX**

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**From:** Swan, Louise M TRAN.EX  
**Sent:** Tuesday, September 11, 2012 1:28 PM  
**To:** 'supportVancouver@uber.com'; 'travis@uber.com';<sup>s22</sup>  
**Subject:** Cease & Desist letter - UBER Vancouver

**Importance:** High

Good afternoon Travis Kalanick,

Please find attached a Cease & Desist letter from Dawn Major, Registrar of the Passenger Transportation Branch. Dawn Major has requested a written response date of September 28, 2012.

Regards,

**Louise Swan**

Passenger Transportation Inspector  
Passenger Transportation Branch  
Ministry of Transportation and Infrastructure  
104 - 4240 Manor Street  
Burnaby, BC V5G 1B2  
Tel: 604-453-4220 Fax: 604-453-4253 or  
email: [louise.swan@gov.bc.ca](mailto:louise.swan@gov.bc.ca)

“This message, including any attachments, is confidential and may contain privileged information intended to be relied upon by the sender and/or the person(s) named above. If you are not the intended recipient or have received this message in error, immediately notify the sender by reply email, permanently delete the original transmission from the sender, including any attachments, without making a copy and confirm these actions in your reply email. Thank you.”



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df





September 11, 2012

'Travis Kalanick'  
CEO UBER

[supportVancouver@uber.com](mailto:supportVancouver@uber.com)  
[travisk@gmail.com](mailto:travisk@gmail.com)  
[travis@uber.com](mailto:travis@uber.com)

Mr. Kalanick:

**Re: Rates for limousines, taxis and sedans are regulated by the Passenger Transportation Board in Victoria, British Columbia, Canada**

Further to my e-mail to you on Friday, August 24, 2012 10:49 AM advising you that all vehicles for hire transportation services must be licensed by the Passenger Transportation Board and adhere to Passenger Transportation Board approved rates.

As stated in my e-mail many of the drivers who are interested in working or are already working under an UBER iphone application are operating under the licences of other licensees (carriers).

Passenger Transportation Regulation Part 2 – Operation of commercial passenger vehicles reads in part as follows:

6 (1) A licensee must retain the care and control of every commercial passenger vehicle that is operated under the licence and must do all things necessary to

(a) ensure that the Act and this regulation are complied with, including, without limitation, to ensure that each commercial passenger vehicle that is operated under a licence is operated in compliance with the terms and conditions of the licence and in compliance with any rates approved or set by the board under section 7 (1) (f) of the Act and any rules made in relation to those rates under section 7 (1) (g) of the Act,

.... 2

Ministry of  
Transportation

Passenger Transportation Branch

Mailing Address:  
104, 4240 Manor Street  
Burnaby BC V5G 1B2  
Telephone 604. 453-4250  
Fax 604 453-4253

Location  
104, 4240 Manor Street  
Burnaby BC V5G 1B2

[www.th.gov.bc.ca/rpt/](http://www.th.gov.bc.ca/rpt/)

This is contrary to the Passenger Transportation Act, Section 23 (1), which reads in part as follows:

"A person must not operate a motor vehicle as a type of commercial passenger vehicle unless (a) a valid license, issued in respect of the motor vehicle, authorizes the licensee to operate the motor vehicle as that type of commercial passenger vehicle."

Sections 57(2) and (3) also read:

"A person commits an offence who (a) operates a motor vehicle as a type of commercial passenger vehicle without holding (i) a valid license, issued in respect of that motor vehicle that authorizes that operation, or..."

Section 57(3) of the Passenger Transportation Act states that a person who contravenes Section 57 (2) (a) is liable on conviction, to a penalty of not less than \$1000 and not more than \$5000. Further, each day's continuance of any violation, refusal or neglect constitutes a new and distinct offence. Please note a Victim Surcharge Levy of 15% will be added to these penalties.

You are advised to CEASE AND DESIST immediately from providing and advertising any service which requires approval pursuant to the Passenger Transportation Act and for which UBER does not have the required authority.

Please send written confirmation addressed to the Registrar by September 28, 2012 that you understand the issues raised in this letter and agree to appropriately revise your company's practices.

Failure to comply will result in enforcement action against you and/or your company. If you require additional information, please do not hesitate to contact our office.

Yours truly,



Dawn Major  
Registrar  
Passenger Transportation Branch

Sept 14/12.

→ Sallee "Uber" Lawyer

①

1. Daem gave a break-down of legislative review of P.T.

2. Passenger Transportation Act / Regulation does not appear to be re-examined

- App company is independent to "licensed" company  
" Surprise that know one / already is licensed."

- Record of "ubs" is dividing for Uber  
- Uber rates are "illegal".

Uber - only work w/ licensed carriers

Default company - money collected

drivers get paid.

1. contracting w/ company
2. "drives" have their license
3. company /

drivers "down time" turn on the App. after their company work.

Hours of service

→ licensed not able to drive, however not so as drivers are not licensed.

1. drivers-PT licensed?
2. min hourly rate

area of service

1. shows car "near by" client
2. driver must accept / side name & address phone #
2. client - name / e card info
4. charge to the ~~visa~~ credit card
5. pre-credit card processed 3rd party

6. driver empty 80/20  
recv. payment weekly.

7. Uber pay driver company  
8. company must charge the "rates" per Board.

Daem - advised Sallee /  
 UBER to remove rates  
 from website.

Page 20 redacted for the following reason:

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s.13

**Sundquist, Doris TRAN:EX**

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**From:** Major, Dawn E TRAN:EX  
**Sent:** Friday, September 21, 2012 11:42 AM  
**To:** TRAN ALL Passenger Transportation Inspectors  
**Subject:** FW: Uber

FYI

-----Original Message-----

**From:** Salle Yoo [mailto:salle@uber.com]  
**Sent:** Friday, September 21, 2012 11:30 AM  
**To:** Major, Dawn E TRAN:EX  
**Subject:** Uber

Dawn,

Thank you for speaking with me last week and for forwarding the links below. I have reviewed the regulations and also spoken with our Vancouver Team about the issues that you raised on the call.

As to the first issue, e.g., the license issue, our team has informed me that they have always strived to implement Uber policy to only work with those partners who are properly licensed. Following your letter and our call, they have rechecked and reconfirmed the license issue with the partners who provide the transportation service.

As to the second issues that you raise, the \$75/hour minimum, I've gone over the materials on the websites below and have a few questions. Would it be possible to schedule time in your calendar for a follow-up call? The report on the rates appear to provide for discounts of up to 15% and other options. I would just like to get a better understanding of the options discussed as we figure out how best to address the rate issue with our partners.

As I've stated, Uber is very interested in facilitating an improved transportation option that provides safe, reliable, and convenient travel for the people who work and live in Vancouver. We are very interested in further discussions with your office as to how we can do this, especially during the current rate pilot project period.

I am working out of the office today, but in the office for most of next week. Please let me know a date/time that would be convenient for your calendar.

Thank you very much,

Salle Yoo  
General Counsel  
Uber Technologies, Inc.  
Tel: 415 404-9381

$$\begin{array}{r} \$ 75 \\ \hline \text{less } 15\% \quad \$ 63.75 \\ \text{HST } 12\% \quad \quad 7.65 \\ \hline 71.40 \end{array}$$

On 9/14/12 2:08 PM, "Major, Dawn E TRAN:EX" <Dawn.Major@gov.bc.ca> wrote:

- >Hi Salle,
- >It was very good to talk to you this morning, I am sure we will have
- >many more conversations.
- >Here are the web sites for the Passenger Transportation Act, The
- >Passenger Transportation Regulations, the Passenger Transportation
- >Branch and the Passenger Transportation Board. If you click on the
- >link for rates on the Board's site, you will find both taxi and limo rates.

>Very interesting reading to keep you entertained on a Friday afternoon!

>:-)

>

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><http://www.th.gov.bc.ca/rpt/index.htm>

>

><http://www.ptboard.bc.ca/>

>

>[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/00\\_040](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_040)

>39\_

>01

>

>[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/266\\_20](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/266_20)

>04

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>Please feel free to contact me at any time if you have questions.

>Thanks

>

>

>Dawn E Major

>Registrar and Director

>Passenger Transportation Branch

>Ministry of Transportation and Infrastructure

>104 - 4240 Manor Street

>Burnaby, BC, V5G 1B2

>604-453-4278

>

## Sundquist, Doris TRAN:EX

**Subject:** UBER Lawyer  
**Start:** Thu 2012-09-27 2:30 PM  
**End:** Thu 2012-09-27 3:30 PM  
**Show Time As:** Tentative  
**Recurrence:** (none)  
**Meeting Status:** Not yet responded  
**Organizer:** Major, Dawn E TRAN:EX  
**Required Attendees:** Sundquist, Doris TRAN:EX

Dawn, (Laurie & Doris)

Spoke w/ Sallee (Solo)

1. reviewed the project paper  
"rates & rules for limousines  
in the GURD."

2. explained the Branch & Board roles

3. Spoke of Aero Car "zone rates"  
Dawn to send copy of rates & T&C. to Sallee

4. Spoke of removing rates that are not  
Board approved from the website.

5. Spoke of §7(2)(g) - advertising  
& sanctions to licensees not adhering to  
filed rates.

→ Sallee confirms that Uber is utilizing  
licensed companies (& drivers).

→ will not produce copy of their  
"membership"

→ will set-up meet. up between  
Uber, Branch & Board

1

6. Dawn spoke of enforcement/compliance re  
website advertising.

UBER

NOV 21/12

10:30

**Andrew Macdonald**  
General Manager, Toronto

mac@uber.com  
647 404 4622



Craig & Humble  
Marketing  
VANCE



**Sundquist, Doris TRAN:EX**

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**From:** Major, Dawn E TRAN EX  
**Sent:** Friday, November 23, 2012 8:55 AM  
**To:** Sundquist, Doris TRAN:EX; Swan, Louise M TRAN:EX  
**Cc:** Broocke, Jan TRAN:EX; McGee, Michael M TRAN:EX  
**Subject:** FW: Quick update

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**From:** Major, Dawn E TRAN:EX  
**Sent:** Thursday, November 22, 2012 8:08 PM  
**To:** Dawes, Jacquie TRAN:EX  
**Subject:** Fw: Quick update

Just in from Andrew Macdonald, the GM from Uber  
D

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**From:** Andrew Macdonald [<mailto:mac@uber.com>]  
**Sent:** Thursday, November 22, 2012 08:05 PM  
**To:** Major, Dawn E TRAN:EX  
**Subject:** Quick update

Dawn,

Just a quick update:

- in-app pricing changes will be made tomorrow
- we let our customers know about our pricing change and encouraged them to reach out to interested parties to support lower minimums
- had a informative discussion with Jan and Michael, and will be taking next steps coming out of that meeting to move to better outcomes
- will continue to keep our licensees informed of developments

Let me know if you'd like to have a call tomorrow to discuss anything else.


Thanks,  
Andrew


--  
**Andrew Macdonald | Uber**  
General Manager, Vancouver

### 3. UBER Pricing

#### 3.1 UBER Pricing Structure

UBER's pricing structure is laid out on its web site ([www.uber.com](http://www.uber.com)) and is reproduced below.

<b>Pricing</b>	
<b>Base Fare</b> Start with this fare	\$8.00
<b>Per Kilometre</b> Speed over 18km/h	\$2.60
<b>Per Minute</b> Speed at or below 18km/h	\$0.75
<b>Minimum Fare</b>	\$15.00
<b>Cancellation Fee</b>	\$10.00

<b>Flat Rates</b>	
<b>West Van/North Van to YVR</b> West Van/North Van to Vancouver International Airport	\$75
<b>YVR to West Van/North Van</b> Vancouver International Airport to West Van/North Van (includes airport surcharge)	\$81

Tip is included in the price • Flat rates apply to direct trips between specified locations. Additional stops may result in a higher fare. • Applicable tolls and surcharges may be added to your fare. • At times of intense demand, our rates change over time to keep vehicles available. • Prices are shown in Canadian dollars.

### 3.2 Additional UBER Pricing Structure Elements

#### Minimum fare and Cancellation charge.

Irrespective of distance or length of time of a trip, a minimum charge of \$15 and a cancellation charge of \$10 are always levied. These charges can be effectively enforced because the customer has to connect with UBER via a cell phone app and UBER is able to automatically charge the customer's registered credit card at the end of the trip.

#### Discounts.

As noted above, all fares are rounded down. This gives the impression of discounting. Such discounts are only significant for very short fares and if the original fare is rounded down from near \$.99. For example, a \$.99 discount on a \$20 fare is almost 5% of the fare but on a \$50 fare, it is less than 2%.

UBER also offers promotional discounts. Each surveyor took advantage of discount offers of \$10 for their first trip and during the survey project, each surveyor referred other surveyors so that they were given a discount of \$10 for their next trip when the referral resulted in registration and a trip by the person referred.

During the last week of the survey period, UBER posted an email to Vancouver members offering half price trips from 6:00 am to 5:30 pm on weekdays (Monday through Friday) from October 1 to 5, 2012. The half price email announcement is found at Attachment C.

UBER also proactively discounts to stimulate service. For example, one of the surveyors advised that "I got a 5 dollar discount because I stopped using the service for several days and they sent me an email that I could get this discount."

#### Surge pricing.

The UBER website states that surge fare pricing is utilized during times of high demand. Accordingly, it appears that UBER fares can vary without notice and without the passenger or consumer being able to anticipate the "surge" rate. No surge pricing was applied by UBER on any of the 45 trips.

#### Additional stops.

The web site states that "Additional Stops may result in higher fare". Several of the trips taken by surveyors involved either multiple pickups or multiple stops. While there were no explicit charges on any UBER receipt for such activities, stops do result in slowing the vehicle down, thus incurring time related charges.

#### Tolls and surcharges.

One trip (analyzed in Table 5) incurred an airport parking toll. This toll is added automatically to the fare by UBER when a vehicle passes through a GPS enabled perimeter around Vancouver International Airport. As noted in the Customer Service section of this report, this charge for the trip in question was reversed following contact with UBER.

#### Tips.

No tip amount is added by UBER to customer charges.



## BRIEFING NOTE FOR INFORMATION

**DATE:** November 23, 2012

**PREPARED FOR:** Honourable Mary Polak, Minister of Transportation and Infrastructure

**ISSUE:** The rates charged through the smart phone app, Uber, are less than the rates established by the Passenger Transportation Board for limousines operating in Vancouver.

### SUMMARY:

- The rates charged by limousines are established by the Passenger Transportation Board.
- The Passenger Transportation Board conducted consultation sessions in March, 2011 to identify appropriate fee levels for limousine services in B.C.
- With the growing use of technology, a U.S. based company has developed a smart phone app which does not reflect the agreed rates for Vancouver.

### BACKGROUND:

Licensed passenger directed vehicles (PDVs) in British Columbia must charge rates that are set or approved by the Passenger Transportation Board (Board). PDVs include taxis, limousines, shuttles and vans that accommodate no more than 11 passengers. The regulation of rates and rules creates an environment where passengers are charged reasonable and predictable prices for transportation services, and where operators can properly maintain the vehicles.

During the Olympic and Paralympic Games, the Board set minimum and maximum rates for limousines to replace individual rates. In March 2011, the Board conducted stakeholder sessions to review the rate structures for limousine services. The current rate structure was implemented on July 1, 2011, and is scheduled for review in Spring 2013.

With the expansion of user-driven technology, smart phone apps have become available to allow customers to book a limousine on short notice to provide point-to-point service similar to that provided by taxis. While the apps may enhance customer service, the service providers must comply with local permit and regulatory requirements.

Vancouver limousines have begun using the booking services provided by Uber, a U.S. based company which was charging rates which were lower than those set by the Board. Bookings can be made through Uber by registering online, then using the smart phone app to book limousine service.

### DISCUSSION:

Traditionally, taxis have complemented the public transportation system by providing 24/7 passenger directed service for short trips. People with disabilities, low income and without cars may rely on taxi service which is available when public transit is not. Taxi service is "on demand". Therefore, the government, through the Passenger Transportation Act, has determined that the supply of taxis needs to be regulated to ensure that the services remain viable and open to the public.

Limousines have been used to provide more discretionary service through advanced booking for special events, such as graduations or corporate functions, or for service from the airport to a hotel.



Most fares are based on an hourly rate or a fixed rate. The Board seeks to maintain a price distinction between taxicabs and limousines. Limousines are generally of a higher vehicle quality (Lincoln town car) and the Board characterizes limousines as a discretionary service, as opposed to taxis, which are considered part of the global public transportation system.

The Ministry's Passenger Transportation Branch became aware of the issue in early summer 2012 when the limousine and taxi industries registered complaints. Ministry staff contacted Uber to raise concern that the rates being charged were in violation of the license conditions.

s.15

s.15 Ministry staff met with representatives from Uber to explain the rate structure and permit conditions, but were unable to convince the company to alter its billing rates.

On November 20, staff met with the limousine companies using Uber to explain that they were operating in violation of their license conditions and could lose their license to provide limousine services if they continue to undercut the prescribed rates. Within three hours, Uber's legal staff contacted the Ministry to request a meeting on November 21. The corporate General Manager flew to Vancouver from Toronto to meet with the Registrar of Passenger Transportation (and Director of Passenger Transportation Branch), who explained the BC regulations and potential next enforcement steps.

The General Manager also met with the Director of the Passenger Transportation Board (Jan Broocke) on November 21. The regulatory framework, application processes and rates regulations were discussed. The company feels the regulatory policies focus on protectionism rather than consumerism. He acknowledged that safety should be regulated, but not necessarily supply or rates. He advised that Uber would be posting a notice on its website to the effect that it had to increase its rates.

The companies participating in this service are in violation of their license and subject to administrative sanctions ranging from financial penalties to license suspension or cancellation – at the discretion of the Registrar. The companies have all been sent Cease and Desist letters.

**PREPARED BY:**

Greg Gilks, Executive Director  
 Transportation Policy Branch  
 (250) 387-0882

**REVIEWED BY:**

Jacque Dawes, Assistant Deputy Minister  
 Transportation Policy Branch  
 Grant Main, Deputy Minister  
 Deputy Minister's Office

**INITIALS:**

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