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9B17M078

UBERX: Driving Into LONDON, ONTARIO[[1]](#endnote-1)

Akbar Saeed wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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The Community and Protective Services Committee had some difficult work ahead of them. The Municipal Council of the City of London, Ontario (the City), voted 10–5 on September 29, 2015, to have the committee report on options for potentially regulating ridesharing services provided by Uber Technologies Inc. (Uber) and other “e-hail” services that were upending traditional taxi services in London and across Canada.[[2]](#endnote-2) The Committee’s investigation could serve as a first step toward modifying the already complex taxi bylaw, potentially by creating a third category: transportation network companies. Such a bylaw modification would give the City an opportunity to gain more control over e-hail firms such as Uber that were currently operating outside of existing law. The deputy mayor, Maureen Cassidy, made it clear that something had to be done: “Doing nothing and hoping Uber goes away is not going to help London. . . . This is about consumer protection and safety.”[[3]](#endnote-3)

Should London follow the lead of bigger cities such as Edmonton and Toronto? A recent nationwide Mainstreet/Postmedia poll, published on August 21, 2015, suggested that Londoners were more opposed to Uber than residents in many other places in Canada.[[4]](#endnote-4) However, London generally had a younger demographic, especially during the school year, when some 40,000 university students boosted the city’s population. The poll suggested that young people were usually in strong support of the ability to arrange a ride conveniently and cheaply through their mobile phones. Also, e-hail services provided many Londoners with the opportunity to earn extra income in what was proving to be a particularly challenging economy.

Any policy decisions made by the City needed to be both ethical and equitable to all parties affected. How could the City act in the best interest of the public and still be fair to taxi and limousine drivers who were legally operating, and paying fees, under the current licensing system? Should the City ban Uber without acknowledging that such innovative models were an integral part of the growing sharing economy? Or should the City be proactive and figure out a way to approve and regulate Uber, as the City of Edmonton had done? Could Uber and taxis coexist?

THE SHARING ECONOMY AND THE RISE OF E-HAIL SERVICES

The sharing economy was a “socio-economic ecosystem built around the sharing of human, physical and intellectual resources,”[[5]](#endnote-5) which relied heavily on the willingness of people to share their own resources to enable collaborative consumption. Those with idle resources rented out use of their resources to others when they themselves were not using them. Technology companies facilitated the exchange by matching owners with consumers, enabling paperless payments, and providing a rating or review system to facilitate trust on both sides of the transaction. Consequently, many people had the option of renting resources they needed instead of buying them, reducing the cost for consumers and creating a revenue stream for the owners. Overall, the sharing economy involved the shared creation, distribution, trade, and consumption of goods and services. Already operating in this space were at least 10 companies that were valued more than US$1 billion (see Exhibit 1).[[6]](#endnote-6) Some examples of the diverse sharing business models were Simplist (previously SnapGoods) for high-end household items, Airbnb for rooms, Turo (previously RelayRides) for cars, TaskRabbit for jobs and tasks, Uber and Lyft for ridesharing, Lending Club for loans, and Fon for wireless Internet access.

E-hail services had become one of the fasting-growing areas within the sharing economy. Consumers constantly searched for easier and more individualized ways to move around the city. Taxis and limos were expensive and not always available quickly when needed, and buses operated on structured schedules and picked up only in predetermined locations. A report commissioned by the City of Ottawa in October 2015 found that Uber fares were on average about 36 per cent less than the estimated cost for a taxi, and that passengers in Ottawa waited between 5 and 15 minutes for a traditional taxi, but less than 4 minutes for an UberX driver.[[7]](#endnote-7) Using the simple Uber application (app) on their mobile phone, riders saw the real-time location of their driver en route for pickup, and were provided with a picture of the expected driver and car. By leveraging technology, Uber made the whole experience seamless and allowed customers an “individualized experience within an urban space.”[[8]](#endnote-8)

UBER Technologies Inc.

Uber was launched in San Francisco in the summer of 2010 by serial entrepreneurs Travis Kalanick and Garrett Camp. By employing a user-friendly smartphone app to directly connect riders and drivers, Uber addressed the inconvenience of hailing or arranging traditional taxi and limo services. After registering credit card information with the app, with the press of a button, a customer could summon a fancy car (when Uber first started, rides were provided in a company-owned BMW or Lincoln Town Car); the Global Positioning System (GPS) would take care of connecting the customer and driver. The cost for the ride would be automatically charged to the customer’s account.

By 2012, the business model had evolved to include drivers that operated their own, more economical, vehicles. The renamed service, UberX, was a more affordable service than taxis (about 25 per cent cheaper, according to Uber) and, therefore, garnered widespread economic appeal. The combination of cheaper fares, greater convenience, and universal applicability turbocharged Uber’s aggressive international expansion. By 2016, Uber had attained a presence in close to 400 cities and 65 countries worldwide, while employing around 6,000 staff globally.[[9]](#endnote-9) In the majority of markets Uber entered, the company faced legal challenges to its operation, specifically related to the enforcement of municipal taxi bylaws. In most jurisdictions, municipalities regulated transportation services such as taxis and limos to ensure public safety and protect consumers from unfair business practices. Various governments responded differently to Uber’s presence in their cities. In 2013, the California Public Utilities Commission created the category of “transportation network company” (TNC) to regulate this new kind of online-enabled transportation service.[[10]](#endnote-10) Since then, a number of other jurisdictions in the United States had passed similar regulations allowing for transportation network companies to operate e-hailing services.[[11]](#endnote-11)

Uber operated in several major cities across Canada, including Toronto, Montreal, Edmonton, Ottawa, Quebec City, and Halifax. By early 2015, Uber was operating more intensely in the Southwestern Ontario university cities of London, Kitchener-Waterloo, Guelph, and Hamilton. Uber promised “the safest ride on the road,” with the company “setting the strictest safety standards possible” and aiming “to go above and beyond local requirements.”[[12]](#endnote-12) But still, the cities challenged Uber. Toronto took Uber to court, unsuccessfully arguing that Uber was an illegal taxi brokerage. The court held that there was no evidence the company was operating as a taxi broker or that it breached city bylaws.[[13]](#endnote-13)

In Ottawa, bylaw officers issued dozens of tickets against drivers who used the service to get passengers. A class-action lawsuit was filed against Uber in mid-2015 on behalf of taxi and limo drivers and owners across Ontario. Uber responded, “this protectionist suit is without merit,” claiming that, “as we saw from a recent court ruling in Ontario, Uber is operating legally and is a business model distinct from traditional taxi services.”[[14]](#endnote-14) In Vancouver, British Columbia, the service was available only briefly before being shut down. In British Columbia, the provincial government, rather than municipal governments, administered the laws governing the operation of taxis, which made it more challenging for Uber to pressure the government to amend the laws. By July 1, 2016, Alberta not only had province-wide regulations for transportation network companies but also had created TNC-specific insurance policies.

As of June 2016, Uber had raised more than US$12.5 billion—based on an implied valuation of around US$66 billion—on the promise that it would become the future of logistics.[[15]](#endnote-15) “The early app was an attempt at something luxury,” remarked Kalanick. “That’s where we came from, but it’s not where we are today.”[[16]](#endnote-16) In fact, after its first major round of financing, Kalanick tweeted that Uber was like bits and atoms, reflecting its basic nature as a logistics company made up of strong technology and strong people.[[17]](#endnote-17) By 2017, Uber was involved in generating many other streams of revenue beyond just e-hail services. For instance, UberPOOL, a carpooling service, was launched in San Francisco;[[18]](#endnote-18) UberFRESH, a lunch delivery service, launched in Santa Monica; and Uber Corner Store, an on-demand delivery service of staple corner store items, launched in the Washington, DC, area.[[19]](#endnote-19) In early 2016, Uber completed a complete redesign of its logos and branding to better reflect its *glocal* nature. Uber’s redesign offered 65 country-specific and five global colours and pattern palettes.[[20]](#endnote-20)

Principled Confrontation

Kalanick pioneered a strategic approach to forcing the modification of city bylaws, which he termed “principled confrontation.” Uber purposely launched in a city without prior permission or fanfare, pressuring the municipal government to deal with the Uber situation quickly as Uber’s presence typically caused waves with disgruntled taxi drivers and garnered negative media attention. Uber’s ultimate goal was to force municipal governments to allow more transportation options for residents by updating existing bylaws with a new category. Uber vigorously argued in the media and before city councils that the company was not a taxi company; it simply provided a mobile app that facilitated the matching of ride seekers and ride providers. Therefore, Uber argued, it operated outside the existing bylaws that governed taxis.

Uber’s strategy was to target the weakest level of government (i.e., the municipalities) and exploit the ambiguity in their existing rules. Uber preferred to confront cities rather than come up against the power and resources found at higher levels of governments. Most municipal regulations lacked strict means of enforcement, compared with federal or provincial governments. In many cases, the cities could do little more than issue tickets to Uber drivers. In response, Uber simply offered to pay tickets issued to its drivers—an easy policy to uphold for a multibillion-dollar company. Uber could afford to be brash with municipalities when the biggest risks entailed mostly relatively minor tickets and fines. Municipalities became reliant on court injunctions and challenges, but they were time-consuming, expensive, and never guaranteed. In the meantime, Uber endeavoured to win the hearts and minds of the public and potential UberX drivers.

Surge Pricing

Uber employed a controversial surge pricing model, in which customers were charged higher prices at peak times. According to Uber, this approach guaranteed that adequate levels of service would be available when the demand was high. However, in several incidences, customers had been unhappy with this pricing policy. One such instance occurred during a snowstorm in New York in December 2013. Rates were increased by up to seven times, attracting a flood of negative press and public outrage.[[21]](#endnote-21) Similarly, in Montreal, Quebec, a non-profit legal aid clinic launched a class action lawsuit against Uber on behalf of a rider who claimed that she was charged $82.20 on New Year’s Eve for a ride that would normally cost about $10 with a regular taxi. The suit claimed riders in Montreal paid “deceptive, abusive, and disproportionate” fees on New Year’s Eve.[[22]](#endnote-22) In an interview, Kalanick defended surge pricing: “You want supply to always be full, and you use price to basically either bring more supply on or get more supply off, or get more demand in the system or get some demand out. It’s classic Econ 101.”[[23]](#endnote-23)

UBER LAUNCHES IN LONDON, ONTARIO

Uber launched in London, Ontario, at the end of July 2015, ahead of the lucrative fall student influx. Around the same time, Uber also launched in Kitchener-Waterloo, Guelph, and Hamilton, all major university cities, whose tech-savvy millennial-generation students were already comfortable using their smartphones to do everything from banking to ordering a pizza. As part of Uber’s promotional campaign, the company test-marketed UberSAFE Breathalyzer.[[24]](#endnote-24) Bar patrons who had never used Uber and whose breath sample indicated their blood alcohol was over the legal limit for driving a vehicle were given a free ride with Uber, up to a value of $20. Users simply entered a promotional code in the Uber app when e-hailing their ride. The UberSAFE Breathalyzer was set up in a popular bar in London, then the next day in Hamilton, and the third day in Kitchener-Waterloo.

The City of London’s taxi and limo bylaw limited the number of taxi owner licences to one for every 1,100 residents, and accessible taxi owner licences were limited to one for every 18 taxi owner licences. As of 2015, the city had about 343 regular taxi licences and 19 accessible taxi licences with about 90 executive limos and five brokerages.[[25]](#endnote-25) In total, the City of London licensed approximately 980 taxi and limo drivers. At London City Council’s 2015 review of the taxi and limo bylaw, Uber made a presentation, which led to the following motion being passed:

The matter of new technologies and approaches regarding vehicles for hire be referred to staff to review and report back at a future meeting of the Community and Protective Services Committee on what is occurring in other jurisdictions, as well as at the Association of Municipalities of Ontario (AMO) and the Federation of Canadian Municipalities (FCM), and what options might be available to the City of London; it being noted that the City’s primary concerns are health and safety, consumer protection and quality of life, as well as ensuring effective and efficient service delivery.[[26]](#endnote-26)

In fall 2015, the city police conducted a blitz called Project Licensed Ride, which targeted vehicles-for-hire operating in the city of London without a licence. In that blitz, 18 drivers were charged with 29 fines of around $500 each.[[27]](#endnote-27) The problem, according to London’s chief municipal law enforcement officer, was that UberX drivers were breaching London’s taxi and limo licensing bylaw. The City’s position was that Londoners should use licensed taxis and limos that met the regulated requirements.[[28]](#endnote-28) These requirements included that drivers pass a training exam that tested both their knowledge of London and their customer service skills. They were also required to produce a criminal information report, a Ministry of Transportation driver’s abstract, and a medical certificate. The vehicles they drove should not be older than three years, should be equipped with an interior/forward-facing camera system, carry $2 million in insurance, have passed a Ministry of Transportation safety check, and have an emergency security button for distress.

On September 16, 2015, around 200 London taxi drivers participated in an international day of protest against Uber at a rally in London’s downtown Victoria Park.[[29]](#endnote-29) The president of the London Taxi Association echoed the sentiment of local taxi and limo drivers by remarking that “the City of London should not bow down to what is in essence a bandit cab service that is not willing to follow well-established rules put in place to protect the users of taxi services in London, Ontario.” The spokesman for the association added, “the taxi service in London has for generations provided a safe, reliable and law-abiding service with the customer’s well-being and safety being paramount in services delivered.”

THE STAKEHOLDERS

UberX Drivers

UberX drivers were not employed or contracted by Uber. Rather, drivers applied to Uber for permission to use Uber’s service to connect with riders; Uber considered drivers to be “partners.” Drivers paid Uber 25 per cent of the fee collected on all completed trips. On average, drivers grossed around $20 per hour on weekdays and over $35 per hour during rush hour and weekends.[[30]](#endnote-30) Studies across the nation showed that Uber drivers made on average over $19 per hour, whereas in larger cities such as New York City, they made closer to US$30 per hour.[[31]](#endnote-31) Uber required that drivers be at least 21 years old and possess a full graduated licence. Furthermore, their vehicles were required to have four doors and be no more than 10 years old. All drivers needed to pass a screening process that included a national criminal record check, searches of local police databases, a thorough review of motor vehicle records, and a vehicle inspection. Since drivers were not Uber employees, they were required to carry their own personal automobile insurance as their primary coverage. Uber further backed all drivers with $5 million in contingent coverage for bodily injury and property damage to third parties. Consequently, if the driver’s personal insurance did not apply in the event of an accident, the driver would be covered by Uber’s blanket policy.

Taxi and Limo Drivers

Operating in a highly regulated industry with significant barriers to entry, taxi licence holders, brokerages, and drivers were strongly opposed to Uber being unregulated. They were also concerned about the impact Uber might have on taxi earnings and investment in vehicles and licences (often referred to as taxi plates). Taxi and limo drivers mounted protests all over Europe including in London, Berlin, Paris, and Madrid.[[32]](#endnote-32) Licensed drivers and owners in the taxi and limo industry filed a class-action lawsuit against Uber in Canada, seeking $400 million in damages and an injunction preventing Uber from operating in Ontario. A law firm in Windsor, Ontario, spearheaded this initiative.

The battles in other Ontario cities engendered different responses.[[33]](#endnote-33) For example, in Toronto, 99 UberX drivers were charged with bylaw infractions for operating as a taxi without a licence. The City’s bylaw department persisted with enforcing the law against UberX drivers, but Toronto’s politicians were divided on how to proceed. The mayor declared that Uber was there to stay and called for the laws to be updated to reflect that reality. Other city councillors argued for upholding existing laws.

In Kitchener-Waterloo, the Waterloo Region Taxi Alliance developed its own mobile app that allowed customers to book and pay for their taxis in much the same way as they did when they used Uber’s services. This approach was unsurprising, given the region’s reputation as a high-tech hub. At the same time, the Regional Municipality of Waterloo proposed a bylaw that required drivers who used Uber and other ridesharing services to obtain an auxiliary taxi licence and meet certain safety and insurance regulations. For individual taxi drivers, the response was much the same across all cities. One taxi driver summed up the sentiment of many of his colleagues: “There are just no rules for them—for Uber—and it’s not fair. . . . Sometimes you get a bus from Toronto and only one or two people come to us. The rest go to waiting cars and we know it’s Uber.”[[34]](#endnote-34) In one effort to fight back, taxi drivers in London competed directly with UberX drivers by offering voters free rides to polling stations on election day.[[35]](#endnote-35)

Government

Municipalities regulated the taxi industry by limiting the number of taxi licences issued and capping the per kilometre charge for rides. (In British Columbia, the provincial government assumed the regulatory function.) Because the supply of taxi licences was limited, the licences sold for market rates if they changed hands. Municipalities shared a few key concerns. The primary concern was the safety risks associated with using unregulated drivers and vehicles. Using personal vehicles for commercial purposes violated taxi bylaws and Ontario’s *Highway Traffic Act*. Another issue for the municipalities was Uber’s surge pricing, or peak-demand pricing, with charges quadrupling during high-demand periods. In a market such as London, riders could pay much higher charges when, for example, requesting a pickup from a bar along the entertainment strip at closing time. The city was concerned that residents would be gouged at these times.

A further concern related to insurance. A report issued by London’s Licensing and Municipal Law Enforcement indicated that those driving for Uber were not carrying the proper commercial insurance, which meant that riders using Uber were putting themselves at risk: a debilitating accident could leave a rider without a means of earning income and without the financial resources to access needed special medical care. The report noted that under Ontario’s *Insurance Act*, the consequences of giving false information or failing to disclose a material fact to the insurance provider could result in a fine of up to $250,000 for a first offence and up to $500,000 for subsequent offences.

In October 2015, a bill that would legalize sharing-economy services in Ontario passed second reading in the legislature.[[36]](#endnote-36) This bill, once passed, would prevent municipalities from banning Uber and other ridesharing services, and would allow the operation of other sharing services such as home sharing (e.g., Airbnb) and parking sharing (e.g., Rover). Municipal licensing would still exist; however, the bill would pave the way for a new category—transportation networking companies—which would be governed by consumer protection and public safety regulations.[[37]](#endnote-37) The bill was expunged in 2016 and reintroduced in the next parliamentary session. As of 2017, the bill was awaiting its next reading and referral to committee for study before it had a chance of becoming law.

In November 2015, Canada’s Competition Bureau completed a study that concluded that existing taxi regulations must be overhauled to allow taxis to compete fairly with ridesharing services.[[38]](#endnote-38) The bureau argued that consumers and stakeholders would benefit from lower prices, reduced wait times, and better services if the forces of innovation and competition were allowed to shape the industry. “The taxi industry is regulated at the municipal and provincial levels in Canada,” the bureau remarked. “While taxi companies are subject to these regulations, ridesharing services are not. This creates an uneven playing field [an unfair situation] in the industry.” This perspective was precisely the sentiment voiced by taxi drivers and owners across the country who claimed that they were subject to unfair competition because, unlike e-hail services such as Uber and Lyft, taxis had to comply with myriad rules and regulations and endure associated higher costs. Rather than imposing more legislation on e-hail services, the bureau suggested that restrictions should be relaxed on traditional taxis to allow them to compete more effectively: “When new regulations are needed, they should be limited to meeting legitimate policy objectives, like protecting the safety of passengers and drivers.”

The bureau specifically suggested that price controls, such as regulated taxi fares, should be eased, allowing fares to be adjusted during periods of varying demand, such as weekends, evenings, and during bad weather. This easing of the price controls would allow taxis to adopt pricing similar to Uber’s surge pricing model. Other suggestions included eliminating restrictions on the number of taxi licences issued and moving to a system that allowed additional qualified drivers to operate as vehicles‑for‑hire. To further even the playing field (i.e., to provide a fair opportunity for all players), the bureau suggested that drivers should be allowed to respond to street hails, regardless of whether they work for a taxi company or ridesharing service. The bureau also recommended that the government provide incentives to drivers to operate accessible vehicles in areas where consumers were underserved.

Uber

Uber maintained that it was not a taxi company, but a technology company that produced apps that enabled ridesharing, and thereby helped to reduce the number of vehicles on the road. Uber did not own any vehicles (although it had in the first iteration of Uber’s services) and drivers were not employees, but partners, with the company taking a percentage of their earnings in exchange for use of the app.[[39]](#endnote-39) Uber required all drivers using the Uber app to carry their own adequate personal auto insurance, even though they were also backed by $5 million of contingent auto liability insurance covering bodily injury and property damage. Uber argued that this additional coverage was more than double the standard requirement for taxi and limo insurance in any Canadian city.[[40]](#endnote-40)

Uber pointed to the recent Ontario court ruling that found Uber was operating legally and represented a new business model that was distinct from the taxi business.[[41]](#endnote-41) It advocated a healthy working relationship with municipalities to help them modernize regulations that would encourage, rather than stifle, innovation. Uber promoted its work as putting people first and creating safe, reliable, and affordable transportation options. It supported driver partners by paying tickets that were the result of what Uber deemed “outdated regulations.” Uber announced it would be working with Intact Financial Corporation, an insurance provider, to develop an automobile insurance plan specifically tailored for ridesharing in Canada.[[42]](#endnote-42) Interestingly, as evidence of how seriously Uber took public policy and image, it had hired David Plouffe as policy chief. Plouffe was a well-established strategist who previously worked as the campaign manager for Barack Obama’s successful bid for the U.S. presidency.

The Public

The August 2015 Mainstreet/Postmedia poll of 7,300 Canadians in Toronto, Montreal, Quebec City, Edmonton, London, and Ottawa was the largest independent public poll concerning Uber. Overall, the poll found fluid support for Uber across Canada with higher support in cities where Uber was more established.[[43]](#endnote-43) For instance, 45 per cent of those surveyed in Toronto were happy to allow UberX drivers to continue without a municipal licence, whereas 37 per cent opposed it. In contrast, in London, a city where Uber had more recently launched, only 23 per cent of those surveyed said Uber should be allowed to continue without a taxi licence. Also, greater support for Uber was found with younger demographics, where 73 per cent of those aged 18–34 supported Uber, compared with only 22 per cent of people aged 65 and over.

Those Canadians who closely followed the battle between Uber and taxis were found to be more likely to be supportive of Uber. According to Quito Maggi, president of Mainstreet Research, “Once you know how the service works and that you can track it, there are probably less concerns around safety and security.”[[44]](#endnote-44) Upward of 85 per cent of those surveyed in most cities indicated they found taxis safe. This sentiment held true in London, where safety emerged as a big issue: 88 per cent of London’s respondents felt that taxis were safer than Uber, while only 29 per cent said the opposite was true.

“In every city, it’s the same thing,” Maggi said. “High perception of safety for taxis but low support for maintaining the current licensing/medallion kind of system that’s in place in most municipalities.”42 A large proportion of those surveyed in larger cities such as Toronto, Montreal, and Ottawa supported abolishing taxi licences altogether with compensation for those already holding licences. Any solution is “really going to require some cooperation across municipalities,” Maggi noted.

THE RECOMMENDATIONS

Uber’s overall argument hinged on its belief that it was a technology company, not a taxi brokerage. Therefore, Uber maintained, its operations should not be tightly controlled by civic authorities who regulate the number of taxis on the street and what they can charge. The technology-based system that Uber employed allowed for drivers to be enlisted as needed, adding more at peak times, and adjusting prices to suit demand. Traditional operators argued that Uber sidestepped costly rules and regulations that taxi drivers needed to contend with, such as higher liability insurance, dispatching fees, and safety requirements that pulled cars off the road at a certain age. This inequity resulted in an uneven playing field (i.e., an unfair situation).

Uber countered that the Uber system was in fact safer and more transparent than the way that traditional taxi services were offered. Indeed, with Uber’s rating system and picture transmission, UberX riders knew who was picking them up and in what car, and knew the driver’s reputation. Many riders reported that UberX drivers offered rides with perks that traditional taxis didn’t provide, such as free bottled water or a magazine to read. Moreover, UberX riders knew exactly what the fare would be even before entering the car, which took away the mystique of taxi meters. Paying the fare through the Uber app meant that riders and drivers didn’t have to fumble with cash or worry about the security of credit card transactions.

The issues were complex, and difficult questions needed to be answered. Above all, London’s Community and Protective Services Committee needed to make ethical recommendations that equitably considered the positions of all stakeholders. Doing so meant levelling the playing field, or providing a fair opportunity to all players, either by regulating Uber or by relaxing existing regulations on taxi services. The legislation that the City developed could adversely affect the livelihoods of hundreds of taxi and limo drivers and would likely forever change the way Londoners moved around the city. Indeed, as reported in the local media, the Uber situation could prove to be “a thorny dilemma for City Council that has earned a reputation as forward-thinking.”[[45]](#endnote-45)

Exhibit 1: Top 10 Companies in the Sharing Economy

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Company | Founded | Status | Origin | Industry | Valuation (US$ billion) |
| eBay Inc. | 1995 | Public | U.S., California | Pre-owned goods auction | 71.5 |
| Uber Technologies Inc. | 2009 | Private | U.S., California | Ride sharing | 40.0 |
| Airbnb, Inc. | 2008 | Private | U.S., California | Room sharing | 10.0 |
| Didi Chuxing  (formerly Didi Kuaidi) | 2012 | Private | China | Ride sharing | 8.8 |
| Lending Club Corp. | 2006 | Public | U.S., California | Money lending | 6.3 |
| WeWork Companies Inc. | 2010 | Private | U.S., New York | Work space | 5.0 |
| HomeAway, Inc. | 2005 | Public | U.S., Texas | Room sharing | 2.6 |
| Lyft, Inc. | 2012 | Private | U.S., California | Ride sharing | 2.5 |
| Etsy, Inc. | 2005 | Public | U.S., New York | Handmade goods | 2.3 |
| Instacart Inc. | 2012 | Private | U.S., California | Grocery delivery | 2.0 |

Source: Cynthia A. Montgomery, James Weber, and Elizabeth Anne Watkins, *The On-Demand Economy* (Boston, MA: Harvard Business Publishing, 2015). Available from Ivey Publishing, product no. 716405.

endnotes

1. This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of Uber Technologies Inc., or any of its employees. [↑](#endnote-ref-1)
2. Community and Protective Services Committee of the City of London, “Public Participation Meeting—Taxicab/Limousine Licensing By-law—Fare Amendments and Housekeeping Matters: Report to Committee,” Item 3 (15) of Committee Meeting Agenda, April 21, 2015, accessed September 26, 2016, http://sire.london.ca/mtgviewer.aspx?meetid=888&doctype=AGENDA; Municipal Council of the City of London, “Vehicle for Hire—New Technologies,” Item 9 of Council Meeting Minutes, September 29, 2015, accessed March 29, 2017, http://sire.london.ca/mtgviewer.aspx?meetid=1010&doctype=MINUTES. [↑](#endnote-ref-2)
3. Patrick Maloney, “City Council Voted 10–5 to Take a Step toward Regulating E-Hail Giant Uber in London,” *London Free Press*, September 30, 2015, accessed February 3, 2017, www.lfpress.com/2015/09/29/city-council-voted-10-5-to-take-a-step-toward-regulating-e-hail-giant-uber-in-london. [↑](#endnote-ref-3)
4. Mainstreet Research, “Support for Uber Fluid across Canada,” press release, August 21, 2015, accessed February 4, 2017, www.mainstreetresearch.ca/support-for-uber-fluid-across-canada. [↑](#endnote-ref-4)
5. Benita Matofska, “What Is the Sharing Economy?” The People Who Share, September 1, 2016, accessed February 7, 2017, www.thepeoplewhoshare.com/blog/what-is-the-sharing-economy. [↑](#endnote-ref-5)
6. Currency amounts are in CA$ unless otherwise specified. [↑](#endnote-ref-6)
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8. Janet Davison, “Why Transport Apps Like Uber Are Shaking Up How You Get Around,” CBC News, June 12, 2014, accessed February 3, 2017, www.cbc.ca/news/technology/why-transport-apps-like-uber-are-shaking-up-how-you-get-around-1.2666417. [↑](#endnote-ref-8)
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10. Joan Berger and Rebecca Moon, “Ride Sharing in the New Economy,” Western City, June 2015, accessed April 26, 2017, www.westerncity.com/Western-City/June-2015/Ride-Sharing-in-the-New-Economy/. [↑](#endnote-ref-10)
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