

**From:** Andrew  
**Sent:** Wednesday, December 14, 2016 6:07 PM  
**To:** Michael Prowse  
**Cc:** Office of the Mayor; Arif Khan; Mike McCann; Andrew Prince  
**Subject:** Transportation bylaw review

Dear Sir,

I would like to take this opportunity to outline two main concerns that I believe are relevant to the upcoming discussions regarding changes to the City of Barrie transportation bylaw.

We are all aware that the transportation company Uber Technologies has been operating outside of any regulations in the City of Barrie for several years without sanction. A review of the bylaw to bring Mobile Automated Dispatch (MAD) systems such as Uber under some regulatory oversight is welcome and long overdue.

My first point is that any new licencing regime treat all companies equally and fairly. Consequently I believe that licencing regulations should consider the "vehicle for hire" and "driver for hire" services provided by transportation dispatch companies and their partners as a single industry. Regulations should recognise but not discriminate between companies with varying levels of services.

Mobile Automated Dispatch (MAD) systems such as that first employed by Uber are being adopted by companies throughout the industry and will eventually replace traditional "voice over telephone" systems as the industry standard. These new automated systems provide for lower operating costs and therefore allow for lower rates for consumers. In the near future we can expect to see new companies that employ MAD technology entering the marketplace but that have different corporate structures and varying operational processes and business services. What also seems certain is that prices may be reduced for some but not all consumers.

If companies choose to not participate fully in the marketplace (that is, by only accepting credit cards for payment, or not accepting "street hails") that is an operational decision. If some companies choose to have only part time, transient, free-lance drivers, this is again, an operational decision peculiar to that specific company. If companies choose only to provide "driver for hire" services that is again, a purely business decision. Any reasonable and fair regulatory system should not discriminate or differentiate between companies based on corporate structure or purely service level differences.

With respect to the presentation from city staff held before the Finance and Corporate Services committee I have the following concerns:

Proposed Recommendation for ride share/driver for hire: "Licence the company only for ride share and driver for hire services"

Concern: Why licence only the transportation dispatch company? What is the rationale for discriminating against one group of transportation providers? Why not have a licencing regime that has three broad and wholly inclusive categories?

Proposal: Have the following three licence categories: "Transportation Dispatch Company"; "Vehicle for Hire" and "Driver for Hire". Individuals and companies choose their licence(s) based on the type of service they provide.

Rationale: This provides for equal regulatory treatment between transportation companies, vehicle owner/operators and drivers. All industry players would be responsible for maintaining and/or providing exactly the same licence documents, vehicle safety certificates and standards, as well as personal identification and criminal record checks that are required under the current bylaw.

Secondly, the issue of tariff rates and dynamic pricing models.

Proposed Recommendation - Taxi Licensing "Remove Taxi Tariff restrictions...."

Concerns: Price certainty has been the cornerstone of transportation regulation policy for decades. A mandatory fixed tariff has been a fundamental factor for all business decisions made by existing companies since their inception. To remove that fundamental aspect of our businesses overnight would be unreasonable and profoundly unfair. I would also argue that price certainty is as much about customer and driver safety as it is about market considerations. For consumers, single fixed tariffs protect against gouging by unscrupulous operators and provide for consistent budgeting (that is, consumers can be reasonably certain that they will pay the same amount for the same trip regardless of demand or supply conditions.) Put simply, consumers don't pay four, six or ten times more than normal just because there is a snow storm.

For drivers, it means that they have some stability for budgeting their income and expenses. Drivers already earn income based on commissions from sales and promoting even more uncertainty by allowing prices to fluctuate will create undue hardship for many.

Also, because of the enormous differences in both available resources and operating costs between Uber Technologies and local companies, allowing price competition will put intense pressure on existing companies. Uber can and does set local pricing below their own costs (in international trade this is known as dumping) to increase market share and drive out competitors. With no regulatory safeguards to protect consumers from price gouging, drivers from arbitrarily low rates or competitors from "dump" price fixing, Barrie's transportation market will become, in no small way, at the mercy of a foreign multinational behemoth.

Finally, purely MAD services such as Uber are only available to those consumers with smart phones, data plans and available credit. All other consumers cannot benefit from the lower cost services. Moving from a fixed tariff to open price competition will see these consumers left out of any benefits from reduced rates or for that matter they will be not exposed to the risks associated with surge pricing. What is certain is that consumers who continue to use the older, higher-cost "voice over telephone" services will continue to pay higher rates for transportation services.

By instituting a gradual reduction in the fixed tariff over time both consumers and existing companies can adjust to the new technological realities.

Proposal: Set a new, lower, temporary (say for example, 10% lower in year 1, 10% lower again in year 2...) fixed tariff that allows time for consumers to adopt and benefit from the lower costs associated with MAD systems and so encourage companies to move to the new technologies as well.

In summary, why not have a regulatory regime that asks all companies and individuals in the industry to adhere to the same restrictions and reporting requirements, gives consumers and existing companies time to adopt new technologies and lower their costs, while at the same time protecting consumers, drivers and companies from the ill effects of sudden price shocks and possible predatory pricing by one large company.

As this is only the beginning of the review process I hope that council and industry can work together to bring a new and fair transportation bylaw to the city of Barrie. A bylaw that allows both consumers and industry to benefit from new technologies and business practices.

Sincerely,

Andrew Bacque  
Owner/Operator Deluxe Taxi