

Disrupting Ground Transportation: Year in Review

Creating Digital Opportunity: Annual Conference
May 3, 2017

Shauna Brail – shauna.brail@utoronto.ca

The Sharing Economy?

“This is a very dangerous direction to go, **this unregulated economy, that’s what it should be called**, not a sharing economy, it’s an **unregulated, privatized economy** that takes away accountability from the public (City of Toronto Councillor, Interview).

Uber has spent more than
\$1 MILLION
lobbying against regulations in California since 2013. It is said to have set aside at least \$1 billion for future regulatory fights as it expands abroad.

Mother Jones

The company has been valued at
\$51 BILLION.

Mother Jones



Statistics
Canada

Statistique
Canada

Search website

[Home](#) → [13-605-X](#) → [Main page](#) → [Chronology of events](#) → Measuring the sharing economy in the Canadian Macroeconomic Accounts

Latest Developments in the Canadian Economic Accounts Measuring the sharing economy in the Canadian Macroeconomic Accounts

Release date: February 21, 2017

ANALYSIS | Canada's sharing economy is growing — but should we really call it 'sharing'?

Statistics Canada uses a disputed term to describe an economic trend

By Solomon Israel, [CBC News](#) | Posted: Mar 05, 2017 5:00 AM ET | Last Updated: Mar 05, 2017 10:26 AM ET



Statistics
Canada

Statistique
Canada

Search website

[Home](#) → [13-605-X](#) → [Main page](#) → [Chronology of events](#) → Measuring the sharing economy in the Canadian Macroeconomic Accounts

Latest Developments in the Canadian Economic Accounts Measuring the sharing economy in the Canadian Macroeconomic Accounts

Release date: February 21, 2017

ANALYSIS | Canada's sharing economy is growing — but should we really call it 'sharing'?

Statistics Canada uses a disputed term to describe an economic trend

By Solomon Israel, [CBC News](#) | Posted: Mar 05, 2017 5:00 AM ET | Last Updated: Mar 05, 2017 10:26 AM ET

The Platform Economy

"Will the platform economy, and the reorganization it portends, **catalyze economic growth and a surge in productivity** driven by a new generation of entrepreneurs? Or will the algorithmically driven reorganization **concentrate substantially all of the gains in the hands of those who build** the platforms?" (Kenney & Zysman, 2016, 64.)

- Labour Platforms

- Eg: Uber, Taskrabbit, Lyft

- Capital Platforms

- Eg: Airbnb, Etsy



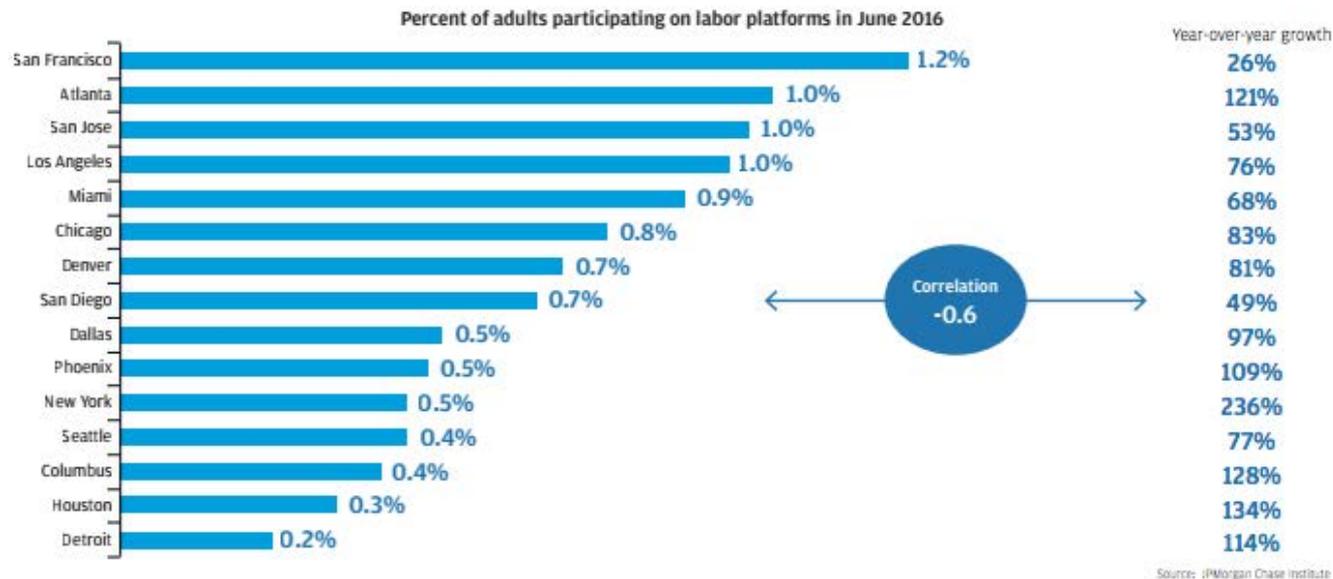
Cities & the Platform Economy

- Globally: population **50%+ urban, geographically uneven** (UN, 2008)
 - Developed + expansion of urban population / markets (eg: China, India)
- Millennium characterized by **rapid change, enhanced competition & globalization, deepening socio-spatial divides in cities** (Sassen, 2009; Hulchanski, 2010; Piketty, 2013)
- Select cities = concentrations of **knowledge workers, innovative activity, economic power** (Florida, 2016; Wolfe & Gertler, 2016)
- **Concentrations of firms + people + change in cities**
 - Particular relevance / opportunity for **platform economy** (Farrell & Greig, 2016)
 - At same time challenges associated with **inequality and deepening divides** (Kenney & Zysman, 2016)
- **Tensions** amongst economy, society, public good **underlie debates**

Concentration in Cities

- Noted **urban concentration of platform economy** activities
 - Especially in **'Rides and Rooms'** (Farrell and Greig, 2016; Hathaway and Muro, 2016)

Figure 4: There is substantial variation across cities in both the level and growth of participation on labor platforms



Source: <https://www.jpmorganchase.com/corporate/institute/document/jpmc-institute-online-platform-econ-brief.pdf>

Uber: Year in Review



'Uber vs. City Hall': 2016 - 2017

April 2016

- Since 2011 Uber launch, expansion to **400+** cities in **60+** countries
- Operating **outside of ground transportation regulations** in Toronto
- Company valued at **\$51B** (December 2015)

April 2017

- Operates in **581+** cities in **81+** countries
- As of July 2016, operates legally in Toronto as a **Private Transportation Company (PTC)**
- Valued at **\$68B**



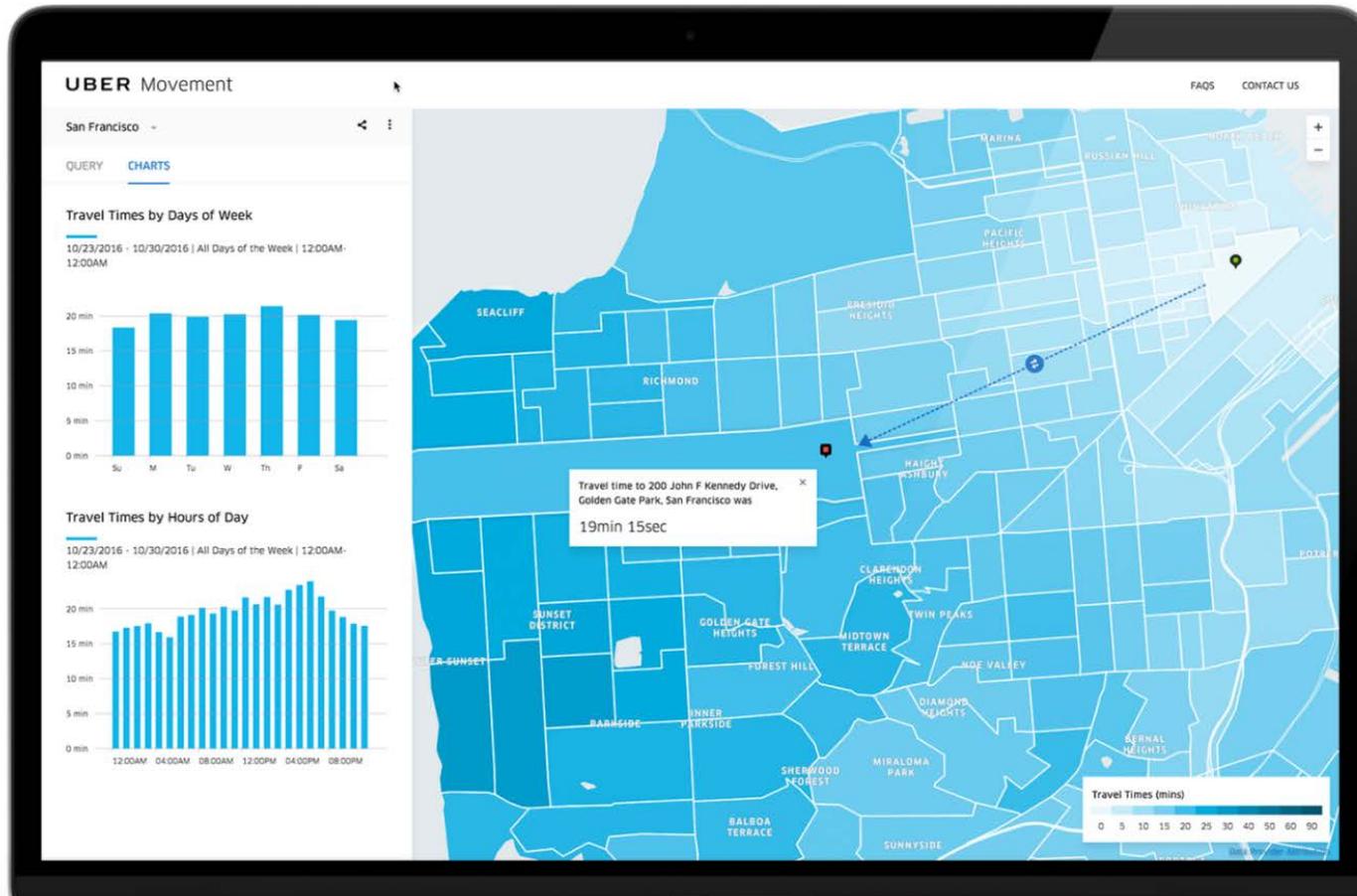
Move to Autonomous Vehicle Testing

“It’s not our role to throw up regulations or limit companies like Uber,” said Bill Peduto, Pittsburgh’s mayor, who said that Uber planned to use about 100 [modified Volvo sport utility vehicles](#) for the passenger trials. The vehicles will also have a human monitor behind the wheel. “You can either put up red tape or roll out the red carpet. If you want to be a 21st-century laboratory for technology, you put out the carpet.”



Uber Shares Data

Introducing Uber Movement



Uber Not Profitable?

Exh 2: Uber P&L 10/14-9/15	4Q14(a)	1Q2015	2Q2015	3Q2015	YE9/15
Uber Revenue	235.4	287.3	375.3	498.0	1,396.0
EBITAR contribution	(254.3)	(159.0)	(559.1)	n/a	
EBITAR margin	(108%)	(55%)	(149%)		
GAAP profit	(317.9)	(385.1)	(602.1)	(697.0)	(2,002.1)
GAAP profit margin	(135%)	(134%)	(160%)	(140%)	(143%)

(a) based on estimated quarterly split of reported 2H2014 results, and 2015 relationship between EBIT and GAAP profit

Uber: 2016
 Revenue \$20B
 Profit -\$2.8B

Source <http://www.nakedcapitalism.com/2016/11/can-uber-ever-deliver-part-one-understanding-ubers-bleak-operating-economics.html>

Exhibit 1: Distribution of Taxi Revenue (including tips) by cost category	Traditional Actual costs	Tradit adj to Uber model	Can Uber Achieve Significantly Lower Costs Than Traditional Cab Companies?	
total costs paid by drivers:	67%	85%		
total costs paid by corporate:	33%	15%		
driver compensation (take-home pay plus self-funded benefit costs)	58%	58%	NO	Uber's growth impossible without much higher driver costs
fuel and direct fees	9%	9%	NO	Everyone faces same fuel costs
vehicle ownership and maintenance (in traditional model corporate pays; in Uber model driver pays)	18%	18%	NO	Independent drivers pay more for insurance/vehicles/financing and maintenance than existing operators
dispatch/overhead and corporate profit	15%	15%	NO	Uber charges 20-30% of revenue but has much higher costs (global branding, software, ROI on \$13B)

Source: <http://www.nakedcapitalism.com/2016/12/can-uber-ever-deliver-part-two-understanding-ubers-uncompetitive-costs.html>

Or...Uber Hides Profits?



UBER

How Uber plays the tax shell game

Brian O'Keefe, Marty Jones
Oct 22, 2015



T he VCs were desperate to give him more money. It was the spring of

Source: <http://fortune.com/2015/10/22/uber-tax-shell/>

#DeleteUber No.1

Peduto jabs Uber over Trump connection, airport protest

January 31, 2017 12:00 AM

“We’ve held up our end [of] the bargain,” Mr. Peduto said, referring to the city’s cooperation with the company, “but we haven’t seen much from Uber. This is a two-way street, not a one-way. I need to see more interest from them in our communities, both locally and internationally.”

<http://www.post-gazette.com/local/city/2017/01/31/Mayor-Bill-Peduto-jabs-Uber-CEO-Travis-Kalanick-Donald-Trump-relationship-airport-protest/stories/201701310112>



Lucy Nicholson/Reuters

<http://www.businessinsider.com/why-people-are-having-problems-deleting-uber-account-2017-1>



Credit: Anas Chowdhury

<http://metro.co.uk/2017/01/30/how-to-delete-an-uber-account-deleting-the-app-does-not-delete-the-account-6416344/>

#DeleteUber No. 2

When I joined Uber, the organization I was part of was over 25% women. By the time I was trying to transfer to another eng organization, this number had dropped down to less than 6%. Women were transferring out of the organization, and those who couldn't transfer were quitting or preparing to quit. There were two major reasons for this: there was the organizational chaos, and there was also the sexism within the organization. When I asked our director at an org all-hands about what was being done about the dwindling

<https://www.susanjowler.com/blog/2017/2/19/reflecting-on-one-very-strange-year-at-uber>

UBER

RESOLVED

DELETE MY UBER ACCOUNT

Sorry to hear that you wish to delete your account, Cameron. Let us assist you here.

TRANSPORTATION UBER

Everyone at Uber is deeply hurting af What she describes is abhorrent and believes in. Eric Holder, former US At

and Tammy Albarran, both partners at the leading law firm Covington & Burling, will conduct an independent review into the specific issues relating to the workplace environment raised by Susan Fowler, as well as diversity and inclusion at Uber more broadly. We believe in creating a workplace where a deep sense of justice underpins everything we do and it's everyone's number one priority to create change in the coming months and years.

How Uber got into this human resources mess

Could allegations of sexual harassment and sexism put the company's future IPO prospects at risk?

BY JOHANA BHUIYAN | @JMBODYAH | FEB 21, 2017, 3:25PM EST

In line with your request, we've already marked your account to be deleted. Please bear in mind that we cannot recover your account after it has been deleted.

We appreciate your understanding regarding this matter. Please don't hesitate

... Annus Horribilus Continues

“In some ways what Uber needs is a colonic, not a Kalanick,” said Michael Gordon of the crisis public relations firm Group Gordon. “Uber has had a worse spate of bad news in 2017 than the Trump administration.”

<https://www.theguardian.com/technology/2017/mar/03/uber-secret-program-greyball-resignation-ed-baker>



<http://www.recode.net/2017/2/28/14766964/video-uber-travis-kalanick-driver-argument>

And keeps on going...

Uber's turmoil continues as president Jeff Jones quits

Jones is the latest in a string of high-level executives to leave tech company

Thomson Reuters | Posted: Mar 19, 2017 7:28 PM ET | Last Updated: Mar 20, 2017 1:58 AM ET

The New York Times

Executive Who Steered Uber Through Scandals Joins Exodus

By MIKE ISAAC | APRIL 11, 2017

From bad...



Uber calls GST requirement a 'tax on innovation'

Liberals extend GST rules for taxis to ridesharing company. Uber asks for consultations on move they say will burden drivers, passengers.

Source: <https://www.thestar.com/news/canada/2017/03/23/uber-calls-gst-requirement-a-tax-on-innovation.html>

News

C'mon Uber: Sales Taxes on Uber Rides Are Not a "Tax on Innovation"

March 23, 2017

Source: <http://www.michaelgeist.ca/2017/03/cmon-uber-sales-taxes-uber-rides-not-tax-innovation/>

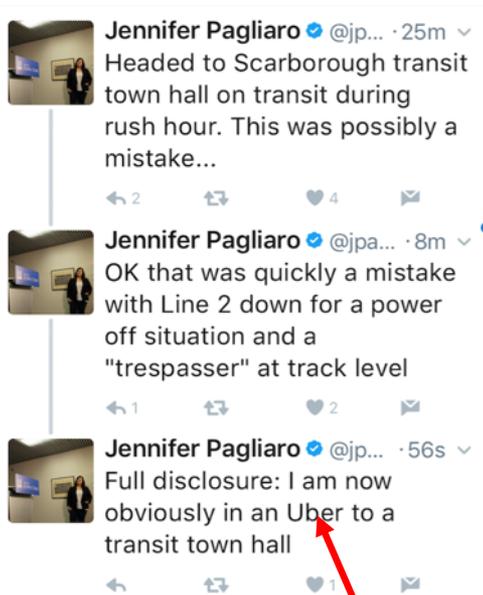
To worse?

Uber allegedly used secret program to undermine rival Lyft

Program - dubbed 'Hell' - was reportedly run between 2014 and early 2016 in order to deprive cab competitor of drivers

Source:<https://www.theguardian.com/technology/2017/apr/13/uber-allegedly-used-secret-program-to-cripple-rival-lyft>

A Post-Uber World? Not quite...



March 13, 2017

Spent an hour trying to find a ride.

Austin is broken w/o Uber or Lyft. Other ridesharing apps aren't working and all the taxis are full.

— Ryan Hoover (@rrhoover) [March 12, 2017](#)

Uber Presence in 30 Largest Municipalities: March 2017



In 2016-2017 Regulatory Success Across



What's Next?

- Uber appears to have **paved way for next generation** of ride sharing
 - Represented by traditional automotive firms: Ford, GM + Tesla & others together with tech firms
- **Convergence** of ride sharing, autonomous vehicles, electric vehicles
 - Witnessed through **partnerships, investment, testing, new models**
- Digital Opportunity & Ground Transportation
 - Global scale, **urban** focus
 - Global **networks** of cities & regions
 - National, regional & local scale
 - Opportunities, advantages & threats
- Capital & Capitalism Prevails
 - Return to debates & tensions: **economy, society, public good**

Shauna Brail

Urban Studies Program, University of Toronto

shauna.brail@utoronto.ca | @shaunabrail

This research was conducted as part of the Creating Digital Opportunity (CDO) research project with financial support provided by the Social Sciences and Humanities Research Council



**Social Sciences and Humanities
Research Council of Canada**





Kristine Hubbard @KristineHubbard · 22h



#TOcouncil will decide how important driver and passenger safety is. Right now, PTC cars have no cameras. #TOpoli



Kristine Hubbard @KristineHubbard · Apr 13



Politicians/regulators can't blame the company. Instead, they should have done their jobs. Was never uber v. taxi.

