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No 1

# S A M T A

## SOUTH AFRICAN METERED TAXI ASSOCIATION

124 Sylvester Ntuli Road DURBAN 4001 TEL: 031 - 3372442 FAX: 031 - 3379781

31 May 2016

We the Regulated Metered Taxi Industry Representing 8 Regional Metered Taxi Companies who employ approximately 1300 people. Together with 1 200 Individual Metered Cabs operating in all the major SA cities oppose and object to a number of amendments in the National Land Transport Amendment Bill which will affect our livelihood's and over 2 500 jobs in South Africa.

To The Honourable Minister of Transport Ms Dipuo Peters & The Parliamentary Portfolio Committee on Transport,  
The Chairperson – Ms Dikeledi Magadzi and The Portfolio Committee on Transport,

We have voiced and communicated our objections regarding the disruptive and illegal operations of Uber, plus all e-hailing transport and other unregulated transport services, at each of our Regional Transport Authority meetings around the country. We have raised our voices and we have marched in the streets to no avail. Uber entered the South African market approximately three years ago, illegally and aggressively steam rolling over all other legitimate role-player's, as has been their modus operandum in other markets. Very little enforcement action has been taken against them, rather they have been embraced as the "darling" of public transport without investigation into their predatory and aggressive business tactics, which includes running at a loss to obtain market share and funding their aggressive campaign with investor funds, whilst our members continue to be fined at the slightest transgression of our public transport laws, as we struggle to keep afloat in trying economic times. To add insult to injury they are being offered Metered Taxi permits in some cities, without broad-based consultation with the legal representatives of the Industry in those cities.

2.

Our voices and objections have been ignored even though their aggressive activities have had a direct impact on our small businesses.

Uber particularly has been allowed to proliferate with impunity and no action has been taken against their current illegal activities. Our livelihood and 2 500 bona fida jobs are now threatened.

In terms of our current 2009 NLTA 80% of Uber & e-haling drivers are currently illegal.

NO ACTION HAS BEEN TAKEN AGAINST ILLEGAL UBER and Other ILLEGAL OPERATORS - THOSE WITH OR WITHOUT E-HALING. EVERY DAY MORE and MORE VEHICLES ARE ADDED ONTO THE UBER & E-HALING, PLATFORM, THEREBY UNDERMINING THE REGULATED METERED TAXI INDUSTRY. It is for this reason the atmosphere on the street has reached boiling point and you are seeing pockets of violence erupting around the country. We are a peaceful organisation and we do not advocate violence, how much longer must we stand by, powerless whilst our livelihoods' are eroded? THE INTERNET AND OUR TRADITIONAL MARKETPLACE's are being bombarded WITH FREE OFFERS and unsustainable pricing by Uber. We are small businesses in comparison, doing our best to offer a professional, efficient safe service to the public, we cannot compete with their aggressive marketing campaign and unfair anti-competitive methods, which includes running at a loss to secure clients.

We include an article which high-lights the countries and cities Uber has been Banned and where they have been allowed to operate.

On the South African map it is noted, they are illegal but operating with impunity.

In terms of the NLTA of 2009, section 50. It is obvious Uber should NOT have been allowed to proliferate without being regulated and curtailed.

Due to the Unfair Competition of the way Uber and other e-haling services operate with zero regulations, long standing Metered Cab Companies such as Hurters Cabs in PE have gone out of business after 75 years of trading, as they were unable to survive in an environment where they were complying with basic conditions of employment and Metered Taxi Regulations, whilst companies like Uber, are uncompliant, whilst they undercut prices to unsustainable levels, and continue to mushroom with no consequence or enforcement.

3.

Dedicated Airport Cabs have lost a large portion of their livelihood due to illegal Uber and other illegal vehicles targeting and parking outside our airports without ACSA's authority to do so. We enclose a recent article in the Daily Maverick which reflects the unregulated conditions Uber drivers are working under and their modus operandum at all South African Airports.

We object to the proposed amendments of the NLTA which are before you today which relate to Metered Taxis and refer to E-Hailing applications without a physical meter. If these amendments are passed, South Africa will be flooded with unregulated private vehicles transporting the public for reward. Thousands of local South African jobs and businesses will be lost. In addition we have not been consulted on these amendments with reference to how they will affect the future of the Metered Taxi Industry in South Africa. We acknowledge Uber and e-hailing services have become a fact of life, these services need to be regulated but not in a way that would destroy existing Metered Taxi infrastructures, we require Uber and all other e-hailing services abide by the same rules and regulations that Metered Taxi's are required to conform to, they must refrain from proliferating without permits, and must be subjected to the same restrictive permit requirements we in the industry are required to abide by. In addition they must refrain from undercutting prices which force other companies and individual operators out of business whilst they run at loss to capture the market place.

We object to the following clauses:

PAGE 4 -SECTION D AND C - in reference to Section 1 of Act 5 of 2009.  
An Electronic Hailing Application using a smart phone is NOT a taxi Meter in terms of International and National Standards for the following reason:

- (a) A Smart phone APP cannot be sealed, therefore the km price can be increased and decreased at a whim, and this is evident in the surge pricing UBER applies during peak periods. Surge pricing in the Metered Taxi Industry is an illegal business practice.

4.

We Recommend E-Haling applications are required to be used TOGETHER with a sealed meter, within a Regulated Metered Taxi Industry, which limits the number of Cabs operating under each company banner. If Uber is going to be legalized as a Metered Taxi – we require National consultation with the entire Metered Taxi Industry and a limit to the number of vehicles they can operate under their banner. The Law needs to be enforced when they do not comply, i.e. they need to abide by the current Metered Taxi Regulations, in addition they must refrain from undercutting prices to unsustainable levels to increase market share and then raise prices to unregulated high prices when demand increases.

IN ADDITION THEY MUST STOP OPERATING UNTIL THEY ARE LEGALISED TO DO SO, AS THEY HAVE BEEN FORCED TO DO IN OTHER COUNTRIES.

We also object to the amendment to Section 66 of Act 5, chapter 38 on page 40 of the amended document, paragraph c.

An E-HALING app can NEVER take the place of physical Meter for the reasons cited in (a) above.

No country has defined a smart phone application as a Taxi Meter. We enclose a number of online articles which reflect how different countries are currently addressing legislation aspects of e-haling and Uber.

We include the objections to the current NLTA we submitted in 2008 which were not acknowledged or taken into consideration.

We are asking how has it come to pass that an International Corporation has been able to lobby and force amendments through our National Land Transport Act in 12 months, which if implemented will have far reaching detrimental effects on The Metered Taxi industry in South Africa and our workforce? Whilst we who have been in business for over 65 years and are running registered, tax paying companies have been ignored. The Metered Taxi Industry have followed international standards and offered professional transport services for the past 70 years. We enclose a newspaper article from June 2000 where one of our drivers was praised in this very same parliament for his honesty when he returned a hand-bag containing R12, 000.00 in cash to a client. Metered Taxis in South Africa continue to offer personalized professional service to the public.

We trust our objections will be considered and acted upon and we will be consulted on a way forward, a way to integrate technology within a legal frame work.

The South African Metered Taxi Industry is requesting urgent enforcement against e-hailing vehicles, including Uber which are not complying with our current NLTA. In addition we object to the amendments before you until further consultation with the Metered Taxi Industry. We are requesting input on future regulations for e-hailing which will be mutually beneficial and level the playing fields with Metered Taxis and E-hailing aps and do away with the current unfair competition of e-hailing vehicles proliferation without regulation.

We urge you not to allow an aggressive Silicon Valley giant to come into South Africa, and lobby government to change laws which will have a negative impact on our local companies and Individual Metered Taxi Operators. Uber have pulled out of cities and countries where they have been forced to abide by the local regulatory laws as this does not fit their predatory business model. We enclose a number of articles where they have been forced to pull out or have voluntarily pulled out when they have been forced to comply with a country's or a cities transport Regulations. We are objecting vehemently to the amendments before you today. Uber's modus operandum around the world has been, enter a market, break the law and then try and change the law, we are appealing to you to ensure this does not happen in South Africa.

Yours Sincerely,

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F. Freedman  
National

H. Gretton  
National

H.O. Bux  
KZN

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K. Moodley  
KZN

R. Moreme  
JHB - Representative

A. Baker  
CT - Representative

EXECUTIVE MEMBERS

7.

Enclosures: Recognition document, previous objections sent to DOT.

Enclosures: New Jersey regulating Uber  
Quebec and Cab drivers- Regulations  
Uber banned in Frankfurt  
Uber facing legislation in Europe  
Uber Lobby in Europe  
Newspaper article 2000.  
Uber and Regulations in South Korea (2)  
Daily Maverick – Uber driver conditions at CT airport  
SAMTA's 2008 objections

Added to the articles above we have included a recent article in the Cape Argus, which high-lights the difficulties our Cape and National members and colleagues are facing.

# S A M T A

## SOUTH AFRICAN METERED TAXI ASSOCIATION

124 BRICKHILL ROAD DURBAN 4001 TEL : 031 - 3372442 FAX : 031 - 3379781

30 April 2008

Mr Muzi Simelane

Tel: 012 - 309 3002

**Subject: OBJECTIONS TO ASPECTS OF THE NLTB ON BEHALF OF THE NATIONAL BODY OF SOUTH AFRICAN METERED TAXIS**

Dear Sir,

We the South African Metered Taxi Association a National Organization representing Professional Metered Cabs and smaller one man operators around SA. We are signatory's to the original M.O.U. signed with National Government before 1994. We are signatories to the compromise document signed with Minister Dullah Omar and the taxi industry. Representatives of S.A.M.T.A. took part in the first ever national taxi conference held in Kwa-Zulu Natal from the 14<sup>th</sup> to 16<sup>th</sup> September 2001 for the election of the new South African National Taxi Council. We formed a team of metered taxi experts in 1995 and together with DOT, we produced A document "Recommendations for The Metered Taxi Industry "

As part of the NTTT metered taxi working group. Our recommendations have not been implemented and we have not been consulted as a professional industry since 1997. There are aspects in the NLTB that are detrimental to our industry. Our industry is being eroded by the minibus industry, by the car rental and hotel industry and by the tourism industry. These groups are issued our permits on demand.

If this trend continues SA will wake up to a dysfunctional metered taxi industry and 2010 will suffer. All other major tourist destinations have very specific guidelines for the Metered Taxi Industry.

We are aware of the need of transformation in the industry but this transformation needs to occur from the highest common denominator not from the lowest common denominator. At the moment any body can apply and acquire a metered taxi permit -

Our concern is that - As an industry, the experts within our industry (which is very different from the Mini bus industry) have not been consulted regarding vital aspects of our industry.

We object to the following portions of the Bill

1. Part 2 - item 61 on page 40 - maximum validity period of OPs - The metered taxi Industry needs consultation on this item - In other Tourist destinations such as London and New York - A metered taxi permit has value and is issued for life a certain number of permits are issued based on the needs of a particular area and those permits circulate with in the industry
2. We also object to item 62a on page 41 - exemptions for courtesy services - this service is Being abused - the services are not complimentary - a contractor usually gets paid by a hotel to carry out these services and this is metered taxi business. In other parts of the world Metered taxis are defined as cabs - chauffeur drives - limo's
3. SPECIAL EVENTS - item 69 on page 45 - currently metered taxis are experiencing problems Carrying out their trade during special events - Car rental companies are given privileges which metered taxis do not receive - this is another areas where the Industry needs to be thoroughly consulted.

During Rugby world cup - additional metered taxi temporary permits were issued - Almost each and every one of those "temporary permits" are still in operation today



4. 75a.b.c on page 48 is not relevant to how a metered taxi operates. A customer hires a car and a driver to go where they chose – that is the basic function of a metered taxi  
75d1 - even if a fare is negotiated the meter must still be turned on for the customers' protection.  
75d3 – this would have to be done in consultation with the industry as the industry operates many different types of services and vehicles.

5. REGARDING Tourism services on page 53.

Once again this industry is on many occasions functioning as a metered taxi –

Transfers are metered taxi work – these services must be accompanied by a registered tour guide.

The metered taxi industry needs to be included in consultation to ensure that the tourism industry does not erode the metered taxi industry.

We also object to tour operator permits being easy to obtain – they also need to be monitored and limited to the need in each area.

**It is obvious from many of the recommendations in the bill that the professional metered taxi industry which is also affiliated with international bodies have not been consulted.**

.....  
**H.O BUX**  
Chairman / President

.....  
**F. FREEDMAN**  
PRO / Treasurer

.....  
**D. HURTER**  
Vice Chairman

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Uber has been plagued by sexual assault allegations. (In India, it's rolling out a depressing new feature to improve safety: an "SOS" button.) Senior executives, including CEO Travis Kalanick, said some very brand destructive things about women and journalists. And on March 23, 2015, UN Women ended a partnership with the company just a few weeks after announcing it was starting one.

And then there are the legal restrictions.

Uber doesn't function as a normal taxi service, instead occupying the strange business space between chauffeur service and tech company. Uber often foregoes taxi licenses for many of its drivers, causing legal hiccups when the company enters new, heavily regulated markets. Some countries and regions have completely banned the service, finding it illegal under national or state laws. Other places, like France and Germany, ban just its discount services, such as UberPOP and UberX.

As you can probably guess, Uber's legal status varies country-by-country — a lot — and so does its response to legal challenges.

Some nations and cities, like South Korea, have chosen to delay their decisions on Uber, asking the service to suspend operations until they can pass Uber-specific legislation and regulations. In some cases, Uber has independently chosen to suspend operations in response to growing pressure from local communities and municipalities (like in Panama City Beach, Florida). In other places, it's continued to operate in the face of that pressure. (In Cape Town, South Africa, for example, traffic police impounded 34 Uber vehicles for operating illegally.) Other times, legal loopholes have allowed it to continue their operations. In Germany, where ride-sharing services are banned from operating without taxi licenses, Uber plans to purchase commercial licenses for its drivers.

Even legal clarity doesn't guarantee a smooth ride when it comes to introducing new competition into the local taxi market. In Brussels, a cab driver intimidated and harassed multiple Uber drivers, including one incident where he threw eggs and flour at an employee. And cities around the world have held protests against the company.

The map above shows the places around the world that are trying to restrict Uber's operations. [Here's a large version of the map.](#)

December 2015 -In cities around the world, the story is familiar – the aggressive Silicon Valley startup Uber wages a war against the taxi drivers, bursts into the market and steamrolls anyone or anything that gets in its way.

While it sometimes gains enough traction to win over the market, the strategy fell hard and flat in South Korea. The government, taxi unions, and a number of citizens railed against the foreign company for disregarding the country's laws, while the startup wailed over how "behind the times" Korea risked becoming.

The US-based company rolled out UberBlack in mid-2013, followed by UberX and UberTaxi just over a year later. But UberBlack was limited by unusual regulations in South Korea that limit any paid chauffeur service to only certain groups of people, such as foreigners or people with special needs. That seriously limited its scope.

*Uber launched in South Korea in June 2013, giving a ride to footballer Koo Ja-cheol.*

UberTaxi had a rough ride too as it was overtaken by a homegrown rival app. Meanwhile, UberX proved to be explosively controversial, just as it and the comparable UberPop has in cities the world over.

After months of legal rough-and-tumble with the government and taxi unions, Uber slinked away from the limelight this spring by closing down its controversial UberX service, in which ordinary people shuttle around paying passengers. That meant Uber had all but shuttered in Korea.

As the dust settled, Uber began quietly rebuilding over the summer, partnering with local companies and turning former government enemies into friends. Last month, it announced a fresh, new push to relaunch its high-end chauffeur-hailing service UberBlack by year-end, this time with the government on board.

But the market is not the way Uber left it. It must not only battle the goliath messaging app KakaoTalk with the KakaoTaxi service that launched in Uber's wake, but also attempt to win over Seoul's jilted taxi drivers.

## Rise and fall

From the beginning, Uber knowingly launched its service in Korea illegally, one source close to the company claims.

"Uber basically came in with a set strategy that involved them operating illegally," the source told *Tech in Asia*.

Uber didn't invent the wheel or the driver-hailing service. Korea's *daeri unjeon* (literally "substitute driver") phone service had been bringing home intoxicated businessmen in their own cars after *soju*-swilling company dinners for years. Likewise, Koreans could dial a "call taxi" number to hitch a licensed cab.

But the driver regulations were dozens of shades of gray. South Korea's law restricting rental car chauffeurs to serve only certain categories of passengers meant ordinary Koreans could not use such services. The law dictated that any paid chauffeur service, even ones bringing a hotel guest to the airport, was illegal. The law was largely ignored and the limo pickup practice became commonplace.

The Uber source says the firm was aware of the illegality but figured it wasn't a law that was actually observed. Uber allegedly made a judgment call to join the club, making its quiet entrance into Korea in June 2013 with UberBlack.

For a while, it seemed to work. Downloads edged up starting in June 2014, according to App Annie data. But shit hit the fan after it introduced UberX in August that year, inviting anyone in Seoul over age 26 with a proper license, auto insurance, and a background check to be a driver.

"But when they started X, that was deliberate. They knew that was illegal," the source added.

An Uber spokesperson told *Tech in Asia* he is not in a position to comment on legal matters as there are still legal proceedings underway.

Korea went on the offensive against UberX. The Seoul government slammed it for violating the Passenger Transport Business Act as the company denied responsibility in the event of an accident and allowed drivers without taxi licenses to use the system.

Seoul municipal authorities vowed to find new ways to outlaw Uber, prompting the startup to argue that the city's attack showed how "out of touch" it was and that it risked getting "left behind" in the global shift to the sharing economy of making money from spare rooms on Airbnb or giving rides to passengers via UberX.

News of an Uber driver's sexual assault on a passenger in India at the end of 2014 sent shockwaves through Korea. Though the tech-savvy were gung ho over Uber's innovative idea, some safety-conscious Seoulites were indignant.

"The people were divided. People were fighting with each other, and some people really hated Uber because they thought Uber [...] didn't care about local law and regulations," recalled Jungwook Lim, head of Startup Alliance, an agency in Seoul. "Many people thought that Uber was actually breaking the law, providing risky services. So what if there was an accident with an Uber car? Would the customers be covered by the insurance?"

The Uber Korea team's offline bravado didn't seem to help. Jungwook noted that when people asked these kinds of questions, Uber staff wouldn't give transparent answers. He suspected cultural clashes between the local industry and Uber Korea – which was initially run by Korean-Americans who knew the language but perhaps not the local business culture.

In December 2014, Korea became the first country to indict Uber CEO Travis Kalanick, though he refused to stand trial in the nation. Seoul City poured on the pain the following month by offering a KRW 1 million (US\$870) bounty as reward to anyone who reported an Uber driver. Even while Uber's vice president flew to Seoul to defuse flaring tensions, rallying taxi drivers vowed they would never work with the company.

Uber barked back, calling Seoul's ordinance a "predatory move" and even offering UberX for free in February this year to whet users' appetite for the service while it negotiated with the government. But weeks later, the company bent to the mounting pressure and shut UberX on March 6 — two weeks before Seoul prosecutors charged CEO Travis Kalanick and nearly 30 other Uber employees for running an illegal taxi firm.

"Uber's whole style was go to market, break the law, cause a big ruckus [...] and the law gets changed," the source close to Uber said. "In a way they got their comeuppance in Korea."

While UberX remains suspended, the less controversial UberTaxi, which hails licensed cabs, has been operational and is currently the only service available in the Uber app. UberBlack continued to serve non-Koreans and a few special needs groups as the law permitted until the company halted the service completely on November 9 to prepare for the upcoming relaunch, according to an Uber PR spokesperson.

# 'No more special treatment for Uber!'

Industry news / 06 Jun '16, 08:45am

Staff Reporter

**Cape Town - Two of the city's metered taxi business bosses have entered the fray as the tense stand-off between Uber taxi drivers and drivers of other metered taxi companies over the perceived special treatment Uber drivers receive continues.**

Ayub Baker, managing director of the Baker Group, which owns Sport Taxis and Rikkis Taxi Cabs, said the clash between drivers which resulted in a heavy police presence at Cape Town International Airport on Friday would not end as long as the authorities were not applying the law equally.

**Police block metered taxi drivers from protesting against Uber cab drivers outside Cape Town airport. Picture: Michael Waiker / INLSA**

Gun pointed at Uber driver

"Uber is being allowed to flourish and gives illegal operators a legal platform. Many drivers have signed up with Uber without having the necessary operating licence for their vehicles. It is akin to someone selling liquor without a licence. This has made metered taxi drivers frustrated," Baker said.

"Government needs to implement better controls to govern how many licences are approved," he said.

Baker said his business turnover had fallen by as much as 25 percent since Uber's arrival in South Africa.

"Nobody is making money and that is why people are fighting. We are earning less and that means our drivers are earning less," Baker said.

The owner of Intercab Taxis, Faiek Abader, said profits were declining in the metered taxi industry. He said his company had kept the same rates for seven years in a bid to retain its clients, but this was proving difficult as operational costs had increased. He said it was important for passengers to note whether a taxi they were using was licensed.

**'Uber is crippling the metered taxi industry.'**

Abader's views were echoed by another taxi operator who preferred to remain anonymous.

"All of us have to go through red tape to get professional drivers permits and vehicle permits," he said. "Uber operators don't have to."

Responding to questions, Uber spokeswoman Samantha Allenberg said drivers underwent rigorous screening, including background and driving history checks before they could join the Uber platform.

"We are committed to the safety of everybody who uses Uber," she said. "That's why we are constantly developing new technologies to ensure safety before, during, and after every ride.

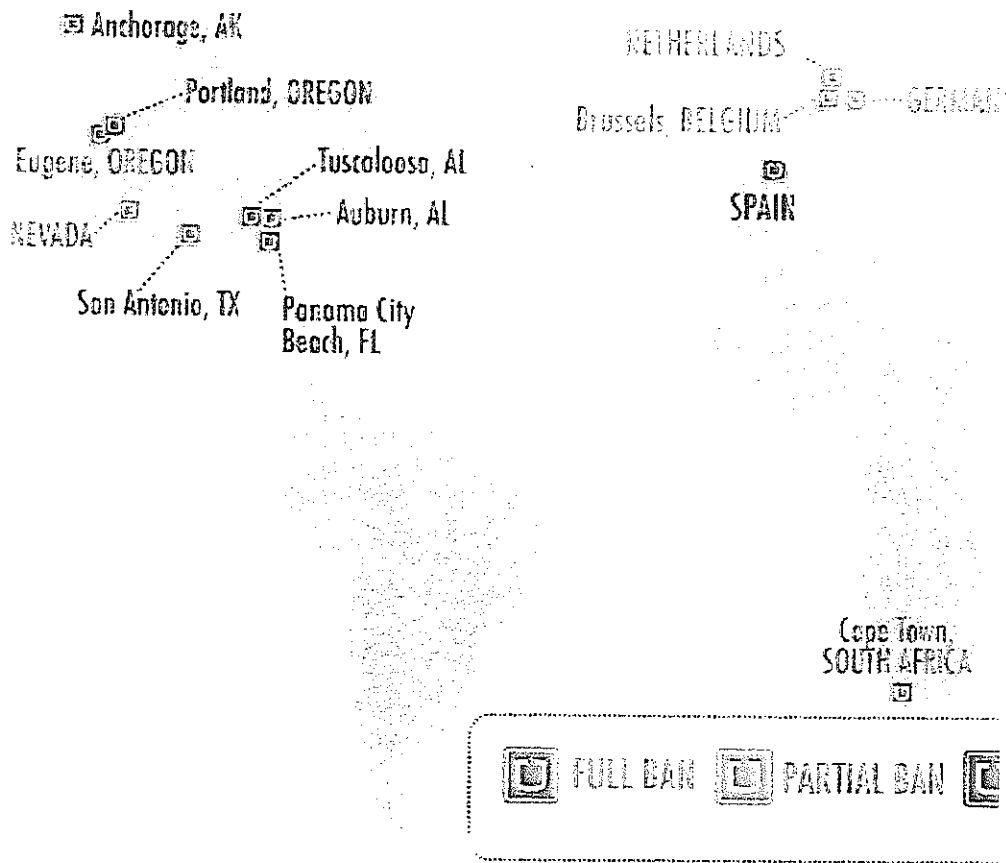
"This includes giving riders information about their driver; tracking all trips using GPS from beginning to end; enabling riders to share their expected time of arrival or route; and incorporating feedback from riders and drivers."

Mayoral committee member for transport Brett Herron said the city agreed to support about 1000 metered taxi operating licences for operators who would use electronic hailing (e-hailing) in February 2015, but only 10 operating licences had been issued

"We are not aware of the number of illegal operators using Uber," Herron said

CAPE ARGUS





Sources: Washington Post, TIME, Business Insider, NYTimes, HuffPo, Reuters, WSI, CNN and

Uber is valued at more than \$40 billion. Will that be enough to cover its legal fees?

On paper, the ride-sharing/taxi service is one of Silicon Valley's most successful startups, which is sort of incredible considering the string of public relations disasters it's suffered (and created) over the past year.

May 2016 -QUEBEC - Ride-hailing giant Uber is willing to temporarily suspend operations in Quebec in order to find common ground with the province and is prepared to offer various concessions, a company representative said Tuesday.

Jean-Nicolas Guillemette, general manager of Uber Montreal, said the U.S.-based firm would charge clients taxes on every ride — at the source — which he said would provide state coffers with about \$3 million a year.



Taxi drivers demonstrate outside the premier's office as the cabinet meets at the Quebec legislature, in Quebec City on Wednesday, May 4, 2016. The head of a taxi lobby in Quebec says ride-hailing company Uber has the attitude of a hardened criminal. THE CANADIAN PRESS/Jacques Boissinot

His comments came on the first day of hearings into Bill 100, which would force Uber drivers to conform to the same laws as cabbies with regard to regulations such as permits and taxes.

Uber says the bill, if enacted as is, would mean the end of the company's operations in Quebec.

Guillemette said Uber would be willing to charge an added tax of seven cents a ride that would go to Quebec's automobile insurance board.

Additionally, Uber is open to letting traditional taxis have exclusive access to reserved lanes, government contracts and rides hailed from the street.

Guillemette said that if Uber can sit down with the government to talk and find common ground, "we are ready to suspend our operations during that time."

"We are showing good faith," he told the hearing.

Transport Minister Jacques Daoust and other members of Quebec's legislature reacted skeptically to Guillemette's offer.

"In terms of how much taxi permits represent, it's very marginal," Daoust said.

Daoust noted Quebec's taxi industry was founded on the idea of supply management and that the government enforces a system whereby people have to pay — sometimes as much as \$200,000 — for a permit to drive a taxi.

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Daoust noted Quebec's taxi industry was founded on the idea of supply management and that the government enforces a system whereby people have to pay — sometimes as much as \$200,000 — for a permit to drive a taxi.

He said that if the government allowed Uber to operate without buying into the permit system, the value of existing permits would erode.

"There is a large population of immigrants often more educated than the job requires, and they bought the right to work in the land that welcomed them," he said. "The minute we add to (the existing permits) the value of their taxi licence necessarily diminishes."

Earlier in the day, the head of a Quebec taxi lobby said Uber has the attitude of a "hardened criminal" and is stealing money from the state.

"Just watch them," Guy Chevette told reporters, explaining how he believes Uber will try to stall the passing of the bill. "It's theft. Today, watch them go, with crocodile tears, like hardened criminals. They will pull out all the stops to try and waste time."

According to Chevette's organization, the government has two choices: pass Bill 100, which would force Uber out of the Quebec market, or compensate all the drivers and companies that have paid for taxi licences.

He said paying back drivers could cost as much as \$1.4 billion.

March 6, 2015 -Uber suspended its peer-to-peer ride-hailing service in South Korea on Thursday after talks with the local government, the company said on its blog.

The company's UberBlack service – a premium option that provides licensed chauffeurs of black sedans and SUVs – will continue operating. But the low cost UberX service, which employs drivers using their personal vehicles, will be suspended until further notice.

“After consulting with Seoul City Transport Division and taking their advice, we determined it was in the best interests of Korean riders, drivers and the community as a whole to further define our business offerings within the current confines of the regulatory framework, without ambiguity,” the company said on its blog.

It's unclear why Uber made that determination.

This is a markedly different tune compared with a “White Paper” that Uber Chief Executive Travis Kalanick published in 2013, in which he said in the face of regulatory ambiguity, “Uber will roll out ridesharing on its existing platform in any market where the regulators have given tacit approval.”

Uber CEO Travis Kalanick indicted in South Korea under transport law

The company encountered problems in South Korea last December after local authorities accused it of violating a transportation law, which says paid transportation with unregistered vehicles is “clearly illegal activity,” the country's Ministry of Land, Infrastructure and Transport said.

The South Korea suspension marks a change in the company's approach to regulators promised by Kalanick. In the wake of criticism over its aggressive expansion and comments from one executive about spying on journalists, Kalanick said Uber would learn from mistakes and be “a smarter and more humble company.”

[Sign up](#)

[Privacy Policy](#)

## **It's the first country to introduce a nationwide prohibition – May 2015**

In a largely symbolic move that appears to be aimed directly at Uber's cheap UberX service, South Korea passed legislation on Friday banning unlicensed drivers from providing taxi services — becoming the first country to institute a nationwide prohibition of the practice.

According to Reuters, the bill is a blanket ban on private taxi services but lawmakers who pushed the bill did so citing UberX, a service that matches commuters with individuals using their personal cars as a taxi.

Uber already pulled UberX out of Seoul in March because of backlash from the taxi industry and local authorities. But the company still maintains a presence via UberTaxi (matching passengers with licensed drivers) and UberBLACK (which can be used by the disabled, elderly and foreigners).

[Reuters]

Copyright © 2016, Los Angeles Times

Uber is having an increasingly tough time in Europe as authorities try to crack down on the tech-savvy taxi company.

Here's what's happening right now in London, Paris and Amsterdam:

London: The city's transport authorities are considering new rules that would create a lot more red tape for Uber, such as imposing a mandatory five-minute wait before passengers can start their journeys and barring the company from displaying driver availability on a map in its smartphone app.

London's transportation authority -- Transport for London -- said the new rules aim to improve passenger safety. But Uber has lashed out at the proposals and started a petition to encourage the authorities to ditch its plans.

"These rules make no sense," said Uber on its [petition page](#). "We understand that [local] cab drivers are feeling the pressure from services like Uber. But the answer is to level the playing field by reducing today's burdensome ... regulations -- not to introduce rules that will be bad for riders, drivers and London."

Over 92,000 people had signed the petition within a number of hours.

Many Londoners prefer to hail a ride using the Uber app instead of getting a traditional black cab.

Paris: Across the English channel, some of Uber's French executives were in a criminal court Wednesday, standing trial for six charges for allegedly running an illegal taxi service and violating data privacy laws.

The executives and the firm risk hefty fines as well as a prison sentence if they are convicted, but it will take months to reach a final ruling. The next hearing has been postponed until February 2016.

This is part of [lengthy legal proceedings](#) that have targeted [uberPOP](#), an Uber service that is designed to help people share rides and carpool.

UberPOP operates in over a dozen cities across Europe and gives passengers a cheaper alternative to traditional taxis by letting private drivers offer rides. The fact that these drivers are not licensed doesn't sit well with established taxi firms and local officials.

In July, Uber [suspended its uberPOP service](#) in Paris to protect its drivers from violent attacks. The company said its drivers faced "intimidation, violent assaults, and organized ambush" during anti-Uber protests.

The courts previously tried to shut down the service at the beginning of the year.  
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Amsterdam: Authorities from the Dutch justice department searched an Uber office in Amsterdam on Tuesday and have confiscated some items as part of a criminal investigation into the company.

The department, along with the city's public prosecutor, say Uber is breaking transport rules when its uberPOP drivers present themselves as legitimate cabbies even though they don't have proper licensing.

The rule in question is currently under review and could be revised by the end of next year. The transport rules were drafted in 1998 and adopted in 2000, back when smartphones did not exist.

"We're looking forward to the Dutch government continuing the modernization of the regulations in order to encourage job creation and consumer choice," Uber said in a statement.

Dutch authorities have already imposed penalties on Uber worth 450,000 euros (\$503,000).

Related: Uber's rivals are teaming up in Asia

Uber has faced a wave of regulatory and legal challenges around the world in the last year. It was temporarily blocked in Spain and had to tweak its services after a ban in Germany. It had also been suspended for a few weeks in New Delhi last year, after one of its drivers was accused of rape.

*CNN's Pierre-Elliott Buet in Paris and Chris Liakos in London contributed to this report.*

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"Make good money. Drive when you want. No office, no boss." This is Uber's enticing pitch to new drivers, but the reality can be very different. GROUNDUP's KIMON DE GREEF talks to over-worked, over-tired and under-paid Uber drivers in Cape Town.

*First published by GroundUp – May 2016*

The BP garage parking lot at Cape Town International Airport has space for more than 60 cars. It is full from before dawn until midnight all weekend, but not with customers. Motorists seldom need to queue for the station's ten petrol pumps. The Express convenience store, with its bright-lit Wild Bean Café counter, rarely has more than five clients inside at a time.

Out in the lot, tucked against the scrubby verge, drivers lean against their vehicles — polished Toyota Corollas, Hyundai Accents, Honda Accords — or rest with their doors open and seats reclined. When it rains they shut the doors and their windows mist up. A BP security guard with a badge and clipboard paces the tarmac, monitoring how long each driver has been parked. Until the guard tells them to move, or until their smartphones chime like slot machines, or until the late flights arrive and the airport empties, the drivers do not leave.

On a recent Sunday morning, Arthur\*, a 29 year-old immigrant from the Democratic Republic of Congo (DRC), sat at a table inside the store, eating fries drenched in mayonnaise. His eyes were bloodshot after less than two hours sleep, and less than two hours the night before — the naps he'd snatched between trips, hunched up in his rented vehicle, amounted to perhaps three additional hours each day. His phone, lying face-up on the table beside him, displayed a map of the airport with a countdown clock. The waiting time until his next ride, it indicated, was "60+" minutes.

"We have no choice," he said, watching the screen. "We have to sit here and wait. We have to work these crazy hours to bring in enough money."

An Uber driver like the rest of the men in the parking lot, Arthur had woken at 3am that Friday and arrived at the airport an hour later, his usual strategy on weekends. Squeezed by lower rates and sluggish off-season demand, Cape Town drivers target the airport because it practically guarantees long rides back to the city. Shortly before midnight, after 18 hours online and only four trips — worth less than R600 in total, before deductions — he left the airport and drove to town, where he ferried clients from Long Street, Kloof, and Bree. He arrived home in Mowbray, where he currently lives with his mother and siblings, at 4am; he doesn't recall what time he woke up.

"When you're that tired you don't keep track," he said. "You just wash, eat, sleep."

He was back at the airport for another 20-hour shift by 7am on Saturday, remaining online until three the next morning. It was approaching noon when I met him on Sunday; he'd been working for seven hours. He told me he was "feeling fine."

Records from Arthur's driver app reveal that he worked a total of almost 95 hours that week, grossing R4,625. From this figure, Uber subtracted its standard 20% cut, equal to R925. Arthur paid R2,500 towards car rental. He estimates his fuel cost him another R1,000. Mobile data, essential for running the app, cost R100. He also paid to have the car washed and vacuumed three times — it is important to keep Uber vehicles spotless to ensure good ratings from clients — at R75 a service.

In all, he spent approximately R125 more than he earned that week, working an average of 13.5 hours for seven consecutive days.

### **Uber's pitch versus reality**

Uber has improved transport options, especially for middle-class and high-earning working class people in the city. Marcus Low has described on GroundUp how much better the service is than metered taxis. But in a country with chronic unemployment and stark income inequality, the service carries hidden costs.

Uber's website pitches a good deal to prospective drivers. "Earn money on your own terms," it states. "Full-time and part-time driving jobs for independent contractors in Cape Town give you the flexibility to work as much or as little as you want."

A sign-up page invites drivers to "Make good money. Drive when you want. No office, no boss."

But while some Uber drivers in Cape Town have had positive experiences with the app, which launched nationally in August 2013, the majority do not come close to achieving the company's advertised lifestyle and income targets, GroundUp can report, after more than 30 interviews with drivers — especially since Uber South Africa (SA) unilaterally dropped its per-kilometre rate from R7 to R6 in April this year.

In South Africa, unlike many countries worldwide, most Uber drivers work for 'partners', or investors able to finance new cars. Some Cape Town partner firms own and operate fleets of more than 50 vehicles each. Splitting their earnings with their 'employers' — a contested term when it comes to Uber, but applied here to partners — these drivers often earn considerably less than R1,000 a week, working long hours of overtime.

"The system isn't working for us," said Karabo\*, a young South African driver. "It's good for the company and for clients. It makes sense for partners with money. If you invest in a car it will keep generating income. You'll have a nice balance sheet, and be able to apply for bigger loans. But with current prices and demand many drivers are struggling to survive."

Uber SA spokesperson Samantha Allenberg could not confirm how many drivers were currently using the app in Cape Town, nor what percentage of these drivers were working for partners.

"Driver-partners are self-employed and as such have the flexibility to work when they choose," she said.

Allenberg said that Uber had "enabled over 4,000 economic opportunities" in South Africa. Uber currently offers services in Cape Town, Durban, Port Elizabeth, and Johannesburg/Pretoria. Drivers interviewed for this article estimated that there were currently between 2,000 and 3,500 cars operating in the Cape Town area, which includes Bloubergstrand, Paarl, Franschoek, Stellenbosch, and Somerset West.

### **Drivers not united**

Though dissatisfaction is widespread, not all drivers are unhappy with their current situation. Waiting for his next client in the BP parking lot, Claude\*, a thickset Burundian man resident in South Africa for over a decade, said that he "appreciated the opportunity" Uber offered him.

"Every job has its challenges," he said, waving away objections from other drivers. "I used to work as a security guard. I worked 12 hours a day, 30 days a month, for R4,000. With Uber I've improved my standard of living."

The company didn't force him to work long hours, he said. "We're human; we want to earn more money. That's why we work so much overtime."

He added that he slept in the car (a partner's) every weekend — "Like a cockroach, getting cold; it beats you; you get so tired" — and commonly drove 24-hour shifts to support his wife and eight children.

"But if the price was better you wouldn't have to drive so much," argued a Zimbabwean driver listening in on the interview. "You say Uber doesn't force us to work these hours, but we don't have any choice. Now you're working so hard for such little money, not sleeping, and risking the lives of your passengers."

A WhatsApp group formed by Uber drivers attempting to form a workers' union includes shared photographs of recent accidents involving Uber drivers. The group currently has more than 200 members. Karabo, the young South African driver, is a member of the group's steering committee.

"Accidents are much more frequent now due to driver fatigue," he said.

Responding to written questions, Uber SA's Samantha Allenberg said that the company "strictly monitored" drivers' hours and had "robust processes in place" to prevent drivers from working when tired.

These processes include "monitoring working patterns to ensure that a driver doesn't work for too long consecutively, or for excessive hours in a given week," and "reviewing real-time customer feedback ... that might flag any issues with a driver's driving."

Alenberg declined to answer whether Uber SA kept a record of accidents involving its drivers, or whether these accidents had increased in Cape Town over the last 12 months.

### **No union**

Uber SA does not recognize any form of collective driver representation, instead dealing with drivers on a one-to-one basis. In keeping with the company's increasingly criticised international policy, local drivers are classified as subcontractors, not employees. This means they are denied rights to minimum wages, paid overtime, or compensation.

With a "very high" proportion of Uber drivers in Cape Town hailing from other African countries — Zimbabwe, the DRC, Rwanda, Burundi, Somalia — a major obstacle to forming a union has been "low education and exposure to worker's rights", Karabo said.

"Many of these guys have never worked a formal job before," he said. "They don't know that they are protected. They're willing to work for almost nothing. When we talk to them about standing together, or about getting Uber to treat us better, they just say that they need to put food on the table, and that they'd rather keep working."

### **The trouble with Cape Town**

The BP security guard is stricter during the week, and only allows Uber drivers to park for 15 minutes at a time. He records car registration numbers on his clipboard. If drivers spend money in the shop, he lets them stay longer. But drivers keep congregating at the airport because airport trips typically gross R120 or more — “not these joke trips you get in town,” Karabo said.

“Cape Town is a small city. It isn’t like Joburg, where I come from. Here, you seldom get a ride further than Claremont. You end up using too much petrol. I’ve tried many strategies, but now I’m just sticking to the airport.”

A short distance from the BP garage, wedged between the container yards and warehouses of Airport Industria, more than 80 Uber drivers are gathered in a dusty lot owned by a freight company. Gospel music blares as they polish their cars. A woman sells pap with spinach. The drivers, as per Uber requirements, are neatly dressed.

“Often we wait four hours for a trip here,” says Jonathan\*, from Zimbabwe. “At R6 a kilometer we’re lucky to take home R700 in a week.”

He opens the trunk of his car (a partner’s) to show me a blanket and small rucksack. “My change of clothes is in there, and a toothbrush. You must be prepared to sleep on the road.”

“It makes us very angry,” says Kenneth, another Zimbabwean, who was online for 108 hours last week. “Uber doesn’t listen. They’re killing us.”

Samantha Allenberg told GroundUp that price cuts were “designed to help drivers” by boosting demand. She added that Uber would be reviewing its price cuts in coming weeks.

“If cuts don’t pan out the way we expected them to for drivers, we’ll reassess.”

Last week’s announcement that Uber drivers will soon be accepting cash payments for rides — raising fear among drivers that this will cause conflict with the minibus taxi industry — was in part motivated by an underwhelming response to the fare decrease, according to company communication.

“As part of the fare reduction experiment we have seen a huge number of people signing up but unable to take a ride because their cards do not work,” states an email asking drivers to attend compulsory training sessions last week. (Drivers who did not attend were threatened with disconnection from the app.)

Arthur, from the DRC, told GroundUp that most struggling drivers came from “trouble countries like Zimbabwe and Congo” and had no option but to accept Uber’s terms.

“But the worst thing is when customers ask how things are going, or what I think of these price cuts,” he said, setting his fries aside. “Some of them listen, but others tell me that’s how the world works, that if I don’t like Uber I should quit. They tell me people work for much less money in China. Who can you speak to? I’m telling you. Nobody cares.” **DM**

\* Names have been changed to protect drivers’ identities.

Kimon de Greef is a freelance journalist from Cape Town.

*Photo: Uber drivers wait at Airport Industria for their next ride. (Photo: Kimon de Greef)*

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And in other European cities, Uber faces the prospect of being beaten back — or at least contained. In Paris and Madrid, Uber has been confronted by often violent opposition from curtailed from existing taxi operators, while in London, local regulators are mulling changes that could significantly hamper Uber's ambitions there.

Frankfurt offers a case study of what can cause Uber to draw back in one place even as it expands elsewhere.

With a thriving financial center and cosmopolitan population, the city seemed like an ideal place for Uber to operate and grow. Yet the company was forced out by a mix of cultural and legal missteps. Specifically, it miscalculated how best to gain the support of skeptical locals unaccustomed to its win-at-all-costs tactics, and it underestimated the regulatory hurdles of doing business in Europe's largest economy.

"If you want to be successful in Germany, you have to understand the regulation," said Martin Fassnacht, a professor at the Otto Beisheim School of Management in Vallendar, Germany. "Uber should have taken that more seriously."

Uber has not completely withdrawn from Germany. It still operates licensed services in Berlin and Munich, and company executives say there is pent-up demand from passengers frustrated with current taxi services.

Photo

Fikret Pepic, 26, a driver for Uber in Munich. In Germany, the company still operates licensed service in Munich and Berlin.

Credit Laetitia Vancon for The New York Times

Uber has also asked the European Commission, the executive arm of the European Union, to intervene, and an official European investigation into Germany's ban on UberPop — along with similar rulings in France and Spain — is expected to be completed sometime this year.

"Have we made mistakes? Absolutely," said Mark MacGann, Uber's head of European policy. "But the current system in Germany artificially protects incumbents who think they have the right to own the market."

To understand why Uber expanded to Frankfurt in May 2014, you have only to visit the city's bustling main train station. Throngs of passengers move through the station on their way to Frankfurt's many banks and its central shopping district.

And as in many German cities, the number of licensed taxis in Frankfurt is capped, at just over 1,700 cars, which means that at peak times, there is often more demand for rides than there are available taxis.

After Uber arrived, unlicensed drivers for UberPop soon began showing up near the main entrance of the train station, enticing potential passengers with discounted rates that were roughly one-third cheaper than those of the city's licensed operators, according to Frankfurt's taxi unions.

Such fares quickly set off opposition. Thomas Grätz, head of the Taxi and Rental Car Association, a German trade body, said Uber's unlicensed drivers had not passed the same lengthy exams and were not subject to similar costs, like the professional drivers' insurance required by the city's traditional operators. Uber said its drivers were properly vetted and had appropriate insurance.

Confronted with a growing number of UberPop competitors, Taxi Deutschland, another German trade association, filed a legal challenge against Uber in mid-2014, claiming the company's drivers did not have licenses to operate nationwide. That led to a long court odyssey of rulings and appeals.

As the legal tension mounted, Uber's small Frankfurt team tried to drum up interest from locals, many of whom had never booked a taxi through a smartphone app or used a credit card to pay for a taxi. Unlike the United States and other European countries, Germany still has a low level of credit card use, according to industry statistics.

To change those habits, Uber began offering free rides and other incentives to new customers. That helped draw in people like Dan Miner, 32, an American researcher in Frankfurt who signed up for the service after first hearing about it from friends in New York. For Mr. Miner, hailing a taxi through a smartphone app, particularly late at night, was easier than flagging down a licensed taxi that charged for extras like using the trunk.

"More than anything, Uber was cheaper," Mr. Miner said.

Any momentum was short-lived. In March 2015, a Frankfurt judge ruled that all Uber drivers must hold official permits to operate. Despite the decision, Uber continued to offer its low-cost service — for a while. Then in May, the company shut down UberPop nationwide in favor of only offering licensed services. (Uber had also been offering a luxury chauffeur service in Frankfurt since early 2014.)

That was where the alienation of taxi operators like Mr. Kurt hurt Uber. Since the company had already antagonized local taxi operators by prioritizing its low-cost service, Uber could not persuade enough licensed drivers to sign up, even after it offered to pay for licenses and help with other regulatory costs that totaled as much as \$400 for new drivers, according to several local taxi groups and policy makers.

Uber's aggressive tactics also turned off potential customers like Andreas Müller, a financial analyst who tried the company's Frankfurt service after first using Uber on a business trip in Chicago. Mr. Müller said he liked the convenience of paying through his smartphone, but soon turned against the company after reading that it had continued operating in violation of court orders and did not directly employ its drivers, who are independent contractors.

"That might work in the U.S., but that's not how things are done here in Germany," said Mr. Müller, 37. "Everyone must respect the rules."

Rhea Wessel contributed reporting.

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# Uber's No-Holds-Barred Expansion Strategy Fizzles in Germany

By MARK SCOTTJAN. 3, 2016

Photo

In Frankfurt, Uber met resistance from current taxi operators like Hasan Kurt. "It's not part of the German culture to do something like" what Uber did, he said. Credit Benjamin Kilb for The New York Times

FRANKFURT — Uber is rapidly expanding its ride-hailing operations across the globe. But here in this city of 690,000 — less than the population of San Francisco, Uber's hometown — the company recently did something unusual: It retreated.

In early November, Uber shut its small office in Frankfurt's centuries-old city center after just 18 months of operation, mothballing the online platform that had let people in the city hail rides through a smartphone app. The pullback was spurred in part by drivers like Hasan Kurt, the owner of a local licensed taxi business, who had refused to work with the American service.

With more than 20 years of experience as a taxi operator, Mr. Kurt said he disliked how Uber barreled into Frankfurt in early 2014, using primarily unlicensed drivers who had not passed the same exams and health checks required of licensed drivers. That low-cost service, UberPop, which is similar to UberX in the United States, faced legal challenges and was eventually outlawed, last March, by German regulators.

Uber then tried to recruit licensed operators like Mr. Kurt to build its service within the letter of the law. But Mr. Kurt would not budge.

"It's not part of the German culture to do something like" what Uber did, Mr. Kurt, 45, said over a cup of tea last month during a break in his busy holiday schedule. "We don't like it, the government doesn't like it, and our customers don't like it."

Uber's withdrawal from Frankfurt is just one of a multitude of retreats by the company — now valued at \$62.5 billion — across Europe in recent months.

In November, Uber also pulled out of Hamburg and Düsseldorf after less than two years of operating in each of those German cities. In Amsterdam, Uber recently stopped offering UberPop.