

Principled Innovation: Addressing the Regulatory Ambiguity around Ridesharing Apps

In most cities across the country, regulators have chosen not to enforce against non-licensed transportation providers using ridesharing apps. This course of non-action resulted in massive regulatory ambiguity leading to one-sided competition which Uber has not engaged in to its own disadvantage. It is this ambiguity which we are looking to address with Uber's new policy on ridesharing:

- Uber will roll out ridesharing on its existing platform in any market where the regulators have given tacit approval;
- In the absence of regulatory leadership, Uber will implement safeguards in terms of safety and insurance that will go above and beyond what local regulatory bodies have in place for commercial transportation.

In the face of this challenge, Uber could have chosen to do nothing. We could have chosen to use regulation to thwart our competitors. Instead, we chose the path that reflects our company's core: we chose to compete.

The purpose of this white paper is to:

- a) provide recommendations to policymakers to promote innovation in transportation services while ensuring the safety of the public;
- b) introduce a principled approach to ridesharing, given the regulatory complexities;
- c) envision what the law and/or regulatory framework could look like for ridesharing especially as it relates to safety.

Regulatory Disruption

In theory, ridesharing is generally good for cities and for society as a whole: cheaper, more reliable transportation for city residents, and more jobs for drivers. But given existing regulations, the Lyft/Sidecar approach is quite aggressive. The bet they are making is two-fold:

- Uber, already a market leader, is too weary to enter the non-licensed market in the face of existing regulatory scrutiny.
- Regulators for the most part will be unable to act or enforce in time to stop them before they have a critical mass of consumer support.

Uber's Ridesharing Policy

Uber will roll out ridesharing on its existing platform in any market where the regulators have tacitly approved doing so.

1. If a competitor is operating for 30 days without direct enforcement against transportation providers, then Uber will interpret that as "tacit approval" of ridesharing activity.
2. If clear and consistent enforcement has taken place within 30 days of a competitor rolling out a ridesharing service, then Uber will not roll out its platform for ridesharing in that jurisdiction.

In the absence of regulatory clarity, Uber will implement safeguards in terms of safety and insurance that will go beyond what local regulatory bodies have in place for commercial transportation.

1. At minimum, there will be a \$1,000,000 per-incident insurance policy applicable to ridesharing trips. This insurance applies to any ridesharing trip requested through the Uber technology platform.
2. Extensive and strict background checks will be performed on any ridesharing transportation provider allowed on the Uber platform. The criteria for which a driver will be disqualified will be stricter than what any existing local regulatory body already has in place for commercial transportation providers.