

Subject:

FW: Joanna Drake - Uber on 9/7/2015

From: [REDACTED] (GROW)

Sent: Friday, July 10, 2015 11:04 AM

To: BURY Claire (GROW); [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED] (GROW)

Cc: [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED] (GROW)

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Dear All,

Joanna Drake met on 9/7/2015 [REDACTED], with Uber since [REDACTED], previously employed by [REDACTED] and [REDACTED], with Uber since [REDACTED], previously [REDACTED]. From our side, [REDACTED] (H2), [REDACTED] (H2) and I attended the meeting.

Ms Drake explained that the role of the Task Force is to bring together the different work streams within DG GROW and to prepare a recommendation (from DG GROW perspective) to the Commission on how to address the collaborative economy and support any potential initiative of the Commissioner in this regard. The Task Force is keen to have data/information/analysis from stakeholders and might invite some of them to attend Task Force meetings to detailed discussions.

Uber explained that:

- They already met Fabrice Comptour and Commissioner Bienkowska.
- They propose a new (public) transportation mean, addressing unmet demand on the market (which explains their fast growth). For this reason they do not consider themselves as a direct competitor for taxis: in San Francisco (Uber present since 5 years) the number of taxis actually increased. In Paris, 6% of clients use Uber in the suburbs where there is no taxi service. Other people use Uber to complement the public transport (home to tube distance).
- Uber is present in around 50 cities in the EU but in most of them since only 18 months. Too early to draw conclusions on their impact. They consider however that Uber is used by persons who have not used taxi before. Moreover, according to the Thévenoud report, 65.000 jobs could be created in FR if the taxi system would be liberalised (in Paris 2.9 taxis / 1000 inhabitants compared to 13/1000 in London or Stockholm). In London, the number of Uber drivers went up from 1000 in 2014 to over 15.000 in 2015. Uber estimates that 250.000 jobs could be created in the next 3 years. Uber is the third phase of internet with impact on the real economy and generates value for the local actors.
- Uber drivers are students, firemen, musicians etc: in Paris 87% of the drivers are active with Uber as a complementary activity. They make in average 400-500€/month. Uber considers that up to 8200€/year, there is no profit for the drivers, only paying the amortization of the car, insurance etc. Uber intended to advise Paris drivers to register as a company/entrepreneur if they go beyond this amount.
- Uber is proposing also VTC services but regulation is not suitable (ex. obligation to wait 15 minutes between two clients). Moreover, regulation is not adapted to technological developments (ex. for a taxi one pays the fact that it waits for a client while with Uber one pays only the actual transportation).

- UberPool is a new service allowing drivers to take up on the way additional clients going into the same direction. It reduces cost for the users, makes transportation more effective and reduces impact on environment. Service launched in San Francisco in August 2014: half of the rides are now using UberPool.
- For UberPop, they check driving license, car insurance, criminal record, no major accident in the past 3 years, pictures of the inside of the car, QA test to ensure the driver understands the service. Uber uses dynamic pricing to attract drivers to places where there is unmet demand. However, drivers are free to organise their work time, to work for several companies in the same time, etc. 5 US court decisions saying that drivers are not employees. One administrative decision saying the contrary. Will be challenged in court. 85% of drivers would prefer to be considered as a self-employed/independent. Uber is only an information technology service, an intermediary putting in contact drivers with clients and providing other services (algorithms) to drivers. Uber takes 20% commission on the fare.
- Enthusiasm of clients and drivers but regulatory problems in Southern and Western EU countries. No problems in Nordic and Eastern countries where market is liberalised. Situation in the EU today similar to what they faced in the US 18 months ago. Intend to negotiate with governments/authorities the right framework for peers and platforms. First discussions ongoing with the Brussels government (difficult point of the draft text: Uber allowed only as second activity for the driver thus excluding job seekers etc) and with the IT transport authority (independent authority). Regulatory framework should allow the peers to provide the service and protect platforms from national protectionist measures. Innovative services could be more beneficial to consumers than the application of the existing rules.
- Uber prepares a position paper (possibly to be issued before summer); supports the use of the "collaborative economy" concept rather than sharing economy.

Best regards,



European Commission

DG Internal Market, Industry, Entrepreneurship and SMEs

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