

THE COST OF HOUSTON'S RIDESHARING REGULATIONS

Working Together to Find a Solution

At Uber, we've worked with local leaders and elected officials who represent over 200 U.S. cities to establish rigorous driver screening procedures that help keep riders safe and enable over 400,000 drivers to earn money on their own schedules.

Houston has some of the most burdensome regulations for ridesharing in the country, and it is only one of two cities in the U.S. to require drivers to be fingerprinted in addition to completing Uber's background screening process. As a result, it can take up to four months for a Houston driver to go from signing up with Uber to being granted a two-year license by the City.

As we've spent much of the last year and a half trying to collaborate and negotiate with city officials, these regulations have prevented thousands of safe, qualified drivers—especially part-time drivers—from getting on the road. This report details how Houston's rules undercut economic opportunity for too many people, resulting in fewer convenient transportation options that help reduce drunk-driving.

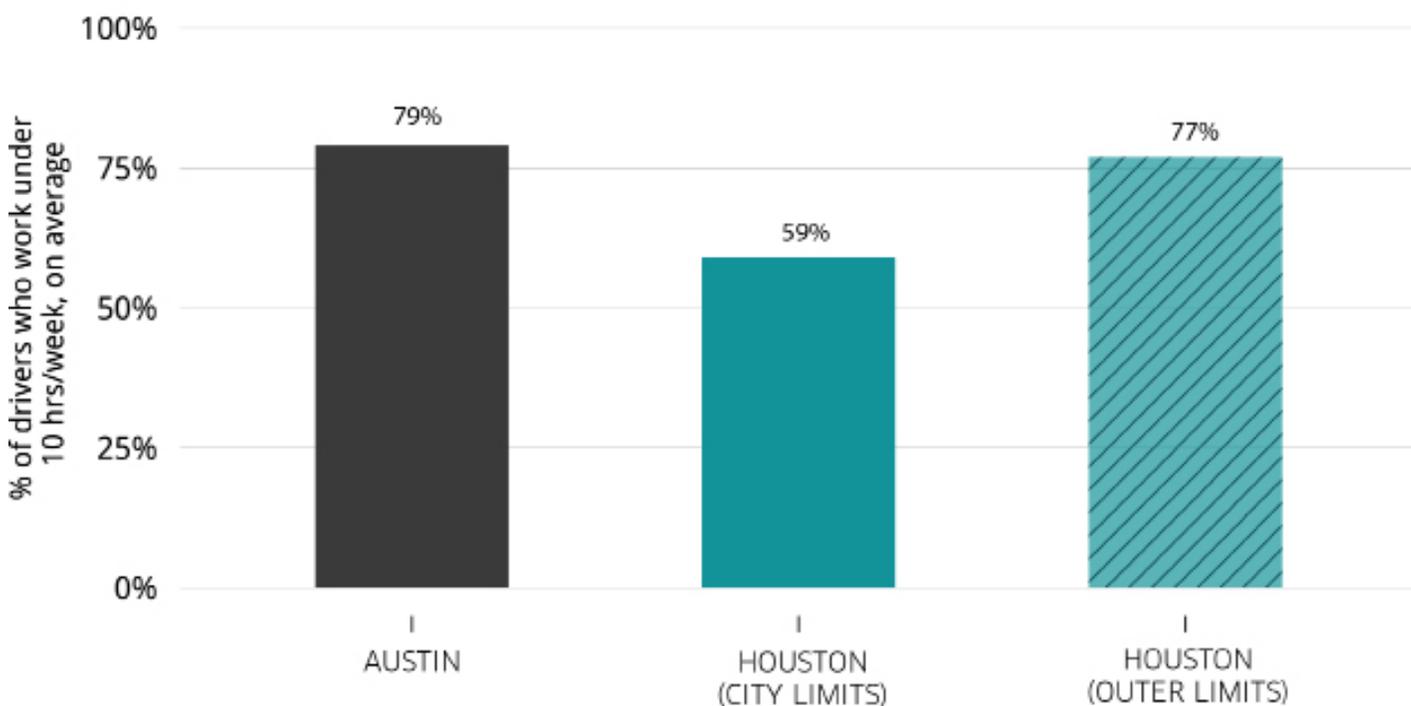
UNDERCUTTING ECONOMIC OPPORTUNITY

More than 200 million Americans live in cities that trust and rely on Uber's safety system to help keep their residents safe. However, before an individual can drive with Uber in the City of Houston, they must complete approximately ten duplicative, time-consuming, and expensive steps to obtain a license to drive on a ridesharing platform.

Uber driver-partners come from diverse backgrounds. When you request a ride with Uber, you might find that your driver is a military veteran, school teacher, nurse, former oil and gas worker, stay-at-home dad, or single parent looking to earn extra money to help pay their bills, save for a vacation, or support their family. The average Uber driver-partner drives less than 10 hours a week, and they work another part-time or full-time job. Many sign up to drive seasonally, such as during the summer or over the holidays. In Houston, the complex licensing process prevents many individuals who are interested in driving part-time from earning extra money.

In most markets, the overwhelming majority of drivers are driving in their spare time to supplement their income. Houston's current regulations are discouraging these flexible income opportunities. As demonstrated in the chart below, Houston drivers who have gone through the complex licensing process are much less likely to drive part-time (fewer than ten hours per week, on average) than Houston drivers who drive outside the city limits – who look much more like the cohort of drivers in Austin, the majority of whom choose to drive part-time.

HOUSTON REGULATIONS ARE PARTICULARLY HURTING PART-TIME DRIVERS

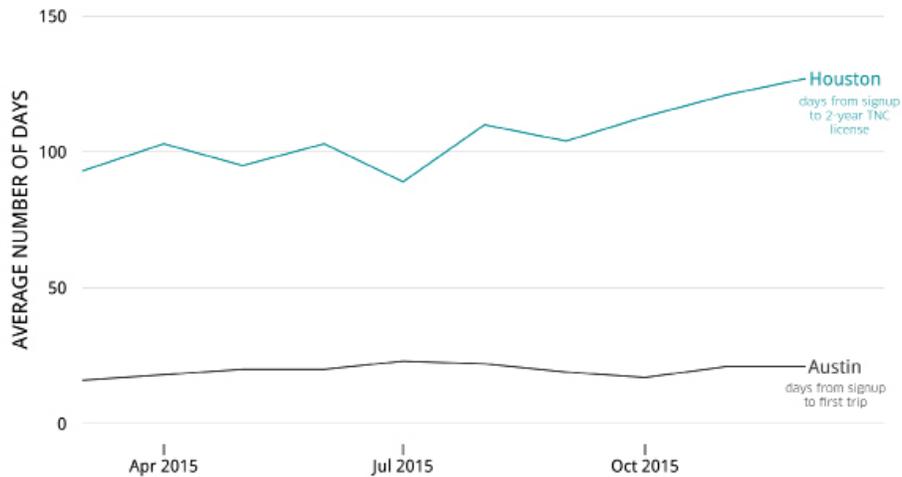


MORE REGULATIONS, FEWER DRIVERS

Since these regulations first passed in August of 2014, more than 20,000 people in Houston have completed Uber's thorough screening process but did not proceed with the City's multi-step licensing process and as a result, were unable to drive. In a survey conducted by Uber, almost two-thirds of respondents said the regulations were too complex, too time-consuming, and too expensive. The majority of these respondents were minorities or individuals from lower-income neighborhoods. Under these regulations, Houstonians who could most benefit from such flexible economic opportunities are often the ones who are least able to access them.

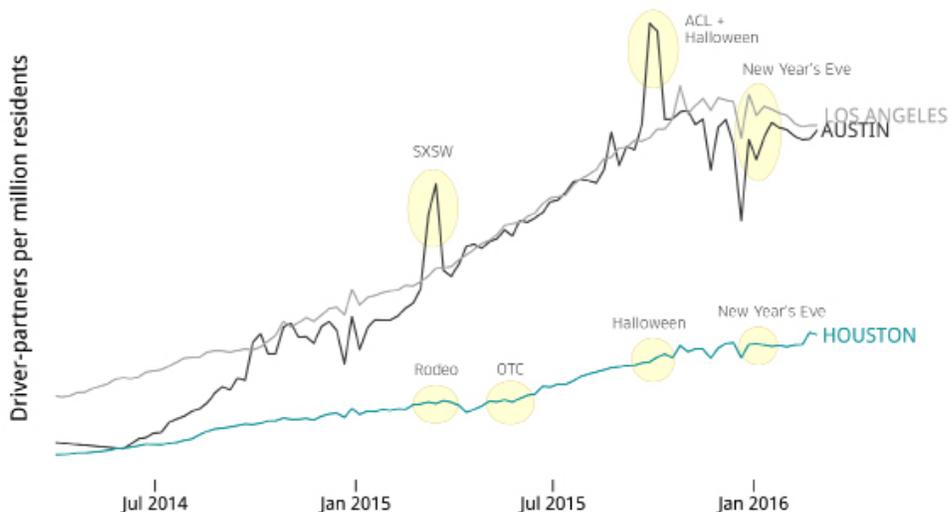
Over the past year and a half, this already time-consuming process has become increasingly longer. The average time it takes a new driver to go from signing up with Uber to receiving a two-year license from the City of Houston has increased to approximately four months.

HOUSTON'S ALREADY LENGTHY LICENSING PROCESS IS INCREASING



Houston's licensing process not only undermines our ability to efficiently onboard drivers locally, but it also prevents drivers from other markets from assisting during major events like the Rodeo and Final Four. These complex and time-consuming regulations have a significant impact on Uber's ability to bring qualified drivers onto the platform during major events. Typically, during major events like SXSW in Austin, the Red River Shootout in Dallas, and Fiesta in San Antonio, Uber driver-partners travel from nearby Texas markets to help meet the influx of demand. That is not possible in Houston. At the end of the day, consumers end up paying the price. For example, over the Final Four weekend in Houston, one in three trips involved surge pricing as there were not enough available drivers to meet the sharp increase in demand. This issue is especially concerning as the City of Houston prepares to host the Super Bowl in 2017.

MAJOR IMPACT ON ABILITY TO ADD DRIVERS, ESPECIALLY FOR BIG EVENTS



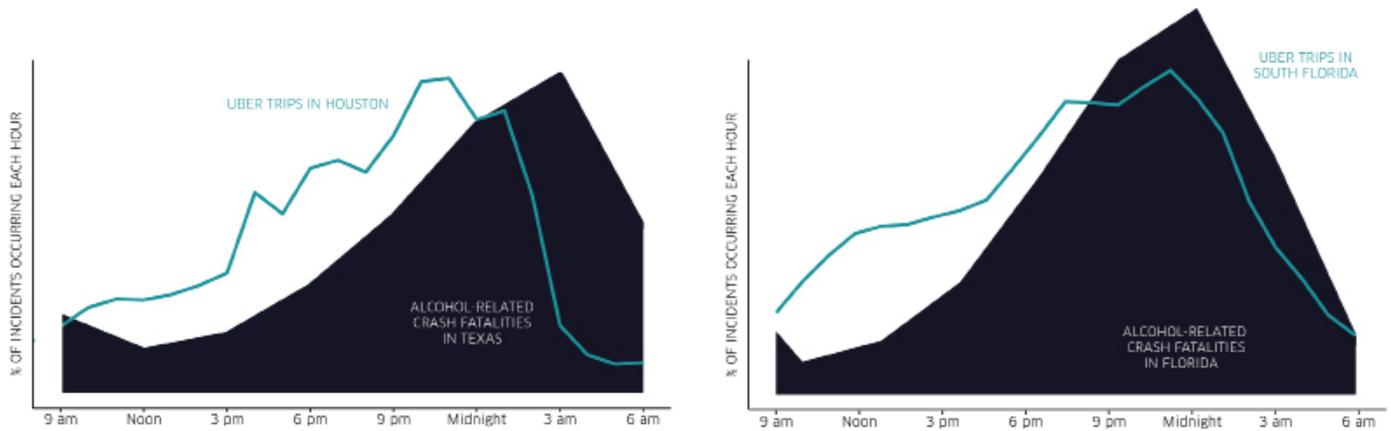
FEWER DRIVERS, FEWER SAFE RIDES

The current regulations not only inhibit the ability of people to move around the city reliably, but they also limit their ability to get a safe ride home at the end of the night. In other Uber cities, the largest spikes in demand often correspond with the times of night that have the highest occurrence of alcohol-related incidents. As a company, Uber takes pride in being able to provide access to a safe and reliable alternative to drinking and driving.

However, because demand is outpacing our ability to onboard qualified drivers, connecting with a reliable ride at crucial times now takes longer since there are fewer available cars on the road. The number of available drivers is important because people are more likely to drive themselves if rides aren't reliable and readily available.

To put this into perspective, we compared the number of completed trips in Houston and South Florida late at night. As you can see in the chart below, the number of completed trips drops suddenly in Houston when people need rides the most. When people cannot get a safe ride home at night, the entire community is impacted. Uber's ability to connect users with a reliable ride home when the bars close makes the streets a safer place for everyone, not just riders and drivers.

LATE NIGHT TRIPS IN HOUSTON VS. SOUTH FLORIDA



MODERNIZING THE RULES OF THE ROAD

Over the last 20 months, we have taken extraordinary steps to work with the City of Houston to implement and enforce these rules, but the data overwhelmingly shows that the current process does not work. It requires too many steps that are either redundant or unnecessary, and it is fundamentally out of step with what we see across the rest of the country.

Many cities across the state of Texas and the U.S. have taken note of the unintended consequences of these burdensome regulations and adopted vastly different frameworks. In fact, the City of Columbus, Ohio, which mandated fingerprinting around the same time as Houston, recently repealed this provision. Thirty states, which cover a population of more than 200 million Americans, have found a way to support innovative transportation options while preserving public safety. It is our hope that the City of Houston will review these regulations and embrace similar rules for the road so we can work together to improve transportation for all Houstonians.