

## SUBMISSION TO THE COMPETITION COMMISSION ON LAND BASED PUBLIC TRANSPORT BY KRUZE E-HAILING APPLICATION, MOZZIE CABS METERED TAXI COMPANY AND ZIPPY CABS METERED TAXI COMPANY

We thank the Competition Commission for allowing us to make a submission regarding the National Land Transport amendment Bill's ability to address the impact on competition between traditional meter taxi operations and e-hailing services.

We would like to emphasise that our "objective" is parity of treatment of taxi operators, be they e-hailing or metered. They are the same in principle, and merely use different technologies to hail and bill customers. Essentially our position is that a e-hailing taxi is a metered taxi that uses different technology and must have an operating licence which states from what starting point it can operate from and within what radius it can operate in.

It is fact that e-hailing services such as Uber and Taxify have entered the South African and world-wide markets ,illegally in the majority of cases, by partnering with vehicle owners that do not have the necessary Operating Licences and other legal requirements to operate a metered taxi - rather than working with legal metered taxi operators. They have flooded markets with pricing to consumers that is substantially lower that their legal counterparts which we believe is loss leading and amounts to predatory pricing. In addition, Uber which is owned, and funded by Massive International Conglomerates like Google, gives substantial marketing discounts on fares to customers and it is our understanding that they also fund their vehicle owners in quiet times.

According to Wikipedia - In total, Uber has raised \$22 billion from 18 rounds of venture capital and private equity investment, and despite this, has made substantial losses per the table below. They are not a listed entity so it is impossible to determine the actual audited financial situation.

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We believe that these losses are mostly due to Uber's strategy of funding massive discounts to customers, financially supporting their car owners and funding their legal costs to fight their illegal business operations with local authorities.

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In meetings and correspondence with both Uber and Taxify, Mozzie Cabs was not accepted to operate by Uber and Taxify on those platforms as our vehicles were legal in terms the NLTA and local by-laws requiring branding information on the cab about the owner, a taxi roof light and designating the vehicle as a legal taxi on the streets of Durban.

It is our opinion that the National Land Transport amendment Bill does not in any way prevent Uber and Taxify and any other e hailing services from continuing their current modus operandi of operating without vehicles that have operating licences. It is our opinion that this will destroy every legal meter taxi business within the next 12 months that has not or cannot joint them if they operate legally.

Please see an analysis below showing how we believe that an average Uber ride is done below the actual cost of providing the service.

## UBER VEHICLE OWNER ESTIMATED COSTING ANALYSIS

### ESTIMATED UBER VEHICLE RUNNING COST PER KM & MONTH (TOYOTA QUEST)

	Per Km	10 000 Kms Per Month
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Profit	R0,00	R0,00
	<b>R5,24</b>	<b>R52 398,78</b>

### ESTIMATED AVERAGE UBER TRIP COST

Average Trip	7	kms
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### ESTIMATED AVERAGE TRIP COST TO UBER CAB OWNER

Uber commission/fee %	25%
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<b>Net Fare Paid to Owner after commission and discount</b>	<b>R41,65</b>
<b>Estimated % adjustment for unpaid/travel and homing mileage</b>	<b>35%</b>
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<b>Actual Cost of Trip including dead and homing mileage</b>	<b>R56,43</b>
<b>LOSS ON TRIP</b>	<b>-R14,78</b>

Further to the above, it is our opinion that the National Land Transport Amendment Bill also needs to do the following to ensure fair competitive practices:

1. Ensure that ALL metered taxis including e-hailing taxis MUST be branded for easy identification to protect the public through easy identification and for Metro Police/SAPS to check that these vehicles comply with all legal requirements.
2. Ensure that ALL metered taxis including e-hailing taxi owners be obliged to submit to the Municipality and PRE on a regular basis an up to date list of all vehicles on their platform or in their fleet with proof of Operating Licenses.
3. Ensure a minimum radius of 35 Kms on every metered taxi operating licence (see below) to make the service financially viable.
4. Ensure that substantial fines are determined for ALL metered taxis including e-hailing taxis for operating illegally, and illegal owners should be flagged so as not to be able to work again in the industry.

Please find below feedback and proposals regarding issues identified in the Statement of Issues (SOI) as requested.

## **LICENCING, ROUTE ALLOCATION AND ENTRY REGULATIONS**

1. **Licencing and Transport Misalignment** : The following issues have been prevalent and raised repeatedly by legal taxi operators including Mozzie Cabs and all other legal metered taxi operators at the quarterly meetings with the eThekweni Public Transport Authority (where Metro Police are represented) over the last 10 years:
  - 1.1. The total inefficiency of the PRE (Provincial Regulatory Entity) to renew operating licences timeously and convert metered taxi permits into operating licences.
  - 1.2. Constant requests for PRE representatives to attend eThekweni Public Transport Authority meetings to assist with licencing processes which has never materialized.
  - 1.3. Frustration voiced by eThekweni Public Transport Authority officials about lack of support and communication by the PRE as regards the conversion of permits to operational licences and the renewal of operating licences. We believe that the eThekweni Public Transport Authority is capable and best qualified to implement its Integrated Transport Plan as regards metered taxis and e-hailing operators in Durban.
  - 1.4. The gross lack of enforcement by Metro Police in eThekweni of e-hailing taxi operators operating without operating licences and metered taxi operators without valid or non-existent operating licences.

**WE THEREFORE STONGLY BELIEVE THAT ENABLING THE ETHEKEWENI MUNICIPALITY TO BE THE MUNICIPAL REGULATORY ENTITY WILL ASSIST WITH LICENCING AND TRANSPORT MISALIGNMENT ISSUES BUT IF NOT SUPPORTED THROUGH ENFORCEMENT BY METRO POLICE WITH CONSEQUENTIAL FINES OF ILLEGAL OPERATORS IS NOT GOING TO RESOLVE THE CURRENT SITUATION.**

2. **Route Allocation / Starting Points:** Due to the gross over trading within the greater Durban area mainly due to a plethora of illegal operators without operating licences (estimated at approximately 1000 operators) operating largely on e-hailing applications as well as illegal metered taxi operators, there is a resultant potential for conflict and violence (already the case in other parts of the country) due to lack of enforcement by Metro Police. There is a critical need to give acute attention to current routes, ranks, starting points and radius' on operating licences whilst taking into account public transport needs as well as the economic needs of legal metered taxi operators.

**BETTER PROVISION OF OPERATING LICENCES WHICH OPTIMIZE STARTING POINTS, RANKS AND RADIUS' WILL ENABLE NEW OPERATORS WHO WERE PREVIOUSLY DISADVANTAGED TO ENTER THE MARKET AND CREATE REAL AND LEGAL NEW EMPLOYMENT. WE BELIEVE THAT ALL RADIUS' NEED TO BE INCREASED TO AT LEAST 35 KM FROM STARTING POINTS TO ALLOW OPERATORS TO CONTINUE WORKING IN AN AREA THAT THEY DROP A PASSENGER OFF IN, SO THAT THEY CONTINUE WORKING NEAR THE DROP-OFF TO MITIGATE THE COST OF COMING BACK TO THEIR STARTING POINT EMPTY. THIS SAVING COULD ASSIST IN LOWERING FARES TO THE PUBLIC.**

3. **Entry Barriers and Current Moratorium in Durban :** There is currently a moratorium on the issue of new metered taxi operating licences in Durban. In addition there is a "Soft Moratorium" on licence renewals when dealing with the PRE. Either the PRE delays the process for months and sometimes years for no apparent reason - e.g. "staff not available" or documents get "lost". This results in either very occasionally, fines being issued by Metro Police incorrectly or Metro Police not enforcing legal operating licences at all as they are aware of the situation at the PRE.
  - 3.1. Our understanding and recollection is that the eThekweni Transport Authority in the Municipality introduced the moratorium on the issue of new metered taxi operating licences approximately 7 years ago in Durban due to perceived over-trading. There was a survey commissioned by the municipality shortly there-after – however no results were ever shared and the submissions to the service provider were not legally compulsory so it was unlikely that any meaningful information was gathered and determined.
  - 3.2. The moratorium has certainly not been effective in dealing with over-trading, as enforcement has been almost non-existent on illegal metered taxi operators and extremely difficult with e-hailing cabs as they do not have identifying markings to make enforcement possible without the assistance of their passengers. Where there has been enforcement on illegal e-hailing operators as regards operating licences - it has been reported that the e-hailing companies always paid the related fines and impoundment fees on the owners' behalf.

## **PRICE REGULATION AND PRICE SETTING MECHANISMS**

1. **Price Regulation:** There has not been Price Regulation for metered taxis in the Durban area (certainly for the last 10 years – author unsure of prior to this). Although there has been discussion with the Municipality at Public Transport meetings, pricing is left to the individual operators. Current meters charge a once off Flag-fall and a rate per kilometre whilst travelling, plus a rate per minute whilst standing. There is a minimum charge levied usually not part of meter charges. E-hailing applications use GPS technology to charge for distance travelled, but also charge a minimum "in-app" charge and also charge per minute for the entire duration of the

trip (whilst moving or standing still). E-hailing apps - Uber and Taxify, also have “surge pricing” at busy times during high demand periods.

2. **Anti-Competitive Marketing Pricing:** There are massive marketing campaigns to provide hugely discounted trips to e-hailing customers of Uber and Taxify. These rates are well below the costs of operating a legal metered taxi and paying for the driver’s service and other related legal costs. It is commonly alleged that Uber and Taxify not only compensate e-hailing cabs for the discounted fare loss but also compensate them for quiet periods of trading during a quiet month. Large multinationals like Uber running at massive financial losses but funded by venture capitalists can afford to effectively destroy local legal meter taxi businesses through loss-leading or marginal pricing, while their operators probably do not pay legal operating compliance costs like permit costs, Taxation (Company, Individual and VAT), UIF, Skills development Levies, Workers Compensation costs etc.

## **COMMUTER EXPERIENCES AND REDUCTION OF PUBLIC TRANSPORT COSTS**

1. There are already cities in the world that are using e-hailing applications to better service or compliment their public transport needs whilst regulating the industry to ensure that the public is protected whilst being transported and that anticompetitive and illegal practices are not taking place. (Refer to <https://www.fromthegrapevine.com/innovation/arlington-texas-via-replaced-entire-bus-system-rideshare-service> )

## EVIDENCE AND INFORMATION FOR THE COMPETITION COMMISSION

Mozzie Cabs decline in Trips per Day due to Predatory Pricing and illegally operating cabs

	Trips Per Day
2018	644
2017	867
2016	1 089
2015	1 132

### Quote from Cape Town Mayoral Committee member 24/05/2018 regarding operating licence applications from Uber

Mayoral committee member for transport and urban development, Brett Herron, rejected claims there was a backlog.

“The city is only the planning authority,” he said. “We agreed to support an initial 1035 e-hailing licences in 2015. However, we have struggled to get Uber operating partners to take up these initial 1035 licences.”

He said there were various reasons why operating licences weren’t issued, which included SA Revenue Service documentation not being in order, home affairs documentation not being in order and vehicle ownership not being in order, among others.

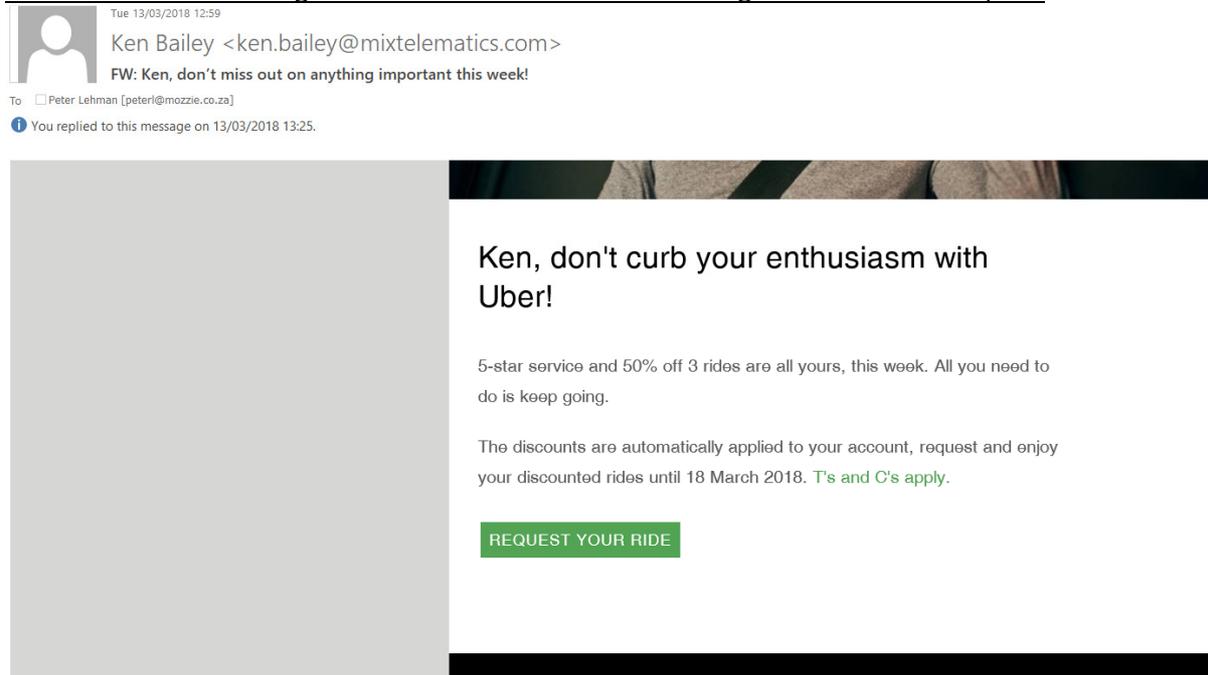
### SMS from Taxify to attract drivers – note no operational licence requirement



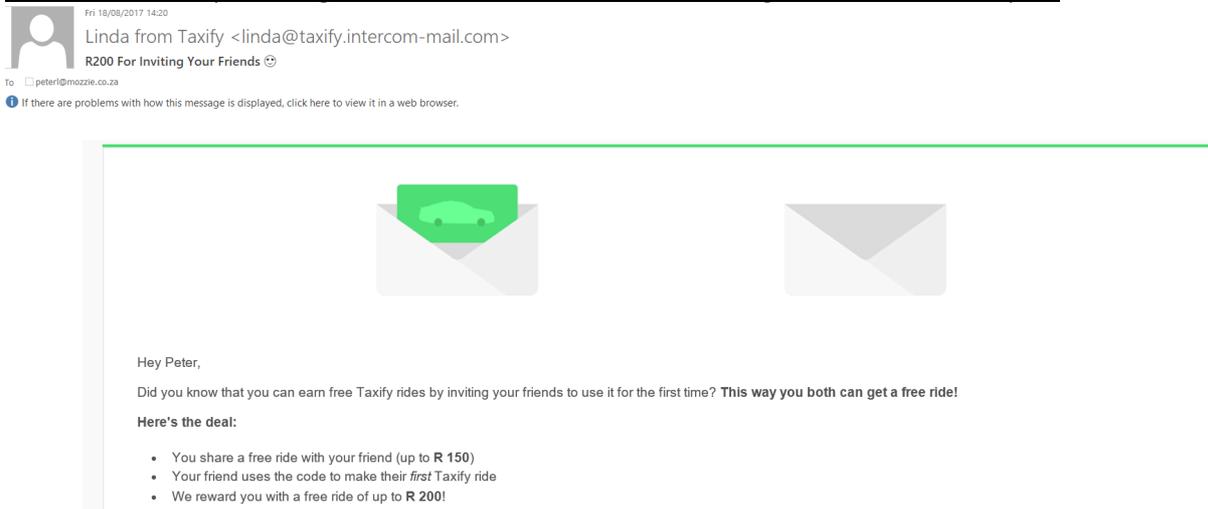


SMS from Uber showing evidence of discount offers resulting in below cost transport:  
Whether you're watching your budget or spoiling yourself - do it with Uber! Enjoy 50% off 3 rides 'til 4 March. Ts&Cs:

Email from Uber showing evidence of discount offers resulting in below cost transport:



Emails from Taxify showing evidence of discount offers resulting in below cost transport :





Tue 15/08/2017 12:31

Linda from Taxify <linda@taxify.intercom-mail.com>

Lower Prices in Durban for the Next 2 Weeks

To: peterl@mozzie.co.za

If there are problems with how this message is displayed, click here to view it in a web browser.

Hi Peter,

Thank you for riding with Taxify! 🚗

We'd like to notify you that for the month of August, Taxify has the best rates to move around in **Durban!**

We've lowered our rates to **R5.95/km and R0.60 a minute** until the end of next week (August 27th). This is -15% lower than our usual rate of R7.00/km and R0.70 a minute;

- **Minimum ride fare stays at R20**

**N.B!** We have come to this decision in such a way that it will boost partner-driver earnings and will still allow us to remain cheaper than our competitors (for both sides). **Help us by spreading the word about Taxify!**

**PS:** Not only are we now more affordable, but we've also improved our arrival times! You can now get your Taxify in under 4 minutes in most areas in and around Durban.



Thu 29/03/2018 11:16

Sinako from Taxify <sinako@taxify.intercom-mail.com>

Hey Peter, your referral code amount was increased!

To: peterl@mozzie.co.za

If there are problems with how this message is displayed, click here to view it in a web browser.

Click here to download pictures. To help protect your privacy, Outlook prevented automatic download of some pictures in this message.

Hey Peter,

**Congratulations**, your referral code was increased. Now **you will get R350** for rides whenever your friend uses your code for their first ride! 🎉

**Here's the deal:**

- You share a free ride with your friend (up to R250) 🎉
- Your friend uses the code to make their first Taxify ride
- We reward you with a free ride of up to R350! 🎉

Sounds great? OK! **Your referral code is:**

**PETERLC2**

To share it, send this link – <http://invite.taxify.eu/PETERLC2>

Increased referral code **campaign will end on 31 March 2018.**

**Use these social buttons below to share your code:**

Articles to also refer to for evidence and substantiating information:

<https://www.businessinsider.co.za/>

## A driver without an 'e-hailing' permit could cost Uber R100,000 if Parliament's transport committee gets its way

Phillip de Wet , Business Insider SA

Getty

- **Parliament's portfolio committee on transport formally turned in a report on an amendment Bill that will regulate "electronic hailing services" – like Uber.**
  - **If passed, the new law will include a R100,000 fine for a company like Uber if it does not "disconnect" a driver without a valid permits.**
  - **The permits will allow regulators to specify the geographic area where any Uber driver may operate.**
  - **It also requires that e-hail vehicles be marked.**
- 

An "electronic hailing" or "e-hailing" service like Uber will face a fine of up to R100,000 if it keeps on a driver without a legal permit if Parliament's transport committee has its way.

The committee this week submitted a report on its work on the National Land Transport Amendment Bill, which includes e-hailing services alongside metered taxis as a regulated sector.

It will be up to a company such as Uber to ensure that its drivers are properly licensed, under the rules the committee recommends.

If an e-hailing platform does not disconnect a driver without a permit, or whose permit has lapsed, and is convicted of that offence, the law will allow for a fine of up to R100,000.

**[See also: After stabbings and an acid attack, Uber South Africa introduces a new safety feature. But there's a catch.](#)**

The permits will allow regulators to determine the geographic location where any Uber-type vehicle may operate.

Uber uses its occasionally controversial "surge pricing" system to encourage drivers to move into areas where there is sudden high demand.

Under the proposed rules an e-hailed vehicle will be allowed to take a customer it picks up within its allowed area beyond its borders – but must then return empty to its home territory.

If Parliament passes the Bill as it now stands, the minister of transport will be forced to issue regulations that require e-hail cabs to carry special markings.

# Chaos as Uber, metered taxis clash at Cape Town airport

INDUSTRY NEWS / 24 MAY 2018, 07:44AM / MARVIN CHARLE

(<https://www.iol.co.za/motoring/industry-news/chaos-as-uber-metered-taxis-clash-at-cape-town-airport-15135515>)

About 100 fed-up Uber drivers demonstrated outside Cape Town International Airport on Wednesday. Picture: David Ritchie / African News Agency

**Cape Town - Chaos erupted outside the city's airport on Wednesday as angry Uber drivers protested because they were barred from operating at the airport by metered taxi drivers, who they said intimidated them and incited violence against them.**

"They forced us to not come in the airport, and harassed us and damage our cars," Uber driver Themba Skiejana said. He said the situation had escalated so much that drivers were fearful for their safety. Uber drivers confronted metered taxi drivers on Wednesday but were stopped by police outside the airport and told to leave.

At the centre of Uber drivers' frustration and anger is the delay in issuing operating permits by the city council. Uber drivers said the reason they haven't been issued permits was because there was a huge backlog. Many of them have been waiting for almost four years for their permits to be issued.

Over the weekend, 74 Uber vehicles were impounded .

Mayoral committee member for safety and security JP Smith said: "Between July 2017 and mid-April 2018, the Traffic Service department impounded 2426 public transport vehicles - an average of 269 a month.

"Of these, 71 percent of drivers did not have an operating licence, and the rest were operating in contravention of their operating licences."

He said that the city council had been engaging with the provincial government to expedite the new provincial traffic legislation that would allow for more effective enforcement strategies.

"We need to hit errant operators where it hurts, and that is permanent impoundment," he said. "But currently the law does not allow for this, and the city simply enforces the law, we do not make it," he said.

But Uber drivers said that made life more complicated for them to work.

Uber driver Kirk Crouch said: "They have not given us permits; now the traffic department has put pressure on us. They are impounding our vehicles, and to get a vehicle out costs R9000.

He said he believed this was orchestrated by the taxi bosses.

The taxi drivers think we are taking their clients," he said, "but Uber is doing absolutely nothing. What we are doing is just taking a stand, because if other taxi associations can do it, why can't we? The problem is no one is standing with us."

**Mayoral committee member for transport and urban development, Brett Herron, rejected claims there was a backlog.**

**"The city is only the planning authority," he said. "We agreed to support an initial 1035 e-hailing licences in 2015. However, we have struggled to get Uber operating partners to take up these initial 1035 licences."**

**He said there were various reasons why operating licences weren't issued, which included SA Revenue Service documentation not being in order, home affairs documentation not being in order and vehicle ownership not being in order, among others.**

Uber spokesperson Samantha Allenberg said the issuing of permits to all in the industry continued to be delayed as there was a backlog which needed to be sorted out urgently.

"We respect drivers and understand they are frustrated," Allenberg said. "However, this needs to be solved through open dialogue and not by disruptions to a commuter's day."

Other articles to refer to :

<https://www.pressreader.com/south-africa/mail-guardian/20170922/281612420583221>

<https://www.fin24.com/Tech/News/metered-taxis-launch-drive-to-beat-uber-20170915>

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**BETTER PROVISION OF OPERATING LICENCES WHICH OPTIMIZE STARTING POINTS, RANKS AND RADIUS' WILL ENABLE NEW OPERATORS WHO WERE PREVIOUSLY DISADVANTAGED TO ENTER THE MARKET AND CREATE REAL AND LEGAL NEW EMPLOYMENT. WE BELIEVE THAT ALL RADIUS' NEED TO BE INCREASED TO AT LEAST 35 KM FROM STARTING POINTS TO ALLOW OPERATORS TO CONTINUE WORKING IN AN AREA THAT THEY DROP A PASSENGER OFF IN, SO THAT THEY CONTINUE WORKING NEAR THE DROP-OFF TO MITIGATE THE COST OF COMING BACK TO THEIR STARTING POINT EMPTY. THIS SAVING COULD ASSIST IN LOWERING FARES TO THE PUBLIC.**

3. **Entry Barriers and Current Moratorium in Durban :** There is currently a moratorium on the issue of new metered taxi operating licences in Durban. In addition there is a "Soft Moratorium" on licence renewals when dealing with the PRE. Either the PRE delays the process for months and sometimes years for no apparent reason - e.g. "staff not available" or documents get "lost". This results in either very occasionally, fines being issued by Metro Police incorrectly or Metro Police not enforcing legal operating licences at all as they are aware of the situation at the PRE.
  - 3.1. Our understanding and recollection is that the eThekweni Transport Authority in the Municipality introduced the moratorium on the issue of new metered taxi operating licences approximately 7 years ago in Durban due to perceived over-trading. There was a survey commissioned by the municipality shortly there-after – however no results were ever shared and the submissions to the service provider were not legally compulsory so it was unlikely that any meaningful information was gathered and determined.
  - 3.2. The moratorium has certainly not been effective in dealing with over-trading, as enforcement has been almost non-existent on illegal metered taxi operators and extremely difficult with e-hailing cabs as they do not have identifying markings to make enforcement possible without the assistance of their passengers. Where there has been enforcement on illegal e-hailing operators as regards operating licences - it has been reported that the e-hailing companies always paid the related fines and impoundment fees on the owners' behalf.

## **PRICE REGULATION AND PRICE SETTING MECHANISMS**

1. **Price Regulation:** There has not been Price Regulation for metered taxis in the Durban area (certainly for the last 10 years – author unsure of prior to this). Although there has been discussion with the Municipality at Public Transport meetings, pricing is left to the individual operators. Current meters charge a once off Flag-fall and a rate per kilometre whilst travelling, plus a rate per minute whilst standing. There is a minimum charge levied usually not part of meter charges. E-hailing applications use GPS technology to charge for distance travelled, but also charge a minimum "in-app" charge and also charge per minute for the entire duration of the

trip (whilst moving or standing still). E-hailing apps - Uber and Taxify, also have “surge pricing” at busy times during high demand periods.

2. **Anti-Competitive Marketing Pricing:** There are massive marketing campaigns to provide hugely discounted trips to e-hailing customers of Uber and Taxify. These rates are well below the costs of operating a legal metered taxi and paying for the driver’s service and other related legal costs. It is commonly alleged that Uber and Taxify not only compensate e-hailing cabs for the discounted fare loss but also compensate them for quiet periods of trading during a quiet month. Large multinationals like Uber running at massive financial losses but funded by venture capitalists can afford to effectively destroy local legal meter taxi businesses through loss-leading or marginal pricing, while their operators probably do not pay legal operating compliance costs like permit costs, Taxation (Company, Individual and VAT), UIF, Skills development Levies, Workers Compensation costs etc.

## **COMMUTER EXPERIENCES AND REDUCTION OF PUBLIC TRANSPORT COSTS**

1. There are already cities in the world that are using e-hailing applications to better service or compliment their public transport needs whilst regulating the industry to ensure that the public is protected whilst being transported and that anticompetitive and illegal practices are not taking place. (Refer to <https://www.fromthegrapevine.com/innovation/arlington-texas-via-replaced-entire-bus-system-rideshare-service> )

## EVIDENCE AND INFORMATION FOR THE COMPETITION COMMISSION

Mozzie Cabs decline in Trips per Day due to Predatory Pricing and illegally operating cabs

	Trips Per Day
2018	644
2017	867
2016	1 089
2015	1 132

### Quote from Cape Town Mayoral Committee member 24/05/2018 regarding operating licence applications from Uber

Mayoral committee member for transport and urban development, Brett Herron, rejected claims there was a backlog.

“The city is only the planning authority,” he said. “We agreed to support an initial 1035 e-hailing licences in 2015. However, we have struggled to get Uber operating partners to take up these initial 1035 licences.”

He said there were various reasons why operating licences weren’t issued, which included SA Revenue Service documentation not being in order, home affairs documentation not being in order and vehicle ownership not being in order, among others.

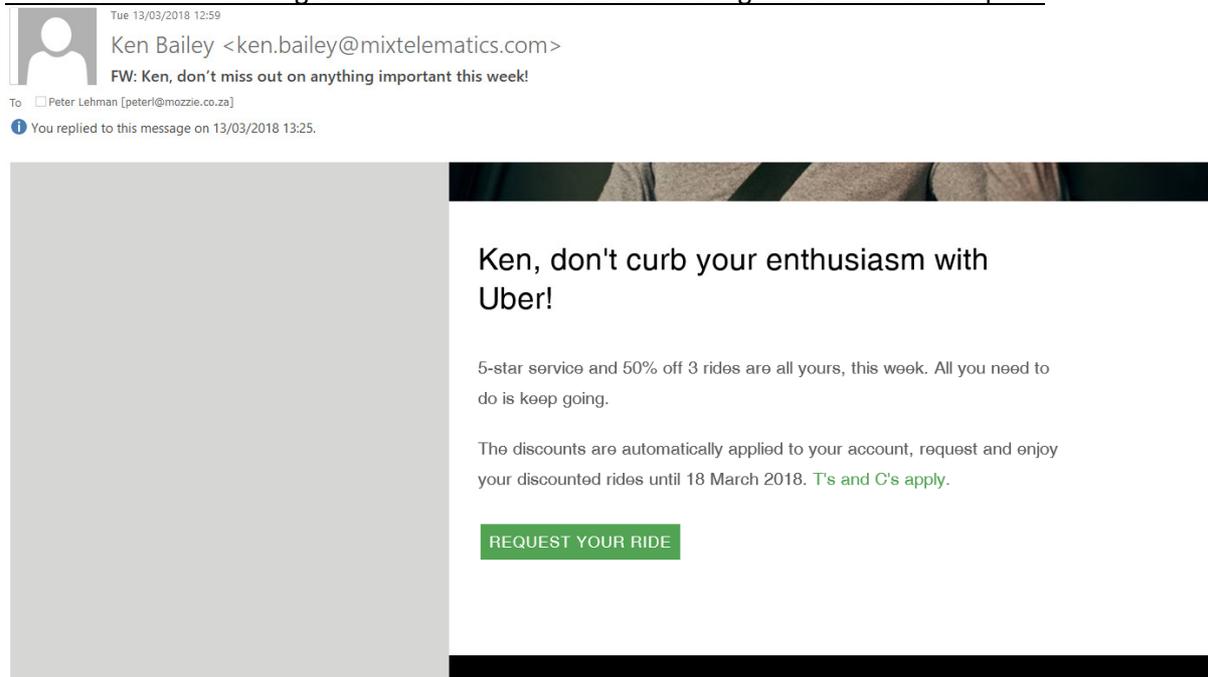
### SMS from Taxify to attract drivers – note no operational licence requirement



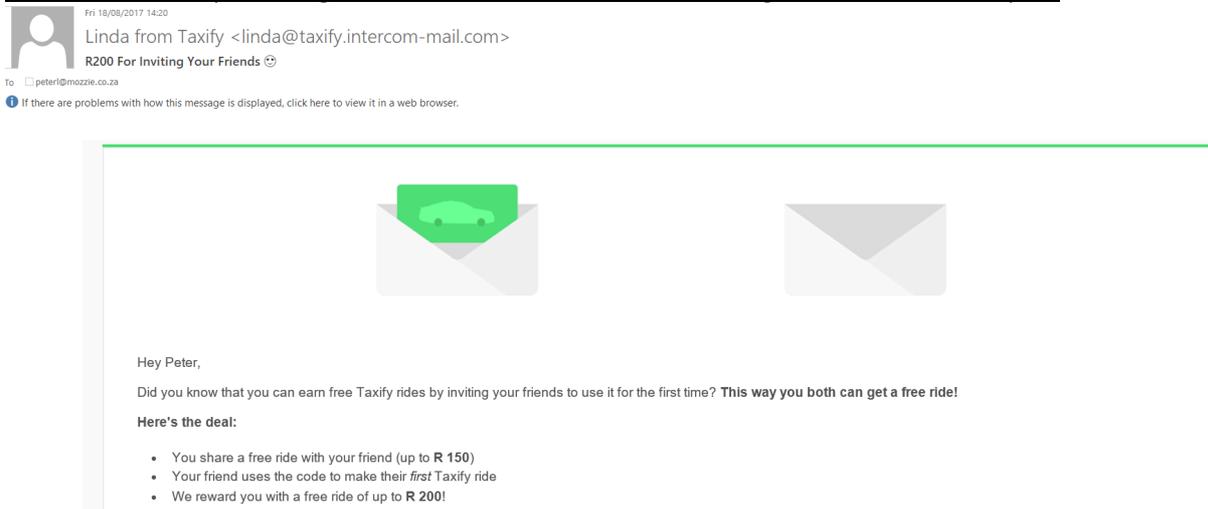


SMS from Uber showing evidence of discount offers resulting in below cost transport:  
Whether you're watching your budget or spoiling yourself - do it with Uber! Enjoy 50% off 3 rides 'til 4 March. Ts&Cs:

Email from Uber showing evidence of discount offers resulting in below cost transport:



Emails from Taxify showing evidence of discount offers resulting in below cost transport :





Tue 15/08/2017 12:31

Linda from Taxify <linda@taxify.intercom-mail.com>

Lower Prices in Durban for the Next 2 Weeks

To peterl@mozzie.co.za

If there are problems with how this message is displayed, click here to view it in a web browser.

Hi Peter,

Thank you for riding with Taxify! 🚗

We'd like to notify you that for the month of August, Taxify has the best rates to move around in **Durban!**

We've lowered our rates to **R5.95/km and R0.60 a minute** until the end of next week (August 27th). This is -15% lower than our usual rate of R7.00/km and R0.70 a minute;

- **Minimum ride fare stays at R20**

**N.B!** We have come to this decision in such a way that it will boost partner-driver earnings and will still allow us to remain cheaper than our competitors (for both sides). **Help us by spreading the word about Taxify!**

**PS:** Not only are we now more affordable, but we've also improved our arrival times! You can now get your Taxify in under 4 minutes in most areas in and around Durban.



Thu 29/03/2018 11:16

Sinako from Taxify <sinako@taxify.intercom-mail.com>

Hey Peter, your referral code amount was increased!

To peterl@mozzie.co.za

If there are problems with how this message is displayed, click here to view it in a web browser.

Click here to download pictures. To help protect your privacy, Outlook prevented automatic download of some pictures in this message.

Hey Peter,

**Congratulations**, your referral code was increased. Now **you will get R350** for rides whenever your friend uses your code for their first ride! 🎉

**Here's the deal:**

- You share a free ride with your friend (up to R250) 🎉
- Your friend uses the code to make their first Taxify ride
- We reward you with a free ride of up to R350! 🎉

Sounds great? OK! **Your referral code is:**

**PETERLC2**

To share it, send this link – <http://invite.taxify.eu/PETERLC2>

Increased referral code **campaign will end on 31 March 2018.**

**Use these social buttons below to share your code:**

Articles to also refer to for evidence and substantiating information:

<https://www.businessinsider.co.za/>

## A driver without an 'e-hailing' permit could cost Uber R100,000 if Parliament's transport committee gets its way

Phillip de Wet , Business Insider SA

Getty

- **Parliament's portfolio committee on transport formally turned in a report on an amendment Bill that will regulate "electronic hailing services" – like Uber.**
  - **If passed, the new law will include a R100,000 fine for a company like Uber if it does not "disconnect" a driver without a valid permits.**
  - **The permits will allow regulators to specify the geographic area where any Uber driver may operate.**
  - **It also requires that e-hail vehicles be marked.**
- 

An "electronic hailing" or "e-hailing" service like Uber will face a fine of up to R100,000 if it keeps on a driver without a legal permit if Parliament's transport committee has its way.

The committee this week submitted a report on its work on the National Land Transport Amendment Bill, which includes e-hailing services alongside metered taxis as a regulated sector.

It will be up to a company such as Uber to ensure that its drivers are properly licensed, under the rules the committee recommends.

If an e-hailing platform does not disconnect a driver without a permit, or whose permit has lapsed, and is convicted of that offence, the law will allow for a fine of up to R100,000.

**[See also: After stabbings and an acid attack, Uber South Africa introduces a new safety feature. But there's a catch.](#)**

The permits will allow regulators to determine the geographic location where any Uber-type vehicle may operate.

Uber uses its occasionally controversial "surge pricing" system to encourage drivers to move into areas where there is sudden high demand.

Under the proposed rules an e-hailed vehicle will be allowed to take a customer it picks up within its allowed area beyond its borders – but must then return empty to its home territory.

If Parliament passes the Bill as it now stands, the minister of transport will be forced to issue regulations that require e-hail cabs to carry special markings.

# Chaos as Uber, metered taxis clash at Cape Town airport

INDUSTRY NEWS / 24 MAY 2018, 07:44AM / MARVIN CHARLE

(<https://www.iol.co.za/motoring/industry-news/chaos-as-uber-metered-taxis-clash-at-cape-town-airport-15135515>)

About 100 fed-up Uber drivers demonstrated outside Cape Town International Airport on Wednesday. Picture: David Ritchie / African News Agency

**Cape Town - Chaos erupted outside the city's airport on Wednesday as angry Uber drivers protested because they were barred from operating at the airport by metered taxi drivers, who they said intimidated them and incited violence against them.**

"They forced us to not come in the airport, and harassed us and damage our cars," Uber driver Themba Skiejana said. He said the situation had escalated so much that drivers were fearful for their safety. Uber drivers confronted metered taxi drivers on Wednesday but were stopped by police outside the airport and told to leave.

At the centre of Uber drivers' frustration and anger is the delay in issuing operating permits by the city council. Uber drivers said the reason they haven't been issued permits was because there was a huge backlog. Many of them have been waiting for almost four years for their permits to be issued.

Over the weekend, 74 Uber vehicles were impounded .

Mayoral committee member for safety and security JP Smith said: "Between July 2017 and mid-April 2018, the Traffic Service department impounded 2426 public transport vehicles - an average of 269 a month.

"Of these, 71 percent of drivers did not have an operating licence, and the rest were operating in contravention of their operating licences."

He said that the city council had been engaging with the provincial government to expedite the new provincial traffic legislation that would allow for more effective enforcement strategies.

"We need to hit errant operators where it hurts, and that is permanent impoundment," he said. "But currently the law does not allow for this, and the city simply enforces the law, we do not make it," he said.

But Uber drivers said that made life more complicated for them to work.

Uber driver Kirk Crouch said: "They have not given us permits; now the traffic department has put pressure on us. They are impounding our vehicles, and to get a vehicle out costs R9000.

He said he believed this was orchestrated by the taxi bosses.

The taxi drivers think we are taking their clients," he said, "but Uber is doing absolutely nothing. What we are doing is just taking a stand, because if other taxi associations can do it, why can't we? The problem is no one is standing with us."

**Mayoral committee member for transport and urban development, Brett Herron, rejected claims there was a backlog.**

**"The city is only the planning authority," he said. "We agreed to support an initial 1035 e-hailing licences in 2015. However, we have struggled to get Uber operating partners to take up these initial 1035 licences."**

**He said there were various reasons why operating licences weren't issued, which included SA Revenue Service documentation not being in order, home affairs documentation not being in order and vehicle ownership not being in order, among others.**

Uber spokesperson Samantha Allenberg said the issuing of permits to all in the industry continued to be delayed as there was a backlog which needed to be sorted out urgently.

"We respect drivers and understand they are frustrated," Allenberg said. "However, this needs to be solved through open dialogue and not by disruptions to a commuter's day."

Other articles to refer to :

<https://www.pressreader.com/south-africa/mail-guardian/20170922/281612420583221>

<https://www.fin24.com/Tech/News/metered-taxis-launch-drive-to-beat-uber-20170915>