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Chair: Mr. John Brassard



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• (1610)

[English]

The Chair (Mr. John Brassard (Barrie—Innisfil, CPC)): I call this meeting to order.

Welcome, everyone, to meeting number 142 of the House of Commons Standing Committee on Access to Information, Privacy and Ethics.

Pursuant to Standing Order 108(3)(h) and the motion adopted by the committee on Tuesday, October 29, 2024, the committee is commencing its study of the privacy practices of delivery and ride-share applications.

I'd like to welcome our witnesses for the first hour today. From the Rideshare Drivers Association of Ontario, I have Mr. George Wedge, who's the president. Welcome, Mr. Wedge, and thank you for your patience.

[Translation]

From Uber Canada, we have Jonathan Hamel, public affairs manager.

[English]

What I did was this. We had a second-hour witness who was already in the room, so I've invited her to come to this first panel, which is going to give us a little bit more time with our witnesses today. Because of the votes, we're already 40 minutes past our scheduled time to start.

We also have Vass Bednar, who is the executive director of the master of public policy in digital society program at McMaster University. Thank you for your patience, Ms. Bednar.

I expect that we could go until 5:30 or 5:45. It will be up to the committee members, if they don't have any further questions.

What I'll do, as we have done customarily in the past, is reset and allow for six-minute questions from our friends from the Bloc and the NDP, once we get past this first round. We've done that in the past, so I don't expect there to be any problems with that.

I'm going to start.

Mr. Wedge, you have five minutes to address the committee. Go ahead, sir, please.

Mr. George Wedge (President, Rideshare Drivers Association of Ontario): Thank you, Mr. Chair and honourable members of this committee, for the invitation to share the inconvenient and unfortu-

nate truths about the gig industry, specifically ride-share technologies operating in Canada.

My name is George Wedge, and I am the president-at-large of the Rideshare Drivers Association of Ontario, commonly known as RDAO. RDAO is an organizing, advocacy and lobbyist association. Our mission is to help governments of all levels understand how the ride-share industry is negatively impacting the lives of citizens, whether they are consumers or service providers, and to help drivers unite for the purpose of helping all levels of government see their way to bylaws, regulations and bills to prevent a monopolistic industry from driving the average wages of blue-collar workers down to third-world levels.

In October of this year, Canadian HR Reporter wrote:

More than one in five (22%) Canadians are participating in gig work of various kinds across the country. That equates to about 7.3 million adults finding work outside of regular employment.

Specific to ride-share, here in Ontario there are well in excess of 120,000 drivers. The number of ride-share drivers in Ontario pales in comparison to the number of delivery drivers in Ontario who depend on one of the fastest-growing industries in Canada: the gig industry. RDAO estimates that 25% of ride-share drivers are full-time drivers. They rely on their net proceeds to feed, clothe and house their families. This is the group of drivers most damaged by the unchecked, unregulated, monopolistic and exploitive tech giants. An overwhelmingly large percentage of ride-share drivers in Ontario are new Canadians, having come here to find a better life, many from third-world and conflict countries.

The big question—after generations of labour movements helped establish workers' rights and minimum wages—is this: How is it possible that more than one million Canadians are forced to accept hourly earnings well below the standard? The simple answer is a lack of transparency. The median hourly wage after expenses and vehicle depreciation for ride-share drivers in Canada is as low as \$6.37 per hour, as reported in the peer-reviewed report entitled “Legislated Poverty”.

Uber and Lyft use marketing campaigns and cash incentives to lure unsuspecting drivers into the ride-share driving and gig work industry with vague promises of earnings that simply do not materialize. Recently in the U.S., Lyft settled a civil fine with the FTC for \$2.1 million U.S. for misleading prospective drivers. RDAO can't imagine that Uber is immune on this issue, and we speculate their day is already circled on the FTC calendar.

Today was a very important day for RDAO. In the city of Toronto, a report was submitted to the city council executive committee based on one and a half years' worth of study of the vehicle-for-hire industry. In that report, we expected to see recommendations that would make the vehicle-for-hire industry in Toronto, specifically ride-share, taxi and limousine drivers.... We expected to see a road map in there that would create sustainability and wages that could support blue-collar workers. Unfortunately, it didn't materialize exactly the way we expected. We saw two of the three pillars required for the road map, but the third one is currently missing. There's a lot for us to do in that area.

On October 8 of this year, Uber activated its newest feature, which is called "upfront fares".

Typically in the industry, there's a rate card that estimates a fare for a rider and the payout for a driver based on distance and time. This is what Uber has used since their installation in Ontario some nine years ago. On October 8, Uber activated something called "upfront fares". There is no rate card. Instead, upfront fares are a three-part feature. The first part of the feature is where the driver gets all of the information for the ride that he expects to see: who he's picking up, where they're going and how long it's going to take them. The artificial part of this now is that they're using AI that looks at the rider, looks at all of their information and all of their history, and decides the maximum amount they can be charged. Then it looks at the driver and does exactly the opposite: What's the minimum amount they'll accept?

• (1615)

The Chair: I'm sure that some members will have some questions during the rounds, Mr. Wedge. That concludes the five minutes.

[*Translation*]

Mr. Hamel, you have five minutes for your opening remarks.

[*English*]

Before I give you the floor, I just want to congratulate you for what is, in my opinion, the most beautiful sweater in all of sports hanging behind you there, Monsieur Hamel. It's a beautiful Habs jersey.

[*Translation*]

Go ahead, Mr. Hamel.

Mr. Jonathan Hamel (Public Affairs Manager, Uber Canada): Thank you, Mr. Chair.

My name is Jonathan Hamel, and I am a public affairs manager for Uber in Canada. It is a pleasure to be here with you today for your study on delivery services.

Uber is driven by the mission to help people go anywhere, get anything and earn their way. Uber has helped people save time while moving around safely and conveniently. It has created new business opportunities for restaurants, tourism and other local businesses, and provided flexible earning opportunities for drivers and delivery people all over Canada.

Uber Eats first started in Toronto in 2015 and is now available in over 300 cities in all provinces and two territories. It is a three-sided marketplace made up of the consumer, the restaurant and the delivery person. I'll speak briefly about all three.

Delivery platforms like Uber Eats help Canadians access good-quality, local food regardless of how busy their lives are or what the weather is outside. After a long busy day of working, going to school or caregiving, Canadians turn to Uber Eats to get a meal or order groceries. Almost half of Canadians reported using delivery apps to order food or essential items. Convenience was listed as the most important reason people used Uber Eats.

Uber Eats helps local restaurants grow their business. Thousands of restaurants and other merchants choose to be on Uber Eats because we're providing services they value, from delivery services and marketing to reaching new customers and growing their customer base.

Just this past year, 85% of Canadian merchants said that Uber Eats gives them access to an additional revenue stream and they've increased their revenue since joining the platform. In addition, 70% said that Uber Eats has a positive impact on their business's ability to manage current economic challenges. Almost 86% said Uber Eats helped increase their business's ability to reach new customers they otherwise wouldn't have been able to reach. Finally, 93% said they plan to keep partnering with Uber Eats next year.

Delivery people choose the Uber Eats platform because of the flexibility it gives them. They can earn money on their own terms, and they control where and when they work. They are free to use other apps like Door Dash, Skip or Instacart at the same time as they're on Uber. They can choose which deliveries to accept, and they can deliver using their own vehicle or bike, or on foot. It is this unparalleled flexibility that draws a diverse group of people to Uber, including newcomers, parents, caregivers, students, retirees, entrepreneurs and more.

As more Canadians turn to Uber to earn flexibly, whether as drivers or delivery people, we believe we need to level up this work. That's why three years ago we signed a landmark national agreement with the United Food and Commercial Workers, or UFCW Canada, the country's largest private sector union.

We've been working with UFCW Canada to do two things. First, drivers and delivery people can request representation services from UFCW when facing an account issue or deactivation with Uber or Uber Eats, or other issue. These services are offered free of charge—and in the first two years of our agreement, 1,908 workers have had their issue processed, and 457 of them had a positive outcome.

Second, we've been advocating for labour reforms that protect flexibility and offer tailored benefits to this type of work, like a minimum earnings standard, a benefits fund, notice of termination, health and safety protections, and representation services.

• (1620)

British Columbia just implemented a 120% minimum earnings guarantee, and Ontario will implement one next year.

In conclusion, we've come a long way since our first trip in Canada in 2012. We have gone very fast, sometimes too fast, but we have weathered the storms and learned from our mistakes.

Today, we are listening to people who use the platform, drivers, delivery people and cities to find out how we can make the platform better.

I look forward to answering your questions.

The Chair: Thank you, Mr. Hamel, for your presentation.

[English]

Ms. Bednar, you have five minutes to address the committee. Go ahead, please.

Ms. Vass Bednar (Executive Director, Master of Public Policy in Digital Society Program, McMaster University, As an Individual): Thank you, Chair.

Thank you to this committee for the honour of appearing. As you heard, I run the master of public policy program at McMaster University. I'm also a contributing columnist for *The Globe and Mail's* report on business, writing monthly about technology and public policy. I've written about algorithmic pricing. The title was "Algorithms are raising prices for everything. This must stop"—I don't write the headlines. I also host *Lately*, *The Globe and Mail's* weekly business podcast. I co-host CIGI's policy show *Policy Prompt*.

Finally, I am the co-author of a book about competition in Canada. It's called *The Big Fix: How Companies Capture Markets and Harm Canadians*. My co-author is Denise Hearn. I tell you that in order to contextualize and offer that I'm coming to the committee as a thinker, as somebody who can maybe offer a broader context for these trends. One of the chapters in this book, one of my favourites, is called "Add to Cart: Trust". It was excerpted in *The Walrus*, if you're looking for something to scroll through during committee.

I want to mention it, not to give you something to click on but because of what the text reminds the reader that today, "the prices of most goods"—and some services, as we're hearing—"are not set by humans but by automatic processes—algorithms. The use of these systems and their terms are [rarely] disclosed to shoppers, although the aim is often to extract the highest possible price from them. Using intrusive personal data"—this is sometimes called surveillant pricing—"sometimes acquired directly through interactions with consumers"—it's voluntarily shared or collected as some of their exhaust—"and more often bought by third-party data brokers, companies now know our intimate spending habits and can calculate our maximum willingness to pay." We also state that "online personalized pricing is a different beast. It requires the use of highly invasive data collection and personal identification techniques. This kind of sophisticated price calibration is happening more often, without any sort of consumer consent, disclosure, or labelling."

I've also contributed to journalism covering some of the recent Uber price change, called "upfront pricing", which you've heard about. This strategy removes the proximate predictability, or some level of predictability, regarding pay that drivers previously had.

I should have said earlier that, back in 2022, I did some broader work on gig work regulation for the Province of Ontario, focusing on gig workers, as a member of Ontario's workforce recovery advisory committee. During that time, in my private time, I delivered for Instacart. I wanted to have the direct experience of having an algorithm for a boss. We can chat about that later, if you want. I didn't like it very much.

I resent how so much of pricing—for consumers and for workers in this monopsonistic gig context—has become an algorithmic hall of mirrors. A columnist who writes for *The Atlantic*, Charlie Warzel, called this "pricing hell" in a recent column that I really appreciated. At the same time, I find myself quite encouraged by the policy progress, not just in the U.S. but also in Canada, on ending junk fees. We've had a newish focus on identifying and eliminating these.

I'll wrap by telling you a little bit about junk fees and pricing and how they fit into gig work.

When the FTC took on junk fees, they mentioned the following. Forgive me, but all of this is a direct quote. You'll be thinking, "The researcher came and she read us things", but I'll be ready to talk later. The FTC said:

Food delivery apps are notorious for obfuscating delivery and service fees. A recent survey showed one company's hidden fee burden is about 15 percent of transaction volume. This company received 288 million orders in 2021 in the U.S. and had an average sale [price] of about \$31. Putting these numbers together...this company collected about \$1.3 billion from consumers in junk fees.

These were fake fees, irrational fees, passed on to people.

Using the most conservative assumptions, a similar calculation for a competitor—which in the same survey had a hidden fee rate of 7.5 percent—produces \$1.5 billion in junk fees. In addition, the leading grocery delivery service had about \$25 billion in transaction volume...with about 8% being junk fees...
[Based on the best publicly available information—

Again, a lot of this is quite opaque.

—junk fees in food delivery are an estimated \$5 billion annually across the [United States].

I've read your motion. I know you're in the process of preparing to study more deeply what these fees are, how they are calculated, what is explained to end-users and what is not, and whether they are ultimately reasonable. I look forward to contributing to your discussion.

Thank you.

• (1625)

The Chair: Thank you, Ms. Bednar. There was some reaction there when you were talking about those fees. I'm sure there will be some questions on that, so be prepared.

Mr. Barrett is going to start off our six-minute round.

Mr. Barrett, go ahead.

Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC): Mr. Hamel, how many annual users do you have?

[Translation]

Mr. Jonathan Hamel: Thank you for the question.

Through you, Mr. Chair, was the question about the number of users, drivers and delivery people, or was it about the number of customers and riders?

[English]

Mr. Michael Barrett: I'm asking about the number of people who use your service: the people to whom the drivers bring the things and the people whom the drivers move around.

[Translation]

Mr. Jonathan Hamel: Thank you for the question.

Through you, Mr. Chair, hundreds of thousands of Canadians use our platform every year. Unfortunately, I don't have more specific numbers to share with you.

[English]

Mr. Michael Barrett: Okay. Will you undertake to provide the precise numbers to the committee?

[Translation]

Mr. Jonathan Hamel: Thank you for the question.

Through you, Mr. Chair, I'll take note of that and check with my colleague if we can do so.

[English]

Mr. Michael Barrett: We'll register that as a yes.

For how long do you store user data?

[Translation]

Mr. Jonathan Hamel: Thank you for the question.

Through you, Mr. Chair, I—

[English]

Mr. Michael Barrett: Mr. Hamel, you don't need to thank me or the chair for the question. Just a reply would be much appreciated.

For how long do you store the data?

[Translation]

The Chair: Hold on. I'm stopping the clock.

Mr. Hamel, I don't think this is your first appearance before a parliamentary committee.

In this committee, committee members and witnesses address each other directly.

Members' speaking time is limited, and they have little time to ask questions. The witnesses also have limited time to answer.

When Mr. Barrett asks you a question, please answer him directly.

That's how we operate now.

[English]

Mr. Barrett, you had a question. I haven't started your time.

[Translation]

I think there are a few technical issues with the interpretation. There's a long delay between questions and answers.

I will grant more time to committee members who want to ask Mr. Hamel questions. I don't know why we're having this issue.

Mr. Barrett, you may continue.

[English]

Mr. Michael Barrett: For how long do you store users' data?

[Translation]

Mr. Jonathan Hamel: Thank you for the question.

By the way, this is my first time appearing before a committee.

When consumers delete their account, the data are stored for a period of 90 days, unless there are security, fraud prevention, compliance or other account-related issues.

In the case of drivers and delivery people, the time frame can be extended to ensure that we meet our legal obligations when it comes to tax matters, potential litigation and insurance claims.

• (1630)

[English]

Mr. Michael Barrett: Do you sell or share anonymized or non-anonymized user or employee data to advertisers or any third party?

[Translation]

Mr. Jonathan Hamel: Let me be very clear. We don't sell data to third parties.

There may be cases where law enforcement contacts our specialized team, for example.

At Uber, we have a highly specialized team that manages data. The team co-operates with the police to ensure that the law is enforced. When the police make a request for information they need on a specific case they are investigating, we can transfer data to them. Naturally, such cases are handled within a very formal legal framework.

[English]

Mr. Michael Barrett: How many instances of breaches of user data have occurred in Canada?

[Translation]

Mr. Jonathan Hamel: As far as I know, there was one in 2016.

[English]

Mr. Michael Barrett: How many users were affected?

[Translation]

Mr. Jonathan Hamel: I don't have that information at my fingertips.

[English]

Mr. Michael Barrett: What is your process for notifying users whose information has been accessed or compromised by a third party in an unauthorized manner?

[Translation]

Mr. Jonathan Hamel: What I can tell you about it is that, yes, when there was a breach in 2016, every user whose personal data had been obtained by third parties was notified. I can't tell you what the exact mechanism was, but I could provide you with that information later.

The Chair: Thank you, Mr. Barrett.

Mr. Hamel, the clerk will follow up with you so that you can provide the answers to Mr. Barrett's questions.

Ms. Khalid, you have the floor for six minutes.

[English]

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): Thank you very much, Chair.

Thank you to all of the witnesses who have appeared today.

I'll start with Mr. Hamel, if that's okay.

Mr. Hamel, there was a strike in Brampton in the public service that included the transit folks, and Uber decided to put forward a massive surcharge. Why was that?

[Translation]

Mr. Jonathan Hamel: Thank you for the question.

The way dynamic pricing works at Uber is central to our business.

Let me explain. At Uber, we are managing a market, and we try to keep it balanced. On the one hand, there are the drivers, who want to work and provide people with transportation services, and there are—

[English]

Ms. Iqra Khalid: I'm going to stop you there.

The people who use transit in the GTA and in Brampton specifically are those who don't have vehicles and don't have access to vehicles. Your company decided to take advantage of their trying to get to work.

Can you help me understand why that was? What is the moral compass with which your company conducts itself?

[Translation]

Mr. Jonathan Hamel: When there is an increase in the number of people who want to get around, rates go up. As a result, drivers are more inclined to meet the demand. That's how dynamic pricing works.

When more people want to get around than the number of available drivers, not everyone has access to a car. When that happens, the drivers see very clearly on their app where dynamic pricing is in effect. Since it's more financially appealing to them, they may decide to move to those areas to drive people to their destination.

• (1635)

[English]

Ms. Iqra Khalid: Thank you.

How much of that surcharge went to the drivers and how much of it went to the company?

[Translation]

Mr. Jonathan Hamel: When dynamic pricing is in effect and a rider pays a higher fare for a trip, the same proportions apply to drivers. Their income increases when they accept trips based on dynamic pricing.

[English]

Ms. Iqra Khalid: Maybe I'll turn to Ms. Bednar for this question.

Ms. Bednar, you talked about artificial intelligence and its role in all of this.

In terms of what happened in Brampton with the strike and then the surcharges that were applied, how much of a role does artificial intelligence have to play in that? What do you think we need to do as a government to ensure that companies like Uber are not gouging the middle class that is trying to get to work because of the challenges of getting there?

Ms. Vass Bednar: I can't speak in detail to how those fees were determined during the strike, and I actually don't know their nomenclature. Obviously, if you want to characterize the surge portion of that pricing as being a junk fee, something that is passed on to people because the company can do that, then yes, these systems—these computer programs, these algorithms—absolutely have a role in that.

There are places where we accept surge pricing or expect surge pricing, but we're not having the broader policy conversation. Cineplex has recently been experimenting with an extra dollar charge on the opening weekend of a movie. Do we have an appetite for that? Do we have enough choice?

In focusing on that connection, through competition and false and misleading advertising, as well as consumer protection that occurs at the provincial level, I think we have very promising tools to respond to this and to have more robust policy conversations.

Ms. Iqra Khalid: Thank you.

Mr. Wedge, you spoke about the relationship among the consumer, the restaurant and the delivery person. Where is the morality in how organizations like Uber, Lyft and many others conduct themselves with those surcharges and how they treat their drivers?

Mr. George Wedge: Well, let's start with how they treat their drivers. They don't acknowledge that we exist. The only contact we have with Uber is a third party that they use for complaints, and they're never helpful. They just read from a script.

On the morality and the pricing, the drivers feel like they're trash. For example, they'll be asked to do a delivery of up to 15 or 20 kilometres for three dollars. No one can survive on that, whether you're on foot, on a scooter or in a car.

We feel for consumers, because we know that they get charged so much money, but what they don't understand is that we get paid so little. When we see a surge, our drivers are happy, because they feel that they're actually getting what they deserve to get for the ride.

Ms. Iqra Khalid: What happens when a consumer returns the goods? Does the driver actually get any compensation for that?

Mr. George Wedge: With returned goods, I can speak to the food portion. It's usually a driver who brings it back, and the reason they bring it back is that the address was wrong or no one answered the door. The driver, if they complain, will get a return fee for bringing it back to the restaurant.

The Chair: Thank you, Ms. Khalid.

We were 45 seconds over, but I wanted to give him a chance to answer that question.

[*Translation*]

Mr. Villemure, you have the floor for six minutes.

• (1640)

Mr. René Villemure (Trois-Rivières, BQ): Thank you, Mr. Chair.

Mr. Wedge, in your opening remarks, you talked about upfront fares. You were about to explain how the minimum amount that the

driver will receive and the maximum amount that the customer will have to pay are determined.

Could you explain the process to us?

[*English*]

Mr. George Wedge: Yes. The thing about that was that the artificial intelligence—what we call “black box pricing”—exploits both the consumer and the driver in that case. It looks to the consumer who wants the ride or the service—it looks at their history and everything else, all the available data, time of day, whether there is a surge on, etc.—and will charge them the maximum amount that it thinks they will accept. Then it looks at the driver and does exactly the opposite. How bad is their day? How low is their rating? What's the minimum amount that driver will accept for that bit of business?

That's how it works. Then, of course, Uber takes everything in the middle. What we're seeing is a sliding scale of commission. The longer you drive and the farther you go, the less you make per kilometre, and the more they make.

[*Translation*]

Mr. René Villemure: It's akin to exploitation.

Wouldn't you say?

[*English*]

Mr. George Wedge: It absolutely is exploitation, on all levels.

[*Translation*]

Mr. René Villemure: Okay, thank you.

Mr. Hamel, thank you for being here today.

First of all, I have no respect for your company. I consider what you do to be modern-day slavery.

You worked in politics before you joined Uber.

Is that correct?

Mr. Jonathan Hamel: Yes, I worked for the Quebec government.

Mr. René Villemure: What did you do?

Mr. Jonathan Hamel: I worked for a number of ministers. I worked for the opposition and in Premier Couillard's office.

Mr. René Villemure: Were you involved in the negotiations with Uber back then?

Mr. Jonathan Hamel: No, I was not involved in any discussions with Uber.

Mr. René Villemure: Okay.

How would you describe Uber's corporate culture?

Mr. Jonathan Hamel: Uber Canada's vision is to offer choices, additional options—

Mr. René Villemure: Excuse me, I was asking you to describe the culture, not the mission.

Mr. Jonathan Hamel: Our culture and our mission are exactly the same. Uber's goal is to offer people who want to work flexibly an opportunity to do so.

Canadians who use the app greatly appreciate the flexibility it provides. According to more than 90% of people, that's the main reason they like the platform.

Mr. René Villemure: Okay.

Since Uber started out and even during the time of Travis Kalanick, the founder of the company, if I remember correctly, there have always been ethical or moral conflicts.

Are there still conflicts of any kind?

You're painting a very different picture from what Mr. Wedge and Ms. Bednar were saying.

Mr. Jonathan Hamel: At Uber we've gone from confrontation mode to co-operation mode. A few moments ago, you were talking about Quebec. In very practical terms, we sit down with representatives of the Quebec government and all industry players four times a year to discuss problems. We're really in co-operation mode.

Almost three years ago, we signed an agreement with UFCW Canada. It contains two parts to allow for better representation of drivers and delivery people. It also includes a joint proposal that we submitted to all provincial governments. In addition, the agreement stems from a discussion held with drivers and delivery people as early as 2020.

Let's take a concrete example—

Mr. René Villemure: I'm sorry to interrupt you, but my time is limited.

Mr. Jonathan Hamel: Okay.

Mr. René Villemure: Dynamic pricing, which Mr. Wedge referred to, determines the lowest amount that the driver will receive and the highest rate that will be charged to the customer. I asked Mr. Wedge if it was akin to exploitation, and he said it was.

How would you describe the practice?

It seems to me that Uber is using high demand as an excuse to exploit workers' vulnerability.

Mr. Jonathan Hamel: I would say that workers appreciate flexibility.

We manage a market. The drivers are not our employees, and we don't have a fleet of vehicles. What we want is a balanced market. On the one hand, there are the drivers, and on the other, there are the people who want to get around. The two need to balance each other out, to meet in the middle, so to speak.

In addition, there's something very important to keep in mind: The app works well, and drivers need to continue working and accepting trips.

• (1645)

Mr. René Villemure: It seems to me that drivers and customers don't really meet in the middle, as you put it. Mr. Wedge was talking about two extreme situations.

I ask because I'm having trouble understanding the discrepancy between your explanation and Mr. Wedge's.

Mr. Jonathan Hamel: In practical terms, people who want to get around know in advance what rate they will pay before confirming their trip. I meant that people who want to get around are prepared to pay that amount.

It's also important to know that delivery people and drivers have full flexibility. They can decline trips. They don't have to accept them.

Mr. René Villemure: Okay.

Customers are willing to accept the cost of the trip because it suits them. However, do they know how much the driver will receive from the cost of the trip? I personally don't use Uber.

Do customers have any idea? Is it written down somewhere? Is there an itemized receipt?

Mr. Jonathan Hamel: Consumers, who are the riders, don't know how much the driver is going to make in the end.

Mr. René Villemure: Okay.

Do you think it would be a good idea for them to know that?

Mr. Jonathan Hamel: Frankly, it's a good question.

The most important thing is for the driver to know.

We were talking earlier about advance pricing. In British Columbia and Ontario, before accepting a trip, drivers know how much they're going to make.

The Chair: Thank you, Mr. Villemure.

Thank you, Mr. Hamel.

[*English*]

Mr. Green, you have six minutes. Go ahead, sir.

Mr. Matthew Green (Hamilton Centre, NDP): Thank you very much.

First, I want to thank the witnesses for being here.

Mr. Wedge, I want to have the opportunity to really centre on those most impacted by this, and those are the workers.

When you arrived, you started your remarks and you talked about the way in which there is data or algorithmic profiling of both the rider and the driver for maximum exploitation, to drive profits. You gave me an example of coming here from the airport. I want you to just start with that and expand on what that might look like.

Mr. George Wedge: Sure, absolutely.

Of course, I took an Uber from the airport to this committee today. It was a new Canadian who picked me up, a lady driver. I asked her a little bit about her experience. Her English was very limited. She asked if I could speak some French. She was from Syria. I asked her how her experience was and what she thinks of the new upfront fare.

More importantly, I asked her, "How much are you being paid today to drive me to this committee?" She said, "Oh, \$10." I said, "Well, I'm paying \$27." There was a substantial gap.

Mr. Matthew Green: That's a significant order of magnitude above what the person who's actually delivering the value and the service is being paid versus how much the company is profiting, so this goes beyond service fees.

In your estimation, for the work that you do and the investments that your drivers have to put in.... They're obviously paying for the depreciating costs on their cars, their insurance and their gas. It was characterized by Mr. Hamel that you weren't actually employees. I want you to talk a little bit about what you consider your relationship to be with a company like Uber or Lyft or any of the other ride-share apps.

Mr. George Wedge: Our relationship with Uber is no different than it is with any employer. They're going to put a piece of work in front of us, and they're going to ask, "Do you want it?" and we say, "Yes." We don't get to negotiate the terms. We have no ability to delegate this work to someone who works for us.

We consider it to be an employer-employee relationship. It's just that the province has not found their way there yet.

Mr. Matthew Green: You spoke about a road map for ride-sharing in Toronto. You didn't mention what the pillars were. Very briefly, because time is tight, can you please talk about the two pillars that were delivered in Toronto and the third that you think is...? Again, this is going to go to committee for recommendations, so what's the third pillar?

Mr. George Wedge: The first pillar they found was that they have to somehow right-size the fleet for the business that exists in Toronto. That's the first pillar.

The second pillar was that they have to understand that wage discrimination for ride-share drivers in Toronto exists. They need to understand what it is and see what they can do to remedy that. That's the second pillar.

The third pillar was to make it a driver-centric licensing system, versus issuing all of the licences to the large tech apps, because it enslaves us to work for them.

Mr. Matthew Green: To be clear, is the City of Toronto currently giving licences to the tech apps, which are then leasing them back to the drivers?

• (1650)

Mr. George Wedge: It's not exactly leased. It's theirs, and then it's issued to us if we meet all of the requirements.

Mr. Matthew Green: It sounds a lot like an employer to me. That's a very important distinction to make in this.

Ms. Bednar, you wrote a book called *The Big Fix: How Companies Capture Markets and Harm Canadians*. Can you talk about ways in which Uber, Lyft, Amazon and others have worked to provide what I would call regulatory capture of legislation, whether it's at the municipal level or gaps federally that seem to be outside the control of our regular labour laws and our tax laws? Can you speak to why you think companies are able to capture the markets? What role does capturing some of the regulation also play in that?

Ms. Vass Bednar: There's a book I read by the first lobbyist for Uber, who talked about their strategy at the time, which I understand has evolved over time. I'm not a direct expert on regulatory

capture. I have done some work on it, and it does occur occasionally that some legislation can be seen as legitimizing for a new form of business. Large companies—or any kind of company—may have particular interests, but a lot of what we're seeing defies economics 101.

Your colleague asked me earlier what other policy tools we have. In the pandemic, under Premier Ford, the delivery commission, which tends to be 30% and stay at 30%, was lowered and temporarily capped. Now, one time when I wrote about price controls, someone tweeted at me that the 1970s called and they want their policy idea back.

However, as you learn in economics 101, when there's a new entrant to a marketplace, the price tends to go down. On that 30% commission, if Uber Eats is in a marketplace, and then SkipTheDishes comes, and I roll in with my Instacart app, that commission stays at 30%. That's what we've also heard from restaurants. We focused on the wages for workers and the price. Those third parties really end up hurting their business, and that's why people encourage them to go directly. That's another policy tool; there's another opportunity there.

Mr. Matthew Green: Given your subject matter expertise in tech, in your opinion, is there adequate informed consent to the type of information that would be retained and used in the algorithms that would create a profile on me, potentially, as a passenger, or on Mr. Wedge as a driver? Do you think that, in that process and in that basic commercial contract, the consumer and the actual driver have given adequately informed consent to allow the use of their information that ultimately drives these prices?

Ms. Vass Bednar: I doubt it. Also, for the workers, we heard about the depreciation of their pay. They don't have the privilege of understanding how that pay is determined. We have heard about their flexibility and their ultimate—to use a word that's very attractive—choice. We've seen experiments where the same ride at the same time of day for the same distance is micro-calculated and calibrated at a range of different fees.

We also hear anecdotally from drivers who feel that they are penalized for not accepting that ride. You have a choice to not accept that ride, but there is a consequence for not taking that \$10 ride from the airport, and that may be that the availability of work, which is controlled by the employer and which is not freely accessible to you, is depreciated.

Mr. Matthew Green: That's outstanding. Thank you.

The Chair: Thank you, Mr. Green.

That concludes round one. We're going to go to our five-minute rounds with the Conservatives followed by the Liberals, and then two and a half minutes each for the Bloc and the NDP.

Mr. Caputo you have five minutes. Go ahead, sir.

Mr. Frank Caputo (Kamloops—Thompson—Cariboo, CPC): Thank you.

Thank you to all the witnesses.

Mr. Wedge, you talked about the maximum charge versus the minimum accepted. In a few seconds, can you just explain what you meant by that, please?

Mr. George Wedge: As I said, it will look at that rider to see what they've experienced paying over their history for that ride, and then maybe add a surcharge or a surge fee for the time of day. It then looks at the driver, at their desperation aspect or what's called their "acceptance rate". As that gets low, you get in trouble with Uber. Then it will offer you what it thinks is the lowest amount you will accept, based on your desperation to stay with Uber or to just keep going on the platform.

Mr. Frank Caputo: To be clear, Mr. Cooper and I could both be Uber customers, and for the exact same trip, we will pay different prices.

Mr. George Wedge: Absolutely.

A group of drivers will all be offered a different amount for that same ride.

Mr. Frank Caputo: Wow. I'm an Uber customer. I'll tell you that this came to me about three or four weeks ago. I was going to the airport, and there was surge pricing. I think I paid \$45 or \$50. I had to get there. We were just talking, and I believe the driver said that he was getting something like \$13 or \$15 for the trip. Does that sound right?

• (1655)

Mr. George Wedge: Absolutely.

Mr. Frank Caputo: Does that sound right, Monsieur Hamel?

[Translation]

Mr. Jonathan Hamel: I don't have that data on hand, and I can't comment on a specific trip without having the details.

[English]

Mr. Frank Caputo: With all due respect, sir, you are the public relations officer. I think you probably have a good idea of what things cost. Why don't you tell us, on average, what amount of a fare goes to the driver, and what amount goes to Uber?

[Translation]

Mr. Jonathan Hamel: It varies by city, by province and, of course, by regulation.

[English]

Mr. Frank Caputo: Sir, I'm not asking about.... I think the question is very clear. What is the average? I don't care about cities. I don't care about surge pricing. Somebody at Uber knows—and you are here representing them—what the average amount is that goes to a driver as opposed to Uber. Surely you have that number.

[Translation]

Mr. Jonathan Hamel: A number of factors come into play, such as government rates. In Quebec, for example, Uber's service fees will vary from—

[English]

Mr. Frank Caputo: Okay, let's say it's for Ontario. Give us the average in Ontario, if we need to narrow it down.

[Translation]

Mr. Jonathan Hamel: As I said earlier, in Ontario and British Columbia, drivers know what they're going to get paid before they accept the trip. It's important to be very clear about that.

Having said that, because—

[English]

Mr. Frank Caputo: I don't mean to interrupt you, sir. I'm asking what I think is a very clear question here. I don't want to hear about factors and things like that, because at the end of the day, there is an average. Regression moves towards the mean. We've all heard this in statistics and things like that. Even the NDP is agreeing with me.

What is it in Ontario? Please, just give us a number.

[Translation]

The Chair: Mr. Hamel, you have the floor.

Mr. Jonathan Hamel: Every week, drivers receive a document on all of their income. Drivers have access to all the information.

Unfortunately, I can't give you specific data on that.

[English]

Mr. Frank Caputo: I know that my time is up, but we do need answers to these questions. I think they're fairly straightforward.

Mr. Hamel, would you be prepared to provide the committee with the information I requested, with a province-by-province breakdown or, if Uber likes, a city-by-city breakdown, if that's a factor that's necessary?

The Chair: Well, Mr. Caputo, I think we're going to have to be clear on what you're asking for.

Mr. Frank Caputo: Sure. Let's do province by province.

[Translation]

The Chair: Mr. Hamel, Mr. Caputo is asking you to provide that information by province. This is the third question the clerk will follow up with you on. Questions from committee members will be sent to you by email.

Mr. Jonathan Hamel: That's perfect. Thank you.

[English]

The Chair: Mr. Fisher, you have five minutes. Go ahead.

Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.): Thank you very much, Mr. Chair.

Thanks again to all of our witnesses for being here.

Uber drivers, Uber Eats drivers, all these gig workers work through bad weather. They work through rainstorms and snow. They're not just delivering a Big Mac. Some of them are delivering groceries. Some of them are delivering medication. They work day and night.

I heard Mr. Hamel say that drivers aren't employees, so I'm going to ask Mr. Wedge what protections these folks who are Uber drivers have, if any.

Mr. George Wedge: Under labour rights, there have none.

Mr. Darren Fisher: None?

Mr. George Wedge: None.

Mr. Darren Fisher: We have a situation where these folks can make, and do make.... I know some do very well, but some don't. We have a situation where some people don't make the minimum wage.

Ms. Bednar, I was going to ask if you have concerns about AI-driven algorithmic pricing, and then I noticed that you wrote an opinion piece called "An algorithm may soon decide your salary", so I'm assuming I know the answer to that question.

What legislative or regulatory measures should be taken in Canada to better protect workers?

• (1700)

Ms. Vass Bednar: I have done some policy work on this. This is a very contested space in terms of whether there is room for a third category, the category of dependent workers, dependent contractors who are fundamentally dependent on these algorithms, on these frameworks, for the availability of work and for pricing.

Right now, we've bifurcated labour into independent contractors and employees. There may also be a role.... I don't mean to be outlandish, but should these systems be publicly owned infrastructure? Should we have one system where we set a wage floor and where we are not abusing workers, throttling their access to work and throttling their pay, but building digital public infrastructure that allows us to facilitate these sorts of deliveries in a particular way?

I'm not suggesting, directly, a Canada Post for gig work, but when I was working at Instacart—and I'll use the term "working" loosely because of how dependent I was on that algorithm—I was struck that I was occasionally delivering groceries to people with mobility or health issues, or lone parents who didn't have a vehicle, and it made more sense for them to splurge or invest their money in that way. It gave me a different appreciation of the utility of some of these systems, but that doesn't mean that I am supportive of opaque, abusive algorithms.

Mr. Darren Fisher: Okay.

Mr. Caputo talked about this a little bit. If I absolutely needed to get somewhere and was willing to pay surge pricing at 4:30 in the afternoon or at 4:00 a.m., will there be algorithms that say that I have, in the past, been willing to pay that? Might that indicate a future willingness to pay a higher price? When I turn that app on, might the algorithm choose to charge me more because I was once willing to do it? Is it that granular?

Ms. Vass Bednar: The ad tech that we've come to expect as the price of participation in e-commerce, and the ads that we see on social media, have come to pricing and work in that way.

I can't speak to the details of Uber's algorithm in particular, but based on the research that's out there and other analysis that's being done, I would say to you that, yes, there are attempts to calibrate

based on estimations of your income, where you live, what you've paid before, and your history and tenure with the app.

Mr. Darren Fisher: Going back to the driver, it's the same type of question. If they say no to a bunch of seven-dollar, eight-dollar and nine-dollar rides, will they, through the algorithm, be punished so that they are no longer getting chosen for those jobs?

Ms. Vass Bednar: Workers have documented this. I would defer to others here.

We saw an experiment of sorts in the U.S. by DoorDash drivers, I believe, who coordinated over Facebook to game the algorithm. They united in saying no to very poorly priced jobs. They found that they were able to exert some power over the algorithm and elevate that wage floor.

Again, I defer to other experts who have been drivers or worked with drivers in that way to speak to what they've been experiencing.

The Chair: We're at the end of our time, but I'm going to give Mr. Wedge an opportunity to answer if he wants to. He'll have 15 to 30 seconds.

Mr. Wedge, go ahead.

Mr. George Wedge: Yes, we have seen exactly that, where drivers banded together and didn't accept the low pay, and then all of a sudden, it started to creep up. We have even seen, in this new algorithm they're using, that they've tipped the line of pay so that for the short trips, which Uber had a hard time fulfilling in the past, drivers are actually being paid a dollar more.

The Chair: Okay. Thank you for that, Mr. Wedge.

[*Translation*]

Mr. Villemure, you have two and a half minutes.

Mr. René Villemure: Thank you, Mr. Chair.

Ms. Bednar, what effect has the development of AI had on Uber's operations?

• (1705)

[*English*]

Ms. Vass Bednar: I'm sorry. My French is so poor that I can't respond, unless you want to hear the rooms of a house and Halloween words.

What the research shows.... We have seen that surveillance pricing, surveillance at work and that throttling of wages don't inspire people. They demoralize people. They stress them out. They can also hurt their bodies.

There are all sorts of places and other kinds of work that are also algorithmically managed, where we are treating people as if they are a computer. Amazon warehouses are infamous for this. The Amazon pick rate has gone up and up and up. That is based on what is statistically in the realm of possibility for how many items a potential Amazon factory worker could possibly pick.

What is the effect? I would point to the morale, the trust and the uncertainty that we hear about from drivers experiencing that volatility.

At the same time, we also hear from people—and this is important—about the lower barrier to entry. That's something we can all learn about the labour market. It welcomes people. Yes, it is easy to sign up on your phone for something, and not every job in the labour market can be like that, but maybe there are other areas where the barrier to entry for entry-level jobs is too high and there's too much friction, and that demoralizes people too.

[Translation]

Mr. René Villemure: Since the arrival of Amazon, Uber and Lyft, among other platforms, it seems that we're living in a surveillance society like the one described by author George Orwell in his novel *1984*.

Ms. Bednar, do we live in a surveillance society?

[English]

Ms. Vass Bednar: I wouldn't discount that. We're seeing escalation of surveillance technology at work.

There was a viral Reddit thread last week. I certainly go there to get some information about the growth of technologies for white-collar workers. There's surveillance technology: Should I be paid based on how quickly I respond to an email, how many keystrokes I make and how fast my mouse goes?

The gentleman we heard from, from Uber, in his workday, has a predictable income. It doesn't depend on how many meetings you join and things like that.

Why have we datafied or overquantified work? That is part of this conversation.

[Translation]

Mr. René Villemure: Thank you very much.

The Chair: Thank you, Mr. Villemure.

[English]

Mr. Green, you have two and a half minutes.

Mr. Matthew Green: Thank you very much.

I have to say, I got pretty excited when I heard about the idea of a digital public infrastructure.

Mr. Wedge, as New Democrats, we believe that unions are the best way for people to protect their rights and have well-paying jobs with benefits and pensions in order to be able to take care of themselves and their families, yet we know the gig economy has decimated the ability to organize through organized labour. I suggested that it might be appropriate for us to look at sectoral bargaining with a tripartite process that brings workers, the private sector

and the government to the table to help lift the minimum conditions and allow people to organize.

Hearing what Ms. Bednar said and knowing the abilities of your membership, do you agree with the notion that there could be—or at least that it's worth exploring and contemplating—a way in which the drivers have not just low-impact access to it, but ultimately the greatest share of the value they create in delivering the service?

In other words, do you think there's an opportunity to explore a worker-owned, co-operative model that allows for a public digital infrastructure to provide this type of service for people?

Mr. George Wedge: The short answer is yes. In fact, we already have a homegrown app that's coming out in Toronto. It wants to be socially responsible, and it's learning how to do it. So, the answer is yes.

All we need is someone to answer the phone and tell a car to go pick someone up. We don't need all of this fancy stuff. That means nothing to us.

Mr. Matthew Green: In the meantime, what responsibility would you suggest that we have as legislators—although we are federal, and this would probably have more provincial applications—for sectoral bargaining on this?

In your experience, do you think that adding unionized protection for workers would help against the exploitation that you see by allowing people to push back against decisions that are made or to challenge these algorithms?

Mr. George Wedge: If we had a true organizing effort with drivers, I'm sure we would get enough signatures to actually go and force collective bargaining through any employment standards across the country.

Federally, that can be helped along where this committee or any other committee can get together with provinces and say that this is really important and that they have to put some mandates in place so that gig workers know who their fellow workers are so that they can unite and organize if they so wish.

• (1710)

Mr. Matthew Green: Is that your recommendation to this committee?

Mr. George Wedge: Absolutely, it is, 100%.

The Chair: Thank you, Mr. Wedge and Mr. Green.

For the next 24 minutes, I'm going to offer a six-minute round to each of our members, and then we'll see where that takes us.

Mr. Cooper, are you okay with six minutes?

Mr. Michael Cooper (St. Albert—Edmonton, CPC): I'm fine with that.

The Chair: Okay.

Go ahead, sir.

Mr. Michael Cooper: Thank you, Mr. Chair.

Mr. Hamel, could you clarify things with regard to upfront fares? If you're an Uber driver, you will know how much you're going to get paid for that ride. Is that correct?

[Translation]

Mr. Jonathan Hamel: That's correct.

Right now, in British Columbia and Ontario, drivers are offered a trip, and it says how much they're going to make and what route they're going to have to take.

[English]

Mr. Michael Cooper: It is only presently in place in Ontario and British Columbia. Is that correct?

[Translation]

Mr. Jonathan Hamel: That's correct.

[English]

Mr. Michael Cooper: However, the driver would not know how much the customer is going to be charged for that ride. Am I right about that?

[Translation]

Mr. Jonathan Hamel: That's correct.

What the driver sees is the amount they'll receive and the routing information.

[English]

Mr. Michael Cooper: Really, although the driver knows how much they're going to make, this does absolutely nothing to inform the driver about whether they're getting what they might deem to be a reasonable share of the fare charge to the customer. Would you dispute that?

[Translation]

Mr. Jonathan Hamel: In fact, Uber sends a detailed document to drivers every week. That document shows their revenues, the government rates and the service fees charged by Uber.

So the process is fully transparent.

[English]

Mr. Michael Cooper: I would just invite Mr. Wedge to comment on that.

Mr. George Wedge: The answer is yes. At the end of the week, after all the business has been done, the driver is informed. He can actually look and see what his percentage take was for the whole week.

I know I received one recently. My take was 39%. All of the rest of that money went somewhere else, just not to me. However, it's after the fact. I don't know if I'm accepting that with full knowledge or not.

Mr. Michael Cooper: Absolutely.

Mr. Wedge, I heard anecdotally, with respect to the upfront fares, that some Uber drivers actually find it problematic. Uber uses algorithmic data to, for example, provide rides that they can accept or not accept, so-called "low balls", and that may impact how much business they might receive from Uber. Is there any validity to that?

Mr. George Wedge: We have drivers who claim that they're being throttled a lot. We get that. The fact is, you can't say no forever because Uber will dump you off the platform.

Mr. Michael Cooper: Right, you will be penalized.

Mr. George Wedge: Absolutely. They say that you can accept or reject anyone you want; they just don't tell you what the ramifications are if your acceptance rate gets too low.

Mr. Michael Cooper: In terms of your acceptance rate, are drivers incentivized or rewarded for accepting rides from which they take a lesser share?

Mr. George Wedge: From time to time, Uber will offer something called a "quest", and that is when they will say, "If you do 30 rides in the next 48 hours, we'll give you an extra \$40." However, it's the carrot on the stick, because if you don't get all 30, you get nothing. At the same time, you're incentivized to get your trip count up, so you will take the cheap ones just to get your trip count up.

• (1715)

Mr. Michael Cooper: I'll go back to Mr. Hamel.

How much...? This is an average. If you don't have the number, I'd ask that you get back to the committee on it. How much money per kilometre does the average Uber driver earn?

[Translation]

Mr. Jonathan Hamel: Thank you.

If I may, I'd like to correct a few things that have been said a few times. I'll come back to your question afterwards.

The fact that a driver or a delivery person refuses a certain number of trips—

[English]

Mr. Michael Cooper: Mr. Hamel, I'll give you a minute to do so, but then I would like to move to the question that I just posed to you.

[Translation]

The Chair: The problem is that there are only 30 seconds left.

[English]

Mr. Michael Cooper: Maybe, then—

[Translation]

The Chair: Mr. Hamel, can you answer Mr. Cooper's question, please?

Mr. Jonathan Hamel: I don't have that information on hand. We'll get back to the committee on that.

The acceptance rate for drivers and deliver people has no impact, as it does for past consumer behaviour. We have to be very clear about that. There's no impact.

[English]

Mr. Michael Cooper: I would be very interested. Mr. Hamel, it's my time, and I would just put on the record that I would be very interested to see what that rate of return is and how that compares to CRA's mileage allowance.

The Chair: That's question four for Monsieur Hamel. I'll make sure the clerk follows up on Mr. Cooper's question.

We go to Mr. Bains.

You have six minutes, Mr. Bains. Go ahead, sir.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair.

Thank you to all of our witnesses for joining us today.

I will say that there have been several very good, pointed questions, and a lot of information coming out from this study. Fundamentally, we're trying to figure out.... The concern for me is, are drivers and gig workers being exploited, but at the same time, are customers and consumers being exploited? I think one of the key things we see in algorithms or these types of models—in different industries and different sectors—is the hidden fees and junk fees, so I'd like to talk a bit about that.

With respect to driving up costs, what methodologies do you use for every single fee that is associated with a ride? We're seeing it in concert ticket sales. We see it in Uber and Lyft, in ride-share and delivery apps. Can you, in an answer, try to indicate what kind of methodology or algorithm you formulate for these fees? Do they go up and down? Are they relative to whatever the ride is? If you cannot, I'd like an itemized fee structure or the methodology or algorithm that you use, in writing, later on. If you can explain, please do, and if not.... In addition, actually, I would like to see an itemized list of how you determine those hidden or junk fees.

That's for Mr. Hamel.

[*Translation*]

Mr. Jonathan Hamel: Thank you.

For both Uber Eats and Uber, when it comes to passenger transportation, consumers see all the costs before they place their order.

In very concrete terms, as soon as the Uber Eats application opens, a service and delivery fee notification pops up.

In addition, and again in a very concrete way, when you access a restaurant's page, the delivery and service fees are posted. They can vary from \$2 to \$4 in all provinces, depending on the regulations.

All fees are passed on to consumers in a very transparent manner before they place an order.

• (1720)

[*English*]

Mr. Parm Bains: When you talk about the varying of those fees, do they escalate or de-escalate based on the cost of the item, or is it a standard, set fee?

[*Translation*]

Mr. Jonathan Hamel: Let's take the case of Uber Eats. The cost of the order is posted item by item, and the delivery fees are also posted very clearly. Those delivery fees can vary a bit depending on the distance of the restaurant, for example.

[*English*]

Mr. Parm Bains: Based on the price of the item, does it go up or down?

[*Translation*]

Mr. Jonathan Hamel: Delivery costs don't vary based on the price of the item. However, service fees vary in proportion to the size of the order, while remaining between \$2 and \$4.

Again, all of that is posted before the customer even selects the restaurant. When the restaurant is selected, delivery fees and service fees are clearly displayed.

[*English*]

The Chair: Hold on, Mr. Bains. I have stopped your time.

We have a bit of a problem with translation there, so we're trying to figure it out.

[*Translation*]

Could we do a test?

[*English*]

Okay, I have translation back.

I am going to hold off on your time right now and allow Mr. Hamel to repeat what he just said for the benefit of the members of the committee based on the question you asked.

[*Translation*]

Go ahead, Mr. Hamel.

Mr. Jonathan Hamel: Delivery costs don't depend on the size of the order. However, service fees, while remaining between \$2 and \$4, vary depending on the size of the order.

That said, you have to understand that, even before placing an order and even before choosing the first dish, the delivery costs are very clearly indicated on the restaurant's page. The same is true for service fees, which can indeed vary from \$2 to \$4. Before confirming the order, the customer will see, for example, that the service fee is \$2.59. Those fees are clearly displayed before payment.

[*English*]

Mr. Parm Bains: Okay.

I'll go to Ms. Bednar.

You talked about junk fees, and you have some expertise in that matter. Similar to the questions I asked Mr. Hamel, could you expand on what your thoughts are, what you studied on this and how it may relate to the gig economy?

Ms. Vass Bednar: Of course. Thank you.

Just because you see a fee, that doesn't mean it isn't junk. They're often dressed up with quite fancy names. I believe in B.C., starting last week, one fee was a "regulatory recapture fee". You'll know better than I do. That was in response to legislation in B.C. mandating more of a wage floor, so the fee was passed on to people. Does that make it junk? Maybe or maybe not.... The fluctuation of those fees suggests that they are part of a company's pricing strategy to extract the maximum value from people.

Kudos to Canada, because two years ago, we outlawed drip pricing. You have to advertise, as we've heard, the full price up front. You cannot add fees on as you go through a checkout.

We've seen an unbundling of work. Typically, when we employ someone as a cashier—say, at The Water Store—there's a premium on their time. We're paying them an hourly rate. Uber and companies like it have unbundled work so that you're paid for time on task. Now the theory is to only pay that cashier when they're ringing items through, instead of paying them for their time being at your beck and call—being on call for you. That's part of this larger erosion and the conversation we're having about accessing rides and delivery.

I veered away from junk fees. I'm sorry.

• (1725)

The Chair: That's okay.

Mr. Parm Bains: Thank you.

The Chair: Mr. Bains, we're over time here.

[Translation]

Mr. Villemure, you have the floor for six minutes.

Mr. René Villemure: Thank you very much, Mr. Chair.

Mr. Hamel, does Uber subscribe to the European privacy directive?

Mr. Jonathan Hamel: Uber's policy complies with all Canadian regulations, and it also meets the standards set in the EU.

Mr. René Villemure: Can you confirm that you agree with the EU standards?

Mr. Jonathan Hamel: Yes, it is.

Mr. René Villemure: Okay, thank you.

Ms. Bednar, conceptually, is Uber a responsible actor in society?

[English]

Ms. Vass Bednar: It's a big question about Uber. Is it a responsible innovator?

I do appreciate that these fees specifically, which could be junkish, are transparent in terms of the fact that they exist and people see that there's a fee. However, I do not think that there's transparency in terms of precisely where that fee goes, how it's calculated or why it seems to be so volatile. To my mind, that lack of transparency can be irresponsible.

[Translation]

Mr. René Villemure: On a societal level, is Uber a good thing or a bad thing?

I'll clarify my question. The fact that there is a demand for a platform like Uber doesn't necessarily justify the company exploiting a market, employees or contract workers.

That's the gist of my question.

[English]

Ms. Vass Bednar: You're right. Sometimes we take the fact that people engage with a company as their wholehearted endorsement of it.

We see that people, of course, want convenience. People want to get around town. People want to order takeout; it's delicious. They want to maybe splurge. I've splurged on having my groceries delivered, because I have a toddler at home.

However, do people want pricing to be transparent, firms to be accountable and the workers who are bringing their items to them to have a wage floor or have access to benefits? They probably do, so that is part of the conversation we're having today.

[Translation]

Mr. René Villemure: If you had to make three recommendations to the committee so that it could then report back, what would they be?

[English]

Ms. Vass Bednar: If I were to make three recommendations, I would suggest that the provinces revisit capping the commission on grocery delivery as a policy tool that we have, maintaining that there is some subset, but maybe 30% is too high. I would ask that the determinants of the algorithm that control the access to work be far more transparent. I would encourage other provinces to consider trying to implement the kind of wage floor that we are seeing pioneered in Ontario and British Columbia, though it does not seem as if it is fully working as effectively as we hoped quite yet.

[Translation]

Mr. René Villemure: People like the Uber platform because of its convenience. It may be practical, but if the public were better informed about the pricing structure, for example, about the fact that drivers don't receive much, do you think that would have an impact on Uber's business model?

[English]

Ms. Vass Bednar: I do. Apps of all kinds influence pricing. This kind of microcalibration is increasingly pervasive in the economy. There was a great story this June; a whole issue of a magazine called *The American Prospect* focused on this. Even apps like the Taco Bell app know that I get paid every other Friday and my gordita is going to be more expensive that day.

I don't think that reflects our values as a society. The larger worry here, outside of this particular case study, is that we are moving toward an era where that sticker price doesn't really exist and where we're all getting different prices for different products and services. I do not think that's a future we want.

[Translation]

Mr. René Villemure: Do you believe that Uber is following the broad trend that Professor Shoshana Zuboff calls “surveillance capitalism”?

[English]

Ms. Vass Bednar: I think that Uber is part of a fascinating moment where, in the realm of big data and what we could learn from numbers and how we could influence them, we saw the growth of this technology and increasingly sophisticated algorithms. That's been fascinating and that's been important in a lot of ways. However, in terms of how and when these algorithmic tools are deployed and who they are accountable to, these are rules set by private actors in their favour, ultimately.

• (1730)

[Translation]

Mr. René Villemure: Is it normal for the Uber platform not to be subject to the European privacy directive? I'm not sure of the answer Mr. Hamel gave earlier.

[English]

Ms. Vass Bednar: On Canadian soil, the best possible privacy legislation we have is probably what applies, though I recognize there are higher standards elsewhere. Even better is informing people. Having informed consent doesn't necessarily change the data practices of firms. This fundamentally seems to be what people are revolting against and resent the more they build a literacy and become familiar with this.

[Translation]

Mr. René Villemure: My main concern is that Uber has a ton of data. It's a legitimate question as to whether that data is protected.

If there were a data leak, there would be considerable consequences for individuals in terms of surveillance. That poses a clear risk.

What do you think?

[English]

Ms. Vass Bednar: There are cybersecurity and privacy risks, but I think those concerns are almost secondary to the real foundation, which is how information is used—both that we volunteer and what is extracted or collected from around us. We've heard that this data is not sold, but access to this data is. Ads, specials and offers targeted especially at you in an app are ways these platforms facilitate advertising through the information they have, and similar micro-targeting.

I feel I'm using a lot of jargon unintentionally. I apologize for that.

The Chair: Thank you, Ms. Bednar and Monsieur Villemure.

Mr. Green, you have six minutes. Go ahead, please.

Mr. Matthew Green: Thank you very much.

I think it's like a lot of things. I recall being a city councillor when Uber first came in and disrupted what I would call a “taxi cartel” in Hamilton, quite frankly, the way plates and licences were distributed. It disrupted that market and drove it into a bit of a frenzy, and it has found a bunch of ways to circumvent local laws, by-laws and licensing around transportation.

Ms. Bednar, you spoke about digital public infrastructure, and I'm really stuck on that. Can you talk about the way this could be a remedy that would allow for the scenario I suggested to Mr. Wedge, where the people who provide the value—the workers—get the greatest return for that work? Is it about co-ops, or is there a way for government or state interventions to level the playing field for what is otherwise a deeply exploitative technology?

Ms. Vass Bednar: There are alternative business models that are being experimented with and that we've seen success with. You already mentioned one in terms of the co-operative element.

I think we need to stop acting surprised when the private sector doesn't act in the public interest. If we're going to be a society, moving forward, that sees delivery, rides and drives as part of this, we need to think together about how we want to facilitate that, and whether we want it to veer towards a private monopoly.

You were mentioning reports coming out. Was it from the City of Toronto, or a proposal for the City of Toronto? I'm going to get it incorrect. It's looking back at that kind of digital medallion system and suggesting the capping of that supply. To me, we're actually reinventing the taxi system, perhaps. If one of the problems we're talking about here is supply and demand—if there's an oversupply of drivers, which then depreciates the rate—one of those potential policy proposals could be that workers agree to limit this.

It is my understanding that, sometimes, these programs also try to penalize you if they understand, through your using the same phone, that you are driving for two competing companies. That also removes agency and the kind of mobility we might expect these people to have by choosing to be their own worker.

Mr. Matthew Green: I know we did—at least, my colleagues did—a decent job trying to get answers out of the PR person from Uber, but we haven't talked about Amazon. Quite frankly, when you look at logistics and the gig economy, Amazon plays a huge role in this new evolution of work.

We heard the story from Mr. Wedge about the newcomer. I think it would be a surprise to no one around the table that very pressing issues are temporary foreign workers and international students. Having a low barrier to entry is very good. People who want to work can show up and work. However, they can do so with little oversight, regulation or verification, quite frankly. If they're contractors, I would imagine Uber probably doesn't even check the legality of whether they're able to work.

However, I digress. The point is, what should we be learning from this moment, in terms of the labour market and the ways in which these technologies can exploit workers, such as pitting worker against worker by flooding a certain market and driving down the compensation for drivers?

• (1735)

Ms. Vass Bednar: In terms of barriers to entry for entry-level work or certain types of work, there was an experiment in the U.S. I can't remember the fast food outlet—and I'm cognizant that I keep mentioning fast food; I might be hungry—but they said, “Actually, applying to work with us is going to become a lottery. If you meet this threshold, we believe we can train you. We don't need to go through all these other extra elements.” I think that is actually a reflection of a learning of some of these entry points.

However, let's go back to the datafication of work, using computer programs to push workers in particular ways. I don't think that Amazon delivery drivers are urinating in bottles or defecating in the back of their truck for fun. They are doing that because they are under pressure, severe pressure, to make a certain number of deliveries in a certain amount of time. We've seen Amazon invent glasses that they can wear—that they might be mandated to wear—that can shave seconds off each delivery by telling them in their lens exactly where to go.

Now, you could argue that that's good business, that that's efficiency and that that's productivity, and you could also look at the stress and the health effects of that work.

Mr. Matthew Green: I would call it techno-fascism, but those are my words, not yours.

The reason it's important to look at the ways in which people can be exploited.... In previous studies, it became very apparent that AI had biases that were baked in, biases around gender, race and demographics.

From your subject matter expertise and experience, is there a scenario—Mr. Wedge talked about the newcomer—where people are exploited because they show certain demographic markers that might make them more susceptible or more vulnerable to taking lower rates than in what otherwise would be a blind pricing system?

Ms. Vass Bednar: Yes, it's possible to imagine that occurring, just as with the quest or the gamification of work that you were mentioning.

We've heard from workers that it seems like, if there's an incentive to do 40 drives in 24 hours, then the closer you get to 40, the harder it can be to find work. Therefore, there's a feeling that there's a lack of transparency or almost an exploitation with those incentives as well.

That has implications for fairness, transparency, trust, stress and the relationship that people have with these.... I call them computer programs because I worry sometimes that when we use the phrasing “algorithmic”, it makes it seem so much fancier than it really is.

Mr. Matthew Green: I certainly appreciate your being here.

I wish we got more answers out of the Uber representative. I would digress and say that, in future scenarios where we don't get direct answers, I want folks to know that I'll be moving motions to pull the president in. If the president doesn't have answers, then we have another problem, but sending PR people to these committees, quite frankly, wastes our time. I'm just going to say that on the record.

Thank you.

The Chair: I appreciate that, Mr. Green.

That concludes those six-minute rounds.

I'm going to leave it to the will of the committee.

Ms. Khalid, I know you have a question that you'd like to ask, so go ahead, please.

Ms. Iqra Khalid: Mr. Chair, I know that we are short on time, so I'm wondering if it's possible for us to submit written questions to the witnesses so that we can get some written responses to our questions. Would that be okay?

The Chair: That's fine.

I'm not sure we're short on time, but I understand that Ms. Bednar and Mr. Wedge have flights to catch this evening. We did start 40 minutes late, so if the committee members want to submit some questions, they can submit them to the clerk and we'll make sure that we distribute them to the appropriate people for a response.

Ms. Iqra Khalid: Thank you very much, Mr. Chair. I appreciate it.

The Chair: Thank you.

Mr. Fisher.

Mr. Darren Fisher: Thank you very much.

I asked our wonderful clerk earlier to give me an update on the request by the committee for the X documents. I would love it if the clerk would give us that update once again for the benefit of the rest of the committee so that it's not just me getting that update.

The Chair: The request was made to Twitter. They were given until tomorrow to respond, which is seven days, and we are waiting for their response. We're going to give them until tomorrow, and then I can update the committee. We haven't received anything at this point, but I can update the committee if we do get a response through the clerk as well.

Thank you for that question, Mr. Fisher.

There are just a couple of things I want to mention. On the invitation list, we had Lyft and DoorDash. They have proposed to provide written submissions to the committee. I'm just telling you what's going on here. We haven't heard from SkipTheDishes at this point, but we expect to hear from them soon.

With regard to Thursday's business, we have the Privacy Commissioner coming for a second attempt at an appearance, and the notice will be going out soon.

I do have a committee budget for this study that I would like us to approve, but before I do that, I want to thank the witnesses.

Mr. Wedge, I want to thank you for appearing before the committee today.

Ms. Bednar, I know you told me in a sidebar that this was your first appearance at a committee—

• (1740)

Ms. Vass Bednar: Yes, it's the first one in person. I have been on the computer.

The Chair: Okay. I want to thank you for taking the time to be here at the committee.

[*Translation*]

Mr. Hamel, thank you as well for taking the time to come and testify today. As I said, the clerk will send you questions from certain members of the committee. I think there will be four, and maybe a little more if Ms. Khalid also submits questions.

[*English*]

Thank you, Mr. Hamel, for being here.

[*Translation*]

Mr. Jonathan Hamel: Thank you.

[*English*]

The Chair: I'm going to excuse the witnesses from this discussion. Thank you so much.

We have a proposed budget for this study. I know this wasn't on the agenda, but I have to deal with it: \$8,750 on Uber rides, on Uber Eats—

An hon. member: That can barely feed us.

The Chair: I'm a strong fiscal conservative when it comes to meals.

We have expenses for witnesses from Hamilton, Montreal, Scarborough and Toronto. Headsets, of course, are \$250 each, every time we send out a headset. In this case, that represents about \$2,000. Then, on working meals, I'm not sure how we got up to this price, but it's \$500 each on that, so I have \$8,750 total.

Are there any questions on the budget? Are we good?

Some hon. members: Agreed.

The Chair: Okay. The budget is approved. Thank you for that.

The meeting is adjourned. We'll see everybody on Thursday. Thank you.

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