https://www.nakedcapitalism.com/2025/02/hubert-horan-can-uber-ever-deliver-part-thirty-four-tony-wests-calamitous-legacy-at-uber-and-with-the-kamala-harris-campaign.html

# Hubert Horan: Can Uber Ever Deliver? Part Thirty-Four: Tony West's Uber Legacy and the Kamala Harris Campaign

Posted on February 5, 2025 by Yves Smith

***By Hubert Horan, who has 40 years of experience in the management and regulation of transportation companies (primarily airlines) and has been publishing analysis of Uber since 2016. Horan has no financial links with any urban car service industry competitors, investors or regulators, or any firms that work on behalf of industry participants.***

While primarily focused on Uber's competitive and financial performance, this series has also tried to discuss the broader economic and political context of the issues driving that performance. One cannot begin to understand Uber without understanding how high-growth unicorn-type companies became the darling of capital markets, the growth of tech utopianism and the valorization of "tech" investors, longstanding political wars against public goods and interests, how propaganda/PR narratives are manufactured and promulgated, how capital markets have become more focused on narratives and memes than business fundamentals, and similar issues

The linkage between Uber and the 2024 Presidential campaign may not be obvious at first, but Tony West's major role in the Presidential campaign of Kamala Harris, West's sister-in-law illustrates that Uber is now a respected member of the national political establishment, an idea that would have seemed laughable not long ago. West has been Uber's general counsel and chief legal officer for nearly a decade serving both Travis Kalanick and Dara Khosrowshahi.

Democrats have been confused an in disarray since their November defeat,.Understanding West's central role in the Harris campaign and the close parallels to his work at Uber may shed important light on what happened.

**West's central role in Uber's attempted cover-up of its efforts to intimidate a rape victim**

As was described in detail in Part Ten of this series [1], West led a major 2017 attempt to cover up Uber efforts to discredit a woman who had been raped by an Uber driver. The rape cover-up was part of a larger effort to diffuse growing public awareness of Uber ruthless bad behavior under Kalanick (e.g. theft of Waymo intellectual property, obstruction of law enforcement investigations, intimidation of critical journalists, widely accepted reports of systematic sexual harassment by senior Uber executives [2]) and the initial reports of huge losses that threatened

Uber's narrative about massive efficiencies that would allow it to quickly dominate urban car services globally.

West brought in Eric Holder, his former boss at the Department of Justice to lead an "independent" review. Under Holder West was responsible for the DOJ's investigation as to whether major financial firms had any legal responsibility for causing the Great Recession. Here West made sure that Holder's scope was limited to narrow sexual harassment charges and excluded broader efforts to intimidate competitors, regulators and journalists and any of Uber's governance and financial issues.

The initial West/Holder report found no problems with anyone in Kalanick's senior executive team, proposed various actions designed to diffuse calls for stronger reforms (e.g. rethinking Uber's value statement, increased leadership training) and allowed Uber's Board to claim that "Yes, there were some bad apples, unquestionably. But this is not a systemic problem."[3]

But frustrated Uber employees leaked information showing that that West and Holder were aware that Kalanick and other senior executives had obtained confidential police reports they hoped would discredit the rape victim but kept this information out of the draft report. The public disclosures [4] forced a hasty rewrite of the report, the dismissal of Kalanick and the two members of his inner circle directly involved with the rape case, and the subsequent hiring of Dara Khosrowshahi.

The West/Holder cover-up was designed to obscure the fact that the Board had fully supported the ruthless Kalanick-era hostility to drivers, competitors, journalists or anyone seeking to enforce existing laws and regulations was needed to produce the meteoric revenue growth and because the Board believed that only a monomaniacal drive for industry dominance could produce big returns on the $13 billion investors had provided. Even though Uber's PR now claimed that all of Uber's problems were due to aberrant Kalanick behavior (which the hiring of Khosrowshahi had fully solved), the Board never identified any specific aberrant management behavior it found unacceptable, and every member of Kalanick's senior management team that had not directly handled the confidential police reports about the rape (including West) remained in place.

**West's central role in Uber's battle against legislation protecting driver rights**

After Khosrowshahi's hiring and the IPO West's primary job was to lead Uber's fight against various efforts to enforce and strengthen existing legal/regulatory protections for drivers, in particular California's Assembly Bill 5. AB 5 formally codified California's Supreme Court guidelines that restricted classifying workers as independent contractors to cases where workers had total control of work hours and the prices charged to customers and were not a central part of a company's core business.

Uber and the other gig companies did nothing to comply with AB5, and did not reclassify any drivers as employees. West's initial response was to claim a law that specifically covered ride-sharing companies could not apply to Uber because, as West claimed it was not a transportation company but "a technology platform for several different types of digital marketplaces," and "Drivers' work is outside the usual course of Uber's business." West was simply repeating longstanding Kalanick-era PR memes, and was quickly rejected in California, just as similar Uber claims in Europe had been dismissed out of hand.

West then dramatically escalated the battle, drafting a ballot measure known as Proposition 22 designed to overturn the Supreme Court rules and AB5. West, who had been Chief Counsel for Pepsico before joining the DOJ had long experience waging lawfare against public efforts to reign in the use of sugary foods on public health grounds. But West knew the challenge at Uber was much more existential, since Uber had lost over $27 billion through 2020, was about to lose billions more due to the pandemic, and had no conceivable hope of breaking even unless it could cram driver compensation down to the lowest possible level.

While Prop 22 promised drivers some incremental benefits, it reduced the true earning potential of full-time drivers by nearly two-thirds relative to AB5, provided no mechanism for enforcing those limited promises, almost completely eliminated the rights of gig workers to organize or collectively bargain and barred any local governments from enacting any new regulation of gig-companies. Uber, Lyft and the food delivery companies put over $200 million into the pro-Prop 200 PR/propaganda campaign, hiring over a dozen consulting/PR companies, most of whom had experience with union-busting, helping major industries (tobacco, agriculture, oil, chemicals) fight labor law initiatives, or supporting the campaigns of Republican politicians. [5]

The primary arguments for Prop 22 were that it would lead to higher ride-sharing fares and that Uber/Lyft drivers overwhelmingly opposed being reclassified as employees because they highly valued the "flexibility" of being independent contractors. Prop 22 won by a 59-41% margin, having outspent opponents by a margin of over 10 to1. But in this time period consumer fares were only covering 62-70% of Uber's actual operating expenses. Thus Uber claims that Prop 22 would significantly reduce the risk of higher fares was false.

The claims about driver opposition to Prop 22 were also largely false. The numerical majority of Uber drivers only worked a few hours a week, but the majority of trip-hours were driven by full-time-drivers. West's Prop 22 campaign improperly portrayed simplistic headcount-based polls as representative of overall driver opinions. Responses to Uber's surveys had also been influenced by false Uber claims that AB5 prohibited the scheduling flexibility needed to accommodate part-time drivers. [6]

The stock market expressed its support for the passage of Prop 22, immediately raisng the market capitalization of Uber by $36 billion (over 60%) and demonstrating why these companies, despite huge losses, were happy to spend $200 million to get it passed. The fact that Uber had lost over $30 billion up to this point under robust economic conditions, and then suffered from the huge pandemic-driven collapse in ridership illustrated the huge value that Wall Street placed on a company's ability to establish enough market power to suppress worker compensation and to overwhelm governmental efforts to protect those workers. Wall Street valued these labor-to-capital wealth transfers so much that it was willing to overlook that Uber could not provide any evidence at that point of business fundamentals that could produce sustainable profits.  When Biden's Labor Secretary Marty Walsh announced a general intention to review employee classification rules and practices two years later Uber and Lyft lost a combined $20 billion in equity value overnight. [7]

Prop 22 was subsequently voided in August 2021 because a ballot initiative could not nullify the Constitution provision explicitly granting the State the authority to regulate labor working conditions It also violated the requirement that ballot initiatives could not cover more than one subject, including the prohibition on unionization which "appears only to protect the economic interests of the network companies in having a divided, un-unionized workforce, which is not a stated goal of the legislation." [8] As after the original passage of AB5 Uber and Lyft simply refused to reclassify any drivers as employees after the court rejected Prop 22.

West's final victory in this battle was finally secured in March 2024 when the California Supreme Court reinstated the critical parts of Prop 22. When the decision was announced Uber stock rose over 6% while Lyft stock jumped 5%. The court severed the elimination of driver collective bargaining rights, despite existing case law saying that ballot provisions had to stand or fall as voted on and could not be rewritten after the fact since judges could not determine which provisions led to its passage. It also rejected the earlier finding that ballot propositions could not overturn activities authorized by the state's Constitution. Uber SEC filings showing West's nine-figure annual compensation have explicitly highlighted the "regulatory progress" he had driven, helping prevent public efforts to classify Uber drivers as employees in general, and his work on California's Prop 22 and similar initiatives in other states in particular. [9]

**Kamala Harris was a product of the modern California Democratic Party**

West took a leave of absence from Uber this past summer to help manage the Kamala Harris' Presidential campaign. Aside from his business and DOJ experience West is married to Maya Harris who ran her sister's 2020 Presidential Campaign. The 2020 campaign attracted little public support but positioned Kamala Harris to become Joe Biden's Vice-Presidential candidate.

Kamala Harris had been Attorney General of San Francisco from 2004 to 2011 and California Attorney General from 2011 to 2017 before filling the Senate seat vacated by Barbara Boxer. Tony West led her 2016 Senate transition team. Her career was closely intertwined with major California Democratic operatives including former San Francisco Mayor Willie Brown (with whom she had been romantically involved with in the late 1990s and who helped jumpstart her political career by appointing her to several public positions), former Governor Jerry Brown and current Governor Gavin Newsom (who had succeeded Brown as Mayor of San Francisco and agreed to run for Governor in order to allow Harris to run for the Senate).

While the California Democratic establishment had a historical reputation as a liberal pro-working-class counterpoint to the Republicans' strong business/libertarian orientation, its actual behavior began changing in the early 1980s. California Democrats under Phil Burton, Tony Coelho and Nancy Pelosi became extremely focused on eliminating the huge Reagan era Republican fundraising advantage. Coelho's fundraising prowess and dedication to openly serve business interests allowed him to eclipse the power of Burton who wanted to balance a more traditional liberal legislative agenda with a stronger role for business interests. Pelosi not only proved skilled as a fundraiser but was a ruthless political infighter (her father had been Mayor of Baltimore) willing to marginalize and punish Democrats not fully supportive of the leadership's fundraising objectives and the interests of donors.

Historically political party operatives of all stripes shared an understanding that potentially sympathetic voters held diverse views and that winning elections required assembling coalitions of those diverse interests. That diversity also created a breeding ground that was critical to the long-run health of a party. It allowed younger politicians to test new policy ideas, rank and file organizing skills, and demonstrate they could handle competitive elections.

The fundraising focus meant younger, more policy and grassroots orientated Party supporters were often driven out and more “moderate” supporters could not develop needed political skills. Party insiders became more inbred and resistant to change in order to retain the status and perks of positions that no longer had anything to do with large scale political movements. Those operatives were part of a larger professional managerial class (PMC) whose members often worked for the companies and wealthy individuals who were major political donors and the Party became much more focused on PMC concerns.

Politicians like Burton may have hoped a new equilibrium accommodating both business interests and pro-worker policies under the Democratic tent might have emerged. But once party insiders came to equate stronger fundraising with winning elections the power of interests providing the funding grew steadily, as did the power of the operatives facilitating the flow of cash. Since the perceived amount of cash needed to win elections can grow indefinitely, the perceived need to cater to wealthy donors can grow indefinitely. One can argue that Obama tried to establish a different equilibrium by using his liberal background to keep traditional Democrats loyal while promising financial interests that he would not impose any serious constraints on them and would protect them from any liability for the Great Recession. But the demands for campaign cash and the demands from the oligarchic interests providing it kept growing. And few were attracted by the Democrats repositioning as “Republicans-lite”l.

Like a company or bureaucracy living on outdated laurels, the Democratic party became dominated by career politicians who had totally bought into (and could help maintain) the central role of fundraising, had an inoffensive external persona, and said as little as possible about the concrete problems voters faced. Harris and Newsom, who fit these requirements to a tee, were effectively chosen to become California’s Senator and Governor by the party’s aging establishment. Aside from time served in intermediate posts they had no political accomplishments that could explain their ascendancy. Harris was selected to run as Vice President in 2020 and to replace Biden as the Presidential candidate in 2024 over alternatives with similarly limited credentials via processes controlled by party insiders that ensured that voters were not given a choice of competitive candidates, and potential candidates never had to demonstrate that they could meet the challenge of difficult, adversarial campaigns.

### West’s role in his sister-in-law’s Presidential Campaign

West’s role in shaping Harris’ campaign is especially critical because very little was known about Harris’ policy views or priorities when she became the Democratic candidate. She had never been challenged in an election by a competitor with strong views, as Senator said as little as possible that might offend donors, and like most VPs never offered any policy views independent of the White House.

Under President Biden areas such as foreign policy, job creation programs, immigration policy, financial regulation, environmental policy, competition and consumer protection policies were each dominated by factions with specific policy views but the overall result didn't present a coherent vision to the electorate. Most factions felt they had some voice within the Administration, but many were uncomfortable with other Biden policies. Major Democratic donors were comfortable with some of those policies but not all of them.

Although most of the mainstream media failed to understand (or chose to ignore) its importance, Harris' selection of Tony West as her key campaign advisor signaled that she had made a clear choice about her policy priorities. West aggressively worked his network of business contacts to help assure that the Democratic donor class supported her replacing Biden on the ticket and brought in Eric Holder to run the VP vetting process. West then pivoted to campaign financing, raising over $1.1 billion, 140% than Donald Trump needed to fund a much more successful campaign. [10]

One of the keys to West's fundraising was quickly reaching out to major tech oligarchs, getting Harris endorsements from over 100 venture capitalists including Mark Cuban, Reid Hoffman and Reed Hastings who hosted a Harris fundraiser. Cuban said "I've had conversations with Tony and people on their team, and I find them very smart, very open to all business ideas," Harris hosted corporate chief executives, including Karen Lynch of CVS, Ryan McInerney of Visa, Charles Phillips of Infor and Greg Brown of Motorola, at her Washington residence.

The business idea Harris' donors pushed hardest was to fire FTC Chair Lina Khan and to reverse the Biden Administrations' efforts to enforce antitrust law. After donating $10 million to the Harris campaign Hoffman (one of the founders of LinkedIn) said Khan is "waging war on American business" and that "I would hope that Vice President Harris would replace her." IAC Chairman Barry Diller, the former boss (at Expedia) of West's current boss (Dara Khosrowshahi) called Khan "a dope" who was against "almost anything" business wants to do to grow efficiently. Harris hosted McInerney just after the Biden DOJ sued Visa for anticompetitive practices that it said had cost small businesses billions. Similarly, West brought in Paul, Weiss attorney Karen Dunn to lead Harris' debate preparations at the same time she was defending Google against the DOJ's adtech monopolization suit. [11]

Harris had never taken any public positions on Uber despite the enormous negative publicity and West's role in the Kalanic-era cover up and the company's multi-year battle to nullify legislation reclassifying drivers as employees. But during the AB5 battles, asked if his controversial work for Uber caused "any dissent" at home with Sen. Harris or her sister, West said: "No."[12]

Few mainstream media stories mentioned West's prominent fundraising role in the Harris campaign, and none of them mentioned his fight against drivers and regulators over AB5 or anything else he had done at Uber or his role in ensuring DOJ took virtually no actions against against Wall Street after 2008. Stories did mention that the donors West had been soliciting were aggressively lobbying Harris to totally reverse the Biden Administration antitrust/competition policies but never pressed the campaign as to whether those donors would get the major policy changes they wanted. Most accepted the donors' framing of a conflict between "leftist" or "anti-business" and "pragmatic" economic policy without explaining that no one had offered a plausible compromise position and that the "pragmatic" policy was to give the donors everything they wanted. Criticism of the donors was limited to suggesting that their blunt public demands may not have been tactically wise as it might have been easier for President Harris to reverse Biden's policies if they could not be easily seen as the quid pro quo for campaign cash. All of the stories categorized advisors like West and Dunn, and donors like Cuban, Hoffman and Hastings as mainstream Democratic liberals. Some of the stories referenced the Trump vs Harris battle for large donations from billionaires and large corporations but none mentioned any linkage to the Trump vs Harris battle for voters frustrated with their declining economic position vis-à-vis financial elites. [13]

**Tony West played an extremely similar role at both Uber and the Harris campaign**

In a narrow sense West's role at both Uber and the Harris campaign can be seen as highly successful. While it wasn't the intended purpose, his cover-up of Kalanick era misdeeds allowed Uber's Board to transition away from extremely negative publicity. His battle against AB5 and other attempts to grant Uber's drivers greater legal rights was critical to keeping Uber's enormous losses from growing. Raising $1.1 billion for a campaign that no one had planned for was an unprecedented accomplishment, especially given the Republicans' natural strength among corporations and very wealthy donors.

A broader perspective suggests West should be seen as extremely problematic, if not a major failure. West was the third highest paid person at Uber, and one of the most important advisors to Kamala Harris but there is no way that West can be seen as a successful business or campaign leader. In West's long tenure at Uber, under both Kalanick and Khosrowshahi, Uber lost staggering amounts of money and did not breakeven until its 15th year of operations, and only after abandoning most of the things that had fueled its original growth and popularity. And needless to say, the Harris campaign's massive warchest did nothing to help the candidate get elected.

Tony West played the exact same role at both Uber and the Harris campaign. He was utterly dedicated to serving the objectives of those with the real power (Uber's investors, the Democratic Party leaders that had replaced Biden with Harris). He provided them with a genteel, polished public face that would distract the media from the dirty work at hand (covering up the Board's complicity in Kalanick-era scandals, crushing widely supported efforts to limit the exploitation of "independent" drivers, handing wealthy oligarchs total effective control of the Democratic Party).

One of the major arguments of this series is that Uber represented first time that techniques long used in partisan political battles were the basis for building a private company, Uber represents the breakthrough where investors found a way to create over $100 billion in equity value out of thin air and did so free of the constraints of economic fundamentals, market competition, legislatures concerned with workers and consumers or the enforcement of laws against predatory pricing and other exercises of artificial market power. [14] Since then, capital market valuations of very large companies have become almost complete unmoored from traditional economic/financial fundamentals and the wealth of investors in those companies has skyrocketed. As a result, the objectives of the large financial interests who are major political donors has also become more focused since the days when Burton or Obama could hope they could be loyal members of a liberal Democratic coalition.

These changes track major shifts in the worldview of the most powerful political donors. Understandings that business and politics were complex have been replaced with a narrower, simpler focus on money and control. Businesses, previously valorized when they found productivity breakthroughs that produced widespread public benefits are now only evaluated on the basis of equity appreciation for early investors. Competitive markets, previously valued because they ensured society gained from better resource allocation are now derided because competition would limit the artificial market power needed for unconstrained wealth accumulation. This erased the distinction between people who have accumulated wealth by developing powerful innovations and proving their worth in competitive markets and people who accumulate wealth by far easier means, such as capturing political processes in order to rig markets.

West's work at Uber and the Harris campaign illustrates his dedication to the people holding this worldview. He reduced his work in both places to simple games (find returns for Uber investors; raise more cash than the Republicans) where determining the "winner" was a simple matter of counting the money.

In both cases it was critical to complete control of funding and the narratives used to describe the game. No one at Uber had any real-world business accomplishments and no one had any idea how the business model could ever produce sustainable profits, but since they controlled the $13 billion in external funding neither repeated scandals or $32 billion in losses could threaten their control. Anyone who attacked them (or pointed to the huge losses) was denigrated as a unrepentant unionist set on fighting the inevitable tide of technological progress. Democratic Party insiders fiercely controlled funding even though they no longer had the ability to develop candidates who could win competitive elections or messages and policies with appeal outside elite/PMC circles. Worsening election results were blamed on to Russian interference and the failure of media companies to aggressively censor "misinformation".

Uber subverted the idea that corporations served the larger economy through risky investments that produced meaningful productivity/efficiency advances whose value was demonstrated in competitive markets. It successfully convinced capital markets to ignore their total lack of competitiveness and profitability, and to only pay attention to their narratives about powerful technological innovation and Amazon-like growth potential. California Party insiders abandoned the belief that Democrats should serve the concrete interests of a broad range of voters and needed to assemble a broad coalition of interests in order to win elections. The Harris campaign raised a billion dollars from companies and investors who were openly working to capture political processes so they could personally profit from market rigging and directly harm the many Democrats who benefitted from Biden Administration antitrust enforcement.

In both cases West fought until his patrons had achieved a total, irreversible victory. Throughout its history Uber fought tooth and nail, not just against traditional regulation, but to achieve totally unconstrained market power. It knew it could not make money in competitive markets and used extreme predatory pricing and political lobbying to ensure that passengers and drivers would never have competitive options. West was unwilling to compromise on any aspect of driver classification laws and spent hundreds of millions to ensure that the drivers and the California legislators and judges that had supported them were totally crushed in the AB5 battle.

Given this worldview it is not surprising that Biden Administration antitrust/competition policies were central to the fight for control over the Harris campaign, and even less surprising that Tony West handed the oligarchs demanding Lina Khan's firing a complete victory. West was totally opposed to Biden's attempts to maintain roles for different Democratc interests. While crucial to the future of the Democratic Party West ensured all decisions were made by insiders behind closed doors. Since Harris' defeat there has been no evidence that there will be any reckoning for West or anyone else involved.

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Financial interests captured much of the Republican Party long ago, even if the ascendancy of Donald Trump has complicated the nature of that control. Kamala Harris putting Tony West in charge of fundraising for her campaign was the unmistakable, flashing neon light signal that large donors now had full control of the Democratic Party. And not the somewhat diffuse financial interests that supported Clinton/Obama era neoliberalism, but the extremely wealthy big tech-oriented oligopoly interests dedicated to dismantling the last vestiges of constraints against extractive investors.

West's successful sale of the Democratic Party to oligopoly interests has left it in total disarray and raises critical questions going future. Since Hilary Clinton's loss in 2016 it has been openly questioned whether the Democratic Party leadership could attract support outside elite and PMC groups. It was widely understood that making a connection with non-elite groups was key to Trump's rise. By making West and fundraising from billionaires the centerpiece of her campaign, Harris powerfully signaled that she had nothing of substance to say to non-elite non-PMC groups, and did not see maintaining the support of non-elite Democratic factions as important to the election. One can certainly argue that Trump might not produce the level of tangible benefits these voters might be hoping for, but Trump (via positions on immigration, household inflation impacts, attacks on elite claims, etc.) had strongly positioned himself as the candidate who cared the most about their problems. The Harris campaign simply conceded that huge advantage to Trump and never gave any indication it was concerned that advantage might have an impact on election results.

The Harris-West decision to ignore elite/non-elite issues and center the campaign on fundraising also helped ensure that it would be impossible for the national Democratic Party to recover from a Trump victory and establish any meaningful opposition to Trump policies. Some billionaire/corporate donors might have had some preference for a Democratic win, believing that (as with Obama) a this would neutralize opposition to pro-oligarchic policies from the left and offered more stability than a Trump victory. But the interest of the donors who contributed $1.1 billion to Harris was always purely transactional and (as events have proven) they rapidly switched their allegiance to Trump. So the national Democrats have absolutely no one that can serve as a plausible opponent to any Trump policies, the Party's historic pro-working class branding has been destroyed, and the Party totally lacks the money and infrastructure needed to move forward.

[1] Can Uber Ever Deliver? Part Ten: The Uber Death Watch Begins, 15 Jun 2017

[2] Among many other articles documenting this behavior: Issac, Mike, *Inside Uber's Aggressive, Unrestrained Workplace Culture,* New York Times, 22 Feb 2017; Hook, Leslie, *Uber: the crisis inside the 'cult of Travis*', Financial Times, 9 Mar 2017 Fowler, Susan J., *Reflecting On One Very, Very Strange Year at Uber*, 19 Feb 2017

[3] O'Brien, Sara, *Arianna Huffington: Sexual harassment isn't a 'systemic problem' at Uber,* CNNMoney, 23 Mar 2017. Huffington was the Uber Board member overseeing the West/Holder investigation.

[4] Swisher, Kara, *A top Uber executive, who obtained the medical records of a customer who was a rape victim, has been fired*, Recode, 7 Jun 2017.

[5] Michael Hiltzik, Pressure builds on Uber and Lyft under California's gig worker law, Los Angeles Times, 3 July 2020; Steven Hill, Kamala Harris's Uber Test, American Prospect 19 Aug 2020

[6] As previously documented in this series Uber had an ongoing program to produce "academic" papers supporting Uber narrative points that had not actually met minimal academic standards. Two of these papers specifically claimed that a majority of Uber drivers placed huge value in the scheduling flexibility that independent contacting provided but failed to demonstrate that they refected the views of drivers that provided the majority of Uber passenger trips and failed to demonstrate that Uber could not provide similarly valued schedule flexibility if drivers were reclassified as employees. Hubert Horan, Uber's "Academic Research" Program: How to Use Famous Economists to Spread Corporate Narratives, ProMarket, 5 December 2019,

[7] **---**Uber's market cap rose from $59.5bn in late October to $96.2bn in late November**.** Michelle Cheng, Uber's market value has just reached an all-time high, Quartz, 6 Nov 2022 Dave Lee, Uber seeks to reassure investors over rising US regulatory threat, Financial Times, 6 May 2021

[8] Margot Roosevelt, Suhauna Hussain, Prop. 22 is ruled unconstitutional, a blow to California gig economy law, Los Angeles Times 20 Aug 2021

[9] Rebecca Rainey,  Chris Marr  Maia Spoto, Uber, Lyft Are Winning the Gig Worker War in States, Courts, Bloomberg Law 5 Aug 2024**,** Preetika Rana, Uber, Lyft Score Victory as California Court Affirms Right to Treat Drivers as Contractors, Wall Street Journal, 13 March 2023; Levi Sumagaysay, Uber CEO's pay rose to $24 million last year, Market Watch 29 March 2023

[10] https://www.opensecrets.org/2024-presidential-race

[11] Kate Kelly, Noam Scheiber and Kenneth P. Vogel, Harris's Brother-in-Law, a Corporate Executive, Emerges as a Close Adviser, New York Times, 4 August 2024; Matt Egan, LinkedIn billionaire is going all-in on Kamala Harris. But he wants her to make a big change, cnn.com, 26 Jul 2024. Helaine Olen, This billionaire Democrat's brazen suggestion puts Kamala Harris in a lose-lose situation, MSNBC 30 July 2024, Brooke Masters, James Fontanella-Khan, Harriet Agnew  and Lauren Fedor, Kamala Harris's Wall Street charm offensive begins to pay off, Financial Times, 3 Oct 2024, Matt Stoller, The Rage of Google, Big, 11 Oct 2024. Karen Dunn had previously defended Uber after Waymo sued it for the theft of its robocar intellectual property and after New York City sued it for violation congestion laws.

[12] Carolyn Said, Facing AB5, Uber's Tony West discusses improving drivers' lot, San Francisco Chronicle 13 July 2019, Steven Hill, Kamala Harris's Uber Test, American Prospect 19 Aug 2020

[13] Andrew Duehren and Lauren Hirsch, How Wall St. Is Subtly Shaping the Harris Economic Agenda, 14 Oct 2024 Lauren Hirsch and Sarah Kessler, Saying the Quiet Part Out Loud, New York Times, 3 August 2024

[14] Perhaps best summarized in "Uber's Path of Destruction" *American Affairs*, vol 3, no 2, Summer 2019, pp.108-133. https://americanaffairsjournal.org/2019/05/ubers-path-of-destruction/

https://www.nakedcapitalism.com/2025/02/hubert-horan-can-uber-ever-deliver-part-thirty-five-what-drove-ubers-recent-8-billion-pl-improvement.html

# Hubert Horan: Can Uber Ever Deliver? Part Thirty-Five: What Drove Uber's Recent $8 Billion P&L Improvement?

Posted on February 25, 2025 by Yves Smith

Yves here. Hubert Horan summarizes the state of play with Uber after 2024.

***By Hubert Horan, who has 40 years of experience in the management and regulation of transportation companies (primarily airlines) and has been publishing analysis of Uber since 2016. Horan has no financial links with any urban car service industry competitors, investors or regulators, or any firms that work on behalf of industry participants.***

Uber and Lyft both reported full year GAAP profits for 2024. Both companies reported their 2024 financials earlier this month. After correcting the results for known issues, this paper will explain how Uber achieved an $8 billion P&L improvement after losing $33 billion in its first 13 years. It will also discuss the huge divergence in Uber/Lyft stock performance, and why neither stock improved after releasing strong 2024 P&L results. It will also cover why autonomous vehicles—a business both companies abandoned—have once again become a major focus.

**Uber Is Earning Small Profits but Continues to Mislead Investors About its Financial Performance**

Uber had an operating profit of $2.8 billion and an operating margin of 6.4% in 2024. This was up from $1.1 billion (3.0%) in 2023, the first year Uber ever reported profits. It reported a 2024 net profit of $9.8 billion (22.4% margin; up from $1.9 billion (5.1%) in 2023) but, as will be discussed below, badly misrepresents the actual 2024 performance of its ongoing operations

As this series has documented, Uber includes multi-billion dollar items in its quarterly/annual operating results that have nothing to do with the current performance of ongoing business operations, and makes no effort to lay out the actual P&L of ongoing operations.

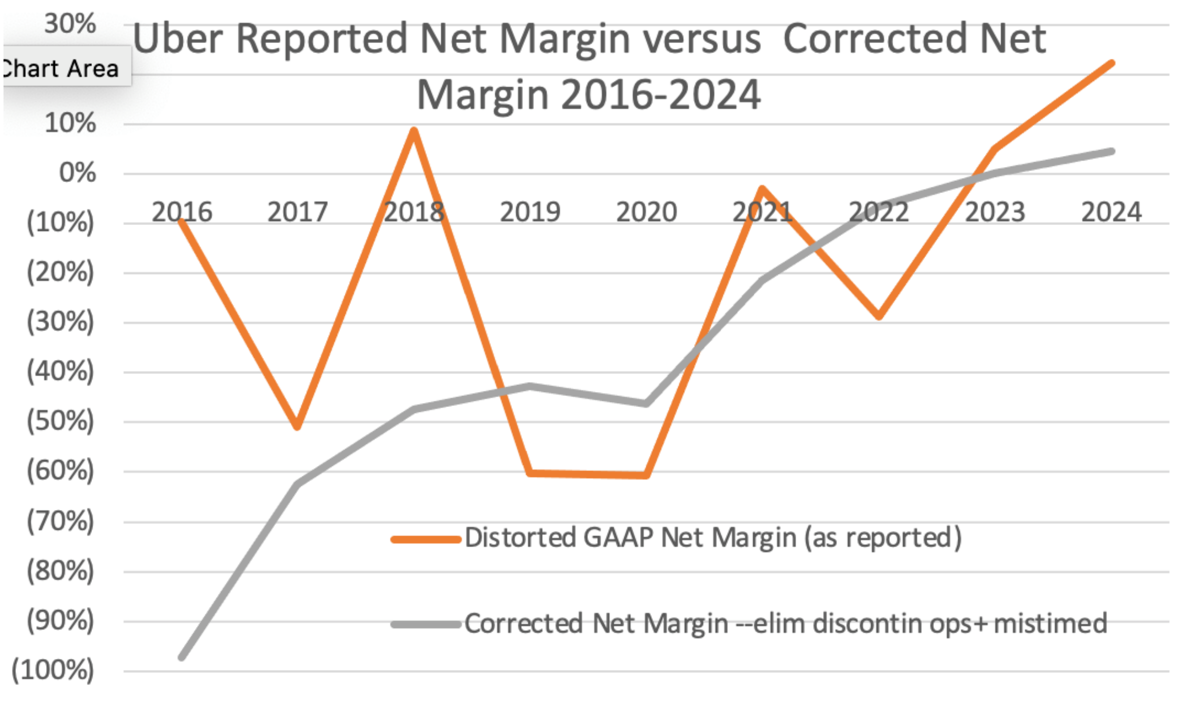
Uber's most dubious practice is including its estimate of the changes of value in untradeable securities it received after shutting down operations that had been hopelessly unprofitable These include shares in larger companies that had driven Uber out of the market (Didi in China, Yandex in Russia, Grab in Southeast Asia) and in Aurora, which acquired Uber's failed autonomous vehicle development efforts. This practice dates to its IPO prospectus, when it used the alleged appreciation of untradeable securities to inflate its bottom-line 2018 profitability by $5 billion, in the hope of creating the impression of robust, rapidly improving profitability. [1]

Uber's 2024 and 2023 "net profitability" were each inflated by $1.8 billion thanks to the claimed value of paper associated with discontinued operations.

$6.4 billion of Uber's fourth quarter 2024 bottom line was due to a tax valuation release. Thanks to Uber's staggering 2010-23 losses (over $33 billion) it had deferred tax assets it could not report until there was some reasonably likelihood of positive income to offset. Uber claims it has over $41 billion in deferred tax assets, primarily from net operating losss carryforwards, research and development credits and from fixed and intangible assets where the tax basis exceeds book value.[2] Presumably Uber's 4Q 24 $6.4 billion claim accords with IRS regulations.

The issue is how investors are supposed to interpret Uber's 2024 P&L. Its SEC filings include a one sentence footnote mentioning the tax valuation release but do not explain where it came from, what specific events triggered the 4Q 24 claim, why it was $6.4 billion, or whether investors should expect similar tax asset impacts in the future.

And while Uber could not report the $6.4 billion until specific criteria had been met, it obviously has nothing to do with Uber's 4Q 24 business performance. Uber faced a similar problem when it recorded $5 billion in stock based compensation expense as a 2Q 19 event, even though it covered work performed over multiple years. Then, as now, Uber's published financials made no attempt to isolate these items so investors could not determine the true P&L results for current periods.




The graph above illustrates the gap between Uber's reported net profit margin, and a net margin corrected to only include items related to its ongoing business operations during the reported time period. Uber overstated current P&L performance by 18 points in 2024 and 5 points in 2023, and overtime Uber rendered GAAP net profitability meaningless for any investor that was trying to track profit improvement over time. Even when Uber was producing massive losses its P&L did not have the huge volatility that its reported numbers suggested.

Uber produced meaningless GAAP net profit numbers because they wanted investors and other outsiders to focus on its even more bogus "Adjusted EBITDA Profitability" metric, which measures neither EBITDA nor profitability.[3] Since 2019 Uber has excluded over $21 billion of expenses from this "EBITDA Profitability" metric other than interest, taxes, depreciation and amortization.

This practice allows Uber PR to claim a "profit margin" 10-12 points higher than its corrected GAAP net margin in the last three years. Prior to the pandemic when Uber was desperate to mask how far the company was from GAAP breakeven it was claiming a profit margin 24-32 points higher.

This PR strategy has been successful. Media and financial analyst reports almost exclusively evaluate Uber profitability based on the bogus "Adjusted EBITDA Profitability" and only mention reported GAAP net profits in passing.

Additionally, Uber's SEC reporting is designed to make it impossible for outsiders to determine what drove observed changes to bottom line results. Uber only publishes a single demand metric ("trips") making it impossible to determine the relative growth rates by product (car services and food delivery) or geographic markets or to determine how unit costs and unit revenues have changed. This measure does not distinguish between a 10 block trip and a 50 mile trip.

Uber also makes it very difficult to evaluate changes in how gross customer payments are split between Uber and its drivers. A first approximation of driver revenue can be gleaned by subtracting "Uber Revenue" from "Gross Revenue" but most driver bonuses and incentive payments are buried within Uber's "Cost of Revenue" and "Sales and Marketing" expense lines. Uber also never isolated expenses related to potential future lines of business (e.g. autonomous vehicles, freight, flying cars) so one could not accurately identify the cost of its current operations.

**While Miniscule, 2024 Saw Lyft's First-Ever Reported Profit**.

Lyft had a small operating loss ($112 million, negative 2% margin) in 2024 but eked out a $22 million net profit (0% margin). This was a notable year-over-year improvement. It had a negative 8% operating margin and a negative 12% margin in 2023.

Lyft's SEC reporting is less opaque than Uber's, and car services are its only business. The overwhelmingly biggest factor driving its year-over-year P&L improvement was that it managed to increase its share of gross customer payments from 32% to 36%. This was a labor to capital wealth transfer of $634 million. Lyft's revenue per trip increased by 12% while gross driver receipts per trip fell by 6%. As will be discussed below Lyft's 2024 improvements mimic gains Uber achieved in 2022. Had this "take rate" not improved, Lyft would have lost twice as much money as they did in 2023 and had a negative 12% net margin

Lyft conducted a major cost reduction program in late 2022, and 2023 costs per ride fell 26%. But these impacts seem to have dissipated as 2024 unit costs increased by 4%.

**Three Major Changes Drove Uber's $8 Billion Annual 2019-2024 Profit Turnaround**

As discussed above, reported net earnings are useless for analyzing how Uber's performance has changed over time due and must be corrected to eliminate major distortions (which significantly inflated net earnings in 2018,21,23 and 24 and depressed them somewhat in 2022 and 22) and accounting timing problems (which badly understated 2019 earnings and significantly overstated 2024 earnings).

The corrected numbers show that Uber was losing $5-6 billion a year (negative 43-47 margin) before the pandemic. It then achieved a $4 billion improvement by 2022 (nearly 40 margin points) when it lost $2 billion (negative 6% margin) and then achieved further $2 billion improvements (5-7 margin points) in both 2023 and 2024.

| ($ billions) | 2018 | 2019 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Reported Net Income [4] | ($4,033) | $997 | ($496) | ($9,142) | $1,887 |
| Reported Net Margin | 9% | (60%) | (29%) | 5% | 22% |
| After eliminating discontinued ops and Timing issues | | | | | |
| Corrected Oper Income | (3,424) | (6,115) | (1,832) | 1,110 | 2,799 |
| Corrected Oper Margin | (30%) | (43%) | (6%) | 3% | 6% |
| Corrected Net Income | (5,338) | (6,025) | (1,929) | 73 | 2,022 |
| Corrected Net Margin | (47%) | (43%) | (6%) | 0% | 5% |

Three major factors appear to have driven these improvements: Uber has been keeping a larger share of each passenger dollar (and giving drivers less), it eliminated major corporate costs during the pandemic, and developed more sophisticated price discrimination tools allowing it to charge higher fares to customers more likely to accept them and to reduce compensation offers to the minimum they thought specific drivers would accept.

Uber increased its reported "take rate" from 22% of each dollar of customer payments in 2018-19 to 28% since 2022. In 2024 its ridesharing take rate exceeded 30%. Uber reduced the driver share of gross revenue from 78% to 72%. Most of this wealth transfer occurred in 2022, when Uber revenue increased (and driver revenues decreased) by $6.5 billion. If the take rate had remained at 22% Uber's corrected net loss in 2022 would have been $8.5 billion with a negative 34% net margin. This value increased to $8 billion in 2024, given growth in trip volumes. Perhaps more detailed data could produce a more precise measure of Uber/driver revenue shares but Uber is unwilling to share that data.

As the earliest pieces in this series explained, car services face major structural problems that limit service quality and efficiency, such as extreme demand peaking and empty backhauls. With pre-Uber traditional taxis these costs were effectively shared between drivers and car owners.

Uber's business model did not reduce any of these costs, it simply shifted all of them onto the shoulders of the drivers.

During the pandemic Uber also eliminated marginal operations and many expenses not directly related to current car or food delivery services. Prior to the pandemic Uber flooded cities with capacity at low fares as it pursued market dominance and very high growth rates.

But due to empty backhauls, demand peaking and other issues much of this capacity was especially unprofitable, and Uber made big cuts. Again, Uber is unwilling to share data that would allow outsiders to calculate unit cost and utilization/productivity changes.

Even when corrected for discontinued operations and timing issues, the simple ratio of total Uber expenses per trip is 24% higher in 2024 than it was in 2019 even though trip volumes increased 63%, and Uber eliminated major tranches of unproductive costs (e.g. autonomous vehicle development, low margin trips).

One plausible guess is that this cost cutting (which should have been largely exhausted by 2022) reduced losses by roughly 10 margin points, based on the comparison of actual 2019 margins (negative 43%) and the negative 34% 2022 margins that would have been seen if Uber's take rate had remained at the 2019 22% level.

Uber's algorithmic pricing and driver payment practices replaced pre-pandemic systems where these were linked to trip time and distance and drivers could see the relationship of their payment to what the passenger had paid. Uber now puts payment offers for rides out to drivers, who if they fail to accept low offers run the risk of failing to meet utilization targets and being locked out of the system.

While there is abundant anecdotal evidence from drivers about how this has depressed their earnings there is no way to estimate the impacts on Uber's P&L or aggregate driver compensation, and Uber is especially zealous about hiding the effects from drivers and investors. It presumably helped drive Uber's ridesharing take rate increase (27% to 30%) between 2022 and 2024, which was worth over $2.5 billion annually.

**Uber Could Not Have Achieved Profitability Without Massive Anti-Competitive Market Power**

Looking at the bigger picture, the real driver of Uber's profit turnaround is that it has achieved large and sustainable levels of anti-competitive market power.

Uber is totally immune from any threat of discipline from either marketplace competition or laws or regulations established by democratically elected governments designed to protect general public interests or the specific interests of consumers or workers. With that unconstrained market power, Uber has been able to raise fares with impunity and impose algorithmic pricing systems because passengers will never see competitive offerings and will have no legal/regulatory protections against discriminatory or deceptive pricing practices.

Uber has thus been able to transfer billions from drivers into its own pockets, since no competitor will offer better terms, and Uber can overwhelm any judicial or legislative efforts to enforce minimum standards. Without that unconstrained market power, Uber would still be losing billions every year and would have no plausible path to breakeven.

Three major factors, working in combination, created and will continue to sustain this anti-competitive market power. The first was that Uber demonstrated a willingness to employ predatory pricing to a level that would have made Rockefeller and Carnegie blush. The investors who controlled Uber were always totally focused on achieving quasi-monopoly power because this was the only way they could ever achieve returns on the $13 billion they had invested. Even when Uber was losing $6 billion a year and enduring scandals and bad publicity it was universally understood that Uber would use its massive cash position to crush any potential competitive challenge. This barrier to entry became even more impregnable once Uber achieved positive cash flow.

The second factor was Uber's willingness to employ scorched earth techniques to crush any attempt to place any external constraints on its market power. Uber effectively achieved total deregulation of urban car services totally outside the democratic processes that established public oversight.

To cite one of many examples, when the California Supreme Court established rules for determining when outside contractors were truly independent and thus were not entitled to employee labor law protections, and the California legislature codified these rules into law, Uber led a $200 million effort known as Proposition 22 to overturn them. Uber outspent supporters of the independent contractor legislation by a 10:1 margin and falsely claimed that a big majority of Uber drivers opposed the rules. But by crushing the California judiciary and legislature Uber achieved the power that made the $6 billion in annual labor to capital wealth transfers that drove its path to breakeven possible. [4] The stock market, which fully understood the importance of using market power to suppress driver compensation to the lowest level possible, immediately raised the market capitalization of Uber by $36 billion (over 60%) even though passenger payments were still covering less than 70% of Uber's actual costs.

The third factor was Uber's extraordinary narrative development/promulgation skills, which hugely contributed to the first two factors. Unlike most "tech" startups at that time, Uber made spending on PR and lobby a top corporate priority from day one. Its original messaging, copied directly from longstanding libertarian efforts, blamed all of the problems of traditional taxis on corrupt regulators. Since anyone concerned about consumers, workers or the efficient operation of urban transport infrastructure was corrupt and evil, the capital accumulators how had invested in Uber should be given the "freedom" to do whatever they thought might maximize their investment returns.

This narrative positioned Uber as a heroic disruptor, whose innovative technology could solve all of the problems that had plagued urban car services for a hundred years. Even though urban transport had never attracted the interest of capital markets, Uber claimed it would soon achieve Amazon-like meteoric demand and valuation growth. None of these claims about industry problems and solutions were backed with any supporting evidence and Uber's PR narratives remained powerful even after it accumulated $33 billion in losses, and even after its post-pandemic fares have proven to be much higher than the traditional taxis they "disrupted" had charged. [5]

Uber's narrative/PR power also rendered the mainstream and business media pliant. They meekly accept Uber's preferred framings (regulators were corrupt, drivers didn't want legal protections, Adjusted EBITDA is a legitimate measure of profit), make no effort to investigate service, pricing and working condition changes, to explain why Uber lost $33 billion or how it achieved $8 billion in profit improvement.

Uber illustrates the magnitude of damage the rest of society can suffer when capital accumulators can destroy market competition. A handful of Uber investors and executives have become fabulously wealthy. But they destroyed a functioning taxi industry (and the capital and workers it employed) and replaced it with car service that is more limited and higher cost while reducing wages and job security. Transit systems (and the taxpayers funding them) suffered major losses thanks to traffic diverted by Uber's predatory uneconomical fares. Traditional taxis were resilient but Uber and Lyft will be free to ignore any marketplace forces they might find inconvenient.

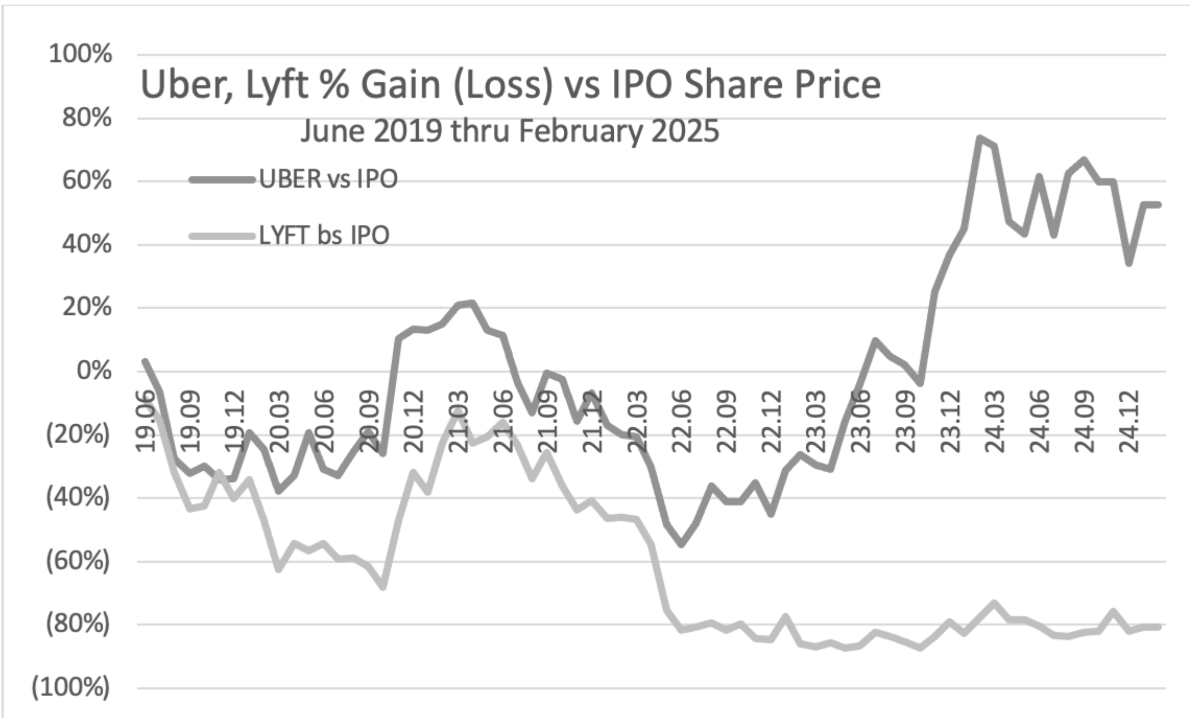
**Uber, Lyft stock prices have been behaving quite differently since mid-2022**

Like the other "tech unicorns" of the past couple decades, Uber and Lyft were never designed along Finance 101 lines where they would attract investors with business plans that demonstrated strong likelihood of future profits, and where share prices reflected the market's judgement about the stream of risk-adjusted future profits.

Capital markets had become fixated on the possibility that selected companies could become super high flyers, producing meteoric demand growth and equity appreciation, making its founders and early investors stratospherically wealthy. Financial analysts and journalists paid almost no attention to the specific business model of startups like Uber and Lyft or the industry they were seeking to enter, or to whether their economics were like previously successful unicorns (Google, Facebook, Amazon, et.al.) or whether early results demonstrated they were on track to deliver on their promises. The emphasis was totally on narrative, buzzwords (disruption, platforms, innovation, etc.) and the personalities of the top executives and venture capital investors.

Both Uber and Lyft went public in the first half of 2019, with (as this series documented) IPO prospectuses that documented huge losses and provided no credible evidence of sustainable profits in the future. Uber's prospectus highlighted that it expected to become the "Amazon of Transportation", that its investment in autonomous cars would fuel long-term growth and that investors' expectations about the future should recognize that it currently served less than 1% of its "addressable market" (global trips within urban areas). The two IPOs created $80 billion in corporate value ($65 bn Uber, $15 bn Lyft) although they had been seeking $150 billion ($120 bn Uber, $30 bn Lyft). [6]

As the two graphs below illustrate the stock prices of Uber and Lyft quickly fell below their IPO levels and failed to appreciate in line with general "tech" indices. Oddly, the huge pandemic demand collapse did not have a major impact on either stock. Until mid-2022 Uber stock clearly did a bit better than Lyft's although they roughly tracked each other, including serious declines in 2021-22. But in mid-2022 the paths of the two stocks dramatically diverged.




Lyft, which had been trading roughly 20% below its IPO price ($72) in 2021 fell to roughly 80% below in mid-2022 and has remained at that level ever since. The mid-2022 equity collapse coincides with major declines across a wide range of so-called disruptive tech-based startup stocks as investors appeared to be growing tired of companies who were burning cash in pursuit of rapid growth but did not have a clear path to sustainable profitability. These companies lived in what one observer called "the enchanted forest of the unicorns" where your valuation is whatever you say it is and received little serious scrutiny when they went public and only avoided collapse because of investors "consensual hallucination" (and low interest rates). The major restructuring efforts Lyft announced in the 2nd quarter of 2023, the recovery of pandemic traffic declines and its subsequent reduction in losses have had had little impact on its share price. [7]

Uber equity began appreciating again just at the point when Lyft equity fell to its lowest levels, triggered by Uber's big $36 billion gain following its Proposition 22 victory over the California judicial and legislative efforts to prevent the misclassification of many drivers as independent contractors.

Between mid-2022 and early 2024 Uber's appreciation roughly tracked broad indices of "tech" stocks, although with a larger gap then was seen following its IPO. Uber's share price has fluctuated between a 40% and 60% premium over its IPO price for the past five quarters. [8]

Wall Street clearly celebrates companies who can use artificial market power to suppress wages, but Uber's California triumph cannot explain why Uber stock began appreciating in line with "tech" indices while Lyft remained in the doldrums. Both companies employ the exact same ridesharing business model, and Lyft received the same Proposition 22 benefits that Uber did.

It is perhaps useful to see Uber as a "memestock"—not in the sense of companies like GameStop or AMC who saw huge valuation changes purely due to viral social media posts, but along the lines of dot-com stocks and other major market fads. Thanks to its powerful PR/propaganda messaging over the years, Uber convinced many that it was a high-growth "tech" stock like Amazon, with years of profitable Amazon-like expansion into new businesses. Uber was never seen as risky as Lyft and the many other smaller "tech" companies now trading at a fraction of their IPO prices. To some extent Uber's ruthless, predatory behavior may have created the image of a 900 pound gorilla impervious to normal economic laws not dissimilar to corporate behemoths like Amazon.

Uber equity value continues to depend on the widespread impression that it is still a high-flying growth stock, which cannot be explained in objective financial terms. A share price above IPO levels and growing steadily implies that investors believe that Uber will enjoy years of robust demand and profit growth, and Lyft will not.

While the high-flying growth image certainly helps senior executives achieve bonuses based on stock price increases, those executives will face a major challenge producing the rapid, profitable growth investors are hoping for. Most things Uber could do to boost growth (lower prices, more capacity) would be unprofitable and would reverse its post-pandemic efficiency gains. The things Uber has been doing to increase margins (reduce capacity, raise fares, squeeze drivers, eliminate speculative spending on new businesses) would cut growth. Uber's stock price has never been sensitive to incremental P&L improvements did not meaningfully respond when it actually achieved its first profits in 2023-24.

Despite the seemingly positive P&L numbers, the stocks of both Uber and Lyft both fell (7% and 5% respectively) after their 2024 financial reports. Press reports blamed both on weaker-than-expected demand forecasts for the balance of the year, illustrating the importance of growth expectations. [9] Analyst questions to the CEOs ignored issues like the risks of Uber-Lyft price wars, or where Uber's $6 billion tax credit came from and focused instead on how they would realize the growth potential of autonomous vehicles, a previous market fad that both companies had abandoned but now appears to have come back to life.

Both CEO's made general claims about how could provide a wonderful platform for any future AV operators, while sidestepping the questions of how a future AV industry might actually develop. This strategy assumes the ridesharing companies could establish a quasi-monopoly middleman position in the future AV industrty (akin to Google's dominance of search or Facebook's social media position) when no other urban transport companies see it as a useful middleman. [10] Uber and Lyft have survived because they can impose whatever terms and conditions they want on their fragmented, subservient drivers. Working with the owners of multi-billion dollar AV fleets (including companies as large as Tesla and Waymo) might pose more difficult challenges.

[1] “Can Uber Ever Deliver? Part Nineteen: Uber’s IPO Prospectus Overstates Its 2018 Profit Improvement by $5 Billion” Naked Capitalism, April 15, 2019, A similar $3.2 billion overstatement of 2021 performance was discussed in Can Uber Ever Deliver? Part Twenty-Nine: Despite Massive Price Increases Uber Losses Top $31 Billion, Naked Capitalism February 11, 2022.

[2] Hinde Group, Uber’s Tax Attributes Are Worth Billions, June 2023

[3] “Adjusted EBITDA Profitability” excludes Uber’s huge stock-based compensation expenses. “Segment Adjusted EBITDA Profitability” which Uber press releases emphasize when discussing the separate performance of car services and food delivery also excels billions in IT, legal, lobbying and other expenses that cannot be directly linked to specific customer requests.

[4} The campaign against the legislative protections for independent contractors, known as Proposition 22, was orchestrated by Uber chief counsel Tony West, who also led Uber’s efforts to cover up attacks on a woman who had been raped by an Uber driver, and the Obama Department of Justice’s refusal to prosecute any financial institutions for their role in the 2008 economic collapse, and ensured that Kamal Harris’ presidential campaign was dedicated to the interest of tech oligarchs. Can Uber Ever Deliver? Part Thirty-Four: Tony West’s Uber Legacy and the Kamala Harris Campaign, Naked Capitalism, February 5, 2025

[5] This series has long claimed that Uber’s propaganda based narrative construction/promulgation skills were its only real competitive advantage, and that its only real “innovation” was adopting longstanding partisan political propaganda techniques to a corporate development effort. Can Uber Ever Deliver? Part Nine: The 1990s Koch Funded Propaganda Program That is Uber’s True Origin Story, Naked Capitalism, March 15, 2017. A broader overview of these programs can be found in journal articles based on this series including Will the Growth of Uber Increase Economic Welfare? 44 Transp. L.J., 33-105 (2017) pp.76-90, “Uber’s Path of Destruction” American Affairs, vol 3, no 2, Summer 2019, pp. 115-117, and in a four-part series that began with The Uber Bubble: Why Is a Company That Lost $20 Billion Claimed to Be Successful? Promarket, November 20, 2019

[6] The prospectuses were discussed in Can Uber Ever Deliver? Part Eighteen: Lyft’s IPO Prospectus Tells Investors That It Has No Idea How Ridesharing Could Ever Be Profitable, Naked Capitalism, March 9, 2019 and Can Uber Ever Deliver? Part Nineteen: Uber’s IPO Prospectus Overstates Its 2018 Profit Improvement by $5 Billion, Naked Capitalism, April 15, 2019 and the IPO results were discussed in Can Uber Ever Deliver: Part Twenty: Will the “Train Wreck” Uber/Lyft IPOs Finally Change the Public Narrative About Ridesharing?, Naked Capitalism May 30, 2019

[7] “enchanted forest”: Matt Levine, “The Three-Way Banana Split Was Bad” Bloomberg, May 16, 2019: “consensual hallucination”: from Wolf Richter’s Wolf Street blog which had been documenting the imploded (or zombie) stocks who had fallen 75-95% from their 2021 peaks,

with Lyft collapsing in line with companies like Carvana, OpenDoor, Wework, Snap, Zoom, DoorDash, Rocket. Lyft replaced CEO Logan Green with David Rusher in the 2nd quarter of 2023 and announced a major cost-cutting program.

[8] Uber's Board also awarded Dara Khosrowshahi a huge bonus after the company's valuation reached $120 billion. Camilla Hodgson, Uber chief unlocks $136mn in options after beating $120bn valuation target, Financial Times, 28 February 2024; The Lex Column, Why Uber $7bn buyback is linked to its boss's big payout, Financial Times, 28 February 2024

[9] Ashley Capoot, Uber beats fourth-quarter revenue expectations but offers soft guidance, CNBC, February 5, 2024; Sabela Ojea, Lyft Sees Growth Slowdown in Gross Bookings, Wall Street Journal, 11 February 2025;

[10] Preetika Rana, How Uber and Lyft Are Gearing Up for the Robotaxi Revolution, Wall Street Journal, January 6, 2025; Ben Thompson, An Interview with Uber CEO Dara Khosrowshahi About Aggregation and Autonomy, Stratechery, February 13, 2025