



TO: GENERAL COMMITTEE

SUBJECT: TRANSPORTATION INDUSTRY BY-LAW 2006-265 – TAXI, RIDESHARING, DRIVER-FOR-HIRE OPERATIONS –PILOT RESULTS

WARD: ALL

PREPARED BY AND KEY CONTACT: T. BANTING, MANAGER OF ENFORCEMENT SERVICES EXT. 4336

SUBMITTED BY: W. COOKE, CITY CLERK/DIRECTOR OF LEGISLATIVE AND COURT SERVICES

GENERAL MANAGER APPROVAL: D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That By-law 2006-265 regarding the licensing and regulation of transportation type business operations within the City of Barrie be amended by adding the following sections:
 - a) Section 17.2.15.0.0, “The licensee shall ensure that a copy of the Driver-for-Hire Company identifier is filed with the Issuer of Licences at the time of application and that approval is granted relating to the form, size and vehicle location by the Issuer of Licences”; and
 - b) Section 17.2.16.0.0, “The licensee shall ensure that such identifier is placed on each Driver-for-Hire vehicle so as to be visible to the public at all times when operating”.
2. That the Ridesharing/Private Transportation Company business licence fees included in the Fees By-law be replaced with the fees identified in “Appendix “A” to Staff Report LCS007-19.
3. That staff in the Legislative and Court Services Department be authorized to make application to the Ministry of the Attorney General for set fines ranging from \$100.00 to \$1,000.00 based on the nature of the offense.

PURPOSE & BACKGROUND

Report Overview/Purpose

4. The purpose of this Report is to describe the results of the Transportation Industry Pilot that was undertaken from August 1, 2017 to July 31, 2018. The Pilot was specifically related to Taxi, Private Transportation/Ridesharing (such as UBER and LYFT) and Driver-for-Hire (Designated Driver such as Driverseat, Canadian Designated Drivers, Last Call Designated Driving Service and 500 Home – The DD Service) operations of the transportation industry. This Report will summarize the results of the community survey, public complaints, industry comments and feedback along with staff recommendations since the implementation of the Pilot Program in August, 2017. This Report will also update members of General Committee on any positive impacts or challenges faced regarding the administrative process, the cost and effectiveness of enforcement of the Transportation Industry By-law.

Background

5. The previous Transportation Industry Licensing By-law came into effect January 1, 2007; however it had been amended several times to address various changes within the industry. That By-law set out a comprehensive licensing criteria related to the various transportation businesses including but not limited to taxis, limousines and tow trucks.
6. In August, 2017 amendments were made to the Transportation Industry By-law as part of a Pilot Program. The purpose of the Pilot Program was to lessen the restrictions on the taxi industry while implementing licensing requirements and operating criteria for both the private transportation/Ridesharing and Driver-for-Hire/designated driver sectors. This allowed the industry as a whole to compete more fairly, build operational models more suited to today's public demands while the municipality continued to ensure that the safety and security of the traveling public is maintained.
7. Under the Ridesharing models, customers request the service through the App, enter the pick-up and drop off location, at that time; customers are provided with a cost estimate based on the distance travelled. Under the Driver-for-Hire models, customers can contact a service which will pick up the customer and their personal vehicle and drive them and their vehicle to a specific destination for a fee. Unlike a traditional "ride share" or "vehicle-for-hire" system, this service simply provides a driver to transport a customer and their vehicle home for a fee.
8. The *Municipal Act, 2001 S.O. 2001, c.25, s. 9*, sets out that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under the *Municipal Act* or other Act.
9. The *Municipal Act, 2001, S.O. 2001, c. 25, s. 10*, sets out that a single-tier municipality may provide any service or thing that the municipality considers necessary or desirable for the public. A single tier municipality may pass by-laws respecting, in part, the health, safety and well-being of persons.
10. Section 151.1 of the *Municipal Act, 2001*, states, "Without limiting sections 9, 10 and 11, a municipality may provide for a system of licences with respect to a business and may,
 - a) Prohibit the carrying on or engaging in the business without a licence;
 - b) Refuse to grant a licence or to revoke or suspend a licence;
 - c) Impose conditions as a requirement of obtaining, continuing to hold or renewing a licence;
 - d) Impose special conditions on a business in a class that have not been imposed on all of the businesses in that class in order to obtain, continue to hold or renew a licence;
 - e) Impose conditions, including special conditions, as a requirement of continuing to hold a licence at any time during the term of the licence;
 - f) License, regulate or govern real and personal property used for the business and the persons carrying it on or engaged in it; and
 - g) Require a person, subject to such conditions as the municipality considers appropriate, to pay an administrative penalty if the municipality is satisfied that the person has failed to comply with any part of a system of licenses established by the municipality. (2006, c.32, Sched. A, s. 82)"
11. Historically the City of Barrie had a highly regulated the transportation industry, specifically those licence holders within the Taxi classifications. Such regulations included, but were not limited to:
 - a) Setting the Tariff rates charged by the industry (per/km of travel);
 - b) Identifiable markings for each Taxicab including roof lights, company name etc.;
 - c) Each vehicle must have a meter which calculates the fee on a per KM basis;
 - d) Annual Vehicle Safety Certificates;
 - e) Commercial Liability Insurance (\$2 million dollar minimum);
 - f) Vehicles must be neat and clean at all times;

- g) Drivers must provide a criminal record check annually;
- h) Ministry of Transportation drivers abstract;
- i) Letter from each company they are operating on behalf of;
- j) Two pieces of photo identification;
- k) Companies must have an office, accessible to the public 24 hours a day, 7 days a week; and
- l) A moratorium on the issuance of new Taxicab Licences until a ratio of 1 cab: 1,500 population is achieved.

This had served the community well over the years, to ensure public safety and security.

12. The previous municipal regulations regarding the taxi industry were inadequate to deal with "Ridesharing" or "driver-for-hire" type businesses and did not allow the taxi industry to compete fairly in this rapidly changing business environment.
13. In 2017, staff initiated a comprehensive review of the current Transportation Industry Licensing By-law, specifically as it related to the taxi industry and the new "ride share" or "driver-for-hire" business models.
14. During this review process, staff consulted with other municipalities who also had to address the change in service and what was once traditionally known as the taxi industry. Municipalities such as Ottawa, Region of Waterloo and Toronto had many struggles when dealing with the traditional business models of a "taxi service" versus the new "Ridesharing / driver-for-hire business economy". Most of these operations provide an online service to patrons. These online or "App" based services provide convenience to the rider and have been developed in a way that both the customer and service provider (driver) know the details of the transaction prior to entering the vehicle.
15. This consultation had provided valuable information which formulated staff's approach to best manage the transportation industry within the City. As well, guidance from the Government of Canada Competition Bureau's report "Modernizing Regulation in The Canadian Taxi Industry" was helpful. The Competition Bureau's report indicated that municipalities should begin to "deregulate" the industry and return to core values as it relates to licensing, being public safety.
16. The Bureau went on to "urge regulators to take a less intrusive and more balanced approach when designating and implementing regulations for transportation services." It spoke to continuing with public safety items such as; vehicle safety certificates, criminal background checks and minimum insurance requirements, all of which should be equal or similar for both Ridesharing systems and the traditional taxi operations. The Bureau recognized that some regulators continue to require non-safety items such as dress codes, pricing controls etc., however they stated; "this consideration carries a risk of over-regulation". "For example, while some consumers may prefer that taxi drivers adhere to certain standards of dress, such a restriction may not actually be necessary. Differences in quality of service are an important way of competing, and unnecessary restrictions, such as the dress code example, prevent industry participants from using these factors for their own competitive advantage."
17. In addition, the Province introduced legislation that addressed the overall insurance requirements related to "Ridesharing" operations. This legislation allowed for providers such as Intact Insurance to insure the vehicle for business purposes only during those times in which the vehicle is actually receiving calls for service. Outside of those times, the vehicle owners' normal insurance policy will apply. This was done in recognition of the unique "Ridesharing" operations.

18. As a result of the consultation and research, staff proposed a change to the overall regulations relating specifically to Taxis, Private Transportation/Ridesharing and Driver-for-Hire services to assist in levelling the playing field for the Industry. City Council adopted a revised version of the staff recommendation through motion 17-G-057 as amended on March 27, 2017. Transportation By-law 2006-265 was revised and the changes were implemented effective August, 2017 for a one year Pilot Program. The year-long Pilot Program was initiated to allow the industry and staff time to study the effects of the changes.
19. Staff provided quarterly memorandums during the Pilot period describing details related to customer survey responses, complaints received, administrative concerns, and enforcement activities.

ANALYSIS

20. In general, staff found the results of the Pilot Program were very positive in nature and were well received by the industry and traveling public. The following paragraphs describe changes in the industry, as well as various comments / feedback from each sector of the industry, staff and the public.

Applications Processed

21. The following chart identifies the number of applications submitted in each of the categories prior to the Pilot and currently:

Classification	Number of Companies Licensed		Number of Registered Drivers		Number of Registered Vehicles (if applicable to category)	
	2017 (prior to Pilot)	2019	2017 (prior to Pilot)	2019	2017 (prior to Pilot)	2019
Taxi Cab	11	12	294	368	174	233
Driver-for-Hire	Not applicable	4	Not applicable	59	Not applicable	Not applicable
Private Transportation	Not applicable	1	Not applicable	2683	Not applicable	3206

22. Currently, the taxi industry is comprised of 12 licensed companies, 368 registered drivers and 233 registered vehicles. The Driver-for-Hire industry is comprised of 4 licensed companies and 59 registered drivers. There is a single licensed private transportation/Ridesharing company with 2683 drivers and 3206 vehicles.
23. Enforcement Services staff found that the Pilot appeared to run very smoothly and most of the Transportation Industry embraced the changes. At the onset, some questions and concerns were raised on how the new process would work, however all sectors eventually grew accustomed to and welcomed the changes.
24. The taxi industry presented minor challenges associated with administrative errors related to paperwork. The present system has proven to be much better than the previous licensing administration. The Enforcement Clerks and Officers now deal with the business owner or operator as opposed to dealing with each driver. The drivers only attend the office for their photographic identification card.

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25. The Driver-for-Hire businesses continue to present minor administrative (paperwork) issues that have been remedied by the Enforcement Clerk or the Enforcement Officer. These issues centre on incomplete applications requiring follow up by staff.
 26. Between August, 2017 and July 31, 2018, UBER as our sole operator for the private transportation sector (Ridesharing), submitted 1908 drivers and 2095 vehicles to be reviewed and registered. Additional applications have been submitted since July 2018. All submissions contain various documents that required in the registration process including, two pieces of identification, driver's abstracts, criminal record checks for each driver as well as vehicle ownerships, plate information and vehicle safety certificates for all vehicles.
 27. The private transportation sector (Ridesharing) was the largest impact to staff to administer during the Pilot Program. It is estimated that it took 280 hours of Enforcement Services staff time and 140 hours of the Administrative staff's time to review and vet the additional submissions, deal with any discrepancies or rejected submissions and then finally process the registrations over the course of the Pilot Program.
 28. Those hours were in addition to the hours required to complete UBER's original annual submission. It should also be noted that with the assistance of staff in the Information Technology Department, a special electronic submission process was put in place for UBER as they operate mainly through electronic platforms.
 29. During the Enforcement Services review period, numerous records were rejected or new records/documentation were requested due to inaccurate records, duplicate plates or vehicle descriptions and documentation not matching the applicant's identification etc.
 30. The processing of applications related to the private transportation/Ridesharing sector required substantially more time than was anticipated and as a result, the licensing fees were insufficient to recover these costs. As part of the pilot, the Private Transportation Company operator (UBER) offered to submit a per trip fee of \$0.11, to allow the City to recover any additional costs that would be associated with administering/enforcing their business operations. However, unless there are changes to the licensing fees in addition to the per trip fee, the taxpayers will continue to subsidize this operation to a greater extent than the other transportation industry sectors.

Customer Survey

31. Prior to the implementation of the Pilot Program, staff created a public survey which requested feedback from members of the public and the Industry. This survey invited feedback on rider's experiences, pricing and overall thoughts of the Industry. This survey was opened up periodically over the course of the one year Pilot Program to evaluate the changes, in the industry along with public opinion.
32. The initial survey revealed that the public were not satisfied with the taxi industry and that they wanted to see other options made available to them. The results of the survey also noted that pricing within the taxi industry appeared quite high and that the public's experience in other municipalities with private transportation companies such as UBER were much more economical and pleasant.
33. As the Pilot Program continued, the rating and comments received via the survey became much more positive towards the industry as a whole, the public appeared much more satisfied with the available options, including the changes in the taxi sector. The convenience of using online systems or Apps to obtain transportation was far more appealing to the customer. It allowed for more choices based on the needs of the individual, they felt more secure and in fact found the overall experience more pleasurable than the past transportation options.



Survey Results (Summarized)

Initial responses: (prior to August 2017)

Survey Item	Driver-for-Hire (Designated Driver)	Private Transportation Service (Ridesharing)	Taxicab Services
Number of Responses (highest %)	23%	50%	27%
Number of times used (highest %)	Weekly - 40%	Monthly - 55%	Rarely - 50%
General Comments Received (small sample)	<ul style="list-style-type: none"> “Flat rate in Barrie is amazing” “Good rate to get me and my car home” 	<ul style="list-style-type: none"> “Uber was great” “Uber has better drivers” “Much more affordable than cabs” “Uber services is exceptional, clean, neat and polite” 	<ul style="list-style-type: none"> “I felt safe in the cab” “Driver spent whole ride complaining about money & took long way” “Can’t afford cab as single mother, cars dirty” “Cab overcharged, missed my street, I had to show them the way and no discount” “Driver was rude and un-kept” “Driver rounded fare down to cash I had on hand”

Final Responses: (following pilot)

Survey Item	Driver-for-Hire (Designated Driver)	Private Transportation Service (Ridesharing)	Taxicab Services
Number of Responses (highest %)	22%	50%	27%
Number of times used (highest %)	Weekly - 40%	Monthly – 37.5%	Rarely - 43%
General Comments Received (small sample)	<ul style="list-style-type: none"> “great to get my car home” “pay to have your vehicle home with you instead of finding a way back the next day – Amazing” 	<ul style="list-style-type: none"> “UBER is better in every way then taxi” “love using rideshares – no cash needed – I can track my ride” 	<ul style="list-style-type: none"> “most cabs smell like smoke” “too expensive for short trips”

34. Other notable responses for all transportation types businesses received at the conclusion of the pilot program include:
- Driver Etiquette – overall rating of excellent;
 - Did you feel unsafe during your ride – majority noted not at all;
 - Quality of vehicle used – overall rating of good;
 - Fare charged for service – (Driver-for-Hire) excellent; (Ridesharing) excellent; (Taxi) adequate; and
 - Overall experience – responses show 40% better than prior to Pilot.

Industry feedback following the Pilot Program

35. Staff met with representatives from each sector of the transportation industry in July, 2018 to obtain feedback on the Pilot Program. Staff requested feedback on specific areas such as rates and fares; licensing and registration process; use of vehicle identifiers; conditions of vehicles and many others. In addition, staff welcomed any other concerns or ideas from the industry.
36. Generally the feedback from each sector was very positive and the industry was excited to be moving forward with opportunities in the future by having the ability to create their own business models while still maintaining a safe and secure means of transportation for the traveling public.
37. A summary of the industry feedback concerning the Pilot Program is set out in Appendix "B" to Staff Report LCS007-19.
38. UBER has requested the removal of the requirement to submit the documentation for each vehicle and the requirement for the driver to be registered. UBER believes that their internal application and review process should be sufficient for the municipality.
39. Staff believe that sustaining consistency between all industry categories by continuing our review of vehicle safeties, criminal record checks etc., further maintains the overall safety of the traveling public and contributes to a more level playing field. Staff are not recommending any reduction in the submission requirements. It is proposed that all transportation industry operators will continue to be required to submit documentation, as set out in the current regulations i.e. criminal record checks, driver's abstracts and vehicle safeties, to name a few.
40. Staff also believe that in order to continue to ensure public safety through municipal regulation and enforcement, that certain minimum standards must be maintained. The drivers must hold a valid provincial driver's licence, provide a driver's abstract, submit results of a criminal record check, and must be adequately insured. A proper criminal record check of the driver must be conducted to ensure the passengers and the public are protected. The vehicles used to conduct business must be in good repair and must be insured for the protection of both the consumer and driver.
41. Municipal regulation and enforcement should be no more burdensome than necessary to maintain a safe and vibrant industry. The quality of service offered by each business allows the industry to compete in the marketplace and companies that provide the best service will continue to have a competitive advantage.
42. During the Pilot, staff applied the core values of licensing which, as previously indicated, is the safety of the traveling public and driver. With that in mind, staff believe in order to ensure a minimum public safety standards and level of services to the public, maintaining minimum regulations is necessary and should apply as equitably as possible to both the traditional taxi industry as well as private transportation services (Ridesharing) and Driver-for-Hire services.

Complaints Received and Enforcement Activities

43. The City of Barrie has two full time Municipal Law Enforcement Officers assigned to administer and enforce the provisions of all types of municipal licensing. Enforcement of the Transportation Industry By-law forms part of this task.

44. As part of the enforcement activities, 5 Overnight Enforcement shifts were undertaken, with the results of the overnight shifts summarized below:

Classification	Inspections Conducted	Violations Found
Taxicabs	164	2
Private Transportation Services	22	2
Driver-for-Hire*	2	0

Note:

- * In addition, due to the use of a mystery shopper type approach, one Driver-for-Hire Company was found operating without a licence – legal action was commenced and a guilty conviction was registered.

Violations consisted of:

- * Failing to post Driver ID card
- * Failing to affix decal to vehicle
- * Driver not registered / approved
- * Roof light / 911 emergency indicator not working

45. Enforcement staff have been taking a “zero tolerance” approach to enforcement. Any violations found have resulted in legal action.
46. During the Pilot Program (from August 1, 2017 to July 31, 2018) a total of seven (7) complaints were received by Enforcement Services, four (4) related to “Driver-for-Hire” services and three (3) related to the “taxi industry”. The complaints related to the taxicab industry dealt with the operation of taxis and one (1) stated that a driver was noted throwing garbage out of his taxicab.
47. Subsequently since that date an additional two (2) complaints were received by Enforcement Services, one relating to an unregistered taxicab operating (legal action pending) and one relating to unlicensed “Driver-for-Hire” companies operating.
48. The taxi industry has required less enforcement as the municipal regulations have been reduced. Enforcement staff have observed that the general appearance of some taxicab vehicles has deteriorated since the removal of the regulations related to cosmetic appearance of the vehicles. It is anticipated that the business owners will deal with such issues as time passes. Taxi fares appear to have remained consistent with those prior to the introduction of the Pilot Program. There have been no reports of price gouging or surge pricing.
49. The Driver-for-Hire companies have proven the most challenging from an enforcement perspective. The “Driver-for-Hire” complaints (from rival companies), centered on the fact that particular companies had failed to license and were operating within the municipality. Notices of violation were issued and one charge has been laid and a guilty conviction registered. Complaints received indicated that there appeared to have been open defiance of the By-law by several companies. As a result of those complaints, staff attempted to educate those companies who appeared to operate in Barrie as well as notices were sent to the business owners (via Registered Mail). Both efforts have had limited success. Subsequently, two directed enforcement shifts were conducted resulting in one company charged for operating within the municipality without benefit of the required licence.
50. The main challenge experienced by Enforcement staff is that the Driver-for-Hire vehicles are not identified with any insignia or emblem. The vehicles have no set locations where they can be seen to operate and no roof lights to identify them as Drivers-for-Hire.

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51. There have been no complaints or enforcement concerns identified with private transportation vehicles. The drivers have been pleasant to deal with and the vehicles have appeared to be well maintained.

Accessible Transportation

52. Staff in Enforcement Services were requested to provide information to the Accessibility Advisory Committee related to the Transportation Industry Pilot Program. The Committee members had identified concerns related to the lack of accessible taxi cabs. Currently there are three accessible taxicabs serving the municipality, all of which are available 24 hours a day, 7 days a week. It should be noted that they are considered “multi-purpose” vehicles, whereby they are available to service all clients when no accessible transportation has been requested.
53. Staff advised the Committee of the change in the approach to licensing which removed the moratorium on the number of taxicabs that had potentially prevented new accessible cabs from being placed into service. Staff also noted that the business model/business plan for each company isn’t regulated by the municipality. Staff encouraged the members of the Committee to reach out to the transportation industry to discuss the Committee’s concerns. In discussions with the Accessibility Coordinator, she will be reaching out to the taxi companies to invite them to meet with the Accessibility Advisory Committee to discuss options to better serve the community.

Proposed Changes to Regulations following the Pilot Program

54. Staff are recommending minimal changes to the By-law following the completion of the Pilot Program. The proposed amendments only pertain to enhancing the regulations of the Driver-for-Hire Sector of the industry. These provisions are summarized as follows:
- a) Driver-for-Hire Company vehicles will be required to have vehicle identifiers visible to the public at all times when operating. As identified in the quarterly memorandums and previously in this Report, one of the concerns raised by Enforcement Services staff was the inability to identify those persons providing such service to members of the public. To address these concerns, the following new requirements are recommended:
 - i. Add Section 17.2.15.0.0 to By-law 2006-265, “The licensee shall ensure that a copy of the Driver-for-Hire Company identifier is filed with the Issuer of Licences at the time of application and that approval is granted relating to the form, size and location by the Issuer of Licences”; and
 - ii. Additionally, add Section 17.2.16.0.0 to By-law 2006-265, “The licensee shall ensure that such identifier is placed on each Driver-for-Hire vehicle so as to be visible to the public at all times when operating”.
55. The proposed amendments to the By-law, as noted above, would further allow for Enforcement Services staff to monitor and easily identify all licensed Driver-for-Hire operations within the community. It will also allow members of the public requesting such service to readily identify the service provider upon commencement of the trip.
56. Our sole private transportation company operator (UBER) continues to propose that it submit a per trip fee of \$0.11, to allow the City to recover any additional costs that are associated with administering/enforcing their business operations. As noted previously in this Staff Report, staff have noted a large increase in staff time associated with the operation of “UBER” within the community. They continue to register hundreds of vehicles and drivers which in turn takes a great deal of staff time to vet and process.

57. The recovery of costs associated with that work through the \$0.11 fee assists in moving towards full cost recovery for the licensing/enforcement of private transportation industry sector. However, substantial increases to the company licensing fee will be required to address the appropriate level of cost recovery for the private transportation industry.

ENVIRONMENTAL MATTERS

58. There are no environmental matters related to the recommendation.

ALTERNATIVES

59. The following alternatives are available for consideration by General Committee:

Alternative #1

General Committee could receive this Report for information purposes only and take no further action.

Although this alternative is available, it is not recommended. Choosing to take no further action would not address the increased cost of staff time associated with the administration and enforcement related to the various sectors. Also by taking no further action, it will result in no changes to the Driver-for-Hire company sector which are recommended to allow for improved enforcement.

Alternative #2

General Committee could direct staff to implement or return to a highly regulated Transportation Industry whereby all aspects of the industry are regulated including cosmetic items (i.e. vehicle paint, minor repairs), the rates or fares charged to the consumer etc.

Although this alternative is available, it is not recommended. Returning or implementing further regulations upon the transportation industry would subject them to increased costs and overall burden. The business operators should have the choice to operate his or her business based on a "quality services for a reasonable rate" principle which encourages a fair and competitive market place.

Alternative #3

General Committee could alter the recommended fees identified in Appendix "A".

While this alternative is available, it is not recommended. The fees have been established to improve cost recovery from the industry for costs where the user (licensee) is the benefiting party (whether it recognizes it or not) from being licensed. These fees ensure that the benefit to the community as a whole is also reflected.

FINANCIAL

60. The proposed changes to the licence fees outlined in Appendix "A" to this Report were developed to be in alignment with Council's objective associated with reducing the reliance on the tax base through "cost recovery" for enforcement staff, while considering the overall benefit to the community as a whole. The fees include cost recovery associated with all administrative and enforcement functions, including but not limited to application submission, review and processing; enforcement measures such as vehicle inspections, monthly review of records for each classification, evening and weekend enforcement measures as needed to ensure compliance etc.

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61. The proposed fees also represent the costs associated with some follow-up inspections required as a result of identified violations or non-compliance factors within the provisions of the By-law or violations noted as a result of an investigation arising from complaints. These fees are proposed to be charged on an hourly rate as set out in the Fees By-law and amended from time to time.
 62. As well, the proposed fees include the costs associated with the administrative process, including but not limited to, customer service related activities, vetting incoming applications for completeness, processing payments, preparing and processing the business licence, preparing and processing notices of renewal, filing and other related administrative functions. Lastly the costs associated with the vetting of completed applications, sign off processes undertaken by the Issuer of Licenses and related duties.
 63. As outlined in Appendix "A" to this Report, staff are not recommending changes to the fees related to the Taxi Company classifications or the Driver-for-Hire classifications. However staff are recommending several changes to the licensing fees for the private transportation industry sector based on staff findings outlined earlier in this Report.
 64. The proposed 2019 licensing fee reflected in Appendix "A" for the private transportation industry only represents 50% of the actual cost recovery. However staff took into account the offsetting revenues received from the private transportation industry (\$0.11 per trip), when proposing the reduced fees. During the course of the Pilot Program approximately \$60,000 was received from UBER related to the \$0.11 per trip submissions.
 65. It is also recommended that in order to maintain the pace with general increases in operating costs, the business license fees as recommended herein continue to be increased annually on the 1st day of January in each calendar year, by the Canada wide CPI, as confirmed by the Finance Department (amount to be rounded).
 66. It was originally expected that less enforcement resources would be required related to licensing of the Taxi, Ridesharing and Driver-for-Hire industries. As a result, it was anticipated that the existing resources would be re-deployed to other enforcement activities. These enforcement activities would have been to the benefit of the community in general, and therefore any net costs associated with the re-allocation of the resources would have been borne by the general tax base, unless specific user fees were applicable.
 67. Due to the volume of drivers and vehicles registered by the Ridesharing industry and the workload associated with processing these applications, there has been limited opportunity to redeploy enforcement resources. However, staff continue to conclude that no additional staff resources are required at this time to maintain this licensing regime.

LINKAGE TO 2018-2022 STRATEGIC PLAN

68. The 2018-2022 Council Strategic Plan has not been finalized as of the writing of this Report.



APPENDIX "A"

Proposed Fee's By-law Changes related to By-law 2006-265

Explanatory note:

The below chart outlines the proposed 2019 licensing fee for Private Transportation/Ridesharing Companies based on average time spent on receiving, reviewing, processing and approving this licensing category during the pilot program beginning.

The proposed fees for Private Transportation/Ridesharing Companies reflected in the chart below only represents 50% of the actual cost recovery based on the hours spent by staff receiving, reviewing, processing and approving the private transportation industry driver and vehicle submissions over the course of the Pilot Program. However staff took into account the offsetting revenues received from the private transportation industry being the \$0.11 per trip, when proposing the reduced fees.

There are no proposed changes to the taxi industry fees as the time involved in the processing of this classification were known.

There are no proposed changes to the Driver-for-Hire fees as there was no significant increase in staff time in the receipt, review and processing of the submissions on this classification.

Licensing Category	Current Fee (2018)	Proposed Fee (2019)	Comments
Private Transportation Company (1 - 150) Vehicle and Driver included)	\$3,497.49	\$5,207.83	COMBINED PREVIOUS CATEGORIES AND INCREASED FEE TO REFLECT WORKLOAD. Previous categories of 1-10, 11-15, 26-50, and 51-150 vehicles and drivers did not have any activity.
Private Transportation Company (151 - 300) Vehicle and Driver included	\$5,192.78	\$7,789.17	INCREASED FEE TO REFLECT WORKLOAD
Private Transportation Company (301 - 450) Vehicle and Driver included	\$6,888.07	\$10,332.11	INCREASED FEE TO REFLECT WORKLOAD
Private Transportation Company (451 - 1000) Vehicle and Driver included	\$8,602.17	\$12,903.26	INCREASED FEE TO REFLECT WORKLOAD
Private Transportation Company (1001 +) Vehicle and Driver included	N/A	\$19,354.88	NEW CATEGORY based on hours tracked related to the workload experienced in the Pilot - Total Hours 752.48 during pilot
Ridesharing per trip fee (in addition to company fee)	\$0.11/trip	\$0.11/trip	NO CHANGE

APPENDIX "B"

Industry Sector Feedback Summary – By-law 2006-265 Pilot

Question	Taxi Industry	Private Transportation Company (Rideshare)	Driver-for-Hire Company (Designated Driver)
Rates and Fares	<ul style="list-style-type: none"> Companies have kept fares the same as previously set No "price surging" has taken place Fees should be determined by the Company not the City 	<ul style="list-style-type: none"> No comments on Fares provided 	<ul style="list-style-type: none"> Fares are comparable between all companies No need for City to regulate fares
How do you feel about the registration process for vehicles and drivers?	<ul style="list-style-type: none"> Process is relatively simple but would like to do electronic submissions Documents required have always been in place so no concerns 	<ul style="list-style-type: none"> Would like to not submit any documents with registrations Only submit when requested, they vet their own drivers and vehicles 	<ul style="list-style-type: none"> Do not want to pay to add or remove drivers from registration
How do you feel about the licensing process for the companies?	<ul style="list-style-type: none"> No concerns Perhaps drivers could attend for photo prior to company dropping off paperwork 	<ul style="list-style-type: none"> Reword the requirement for "letter of employment" to letter of affiliation only Remove HST registration requirement Do not ban "carpooling", UBER has a "UBER pool" app as well Remove need for "trip records" for drivers – only company should have to produce when required Remove vehicle identifier. Riders already have vehicle information 	<ul style="list-style-type: none"> Would like to see company name on Drivers ID cards Should not have to pay for each amendment to licence or change Do not want to have criminal records done on drivers. They are ok with providing drivers abstracts or vehicle safeties



Question	Taxi Industry	Private Transportation Company (Rideshare)	Driver-for-Hire Company
Conditions of Vehicles	<ul style="list-style-type: none"> • UBER vehicles should be more identifiable • Taxi's should be required to have larger roof lights 	<ul style="list-style-type: none"> • No comments • They have a vehicle life restriction of 7 years 	<ul style="list-style-type: none"> • Most use magnets now on "chase vehicle" but perhaps require them to put flags since magnets fall off • Some better form of identifier
Use of Mobile Applications	<ul style="list-style-type: none"> • Much easier for companies • They can track drivers better • Some companies are looking to upgrade to accept payments within the app 	<ul style="list-style-type: none"> • Only operate through an app system – no other comments 	<ul style="list-style-type: none"> • Only one company uses it but finds it helps to track drivers • It assists police in dealing with complaints etc.
Requirement to keep "trip records"	<ul style="list-style-type: none"> • They believe it is essential to assist police and other agencies with enforcement 	<ul style="list-style-type: none"> • Take the responsibility off the driver and keep on company • Company can produce if required 	<ul style="list-style-type: none"> • No concerns, they keep records regardless
Where do you see the Industry in 5 years?	<ul style="list-style-type: none"> • This new process is working well and will sustain the industry for at least the next 5 • They are sure it will continue to evolve 	<ul style="list-style-type: none"> • They will continue to grow and expand services to the community 	<ul style="list-style-type: none"> • Frustrated that not all companies follow the rules • Licensing is good for the industry it legitimizes them • Would like to see the City advertise that they licence this type of service.
Should the City continue to regulate the transportation industry?	<ul style="list-style-type: none"> • They believe regulations are necessary providing it only regulates safety 	<ul style="list-style-type: none"> • Overall would like to see lessened requirements • If they remain in place, don't want to have to submit all documents unless specifically requested for an individual 	<ul style="list-style-type: none"> • Regulations should remain • Want to see decals or identifiers for "chase vehicles" • Stronger consequences for those who do not follow regulations