

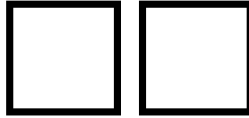


TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON JULY 19, 2016
FROM:	G. KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT & COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL
SUBJECT:	VEHICLE FOR HIRE BY LAW – PROPOSED REGULATIONS

RECOMMENDATION

That on the Recommendation of the Managing Director, Development and Compliance Services and Chief Building Official:

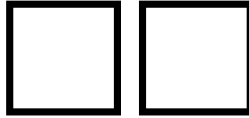
- (a) That the report of the Managing Director, Development and Compliance Services and Chief Building Official outlining the general the direction of proposed regulations for all vehicles for hire as a conveyance transportation service to be tabled at a future meeting and debated thereafter at a Public Participation Meeting having taking into consideration previously reported options and previously reported results of various public consultations **BE RECEIVED**;
- (b) That Civic Administration **BE DIRECTED** to implement the following regulations with a focus on the municipal purposes of safety and consumer protection, quality of service and availability of service with an overarching principle of fairness and equal playing field, in a report back with a by-law amendment licensing drivers, owners and brokers operating taxicabs, executive limousines and private vehicles for hire as a conveyance transportation service;
 - (i) Amend the by-law to recognize Transportation Network Companies as a form of a licensed vehicle for hire brokerage noting that passengers and drivers can only be linked via smartphone apps;
 - (ii) Amend the by-law to consolidate the various categories of driver licenses into one type including drivers who operate private vehicles for hire noting that private vehicles for hire drivers will be limited to provide a conveyance transportation service only through prearranged orders via smartphone apps;
 - (iii) Amend the by-law to consolidate the various categories of vehicle owner licences into one type including owners of private vehicles for hire;
 - (iv) No change to the requirement for full time commercial insurance coverage for all vehicles for hire;
 - (v) Amend the by-law to require that all drivers submit a criminal records check either individually or via a broker for the initial application; during the licence renewal period, drivers may be given the option to sign an affidavit that their previously submitted criminal records check has not changed;
 - (vi) Amend the by-law to require that all drivers submit a driver record abstract either individually or via a broker for the initial application; during the licence renewal period, drivers will be given the option to sign an affidavit that their previously submitted abstract has not changed;



- (vii) Amend the by-law to eliminate the English and training exam and offer an online training quiz at no cost to applicants;
- (viii) Amend the by-law to eliminate the requirement for a medical certificate at the application stage, noting that the Licence Manager may require a medical certificate if concerns are raised by public;
- (ix) Amend the by-law to require that all vehicles for hire have standard age regulations of 5 years maximum for first time application and a maximum in service age of eight years;
- (x) Amend the by-law to require annual Ministry of Transportation vehicle safety checks for all vehicles for hire with semi- annual safety checks for older models;
- (xi) Amend the by-law to require that all vehicles for hire maintain working interior and forward facing cameras;
- (xii) Amend the by-law to require common private vehicle for hire identification in a format that can be removed for private use of vehicle;
- (xiii) Amend the by-law to remove the cap on accessible vehicles for hire and that consideration be given to reduced fees for this form of transportation service;
- (xiv) Amend the by-law to allow brokers to dispatch vehicles by a number of methods including smartphone apps, various forms of dispatch and street hail;
- (xv) Amend the by-law to allow brokers to undertake forward facing camera downloads for insurance related purposes;
- (xvi) Amend the by-law to allow for greater flexibility of licence issuance options including quarterly licences;
- (xvii) Amend the by-law to allow for drivers to offer reduced fares at their discretion however at no times will fares be increased above the maximum approved tariffs; brokers be permitted to negotiate fare agreements with employers, institutions associations etc. as long as the maximum approved tariffs are not exceeded.

PREVIOUS REPORTS

September 22, 2015, CPSC, Vehicles for Hire – New Technologies
March 30, 2016, CPSC, Options Report
June 21, 2016, CPSC, Results of Community Consultation



BACKGROUND

Municipal Council, at its meeting held on June 23, 2015 resolved:

That, on the recommendation of the Managing Director, Development and Compliance Services and Chief Building Official, the following actions be taken with respect to private vehicles for hire:

a) the report dated June 21, 2016, with respect to a summary of the public feedback on the form and regulation of the vehicle-for-hire industry, BE RECEIVED;

b) the Civic Administration BE DIRECTED to hold a Public Participation Meeting to allow for public comment on proposed amendments to the Taxi and Limousine By-law, recognizing recent trends in the vehicle for hire industry with a focus on the municipal purposes of safety and consumer protection, quality of service and availability of service with an overarching principle of fairness and equal playing field for all vehicles for hire;

(c) for the purposes of uncertainty of compliance with public safety regulations including commercial insurance, driver capabilities of performing commercial transportation services and vehicle safety, the Civic Administration BE DIRECTED to request that any electronic vehicle sourcing platforms used to match passengers with unlicensed vehicles for hire (as they are currently not permitted) immediately stop operating in London until any future by-law amendments addressing vehicles for hire and brokers are in full force and effect;

d) the previous Municipal Council resolution passed on September 29, 2015 relating to transportation network companies (TNCs) BE CONSIDERED when drafting the proposed by-law noted in part b), above;

e) the Civic Administration BE REQUESTED to remove the requirement for an English language proficiency exam in the draft by-law, for public comment; and,

f) the Civic Administration BE DIRECTED to report back to the Community and Protective Services Committee with respect to additional restrictions that may be imposed, specific to those individuals who may have been convicted of operating a private vehicle-for-hire in contravention of the current Taxi and Limousine By-law; it being noted that this report may include a report in camera, containing advice that is subject to solicitor-client privilege;

The purpose of this report is to take into consideration the options report presented to CPSC on March 30, 2016 and the results of the public consultation report presented to CPSC on June 21, 2016 and identify the general direction of the proposed by-law amendment to be tabled and subsequently discussed at a PPM.

ADMINISTRATION AND ENFORCEMENT OPTIONS

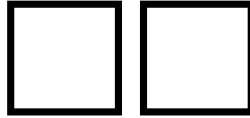
The following options were presented to CPSC in March 2016.

**OPTION #1
Status Quo**

This option involves no changes to the current administration and enforcement of the Taxi and Limousine Licensing By-law

Pros:

- Provides for standard regulatory framework addressing insurance, driver background checks, vehicle inspections and training.
- Regulates and provides for standard fares for all citizens.



- Provides for 24/7 service delivery of vehicle-for-hire public service.

Cons:

- Does not allow for TNCs and PVHs to offer new form of competitive transportation services.
- Costly enforcement due to continued operation of unlicensed PVHs.
- Public acceptance of TNCs and PVHs not realized.

OPTION #2

Permit TNCs to Operate As Brokers & and PVHs to Operate as Taxis

This option involves amending the Taxi and Limousine Licensing By-law to incorporate TNCs as brokers and PVHs as taxis.

Pros:

- Provides for standard regulatory framework addressing insurance, driver background checks, vehicle inspections and training.
- Regulates and provides for standard fares for all citizens.
- Provides for 24/7 service delivery of vehicle for hire public utility.
- All vehicles would contain standard colour scheme, security cameras, meters and standard signage.

Cons:

- Does not allow for TNCs and PVHs to offer new form of competitive transportation.
- Public acceptance of TNCs and PVHs not realized.
- Due to existing cap on the issuance of cab owner licences, it would be difficult for PVHs to enter the taxi market.
- TNCs would be required to maintain a physical presence in the City and offer 24/7 service.
- TNCs would be required to offer a broad range of dispatch services.
- There would be no material change in enforcement costs.

OPTION #3

Permit TNCs to Operate as Brokers & and PVHs to Operate as Limousines

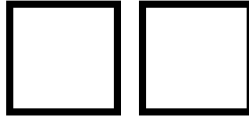
This option is very similar to Option #2 except that PVHs would be considered in the Executive Limousine vehicle category.

Pros:

- Provides for standard regulatory framework addressing insurance, driver background checks, vehicle inspections and training.
- Regulates and provides for standard fares for all citizens.
- Provides for 24/7 service delivery of vehicle-for-hire public utility.
- As there is no cap on the number of permitted executive limousines, PVHs would have a greater opportunity for market entry.
- All vehicles would contain standard fare calculations, security cameras and signage.

Cons:

- Due to higher standards for executive limousines, the market entry for PVHs would be limited.
- TNCs would be required to maintain a physical presence in the City and offer 24/7 service.
- TNCs would be required to offer a broad range of dispatch services.
- There would be no material change in enforcement costs.



OPTION #4

Permit TNCs and PVHs Under New Categories

City Retains Responsibility for Safety & Consumer Protection Regulations

This option involves amending the Taxi and Limousine Licensing By-law by creating new categories for TNCs and PVHs. All existing safety and consumer protection regulations would remain. There would be no cap on the number of PVHs and no regulations on fares when rides ordered via an app.

Pros:

- With no cap on the number of PVHs, consumer choice is expanded due to the increase in the number of vehicles and the possible reduction in wait times.
- All vehicles would contain standard fare calculations, security cameras and signage.
- Provides for standard regulatory framework for all vehicles (taxi, limousine, PVH) addressing, insurance, driver background checks, vehicle inspections and training.

Cons:

- Due to no caps on the number of PVH vehicles, the vehicle for hire market may risk oversaturation especially at peak demand times.
- Some PVH owners may not choose to participate due to existing City regulations.
- Enforcement costs increase due to greater number of vehicles.

OPTION #5

Permit TNCs and PVHs Under New Categories

TNC Responsible for Safety and Consumer Protection Guidelines

This option involves amending the Taxi and Limousine Licensing By-law by creating new categories for TNCs and PVHs. All regulations involving safety and consumer protection would be addressed by the TNC and reported to the City. There would be no cap on the number of PVHs and no regulations on fares when rides ordered via an app.

Pros:

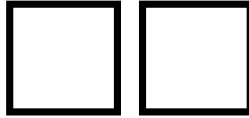
- Self-regulation by TNCs reallocates the safety and consumer protection responsibilities from a municipal oversight to a third party.
- Potential for reduction in municipal costs due to third party regulatory compliance duties.

Cons:

- Self-regulation may pose new public safety risks and remove the neutral approvals approach and associated appeal process involving hearings officers.
- New municipal costs due to regulation audits.
- PVHs may saturate market during peak times.
- Consumer protection may be negatively impacted by little or no service during non-peak times and surge pricing.

PROPOSED REGULATIONS

Based on the public consultation report presented to CPSC on June 21 and a review of the above options, Civic Administration will prepare a by-law amendment based on a hybrid of options 4 and 5 to permit TNCs and PVHs in keeping with the municipal purposes of safety and consumer protection, quality service, availability of service and the underlying principle of fairness and equal playing field.



- The by-law amendment will allow for TNCs as form of a licensed broker. This broker category will be permitted to source PVHs via an app. A TNC broker will have the option to collect and submit requirements such as police record checks and insurance to the City as part of the license application for PVH drivers.
- PVH drivers will be limited to using smartphone apps to source rides for hire. PVH drivers will not be permitted to pick up passengers via street hail or at taxi stands. Drivers will be required to be licensed by the City and as noted above, the brokerage will have the option to gather the required information for submission to the City. The regulations for the PVH drivers will be the same for taxi drivers as well as limousine drivers. Testing is proposed to be undertaken on-line at no charge. Drivers can offer reduced fares but cannot increase fares during periods of high demand.
- PVH vehicles will be required to be licensed as vehicles for hire. They will require full time commercial insurance, security cameras, and have vehicle age requirements.

The following provides a summary of the key issues reviewed and proposed regulations.

Insurance

The Taxi and Limousine By-law requires owners to submit, at the time of annual licence renewal, proof of insurance in respect of the vehicle to be plated indemnifying and protecting the owner and the public, including passengers, in the amount of \$2,000,000, which insurance shall be satisfactory to the Licence Manager who shall be notified in writing at least 60 days prior to the date of its cancellation or expiry. This insurance is standard for all vehicles for hire.

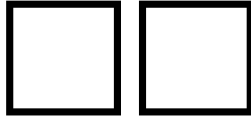
A review of the Aviva proposal for TNCs provides for commercial coverage allowing drivers to carry paying passengers. However, the insurance product does have conditions which differentiates itself from full commercial insurance which is required for all current vehicle for hire licenses. The main difference is the time limit of which the vehicles can be used for commercial transportation. The Aviva insurance product provides two categories of time limits: up to 10 hours and up to 20 hours per week. The insurance covers the drivers during three periods of vehicle for hire activity: driver is logged on to an app and available to offer transportation services; the driver has accepted a request for service and is on route to pick up the passenger(s); and the driver is driving the passenger(s) to the requested destination. All three time periods are included in the maximum hours worked per week. If a driver discloses that they worked more than the maximum hours per week, the policy is terminated.

Part time insurance coverage would be next to impossible to regulate and could put the traveling public at risk. During discussions with London UberX drivers, the part time Aviva insurance policy was not satisfactory as the drivers were all working more than 20 hrs per week. Uber has indicated that many of their drivers work part time. On July 7, 2016 the Minister of Finance announced that the government has approved a regulatory change under the Insurance Act to allow commercial fleet insurance for vehicles that can be hired through an online application.

Proposed regulation: No change to the requirement for full time commercial insurance coverage for all vehicles for hire.

Criminal Record Checks

As part of the application process, all applicants must submit a Criminal Information Report (CIR) dated no later than 60 days prior to the licence application. If the CIR identifies the applicant as requiring finger printing, the applicant must also submit this information to the City as part of the applicant process. There are a number of criteria on which the Licence Manager may refuse to issue, refuse to renew or revoke a suspended licence or impose a term or condition on a licence. Several of the factors pertain to convictions or offences of the Criminal Code of Canada, the Narcotic Control Act, the Food and Drug Act and the Controlled Drug and Substances Act. The



Licence Manager may also refuse a licence for any other conviction if it is in the best interest of public safety. Any decision of the Licence Manager may be appealed to a Hearings Officer.

As noted above, all decisions of the Licence Manager are appealable to a Hearings Officer who may make any decision the Licence Manager may make in the first instance. There have been several hearings where the decision of the Hearings Officer resulted in licences with conditions such as random drug testing and anger management training.

There have been some positions put forth by TNCs that criminal record checks could be more efficiently and effectively undertaken by third party agencies and reported back to the municipality as either a pass or a fail based on municipal criteria. There have been concerns raised in other jurisdictions on the effectiveness of third party driver screening despite the safety claims made by electronic brokers about their safety protocol.

The Ipsos survey noted that criminal record checks were the most important regulation supported by Londoners; eighty six percent supported this the City administering and enforcing this regulation.

Civic Administration has given due consideration to this regulation and recognizes that obtaining a CIR may require some pre-planning on behalf of the applicant. There is no public policy rationale that justifies having different processes for criminal background checks based on the form of vehicle for hire brokerage (i.e. taxi, limousine, PVH).

Proposed regulation: amend the by-law to require that all drivers must submit a CIR either individually or via a broker for the initial application; during the licence renewal period, drivers may be given the option to sign an affidavit that their previously submitted CIR has not changed.

Driver Record Screening

As part of the application process, the applicant must submit a Ministry of Transportation drivers abstract dated no later than 60 days prior to the application for a licence. The Licence Manager may refuse to issue, refuse to renew or revoke or suspend a licence or impose a term or condition on a licence if the applicant has accumulated 9 or more demerit points within a three-year period. The Licence Manager has placed conditions on licences for driver training refresher courses due to driving records which presented risk from a public safety perspective.

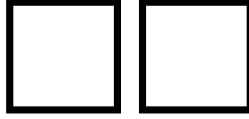
As with criminal records screening, there have been some positions taken by TNCs that it is most effective and efficient if third party screening was undertaken. Reviewing driver records goes beyond tabulating the total number of demerit points. The records are reviewed to determine the type of Highway Traffic Act charges which led to an accumulation of demerit points. It is common for the Licence Manager to interview prospective applicants to determine if the occurrences happened while the applicant was driving a vehicle for hire or his/her personal vehicle. The Licence Manager also assesses the level of public risk associated with the demerit points. A similar approach can be used with driver screening checks as noted above with CIRs.

Proposed regulation: Amend the by-law to require that all drivers must submit a MTO driver record abstract either individually or via a broker for the initial application; during the licence renewal period, drivers will be given the option to sign an affidavit that their previously submitted abstract has not changed.

Driver Training

The Taxi and Limousine By-law requires applicants to complete an English assessment exam and vehicle for hire training exam administered by the City. The training exam tests on the following: by-law knowledge; vehicle safety requirements; rules of the road; knowledge of local public and tourist destinations and attractions; knowledge of the local road network; and knowledge of customer service standards. Many brokers offer training courses and field training in preparation for the City administered exams.

Although there is no rationale from a public policy perspective to create two classes of driver training and testing modules based on the method the driver generally accepts trip requests (i.e. app vs. street hail) there is some rationale to consider consolidating the two tests and utilizing



electronic methods in place of in-class testing.

Between January 2014 and July 2017 (2.5 years) 500 applicants have written both the English and final exams. During that time period, the failure rate for the English test was 9% and the failure rate for the final exam was 6%. Applicants have the opportunity to do re-writes after waiting two months after a previous attempt.

There are many examples of occupational health and safety testing which is offered in an online format. For example, the Ontario Boating licence is available online after successfully completing the online exam. In theory, there is no need for an English exam as common knowledge of the English language to complete the online training.

Proposed regulation: Amend the by-law to eliminate the English and training exam and offer an online training quiz at no cost to applicants.

Medical Certificate

From a public safety perspective, it is important to verify the requirement for a medical certificate for a driver's licence. This certificate is only required upon the initial application unless the Licence Manager believes that it would be in the public interest to require such certificate. In response to public complaints, there have been occurrences where licensed drivers were directed to obtain medical certificates upon review of the dash camera downloads and associated evidence that the driver appeared not fit to operate a vehicle carrying passengers.

A medical certificate is a key step in the application process as it identifies any physical or mental issues which may pose challenges to adequately performing duties in the vehicle for hire industry. The vast majority of driver applicants submit satisfactory medical certificates. It would appear that if an unsatisfactory certificate was received, the applicant would abandon the application and likely should not be driving privately.

Proposed regulation: Amend the by-law to eliminate the requirement for medical certificate at application stage, however, Licence Manager may require if medical concerns raised by public.

Vehicle ages

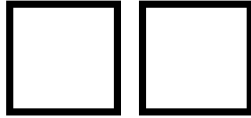
Discussion with the industry identified vehicle ages as a key cost of operating a vehicle for hire service. The current by-law contains regulations for both first time vehicles and length of vehicle on the road. All vehicles have a standard 'first time in' regulation of four years and different maximum " years on". Challenges of finding cost effective initial vehicles was raised by many industry participants. Several suggested additional inspections as the vehicles are near their life span.

Proposed regulation: Amend the by-law to require that all vehicles for hire have standard age regulations of 5 years maximum for first time application and a maximum in service age of eight years.

Vehicle Inspections

The Taxi and Limousine By-law requires owners to submit at the time of annual licence renewal a Safety Standards Certificate issued within the previous 60 days of the renewal application. The Safety Certificate must be obtained at a Ministry of Transportation (MTO) approved certified auto repair garage. In addition to the annual inspection requirement, the Licence Manager may order a subsequent Safety Standards Certificate if the Licence Manager believes that on reasonable grounds that a vehicle is being operated such that it is a danger to the health or safety of the public. An Enforcement Officer may order an immediate inspection within 24 hours at an auto repair garage designated by the municipality.

The Ipsos survey reported that 85% of the public supported vehicle safety checks.



Proposed regulation: Amend the by-law to require standard annual MTO vehicle safety checks for all vehicles for hire with semi- annual checks for older models (specifics to be determined).

Safety Dash Cameras

The issue of cameras in vehicles for hire was raised in the late 2000s as options for driver and passenger safety. Originally, the By-law required that all vehicles contain “in-car” facing cameras. A subsequent amendment added “forward facing” cameras. Downloads of the images are restricted to enforcement personnel. Downloads have been performed for alleged passenger assaults, alleged driver assaults and traffic related investigations.

A review of taxicab homicide rates from 20 of the largest cities in the United States concluded that cameras installed in taxicabs are highly effective in reducing homicides among taxicab drivers. Due to legislation related to privacy, most jurisdictions require a form of notice to passengers that “in-car” vehicle surveillance is operational. In London, every vehicle is required to post a decal indicating that photographic images of the passengers are being recorded.

Among similar sized municipalities, London is alone in requiring cameras in all vehicles for hire. During recent public meetings in Ontario municipalities, the issue of cameras was a key discussion item. In Toronto, staff reported that when cameras were piloted in 2000, incidents affecting driver safety were reduced by half. In Ottawa, staff indicated that camera downloads doubled between 2011 and 2015 for investigation purposes.

TNCs are generally not supportive of camera regulations. Their position is that as part of the digital platform, the driver and passenger are identified making the camera requirement redundant and unnecessary. However, there have been numerous reported occurrences globally of TNC drivers allegedly sexually assaulting passengers as well as TNC drivers being allegedly assaulted. In fact, many PVH drivers have installed cameras and have released footage of assaults on the drivers.

Proposed regulation: Amend the by-law to require that all vehicles for hire to maintain working interior and forward facing cameras.

Vehicle Identification

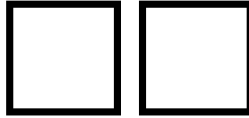
The Taxi and Limousine Licencing By-law requires vehicles for hire to maintain broker identification markings, vehicle number markings, roof lights (taxis), and compliance with the Accessibility for Ontarians with Disabilities Act (AODA). Some TNCs argue that no markings or logos are required as the client requesting the vehicle knows the make and model of the vehicle via the app. There have been several media reports (including London) of drivers allegedly posing as PVH drivers and allegedly committing criminal acts including sexual assaults and robberies. Complaints have been reported to the City about imposter PVHs operating in the entertainment districts during busy evenings.

There are several PVH apps available and the list is growing. Requiring the placement of stickers on the front windshield would be an option if there were a few operators however this is not the case. Some form of common vehicle identification is required to assist with field enforcement to verify licensed operators.

Proposed regulation: Amend the by-law to require common PVH identification in a format that can be removed for private use of vehicle.

Accessible vehicles.

The current regulations place a limit on the number of taxi licences (including accessible taxis). The limit is based on a population ratio. In discussions with the taxi industry, there was a general consensus that the plate/population ratio should remain as is. However, there were mixed comments with respect to accessible taxis. Some are of the opinion the current ratio is adequate while others felt that there should be no limit on the number of accessible vehicles.



Out of the approximate 3 million vehicle for hire rides provided annually, approximately 25,000 requests are for accessible vehicles. In order to gauge the service level for accessible vehicles, staff contacted several brokers as secret shoppers to order accessible vehicles for future rides for an elderly family member. The responses were mixed. One broker indicated that accessible vehicles only begin to schedule rides in the morning and that an hours' notice is required. Another broker required 30 minutes' notice or preferable advance bookings. Another broker could not provide accessible services. As the need for accessible vehicles is expected to increase with an aging population, there is a customer service gap in the timeliness of ordering these on-demand transportation services. Civic Administration has consulted with the Accessible Advisory Committee on this matter. It would be a public benefit to increase the availability of accessible vehicles and assist the operators of the vehicles financially due to the high costs of converting vehicles and operating accessible vehicles.

Proposed regulation: Amend the by-law to remove the cap on accessible vehicles for hire and consideration be given to reduced fees for this form of transportation service.

Emergency Light

The current by-law requires an emergency light located on the front and rear of the vehicle for hire, including a rear sticker indicating that when the light is flashing to call 911. Discussions with the taxi industry was not conclusive on the added value of public safety with respect to the light. While some drivers feel that the emergency light is outdated given that the majority of citizens now carry smart phones and further that all vehicles for hire contain GPS units routed back to the brokerages, some felt that the emergency lights should also have sound such as loud beeps consistent with commercial vehicles reversing. Taking into consideration all comments, Civic Administration concluded that the emergency lights are no longer necessary to provide the level of public safety they did when they were originally introduced.

Proposed regulation: Amend the by-law to delete the requirement for emergency lights.

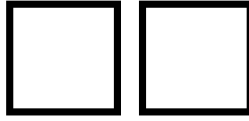
Broker definitions

There several vehicle for hire apps currently available and operating in London. The main difference is where the "rubber hits the road": those that connect passengers with licensed drivers / vehicles and those that connect passengers with non-licensed drivers using their private vehicles. The fact that drivers are connecting with passengers using an app is irrelevant; the app is just another method of hailing a vehicle-for-hire.

All of the licensed brokers in London have implemented technology based dispatch / fleet management services. Many licensed brokers have implemented vehicle-for-hire apps. Several of the contracted technology companies have developed apps for brokers along with a number of other related technology services as a vehicle-for-hire technology bundle. These include secure and convenient payment transactions through electronic point of sale (POS) transactions; streamlined dispatch systems with a focus on fleet management and monitoring; GPS based security systems; and enhanced analytics and reporting to regulatory agencies.

Some technology companies working with unlicensed drivers / vehicles commonly market their business model as "ridesharing". The City's Taxi and Limousine Licensing By-law regulates drivers, owners and brokers of vehicles for hire that convey passengers for a fee or other consideration regardless as to how passengers connect with drivers be it a street hail or prearranged service through an app or other electronic means. These regulations apply to all vehicles for hire where the service provided is not ridesharing or carpooling governed by provincial regulations.

For the purposes of fairness and consumer protection, all forms of dispatching will be treated equally. Technology Network Companies, as they are called in many US jurisdictions, are in reality vehicle for hire brokers. Civic Administration recognize that these apps are accepted by the public and that the public supports common regulations. Local licensed brokers utilize apps, texting, email, phone, street hail and taxi stands as forms of dispatching a vehicle for hire. Therefore, brokers will be given the ultimate flexibility to utilize a variety of dispatch methods either individually (app only) or as a bundle of dispatch options. Brokers who use only smart



phone apps will be limited to only dispatching vehicles via the app (street hail prohibited), whereas taxis and limousines will be permitted to dispatch by a variety of methods (phone, radio, app). This takes into consideration the September 2015 Council resolution to consider TNCs in this review.

Recommended regulation: Amend the by-law to allow brokers to dispatch vehicles by a number of methods including smartphone apps, various forms of dispatch and street hail.

Broker Record Requirements

The Taxi and Limousine Licensing By-law requires that every broker keep information of all vehicle owners associated with their brokerage including the make, model and VIN for each vehicle, owner's name and contact information and a copy of the owner's licence.

For a period of 12 months, every broker must maintain an accurate record of the following information: owner's licence number; driver's name and licence number; date and time of dispatch; address to which vehicle is dispatched; time of arrival at pick-up location; time of arrival at destination; fare charged; and geographic routing of all trips taken for a period of at least 30 days. The Licence Manager or Enforcement Officer may request at any time relevant documents from the broker for enforcement purposes. The information collected is useful for investigation purposes as well as confirming the maximum hours driving regulation.

In discussions with the brokers, there was some concerns raised with respect to camera downloads. Currently, only enforcement personnel (MLEO and LPS) can order the downloads. Each agency has criteria for which a download will be performed. Brokers are requesting that they be given the authority to download forward facing video only for the purposes of accident insurance claims. Civic Administration is considering this option given the fact the privacy matters generally concern inward facing footage of passengers.

Proposed regulation: Amend the by-law to require that brokers be permitted to undertake forward facing camera downloads for insurance related purposes.

Fees

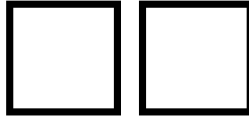
The Taxi and Limousine Licensing By-law contains a variety of fees for licences, examinations and other fees. The monthly fee for a drivers licence is \$10 (renewed every two years). The yearly fee for an owners licence is \$750. An annual licence for a broker is \$400. There are associated fees for testing, tariff cards and re-inspections.

Based on the number of drivers, vehicles and brokers, \$485,000 in fees were collected in 2015. These fees offset costs of enforcement, administration and prosecution of charges.

On an annual basis, vehicles for hire perform approximately 3M rides in London. The average cost of licensing per vehicle-for-hire ride is \$0.16 per ride. There has been some discussion on charging fees based on rides in place of application fees. This model of fee collection is used in some American jurisdictions and is proposed in Edmonton. This model has significant challenges in the areas of collections, audit and enforcement.

Civic Administration have reviewed a number of fee scenarios. For the purposes of streamlining the application process, flexibility and recognizing short term - part time PVH drivers, a variety of different fee schedules are being considered including quarterly licenses and streamlined approvals. Specifics on the proposed fees are not available at this time.

Proposed regulation: Amend the by-law to allow for greater flexibility of licence issuance options including quarterly licences.



Fares

The currently by-law is prescriptive with respect to fares for both taxis and limousines. During the public consultation sessions, there were a number of different opinions on the role of the regulatory body with respect to fares. Many commented that the vehicle for hire industry is in fact a public service and as such peak demand market forces should not impact fare fluctuations. On the other hand, others noted that hotel and gas prices rise and fall due to market forces. Civic Administration debated this matter many times during the public consultation sessions. Relying on the principle of consumer protection, drivers should be given the discretion to reduce fares at their prerogative. No passenger should be charged more than the maximum fare irrespective of the time of day, trip distance or area of the City. Brokers should be able to negotiate fare structures with employers, institutions and the like to offer vehicle for hire services. These fares should not exceed the prescribed by-law fare.

Proposed regulation: Amend the by-law to allow drivers to offer reduced fares at their discretion however at no times will fares be increased above the maximum approved tariffs; brokers be permitted to negotiate fare agreements with employers, institutions associations etc. as long as the maximum approved tariffs are not exceeded.

CONCLUSION

Based on the public consultation report presented to CPSC in June 2016 and a review of licensing options presented to CPSC in March 2106, Civic Administration will prepare a by-law amendment based on a hybrid of option 4 (permit TNCs and PVH – City required licenses) and option 5 (permit TNCs and PVH – self regulation). The amendment will permit TNCs and PVHs in keeping with the municipal purposes of safety and consumer protection, quality service, availability of service and the underlying principle of fairness and equal playing field.

Owners and drivers of vehicles for hire will be consolidated in one vehicle for driver category. TNCs will be permitted and licensed as a broker and be permitted to link passengers and drivers of PVH only via a smartphone app. PVH will be licensed by the City as vehicle for hire drivers and owners in a similar fashion to taxi and limousine drivers owners.

A number of regulations will be deleted including the requirement for English testing, initial medical exams and vehicle emergency lights. Additional vehicle inspections will be implemented for older model vehicles. Drivers will be permitted to reduce fares but not increase fares during peak demand times for purposes of consumer protection.

PREPARED BY:	RECOMMENDED BY:
OREST KATOLYK CHIEF MUNICIPAL LAW ENFORCEMENT OFFICER	GEORGE KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT AND COMPLIANCE SERVICES & CHIEF BUILDING OFFICIAL