

Oshawa

Transportation Network Companies (T.N.C.s)

Industry and Public Stakeholder Consultation

Meeting Overview

Purpose - to provide information on T.N.C.s and have a conversation around issues, impacts and potential regulatory responses

Agenda

1. T.N.C. Presentation
 - Regulatory Framework & Issues
 - Provincial Developments & Municipal Responses
2. Facilitated Discussion
3. Next Steps

Presentation



What is a T.N.C.

T.N.C. - “an organization whether a corporation, partnership, sole proprietor or other form...that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using their personal vehicles.”



Also called:

- Private Transportation Companies (P.T.C.)
- Personal Transportation Providers (P.T.P.)
- Commercial Private Transportation Provider (Commercial P.T.P.)

T.N.C.s in Ontario

| T.N.C. | Area of Operation |
|---------------|------------------------------|
| Uber | Most urban municipalities |
| RideCo | Waterloo Region |
| Blancride | G.T.A. and surrounding areas |
| DriveHer | G.T.A. and surrounding areas |



General Business Model



① Request



② Ride










③ Rate

General Business Model (cont'd)

Common elements in T.N.C. business model:

- 1. Technology** – request for ride arranged through T.N.C. “app”, driver and customer info (ex. name, vehicle information, picture, etc.) is exchanged
- 2. Driver Screening** – T.N.C.s generally screen for criminal and driving offenses
- 3. Reputational Rankings** – both driver and customer rate each other
- 4. Payment** – payment is entirely cashless and handled through T.N.C. “app”
- 5. Fares** - dynamic pricing (ex. discounted and surge pricing)

Main Differences

| | T.N.C. Driver | Taxicab Driver | Designated Driver |
|--|---|--|--|
| Conveyance of Passenger(s) | Personal Vehicle | Commercial Vehicle | Customer's Personal Vehicle |
| Arranging/ Hailing of Rides |  |    |    |
| Employment Classification of Driver | Predominantly Part-Time | Predominantly Full-Time | Predominantly Part-Time |

Enabling Legislation

| | Section in Municipal Act | Applicable By-law |
|-------------------------------|--------------------------|---|
| Taxicab Regulations | 156 | Taxicab Licensing By-law 50-2003 |
| Designated Driver Regulations | 151 | Business Licensing By-law 120-2005 Schedule "N" |

Purpose of Regulation: Taxicabs & D.D.s

1. Health and Safety

- Driver screening
- Vehicle mechanical safety checks

2. Consumer Protection

- Regulating fares and inspecting meters
- Requiring taxicab drivers to maintain trip sheets
- Insurance requirements

3. Equity within Industry (Nuisance Control)

- Establishing driver code of conduct

T.N.C.s and City By-laws

- Taxicab Licensing By-law 50-2003 and Licensing By-law 120-2005 regulate vehicles for hire
- General T.N.C. business model **does not** comply with Taxicab Licensing By-law



Main Issue

The City's highly regulated Taxi industry is facing competition from new entrants who operate in contravention of the City's Taxicab Licensing By-law, a by-law in need of modernization



Other Issues

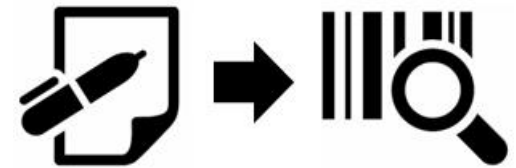
- Addressing consumer protection concerns (ex. driver screening, vehicle safety, fares, etc.)
- Accessibility issues
- The need to modernize taxicab standards
- Private transportation options responsive to public's needs
- Potential delegation of licensing authority to third party
- Changing role of staff from administration to audit
- Recovery of costs for City services associated with entrance of new private transportation services

Opportunities

New technologies present new opportunities for the City, Taxis, D.D.s, and T.N.C.s:

a) Delegating licensing administration to third party

- Reduce licensing administrative burden on City staff
- Ensure compliance through auditing data



b) More accessible licensing process for industry participants

- Licensing process accessible 24/7



c) Explore more transportation options for public



Provincial Developments

Bill 131, Opportunity in the Sharing Economy Act, 2015 – Private Member’s Bill (Tim Hudak, former MPP)

Bill 131:

- introduce standards for: “ride-sharing”, “home-sharing” and sharing of residential parking spaces
- would require T.N.C.s to either obtain licence from municipality **or** from province if no municipal by-law existed
- would limit municipal licensing authorities

Status: referred to Standing Committee on Finance and Economic Affairs (October 2015)

Provincial Developments (cont'd)

Amendments to Insurance Act, 1990

- Approved blanket fleet insurance policy for private automobiles used in transporting paying passengers
- Two (2) Fleet Insurance Policies:
 - Uber – provided by Intact Insurance (July 7, 2016)
 - RideCo – provided by Northbridge Insurance (December 1, 2016)
- Aviva “Ridesharing” Insurance Product

General details of insurance products:

- Coverage is provided to T.N.C. driver, passenger(s) and vehicle

| | Insurance Product Providing Coverage |
|-----------------------|---|
| T.N.C. app on | Fleet or Ridesharing Insurance Product |
| T.N.C. app off | Personal Standard Automobile Policy |

Municipal Response: T.N.C. Regulations

Municipalities with T.N.C. Regulations:

- Toronto
- Ottawa
- Waterloo Region
- Niagara Region
- Oakville
- Barrie
- Hamilton
- London
- Mississauga



Durham Lakeshore Municipalities

- Conducting initial study
- Ajax public consultation process complete

Common Elements of T.N.C. Regulations

- **Driver Screening** – Municipalities establish standards; 3rd Party Screening: C.I.R. and Driver's Abstract
- **Vehicle Standards** – Age limit, decal/signage, and safety certificate
- **Licensing fee structure** – Flat fee, per driver fee, and/or per trip fee
- **Insurance** – Appropriate insurance required
- **Street Hailing** – pick ups prohibited
- **Auditing** – Municipality audits T.N.C. records for compliance
- **Security Technology (ex. in-car cameras)** – not required
- **Limit on number of T.N.C. drivers/vehicles** – no limit

City of Oshawa and T.N.C.s

- T.N.C.s general business model does not comply with Taxicab Licensing By-law 50-2003
- Municipal Law Enforcement (M.L.E.) has initiated Taxicab Licensing By-law enforcement projects
 - **Stage 1:** Education-based enforcement
 - **Stage 2:** Issuance of Provincial Offences Act Tickets



Initial Input: Taxis and D.D.s

- The Taxicab Licensing By-law should be enforced
- Taxis and D.D.s are operating in accordance with City regulations and T.N.C. drivers are not
- Ensuring the safety of drivers and their passengers is essential
- A general desire to harmonize regulations i.e. provide a “level playing field” between T.N.C.s, Taxis, and D.D.s in an equitable manner

Initial Input (cont'd)

- A desire to prohibit T.N.C.s from operating in Oshawa
- Changes to existing regulations to accommodate the introduction of new taxi technologies
- Some former T.N.C. drivers are interested in becoming full-time licensed taxi drivers but “start-up” costs of taxicab driver regulation are too great
- T.N.C.s and T.N.C. drivers should pay taxes and/or licensing fees

Discussion and Feedback



Next Steps



**Initiate
Consultation
Process**



| Milton | Mississauga ² | Niagara Region ³ | Oakville |
|--------|--------------------------|-----------------------------|----------|
| ✓ | ✓ | ✓ | ✓ |
| ✗ | ✗ | ✓ | ✗ |
| N.C. | T.N.C. | Niagara Region ⁴ | T.N. |
| ✗ | ✗ | ✗ | ✗ |
| ✓ | | | |
| ✓ | | | |

**Analyze and
Assess Input**



To: Beverly Hendry, Commissioner
 Corporate Services Department
 Report Number: CORP-17-04
 Date of Report: May 4, 2017
 Date of Meeting: May 8, 2017
 Subject: Transportation Network Companies and Proposed Public and Industry Stakeholder Consultation Process
 File: D-2000

1.0 Purpose
 This report presents information on Transportation Network Companies and recommends that staff initiate a public and industry stakeholder consultation process and report back with potential policy options for the Corporate Services Committee's consideration at its September 11, 2017 meeting.

2.0 Recommendation
 That the Corp...
 1) That a...
 2) That a...
 3) That a...

**Report back
Potential
Policy Options
Sept 2017**

Consultation Schedule

| Stakeholder | Type of Consultation | Number of Meetings | Timeline |
|---------------|----------------------|--------------------|---|
| All | Online | Not applicable | June 14 – August, 16, 2017 |
| Taxi Industry | Facilitated Meeting | 2 | June 20, 2017 (morning and evening sessions) |
| D.D. Industry | Facilitated Meeting | 1 | June 26, 2017 |
| Public | Public Meeting | 2 | June 28, 2017 |
| T.N.C.s | Meeting | 2 | To be determined |

More Ideas/Questions

From June 14 to August 16:

- **Online survey** - Connect Oshawa at www.connectoshawa.ca/TNC
- **In-person survey** - Service Oshawa City Hall, 50 Centre Street South
- **Contact** - Ken Man, Policy and Research Manager 905-436-3311 x 2814, kman@oshawa.ca



Thank You

Industry and Public Stakeholder Consultation