

# Considerations for TNC Driver Licensing

## ISSUE

Through Bylaw No. 9651, Vehicles for Hire Bylaw, 2019, (Bylaw) the City of Saskatoon (City) maintains licensing programs for taxis and for transportation network companies (TNC). The City licenses taxi drivers directly by providing an annual Taxi Driver Licence and an ID badge. The City licenses transportation network companies and outlines requirements and minimum standards for affiliated drivers but does not licence drivers directly. Rather, the TNC is responsible for ensuring drivers conform to all requirements and standards.

## BACKGROUND

At its meeting held on February 1, 2021, the Standing Policy Committee on Transportation received a report from Administration outlining the findings of an engagement process with the vehicles for hire industry concerning parity between taxi and TNC regulations. The report provided 12 options for potential bylaw amendments, based on requests from different stakeholder groups; the Committee resolved:

- “1. That the Standing Policy Committee on Transportation recommend to City Council that the City Solicitor be requested to prepare an amendment to the Vehicles for Hire Bylaw in order to implement Option 9, to align maximum vehicle age, as outlined in the report of the General Manager, Community Services dated February 1, 2021;
2. That the Administration report back on the implications and options of pursuing option 5; and
3. That the Administration report back on wait times and other available data from the Taxi and TNC industries that resulted from bylaw amendments made in past.”

Option 5 of the report proposed that TNC drivers be required to obtain a City Driver’s Licence similar to taxi drivers. This report addresses this resolution and outlines various options of licensing programs and the implications of adopting each approach.

## CURRENT STATUS

Taxi drivers are currently required to obtain a licence from the City. The licence is valid for one year and must be renewed annually. The purpose of the taxi driver licence is to ensure each taxi driver is compliant with bylaw requirements, including obtaining an annual criminal record check, vulnerable sector check, affiliation with a taxi brokerage and possession of a valid Saskatchewan Driver’s licence. The City provides the taxi driver with a licence and photo ID badge to be displayed in the vehicle, to provide assurance to the public the driver is licensed and has met the minimum requirements of the bylaw.

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Drivers affiliated with a TNC must also meet these minimum bylaw requirements; however, compliance is verified by the TNC with regular compliance checks and audits conducted by the City. In lieu of a photo ID badge, TNC drivers provide photo identification and a driver profile along with vehicle identifiers through their affiliated transportation network app. This is a requirement in the provincial Vehicles for Hire Regulation and reflected in the Bylaw.

In addition to the municipal regulations outlined in the bylaw, TNCs are also regulated provincially through Saskatchewan Government Insurance (SGI). TNC drivers and vehicles are screened by SGI and registered through their provincial database. While this review process includes verifying the criminal record check, SGI does not screen for vulnerable sector searches as part of their process or issue a licence to the TNC driver.

### **DISCUSSION/ANALYSIS**

In the February 1, 2021 report, Administration did not recommend adopting a system of directly licensing affiliated TNC drivers, but rather continue with the current process. The implications of continuing with the current process is outlined in Option 1 below. Options 2 and 3 outline two different approaches for licensing affiliated TNC drivers directly.

#### **Option 1: Maintain Current Licensing Model**

The current licensing model would remain the same with prospective TNC drivers submitting confirmation of licensing requirements to the TNC. The TNC would continue to review applications from drivers and be responsible for ensuring they meet the prescribed bylaw requirements for eligibility. Administration would continue conducting audits to ensure compliance. Field inspections by the Saskatoon Police Service and Community Standards will also be conducted to verify compliance.

This approach requires minimal Administrative resources. Five of 11 cities surveyed in a municipal scan utilize this or a similar scale of licensing. The licensing fee charged to a TNC varies based on the number of affiliated drivers and is intended to cover administrative costs of audits and field checks to ensure drivers are in compliance with bylaw requirements.

#### **Option 2: Hybrid Licensing Model**

A hybrid licensing model would require TNCs to collect and submit applications and eligibility documents for prospective TNC drivers to Administration for review and approval. Administration would be responsible for reviewing each individual applicant for compliance with the bylaw and providing an approval letter to the TNC to authorize the prospective driver to operate on the TNC platform.

Administration would not issue a licence or physical ID cards to TNC drivers as they already have digital ID profiles and other identifiers, visible to the public on their TNC app as required by provincial regulations.

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This option is not anticipated to require additional staffing resources. Administrative time will be reallocated from time currently spent auditing records. There may be delays in processing time resulting from periodic or seasonal increases in application volumes. TNCs would be responsible for submitting documentation to the City. Due to the volume of documents, there may be an additional administrative cost for TNCs through server storage or other electronic means of sharing the information with the City.

This approach represents a medium degree of administrative resources to implement. Six of 11 cities surveyed in the municipal scan utilize this or a similar scale of licensing model.

### **Option 3: Full Licensing Model**

A full licensing model would require Administration to become the primary contact to collect applications and eligibility documents of all prospective TNC drivers and their vehicles for review and approval. Administration would be responsible for reviewing applications and granting a licence directly to each affiliated TNC driver and their corresponding vehicle, as is currently done in the licensing process for the taxi industry.

Administration would not provide physical ID cards to TNC drivers, as they will have digital ID profiles visible to the public as required by provincial regulations. A TNC driver licence would be provided and be required to be provided to the TNC.

This option is anticipated to require an additional 0.25 of a Full Time Equivalent in staffing resources to administer the program.

A funding source for the position would need to be identified. The existing Taxi Driver Licence Application is \$35. Based on the estimated application volumes, if a \$35 application fee was adopted for affiliated TNC drivers, it would be sufficient to partially fund the additional staff resources, with the remaining costs covered through existing vehicle for hire licensing fees. The cost of the position will not have a mill rate impact.

This approach requires significant administrative resources to implement. None of the 11 cities surveyed in the municipal scan fully utilize this scale of licensing model. One municipality incorporates elements of Option 2 and Option 3 depending on the size of each TNC licensed.

### **FINANCIAL IMPLICATIONS**

The Vehicles for Hire Licensing program is not supported by the mill rate and is funded on a cost-recovery basis through application fees.

Financial implications will vary depending on the options selected and have been identified within each option.

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### **OTHER IMPLICATIONS**

There are no other implications to report at this time.

### **NEXT STEPS**

If any changes are made to the regulations by City Council, Administration will provide a notice to vehicles for hire industry stakeholders and update the website and other communications materials accordingly.

In preparing this report, and through finding solutions with industry to operational challenges during the pandemic, operational improvements to the existing Taxi Driver Licensing Program have been identified and implemented. Administration will initiate further discussions with the taxi industry regarding potential changes to application requirements to determine if a hybrid licensing approach may provide further efficiencies similar to TNCs. Further reporting would be provided if the taxi industry felt some changes in the process would be beneficial to them.

### **APPENDICES**

1. Municipal Scan – TNC Driver Licensing

### **REPORT APPROVAL**

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