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# Taxi Service Proposals and Regulation of Transportation Network Companies

## Recommendation

That the Standing Policy Committee on Transportation recommend to City Council:

1. That the City Solicitor be requested to draft a comprehensive Vehicle for Hire Bylaw in accordance with the Administration's recommendations, as outlined in Attachment 1 of this report;
2. That the City Solicitor be requested to draft a stand-alone Transportation Network Company bylaw and consequential amendments to Bylaw No. 9070, The Taxi Bylaw, 2014 in accordance with the Administration's recommendations outlined in Attachment 1 to this report pending completion of the comprehensive Vehicle for Hire Bylaw; and
3. That the City Solicitor be requested to amend Bylaw No. 9070, The Taxi Bylaw, 2014, to allow the implementation of part-time Flex Service licenses in accordance with the Administration's recommendations, as outlined in Attachment 2 of this report.

## Topic and Purpose

This report addresses a number of recommendations arising from the December 18, 2017 City Council meeting, relating to the regulation of Transportation Network Companies and consideration for proposals submitted by the taxi industry to facilitate their ability to provide service during periods of high demand. This summary report provides an overview of the resolutions being addressed, with detailed information and recommendations provided in the attachments to this overview report. In developing these reports, consideration has been given to establishing regulations to support a level playing field between the taxi industry and potential new forms of ride-sharing in the advent of changes in the vehicle-for-hire industry in Saskatoon.

## Report Highlights

1. The Province of Saskatchewan (Province) passed legislation which enables municipalities to regulate Transportation Network Companies (TNCs). *The Vehicles for Hire Act (Act)* is anticipated to come into force in the fall of 2018. The regulation of TNCs will need to be addressed at a municipal level through the creation or amendment of City of Saskatoon (City) bylaws, as well as several options available for regulation as discussed in this report (see Attachment 1).
2. The taxi industry has proposed options to increase the availability of taxis through separate proposals for Flex-Service and Sask Plates. Amendments to Bylaw No. 9070, The Taxi Bylaw, 2014 (Taxi Bylaw) to accommodate Flex-Service, which would allow the taxi industry to put additional vehicles on the road during periods of high demand, are recommended to provide an enhanced level

of service to the public and to facilitate a more level playing field among vehicle-for-hire businesses (see Attachment 2).

3. The impact of TNCs on transit and congestion is complex and while research findings are not entirely clear, the Administration's opinion is that TNCs will not increase congestion in the City (see Attachment 3). Requirements for data from ride-sharing companies will allow for ongoing monitoring.

### **Strategic Goals**

This report supports the Strategic Goals of Continuous Improvement and Moving Around. The City leverages technology and emerging trends, and goes beyond conventional approaches to meet the changing needs of the city and expectations of its citizens. Saskatoon is a city on the move and the proposed options will help to optimize the flow of people and goods in and around the city.

### **Background**

On December 18, 2017, City Council received a report from the Standing Policy Committee on Transportation providing an update on the options for the regulation of TNCs, together with options for potential amendments to taxi fleet and licensing structures and the results of a city-wide online survey concerning TNCs.

When considering the December 18, 2017 report, City Council resolved:

- “1. That the Administration report on the creation of a comprehensive vehicle for hire bylaw including contents and options of same and a stand-alone bylaw for TNCs with consequential amendments to the Taxi Bylaw;
2. That the Administration be directed to report back concerning:
  - a. Amending The Taxi Bylaw to allow the implementation of part-time Flex Service licenses, issued to qualified drivers, to meet demand in peak periods;
  - b. Amending The Taxi Bylaw to allow for the replacement of seasonal licenses with full-time plates, issued to qualified drivers, reflecting the Sask Plates proposal;
  - c. Reviewing the current taxi meter fare structure and develop options to improve affordability
  - d. Reviewing regulations applicable to the taxi industry to support a 'level playing field' should development of regulations for transportation network companies be approved by City Council;
3. That the Administration provide a further report on mechanisms to evaluate the impacts of ridesharing, taxis, and autonomous vehicles on Transit and congestion, as well as the opportunity for utilizing data generated from taxi industry and potentially ridesharing to help evaluate this; and
4. That the Administration provide a further report on the current levels of service to people requiring accessible service, and the potential impacts of the incorporation of ridesharing on Accessibility services.”

This report is provided in response to these resolutions, addressing Resolution Nos. 1; 2a, b, and d; and 3.

Resolution Nos. 2c and 4, with respect to current taxi meter fare structure and accessible service, are scheduled to be addressed in separate reports to be brought forward at a future date.

In addressing the above noted resolutions, this report comprises three sections, each considered under a separate attachment:

- a. Attachment 1 provides a detailed proposal for the regulation of TNCs, as well as an update on the current state of the *Act*, which will provide municipalities with the jurisdiction to regulate TNCs.
- b. Attachment 2 provides a review and recommendations for improvement as proposed by the Saskatchewan Taxi Cab Association and United Steelworkers respectively for Flex-Service and Sask Plates.
- c. Attachment 3 provides information on the impact of TNCs on transit and congestion, and comments on the opportunity for utilizing data generated from the taxi industry and TNCs.

Together, Attachments 1 and 2 speak to potential of regulation to support a level playing field.

### **Report**

#### Transportation Network Companies

The Province passed legislation entitled *The Vehicles for Hire Act*, which enables municipalities to regulate TNCs. The *Act* has received royal assent but it is anticipated that it will not come into force until the fall of 2018 when the regulations are promulgated. If City Council approves the operation of TNCs in the City, a bylaw will be required. The City will have the jurisdiction to pass a TNC bylaw once the *Act* comes into force.

The Administration has reviewed various models for regulation across Canada, and regulations through municipal bylaw is a common practice. The form and content of a bylaw varies by jurisdiction, but the most commonly used model is the comprehensive bylaw encompassing TNCs, taxis, and black cars under one piece of legislation with the following general areas being addressed:

- a. Driver Screening;
- b. Vehicle Standards;
- c. Licensing;
- d. Insurance;
- e. Street Hailing;
- f. Auditing;
- g. Security Technology (eg. in-car cameras); and
- h. Limit on Number of TNC Drivers/Vehicles.

In consideration of the foregoing, the Administration recommends regulating TNCs through the creation of a comprehensive Vehicle for Hire Bylaw similar to the majority of municipalities across Canada, including Toronto, Ottawa, Calgary, Edmonton, Winnipeg, and several others. Further information and options for regulation are presented in Attachment 1.

A comprehensive Vehicle for Hire Bylaw will take approximately one year to complete. Therefore, in the interim, the Administration is recommending a stand-alone TNC bylaw with consequential amendments to the Taxi Bylaw being drafted. This would allow for operation of TNCs in Saskatoon upon the *Act* coming into force in the fall of 2018.

### Taxi Industry Proposals to Increase Availability of Vehicles through Flex-Service and Sask Plates Programs

Engagement with the taxi industry regarding the potential impact of TNCs operating in Saskatoon occurred in 2017. The consensus was that “the concern is not about competition from TNCs but that a level playing field be established through regulation.”

One aspect of supporting a “level playing field” between the current taxi industry and TNCs is the ability to provide service to meet demand. Proposals came forward from the industry which recognize the need for the taxi industry to have the ability to improve service availability, particularly in peak demand times.

The proposals were reviewed by the stakeholder group and compared on the ability of each to meet objectives identified: customer service, affordability, safety, and technology/transparency.

The Administration recommends that Flex-Service be implemented and incorporated into the Taxi Bylaw, and that regulations and requirements be reviewed in conjunction with the development of TNC regulations, as outlined in Attachment 2.

### Impact of TNCs and Taxis on Transit and Congestion and the Potential for Utilizing Data Generated from Taxi Industry and TNCs

The Administration’s research indicates that the impact of TNCs on transit services and congestion is a complex issue. Results are unclear at this time.

A prevalent theme found in the initial research indicates that TNCs do not share ride-sharing data and that jurisdictions should seek opportunities to clearly mandate the provision of data in establishing regulations.

Notwithstanding the lack of comparable information, the Administration’s opinion is that TNCs will not increase congestion in the City.

### **Options to the Recommendation**

City Council may decide to not regulate TNCs. This would have the effect of prohibiting their operation in the city.

City Council may direct that consideration be given to accommodating the Sask Plates proposal, either in conjunction with, or in lieu of the Flex-Service proposal. Alternatively,

City Council may decide to not allow either the Flex-Service or Sask Plates proposals and have the taxi industry continue to operate under its current model.

### **Communication Plan**

The Communications Division will issue a News Release and post supporting social media to inform media and the general public of the decisions made by City Council on the matter. The existing dedicated communication plan will be updated with key messages that will convey the options chosen. Should there be drafting of a new TNC bylaw, a new comprehensive Vehicle for Hire Bylaw, and/or amendments made to the existing Taxi Bylaw, these documents will be made available on the City's website.

### **Policy Implications**

Policy implications are addressed in this report and will be further considered in subsequent reports.

### **Financial Implications**

Financial implications will vary depending on the recommendations approved in this report and will be further considered in subsequent reports.

### **Public and or Stakeholder Involvement**

In March 2017, the Administration held several engagement meetings with members of the taxi and limousine industries regarding the concerns and issues about the potential impact of TNCs operating in Saskatoon. In September and October of 2017, two engagement sessions with a broader stakeholder group were held to discuss the objectives of taxis and potential TNCs. In November 2017, an online survey was launched with the objective to give residents an access point to share their opinions. The survey was high-level and market-product focused, and not to be considered as a statistically valid survey as it was conducted with a random selection of respondents.

### **Other Considerations/Implications**

There are no environmental, privacy, or CPTED implications or considerations.

### **Due Date for Follow-up and/or Project Completion**

A TNC bylaw and amendments to the Taxi Bylaw would be submitted to City Council for consideration in September of 2018. A comprehensive Vehicle for Hire Bylaw would be submitted to City Council for consideration in approximately one year.

### **Public Notice**

Public notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

### **Attachments**

1. Review of Options for the Regulation of Transportation Network Companies
2. Proposed Approach to Address Taxi Industry Proposals for Flex Service and Sask Plates
3. Taxi Service Proposals and Regulation of Transportation Network Companies – Transportation Issues

**Report Approval**

Written by: Jo-Anne Richter, Acting Director of Community Standards

Approved by: Patricia Warwick, City Solicitor, City Solicitor's Office (Attachment 1)  
Randy Grauer, General Manager, Community Services Department

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