



**STAFF REPORT
ACTION REQUIRED**

**A New Vehicle-for-Hire Bylaw to Regulate Toronto’s
Ground Transportation Industry**

Date:	March 31, 2016
To:	Licensing and Standards Committee
From:	Executive Director, Municipal Licensing and Standards
Wards:	All
Reference Number:	P:\2016\Cluster B\MLS\LS16003

SUMMARY

This report outlines a series of recommendations that, taken together, form a new framework for equitable regulation within the vehicle-for-hire industry. This framework is founded on the City’s regulatory purpose and interests of public safety and consumer protection, and accelerates the City’s commitment to ensuring the availability of inclusive accessible service within the vehicle-for-hire market.

This framework will respond to the public’s request for choice in regulated transportation options and provide an opportunity for the City to shift from prescriptive regulation to an approach based on established standards, accountability and monitored compliance through audit and enforcement. It is anticipated that this approach will enable operational flexibility and provide industry participants with an equal opportunity to provide quality service in a competitive market, while maintaining the City’s municipal regulatory purpose.

There are currently more than 45,000 trips per day taken by the public in unregulated vehicles-for-hire. Appropriate regulation governing this industry is a critical public safety matter. The development of this new regulatory framework ensures that these vehicle-for-hire participants are regulated, as are taxicabs and limousines, balancing the City regulatory interests with existing industry practices.

This report proposes a reset of the City's approach to regulation, and in some cases adjusts the City's role as it relates to the direct delivery of service. The proposed framework aims to address public safety and consumer protection, while also providing an opportunity to: develop efficiencies, allow competition, reduce regulatory burden for

taxicabs and limousines, and implement regulations for a new 'Private Transportation Company' (PTC) licence class, which would permit and regulate private vehicles to offer transportation services, such that UberX provides.

Current vehicle-for-hire regulations have a lengthy, complex, and complicated history. For decades, the City of Toronto and jurisdictions around the world have heavily regulated their taxicab industries and, to a lesser extent, their limousine industries. The Toronto taxicab industry, in particular, has been the subject of repeated reviews which have steadily increased the nature and extent of the regulatory involvement in the industry. One of the key contributors to this has been the restricted issuance of licences which has constrained the number of taxicabs permitted to operate, and has also prevented other transportation service providers from entering the market.

Despite numerous attempts by the City to address issues within the taxicab industry, including two comprehensive reforms in the past 18 years, many within the industry continue to identify issues of poor working conditions and the improper conduct of industry participants/middlemen. These previous regulatory reviews have been focused on regulations meant to address consumer complaints, unsafe driving practices, and fairness among industry participants.

One of the most reformative reviews of the Toronto taxi industry was the 1998 review, which created the Ambassador Taxicab licence, and made numerous amendments to the existing licence class (Standard Taxicabs) to move the industry toward an “owner-operator” model. This change was meant to enhance the quality of taxicab services by reducing the number of "middlemen" and limiting absentee licence owners.

Despite this reform and those resulting from the 2014 Taxicab Review, many taxicab drivers continue to indicate that they are not being fairly treated and further indicate that much of the profits within the industry are being shared amongst middlemen and owners who may not be directly involved in the business. This has a direct negative impact on the City’s objectives of promoting consumer protection and public safety to the extent that the existing financial structure undermines or does not incentivize behaviours that are consistent with the City’s goals.

Staff maintain the belief that owner operated vehicles-for-hire provide the most cost efficient operating model and in many cases, provide a better quality service. In this respect, a recommendation is being made to issue new incremental accessible taxicab licences (TTL) to taxicab drivers on the waiting list.

However, given the changed context of the vehicle-for-hire market and in the interests of providing an equitable level of regulation, staff are recommending the elimination of the owner-operator oriented regulations as they apply to taxicabs.

With the availability of more opportunities for vehicle-for-hire drivers and with increased competition amongst vehicle-for-hire industries, a mandated "owner-operated" taxicab industry model no longer achieves the intended regulatory efforts to protect consumers

and ensure public safety. These changes will also recognize the manner in which many within the taxicab industry are already organized operationally and will provide additional flexibility to the industry.

This report proposes a new Vehicle-for-Hire Bylaw that:

- regulates taxicabs, limousines, and companies such as Uber in an equitable manner;
- reduces regulatory burden, while maintaining requirements for public safety and consumer protection;
- builds on existing plans to secure accessible vehicle-for-hire services; and
- provides opportunities for competition and innovation.

Overview of Vehicle-for-Hire Bylaw

The recommendations in this Report are aimed at creating a regulatory regime for taxicabs, limousines, and Private Transportation Companies (PTC) based on measures appropriate to balance consumer protection, public safety, and the economic wellbeing of the City. Key regulations are as follows:

1. Fares

Staff recommend that taxicabs continue to charge the current City regulated rate for all trips taken through street-hail or at cabstands. If a taxicab is booked through a Taxicab Broker, the rate may be discounted by the Taxicab Broker, subject to specific conditions designed to ensure transparency in the pricing. Limousine Brokers and PTCs will be permitted to set rates to be charged which may vary in different time periods, but passengers must accept the rate before the vehicle is dispatched.

2. Accessibility

Staff recommend a multi-pronged approach to ensure accessible vehicle-for-hire service. This approach proposes:

- increasing the number of accessible taxicabs to 25% of the taxicab fleet by issuing additional TTLs to drivers on the waiting list;
- waiving licence application and licence renewal fees for accessible taxicabs;
- waiving accessible training fees for licensed taxicab drivers and owners;
- requiring PTCs to deliver equitable accessible service; and
- reporting back on a strategy to collect money from all non-accessible vehicles-for-hire to incentivize the delivery of accessible taxicab service through mechanisms that offset the increased operating costs of accessible taxicabs.

3. Number of Vehicles-for-Hire

Staff recommend continuing to limit the number of taxicab licences issued. It is recommended that the City not impose a limit on the number of limousine licences or number of vehicles affiliated with a PTC.

4. Taxicab Licensing

Staff recommend reducing the regulatory burden on taxicabs by reducing the number of taxicab owner licence categories and eliminating certain current licensing requirements to increase flexibility. This approach proposes:

- removing mandatory minimum owner-operator hours for all taxicab owners;
- removing requirements for mandatory conversion of an Ambassador taxicab and Standard taxicab to a Toronto Taxicab upon sale of taxicab;
- permitting Ambassador taxicabs to be converted to Standard taxicabs upon renewal or sale; and
- removing taxicab ownership restrictions that prevent incorporation and ownership of multiple taxicabs.

At the same time, staff recommend the creation of a new licensing category “Taxicab Operator”, which will recognize and regulate the operations of lessees and fleets operating taxicabs to regulate and hold accountable the actual “operator” of the taxicab for such things as vehicle maintenance and records management of taxicabs under their control.

5. Vehicles

Staff recommend permitting any four-door vehicle less than 7 (seven) model years old for use as a taxicab, limousine, or PTC vehicle.

Taxicabs will continue to be subject to semi-annual, City-run mechanical inspections, and will be required to meet all existing vehicle quality standards. Limousines would no longer attend the City for semi-annual inspections, but would instead be required to submit an annual Safety Standards Certificate issued by a Ministry of Transportation licensed garage upon renewal. A PTC will be responsible for ensuring that all vehicles affiliated with it submit an annual Safety Standards Certificate issued by a Ministry of Transportation licensed garage upon application, and annually thereafter.

Recommendations seek to authorize enforcement staff to issue a notice and/or direct any vehicle-for-hire to undergo a mechanical safety inspection at their discretion.

Staff are requesting authority to undertake a review of options and the feasibility of transitioning taxicabs to an alternative inspection process, such as that being recommended for limousines and PTC vehicles.

Due to the independent and anonymous nature of street-hail and cabstand taxicab service, taxicabs continue to be the only vehicle-for-hire that is required to have a taximeter, a roof light, a camera, an emergency light, markings that identify it as a taxicab, and a Taxicab Bill of Rights. Staff are proposing to establish a Taxicab Vehicle Quality Standard, which will provide clarity and transparency to service providers, and address the public's interest in vehicle conditions.

6. Drivers

Staff recommend harmonizing taxicab and limousine driver licences to create one “Vehicle-for-Hire Driver's Licence” that will permit drivers to operate taxicabs or limousines.

All persons wishing to operate as taxicab, limousine or PTC drivers would be required to meet the same criminal background and driver screening requirements, as established by the City.

The City would continue to collect and screen the applicants for taxicab and limousine drivers. A PTC would assume responsibility to collect and screen the applicants for PTC drivers, and be required to submit or make available on an ongoing basis, electronic records of permitted drivers, where the records of the PTC will be subject to audit from the City.

Staff recommend reducing the barrier to entry to become a licenced taxicab or limousine driver by eliminating the mandatory City-run training for all taxicab and limousine drivers and owners, with the exception of drivers of accessible for-hire vehicles.

7. Insurance

All taxicab and limousine vehicles are currently required to carry a minimum of \$2 million of collision and passenger hazard insurance. PTC vehicles will also be required to carry a minimum of \$2 million of collision and passenger hazard insurance. In addition, PTCs will be required to carry \$5 million of commercial general liability insurance.

Overarching Purpose of Recommended Changes

This report outlines the recommended changes to the existing legislation governing the taxicab and limousine industries, and recommends the development of regulation to govern new entrants being named Private Transportation Companies.

This review has provided the opportunity to refocus and reset the City’s approach to regulating the taxicab and limousine industries and to propose the regulation of PTCs, aiming to establish an equitable and appropriate level of regulation that balances the interests of diverse stakeholders. The proposed changes will remove constraints that have prevented the expansion of vehicle-for-hire services in the past, foster competitiveness, allow taxicabs and limousines to develop efficiencies, and reduce regulatory burdens.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards, recommends that:

PART 1 – Create a Vehicle-for-Hire Bylaw

1. City Council direct that the bylaws governing taxicabs and limousines, and the directions arising from this report, be combined to create a Vehicle-for-Hire bylaw that governs taxicabs, limousines and Private Transportation Companies (PTC), based upon the following recommendations.
2. City Council direct the Executive Director of ML&S to report back to the Licensing and Standards Committee within one year from the date of enactment of the new bylaw, with an update on the implementation and outcomes of the bylaw.

PART 2 – Vehicle-for-Hire Accessibility Strategy

3. City Council endorse the goal of achieving an inclusive and accessible vehicle-for-hire industry that will ensure that all Toronto residents and visitors have equal access to Toronto's vehicle-for-hire industry.
4. City Council accelerate the number of accessible taxicabs available for on-demand metered service to 25% of the taxicab fleet by 2021 by authorizing the issuance of up to 200 incremental TTLs to drivers on the waiting list for each of the next five years, effective immediately.
5. City Council waive licence application and renewal fees for TTL, Wheelchair accessible taxicab owners, and any taxicab owner who has a D409 compliant wheelchair accessible vehicle, effective immediately and retroactive to January 1, 2016.
6. City Council waive training fees for taxicab drivers and owners who want to be trained to drive accessible taxicab vehicles, effective immediately.
7. City Council mandate that any PTC that has more than 500 vehicles affiliated with or registered to provide transportation services be required to provide wheelchair accessible service to the public, in accordance with the following:
 - a. Accessible PTC services means that wheelchair accessible vehicles are available when requested within wait times that are comparable to non-accessible services and at fares that are the same as basic non-accessible services.

- b. "Comparable wait times" means that the time elapsed between the passengers request for service and the arrival of a vehicle at the passenger's location in response to that request for service is no more than the "average industry wait time" for non-accessible services, as determined annually by the Executive Director, ML&S.
 - c. The PTC will report on accessible service delivery, including information on average wait times of accessible PTC vehicles, in a frequency prescribed and form approved by the Executive Director, ML&S.
- 8. City Council require that all drivers of accessible vehicle-for-hire services complete a training program that meets the criteria set out by the Executive Director of ML&S, including refresher training.
 - 9. City Council direct the Executive Director of ML&S to report back to the appropriate standing committee on a strategy to collect funds from all non-accessible vehicles-for-hire to provide incentives to increase the number of on-demand, metered accessible taxicabs available to the public.

PART 3 – Proposed Changes to Taxicab Regulations

Taxicab Fares and Taxicab Brokers:

- 10. City Council permit Taxicab Brokerages to offer rates discounted from City-regulated rates if the passenger books the trip through the Taxicab Brokerage, effective immediately, where:
 - a. the taximeter can display the applicable rate to be charged for that trip;
 - b. the broker has set and posted its rates and/or discounts for taxicabs; and
 - c. the rate charged does not exceed the maximum fare as calculated by the meter at the City-regulated rates.
- 11. City Council not require that Taxicab Brokers pay the taxicab driver the difference between the discounted or flat rate and the City-regulated rate, effective immediately.
- 12. City Council require that taxicabs charge the City-regulated taxicab rate when a customer either street-hails or uses a cabstand to hire a taxicab and direct the Executive Director of ML&S to review the rate within the year.
- 13. City Council permit the use of electronic taximeters that meet security criteria and other standards to be established by the Executive Director of ML&S, and remove the current requirement to seal taximeters, effective immediately.

Taxicab Ownership and Licensing:

14. City Council delete the required minimum owner-operator hours for Ambassador taxicab, Toronto Taxicab, and Wheelchair Accessible taxicab owners.
15. City Council delete the requirement that a Toronto Taxicab Licence be issued upon the sale of a Standard or Ambassador taxicab.
16. City Council direct that all Ambassador taxicabs be deemed to be Standard Taxicabs, effective immediately.
17. City Council direct that when a Standard taxicab vehicle is sold, the new purchaser may be issued a Standard taxicab licence, subject to meeting the requirements of a qualified purchaser.
18. City Council remove restrictions that prohibit a person from owning more than one taxicab.
19. City Council remove the provisions that restricts taxicab owners from incorporating.

Taxicab Drivers:

20. City Council replace the existing taxicab and limousine driver licence classes and create a new "Vehicle-for-Hire Driver" licence class to permit licensed drivers to operate either taxicabs or limousines to be issued to all new taxicab or limousine driver applicants and to all existing taxicab or limousine drivers at the time of their licence renewal.
21. City Council direct amendments to the Drivers' Waiting List:
 - a. Remove the annual filing requirements for drivers to maintain their place on the Drivers' Waiting List; and
 - b. Freeze the Drivers' Waiting List effective May 4, 2016 (for those who are in good standing as at that date).
22. City Council direct the Executive Director, ML&S to report back once all drivers on the Drivers' Waiting List have been offered the opportunity to obtain a Toronto Taxicab licence with a proposal to address future taxicab licence issuance, as necessary.

Taxicab Vehicles, Inspections, and Insurance:

23. City Council amend taxicab vehicle requirements by permitting Ambassador and Standard taxicabs, effective immediately, to:
 - a. be any four-door vehicle, and removing the requirement for low emission/hybrid vehicles;

- b. be no more than 7 model years old, but be permitted to be licensed at any time within the 7 model years; and
 - c. carry a maximum of 7 passengers plus the driver.
24. City Council direct that the requirements for all taxicab vehicles to attend initial and semi-annual mechanical and fitness inspections at the City inspection centre, and attend all other inspections as necessary, remain.
25. City Council authorize the Executive Director, ML&S to undertake a review of the taxicab vehicle inspection process to assess options and the feasibility of alternative vehicle inspection programs, including undertaking any pilot programs, as appropriate.
26. City Council delete the requirement that snow tires be installed each winter.
27. City Council require that any advertising on taxicabs not interfere with or reduce visibility of taxicab identification and remove requirement that advertising on taxicabs be approved by ML&S.
28. City Council direct that the existing requirement for taxicab vehicles to carry insurance at \$2,000,000 dollars of liability coverage to protect passengers and drivers is retained.

Taxicab Training:

29. City Council delete the requirement that owners and drivers of non-accessible taxicabs complete initial and refresher training programs to obtain a licence, effective immediately.
30. City Council delete the requirement that taxicab drivers and owners complete CPR training and First Aid certification as a condition of licensing, effective immediately.
31. City Council delete the requirement for command of the English language as a condition of licensing, effective immediately.

Taxicab Management:

32. City Council establish a new licensing class for "Taxicab Operators". A Taxicab Operator is an individual or corporation responsible for the management or control of a taxicab vehicle on behalf of the owner. The Taxicab Operator may be listed as a co-owner of the vehicle used as a taxicab on the vehicle registration.
33. City Council require that individuals or corporations licensed as a Taxicab Operators must:
- a. rent taxicabs to licensed vehicle-for-hire drivers on a shift basis only;

- b. maintain a list of licensed drivers who are renting taxicabs from the Taxicab Operator and keep records for 12 months;
 - c. maintain records that detail date and time of which taxicab was rented by which driver and keep records for 12 months;
 - d. ensure that each taxicab:
 - i. is free from mechanical defects;
 - ii. is properly equipped as per the bylaw;
 - iii. has a clean exterior and interior;
 - iv. is in good repair as to its exterior and interior;
 - e. provide an itemized receipt to drivers for shift rentals, and maintain records of receipts for a minimum of one year;
 - f. ensure that place of business complies with zoning and all other applicable bylaws; and
 - g. provide records described above to ML&S within 5 business days of request.
34. City Council require that any individual or corporation who enters into an agreement assuming responsibility for the management or control of a vehicle operating as a taxicab must hold a Taxicab Operator's Licence.
35. City Council permit a Taxicab Operator to enter into agreements to manage or control more than one taxicab at a time.
36. City Council prohibit more than one Taxicab Operator from managing or having control of a single taxicab vehicle at any one time.
37. City Council require that a taxicab owner remains responsible for ensuring that the taxicab is maintained and managed in a manner that is compliant with the requirements of the Vehicle-for-Hire Bylaw, even when the owner engages a Taxicab Operator.
38. City Council require that taxicab owners file notice with ML&S if they have entered into an agreement with a Taxicab Operator, and ensure that this information remains current by advising ML&S in writing within 7 days of any change, in a form approved by the Executive Director, ML&S.
39. City Council direct that the effective date for implementation of the Taxicab Operator's licence be July 15, 2016, and permit a one year phase-in of the requirements, and that the application requirements for the licence be as prescribed in the general provisions of the bylaw.
40. City Council delete provisions governing lease agreements between taxicab owners and lessees.
41. City Council delete provisions regarding designated agents and designated custodians.

PART 4 – Proposed Changes to Limousine Regulations

Limousine Broker Regulations:

42. City Council replace the Limousine Service Company licence class with a Limousine Broker licence class, and require that Limousine Brokers:
 - a. set and post rates for limousines;
 - b. post business contact information for the public;
 - c. only dispatch licensed limousines driven by individuals holding valid Vehicle-for-Hire driver's licence;
 - d. keep records of every vehicle dispatched for 12 months, including:
 - i. Date and time of dispatch;
 - ii. Pick-up location and destination of every trip (by reference to closest intersection); and
 - iii. Name of limousine driver and owner.
 - e. provide ML&S a list of all drivers and owners who contract or are affiliated with the Limousine Broker, including the limousines' licence plate numbers, and file any changes with ML&S within 72 hours;
 - f. keep a record showing the total number of requests for service received;
 - g. provide records as described above to ML&S within 5 business days of request; and
 - h. define a Limousine Broker includes a "person" or multiple persons who, acting together, carry on the business of a limousine broker, despite the fact that no single one of those persons carries on the activity in its entirety, and such persons shall be subject to § 545-2A, and may be held jointly and severally responsible for each other's actions.

Limousine Fares:

43. City Council permit Limousine Brokers to set limousine rates, and delete the current minimum fare of \$70 per hour for the first two hours.

Limousine Ownership:

44. City Council delete the current licence issuance requirement of a stretch to sedan fleet ratio, and permit Limousine Brokers to determine the appropriate type and number of licensed limousines required for their business.
45. City Council require that all Limousine Owners affiliate with a Limousine Broker.

Limousine Operation:

46. City Council require that all Limousine trips be booked through a Limousine Broker. Limousines are not permitted to solicit rides or respond to street-hails.

47. City Council delete the requirement that limousines be booked 20 minutes in advance of a trip.

Limousine Vehicles, Inspection, and Insurance:

48. City Council amend Limousine vehicle requirements by:
 - a. permitting any four-door vehicle with a seating capacity of up to seven passengers plus the driver, except the passenger restriction does not apply to stretch limousines purpose-built or modified to provide an extended seating area; and
 - b. imposing a seven year restriction on the age of a vehicle to be operated as a limousine, except a stretch limousine for which an eight year restriction applies.
49. City Council delete the requirement for limousine vehicle inspections to be conducted by the City and require:
 - a. Limousine owners to file a valid Safety Standard Certificate issued by a Ministry of Transportation-licensed garage authorized to undertake such inspections upon application, and annually thereafter;
 - b. limousine drivers to carry the original or a copy of the most recent Safety Standards Certificate in the vehicle at all times; and
 - c. limousine drivers to produce the Safety Standards Certificate upon request of a Municipal Standards Officer or police officer.
50. City Council direct that all existing requirements for limousine vehicles, not amended, be retained such as:
 - a. current insurance requirements for limousines at \$2,000,000 of liability coverage to protect passengers and drivers; and
 - b. prohibition from having a roof light or any markings that could make the vehicle look like a taxicab.

Limousine Training:

51. City Council delete the requirement for limousine owners and drivers to complete the initial and refresher training programs as a condition of licensing, effective immediately.
52. City Council delete the requirement for limousine owners and drivers to complete CPR training and obtain First Aid certification as a condition of licensing, effective immediately.
53. City Council delete the requirement for command of the English language as a condition of licensing, effective immediately.

PART 5 – Proposed Regulations for Private Transportation Companies (PTCs)

Private Transportation Company Licensing:

54. City Council establish a new licensing class "Private Transportation Companies" or "PTCs" that regulate:
 - a. Any person who offers, operates, or facilitates transportation services for compensation using software, an application, or a telecommunications platform (a "Platform") to communicate with passengers and PTC Drivers.
 - b. Any person facilitating transportation that satisfies the definition of carpooling pursuant to the *Public Vehicles Act* will not be a PTC; and
 - c. In this definition "person" includes multiple persons who, acting together, carry on the business of a PTC, despite the fact that no single one of those persons carries on the activity in its entirety, and such persons shall be subject to § 545-2A, and may be held jointly and severally responsible for each others' actions.

55. Any PTC offering, operating, or facilitating transportation commencing within the City requires a PTC licence.

56. City Council require that, at the time of their application for a PTC Licence, the PTC submit in an electronic format satisfactory to the Executive Director, ML&S, information sufficient to describe or demonstrate:
 - a. the legal relationship between any persons that, acting together, carry on the business of a PTC, if applicable to an applicant;
 - b. that the PTC will have the ability to meet minimum data security and data provisions to ML&S as per the business licence requirements;
 - c. that the PTC has appropriate agreements, contracts and/or processes in place to screen the criminal and driving histories of drivers providing transportation to passengers through the PTC's Platform, and to provide such provisions to ML&S per the licence requirements;
 - d. that the PTC maintains and can produce, as and when required by ML&S or law enforcement, all records in accordance with the licence requirements;
 - e. that the PTC maintains and will provide regular daily or weekly updates to the City the records of drivers that have contracted with it to provide services through the PTC's Platform;
 - f. the PTC's registered business address in the Province of Ontario; and
 - g. an indemnity in favour of the City of Toronto from and against claims, demands, losses, costs, damages, actions, suits, or proceedings that arise out of or are attributable to the PTC's business and services.

57. City Council require that all PTC licences under the Vehicle-for-Hire bylaw be issued subject to a six-month probationary period. During the probationary period, the Executive Director, ML&S, may conduct random audits or investigations to evaluate compliance with the bylaw and suspend or place conditions upon the

licence, with a hearing, for up to 14 days at his or her discretion if he or she has reasonable grounds to conclude that the continued operation of the business poses an immediate danger to health or safety of any person or to property.

58. City Council require that a PTC licence be renewed annually. At the time of each renewal, the PTC will be required to provide documentation sufficient to satisfy the Executive Director, ML&S that it has and will continue to meet the PTC licence requirements.

PTC Record Keeping:

59. City Council require that, for licensing enforcement purposes, the PTC provide ML&S with daily electronic records of drivers, in an industry standard format as specified by ML&S. Records to include the following information about drivers providing transportation services to passengers travelling within or from the City:
- a. Driver full name;
 - b. Driver Provincial licence plate number;
 - c. Driver licence number; and
 - d. Make and model of vehicle.
60. City Council require that a PTC:
- a. prior to the collection of any personal information, obtain consent for the collection and potential disclosure of personal information to the City for the purposes permitted by the bylaw from individuals applying or registering as drivers to provide transportation services to passengers within or from the City;
 - b. maintain Criminal Record checks and Driver's Records checks for all drivers permitted by the PTC to provide transportation commencing in the City;
 - c. maintain records of completion and renewal proving that driver successfully meets Screening Criteria, as mandated by the City;
 - d. comply with any request for the foregoing information or any request for reports based on the foregoing information that are made by the Executive Director, ML&S;
 - e. provide the information requested in the format prescribed by the Executive Director within 30 days of the request; and
 - f. be prohibited from imposing a mandatory arbitration clause on individuals accepting or making requests for service commencing in Toronto through the PTC or requiring the law of the Netherlands to be applied in relation to use of the PTC Platform in Toronto.
61. City Council require that a PTC maintain business records that include the following information:
- a. For trips involving one passenger commencing or terminating in the City:
 - i. pick up location and destination (by reference to the intersection);
 - ii. date/time the trip commenced and terminated; and

- iii. length of time elapsing between the passenger's service request and commencement of the trip.
 - b. For trips involving more than one passenger/fare commenced or terminating within the City:
 - i. total number of passengers paying separate fares;
 - ii. pick up location(s) and destination(s) (by reference to the intersection) for each trip;
 - iii. date/times the trip commenced and terminated;
 - iv. length of time that elapsed between the time the passenger(s) requested service and the trip commenced for each passenger;
 - v. the fare(s) paid for the trip; and
 - vi. number of trips involving multiple passengers paying separate fares.
 - c. Where requests made for trips to commence or terminate in the City that were not provided as a result of driver cancellation:
 - i. Pick-up location and destination (by reference to the intersection); and
 - ii. date/time the trip was requested.
 - d. Average bi-directional PTC traffic volumes by roadway link on an hourly basis.
62. City Council require that a PTC maintain and provide driver and vehicle records for all trips commencing in the City, including:
- a. driver name;
 - b. vehicle licence plate number;
 - c. type of service;
 - d. total hours/minutes the driver was available to provide transportation services through the Platform for requested time period;
 - e. data reflecting the following periods:
 - i. Period 1: time period beginning when a PTC Driver has logged onto a PTC Platform and indicated that they are available to receive or agree to passenger trip requests;
 - ii. Period 2: time period beginning when a PTC trip is arranged and concluding when a PTC Driver has arrived at a location to pick up a passenger; and
 - iii. Period 3: time period beginning when a PTC Driver picks up a passenger(s) and concluding when the passenger(s) has arrived at their destination(s).
63. City Council require the PTC to submit to audits of their records as requested by the Executive Director, ML&S.
64. City Council require that where information is needed for law enforcement purposes, the PTC must make records available within 24 hours.
65. City Council require the PTC to keep records for a minimum of three years.

66. City Council require PTCs to provide a phone number and e-mail address to which the City may send any communications, including any requests for information required to be provided pursuant to the bylaw and the name of the individual responsible for receiving such communications.
67. City Council require PTCs to create passenger and driver accounts for use by the City for law enforcement purposes, upon request, and prohibit the PTC from obstructing access to those accounts.
68. City Council require a PTC to disclose on its Platform and make available for the public:
 - a. rates to be charged;
 - b. the criteria applied by the PTC to drivers and vehicles allowed to operate on or through the Platform;
 - c. information on the types or categories of services available to passengers through the Platform and the distinctions between these categories or types of service, if any, including whether drivers registered or affiliated with the PTC and providing service in any category are licensed by ML&S;
 - d. a plain-language explanation of their insurance coverage, including detailed information on how to initiate a claim; and
 - e. advise that personal information collected by the PTC may be disclosed to the City for the purposes of licensing enforcement when the passenger obtains transportation services within or from the City.

PTC Driver Requirements:

69. City Council define a PTC Driver as any person providing transportation to passengers for compensation through a PTC. Persons providing transportation that meets the definition of carpooling under the *Public Vehicles Act* shall not be defined as PTC Drivers.
70. City Council require the PTC to ensure that permitted PTC Drivers are at least 18 years old and hold unrestricted Class G Ontario driver's licence.
71. City Council require that in advance of allowing drivers to use the PTC Platform, the PTC must require that drivers:
 - a. provide a current copy of their Ontario Drivers Licence and vehicle registration;
 - b. must pass Screening Criteria as prescribed by the Executive Director of ML&S;
 - c. provide confirmation that their personal insurance company has been advised that they offer or intend to offer transportation through a PTC;
 - d. consent to disclosure of all information provided to PTC to the City and/or law enforcement if requested by City or law enforcement for the purpose

- of auditing compliance with the bylaw, investigating complaints or potential breaches of the bylaw, or general law enforcement purposes;
 - e. only permit the owner of a vehicle to be offering transportation through the Platform or confirmation that the owner understands that they are legally responsible for any contraventions of the bylaw when their vehicle is being operated to deliver rides through the PTC Platform.
72. City Council prohibit PTC drivers from picking up passengers at cabstands, soliciting rides, and responding to street-hails, and hold both the PTC and PTC Driver responsible for any contravention of this prohibition.
73. City Council require that upon request of Municipal Standards Officers, PTC Drivers produce:
- a. driver licence;
 - b. proof of applicable insurance; and
 - c. evidence of a trip in progress or the last completed trip.

PTC Vehicles, Inspections and Insurance:

74. City Council require that vehicles used to provide transportation through a PTC (“PTC Vehicles”) have four doors, and be no more than 7 model years old.
75. City Council require that all PTC Vehicles pass annual mechanical inspections, as prescribed by the Ministry of Transportation, including:
- a. PTC vehicle owner to file a valid Safety Standard Certificate issued by a Ministry of Transportation-licensed garage authorized to undertake such inspections upon application, and annually thereafter;
 - b. PTC drivers to carry the original or a copy of the most recent Safety Standards Certificate in the vehicle at all times; and
 - c. PTC drivers to produce the Safety Standards Certificate upon request of a Municipal Standards Officer or police officer.
76. City Council require a PTC Vehicle owner or driver to submit their vehicle for inspection by a licensed mechanic within 24 hours of being directed by ML&S to do so, and prohibit the PTC driver from providing transportation until a mechanic has provided a Safety Standards Certificate confirming that the vehicle is fit to be driven.
77. City Council prohibit PTC Vehicles from having a roof light or any markings that could make the vehicle look like a taxicab or identify it as available for hire.
78. City Council require that a PTC ensure all PTC drivers and vehicles have Automobile Liability Insurance with limits of not less than \$2,000,000 inclusive per occurrence for bodily injury, death, and damage to property, and inclusive of such requirements as set out below in the body of the report.

79. City Council require a PTC to have commercial general liability business insurance coverage of at least \$5,000,000, and inclusive of such requirements as set out below in the body of the report.

PTC Fares:

80. City Council permit PTC to set rates for fares, and require them to:
- a. clearly and transparently communicate the amount of all rates to be charged; and
 - b. ensure a record is maintained that the passenger accepted the rate prior to the trip commencing.
81. City Council require that before a trip commences, a PTC must provide passengers with the following information:
- a. vehicle make and model;
 - b. PTC Driver first name;
 - c. PTC Driver's licence plate number; and
 - d. PTC Driver photo, upon request.
82. City Council require a PTC to provide a print or electronic receipt to the passenger at the conclusion of every trip. The receipt provided must include information on:
- a. All rates, fees and/or surcharges charged for the trip;
 - b. Total amount paid;
 - c. Date and time of trip;
 - d. Location at which the passenger was picked up and location to which the passenger was driven;
 - e. Driver first name and provincial licence plate number; and
 - f. Total time and distance of trip.

PART 6 – Increased Penalties for Breaches of Licensing Requirements

83. City Council establish special fines that may apply in addition to the regular fine imposed for a contravention of the bylaw where it is determined that the conduct could have resulted in economic advantage or gain to the party found to have breached the bylaw.
84. City Council require that the maximum penalty provisions apply to licensees who fail to comply with any provisions related to record retention, record disclosure to ML&S, or audits.
85. City Council establish that directors or officers of a corporation knowingly concurring in the contravention of any offence under the bylaw by the corporation are guilty of an offence.

PART 7 – Administrative Recommendations

86. City Council delegate to the Executive Director, ML&S, the authority to issue interpretation bulletins or guidelines on matters relating to the Vehicle-for-Hire bylaw when enacted from time to time, as she or he deems advisable or necessary.
87. City Council delegate to the Executive Director of ML&S, the authority to establish policies and guidelines with respect to public safety and to establish thresholds for criminal and background screening, driving record checks, and other standards applicable to the issuance and renewal of all Vehicle-for-Hire licences and to a driver's access to and use of a PTC Platform, referenced as "Screening Criteria" as outlined in Attachment 2.
88. City Council remove all existing restrictions on exclusive concession agreements and permit all licensees governed by the Vehicle-for-Hire bylaw to contract with property owners to provide exclusive services at particular locations, effective immediately.
89. City Council authorize the City Solicitor to review and make revisions to the remaining parts of the bylaw to ensure consistency with provisions that are governed by other municipal and provincial legislation.
90. City Council approve amendments to reduce administrative requirements by deleting sections in the bylaw, as described in Attachment 3.
91. City Council direct the City Solicitor to import all relevant general provisions, excluding Appendix K, and including all taxicab and limousine related schedules and articles from the Toronto Municipal Code, Chapter 545, Licensing, to facilitate the creation of the new Vehicle-for-Hire Bylaw, as prescribed, and including amendments as deemed necessary.
92. City Council direct that the City Solicitor may report directly to Council for instructions if, in the course of drafting the bylaw, she determines that there are provisions or issues relating to taxicab, limousine, or PTC licensing on which further instruction is appropriate.

PART 8 – Licensing Fees

93. City Council amend Chapter 441 to reflect revised Taxicab and Limousine licensing fees, retroactively effective January 1, 2016, detailed in Attachment 4.
94. City Council amend Chapter 441 by adding a new Vehicle-for-Hire Drivers licensing class:
 - a. Application fee: \$290
 - b. Annual Renewal fee: \$290

95. City Council amend Chapter 441 by adding a new Taxicab Operators licensing class:
 - a. Application fee: \$500
 - b. Annual Renewal fee: \$300

96. City Council amend Chapter 441 by adding a new Private Transportation Company licensing class with a scalable licensing fee structure of:
 - a. Application fee: \$20,000 (non-refundable);
 - b. Provisional licence issuance fee of \$10 per Driver: calculated based on the number of affiliated PTC Drivers at licence issuance;
 - c. Per trip fee: \$0.20 per trip originating in Toronto, submitted weekly and commencing the date that the provisional licence is issued;
 - d. 3-month provisional licence fee of \$10 per Driver: calculated based on average number of affiliated PTC Drivers in the preceding 3-month period, less the provisional licence issuance fee paid on date of provisional licence issuance; and
 - e. Licence renewal fee: calculated based on the number of affiliated PTC Drivers in the 3-month period prior to licence renewal.

97. City Council direct the Executive Director, ML&S to undertake the work necessary to issue any refunds resulting from the retroactive fee reductions and/or the waiving of existing fees.

98. City Council approve a net overall increase to ML&S divisional complement by 10 FTE comprised of 5 permanent and 5 temporary full-time FTE.

99. City Council direct the Executive Director, ML&S to take efforts to manage expenditures to mitigate the 2016 financial impact associated with the timing of the proposed changes.

100. City Council direct the Executive Director, ML&S to report through the 2017 budget process on full-year budget impacts of the proposed changes.

Other Recommendations:

101. City Council direct that all provisions of the new Vehicle-for-Hire bylaw, including the amendments to licensing fees in Chapter 441, will come into effect on July 15, 2016 unless otherwise stated.

102. City Council request the Ministry of Finance to approve new flexible insurance products for the taxicab industry.

103. City Council request the Province of Ontario to make amendments to the *Highway Traffic Act* to strengthen enforcement powers and amend penalties in relation to municipal vehicle-for-hire bylaws, including the ability to:
- a. tie outstanding violations to plate denial;
 - b. issue higher fines (not less than \$500 and no more than \$30,000);
 - c. apply demerit points for non-compliance; and
 - d. impose administrative licence suspensions.

Financial Impact

This report outlines a proposed new vehicle-for-hire regulatory framework, which will require a shift in the roles and responsibilities needed to administer, regulate and enforce such a regulatory regime. This change will result in the repurposing of existing resources and an overall net increase of 10 FTE to the ML&S 2016 approved complement (5 permanent and 5 temporary full-time).

It is anticipated that an additional \$1.316 million in annual expenditures will be required to implement this new regulatory framework.

- An additional \$0.400 million in one-time start-up costs will also be required for investment in IT infrastructure needed for Private Transportation Companies record keeping.

Existing Taxicab and Limousine licensing fees will also be adjusted; and new licensing fees for PTC implemented, based on the full costing review of the new regulatory framework, as conducted by a third party consultant. All fee changes have been detailed in Attachment 4 to this report.

These fee changes as reflected in the table below will result in the following:

- Reduce fees and associated revenue collected from Taxicab and Limousine licensing;
- Implement a new fee to fully recover ML&S's administration and enforcements costs resulting from regulatory oversight of PTCs; and
- An overall increase in annual revenues of \$1.316 million, which offsets increased annual costs associated with the proposed new vehicle-for-hire regulatory framework.

The impact of these fee changes are reflected in the table below:

Category (\$000s)	Budgeted Revenue*	Proposed Revenue	Total Revenue Change
Taxicab Licensing	\$10,146	\$8,241	-\$1,905
Limousine Licensing	\$1,094	\$861	-\$234
Private Transportation Company Licensing	N/A	\$3,455	\$3,455
Total Revenue Impact:	\$11,240	\$12,556	\$1,316

*Budgeted Revenue includes the impact of the 2016 freeze to Taxicab Licensing (\$222,000 revenue impact)

While the recommendation contained in this report are cost/revenue neutral on an annual basis, it is estimated that the timing of the proposed changes will result in a 2016 unfavourable variance of \$580,000, plus and up to \$400,000, in additional one-time start-up cost that will need to be managed through expenditure control.

- The potential 2016 variance primarily results from the reduction to Taxicab and Limousine fees retroactive to January 1st, 2016, while new fees applicable to PTCs cannot be implemented until Council approval of the new vehicle-for-hire regulatory framework, estimated to be July 1, 2016. Any delay in the implementation will increase the variance.

All costs and revenue assumptions are based on current volume estimates associated with the proposed framework. ML&S staff will monitor activity monthly and report quarterly throughout the year as part of variance reporting.

- The Executive Director of ML&S will manage expenditures as required based on any variance identified through monthly monitoring.
- Any further adjustments to expenditures and/or revenues will be addressed as part of the 2017 Budget Process.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

July 7, 2015, City Council directed the Executive Director, Municipal Licensing and Standards, to review the operations of Uber and technologies like it and assess the interests of the public and the impact on the current taxicab industry.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.MM8.28>

September 30, 2015, City Council directed the Executive Director, Municipal Licensing and Standards to report on a framework to equitably regulate all ground transportation

providers, including taxis, limos and vehicle-for-hire services to level the playing field and consider the City of Toronto's accessibility objectives in the ground transportation industry.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.LS6.1>

ISSUE BACKGROUND

The Toronto taxicab and limousine industries employ or support approximately 25,000 individuals and families. They are Standard Taxicab owners, Ambassador Taxicab owners, Toronto Taxicab owners, taxicab drivers, brokerages and fleet garages. The Limousine industry is supported by Limousine owners, limousine drivers, Limousine Service Companies and all of the related administrative and mechanic staff in each industry.

The City of Toronto has regulated the taxicab and limousine industries for more than 100 years. Toronto licenses and limits the number of taxicabs and limousines that transport passengers for a fare. The City has the authority to impose these licence requirements and limitations under the *City of Toronto Act (COTA)* and it has done so because these requirements were considered important for consumer protection, public safety and the economic and environmental health of the City.

The regulations for taxicabs and limousines have undergone numerous changes throughout the years, with the most significant reforms having occurred in 1998, 2005, and 2014 as the City sought to advance these overarching objectives through improved regulation.

The following is an overview of the current scale of the ground transportation industry in Toronto:

Taxicab Industry in Toronto

- Approximately 5,000 licensed taxicabs
- Restricted-entry to issuance of taxicab licences
- Approximately 9,500 licensed taxicab drivers
- Numerous other participants, such as fleet operators and brokers
- Approximately 65,000 trips per day
- Taxicabs are available through booking, but are also the only vehicle-for-hire permitted to pick-up street-hails
- Taxicabs are required to charge the fare prescribed by the City

Limousine Industry in Toronto

- Approximately 950 licensed limousine owners
- Issuance of limousine owner licences based on a stretch to sedan ratio
- Approximately 1,500 licensed limousine drivers

- The volume of limousine trips taken in the City is not known, as the City does not require the collection or submission of this information
- Limousines are available by booking with a Limousine Service Company
- Limousines are required to charge the fare prescribed by the City (flat rate minimum of \$70 for each of the first two hours)

Overview and Scale of Uber Operations in Toronto

- Started dispatching limousines and taxicabs in 2012
- Commenced UberX in September 2014
- Uber reports 45,000 trips per day
- Uber reports 15,000 active Uber driver-partners
- Average "active" tenure of a driver is 3 months

Summary of the Ground Transportation Review Process

Consultations

The consultation processes with the industry and the public was undertaken in two phases, the first commencing in July 2015, the results of which were included in the September 30, 2015 report to City Council. Subsequent to receiving Council direction, the consultation process continued, and was completed in March, 2016.

City staff undertook a series of industry stakeholder roundtables to seek information related to the impact of Uber's operations on taxicab and limousine industries and how the City might change the regulations governing their operations.

In totality, the consultation process was comprised of:

1. *Industry stakeholder meetings:* Staff engaged 150 participants through 13 stakeholder meetings with taxicab and limousine industry representatives, and representatives from Uber and Lyft.
2. *Dedicated e-mail and website:* Created direct e-mail and dedicated website to provide overview of the process, including scope of review and ways to participate.
3. *Online survey for public input:* In August 2015, staff posted an online survey for the general public. There were over 73,000 responses collected by the public providing their opinion of Toronto's ground transportation system.
4. *Online survey for industry stakeholders:* In August 2015, staff posted an online survey, resulting in 6,300 responses from those identifying themselves as industry stakeholders, including UberX drivers.

5. *Ipsos-Reid research*: Ipsos Reid was hired by the City to conduct independent qualitative and quantitative research through surveys, focus groups and interviews. This research included:
 - *General Population Survey*: Representative online survey of 1,004 Toronto residents. Ipsos verified that the sample is representative of the population of the City of Toronto by age, gender and region.
 - *Focus Groups*: Six focus groups with residents of Toronto, comprised of taxicab, limousine, and Uber service users.
 - *24 In-Depth Interviews*: Six with Taxicab drivers, six with Limousine drivers, six with UberX, drivers and six with accessible taxicab users.
6. *Ipsos Reid Taxicab Driver Survey*: Ipsos Reid was hired to conduct representative phone survey of 500 licensed taxicab drivers, aimed at soliciting feedback on potential changes.
7. *Received Written Submissions*: The City accepted written submissions from industry participants, including Toronto Taxi Alliance, Fleet Operators Association, Beck Taxi, Uber, Lyft, Limousine Association, etc., and other organizations, such as the Competition Bureau of Canada.
8. *Presentations* at Disability, Access and Inclusion Committee, and meetings with OCAD Inclusive Design Research Centre representatives.
9. *Collaboration with MaRS Solutions Lab*: Conducted three co-design workshops with various industry and government stakeholders, to develop recommendations for consideration in drafting regulation, including Transportation regulations related to Uber.

Jurisdictional Scans

Global Review

Staff have undertaken an extensive review of over 25 jurisdictions across the world where Uber, and other like companies are operating. In Europe, some jurisdictions have implemented a ban and taken significant enforcement action. However, this has been done at a national level (i.e. – Germany, France, etc.)

Staff have been in contact with and reviewed the report of the lead consultant hired by the state of New South Wales, Australia, where an entire new regulatory framework governing taxicabs, limousines, and Uber has been adopted and is being implemented.

In the United States, there have been a variety of jurisdictional responses, either at one or both of a state and municipal level. There are a number of jurisdictions where a regulatory regime has been implemented to permit Uber and like companies and jurisdictions whose governments are continuing to undertake legislative reviews,

including changes to their taxicab and limousine regulations (i.e. – Chicago and New York).

Canadian Review

Since November 2014, City staff have been in contact with municipal regulators across Canadian cities, many where Uber has already started operating, and others where staff are preparing for their entry. All jurisdictions are attempting to understand and develop a path to address and/or prepare for the regulatory challenge. Of the cities with whom we have been in ongoing dialogue, there are three that have recently presented and/or have enacted new regulatory frameworks, namely Calgary, Edmonton, and Ottawa. Along with Toronto, these cities have undertaken comprehensive reviews of their existing licensing regimes, and have considered or are considering proposals to address the emergence of companies like Uber.

Edmonton, Alberta

On January 26, 2016, Edmonton City Council approved a new "Vehicle for Hire Bylaw 17400", which amended their existing regulations for taxicabs and limousines, and created a new regulation for "Private Transportation Providers" ("PTPs"), including Uber. The new regulations came into force on March 1, 2016.

Calgary, Alberta

On February 22, 2016, Calgary City Council approved amendments to the Livery Transport Bylaw, which included amendments to their existing regulations for taxicabs and limousines and created a new regulation to permit "Transportation Network Companies" ("TNCs") to operate in the city. The new regulations come into effect April 1, 2016.

The Alberta Superintendent of Insurance has indicated that insurance products necessary to enable TNCs to meet licence requirements will not be available until July 1, 2016. Uber has ceased operating in Edmonton and Calgary since the approval of the new regulations.

Ottawa, Ontario

In preparation of this report, City staff have consulted with staff counterparts at the City of Ottawa. Ottawa City Council directed staff to undertake a review of their Taxicab regulations, and procured a third-party consultant (KPMG) to support the development of this work.

On March 31, 2016, the City of Ottawa released a staff report proposing recommendations on regulating vehicle-for-hire, to be discussed at the April 7, 2016 Community and Protective Services Committee meeting. Proposed recommendations largely align with recommendations proposed herein.

Attachment 1 compares the proposed and enacted regulations in these Canadian jurisdictions with regulations proposed for the City of Toronto.

COMMENTS

This report outlines staff recommendations that reframe the City's regulatory role, ensuring it remains focused on public health and safety, consumer protection, and the economic and environmental well-being of the City, while also reducing its involvement in industry activities that have evolved over time, and removing regulatory barriers that hinder competition.

One of the most fundamental differences between the existing taxicab and limousine industries is the manner they operate and opportunities they have to connect with passengers. Taxicabs are the only vehicles permitted to use cabstands or respond to passenger street-hails, in addition to accepting requests for service via telephone, internet or an online application. Limousines must be booked through a broker.

Staff have studied the operational aspects of the various vehicles-for-hire, and for the purposes of determining the appropriate balance of regulation, have differentiated them across two categories:

- Street-hail vehicles (taxicabs)
- Booked vehicles (currently limousines and services Uber provides)

Taxicabs

Street-hail vehicles are an important part of an on-demand transportation network. Where density permits, many people rely on taxicabs available by street-hail or at cabstands.

Vehicles that are available by street-hail or at cabstands require a higher level of regulation. This is because these transactions are anonymous, the passenger and driver do not exchange information in advance with respect to pricing and driver and passenger identity. This anonymity presents risks for both the driver and the passenger.

Taxicab driving is one of the most dangerous professions due to the inherent risks of serving anonymous passengers at cabstands or through street-hails. Equally for passengers, they often enter and exit taxicabs without ever having obtained the identity of the driver or the identifying aspects of the vehicle. This is especially a concern in respect to passengers who are seniors or otherwise vulnerable persons.

Booked Vehicles: Limousines and PTC Vehicles

Booked vehicles must be pre-arranged, which means that passengers have informed themselves to the extent that they have selected a particular service provider, requested service, and arrange pick up in advance of the trip. This allows for the exchange of at least some information and may operate for the safety of passengers and drivers.

For this reason, and as has historically been the case with limousine regulations, vehicles that are booked may be subjected to a different level of regulation compared to street-hail vehicles. When a vehicle is booked in advance, the passenger is contracting with a company and there is an opportunity to agree on terms such as pricing and the level of

service provided. Booked vehicle companies and drivers have basic information on the passenger who has booked the trip, such as passenger name and contact information.

Staff Recommendations and Rationale

PART 1 – CREATE NEW VEHICLE-FOR-HIRE BYLAW

Staff are recommending the creation of a new bylaw governing all licence classes involved in the operation of taxicabs, limousines, and private vehicles being operated as PTC Vehicles.

The proposed new bylaw will be comprised of the Articles and Schedules currently found in Toronto Municipal Code Chapter 545, Licensing, that relate to taxicabs and limousines, as amended by this report.

The new bylaw will also prescribe the regulations for the new licence classes resulting from the outcomes of this report.

The new bylaw will include all relevant content from Toronto Municipal Code Chapter 545, Licensing, including the applicable definitions and all general provisions necessary to operationalize the bylaw such as those related to the Toronto Licensing Tribunal and licence application requirements.

Summary of Proposed Bylaw

All taxicabs, limousines, and PTCs facilitating transportation for the public will be licensed according to the requirements prescribed in the "Vehicle-for-Hire" Bylaw. All operators will be subject to the same level of oversight, varied only where necessary based on risk and operational differences.

Table 1: Overview of Requirements on Vehicles-For-Hire

	Taxicabs	Booked Vehicle	
		<i>Limousines</i>	<i>Private Transportation Company (PTC) vehicles</i>
Number of Vehicles Permitted	Limited/restricted based on City issuance of licenses	Unlimited/unrestricted	Unlimited/unrestricted
Public access to service	Street-hail, Cabstand or booked through Taxicab Broker.	Must be booked through a Limousine Broker.	Must be booked through a PTC.

Fares	Rate is City regulated for street-hail/cabstand and is the maximum fare. Rate may be discounted when booked through Taxicab Broker. Discounted fares must be displayed and calculated using meter. Electronic meters permitted.	Rate is set by Limousine Broker. Information on rates must be available to passengers before trip.	Rate is set by the PTC. Information on rates must be available to passengers before trip.
Driver Screening	City standard background check and driving history Conducted by the City.	City standard background check and driving history Conducted by the City.	City standard background check and driving history Conducted by PTC. Audited by City.
Operation	Vehicles can operate independently and/or affiliate with Taxicab Broker	Vehicles cannot operate independently. Must affiliate with a Limousine Broker.	Vehicles cannot operate independently. Must affiliate with a PTC.
Training	No City mandated training (except for accessible)	No City mandated training	No City mandated training
Vehicle Type	Four-door vehicle	Four-door vehicle	Four-door vehicle
Vehicle Age	Maximum 7 model years	Maximum 7 model years	Maximum 7 model years
Vehicle Requirements	Must have roof light, taximeter, camera and taxicab license plate. Can have advertising.	Must have limousine licence plate. Cannot have any markings or advertising.	Cannot have any markings or advertising.
Mechanical Inspections	Twice a year City-run mechanical and vehicle quality inspection	Annual Safety Standards Certificate	Annual Safety Standards Certificate
Vehicle Insurance Coverage	\$2 million coverage	\$2 million coverage	\$2 million coverage

Vehicle-For-Hire Categories

Within the proposed new Vehicle-for-Hire Bylaw, based on the recommendations in the report, there will be several categories that will capture the drivers, owners, and brokers of vehicles-for-hire.

Table 2: Vehicle-for-Hire Categories

	Types	Description	Summary of Regulations
Brokers	Taxicab Broker	City-issued licence issued to company that dispatches taxicabs (e.g., Beck Taxi, Co-Op Taxi, Royal Taxi).	Required to retain records of all trips and submit to City on demand
	Limousine Broker	City-issued licence issued to company that dispatches limousines (e.g., Rosedale Livery). Current licensing class of 'Limousine Service Company' is replaced by this category.	Required to retain records of all trips and submit to City on demand
	Private Transportation Company (PTC)	City-issued licence issued to company that dispatches PTC vehicles (e.g., UberX, Lyft). New licensing class.	Responsible for reviewing qualifications of individuals to be drivers with PTC in accordance with this bylaw. Required to retain records relating to individuals authorized to provide transportation through the PTC and for trips provided. Records to be submitted to City at a frequency prescribed and on demand.
Drivers	Vehicle-for-Hire Driver	City-issued licence Must meet City regulated standards and submit required documentation to the City for screening	VFH Driver is licensed to operate taxicabs and/or limousines. City receives and reviews qualifications of individuals in accordance with this bylaw. Retains application records and issues a license
	PTC driver	No City-issued licence Must meet City regulated standards Required documentation is collected by the PTC (e.g.	PTC Driver is permitted by PTC to operate private vehicles. City receives electronic record of permitted drivers at prescribed frequency.

		Criminal record check, driver's record, vehicle information)	PTC records are subject to audit by the City
Owners	Taxicab Owner	<ul style="list-style-type: none"> ➤ Standard Taxicab ➤ Ambassador Taxicab ➤ City-issued licence 	May operate a sedan vehicle
		<ul style="list-style-type: none"> ➤ Toronto Taxicab ➤ Wheelchair Taxicab ➤ City-issued licence 	Wheelchair accessible vehicle required
	Limousine Owner	<ul style="list-style-type: none"> ➤ Limousine Owner ➤ City-issued licence 	Must be booked through Limousine Broker
Taxicab Operators	Taxicab Operator's Licence	Required for any person responsible for operation or management of a taxicab City-issued licence	Common management of multiple taxicabs permitted

PART 2 – VEHICLE-FOR-HIRE ACCESSIBILITY STRATEGY

The City must continue towards service equivalency for metered on-demand wheelchair accessible taxicab service. Despite having significantly increased the number of accessible Toronto taxicabs to approximately 12% of the fleet, accessible taxicab demand is still not being met. This review will outline a strategy for a variety of immediate and longer-term initiatives to advance equivalent service, which will engage the entire ground transportation industry.

The *Accessibility for Ontarians with Disabilities Act* requires that the City has a plan to accommodate accessible passengers within taxicabs. As a fundamental component of the Taxicab Industry review presented to City Council in February 2014, staff presented a plan to advance wheelchair accessible metered on-demand taxicab service, through an immediate issuance of Toronto Taxicab licences, and a gradual transition of all taxicabs to a 100% wheelchair accessible vehicles upon sale. It was estimated that this transition would take more than 30 to 50 years.

The 2014 report established goals to reach 6% wheelchair accessibility in the taxicab fleet by June, 2015, reach service equivalency for booked accessible taxicabs by 2019, and reach service equivalency for hailed taxicabs by 2025.

Despite the fact that these changes have resulted in approximately 12% of the taxicab fleet being accessible, at the April 2015 Disabilities Issues Committee staff received feedback that metered on demand taxicab service was still not available.

At a February 2016 meeting, the Disability, Access and Inclusion Committee, supported by other advocates, stated that the availability of service was still a challenge, though the situation had begun to improve. Some of this improvement may be as a result of services offered by Uber, such as the UberWAV service that matches passengers requiring accessible transportation with drivers of wheelchair accessible vehicles.

Staff also received data from a couple of Taxicab Brokerages to determine the service levels for requests for wheelchair accessible taxicabs. It is evident that a 12% accessible taxicab fleet does not meet the service equivalency standards from the 2014 Review for people requiring wheelchair accessible taxicabs.

As this report is recommending an expansion of vehicle-for-hire options, there is an opportunity to broaden the contributions of industry participants to provide accessible service and/or provide financial incentives to increase availability of accessibility services for the public.

The recommendations in this report will accelerate the timeline to attain service equivalence, result in approximately 25% wheelchair accessibility in the taxicab fleet, and will engage other industry participants in the provision of the service.

Issue 200 New Toronto Taxicab Licences Over Each of the Next 5 Years

It is recommended that the City issue 200 new TTLs to the driver's waiting list each of the next five years, or until the list is exhausted. This will result in approximately 25% of Toronto's taxicab fleet being accessible by 2021.

The proposal to issue 200 TTLs each year over five years allows for a slow release of new taxicab licences that will improve access to service while also allowing time for the market to respond. The City will continue to monitor wait times for wheelchair accessible taxicab service and make recommendations to Council as needed.

Waive Application and Renewal Fees

It is recommended that the City waive the application and renewal fees for TTL owners, Wheelchair accessible taxicab owners, and Standard and Ambassador Taxicab owners who have a D409 compliant wheelchair accessible vehicle.

Increased program costs related to licensing, enforcement, and prosecution would be offset by fees collected from the balance of the industry.

Waive Training Fees for Accessible Taxicab Owners and Drivers

Staff recommend waiving training fees to reduce any cost barriers for drivers to become trained to provide accessible service. With this proposed change, the City's training expenses will be offset by the licensing fees paid by the balance of the industry.

Impose an Accessibility Service Threshold Requirement on PTC's

To ensure that those with accessibility needs have equivalent access to accessible vehicle-for-hire services, the proposed bylaw will require that any PTC with more than 500 affiliated vehicles will be required to provide accessible services at the same cost and with comparable wait times to non-accessible services, and regularly report on their service delivery outcomes.

Accessible PTC services means that wheelchair accessible vehicles must be available when requested to provide transportation to passengers with accessibility or assistive

needs within wait times that are comparable to non-accessible services and at fares that are the same as non-accessible PTC services being provided in the area and at the time that the accessible service is provided.

"Comparable wait times" means that the time elapsed between the passengers request for service and the arrival of a vehicle at the passenger's location in response to that request is within 10 minutes, which was the industry average wait time in 2014.

While PTCs with fewer than 500 affiliated vehicles will be encouraged to provide accessible services, they are not required to provide accessible service equivalency. This requirement is considered suitable for larger PTCs that have the capacity to deliver equitable services and report on these services to ML&S. Imposing the same requirements on PTCs with fewer than 500 vehicles affiliated with it would likely operate as a barrier to entry for other PTCs.

The proposed PTC regulations will require PTCs to report as prescribed on accessible service delivery, including information on average wait times and fares of accessible PTC vehicles, in an electronic format as prescribed by the Executive Director, ML&S. ML&S will conduct periodic audits to ensure that wait times for accessible service are reasonably comparable to non-accessible PTC services and fares are the same.

Accessibility Training

As a matter of safety and consumer protection, all drivers of accessible vehicles must have the knowledge and physical ability to assist customers with mobility devices and/or other disabilities. Therefore, all taxicab owners, operators, brokers and PTCs must ensure that drivers providing this service undergo specialized training for assisting these customers.

The City will prescribe the minimum training criteria necessary to be met for all taxicab, limousine and PTC drivers who wish to provide the service. Individuals, Brokers and PTCs can procure training through third party who meets the prescribed criteria as set out by City standards. As there is currently a lack of available training, the City will employ part-time training staff to offer the training to licensed taxicab drivers at no cost to the driver. The cost of this training will be recovered as a part of the City's program costs through the applicable licensing fees.

The PTC will be responsible to ensure that all its providers of accessible service are adequately trained, in accordance with the minimum criteria established by the City.

Developing a Long-Term Sustainable Accessibility Program

There are a number of jurisdictions working to develop strategies to advance equitable and inclusive on-demand transportation service for people with disabilities, particularly those requiring wheelchair accessible vehicles. Many have either created, or are seeking to create a funding program to support the people and/or entities providing the service, through capital and/or operating subsidies which are funded by the industry.

There are a number of options available to the City to undertake a similar strategy, which includes the program costs being recovered through licensing fees, or the implementation of a direct tax as permitted by *COTA*.

Staff will continue to build on existing research, further exploring options to support and improve vehicle-for-hire services for individuals with disabilities and/or requiring wheelchair accessible vehicles. Staff will engage the relevant City staff, including staff in the Equity, Diversity, and Human Rights Office, stakeholders, and accessibility experts to develop a funding program and process that will advance inclusive on-demand ground transportation for all users.

Staff will report back by the fourth quarter of 2017 to the appropriate committee on the program and proposed funding strategies.

PART 3 – PROPOSED CHANGES TO TAXICAB REGULATION

Access to taxicab vehicles through both booked and on-demand channels are an important part of our vehicle-for-hire transportation network.

The following sections will outline a series of recommendations that constitute significant, and in some cases, historic reform of the existing regulations governing taxicabs. These recommendations, resulting from the expansion of the vehicle-for-hire industry, are intended to enable operational flexibility, improve competitiveness, promote the economic health of the City, and maintain the level of regulation appropriate to promote safety and consumer protection.

Taxicab Fares and Taxicab Brokers

The City already licenses Taxicab Brokers and requires them to file with the City the lists of drivers and vehicles operating with them. Additionally, they are required to maintain and submit trip data records upon request. These requirements of taxicab brokers will remain unchanged.

Taxicab Brokers Permitted to Facilitate Discounted Fares

When a taxicab is booked in advance through a Taxicab Broker, it is recommended that the Taxicab Broker be able to set the rate that will be charged, including flat rates, as long as they do not exceed the regulated rate. This allows Taxicab Brokers to discount taxicab service on behalf of drivers and owners, in order to compete within an expanded for-hire market and may lead to a decrease in costs for passengers.

Taxicab Brokers may choose to continue to set Taxicab Broker dispatched trips at the City-regulated rate, same rate as a street-hail or, for example, may discount the rates during off-peak periods to attract ridership.

Taxicab Brokers will be required to inform passengers and have a mechanism for the passenger to formally accept the rate before the taxicab is dispatched.

Taxicabs operating with a Taxicab Broker that offers a discounted fare, must be able to display the variable rate on their taxicab meter. New technologies are allowing this type of calculation to be easily displayed in the vehicle through an electronic meter or through a smartphone application and taxicabs would be permitted to adopt this technology.

Taxicab Brokers Not Required to Compensate for Difference in Fares

Currently a Taxicab Broker is required to compensate the driver for the difference between the metered fare and any discounted fare offered. Since staff are recommending that the industry have flexibility in setting their fares, this would place an unsustainable burden on the Taxicab Broker, therefore, the elimination of this provision is being recommended. The City should not continue to intervene or govern the business relationships amongst industry participants. There are other remedies and venues for these matters. This may be solved by competition among brokers, the ability of drivers or owners to establish a new brokerage, or the ability of drivers to work for a PTC or independently, for example.

Regulated Fare for Street-hail

It is recommended that taxicab trips that are street-hailed or commenced at a cabstand charge the regulated rate set by the City of Toronto. This protects consumers, including tourists, from exploitation by establishing certainty in the pricing of street-hailed taxicabs. This way, drivers and passengers can avoid negotiating a rate on-the-spot or possible conflicts regarding the final fare to be paid by the consumer, as no record of agreement with respect to a rate can be produced for a street-hailed trip.

Permit the use of Electronic Taximeters

Staff recommend allowing what the taxicab industry refers to as 'soft meters' that use GPS or vehicle technology to calculate fares. Currently, the City mandates that taxicab meters must be hardwired and sealed by a Municipal Standards Officer (MSO). This requirement was considered a necessary and appropriate level of regulation before more recent technology advancements. A physical seal is no longer effective in ensuring that a meter calculates the fare accurately since meters can be changed wirelessly. Allowing 'soft meters' will permit flexibility, allowing the taxicab industry to innovate as technology changes. This recommendation reduces or eliminates the cost of installing and sealing a hard-wired taximeter. In terms of security of the device, the Executive Director will have flexibility to mandate security requirements to protect consumers and approve the use of specific technology.

Taxicab Ownership and Licensing

Elimination of Owner-Operator Hours for Ambassador and Toronto Taxicab Owners

In 1998 and in 2014, the City of Toronto advanced the principles of owner-operated taxicabs. This was meant to minimize operating layers (i.e. middlemen) in an effort to drive financial efficiencies and avoid fare increases to the consumer, in addition to improving customer service.

It was thought that encouraging owner-operated taxicabs would result in the delivery of higher quality service because of "pride of ownership". The move to owner-operated taxicabs made sense within a world where taxicabs were not subject to competition from other forms of vehicle-for-hire services, but in the absence of the intended vehicle technology, it was always difficult to enforce.

This report recommends removing the required owner-operator hours for Ambassador, Toronto Taxicab Licences, and Wheelchair Accessible taxicabs. It is anticipated that many of the goals of owner-operated taxicabs – such as reduced operating layers and increased customer service – will be driven by competition.

This recommendation levels the playing field within the taxicab industry, creates equality amongst the various types of taxicab owner licences, and introduces flexibility in taxicab operations, allowing owners to manage their business as they see fit.

TTL No Longer Issued Upon Transfer of a Standard or Ambassador Taxicab

In the 2014 review, the City of Toronto endeavoured to accomplish two key objectives, amongst other things. First was to expand the size of the taxicab fleet that was wheelchair accessible, and the other was to harmonize the various licences to a single licence over time. As a result, the TTL, which required an accessible vehicle, was developed and the plan was to transition all existing licences as the taxicabs were sold over time.

Due to the emergence of new services within the vehicle-for-hire market, it is to be expected that the economics within the market have changed. To ensure flexibility in the taxicab industry, the requirement that all taxicab vehicles become accessible would be eliminated with the permission of continued issuance of standard taxicab licences.

This report outlines a strategy to continue to advance the availability of accessible service through other means. As such, and in the interests of providing flexibility and economic competitiveness within the industry, coupled with the public's access to a variety of vehicles for taxicab service, it is being recommended that the Standard licence be permitted to continue to be issued, in the event of the sale of a Standard Taxicab.

Ambassador Taxicabs to be Deemed Standard Taxicab

As it is being recommended that the minimum owner-operator hours be eliminated for Ambassador Taxicabs, it will result in the Ambassador Taxicabs having the identical properties as a Standard Taxicab licence. As a result, staff recommend converting Ambassador Taxicabs to Standard Taxicabs, effective immediately. This will harmonize the licences and eliminate a licence class.

This would mean that there would only be two types of taxicab licences: Standard Taxicabs and TTLs. The only difference between Standard taxicabs and TTLs is that TTLs require a wheelchair accessible vehicle.

Permit Incorporation and Ownership of More than One Taxicab

Following the 1998 Review, the regulations governing taxicabs were drafted in such a way that prevented a person from acquiring more than one taxicab or from incorporating

themselves. This was an element of the effort to move the industry closer to the "owner-operated" model as was being set out in the Ambassador program.

It was felt that these changes would tie the owner closer to the operation of the taxicab, which it was believed would result in fewer middlemen, less costs to flow through to rate increases, improved taxicab maintenance, and better service for the public. It would also serve to deter people from being absentee owners. The effect of this regulation has constrained the manner by which individuals or corporations could organize themselves, including if they wished to build taxicab companies.

Taxicabs that were owned by companies before 1998 were permitted to continue operating as such until there is a change of controlling interest, at which time the company is mandated to sell the taxicabs to individual, qualified purchasers.

The City does not have similar restrictions for other licensed businesses. Throughout the years, there have been many industry participants requesting that the regulations be amended to reinstate their rights to incorporate, so as to protect them from personal liability. In addition, many industry participants have similarly requested that they be permitted to own more than one taxicab, as they were prior to 1998.

Staff are recommending that the provisions of the regulation governing taxicabs that resulted in the inability for taxicab owners to acquire more than one taxicab or to incorporate themselves, be removed.

Given the introduction of competition into the vehicle-for-hire market, it does not advance the City's interests to continue to restrain the taxicab sector. With greater flexibility, they may take advantage of economies of scale currently not afforded, or be successful in organizing and branding themselves in order to compete. It is expected that with the newly competitive market, taxicab businesses will work to improve their service, and will not succumb to poor business practices, as has been the case in the past.

Table 3: Current and Proposed Taxicab Owner Licence Properties

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	Toronto Taxicab		Ambassador Taxicab		Standard Taxicab	
	Existing	Proposed	Existing	Proposed	Existing	Proposed
24-hour operation	✓	✓	✓	✓	✓	✓
Owner must drive	✓		✓			
Accessible vehicle	✓	✓				
Leasing permitted					✓	
Taxicab Operator permitted		✓		✓		✓
Corporate ownership permitted		✓		✓		✓
Ability to own more than one taxicab		✓		✓		✓
Ability to sell taxicab	✓	✓	✓	✓	✓	✓

Restricted Issuance of Taxicab Licences

One element of taxicab regulation that will remain, however, are the overall restrictions on the total number of taxicabs licensed. Staff are not proposing to issue an unlimited number of taxicab licences because taxicabs are the only vehicles that are permitted to cruise for passengers or wait at cabstands. Given this, allowing an unlimited number of taxicabs may reasonably be expected to increase congestion in the downtown core and potentially impact public safety.

ML&S has also given consideration to the scope of the regulatory changes proposed and the costs associated with the specific vehicle requirements for taxicabs (such as camera, emergency lights, etc.) which require a greater upfront investment than is the case for individuals wishing to sign on as PTC Drivers. In this context, ML&S has only recommended an increase in the number of accessible taxicab licences (TTLs) and is

recommending that it review this issue when it reports back on how implementation of the new regime has progressed after a year.

Taxicab Drivers

Driver Screening

Taxicab drivers, to be harmonized to Vehicle-for-Hire drivers, will continue to be screened, both at time of application and renewal, against the screening criteria that is referenced later in this report. The independent nature of the taxicab driver permits them to procure a taxicab vehicle from numerous sources, and to receive dispatch calls from any one of numerous Taxicab Brokers. Further, they may operate as an independent owner-operator.

Driver screening is conducted to advance the regulatory goals of consumer protection and public safety. This remains an important regulatory objective, particularly because of the anonymity frequently associated with these transactions, which makes it prudent for the City to review this screening information.

For these reasons, it is necessary for the City to continue to receive, screen, and licence these drivers as it has done historically.

Vehicle-for-Hire Drivers Licence

It is recommended that taxicab drivers licences and limousine drivers licences be harmonized to one 'vehicle-for-hire drivers licence'. This recommendation reduces the number of licences being offered and provides additional opportunities for taxicab and limousine drivers to work.

Drivers Waiting List

There are currently 841 taxicab drivers waiting to be issued a taxicab licence. Many of these drivers have been waiting for 8-12 years. Many drivers, through the consultation process, asked that the City issue new licences to drivers on the list.

It is recommended that each driver, who is on the waiting list and is in good standing as at May 4, 2016, be offered the opportunity to apply for a TTL, in accordance with the plan to accelerate accessible taxicab service by the incremental issuance of 200 licences over each of the next five years, or until the list is exhausted.

It is recommended that the waiting list be frozen as at May 4, 2016 so that no additional drivers are added to the list. It is recommended that the Executive Director, ML&S would report to the appropriate committee with the requirement for incremental taxicab licence issuance and a review of the system of licence issuance, as is deemed necessary in the future.

It is also recommended that existing drivers on the waiting list be exempted from the annual filing requirements required to prove they continue to be employed as a taxicab driver, such as the statutory declaration as to their income. This will reduce

administrative burden for drivers and for City staff. At the time that a driver is offered the opportunity to apply for a TTL, ML&S will assess whether they meet the licensing requirements in place for TTL owners at that time.

Taxicab Vehicles, Inspections, and Insurance

As licensed taxicabs are the only vehicle-for-hire that will be permitted to conduct street-hail and cabstand pick-ups, and in recognition of the additional driver and passenger safety regulations that are necessary for this reason, taxicabs must continue to:

- have a roof light;
- have a camera and an emergency light;
- display a licence number on the door and rear of vehicle;
- display a driver photo card;
- display a Taxicab Bill of Rights;
- display a tariff card detailing the rates that will be charged;
- have a visible electronic meter or taximeter to calculate the fare; and
- charge the regulated rate on street-hail and cabstand pick-ups.

Enabling Flexibility in Taxicab Vehicle Options

Staff recommend that the current taxicab vehicle requirements be amended to be less restrictive and permit any four-door vehicle, within a seven model year maximum age, and which seat no more than seven passengers plus a driver be permitted for use as a taxicab.

The City currently maintains a list of approved vehicles that can be used as taxicabs. This list is defined by parameters in the bylaw, including mandatory hybrid, low-emissions, and alternative fuel models. The identification of vehicles meeting these standards has been extremely time consuming and challenging for staff, but also quite restrictive for the taxicab owners, partly because there is no universal definition of low-emission vehicle. As the emission standards are set by the Federal government and seem to change with some frequency, City staff are having to annually interpret what is considered "low" in respect to vehicle emissions and models on the market.

The inclusion of hybrid and alternative fuel vehicles on this approved vehicle list also misses the intended goals of lowering emissions since some alternative fuels, like ethanol, result in more emissions, while other hybrid models can run entirely on gas.

In respect to the City's low emissions goals, it is worthwhile noting that vehicle emissions standards are continuing to improve, and as the taxicab fleet is generally now comprised of newer vehicles, this has likely been achieved and no longer requires prescriptive vehicle standards on this one sector of the vehicle-for-hire industry.

Currently, vehicles can only be taxicabs if the vehicle is no more than two model years old when put on as a taxicab. Given that the age of a vehicle is not necessarily linked to its state of repair, it is recommended that this restriction be removed to allow vehicles to be put on any time and to permit them to remain operating as a taxicab for up to seven model years, and as long as they are mechanically sound and meet inspection standards.

This change will increase flexibility and decrease costs, and public safety interests will be addressed through semi-annual inspections and through field audits and inspections.

Removing these restrictions will decrease costs and increase flexibility for taxicab owners. This will allow the market to determine what vehicles are in demand as taxicabs and align with other vehicle-for-hire requirements.

Developing a City of Toronto Taxicab Vehicle Quality Standard

As noted, taxicabs are the only vehicle-for-hire option that is permitted to conduct street-hails and procure fares at cabstands. The nature of this type of engagement does not permit a potential passenger to know in advance, or assess through prior experience, the conditions and cleanliness of the vehicle.

The City currently inspects taxicab vehicles according to the bylaw, which indicates that a taxicab vehicle must be clean as to its' interior and exterior. The condition of taxicabs is one of the most notable and complained about aspects of taxicab service. Therefore, staff will be developing a standard which taxicab drivers, owners, operators and/or brokers would be responsible to meet.

Snow Tires

As a result of a City Council direction arising from the 2014 taxicab review, a new requirement was imposed upon taxicabs that they be mandated to use snow tires from December 1 to March 15 of each year. The Province has required the insurance industry to provide insurance discounts for vehicles equipped with snow tires, and in consultations with fleet operators they have recognized the benefits. It is being recommended that taxicab owners be permitted to determine on their own if, and when, snow tires are necessary. It will allow taxicab owners to make their own operational decisions and flexibility for when they decide to put on and remove their vehicles' snow tires and potentially reduce operating costs.

Advertising

For many years, the City has been approving advertising for taxicabs for a set fee. The City only approves the location of the advertising, not the content. It is recommended that this process and related fees be removed from the bylaw. This will allow taxicab owners and the industry to decide what advertising is appropriate, and reduces administrative costs levied by the City. Taxicabs will continue to be required to ensure that taxicab plate, number, and roof light are visible at all times.

Inspections

Currently, taxicabs are required to attend the City-run inspection centre biannually, and there is no recommendation at this time to change this. However, while this report recommends that this requirement remain, it also requests authorization to explore alternatives.

In previous years, the City would accept the submission of a Safety Standards Certificate, and/or a Commercial Motor Vehicle inspection issued by a public garage that is licensed by the Ministry of Transportation to permit the inspection and issuance of such certificates. It is unconfirmed as to why the City transitioned to a City-run inspection centre, though there was evidence that the vehicles being used as taxicabs at the time of the 1998 review, were in very poor condition. Through this review, staff have determined that other jurisdictions are currently permitting, or are moving to permit the submission of safety standards certificates in lieu of other vehicle inspections.

The staff recommendation in this regard is requesting the authority to review the current requirements, assess options and the feasibility of alternatives to the City-led inspections, and permit the development of a pilot program, if appropriate.

Staff will retain the authority which currently exists for enforcement officers to direct vehicles for inspection.

Insurance

Taxicabs will continue to be required to maintain a \$2 million liability coverage, including passenger hazards. This report includes a recommendation that the City request the Province to develop flexible insurance product for the taxicab industry.

Taxicab Training

Elimination of Mandatory Training as Licensing Requirement

As a result of the 1998 Taxicab review, the City of Toronto developed and required as a condition of licensing that taxicab drivers undergo 17-days of in-class training that covers geography, safety, customer service, business acumen, and as of 2014, accessibility, as a requirement for a licence.

In addition, new taxicab owners must successfully complete two days of in-class owner training plus five days of accessibility in-class training. Every four years, taxicab drivers and owners must come back for additional in-class training (called Refresher Training).

In this new context of an expanded vehicle-for-hire market, the imposition of mandatory training for taxicab drivers and owners had to be considered from the perspective of whether it presented a regulatory barrier to entry that might negatively impact the viability of the taxicab industry and impede the availability of taxicab drivers. This consideration was weighed against any potential impacts to public safety or interests, were it to be eliminated.

In an effort to encourage people to become licenced taxicab drivers and recognizing that consumer protection can be achieved through competition and the adoption of technology (features such as GPS, driver or company reviews, etc.), it is being recommended that taxicab driver and owner training be eliminated.

By removing the mandated training requirements, for-hire transportation industries would be encouraged to assume responsibility for customer service as they should have the best understanding of what taxicab drivers should be trained on. Many Taxicab Brokers have indicated that they are already conducting their own training. It is expected that industry participants will bolster their existing training or implement new training, as they see fit, to reflect this change.

To support the taxicab and limousine industries the City will make all of its materials available online, which will allow for flexibility in delivering the material to drivers. In addition, staff recommend that the Executive Director, ML&S, be given authority to issue interpretive bulletins from time to time to assist industry participants to understand the City's interpretation of the licensing requirements and ML&S's practices.

These changes would reduce barriers to entry and costs for drivers which will promote the City's goals of ensuring availability of taxicab services.

Despite the removal of taxicab training requirements, accessible taxicab owners and drivers are still required to receive training on how to properly load, unload, and secure wheelchairs and other assistive devices. The City will continue to offer this training through an accessible training program, as discussed in the Accessibility Strategy section of this report.

Eliminate the Requirement for CPR and First Aid Certifications

Staff recommend that taxicab drivers and owners no longer be required to complete CPR training every three years. Removing the requirement for CPR training reduces burden, decreases costs, and eliminates an unnecessary barrier to entry. No significant public safety advantage was identified as being achieved through this requirement.

Eliminate the Licensing Criteria Requiring Command of the English Language

The current licensing eligibility criteria requires that all taxicab drivers must have a command of the English language. Since all persons wishing to operate as a taxicab driver must pass testing in English to obtain their Provincial Driver's licence, it is felt that this is a sufficient standard for someone wishing to operate a taxicab. Staff believe that this ought not to be a regulatory barrier to becoming a taxicab driver.

Taxicab Management

Create New Licensing Class: "Taxicab Operators Licence"

For many years, taxicab owners have been permitted to "lease" their taxicabs to other individuals to operate. Many organized into "fleets", which have been the primary source for taxicab drivers to "shift rent" taxicabs, while others owners entered into direct lease agreements with other individuals.

Fleet operators have a long history within the industry, and fill the role of providing shift rental opportunities to shift drivers. They have continued to provide the taxicab and equipment, via agent agreements with Standard Licence owners.

Despite previous efforts to reduce “middlemen” towards an owner-operated industry, "fleet operators" and “garages” have continued to operate, and continue to conduct the leasing of plates as "agents". Since the licensing of agents was never instituted, this aspect of the industry, which manages more than two-thirds of the Standard licences, has continued to operate unrecognized and unregulated. These agents are commonly managing multiple taxicabs, on behalf of taxicab owners. This management role allows for centralized operations that drivers can utilize to rent taxicabs on a shift basis, and has formed a central aspect of the taxicab industry for decades.

The intent of the new Taxicab Operator class is to establish a business licence that would recognize and regulate the common management of taxicabs for the purposes of arranging shift rentals. This will provide regulatory oversight to ensure that the person actually operating the taxicab, if not the owner, is doing so responsibly and is held accountable for the maintenance of the taxicab.

Taxicab owners who wish to lease their vehicles directly to one individual person who operates the taxicab themselves, typically referred to as a “lessee”, will still be permitted to do so; however, that lessee would now have to be licensed as a Taxicab Operator.

The proposed Taxicab Operator licence will require that taxicab operators:

- rent taxicabs to licensed vehicle-for-hire drivers on a shift basis only;
- maintain a list of licensed taxicab drivers who are renting taxicabs from the Taxicab Operator and keep records for 12 months;
- maintain records that detail date and time of the taxicab that was rented and by whom, and keep records for 12 months;
- be permitted to be listed on the vehicle registration;
- ensure the taxicab:
 - is maintained and free from mechanical defects;
 - is properly equipped as per the bylaw;
 - has a clean exterior and interior;
 - is in good repair as to its exterior and interior;
- provide an itemized receipt to drivers for shift rentals, and maintain records of receipts for a minimum of one year;
- ensure that place of business is properly zoned and storage of vehicles must be in compliance with applicable bylaws; and
- provide records as described above to ML&S within 5 business days of the request.

The creation of this new licence will permit the City to recognize the common management of taxicabs, hold accountable the operator in addition to the owner, and enables operational flexibility for the industry.

Deletion of Lease Provisions

The City requires that when a taxicab is leased, the taxicab owner or agent files the lease agreement with the City. Removing the requirements governing leases between private

parties will reduce the administrative burden on those parties and the City. These provisions are also redundant insofar as the City is creating the Taxicab Operator licence class.

Over the years, incremental regulation around the leasing of taxicabs were enacted in order to institute protections for lessees. Unfortunately, it did not have the desired effect and lessees were seeking remedy through the City to resolve their contractual disputes. The provisions to be deleted include those related to filing lease agreements (replaced by a form to be prescribed) and provisions around the terms of entering and cancellation of leases (as this is a private contractual matter to be resolved through other means).

Deletion of Designated Agents and Designated Custodians

It is recommended that City Council delete provisions regarding Designated Agents and Designated Custodians. Currently, Designated Agents and Designated Custodians can be named by taxicab owners to have concurrent management responsibilities under the bylaw. It is intended that the Taxicab Operators Licence will be required where taxicab management and control has been designated to an individual who is not the taxicab owner. By deleting the bylaw provisions as they relate to Designated Agents and Designated Custodians, it will bring clarity to the role of Taxicab Operator which will ensure that the only individuals permitted to manage taxicabs on taxicab owners' behalfs will be licensed Taxicab Operators.

Currently, ML&S records information about the Designated Agent and Designated Custodian administratively, but these two designations are not licence classes. It is recommended that ML&S will require information regarding any agent or custodian operating on a taxicab owner's behalf, to be submitted on a form at the time of licence application or renewal, if the taxicab owner has anyone else designated to be the point of contact with ML&S.

PART 4 – PROPOSED CHANGES TO LIMOUSINE REGULATIONS

The City currently licenses limousine service companies, and each limousine driver and owner. Currently, limousine owner licences are issued subject to a supply ratio of stretch to sedan limousines as facilitated by limousine service companies. Limousines must be booked 20 minutes in advance of the trip and must charge a City-regulated flat rate. These rules were created as part of the 2005 Limousine review and were intended to distinguish limousines from taxicabs and to keep the taxicab and limousine industries separate. At that time, the City was aiming to enhance consumer protection and safety by attempting to mitigate against market saturation and an over concentration of for-hire vehicles.

With the new context and advances in technology, greater competition and choice is being enabled and it is believed that some of these previously held assumptions may give way to being addressed with increased service options and customer service oriented offerings (e.g. driver ratings, electronic records of transactions, etc.).

Therefore, it is no longer believed that restricting consumer choice and segmenting markets continues to serve a municipal purpose in the context of recommendations in this report to open the vehicle-for-hire market. As long as there are appropriate regulations to mitigate risk and contribute to public safety, consumers ought to be able to take whatever type of vehicle-for-hire service they prefer.

Limousine Broker Regulations

It is recommended that the Limousine Service Company licensing class be replaced by new Limousine Broker regulations. The proposed Limousine Broker regulation will align with Taxicab Broker regulations, including the requirement to maintain and submit records, and will recognize their role to closely align with their actual operations and responsibilities.

As all limousine owners are required to be affiliated with Limousine Brokers in order to facilitate the booking of services, Brokers will be required to set and post the rates for the limousines, and ensure limousine drivers are appropriately licensed and records of their rides are maintained, among other things. They will now be subject to the same requirements for the maintenance and filing of records as taxicab brokers. This will ensure that all necessary information is available for enforcement and regulatory purposes.

Dispatch and Records

It is recommended that the regulations governing Limousine Service Companies be applied to the new class of Limousine Brokers, which includes the requirement that they must only dispatch licensed Limousines, will be required to keep records of every vehicle dispatched, provide a list of all limousine drivers and owners who are operating within their Limousine Broker company, and keep a record showing the total number of requests received for limousine service.

Records of trips taken facilitate the investigation and enforcement of licensing bylaws and other laws. For example, ML&S may use brokerage records to identify which limousine was in a particular location at the time of an accident or other negative incident, or to identify the driver of such a vehicle.

Limousine Fares

It is recommended that the City no longer regulate the rates permitted to be charged by limousines, and that the minimum limousine fare of \$70 for each the first two hours or part thereof be removed from limousine regulations. The fare requirements were put in place in 2005 as a way to distinguish the taxicab and limousine industries. Given the increase in vehicle-for-hire competitors, the need to distinguish these industries and separate those markets is no longer apparent.

With the proposed removal of limousine fare regulations, the Limousine Broker will be responsible for setting and posting the rates. Passengers will be required to be informed and formally accept the rate to be charged before the Limousine is booked.

Limousine Ownership

Stretch to Sedan Ratio Requirements

Since 2005, limousine companies have been required to own a stretch limousine as a licence requirement. After being approved, the company could own up to five sedan vehicles. For every additional six sedans, the company has to own one stretch limousine.

This rule only applies to limousine companies that operated after 2005 and was put in place to create a barrier to entry and minimize growth in the limousine industry. The rule was originally put in place to limit the number of limousines when the cap on limousine licences was removed in 2005. It ensures that there is a financial investment (of the stretch limousine which can cost upwards of 85K) before getting into the industry.

Given that the variety of vehicle-for-hire services are growing, that the stretch limousines are seldom used and are not environmentally friendly, and the advancement of technology is facilitating the booking of limousines more readily, it no longer seems necessary for any public safety or consumer protection purposes to continue to maintain the stretch to sedan ratio. Staff recommend removing this requirement, thereby reducing barriers to entry in the limousine industry.

Limousines Must be affiliated with a Limousine Broker

Since 2005, all limousines had to have service agreements with Limousine Service Companies. As a limousine is required to be booked, this report continues to recommend that all limousines must be affiliated with a Limousine Broker. Unlike taxicabs, limousines are not allowed to pick-up customers via street-hail or using cabstands

Limousines do not have many of the safety features of taxicabs (e.g. roof light, camera, markings, taxicab bill of rights, and flashing lights). Differing safety feature requirements are in place because each limousine trip must be booked with a company that sets the rates, collects customer feedback, and keeps records of the trip, including driver, vehicle, and passenger information.

Limousine Drivers

It is recommended that taxicab drivers licences and limousine drivers licences be harmonized to one "vehicle-for-hire drivers licence". This recommendation reduces the number of licences being offered and provides additional opportunities for taxicab and limousine drivers to work.

Driver Screening

Limousine drivers, now transitioning to Vehicle-for-Hire drivers, will continue to be screened, both at time of application and renewal, against the screening criteria that is referenced in this report. The independent nature of the Limousine driver permits them to operate a limousine for any number of limousine owners or brokers. For these reasons, it is necessary for the City to continue to screen and licence these drivers as it has done historically.

Limousine Operations

Eliminate Requirement for 20-minute Advance Booking

Currently, the City requires that limousines be booked 20 minutes in advance of picking-up a passenger. This was implemented in 2005 in an effort to distinguish between taxicabs and limousines. The intended result was that consumers requiring on-demand vehicle-for-hire service would be limited to taxicabs.

Staff recommend removing this 20-minute minimum advance booking requirement for arranging a limousine trip. Limousines will continue to be prohibited from picking up passengers through street-hail or at cabstands.

These recommendations will enable limousines to be more responsive to requests for service, and will allow consumers to select their preferred for-hire option.

Limousine Vehicles, Inspection, and Insurance

Vehicle Model Years

Currently, sedan limousines can be no older than five model years and stretch limousines can be no more than eight model years. Staff recommend extending the limousine age requirement for sedans to seven model years, and permit stretch limousines to maintain the limit of eight model years. This aligns limousine vehicle requirements with taxicab and PTC regulations, striking a balance between industry flexibility and public safety.

The City currently maintains a list of approved vehicles that can be used as limousines. This list only permits luxury models that are over a certain size. It is recommended that the approved vehicle list be removed to decrease costs and increase flexibility for limousine owners. This change will allow the market to determine what vehicles are in demand as limousines.

Vehicle Inspections

Currently, Limousines are required to attend the City inspection centre biannually. A City mechanic performs a vehicle fitness test and inspect the vehicle using a limousine checklist.

It is recommended that this requirement be replaced with the requirement that limousine owners obtain a Safety Standards Certificate, annually. The limousine owner or driver must carry proof of this certificate in the vehicle at all times and make it available upon request by an MSO.

Safety Standard Certificates are issued by the Province of Ontario licensed mechanics. They cost on average \$60 to \$80 and take about 1.5 hours to complete. A new and current Safety Standards Certificate must be presented upon licence application and renewal.

If an MSO investigates a limousine that does not seem to be meeting safety standards, the MSO can direct the limousine owner to complete a new Safety Standards Certificate and submit it to ML&S for proof that the vehicle is in sound condition.

Vehicle Markings

In order to distinguish limousines from taxicabs and to discourage illegal street-hails or use of cabstands, it is recommended that limousines continue to remain unmarked, with no trade dress or identifier displayed anywhere on the vehicle. Reserving vehicle markings as a feature only allowed on taxicabs minimizes public confusion and clearly differentiates taxicabs, which are properly equipped with safety features (e.g. cameras and meters) to pick-up passengers anonymously through street-hails or at cabstands.

Insurance

The City of Toronto has determined a minimum of \$2 million limited liability insurance is required as basic coverage for every vehicle-for-hire, including taxicabs, limousines and PTC vehicles (see Part 5, below). The type of coverage or the cost of coverage is not within the City's regulatory mandate.

Limousine Training

Eliminate Limousine Training

As was previously stated in respect to taxicab training, currently, the City of Toronto requires limousine drivers and owners to undergo five days of training that covers geography, customer service, and business acumen. Limousine drivers and owners must complete refresher training every four years. This training requirement has been in place since the 1998 Taxicab Review.

It is recommended that the limousine training requirement be removed. This would mean that drivers and owners will not have to complete any City-mandated training to obtain their limousine driver or owner licence.

As Limousine companies can conduct their own training, it is expected that Limousine Brokers will bolster their existing training to reflect this change. The City will post all training materials online, allowing flexibility in delivering the material to drivers. There is the potential for Limousine Brokers or other organizations to deliver the training.

CPR Training

As with taxicab drivers, it is recommended that limousine drivers and owners no longer be required to complete CPR training every three years. Removing the requirement for CPR training reduces burden, decreased costs, and creates equivalency with TTC drivers, who are not mandated to take CPR training.

PART 5: PRIVATE TRANSPORTATION COMPANY (PTC) REGULATIONS

PTCs enable the dispatch of booked vehicles using an application, or other internet-enabled platform, that connects passengers with drivers using their personal vehicles. The

main difference between a PTC and a Limousine Broker is that a PTC will assume much of the front-end consumer protection and safety precautions (e.g. screening drivers) and be held accountable by the City through records audits and other oversight tools. PTCs have advanced technology to dispatch vehicles to passengers. In some cases PTCs are able to use algorithms to connect PTC Drivers with multiple passengers taking a similar route.

Recommended PTC Definitions

A Private Transportation Company (PTC) is any person who offers, operates, or facilitates transportation services (or participates in the offering, operating, or facilitation of such transportation) for compensation using any software, application, or telecommunications platform (a “Platform”) to connect passengers with PTC Drivers, and includes any entity or combination of entities that maintain records that ML&S may audit or inspect for enforcement purposes pursuant to the bylaw.

A PTC Driver is any person providing transportation to passengers in response to requests received through any software, application, or telecommunications platform in a vehicle with no more than seven passengers, excluding the driver. Licensed taxicab and limousine drivers are excluded from the definition of a PTC Driver.

A PTC Vehicle is defined as a vehicle with no more than seven passengers, excluding the driver, used to provide transportation in response to requests from passengers.

Create PTC Licence Class

City licence requirements are in place to ensure that the for-hire vehicle industry treats consumers fairly and provides safe and reliable service. Consistent with these objectives, staff recommend requiring PTCs to obtain licences to allow ML&S to regulate some of their business activities for the purpose of promoting consumer protection and public safety.

With the proposed licensing regime, ML&S will be able to set standards for the operations of PTCs and audit records to ensure that PTCs are undertaking minimum safety and oversight precautions and operating lawfully.

ML&S will review all PTC licence applications to ensure that each PTC provides sufficient information to satisfy ML&S of the PTC’s capacity to meet all licence requirements.

An applicant for a proposed PTC licence will be required to submit documentation or make available to ML&S information regarding:

- the PTC’s processes, agreements and/or contracts for screening the criminal and driving histories of PTC Drivers, and proof of acceptance or rejection of drivers based on the information obtained;
- the PTC’s capacity and capability to maintain and produce on a regularly pre-determined frequency and format, or when required by ML&S or law

- enforcement, records related to a PTC driver and trips requested and provided by or through the PTC;
- the ability of the PTC to provide daily information in an electronic format as defined by ML&S regarding all individuals that have contracted with it to deliver services through the PTC's Platform; and
 - an indemnification agreement that protects the City of Toronto from claims, demands, losses, costs, damages, actions, suits, or proceedings that arise out of, or are attributable to, any aspect of the PTC's business and services.

ML&S will determine whether the documentation submitted by the PTC applicant is sufficient proof that it can meet the City's licensing requirements. To assist PTCs in completing a licence application, the Executive Director, ML&S, may issue interpretation bulletins or guidelines from time to time, as deemed necessary.

As discussed below, proposed PTC regulations include specific requirements with respect to the length of time that PTCs will be required to maintain records, the frequency and manner in which ML&S may request or audit these records, and specific parameters for insurance, vehicle, and driver requirements, among other things.

The City's overall purpose is to advance its consumer protection and public safety objectives by establishing minimum standards for all PTCs. PTCs will, however, have the flexibility to establish more stringent requirements for themselves, which is intended to encourage better business practices in the vehicle-for-hire industry, overall.

Record Keeping and Disclosure of Information

Maintenance and Submission of Records

The proposed licence for PTCs will require that PTCs obtain and retain a set of qualifying records for every Vehicle and Driver that the company permits to use its Platform.

The proposed PTC requirements place much of the administrative burden and accountability on the PTC to ensure that PTC Drivers and Vehicles meet established thresholds and ensure the safety and protection of consumers.

Searchable Electronic Database

It is recommended that a PTC is required to provide ML&S with access to a searchable electronic list of drivers authorized to access the PTC's Platform for enforcement purposes. ML&S enforcement staff will use access to this information to identify PTC Vehicles and Drivers, and intervene if driver activity contravenes the proposed regulations. With access to a list of drivers, ML&S will be able to better ensure the safety of the public and the protection of consumers.

PTC to provide City Staff with Enforcement Accounts

To enable investigations of the PTC platform, vehicles, and drivers, staff recommend that PTCs be required to cooperate with ML&S in establishing passenger accounts to be used

for enforcement purposes. These accounts will allow ML&S staff to ensure that the PTC meets all communication and fare disclosure requirements and delivers services fairly and transparently.

The PTC will be required to ensure that these accounts remain active for as long as is required by the Executive Director, ML&S.

ML&S staff may also use aliases to create enforcement accounts on the PTC platform. PTCs may not be informed of these accounts as they will be used for field audits to ensure that the PTC and PTC Drivers and Vehicles meet proposed PTC licence requirements. The PTC will be prohibited from disabling these accounts if they become aware of them. In the event that these accounts are disabled by the PTC, they must be reactivated within an hour, upon the request of ML&S staff.

Access to Information for Law Enforcement Purposes

To enable effective enforcement, PTCs will be required to maintain a phone number and e-mail to allow ML&S staff to inquire about vehicles and/or drivers that are under investigation and receive prompt responses from PTC staff. PTCs will also be required to maintain a business address located in the Province of Ontario. This will facilitate service of any legal documents, among other things.

Requirement to Ensure Public Access to Information

As with many licensed businesses in the city, the proposed PTC regulations will require the PTC to inform users of details about the types of services offered, show differences between services offered, clearly articulate driver credentials associated with each service, and criteria used to screen vehicles for each type of service.

By accessing transparent information on a PTC's criteria for onboarding drivers and vehicles, consumers will be able to make informed decisions about the for-hire options available to them. PTCs are required to clearly and prominently communicate that PTC Drivers are prohibited from soliciting rides or picking up street-hails. Educating consumers about this prohibition might help to reduce the occurrence of illegal rides not arranged through a PTC platform.

When a PTC Driver accepts a ride request and before the ride has commenced, the passenger must be provided with a description of the PTC Vehicle being driven, the licence plate number of the vehicle, the driver's first name, and the option to receive a photo of the driver.

This information will help consumers locate and identify the drivers and vehicles that have been assigned to them, enhancing consumer protection and roadside safety.

PTC Audit and Compliance Program

Upon discussions with many North American jurisdictions, it has been determined that many are still working through the development of audit programs that will enable enforcement of PTC regulations.

To ensure that PTCs comply with the proposed regulations set out in respect to the screening requirements and maintenance and submission of records, PTCs will be required to undergo records audits, upon request by ML&S. The bylaw contains specific requirements as to the scope and type of information that a PTC is required to maintain and which will facilitate the conduct of such audits.

Through a competitive RFP process, it is proposed that the City would procure a third party auditor to assist in the development of the Audit Program that will be used to evaluate and monitor PTC bylaw compliance.

The City will explore development of an audit program with its third party provider. As a preliminary step, staff have explored some components that may be included in the Audit Program, below.

Proposed Elements of the PTC Audit Program

Baseline Assessment and Third Party Audit

Upon application, the PTC would undergo an initial assessment to ensure that it meets the series of qualifying criteria, including:

- proof the PTC will have the ability to meet minimum data security and data provisions to ML&S, as per the business licence requirements;
- proof of established processes to screen the criminal and driving histories of individuals providing transportation to passengers through the PTC's platform;
- proof of ability to submit in electronic or paper format as required by ML&S or law enforcement, all records related to an individual's application to become a PTC Driver, and all trips requested and provided by the PTC Drivers in accordance with the licence requirements; and
- proof of ability to maintain and provide regular daily or weekly updates and records to the City, as identified in accordance with the licence requirements.

ML&S Compliance Audits

Submission of Records

It is proposed that PTCs will be required to submit their records upon request. The frequency of the requests will be determined by the Executive Director, ML&S, in her or his sole discretion. In the exercise of her or his discretion, the Executive Director will consider the risk rating, prior audit outcomes, or if he or she has reasonable grounds to conclude that the licensee has not acted in accordance with the law and with honesty and integrity.

Compliance and Risk Assessment

ML&S will continually assess the data generated or collected by the PTC and submitted to ML&S to determine risk levels related to PTC controls, driver data, vehicle data, and payment data.

City's Right to Audit

The City would reserve the right to undertake either a records audit or data integrity audit and investigate at its discretion, upon providing appropriate and adequate notice to the PTC, if applicable.

To permit such audits and investigations as are deemed appropriate by ML&S to be conducted, it is proposed that PTCs be required to keep records for a minimum of four years. This cut-off is based on PTC Driver Criminal Record checks and Accessibility Training requirements, required to be renewed every four years. This requirement will ensure that PTCs always have the most recent record proving that each driver requirement is met and up to date.

In collecting and auditing data and records, the City of Toronto will not retain any personally identifiable passenger information.

Driver Requirements

The proposed PTC regulations will require PTCs to ensure that driver applicants have successfully met all driver requirements set out in the bylaw before allowing the driver to use the PTC Platform. This will ensure that prior to offering rides to the public, each PTC Driver has been screened, meeting the criteria necessary to enhance public safety. As with all drivers in the province of Ontario, it is proposed that PTC Drivers be governed by the *Highway Traffic Act*. PTC Drivers will be required to complete Ontario's graduated licensing system. Graduated licensing allows new drivers to get driving experience and skills gradually through a three-step licensing process that takes at least 20 months to complete. PTCs will be required to ensure drivers possess unrestricted Class G driving privileges, are at least 18 years of age, and are legally permitted by the *Highway Traffic Act* to drive passengers in their vehicle at all times of day.

PTC Driver Screening

The City, through its Licensing Bylaw, requires some business owners and operators to pass Criminal Record and Uncertified Driver's Record checks before being issued business licences. This requirement is in place for the protection of consumers and the safety of the public. In the case of taxicab drivers, ML&S screens driving records and requires a Criminal Record check issued by a police force, an authorized body, or third party entity through an agreement with a police force.

A Criminal Record Check includes the disclosure of every criminal offence of which an individual has been convicted for which a pardon has not been issued or granted and every finding of guilt under the *Youth Criminal Justice Act*, within the applicable disclosure period.

Under the proposed PTC licence requirements, PTCs must conduct Uncertified Driver's Record checks (annual) and Criminal Record checks (every four years) of all PTC Drivers, per screening criteria as prescribed by the Executive Director, ML&S.

The Uncertified Driver's Record, commonly called a Drivers Abstract check, includes three years of a driver's record containing driver conviction information, any applicable demerit points, and suspensions. It will be the PTC's responsibility to ensure that all drivers undergo both checks and, at a minimum, meet the criteria and thresholds as prescribed for Criminal Background Screening and Driving Records, applicable to the issuance and renewal of all Vehicle-for-Hire licences, as per the delegated authority being sought for the Executive Director of ML&S.

As stated above, PTCs will be required to maintain these and other records for a minimum of four years and will be subject to ML&S audit.

Hail Prohibition

A central distinction between PTC services and traditional taxis services is that PTC Drivers will be required to prearrange transactions using a Platform that connects drivers with paying passengers. Through PTC Platforms, drivers and passengers are able to screen each other before committing to the transaction, and the passenger agrees to fares being charged. Since PTC Vehicles are not required to have cameras or meters, much of the safety and consumer protection of passengers depends on the screening and digital tracking through PTC Platforms.

PTC Vehicles do not have the safety features in place to pick up passengers outside of the PTC Platform. PTC Drivers that respond to street-hails, use cabstands, or solicit rides would be acting in contravention of proposed PTC regulations.

PTC Driver Requirements for Enforcement

To assist in bylaw enforcement efforts and enable law enforcement officers to enhance public safety and protect consumers, it is proposed that all PTC drivers be required to produce their driver's licence, proof of insurance, and evidence that they are logged into the Platform and are engaged in or have completed a trip requested by a passenger via the Platform, when requested by an MSO or other law enforcement officer.

With the authority to verify identity of PTC Drivers, MSOs will be able to ensure that the driver is actually the individual screened by the PTC.

Access to evidence of trip in progress or trip just completed will enable MSOs to conduct spot checks of PTC Drivers to ensure that drivers are carrying passengers who have arranged rides with the driver using a PTC platform, and potentially catch any drivers that are illegally responding to or soliciting street-hails.

PTC Vehicles and Insurance

Prior to allowing drivers to use the PTC Platform, it is proposed that a PTC will be required to verify that driver applicants are insured and have a vehicle permit confirming vehicle ownership.

It is recommended that PTC Vehicles, as with all vehicles-for-hire operating in the City, must not be older than seven years. It is also proposed that PTCs be required to ensure

that all PTC Vehicles are regularly inspected and have been issued a Safety Standards Certificate by a licensed Ontario mechanic at a Motor Vehicle Inspection Station. This certificate covers minimum safety requirements for vehicles in Ontario. This would align the PTC Vehicle inspection requirements with licensed limousines.

PTCs may choose to set more stringent age or vehicle inspection requirements when screening vehicles. Since consumers will have the PTC driver training and screening criteria available to them prior to arranging a ride through a given PTC platform, they will be able to make informed decisions on the vehicle screening requirements they prefer.

As with taxicabs, it is recommended that PTC Vehicles be limited to four-door models, helping to enhance public safety by ensuring that passengers and drivers have the choice of maintaining some physical distance during rides and allowing for easy exit from the back seat of a PTC Vehicle.

Insurance

Minimum Liability Coverage of \$2,000,000

Under Chapter 545, Licensing, the City of Toronto requires many businesses, including taxicab and limousine owners and drivers to maintain minimum liability insurance in the amount of \$2,000,000. This amount reflects the higher risks associated with operating for-hire vehicles, as drivers of these vehicles tend to drive more frequently and carry more passenger than is typically the case with private-use vehicles. Commercially used vehicles are therefore more likely to be in accidents and result in higher costs of claims. With the proposed requirement, the PTC can elect to provide insurance coverage for all PTC Drivers or to require individual drivers to obtain their own insurance, whether as an endorsement to their personal policy or commercial insurance.

If a PTC chooses to maintain automobile liability insurance of \$2,000,000 for all vehicles using its platform, it must insure all PTC driver activities, providing primary insurance to protect the driver, passengers, and the public while individuals affiliated with the PTC are logged on to the Platform or available to accept rides and providing transportation, including periods when the driver is available to be matched with a passenger, travelling to pick up a passenger, and for the duration of all rides when passengers are in the vehicle or disembarking.

Alternatively, the PTC may require that each PTC Driver maintain his or her own Automobile Liability insurance in an amount no less than \$2,000,000 per incident.

Disclosure and Record Keeping

Proposed PTC regulations will also require PTC Drivers to provide confirmation that they have advised their personal insurance company that they are using their vehicle to provide transportation services through the PTC Platform.

At the time of any licence application or renewal, the PTC will be required to submit documentation confirming the particulars of the insurance coverage that the PTC asserts is responsive to the proposed licence requirements.

The same requirements with respect to filing documentation apply regardless of whether individual drivers or the PTC maintain the liability insurance. Since liability insurance is central to the protection of drivers, consumers and the general public, it is important that the filing of documentation is consistent as the primary means by which the City will be able to investigate whether insurance requirements are being fulfilled.

Notifications of Changes to Insurance Policy

When the PTC applies for a licence or to renew their existing licence, the PTC will be required to provide an insurance endorsement stating that the City will receive no less than 30 days prior written notice from the insurer of any changes to, or the cancellation of the policy.

Given the importance of proper insurance coverage to protect the public, the proposed requirement that any insurance coverage not be changed or cancelled without at least 30 days written notice to the City is important to allow ML&S to assess whether a PTC should have its licence suspended, revoked or have conditions placed on it in response to any changes or cancellation of insurance.

Informing Consumers and Prospective Drivers of Insurance Coverage

Proposed PTC regulations require that details of the insurance coverage be made easily accessible on or through the PTC Platform. This transparency will allow customers to review insurance details prior to agreeing to a ride with a PTC Driver. This will also enable prospective PTC Drivers to access the detailed information on insurance coverage provided through the PTC before applying to become a PTC Driver.

As a consumer protection measure, a PTC will also be required to assist drivers and passengers in understanding the information needed and steps to take in the event that a claim needs to be made and providing contact information for the PTC to which insurance related questions can be addressed.

PTC General Liability Insurance for Commercial Activities

In addition to automobile liability insurance that protects drivers, passengers and the public, it is recommended that PTCs be required to maintain commercial general liability insurance in the amount of \$5,000,000.

This is an important requirement from a public safety and consumer protection perspective in the event that a PTC does not comply with its obligations and a member of the public incurs losses as a result. For example, PTCs are responsible for ensuring security checks are conducted on drivers and that vehicles undergo annual mechanical inspections prior to operating on the Platform. In theory, claims could arise with respect to whether or not a PTC was negligent in conducting its business; general liability insurance is intended to provide insurance coverage in the event such issues arise. A

PTC will also likely collect personal data on individuals, which would potentially be at risk in the event of a data breach. As a consumer protection measure, each PTC should have insurance in place that can respond to such issues if they arise. In addition, this insurance is required in support of the indemnity provided to the City at the time of the PTC's licence application or renewal.

PTC Fares

The proposed PTC regulations require that Drivers and passengers must book each trip through a Platform. Since this is typically done through a software or an application, passengers have the opportunity to inform themselves of any pricing model and estimated cost of any trip and elect whether to request service on those terms.

From a consumer protection perspective, the City's primary concern is to ensure that operators are transparent in how they calculate and charge fares and that passengers have the ability to make informed decisions and use discretion to accept or reject the prices offered. To satisfy this objective, it is recommended that PTCs be required to provide rate and surcharge information in advance of any trip provided.

Allowing PTCs to establish fares will permit dynamic pricing, responsive to demand and supply. While this may result in higher prices during peak periods, it may also provide savings for passengers using PTC services during non-peak periods, which might have the ancillary benefit of mitigating congestion if passengers change their travel patterns in response.

For the purposes of consumer protection, PTCs will be required to advise customers as to all rates and surcharges that might be applicable. Customers will have the choice of accepting or declining the higher rate or selecting a different transportation option. Further, PTCs are required to provide receipts at the conclusion of each trip, allowing passengers to review the fare they were charged and provide passengers with sufficient information to raise any potential concerns relating to the transportation provided with the PTC.

If a PTC offers, operates, or facilitates transportation in a single vehicle for multiple passengers with the same or different pick up locations or destination, each passenger must be provided with a receipt reflecting the information specific to their trip.

PTC Data Reporting

In order to ensure the safety of consumers and the public, establish a system of accountability for PTC services, and provide the City with important data on which to base future action designed to enhance the City's economic and environmental health, consumer protection, and public safety, it is recommended that PTCs be required to maintain and disclose information on drivers, vehicles, and trips taken and provide reports aggregating this data, as requested by the Executive Director, ML&S. Access to this data will be an essential tool for ML&S and other City divisions to understand transit patterns, city planning needs, and needs within the vehicle-for-hire industries.

Monitoring Accessible Service Delivery

PTC data reporting will be necessary for ML&S to enforce the proposed accessibility strategy bylaw requirements. ML&S staff will be able to analyse the demand and delivery standards for transportation provided by accessible vehicles. As referenced above, one of the City's objectives has been to increase the availability of accessible transportation and this data will assist in evaluating whether existing services are adequate to serve those within the City that have accessibility requirements.

Transportation Planning and Understanding Congestion

Aggregate trip data may enable City staff to better understand transit patterns and transit needs in the city. By monitoring ground transportation service provision, staff can plan for unfulfilled demand accordingly. Data will be of particular use in planning for transportation needs of Toronto residents and will help to identify underserved geographic areas or areas where there is a concentration of PTC vehicles. Data on operational behavior, such as the amount of time drivers are available through the Platform and are waiting for passengers, the time spent transporting passengers, and passenger numbers will help staff better understand impact, if any, on transportation patterns and congestion. Further, analysis of this data may support transportation, infrastructure, and future vehicle-for-hire planning.

PTC data analysis can be an important tool to understand the infrastructural impact of increased numbers of for-hire vehicles using city roads, increase or decrease in traffic and congestion, and idling or stopping patterns that may impact the right-of way, City property, and pedestrian and cyclist safety. By analyzing bi-directional PTC Vehicle traffic volumes, staff can determine the total number of PTC vehicles on the road, in a given area, at a given time, whether engaged in a trip or not. This data is useful for studying traffic congestion and determining the percentage of PTCs Vehicles on the road and actual impact on congestion patterns.

PTC Prohibition of Mandatory Arbitration Clauses

The *Consumer Protection Act* in Ontario prohibits companies providing services from imposing mandatory arbitration clauses in consumer agreements. This *Act* presents two potential issues that may relate to PTCs. First, the definition of consumers in the *Act* excludes people acting for business purposes. Drivers may be excluded from the protections available to others under the *Act* and, if so, drivers may be precluded from having a potential claim decided by an Ontario court or tribunal. Second, the definition of a consumer agreement is specific that a supplier must be providing a service for payment. Passengers may not pay for the use of the PTC Platform and, in that case, the protection of the *Act* may also not apply. These issues pose a real concern because, for example, Uber's agreement with passengers' states that the passengers are using the application for free and Uber collects the fee from drivers. If passengers using the Uber application are not entitled to the protections of the *Consumer Protection Act*, the ramifications can best be illustrated by considering that currently Uber's standard arbitration clause requires individuals to participate in arbitration in Amsterdam and limits the damages that can be recovered to a nominal sum. This is unacceptable because it may operate to preclude individuals from pursuing and receiving a fair and just

adjudication of a claim when, for example, there may be real issues of discrimination or negligence for which users deserve effective recourse.

Since access to justice is such an important foundational principle in our society and tied to the City's economic and social well-being and our consumer protection objectives, among other things, it is recommended that the City enact provisions guaranteeing individuals who use a PTC Platform in Toronto the right to have any claim adjudicated by an Ontario court or tribunal, as appropriate in the circumstances of a particular case. The prohibition on mandatory arbitration clauses does not, however, preclude companies from offering arbitration as an option if the individual agrees after the dispute has arisen to participate in an arbitration.

This recommendation is consistent with the purpose of the *Consumer Protection Act* and will operate to supplement the protections provided by it to people living in or visiting Toronto.

PART 6 – INCREASED PENALTIES FOR BREACHES OF LICENSING REQUIREMENTS

In addition to the fines imposed for each offence of which a person is convicted under the Municipal Code, the City is permitted to establish a special fine. A special fine is designed to eliminate or reduce the possible economic advantage that a person may otherwise receive by contravening the bylaw. For example, a business operating without a licence could profit from failure to obtain the licence, a business that is licensed could profit from failing to keep or produce business records that ML&S requires for enforcement purposes or by permitting people to operate as drivers that do not otherwise meet the bylaw threshold requirements. The proposed recommendation does not require proof that the person charged with an infraction of the bylaw did achieve an economic gain; it is simply that the special fine is designed to eliminate or reduce economic advantages arising from breaches of the bylaw.

At the same time, ML&S recommends that other provisions be included in the bylaw to require that the maximum penalty provisions be imposed on licensees who fail to comply with record retention, record disclosure to ML&S, or audits, and to make corporate directors or officers subject to penalties if they knowingly concur in the contravention of a bylaw offence. For example, there are significant obligations imposed on licensees to maintain records related to the PTC drivers operating on their Platform and providing transportation to members of the public and to provide records on the number of trips in a given period. These records are pivotal to ML&S's ability to enforce the provisions of the bylaw and ensure that the appropriate fees are collected. For these reasons, ML&S is recommending the imposition of stricter penalties upon offenders.

These provisions will apply to anyone governed by the law, as appropriate in the circumstances of any particular case.

PART 7 – ADMINISTRATIVE RECOMMENDATIONS

Six-Month Probationary Period (Provisional Licence)

As this report outlines a new framework which will permit a shift in the City’s approach to regulatory oversight and compliance, it was felt appropriate that licensees be subject to a probationary period, which will make available an additional enforcement tool to address any early and significant issues of non-compliance.

Of primary example is when a PTC is first issued a licence, it is recommended that the PTC be subject to heightened scrutiny through a six-month probationary period. During this time, the PTC will be subject to a series of random audits to ensure its compliance with licence requirements. The Executive Director, ML&S, will have the authority to revoke or suspend a PTC’s licence for breaches of the bylaw during the six-month probation period. If a PTC’s licence is revoked during this probation period, the PTC would have to reapply for a PTC licence.

The Executive Director has an authority to immediately suspend a licence for a period of 14 days.

The intent of this probationary period suspension authority is to provide the City with the ability to respond immediately to any significant breaches of the bylaw, particularly as they relate to the sufficiency of the PTC to fulfill its records collection, maintenance, and submission and audit requirements.

This probationary period will also serve as a transition period as the City issues PTC licences that will permit them to operate with oversight, allowing PTCs to establish the necessary infrastructure to meet all licence requirements.

To ensure fairness and due process, it is proposed that licensees would have access to appeal any suspensions through the Toronto Licensing Tribunal Process, and/or be permitted to apply as a new applicant for a licence, subject to meeting the requirements of licence.

Screening Criteria

The Toronto Municipal Code, Chapter 545, Licensing sets out a series of screening “thresholds”, identified as “Appendix K”, which provides a set of criteria by which applicants and licensees are assessed at time of new and renewed licence processing. These thresholds are complex, and are going to be reviewed in their entirety as a part of a larger review initiative being undertaken on that bylaw.

In order to provide clarity and consistency, a set of screening criteria relevant to the vehicle-for-hire industry is outlined in Attachment 2 to this report. These criteria would be applicable to all licensees across the vehicle-for-hire licence classes at application and renewal.

In the case of PTCs, the standards are the minimum that a PTC must follow, but there is nothing preventing a PTC from setting higher standards.

This report includes a recommendation that the Executive Director of ML&S be granted delegated authority to set screening criteria, and to amend it as necessary, from time to time, as opposed to enshrining it in the bylaw.

ML&S continues to have residual power to deny licences beyond what is outlined in the screening criteria. As well, vehicle-for-hire licensees will be subject to the Toronto Licensing Tribunal.

Vehicle Size Restriction

All vehicles that seat more than seven passengers plus a driver, will be prohibited from operating as taxicabs, PTC Vehicles, or limousine sedans, except for stretch limousines.

Issuance of Interpretive Bulletins

Staff is recommending that the Executive Director of ML&S, be given authority to issue interpretive bulletins from time to time to assist industry participants to understand the City's interpretation of the licensing requirements, any changes to the bylaw and/or to provide notice of any change to ML&S's processes or practices.

Permit Vehicle-for-Hire Licensees to enter into Exclusive Concession Agreements

The current bylaw prohibits Taxicab Brokers, limousine companies, and taxicab owners and drivers from entering into exclusive concession agreements. It is recommended that all licensees be permitted the flexibility and opportunity to offer their services pursuant to any business arrangements they choose.

Addressing Inconsistencies with Legislation and Reporting authority

As the existing provisions governing the taxicab and limousine industries are combined to form a new Vehicle-for-Hire bylaw, and due to the age of some of the provisions, it is anticipated that there may be instances of inconsistent, outdated or contradictions to existing municipal or provincial legislation. One such example includes a provision within the taxicab article that permits the seating of children in a taxicab, at a capacity that exceeds the number of seat belts available. This is in contravention of the *Highway Traffic Act*, and ought to be eliminated.

There is a recommendation that requests City Council to delegate the authority to the City Solicitor to exercise discretion in the drafting of the new bylaw, to address any instances of these conflicts.

Due to the complexities of the existing bylaws and the extent of the amendments being made herein, including the development of a new regulatory regime, staff are recommending that City Council grant authority and leave to the City Solicitor to report to City Council should there be a need to request clarity or further drafting instructions.

PART 8 – LICENSING FEES

The City is authorized to impose fees as provided by *COTA*. In a business licensing context, these costs are based upon a recovery of costs related to the administration and enforcement of the regulatory regime.

A detailed assessment has been undertaken to project the costs resulting from these report recommendations, including proposed staffing, organizational, and technological changes necessary to regulate participants in this new licensing regime. Equally, the assessment accounted for the change in the existing regime, and its related licensing costs on licensees.

This assessment includes all aspects of administration and regulatory oversight, including audit, compliance, and enforcement. The program costs would then be attributed accordingly to all industry participants, including the taxicab and limousine industries and the new licensing categories for Taxicab Operators and Private Transportation Companies.

The City typically recovers its costs on licensees through a fee that is collected at application, and upon their annual renewal. They are assessed based upon volumes of each individual licence category, representing an individual business or trade licence. The proposed regulatory changes, and a sharing of costs across the entire vehicle-for-hire industry, would result in a decrease in costs attributable to the taxicab industry, and an adjustment to the licensing fees within the limousine category.

To advance the accessibility strategy, it is being recommended that the licensing fees applicable to wheelchair accessible taxicabs be waived, to assist in offsetting increased operating costs versus sedan vehicles. The costs otherwise attributed to these licensees would be absorbed across the remaining licensing categories.

In the case of the new category governing PTC, the City proposes implementing a varied approach to the collection of their licensing fees. It is proposed that the licensing fee payable by the company will be comprised of both an initial base application/renewal fee to be paid annually, plus a fixed per trip fee collected on a weekly basis.

This will ensure that the City has a flexible method to adjust and recover its costs at the appropriate amount and reflective of the scale of the operation, and the related effort necessarily taken by the City to fulfill its regulatory and enforcement mandates.

Fee Structure for PTC Licensing

Given the variability in the size of the PTC and number of affiliated drivers and trips, a licensing fee based on driver volume and trip volume best reflects the scale and the relative enforcement and administrative costs resulting from PTC Drivers and Vehicles operating in the City under licensed PTCs.

All applicants for a PTC licence will be required to undergo initial assessments against eligibility criteria, which will be cost recovered by an initial non-refundable application fee.

Upon business licence application, issuance, and renewal, proposed PTC regulations require that PTCs pay business licence fees scaled to reflect the size of the company. Licence fees are collected to recover administrative and enforcement costs resulting from regulatory oversight of PTCs.

When the six-month provisional licence is issued, the licensing fee will be assessed on the number of reported drivers. Three months into the provisional licence period, the City will review the number of affiliated drivers, and adjust the licence fee to better reflect the number of affiliated drivers at that time. The three month adjustment is meant to recognize that the number of affiliated PTC drivers may grow considerably after the licence is issued. During the provisional licence period, successive and random audits will be undertaken. The licensing fee for the PTC must reflect these front-end program costs.

Collection of Licence Fees

- Initial non-refundable application fee;
- Provisional licence issuance fee: calculated based on the number of affiliated PTC Drivers at licence issuance;
- Per trip fee: collected weekly, and commencing the date that the provisional licence is issued;
- 3-month provisional licence fee: calculated based on average number of affiliated PTC Drivers in the preceding 3-month period, less the provisional licence issuance fee paid on date of issuance; and
- Licence renewal fee: calculated based on the number of affiliated PTC Drivers in the 3-month period prior to licence renewal.

Licence Fees

Non-refundable Application Fee: \$20,000

Initial Licensing fee will be calculated by:

- a) \$10 per driver based upon the number of drivers on the platform at the time of provisional licence issuance, payable at time of provisional licence issuance and non-refundable; plus
- b) \$10 per driver reconciled after first 3 months of operation based upon the average number of drivers on the platform for the prior three months; plus
- c) \$0.20 per trip, on all trips originating in Toronto, commencing the date of the provisional licence issuance, payable in line with data reporting requirement.

Annual renewal fee will be calculated by:

- a) \$10 per driver based upon the average number of drivers on the Platform for the three months preceding the date of licence expiry, payable at time of renewal; plus
- b) \$0.20 per trip, payable in line with data reporting requirement.

This scaled approach to licensing fees is intended to support fair and open competition amongst PTCs, and to mitigate upfront financial barriers to entry to allow smaller enterprises to enter and operate within the City.

Annual Evaluation of Per Trip Fee

ML&S will monitor and annually evaluate whether the per trip fee is adequately recovering the administrative and enforcement costs to regulate licensed PTCs. Recommendations may be made to City Council to adjust the PTC renewal fee, the per trip fee, and/or the schedule of collection based on future analyses, commencing in the 2017 budget cycle.

Status of Outstanding Directions

When City Council directed staff to undertake the Ground Transportation Review (GTR), there were 27 outstanding Council directives in regard to the taxicab and limousine industries. The recommendations within this report have addressed many of the outstanding requests. Below is the number of outstanding directives that were addressed through this report (in addition to the recommendations that were specific to the GTR): 18 resolved directives; four redundant directives; and five outstanding directives. The five outstanding directives will be addressed through subsequent reports to the Licensing and Standards Committee.

In addition, there were three requests for information as part of the GTR that did not result in recommendations. These findings are summarized below:

Existing Protections for States of Emergency

The *Provincial Emergency Management and Civil Protection Act (EMCPA)* establishes the legal framework for managing emergencies in the Ontario. Under *EMCPA*, the Lieutenant Governor in Council may make emergency orders in respect of fixing prices for necessary goods, services, and resources, which includes transportation. In addition to these protections, the *Consumer Protection Act* states that a company cannot charge an "unconscionable amount" for a service rendered, which could be appealed if price gouging occurs. Between these two provincial authorities, staff have concluded that there are legislations in place that sufficiently protect consumers during states of emergency.

Requirement to Post HST Number in Taxicab

Staff do not recommend requiring taxicab drivers and owners to post their Harmonized Sales Tax (HST) number in-vehicle. The City does not collect or require posting of HST registration numbers for other businesses it licenses under Toronto Municipal Code, Chapter 545, Licensing.

Taxation in Canada is a shared responsibility between the federal government and the provincial and territorial legislatures. The Canada Revenue Agency may impose penalties and interest against business operators that fail to file HST or fail to accurately report information.

Airport Exemption for Taxicabs

As heard through the 2014 Taxicab Review consultations, taxicab drivers in the City of Toronto are concerned about opportunity costs associated with regulations which govern the operations of airport taxicabs at Lester B. Pearson International Airport.

Federal Airport regulations prohibit municipal taxicab drivers from picking up passengers at the Airport unless the fare is pre-arranged. However, the 'airport exemption' sections in the Provincial *Municipal Act* and *COTA* permit airport taxicabs to pick up passengers in surrounding municipalities for transportation to the airport, without having to be licensed by the municipality in which they are picking up.

Although the Airport Exemption impacts demand for Toronto's taxicabs, it is outside the scope of this report to make any changes. The provincial government specifically added regulation into the *COTA* that restricts the City from taking any further regulatory action to address the financial concerns of City of Toronto taxicab drivers with regards to the airport exemption.

Summary

This report outlines a series of recommendations that are intended to provide an equitable framework of regulation for all vehicle-for-hire participants. Throughout this period of change, staff will closely monitor the implementation and impacts of this proposed bylaw, if enacted, and will report back to Committee and Council as necessary should any amendments be required.

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ATTACHMENTS

Attachment 1: Jurisdictional Scan of Canadian Municipalities
Attachment 2: Vehicle-for-Hire Bylaw Screening Criteria
Attachment 3: Amendments to Reduce Administrative Requirements TMC Chapter 545
Attachment 4: Ground Transportation Review Fee Changes