



INFORMATION REPORT

TO:	Chair and Members General Issues Committee
COMMITTEE DATE:	April 20, 2016
SUBJECT/REPORT NO:	Licensing of UBER and Other Ride-Sharing Applications (PED16099) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Monica Ciriello (905) 546-2424 Ext. 6656
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

Council Direction:

At the February 10, 2016 meeting of Council, in response to UBER's unregulated operation in Hamilton, Council approved Councillor Sam Merulla's motion respecting "Licensing of UBER and Other Ride-Sharing Applications" which reads as follows:

7.3 Licensing of UBER and Other Ride Sharing Applications

WHEREAS the City of Hamilton Licenses 447 Taxi Cabs, 2 Taxi Brokers and 1,200 Taxi Drivers, all of whom operate within the City's Business Licensing By-law 07-170 to ensure public safety;

AND WHEREAS in July, 2015, UBER was launched in the City without ensuring that their drivers and vehicles were licensed, had proper insurance and operated within the City's Business Licensing By-law;

AND WHEREAS the City's Licensing Section has laid 35 charges against UBER drivers for operating without a proper license, contrary to the City's Business Licensing By-law;

AND WHEREAS the City of Edmonton has successfully licensed UBER vehicles, drivers and UBER as a company;

**SUBJECT: Licensing of UBER and Other Ride-Sharing Applications (PED16099)
(City Wide) - Page 2 of 5**

AND WHEREAS a new By-law Category to regulate UBER can more effectively resolve this matter;

AND WHEREAS the Insurance industry has now come forward with products providing coverage for UBER;

AND WHEREAS on December 9, 2015, City staff met with UBER and the taxi industry, as per the direction provided by Council at its meeting on October 28, 2015, to determine how each could work on a level playing field, while continuing to ensure public safety.

THEREFORE BE IT RESOLVED:

That the City of Hamilton Licensing Section be directed to develop and bring forward by March 30, 2016 a License Category that creates a level playing field for the taxi industry while ensuring operators of UBER or like Ride Sharing applications are licensed to ensure consumer protection and public safety.

Information:

On July 23, 2015, UBER launched UberX in Hamilton, a smartphone application that connects passengers with unlicensed vehicles within the City.

There are 513 active UBER drivers in Hamilton and 12,066 active UBER riders as of January 1, 2016. UBER's use and encouragement of unlicensed peer-to-peer ride-sharing has raised safety concerns across the country. Municipalities across the Province and Canada are reviewing how to respond to the emergence of this new market participant.

During the Summer of 2016, staff will concurrently conduct public consultations on a proposed Private Transportation Provider (PTP) schedule and a Taxicab (Schedule 25) review. The results of the public consultation and a proposed approach to license will be brought back to the Planning Committee in the Fall of 2016. Two separate licensing schedules are expected to be proposed to the Planning Committee in 2017.

Regulations in Canada: Comparing Edmonton and Calgary

The City of Edmonton and the City of Calgary are two municipalities in Canada that have passed new regulations to govern vehicles for hire, each taking a different approach to regulation.

**SUBJECT: Licensing of UBER and Other Ride-Sharing Applications (PED16099)
(City Wide) - Page 3 of 5**

At its core, the differences are:

	Edmonton	Calgary
Approach	License Private Transportation Provider (PTP)	Approves application platforms implemented by the carrier
License Fees	Flat annual fee + per trip fee	Per driver and Transportation Network Company fee
Police Check	Local Police Agency	Calgary Police Service annually
Inspections	Provincial/City	City
Data Collection	As requested	All data submitted
Training	Training complete by Private Transportation Provider (PTP) and in application ratings	Two day course
Markings	Require "U" or like logo	No markings

Edmonton

The Edmonton By-law created a Private Transportation Provider (PTP) model that permits pre-arranged transportation services to passengers through a mobile app. PTPs are not permitted to pick up street hails or use taxi stands. The By-law establishes two types of PTPs:

- 1) Regional PTP Dispatchers: Operating fewer than 200 PTP vehicles; and,
- 2) Commercial PTPs Dispatchers: Operating 200 or more PTP vehicles.

It is both the Regional and Commercial PTPs that will obtain a license from the municipality. The Commercial PTPs must notify the City that the drivers under their respective company(ies) have the required information to be a driver. The City then creates an internal database and assigns each driver a unique license number which gives them the ability to drive. The Regional PTP driver personally attends the City of Edmonton offices and leaves with a physical license. The City has the authority to audit the PTP and request information on each driver.

Both Regional and Commercial PTPs are required to pay annual fees. The Regional PTPs license fees will range depending on the driver's situation: if you are driving your own vehicle, driving someone else's vehicle and / or if you are a dispatcher. In addition to those fees, the Regional PTPs will be required to pay an accessibility surcharge of \$50 per vehicle. The Commercial PTPs will pay an annual dispatch fee of \$50,000 and per trip fee of \$0.06. Commercial PTPs will be required to pay a dispatch accessibility surcharge of \$20,000 per year.

**SUBJECT: Licensing of UBER and Other Ride-Sharing Applications (PED16099)
(City Wide) - Page 4 of 5**

Both Regional and Commercial PTPs must maintain dispatcher records, including: GPS, pick-up and drop-off locations, vehicle license number and driver's license number for each trip. This data is available for audit by the City upon request.

Calgary

The Calgary By-law created a model that allows transportation apps to be approved as Transportation Network Companies (TNCs). The City will review and approve each app based on criteria. TNCs are not permitted to pick up street hails or use taxi stands.

Both the TNCs and every person who wants to drive for a TNC must obtain a municipal license. The TNCs and the drivers are required to pay an annual license fee. The TNC license fee is \$1,753 per year and the TNC drivers pay a license fee of \$220 per year. There is no per ride fee.

The TNCs will be required to submit trip data, driver availability and trip volumes to the City. The data requirements and operation of submissions is not yet finalized.

The licensing categories created in Edmonton are conducive to an Open for Business environment. The Commercial and Regional PTPs ensure public safety and consumer protection while simultaneously ensuring flexibility exists for drivers who want to drive within the City. For an individual driver who wants to work part time and only a few hours a week, the fee to obtain the license to do so is passed on to the Commercial PTP. The Regional PTP captures the driver who wants to drive more often, or start his/her own business. This approach recognizes the potential differences with drivers. Calgary's approach to impose fees on each driver is less flexible and does not take into consideration the different types of drivers within the City.

Draft Regulations in Hamilton

Staff will prepare a proposed separate stand-alone schedule within the Business Licensing By-law that may license and regulate Private Transportation Providers (PTP). Appendix "A" attached to Report PED16099 outlines the proposed PTP schedule foundation which will be modelled after the approved Edmonton By-law with modifications that are appropriate to address the needs of the City of Hamilton.

The PTP draft will propose operation on a cost-recovery basis. Fees collected may be used to pay for the resources needed to administer and enforce the schedule. These fees could potentially fund an FTE Officer that will proactively enforce the new schedule. Proactive enforcement would be done through spot checks, data auditing and undercover work.

Next Steps

Staff will begin conducting public consultations regarding the proposed PTP schedule in Summer 2016. The results from the public consultation and a proposed PTP licensing approach will be brought before the Planning Committee in Fall 2016. Staff will simultaneously hold public consultations and review the Taxicab (Schedule 25) license during Summer 2016.

It will be a benefit to the City to collect initial input on all contents of the proposed PTP schedule and the Taxicab (Schedule 25) before an approach is recommended to the Planning Committee for consideration.

The proposed PTP draft schedule and the Taxicab (Schedule 25) rewrite are expected to come forward to the Planning Committee in 2017.

Appendices and Schedules Attached:

Appendix "A": Proposed Commercial and Independent Private Transportation Provider (PTP) Schedule Foundation

MC/KL/cb