
General Committee

Date

2016/03/02

Time

9:00 AM

Location

Civic Centre, Council Chamber,
300 City Centre Drive, Mississauga, Ontario, L5B 3C1 Ontario

Members

Mayor Bonnie Crombie	
Councillor Jim Tovey	Ward 1
Councillor Karen Ras	Ward 2 (Chair)
Councillor Chris Fonseca	Ward 3
Councillor John Kovac	Ward 4
Councillor Carolyn Parrish	Ward 5
Councillor Ron Starr	Ward 6
Councillor Nando Iannicca	Ward 7
Councillor Matt Mahoney	Ward 8
Councillor Pat Saito	Ward 9
Councillor Sue McFadden	Ward 10
Councillor George Carlson	Ward 11

Contact

Sacha Smith, Legislative Coordinator, Legislative Services
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Find it Online

<http://www.mississauga.ca/portal/cityhall/generalcommittee>

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1. **CALL TO ORDER**
 2. **APPROVAL OF AGENDA**
 3. **DECLARATION OF CONFLICT OF INTEREST**
 4. **PRESENTATIONS** - Nil
 5. **DEPUTATIONS**
 - 5.1. Item 6.1 Chris Schafer, Uber Public Policy Manager - Canada
 6. **MATTERS TO BE CONSIDERED**
 - 6.1. Regulation of Transportation Network Companies
 7. **ADVISORY COMMITTEE REPORTS** - Nil
 8. **COUNCILLORS' ENQUIRIES**
 9. **OTHER BUSINESS/ANNOUNCEMENTS**
 10. **CLOSED SESSION**
(Pursuant to Subsection 239 (2) of the Municipal Act, 2001)
 - 10.1. Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board - Litigation Impacts following the Regulation of Transportation Network Companies such as Uber
 11. **ADJOURNMENT**

Date: 2016/02/11

To: Chair and Members of General Committee

From: Martin Powell, P. Eng., Commissioner of
Transportation and Works

Originator's files:

Meeting date:
2016/03/02

Subject

Regulation of Transportation Network Companies

Recommendation

1. That staff be directed to prepare a by-law to amend the Public Vehicle Licensing By-law 420-04, as amended, to incorporate the provisions of the New Licensing Category Option (Equal Regulation), including licensing requirements and training, operating conditions, fleet size restrictions, rate setting, brokerage affiliation and vehicles/markings as outlined in the report from the Commissioner of Transportation and Works, dated February 11, 2016 entitled "Regulation of Transportation Network Companies".
2. That staff report on the additional resources required by Regulatory Services, and the related additional recoveries, to regulate transportation network companies in concert with General Committee's consideration of the by-law to amend the Public Vehicle Licensing By-law 420-04, as amended, to incorporate the provisions of the New Licensing Category Option (Equal Regulation) as outlined in the report from the Commissioner of Transportation and Works, dated February 11, 2016 entitled "Regulation of Transportation Network Companies".

Report Highlights

- Transportation network companies (TNCs) launched for-hire transportation services in Mississauga in the summer of 2012 after their initial introduction to many U.S. cities. TNCs offer a smartphone application (App), which provides on-demand, online booking for transportation services. Passengers may request a ride through the App from a type of commercially-licensed or a private passenger vehicle driven by either a commercially or non-commercially licensed driver, which then communicates the passenger's location to drivers via GPS.
- The City of Mississauga engaged the firm of Hara Associates Incorporated to review the taxicab and accessible taxicab plate issuance models and taxi fares. In addition, in the fall of 2015 the City of Mississauga engaged the firm of Windels Marx Lane and Mittendorf, LLP, to report on how other jurisdictions in Canada, the United States and Europe are

regulating TNCs, and to evaluate policy alternatives for the regulation of TNCs.

- At its meeting of December 9, 2015 Council approved recommendations related to both consulting studies, namely receipt of the studies; deferring action on any taxicab plate issuance model review pending Council's approval of a framework to regulate TNCs; Public Vehicle Advisory Committee (PVAC) to provide comments on the alternatives for the regulation of TNCs; and, minor revisions to the consultant's study on the regulation of TNCs and forwarding of the revised document to the Premier of Ontario.
- The public vehicle industry in Mississauga has some distinguishing characteristics: service is primarily dispatch based with a limited hail market; the City has enough taxis to provide good dispatch response times; reliable accessible taxi service is difficult to get; airport activity has a significant impact on taxi usage and the airport is vulnerable to "scoopers", (private unmarked vehicles providing ride sharing service); the Public Vehicle Licensing By-law 420-04, as amended, requires limousine and taxi drivers to affiliate with only one brokerage limiting whom they can receive trips from; and, entry into the taxi industry for new entrants is closed and a priority waiting list is maintained should the City issue new taxicab plates.
- The eight licensed brokerages in Mississauga are required to file trip and driver data information with the City of Mississauga. A review of this information for 2013 (after the introduction of TNCs in Mississauga), as well as for 2014 and 2015 shows the following: in 2014 total dispatched trips for the eight brokerages combined increased by 8.9% in comparison to 2013; in 2015 total dispatched trips for the eight brokerages combined decreased by 1.9% in comparison to 2014; and, in 2015 total dispatched trips for the eight brokerages combined increased by 6.8% in comparison to 2013 (difference due to rounding). Brokerages are not required to report the level of effort (driver hours worked) to attain the dispatched trip information. Since 2013 33 new taxicab plates and 15 net new accessible taxicab plates have been issued.
- Despite many warnings that TNCs and their drivers require licences according to City by-laws, TNCs continue to operate in Mississauga unlicensed. Although enforcement efforts have been challenging, at the time of writing this report staff have laid over 200 charges against TNC drivers, vehicle owners and TNCs. All charges are presently before the courts.
- On October 27, 2015, *Bill 131 – Opportunity in the Shared Economy Act* received its first reading at Queen's Park. Bill 131 is a private member's bill introduced by Mr. Tim Hudak, M.P.P. (Niagara West – Glanbrook) that has since received its second reading and was referred to the Standing Committee on Finance and Economic Affairs. Bill 131 prevents municipalities from licensing drivers of transportation network vehicles (TNV) or regulating the fares of TNV or limiting the number of TNV.
- On November 26, 2015 the Competition Bureau of Canada released a white paper on modernizing regulations in the Canadian taxi industry. The white paper recommends that

regulations governing the taxi industry be modernized to allow taxis and ride sharing services to compete on an even playing field. Further the white paper espouses that if regulators allow the forces of innovation and competition to shape the industry, consumers stand to benefit from lower prices, reduced waiting times and higher quality services.

- The consultant study evaluated seven policy options for the regulation of TNCs: Capture Option, capture TNCs under current regulations using amendments (ride sharing services would be prohibited); Capture Option Modified, capture TNCs under current regulations using amendments (ride sharing services would operate as limousines); New Licensing Category Option (Equal Regulation), introduce a more stringently regulated separate category with municipal regulation for TNCs; New Licensing Category Option (Unequal Regulation), introduce a self-regulating framework for TNCs; introduce a Pilot Program Option, introduce a pilot program for TNCs; Complete Deregulation Option, complete deregulation of current by-laws; and, Provincial Regulation Option, rely on the provincial government to pass province-wide regulations.
- Traditional industry stakeholders (taxi and limousine industry members) support the Capture Option, capture TNCs under current regulations using amendments (ride sharing services would be prohibited). TNC and TNC advocates support the New Licensing Category Option (Unequal Regulation), introduce a self-regulating framework for TNCs.
- The Capture Option maintains the status quo. This option does not recognize the unique business model of TNCs and protects the traditional taxi and limousine industries. The New Licensing Category Option (Unequal Regulation) relies on self-regulation by the TNCs. Self-regulation is limited regulation. Self-regulation for one industry member, and not for other industry members, does not create a “level playing field”. The New Licensing Category Option (Equal Regulation) provides a regulatory framework to license a new business model; provides for a more competitive market place for the provision of public vehicle services; and, puts all participants on equal footing in terms of public safety, driver safety and consumer protection.

Background

The City of Mississauga has a by-law, known as the Public Vehicle Licensing By-law 420-04, as amended, which regulates the provision of transportation services provided by public vehicles (taxis and limousines). This by-law provides a framework that has served public vehicle users, the public and the industry well. Further, this by-law has ensured that public vehicle transportation services in Mississauga have been provided in a manner where public and consumer safety, driver safety and consumer protection have been foremost.

TNCs launched for-hire transportation services in Mississauga in the summer of 2012 after their initial introduction to many U.S. cities. Toronto staff confirmed that TNCs began operating in Toronto in early 2012 using licensed taxis and limousines, and introduced ride-sharing services in September 2014. TNCs offer a smartphone App, which provides on-demand, online booking

for transportation services. Passengers may request a ride through the App from a type of commercially-licensed or a private passenger vehicle driven by either a commercially or non-commercially licensed driver, which then communicates the passenger's location to drivers via GPS. TNCs also communicate to the passenger an estimated fare. Many TNCs also have a rating system that allows drivers and passengers to rate each other after the trip has completed. Passengers' credit card information is saved by the App so that they may be identified for future trips. TNCs claim to conduct background checks of all drivers with whom they engage to provide transportation services and they classify drivers as independent contractors, rather than employees. A percentage of the fare charged for each trip goes to the driver, as well as gratuities, and the remaining balance goes to the TNC. The payment of GST/HST is left to the TNC driver.

Since TNCs are operating without licences from the City and are vetting their own drivers, driving a for-hire vehicle has become easier for many people who normally would not drive a for-hire vehicle.

Shortly after the appearance of TNCs in 2012, City staff explained to TNC operators that they are required to obtain a broker's licence to legally operate in the City of Mississauga. TNCs disagreed with the City's interpretation, stating that the by-laws did not apply to them, as they were a technology company and not a taxi brokerage. In August of 2014, City staff approached the TNCs again to discuss the City's by-laws, but the TNCs ignored staff and launched further services in September 2014.

Consultant Reports

The City of Mississauga engaged the firm of Hara Associates Incorporated to address two requirements related to taxicab plate issuance and one requirement related to taxi fares, as noted below:

- to recommend an approach to predict demand for taxicab and accessible taxicab service in Mississauga;
- to recommend a licence supply approach for taxicab and accessible taxicab services; and,
- to recommend a fare model/strategy for taxicabs and accessible taxicabs.

In addition, in the fall of 2015 the City of Mississauga engaged the firm of Windels Marx Lane and Mittendorf, LLP, to report on how other jurisdictions in Canada, the United States and Europe are regulating TNCs, and to evaluate policy alternatives for the regulation of TNCs.

At its meeting of December 9, 2015, Council approved the following recommendations related to the two consulting studies:

"GC-0742-2015

1. *That the report from the Commissioner of Transportation and Works, dated October 14, 2015 and entitled "Consultant's Review of the Taxi Plate Issuance Model", be received;*
2. *That the Public Vehicle Advisory Committee consider Appendix 1 to the report from the Commissioner of Transportation and Works, dated October 14, 2015 and entitled "Consultant's Review of the Taxi Plate Issuance Model", when Council has approved a framework to address the regulation of transportation network companies."*

"PVAC-0053-2015

1. *That the report from the Commissioner of Transportation and Works, dated November 25, 2015 entitled "Consultant's Review of Policy Alternatives for the Regulation of Transportation Network Companies", be received.*
2. *That the Public Vehicle Advisory Committee provide comments on the policy alternatives outlined in Appendix 1 to the report from the Commissioner of Transportation and Works, dated November 25, entitled "Consultant's Review of the Policy Alternatives for the Regulation of Transportation Network Companies" for incorporation in a future report from staff to General Committee.*
3. *That upon completion of minor revisions to Appendix 1 of the report entitled, "Consultant's Review of the Policy Alternatives for the Regulation of Transportation Network Companies", Appendix 1, being the report entitled, "Study of Regulations for Transportation Network Companies ("TNCs"), be forwarded as follow up to the Mayor's letter of November 2015, to the Premier of Ontario."*

A copy of the report from the Commissioner of Transportation and Works, dated October 14, 2015 entitled "Consultant's Review of the Taxi Plate Issuance Model", which includes the report from Hara Associates Incorporated, dated October 7, 2015 and entitled "Taxi Plate Issuance Model Review" (Hara Report), is attached as Appendix 1.

A copy of the report from the Commissioner of Transportation and Works, dated November 25, 2015 entitled "Consultant's Review of Policy Alternatives for the Regulation of Transportation Network Companies", which includes the report from Windels Marx Lane & Mittendorf, dated November 26, 2015 and entitled "Study of Regulations for Transportation Network Companies ("TNCs") is attached as Appendix 2. The revised version of the consultant's report with the minor revisions approved in recommendation 3 from PVAC-0053-2015, dated February 2, 2016 entitled "Study of Regulations of Transportation Network Companies (TNCs) FINAL REPORT", is attached as Appendix 3. For the purpose of this report, the revised version of the consultant's report shall be referred to as the "Daus" report.

Comments

Characteristics of the Public Vehicle Industry in Mississauga:

As outlined in both the Hara and Daus reports, the public vehicle industry in Mississauga has some distinguishing characteristics. These characteristics are noted below, as quoted directly from the Hara report, where appropriate:

- **Dispatch Based:** *“With the exception of a few stands such as at Square One or the Delta Hotel, Mississauga’s taxi business is almost entirely dispatch-based. This renders its taxis particularly vulnerable to losing market share to unregulated TNCs. Cities where taxis have done better—such as Toronto or San Francisco—are ones in which ridership is a mix of dispatch and on-street hail, particularly in downtown areas. Licensed taxis have an advantage in such centres because of their clear markings and customer expectations. Since the TNC business model is to replace dispatch, virtually all of Mississauga’s current taxi market is affected.”*
- **Current Supply of Taxis:** *“Based on the evidence, we conclude that Mississauga has enough taxis - there is no oversupply at present. Mississauga has sufficient taxis to provide good dispatch response times. The average response time to the door is 9.8 minutes, with 90% of calls served within 15 minutes. Nonetheless, analysis by peak hour and geographic area shows minor weaknesses, indicating that there may be room for a small increase in the fleet. In particular, service to the north east of the city (near the airport) is slow during weekday rush hours, with the percent of dispatch calls served within 15 minutes down to around 75%. The combination of good dispatch times with slight weakness at some times and areas suggest that Mississauga’s taxi supply is adequate, but there is room for a minor increase in the fleet size. The latter point is a consideration in how quickly the accessible taxi supply might be expanded.”*
- **Accessible Vehicles:** *“During interviews, the assessment of service quality by most industry stakeholders matched the assessment by members of the Accessibility Advisory Committee (AAC). Reliable accessible taxi dispatch, or any form of accessible taxi, is difficult to get. The typical story involved the need to book at least 24 hours in advance - with no guarantee that a taxi will be available. There are dedicated drivers of accessible vehicles who work to serve this market. There just is not enough capacity to provide the on-demand service that AODA mandates. To reliably get to a wedding or birthday party, people in mobility devices often must consider expensive alternatives, such as booking a patient transfer service and paying hospital rates.”*
- **Airport:** *“Airport activity has a significant impact on taxi usage, even for taxis not licensed to the airport. Passengers who stay at airport hotels in Mississauga often commute to and from Toronto and other municipalities during their stay.”* The GTAA regulates what public vehicles can pick up passengers at the airport. The airport is vulnerable to “scoopers” particularly the use of private vehicles providing ride sharing services since these vehicles are unmarked.

- **Affiliation with One Brokerage:** According to the Public Vehicle Licensing By-law 420-04, as amended, limousine and taxi drivers can only affiliate with one brokerage. Similarly, brokerages are prevented from affiliating with drivers who are currently affiliated with another brokerage. Many municipalities, including Brampton, Halifax, Ottawa, Toronto and Windsor do not have this requirement in their by-law. In Toronto drivers can receive trips from Apps in addition to dispatch trips from one brokerage. In the other municipalities mentioned drivers are not limited by municipal by-laws in terms of whom they can receive trips from.
- **Market Entry:** Entry into the taxi industry in Mississauga is closed, with taxicab plates being issued by the City, to manage the supply of taxis, based on a formula outlined in the Public Vehicle Licensing By-law 420-04, as amended. In other words, to operate a taxi in Mississauga you must own or lease a Mississauga taxicab plate. In addition, there is a priority waiting list, which currently comprises approximately 250 industry members who pay annual fees to the City and must meet by-law requirements to remain on the list in hopes of someday obtaining a taxicab plate should the City issue more plates based on the by-law's formula. Many of the industry members on the priority waiting list have been on the list for approximately 20 years.

Impact of TNCs:

As outlined earlier in this report, in Mississauga the market is primarily a dispatch market with a very limited hail market (although taxis can hail). As a result, in Mississauga TNCs compete directly with licensed taxis for the dispatch market.

TNCs indicate that they do not compete directly with the taxi industry as TNCs claim they increase the demand for public vehicle service by growing the actual size of the customer pool. Taxi industry representatives do not agree with this theory and have been quite vocal at PVAC meetings indicating that TNCs have negatively affected their business.

The eight licensed brokerages in Mississauga are required to file trip and driver data information with the City of Mississauga. A review of this information for 2013 (after the introduction of TNCs in Mississauga), as well as for 2014 and 2015 shows the following:

- in 2014 total dispatched trips for the eight brokerages combined increased by 8.9% compared to 2013.
- in 2015 total dispatched trips for the eight brokerages combined decreased by 1.9% compared to 2014.
- in 2015 total dispatched trips for the eight brokerages combined increased by 6.8% compared to 2013 (difference due to rounding).

However, brokerages are not required to report the level of effort (driver hours worked) to attain the dispatched trip information. Of note is that since 2013 33 new taxicab plates and 15 net new accessible taxicab plates have been issued.

Enforcement Action:

There are risks with TNCs operating in an unregulated manner. Regulatory requirements for vehicle-for-hire licensing have been established for public and driver safety, as well as for consumer protection. In addition to insurance, TNCs raise concerns about the safety of personal vehicles used for commercial purposes that are not inspected for such use, as well as the effectiveness of driver screening by TNCs, including the efficacy of criminal record searches, despite the claims made by TNCs about their safety requirements and practices.

The Mobile Licensing Enforcement section of the Enforcement Division comprises nine officers who work day and afternoon shifts, weekdays, and day shifts on weekends. These officers are responsible for regulating the taxi and limousine industries, tow truck industry, refreshment vehicles and mobile vendors, and driving schools. There are approximately 6,100 licensed operators in all of these industries combined, with the majority being in the taxi and limousine industries (3,299 licensed operators). The officers regulate these industries based on City by-law requirements and ensure that operators in all industries are licensed appropriately, and that vehicles/equipment are inspected and meet City by-law requirements. In addition, there are five administrative staff in Mobile Licensing Enforcement who process licence applications.

Despite many warnings that TNCs and their drivers require licences according to City by-laws, TNCs continue to operate in Mississauga unlicensed. Although enforcement efforts have been challenging, at the time of writing this report staff have laid over 200 charges against TNC drivers, vehicle owners and TNCs. All charges are presently before the courts.

Proposed Provincial Regulations – Bill 131:

On October 27, 2015, *Bill 131 – Opportunity in the Shared Economy Act* received its first reading at Queen's Park. Bill 131 is a private member's bill introduced by Tim Hudak that has since received its second reading and was referred to the Standing Committee on Finance and Economic Affairs. Among other things, Bill 131 prevents municipalities from licensing drivers of TNV or regulating the fares of TNV or limiting the number of TNV. Staff will continue to monitor Bill 131. Should Bill 131 receive Royal Assent, staff will bring a subsequent report to Council outlining what modifications to the Public Vehicle Licensing By-law will need to be made as a result.

Competition Bureau of Canada:

On November 26, 2015 the Competition Bureau of Canada released a white paper on modernizing regulations in the Canadian taxi industry. The white paper recommends that regulations governing the taxi industry be modernized to allow taxis and ride sharing services to compete on an even playing field. Further the white paper espouses that if regulators allow the

forces of innovation and competition to shape the industry, consumers stand to benefit from lower prices, reduced waiting times and higher quality services.

Policy Options for Regulation of TNCs:

The executive summary of the Daus report provides a table outlining the policy options for the regulation of TNCs based on the consultant's review of other jurisdictions and the existing regulatory framework in Mississauga. Included in this table is a description of each option; an evaluation of its pros, cons and potential costs; and, other jurisdictions employing that option.

A summary of the policy options outlined in the table included in the Daus report is shown below:

1. *"Capture Option: capture TNCs under current regulations using amendments (taxis and limousines)*
 - *TNCs would be regulated as taxi brokers and adhere to taxi and limousine rules.*
 - *Certain taxi and limousine rules (such as metered rates) could continue to apply, or the City could opt to make minor adjustments to the by-laws.*
 - *UberX is an illegal operation."*
2. *"Capture Option Modified: capture TNCs under current regulations using amendments (limousines)*
 - *TNCs would be regulated as brokers and adhere to taxi and limousine rules.*
 - *Certain taxi and limousine rules, such as mandatory minimum fares, could continue to apply, or the City could opt to make minor changes to the By-laws.*
 - *UberX would operate as a special limousine category."*
3. *"New Licensing Category Option: (Equal Regulation): introduce more stringently regulated separate category*
 - *TNCs would be considered TNC brokers, as part of a new license category.*
 - *Requirements would be equivalent to taxis and limousines.*
 - *This option could include a licensing cap or growth standard, or an open licensing system for TNCs."*
4. *"New Licensing Category Option (Unequal Regulation): introduce less stringently regulated separate category*
 - *Provides a basic, self-regulating licensing framework for TNCs to operate legally.*

- *TNCs must register with the municipality but can issue their own driver permits, conduct their own background checks, and set their own vehicle standards.*
- *Subjects TNCs to increased licensing fees, and to municipal data collection, auditing, and fines/penalties for failure to properly self-regulate.*
- *This option would include a licensing cap or growth standard, or an open licensing system for TNCs.”*

5. *“Pilot Program Option: pilot program for TNCs*

- *TNCs would be introduced to the City through a pilot program aimed at addressing service problems and gaps in the FHV and taxicab industries.*
- *The pilot would measure the introduction of TNCs to ensure entry leads to service improvements and does not cause widespread irreversible safety or environmental problems or market failure.”*

6. *“Complete Deregulation Option: complete deregulation of current by-laws*

- *Deregulations would include lifting a cap on taxicab plates, removing required minimum and maximum fares, or by enabling taxicabs to operate in all service areas.*
- *Lifting all licensing requirements for all vehicles.”*

7. *“Provincial Regulation Option: rely on the provincial government to pass province-wide regulations*

- *The City would not pass any regulations, but will resort to the Ontario government to pass province-wide regulations.*
- *This option could include complete provincial regulation of licensing and economies, or just provincial licensing standards with fares and regulation reserved for the local level.”*

Comments from Stakeholders on the Regulation of TNCs:

For the consideration of the Daus report at the Public Vehicle Advisory Committee meeting of December 7, 2015, an email account (tncregs.comments@mississauga.ca) was established to receive written comments on the report. At the PVAC meeting of December 7th and in a subsequent email from Ms. Karen Morden, Legislative Co-ordinator, (attached as Appendix 4), stakeholders were invited to provide written comments on the Daus report to the email account.

Copies of all comments received on the Daus report and submitted to the email account tncregs.comments@mississauga.ca are attached as Appendix 5.

This report will not respond to the comments received. A 36 page response was received from Mr. Chris Schafer, Uber Public Policy Manager – Canada. The revised Daus report included in Appendix 5 to this report responds to the comments made by Mr. Schafer. Mr. Schafer's general comments on the options are shown below:

"With respect to the policy alternatives outlined in the paper, Uber Canada supports:

- Option 3: New Licensing Category (Unequal Regulation) Uber takes issue with the characterization of a new licensing category for TNC's as "unequal regulation", when the City of Mississauga already has 4 distinct categories of for hire vehicles with different licensing requirements under its current bylaw.*
- Option 5: Pilot Program: Using New Entrants to Solve Regulatory Problems and Improve Service*
- Option 6: Provincial Regulation"*

All comments received from traditional industry stakeholders (taxi and limousine industry members) support the Capture Option (four comments in total). In addition, at recent PVAC meetings traditional industry stakeholders have been quite vocal about having TNCs conform to existing City regulations as opposed to creating a new regulatory category under the by-law to accommodate TNCs. Comments received from a public stakeholder support in priority order: Provincial Regulation Option, Pilot Program Option, and New Licensing Category Option (Unequal Regulation).

In the summer of 2015 the City of Toronto engaged Ipsos Reid to conduct research to determine the attitudes, behaviour and feedback of residents of the City of Toronto on the current taxicab industry and TNCs. Key findings, key differences by demographics and key differences by taxi and Uber Users from the study results are summarized in Appendix 6 attached to this report. A copy of the entire Ipsos Reid report can be accessed using the following link: (<http://www.toronto.ca/legdocs/mmis/2015/ls/bgrd/backgroundfile-83494.pdf>)

A summary of the findings that are worthy of note is shown below:

- "One in five Toronto residents (21%) have used an Uber service in the past year and one in ten use either UberX (12%) or UberTaxi (11%) at least once a month."*
- "Comparatively, six in ten (58%) have taken a taxi in the past year and three in ten use the service at least once a month (28%)."*
- "Satisfaction with Uber is high and the lower cost of the service (vs. taxis) and the quality of the mobile app (ability to order, pay and track vehicles) are the main reasons why people use Uber. Adequate insurance/liability coverage is the primary weaknesses for the service and there remains some confusion about what currently exists and how this is managed."*

- *“While the vast majority of Toronto residents say they know UberX, XL and Select are not regulated, there are some misconceptions about the role the City plays in regulating fares and driver training for Uber thus overall familiarity with Uber services is low.”*
- *“Satisfaction with taxi services is much softer and while most taxi users have at least a somewhat positive impression, persistent concerns about cost, courteousness of drivers, and cleanliness of vehicles are negatively impacting opinions.”*
- *“There is a strong sentiment among Toronto residents that people should be able to choose for themselves whether they want to use Uber or taxi services and a majority feel that having both Uber and Taxi services provides Toronto with a competitive marketplace. Few feel that Uber should charge the same as taxis.”*
- *“Residents also expect that they City provide rules to protect passengers’ personal safety and help ensure safe driving behaviour among providers.”*
- *“Toronto residents are most inclined to support regulation of all vehicle-for-hire services that aim to protect passenger safety, including primarily criminal background checks for drivers, safety training for drivers, protection in case of bad/unsafe service, insurance/ liability coverage, and on-going driver training. Support is lowest for regulation for driver income, fares, and for availability of vehicles at peak times.”*
- *“Usage of public transit, taxis and Uber is highest among younger residents, while older residents are more likely to have used a limo in the past year.”*
- *“Younger residents are generally more positive to Uber and to feel that regulations on taxi and limo services haven’t created a better service than what Uber offers, that Uber is the way of the future and shouldn’t be hindered by unnecessary regulation, that Uber should be allowed to operate even if it doesn’t have as much regulation as taxis or that regulations on taxis should be relaxed to allow them to compete with Uber.”*
- *“Older residents are more likely to know that Uber isn’t regulated in the City of Toronto and to be supportive of all types of regulation in the vehicle-for-hire industry. They are also more likely to agree that Uber should have the same insurance/ liability coverage as taxis and that the City should limit Uber drivers and decrease it from current levels.”*

Analysis of Options:

In staff’s opinion there are two options: Capture Option, which is supported by the traditional industry stakeholders; and, the New Licensing Category Option (Equal Regulation). Uber Canada and other TNC advocates support a New Licensing Category Option (Unequal Regulation), which calls for self-regulation by TNCs. Staff do not support self-regulation for the public vehicle industry, as self-regulation is limited regulation based on our experience. Further, self-regulation for one industry member, and not other industry members, does not create a “level playing field”.

Further staff do not support the Capture Option Modified as requiring ride-sharing services to be regulated as limousines does not recognize the unique business model of TNCs and forces TNCs to operate as limousines and not a ride-sharing service. The Pilot Program Option is not feasible given the requirement to restrict ride-sharing services to a contained and defined service offering. Complete deregulation will not ensure public safety, driver safety and consumer protection. Staff are not optimistic that the province will tackle the regulation of TNCs thus minimizing the feasibility of the last option in the Daus report.

Capture Option:

This option maintains the status quo. This option does not recognize the unique business model of TNCs and places them under the existing regulatory structure.

Under this option staff would propose changes to the Public Vehicle Licensing By-law 420-04, as amended, to incorporate the following provisions:

Licensing:

- TNCs would be required to use existing licensed taxi drivers and taxicab plate holders with licensed vehicles.
- TNCs would be required to use licensed limousine drivers with licensed vehicles.
- TNCs would be required to obtain a municipal broker licence.
- Private fee-based ride sharing services would continue to be prohibited in the by-law.

Fleet Size Restrictions:

- Closed-entry into the taxi industry would remain.
- Open-entry into the limousine industry would remain.

Operating Conditions:

- Taxis could use a City-approved App, which calculates a fare based on the by-laws metered rates for taxis to dispatch taxi service. The requirements of the App have not yet been finalized.
- Limousines could use an City-approved App, which calculates fares based on the 30-minute advanced booking requirement and time-based fee structure in the by-law for limousines to dispatch limousine service. The requirements of the App have not yet been finalized.
- The restriction of one brokerage affiliation would be lifted. By lifting the restriction, the existing taxicab and limousine industries, and TNCs, could compete while continuing to control the number of taxicab plates issued by the City. If the restriction is not lifted, TNCs would have to draw taxicab and limousine plate holders from their existing brokerages. This change also empowers taxicab and limousine plate holders and drivers with the ability to take dispatch calls from brokerages of their choosing. This change does not prevent

brokers, and taxicab and limousine plate holders and drivers, from entering into private sole-service agreements.

Vehicles:

- The requirement for vehicle markings would be lifted for taxis, to facilitate vehicles being used by multiple brokers. Brokers owning plates for vehicles in their fleet could mark the vehicles according to existing City standards in the by-law. Taxis would require exterior roof lights indicating the company name.

This option requires a comprehensive review and rewrite of the Public Vehicle Licensing By-law 420-04, as amended, and its related schedules, to incorporate the required changes.

The rationale for this option is as follows:

- This option protects the taxi and limousine industries, given the characteristics of Mississauga's public vehicle industry.
- This option supports the findings of the Hara report that, with the exception of accessible service, "Mississauga has enough taxis - there is no oversupply at present. Mississauga has sufficient taxis to provide good dispatch response times." In other words, this option supports the notion that the existing regulatory structure in Mississauga works and provides satisfactory public vehicle service to the community.
- For one neighboring municipality servicing Pearson Airport, this option minimizes the impact of Mississauga-based private fee-based ride sharing vehicles from acting as "scoopers" at the airport, since private ride sharing vehicles would be illegal under this option.
- This option includes regulations to maintain public safety, driver safety and consumer protection. Taxicab and limousine brokerages, and TNC brokerages, would be held to the same standards. Similarly, taxicab and limousine drivers, and TNC drivers, would also be held to the same standards.

In staff's opinion, this option has some key drawbacks:

- The challenges and effectiveness of enforcement, and the related costs, should TNCs not comply with the requirements of the by-law, as well as other legal challenges. Further information on these legal issues is addressed in an in camera report from the City Solicitor being considered by General Committee on March 2, 2016 with this report.
- It fails to recognize a new business model for providing public vehicle services.
- It restricts consumers from using the new business model as it was designed and limits consumer choice in selecting public vehicle services.
- It limits competition and innovation in the public vehicle industry.
- Should Bill 131 be enacted into provincial legislation in its existing form, this option would not comply with the requirements of Bill 131, since Bill 131 prevents municipalities from licensing drivers of TNVs, regulating the fares of TNVs and/or limiting the number of TNVs.

Staff do not support the Capture Option because it does not create a market that supports innovation, competition and consumer choice.

New Licensing Category Option (Equal Regulation):

This option recognizes the distinct operating characteristics of TNCs and establishes a separate category in the by-law to license TNCs. To license TNCs, changes to provisions in the by-law are proposed in the areas of licensing requirements and training, operating conditions, fleet size restrictions, rate setting, brokerage affiliation and vehicles/markings. A summary of the proposed changes as well as an assessment of their impact is shown in Appendix 7 attached to this report.

The rationale for this option is as follows:

- This option provides a regulatory framework to license a new business model in the public vehicle industry.
- This option provides for a more competitive market place for the provision of public vehicle services by the various industry participants and puts all participants in the provision of transportation services in the public vehicle industry on equal footing with respect to public safety, driver protection and consumer protection.
- This option provides consumers with choices and alternatives when using public vehicle services.

In staff's opinion, this option has some key drawbacks:

- The challenges and effectiveness of enforcement, and the related costs, should TNCs and/or traditional industry participants not comply with the requirements of the by-law, as well as other legal challenges. Further information on these legal issues is addressed in an in camera report from the City Solicitor being considered by General Committee on March 2, 2016 in concert with this report.
- Given the characteristics of the public vehicle industry in Mississauga, this option may not protect the taxi and limousine industries.
- Should Bill 131 be enacted into provincial legislation in its existing form, this option would not comply with the requirements of Bill 131, since Bill 131 prevents municipalities from licensing drivers of TNVs.

Staff support the New Licensing Option (Equal Regulation) because it provides for an innovative and competitive market place for the provision of public vehicle services; allows for consumer choice; and, puts all participants on equal footing in terms of public safety, driver safety and consumer protection.

Appendix 8 attached to this report summarizes the regulatory provisions of the New Licensing Category Option (Equal Regulation) by industry participant: traditional taxis, TNC and limousines.

Update on Key Canadian Municipalities:

The framework for the regulation of taxis, limousines and TNCs recommended in this report is modeled after the framework approved by Calgary's Taxi and Limousine Advisory Committee (TLAC) on January 22, 2016. Further on January 22nd the TLAC approved a similar framework and supported the development of an amending by-law to be considered by Calgary City Council at its meeting of February 22, 2016.

At its meeting of January 26, 2016 Edmonton City Council approved "Vehicle for Hire By-law 17400", which is more aligned with the New Licensing Category Option (Equal Regulation) evaluated in the Daus report. This licensing framework requires the TNC and its drivers to obtain a licence from the municipality and also sets the minimum fare for TNC rides at \$3.25.

A report on the regulation of TNCs was considered by Toronto City Council in September 2015. At that time, Council asked staff to report in 2016 on a way to equitably regulate all providers of ground transportation, including taxis, limousines and TNC vehicles, and to begin consulting on regulations that will ensure a "level playing field" for all providers and take into account the City's accessibility objectives. This included a new licence category specifically for TNCs. In addition, Toronto City Council also voted to reduce the starting fare of licensed taxis from \$4.25 to \$3.25, effective November 1, 2015. Also, on Friday, January 22, 2016 Uber received a broker licence to operate Uber taxi and Uber Black in Toronto. Uber X remains an illegal operation.

In May 2015 Ottawa City Council approved the scope of a comprehensive review of the City's taxicab and limousine regulations. This includes potential regulations to recognize the emergence of new hailing technologies and transportation-for-a-fee service models. In July 2015, Council approved funding for the Taxi and Limousine Regulation and Service Review as part of the city's strategic initiatives. After a research phase, including producing several discussion papers, a policy options paper was released on November 18, 2015. After public consultations were completed, development of the consultant's final report began. Analysis of the research and the input from the consultations on the policy options paper will inform the development of the consultant's final report. In early 2016 Ottawa's Community and Protective Services Committee will consider a staff report based on the recommendations from the review.

In a letter dated January 21, 2016 to the Peel Taxi Alliance City of Brampton Mayor Linda Jeffrey indicated that she would like staff to examine all options that will restrict illegal ride-sharing companies from operating in Brampton without appropriate licensing.

Financial Impact

Should General Committee approve the recommendation in this report to prepare a by-law to amend the Public Vehicle Licensing By-law 420-04, as amended, to incorporate a new licensing category option as outlined in this report, additional costs may be borne by the City associated with legal action, if required. Further, should General Committee approve the recommendations in this report, additional resources may be required by Regulatory Services to administer and regulate the new requirements of the by-law. It is anticipated that the cost of any additional

resources required by Regulatory Service would be offset by licensing fees and other user charges. Staff will report back further on this matter.

Conclusion

This report provides recommendations to Council on the regulation of TNCs. This report also provides information about the characteristics of the public vehicle industry in Mississauga, impact of TNCs, enforcement action, proposed Provincial regulations – Bill 131, Competition Bureau of Canada, policy options for the regulation of TNCs, comments from stakeholders on the regulation of TNCs, and analysis of preferred options.

For the reasons outlined in this report, staff recommend that General Committee provide direction to staff to prepare a report and by-law to amend the Public Vehicle Licensing By-law 420-04, as amended, to incorporate the provisions of the New Licensing Category Option (Equal Regulation), including licensing requirements and training, operating conditions, fleet size restrictions, rate setting, brokerage affiliation and vehicles/markings as outlined in the report from the Commissioner of Transportation and Works, dated February 11, 2016 entitled “Regulation of Transportation Network Companies”. Staff further recommend that the forthcoming report with the approved by-law amendments provide further information on the additional resources required and related recoveries associated with the by-law changes.

Once any by-law changes come into force, staff will monitor the operations of the public vehicle industry (taxis, limousines and TNCs) to determine if any further by-law adjustments are required and report back to General Committee.

The process to issue taxicab and accessible taxicab plates will be considered by PVAC and General Committee in a separate report from the Commissioner of Transportation and Works once General Committee has approved a framework for the regulation of TNCs.

Attachments

Note: To support the City's environmental commitments and to achieve savings, we are reducing unnecessary printing and copying of large documents by providing access to electronic files. Appendices 1 to 3 of this corporate report are only available online at:

http://www7.mississauga.ca/documents/agendas/committees/general/2016/03_02_2016_GC_Agenda.pdf

- Appendix 1: Report from the Commissioner of Transportation and Works, dated October 14, 2015 entitled “Consultant’s Review of the Taxi Plate Issuance Model”
- Appendix 2: Report from the Commissioner of Transportation and Works, dated November 25, 2015 entitled “Consultant’s Review of Policy Alternatives for the Regulation of Transportation Network Companies”
- Appendix 3: Revised version of the consultant’s report, dated February 2, 2016 entitled “Study of Regulations of Transportation Network Companies (TNCs) Final Report”

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- Appendix 4: Email to stakeholders from Ms. Karen Morden, Legislative Co-ordinator, dated December 9, 2015 requesting comments on the Daus Report and providing email address
- Appendix 5: Comments received on the Report from Windels Marx Lane and Mittendorf, LLP, dated November 26, 2015 and entitled "Study of Regulations for Transportation Network Companies (TNC)"
- Appendix 6: City of Toronto, Taxi and Uber Consultative Qualitative Research, conducted by Ipsos Public Affairs, Summary of Key Findings, Key Differences by Demographics and Key Differences by Taxi and Uber Users
- Appendix 7: New Licences Category Option - Summary of Proposed by-law Changes and Impact Assessment
- Appendix 8: Regulatory Provision Summary - New Licensing Category Option (Equal Regulation)



Martin Powell, P. Eng., Commissioner of Transportation and Works

Prepared by: Mickey Frost, Director of Enforcement, HBA; CGA, CPA; MPA

City of Mississauga

Corporate Report



MISSISSAUGA

Date: October 14, 2015	Originator's files:
To: Chair and Members of Public Vehicle Advisory Committee	
From: Martin Powell, P. Eng. Commissioner of Transportation and Works	Meeting date: 2015/11/19

Subject

Consultant's Review of the Taxi Plate Issuance Model

Recommendation

1. That the report from the Commissioner of Transportation and Works, dated October 14, 2015 and entitled "Consultant's Review of the Taxi Plate Issuance Model", be received.
2. That the Public Vehicle Advisory Committee consider Appendix 1 to the report from the Commissioner of Transportation and Works, dated October 14, 2015 and entitled "Consultant's Review of the Taxi Plate Issuance Model", when Council has approved a framework to address the regulation of transportation network companies.

Report Highlights

- The City of Mississauga engaged the firm of Hara Associates Incorporated to address three requirements, namely, to recommend an approach to predict demand for taxicab and accessible taxicab service in Mississauga; to recommend a licence supply approach for taxicab and accessible taxicab services; and, to recommend a fare model/strategy for taxicabs and accessible taxicabs.
- The regulation of transportation network companies, firms that use internet-based services to directly connect customers with drivers, was outside the scope of work for the study. Hara and Associates Incorporated were engaged to perform by the City.
- The purpose of this report is to bring forward for consideration by the Public Vehicle Advisory Committee the final report from Hara and Associates Incorporated, dated October 7, 2015 and entitled "Taxi Plate Issuance Model Review".
- A separate report on the regulation of TNCs is targeted for consideration by the Public Vehicle Advisory Committee at its meeting of December 7, 2015.

Background

The City of Mississauga engaged the firm of Hara Associates Incorporated to address three requirements related to taxi plate issuance, in consultation with the taxi industry and other stakeholders, and in light of how other municipalities both within the province and outside of Ontario address these matters. The three requirements are noted below:

- Recommend an approach to predict demand for taxicab and accessible taxicab service in Mississauga.
- Recommend a licence supply approach for taxicab and accessible taxicab services.
- Recommend a fare model/strategy for taxicabs and accessible taxicabs.

The final report from Hara Associates Incorporated, dated October 7, 2015 and entitled "Taxi Plate Issuance Model Review" (Hara Report), is attached as Appendix 1. The purpose of this report is to introduce the Hara Report.

During the course of the review conducted by Hara Associates Incorporated, the taxi industry in Mississauga began undergoing a major competitive challenge. The widespread use of smartphones has led to the development of internet-based services that directly connect passengers and drivers. These internet-based transportation services are being offered by firms that are described as "transportation network companies" (TNCs).

The challenge posed by TNCs is that one of their primary services includes drivers who use their personal vehicles and operate outside the regulatory framework. Municipalities are struggling to bring TNC vehicle operation into the regulatory fold. The issue is complicated by their popularity, by the difficulty of enforcing rules on individual unmarked cars and by the recent decision of the Ontario Superior Court of Justice regarding the City of Toronto's application for an injunction against Uber.

Commenting on the TNC issue was outside of the scope of the study conducted by Hara and Associates Incorporated. A separate report on the regulation of TNCs is targeted for consideration by the Public Vehicle Advisory Committee at its meeting of December 7, 2015.

Comments

A summary of the recommendations contained in the Hara Report (attached as Appendix 1) are shown below:

"Plate Issuance

Recommendation 4.1: Plate Issuance Formula. If Mississauga wishes to use a plate issuance formula, it is recommended that number of taxi plates issued to operators for use within the city be increased by

- 1% for every 1% population growth in Mississauga, or part thereof; plus
- 0.07% for every 1% in the growth in passenger traffic at Pearson International Airport as indicated by enplaned and deplaned passenger totals; plus
- The number of taxis and accessible taxis required by TransHelp contracts.

Application would begin with the number of taxis licensed for 2015, with annual adjustment in future years.

Recommendation 4.2: Waiting List.

- a) *The waiting list should be closed, and new plates should be offered to those on the waiting list until such time as the waiting list is exhausted.*
- b) *After the waiting list is exhausted, new plates should be offered to active drivers with the longest continuous service to present. The list administrators may notify those eligible, however responsibility for applying should rest with the applicant.*

Recommendation 4.3: Resolution of TNC Regulation. With the exception of licences issued to serve TransHelp contracts, the issuing of taxi licences under the present or recommend replacement formula should be held in abeyance until Mississauga resolves the regulatory framework for TNCs such as Uber.

Recommendation 4.4 Entry Management by Licence Fee.

- a) *That Mississauga consider replacing its formula approach to numbers of taxis with entry management by licensee fee.*
- b) *That in support of this consideration, Mississauga seek clarification on restrictions to the level of licence fees in Ontario and, if necessary, seek reform from the province to permit municipalities to utilize this option.*

Recommendation 4.5 Waiting List with Entry Management. In the event of a shift to entry management by licence fee, members of the waiting list be offered the new licences at a reduced annual fee, pro-rated according to their years on the waiting list.

Accessible Taxis

Recommendation 5.1: Percent Accessible Taxis. Hara Associates recommends that Mississauga set a target of 21% of taxis being mobility device accessible. This level will ensure that an accessible taxi is near the required address when a call is received,

and allow dispatch systems to provide a response time that is reasonably equivalent to that received by other customers. Achieving this will radically improve the lifestyle choices available to people using mobility devices. The percentage of less than 100% also allows for a diversity of other types vehicles to meet other disability needs.

This percentage is in addition to accessible taxi licences issued to fulfil TransHelp contracts.

Recommendation 5.2: Accessible Plate Issue. All new issues of plates should be accessible taxi plates until the 21% of fleet target is met.

Recommendation 5.3: Accessible Plate Plan. To achieve a minimally efficient scale of accessible service in the next two years:

- a) 30 accessible plates be released in each of the next two years, in advance of plate issuance formula requirements.*
- b) Such plates be offered first to the waiting list. Any remaining plates be offered to brokers, then to senior drivers.*
- c) A condition of such plates is that they be put into service in the dispatch pool at least 40 hours per week.*
- d) Any plates not taken up by active industry members be reserved until the end of the two-year period.*
- e) At the end of the two-year period, if the additional plates have not been taken up, then they should be issued to brokers proportionate to registered fleet size, with the requirement that they be put into service as a condition of being licensed.*
- f) Where plates are issued to brokers under (e) above, the required service period should be doubled to a minimum average of 80 hours per week over the year, combined with a general duty to provide accessible taxi service on demand.*

Meter Rates

Recommendation 6.1: No Meter Increase. It is recommended that there be no meter rate adjustment for 2015.

Recommendation 6.2: Downward Fare Flexibility. If industry representatives on PVAC request it, companies should be permitted to charge less than the bylaw meter rate. Depending on industry request, either or both of these methods should be considered:

Public Vehicle Advisory Committee

2015/10/14

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- a) *Driver Option. Drivers may offer a fare to an individual passenger at less than the meter rate. In this event, the meter should still be run to show the customer the meter charge, and to create an electronic record of the trip.*
- b) *Company Option. If companies wish to formally reduce their meter rates overall, notice of fares should be posted where visible to customers prior to entering the taxi, and fare schedules and posting method should require approval of bylaw enforcement.*

Recommendation 6.3: Taxi Cost Index. Adopt a taxi cost index based on the cost profile and data sources in Table 6.2. The next application of the index should be in the fall of 2016, based on relative changes in cost from 2015."

Staff recommend that the Public Vehicle Advisory Committee receive the report from the Commissioner of Transportation and Works, dated October 14, 2015 and entitled "Consultant's Review of the Taxi Plate Issuance Model". Further, staff recommend that the Public Vehicle Advisory Committee consider the Hara Report (attached as Appendix 1 to the report from the Commissioner of Transportation and Works, dated October 14, 2015 and entitled "Consultant's Review of the Taxi Plate Issuance Model"), when Council has approved a framework to address the regulation of TNCs.

Financial Impact

The recommendations in the Hara Report, if approved, will increase taxi and accessible taxi licence fee revenues if new licences are issued in the future.

Conclusion

The City of Mississauga engaged consulting services to perform a taxi plate issuance model review. The firm of Hara Associates Incorporated was engaged to perform this review and has completed their final report. This report brings forward the final report from Hara Associates Incorporated on the taxi plate issuance model review for consideration by the Public Vehicle Advisory Committee.

Attachments

Appendix 1: Report from Hara Associates Incorporated, dated October 7, 2015 and entitled "Taxi Plate Issuance Model Review".

6.1e

APPENDIX 1

6.1

Public Vehicle Advisory Committee		2015/10/14	6
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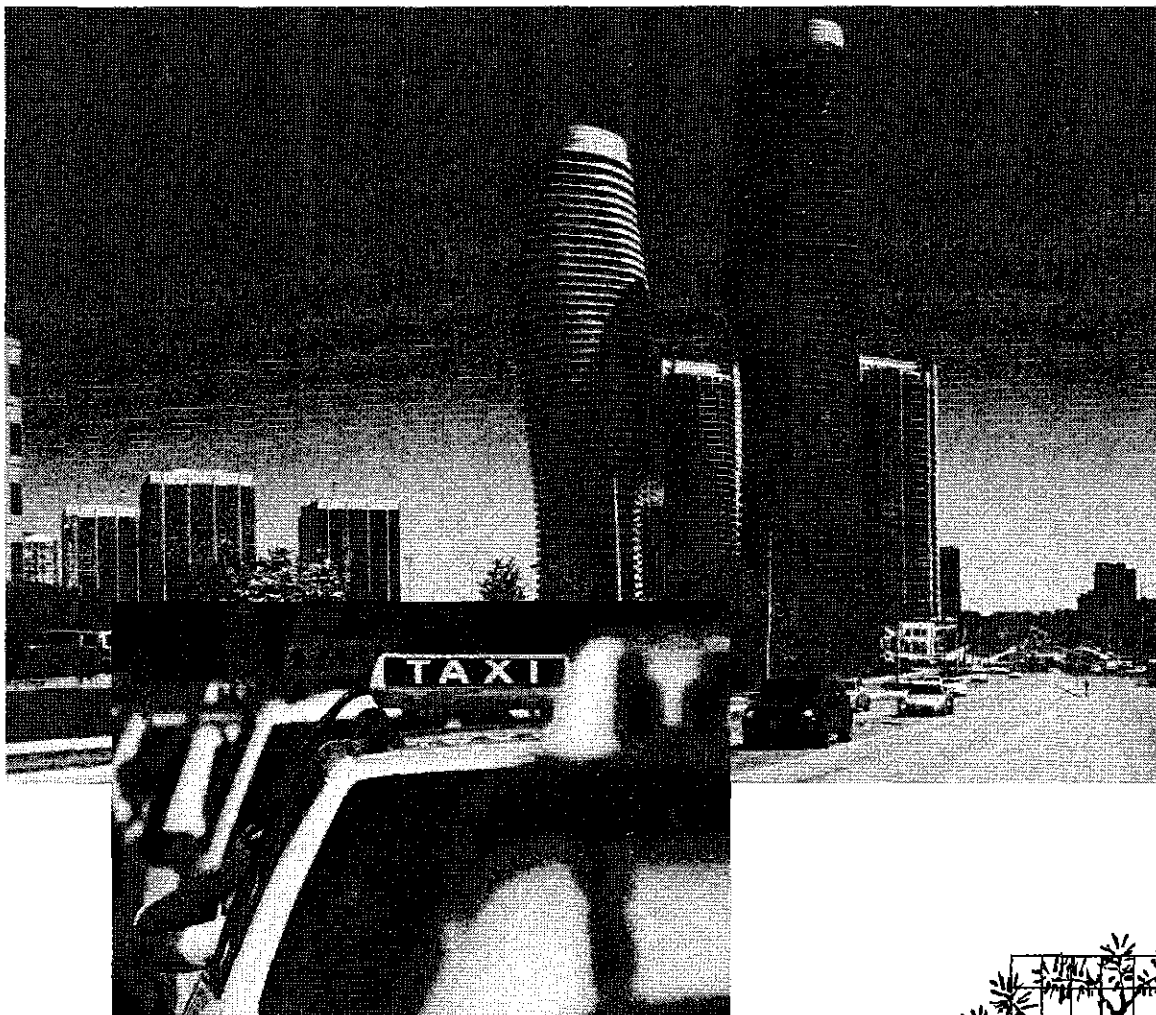
Commissioner of Transportation and Works

Prepared by: Mickey Frost, Director of Enforcement

Public Vehicle Advisory Committee
NOV 19 2015

City of Mississauga

Taxi Plate Issuance Model Review



Hara 
Associates

Taxi Plate Issuance Model Review

Prepared for:

The City of Mississauga

By:

Hara Associates Incorporated

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Oct 7, 2015

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Executive Summary

As with most cities, Mississauga limits the number of taxicabs permitted to operate. The bylaw sets out a multi-factor growth formula to determine the number of taxi licences it issues.

This study:

- Compares Mississauga's approach to licence management to that of other cities.
- Recommends a method for managing taxi plate numbers in the future.
- Recommends a target percentage of accessible taxis consistent with the requirements of the *Accessibility for Ontarians with Disabilities Act (AODA)*.
- Recommends an approach for adjusting taxi meter rates over time.

The AODA is a material change for the taxi industry, and represents an important step forward for those dependent on mobility devices. Ontario municipalities are required to establish a target percentage and timetable for accessible cabs in consultation with their municipal Advisory Committee for Persons with Disabilities. How this happens is directly affected by Mississauga's approach to licensing and to releasing new licences.

Impact of Uber & TNCs

During the conduct of this study, the industry has been undergoing a major competitive challenge. The widespread use of smartphones has led to the development of internet-based services that directly connect passengers and drivers. Leading firms include Uber, Lyft, and Hailo. A generic term for these firms is Transportation Network Companies (or TNCs). Uber has been particularly active in Toronto, has held recruiting meetings in Mississauga, and has already had an impact on taxi trip volumes here.

The challenge posed by TNCs is that their principal services (UberX in Uber's case) provide drivers who use their personal vehicles, and operate outside the regulatory framework. These services have proved popular. Users like the conveniences offered by smartphone apps. Fares are lower than for municipally licensed cabs because TNC drivers do not pay the costs of meeting regulations for consumer and driver safety that licensed vehicles must pay. Insurance in particular is an issue. TNC drivers, who rely solely on inadequate personal driver insurance, pay approximately \$1,000 per month less for that one item. In addition, there are concerns about the safety of personal vehicles used for commercial purposes that are not inspected for such use, the lack of driver training, and the efficacy of criminal record checks.

Municipalities are struggling to bring TNC vehicle operation into the regulatory fold. The issue is complicated by their popularity, by the difficulty of enforcing rules on individual unmarked cars, and by the legal position taken by TNCs that they are merely phone apps, not taxi or limousine brokers.

Commenting on the TNC issue is beyond the scope established for this study. However, the issue affects some of the recommendations made. *In particular, it is suggested that recommendations involving the release of new licences be held in abeyance until the matter of how TNCs are regulated is resolved.*

Mississauga has Good Taxi Service

The report first examines whether Mississauga has the right number of taxis today. Mississauga is found to have a good, but not excessive, supply of taxis. The analysis is based on multiple lines of evidence, from intercity comparison to dispatch response times.

Dispatch response times are good. The average time to the door is 9.8 minutes, with 90% of calls served within 15 minutes. At the same time, analysis by peak hour and geographic area shows minor weaknesses, indicating that there may be room for a small increase in the fleet. In particular, service to northeastern portions of the city (near the airport) is slow during weekday rush hours, with the percent of dispatch calls served within 15 minutes down to around 75%.

Simpler Formula Recommended

To manage taxi numbers going forward, a simpler formula for taxi numbers is recommended. The recommended formula is based on population growth, and growth in passenger volume at Pearson International Airport. It would replace the present formula based on some 22 growth factors. Although most of the current growth factors are relevant, their listing and weights were determined by a consensus process, rather than being evidence based. Under best practice, multi-factor growth models are based on statistical tests measuring the correlation between taxi trip volume and the growth factors. Such a process requires at least a ten-year history of trip volumes, but Mississauga's data goes back only about three years.

Other drawbacks to the current system are the lack of consistent data sources for the 22 factors, the resulting risk of error, the difficulty and expense of administration, and the lack of transparency arising from the complex process. Importantly, the current formula also lacks reference to the airport, although a substantial number of local trips are generated as a result of airport travelers staying in Mississauga accommodations, and related airport activity. There is also the perverse result that the present formula would call for a reduction in taxis as taxi plate value declines due to the incursion by the TNCS—effectively ceding the market.

It is also recommended that the existing priority list be used to distribute new plates, but that the list be closed. After the list is exhausted, the recommended replacement would be based on driver seniority.

TransHelp a Separate Consideration

The recommended new formula treats TransHelp separately. It is recommended that the City coordinate with the regional transit service to permit greater use of taxis by TransHelp in delivering its public transit service. Since these taxis are used on scheduled service for public transit clients, they generally are not available to the taxi dispatch pool and thus are separate from formula consideration.

Consideration of a Non-Formula Approach is Also Recommended

The analysis was undertaken within a broad comparison of methods used by other cities to regulate taxi numbers. In this context, it is also recommended that Mississauga consider getting out of the formula approach entirely. It is suggested that consideration be given to a relatively innovative method, first suggested by an international inquiry conducted by the Australian state of Victoria. The term employed in the present report is "entry management through licence fees." It offers Mississauga the opportunity of choosing the level of profitability it wishes to maintain for the industry, while allowing taxi drivers the opportunity to commit to the industry and buy a plate if they wish.

The approach is well known in regulatory frameworks for other types of licensing. Key to its implementation is drawing a distinction between existing plates and new plates, and charging a significant fee for new plates.

Potential issues exist in Ontario law regarding licensing fees and cost recovery. It is also recommended that these be investigated and, if necessary, the province be asked to ensure municipalities have this approach available as an option.

What is 100% Accessible?

Separate from the size of the taxi fleet is the question: what proportion of taxis should be wheelchair/mobility device accessible?

The question is complicated by the AODA requirement that all disabilities be accommodated. This includes those not in wheel chairs but who may require or prefer a sedan in order to back into a seat at their preferred level. Consultation with both the Accessibility Advisory Committee and with the Older Adults Advisory Panel yielded significant discussion on this point. There was agreement, although not unanimous, that 100% accessible meant 100% accessible to all disabilities. Thus, a diversity of vehicle types is required to meet the diversity of disability types.

Based on a technical analysis of Mississauga dispatch zones and the statistical distribution of accessible taxis within these zones, it is concluded that if 21% of the taxi fleet is wheelchair accessible, service to mobility device users will be comparable to service to other customers, and consistent with AODA requirements. This level of reliability would be a huge increase from today's generally acknowledged poor to non-existent service. The 21% is recommended as a target for Mississauga, and is in addition to any accessible taxis licensed to fulfil TransHelp contracts.

To ramp up to minimum efficient scale quickly, an early release of 30 plates in each of the next two years is recommended. This release would occur in advance of the projected formula for plate release based on population and on airport passenger growth. The release method utilizes the seniority list and voluntary acceptance of the plate offers. If after two years the plates are not picked up, then it is recommended they go to brokers along with a regulatory requirement to use them.

No Change to Meter Rates, but Flexibility to Charge Less

No meter rate change is recommended for 2015. The analysis is based on intercity comparison, a review of taxi costs, and stakeholder consultation.

It is also recommended that if requested by industry representatives, taxis be permitted to charge less than the official meter rate. In such instances, the meter should still be run to ensure the customer knows the discount is fair, and to register the trip in computer dispatch systems. Other conditions on public notice also apply.

The practice of making meter rates a maximum, rather than a fixed rate, has many drawbacks. However, these are outweighed by the need of the industry to respond competitively to the currently unregulated TNCs.

For the future, annual review of meter rates is recommended using a Taxi Cost Index. Formula weights and data sources are provided to support the index.

The full text of recommendations is provided in Chapter 7.

1 Introduction

As with most cities, Mississauga limits the number of taxis permitted to operate. The bylaw sets out a multi-factor growth formula to determine the number of taxi licences it issues. The formula is a weighted average of growth factors ranging from population, to hotel nights, to bingo events, to driver income, to the value of taxi plates themselves.

This study:

- Compares Mississauga's approach to licence management to those used by other cities.
- Recommends a method for managing taxi plate numbers in the future.
- Recommends a target percentage of accessible taxis consistent with the requirements of the *Accessibility for Ontarians with Disabilities Act (AODA)*.
- Recommends an approach for adjusting taxi meter rates over time.

The AODA is a material change for the taxi industry, and represents an important step forward for those dependent on mobility devices. Ontario municipalities are required to establish a target percentage and timetable for accessible cabs in consultation with their municipal Advisory Committee for Persons with Disabilities. The AODA expects industries to absorb the cost of accommodation while keeping prices (taxi fares) the same for everyone. How this is done is materially affected by Mississauga's approach to licensing, and to how it releases new licences as examined by this study.

Methodology

The study team combines more than twenty years of experience supporting taxicab regulators in Ontario and internationally. While the taxi industry shares many common elements among cities, each city is unique. Multiple lines of evidence were explored to assess Mississauga's taxi industry. These included:

- Experience reported by Mississauga industry stakeholders, including members of the Public Vehicle Advisory Committee (PVAC), representatives of Pearson International Airport, and TransHelp.
- Consultation with the Accessibility Advisory Committee (AAC).
- Consultation with the Older Adults Advisory Panel (OAAP).
- Structural analysis of the Mississauga taxi industry.
- Comparison to other cities.
- Application of Hara Associates' Taxi Demand Model.
- On-street observations.
- Analysis of electronic trip data kindly provided by licensed taxi brokers.
- Data kindly provided on a confidential basis by individual taxi companies, drivers, and operators.

Detail on methodology is provided in each chapter. Appendix A lists the stakeholders consulted.

Impact of Uber & TNCs

At the same time that this study has been underway, the industry has been beset by a major competitive challenge. The ubiquity of smartphones has led to the development of new internet based services that directly connect passengers and drivers. Leading firms include Uber, Lyft, and Hailo. A generic term for these firms is Transportation Network Companies (TNCs). Uber has been particularly active in Toronto and the surrounding region. Uber has held meetings to recruit drivers in Mississauga,

1-2 Introduction

and offers service in Mississauga. While convenient for customers, TNCs are problematic for regulators because they effectively act as dispatch, bypassing brokers licensed by municipalities.

Addressing TNC is outside the scope of this report. However, until the issue of TNCs is resolved, many of the questions addressed in this study may be moot.

The challenge posed by TNCs is that their principal services (UberX in Uber's case) provide drivers who use their personal vehicles, and operate outside the regulatory framework. These services have proved popular. Users like the conveniences offered by smartphone apps; they like being able to see on a map where the closest vehicle is, of being able to pay seamlessly by credit card without getting out their wallet, and of being able to rate drivers. They also like the idea of participating in the "sharing economy." Fares are lower than for municipally licensed cabs because TNC drivers do not pay the costs of meeting regulations for consumer and driver safety that licensed vehicles must pay. Insurance in particular is an issue, since TNC drivers, who rely solely on inadequate personal driver insurance, pay approximately \$1,000 per month less for that one item.

Despite the attractions, there are associated risks. Historically, regulatory requirements for vehicle-for-hire licensing have arisen for public and driver safety. In addition to insurance, TNCs raise concerns about the safety of personal vehicles used for commercial purposes that are not inspected for such use, the lack of driver training, and the efficacy of criminal record checks. Police forces also have a historic concern about who is operating vehicles-for-hire, as they provide convenient mobile locations for street business.

Municipalities are struggling to bring TNC vehicle operation into the regulatory fold. The issue is complicated by their popularity, by the difficulty of enforcing rules on individual unmarked cars, and by the legal position taken by TNCs that they are merely phone apps, not taxi or limousine brokers.

Commenting on the TNC issue is beyond the scope of this study. However, the presence of unregulated TNCs has an impact on the tasks at hand:

- **Impact on Managing Taxi Numbers.** Any formula for managing the issuance of additional taxi licences assumes that the municipality is licensing the whole of the market. If the market share of taxi companies is declining because of challenges from TNCs, then increasing the number of taxis makes little sense, even if the city's population and overall use of vehicles-for-hire is rising.
- **Impact on Accessible Taxi Service.** The current approach of AODA is to vest expectations for accessible vehicle-for-hire service in the licensed taxi industry. The industry is expected to provide the service while charging all passengers the same fares. Absorbing this cost may not be feasible if the licensed industry faces competitors that do not provide the service or bear the cost.

In addition, the current approach implicitly relies on the controversial existence of plate value. Until 2014, taxi plates in Mississauga traded privately for as much as \$220,000. Under such circumstances, it is relatively easy to motivate the provision of an accessible taxi in exchange for receiving a newly issued plate. But as the market share of TNCs expands, plate values are dropping significantly. If plate values descend to zero, or to any amount below the extra cost of an accessible vehicle—then it will be difficult to get industry operators to step forward and accept an accessible taxi licence.

Therefore, some of the recommendations in this report are conditional on resolving the TNC issue.

Mississauga Taxis Particularly Vulnerable to TNCs

With the exception of a few stands such as at Square One or the Delta Hotel, Mississauga's taxi business is almost entirely dispatch-based. This renders its taxis particularly vulnerable to losing market share to unregulated TNCs. Cities where taxis have done better—such as Toronto or San Francisco—are ones in which ridership is a mix of dispatch and on-street hail, particularly in downtown areas. Licensed taxis have an advantage in such centres because of their clear markings and customer expectations. Since the TNC business model is to replace dispatch, virtually all of Mississauga's current taxi market is affected.

Other Events Affecting the Industry

Findings and recommendations in this report are made within the context of:

- **High cost of taxi insurance.** Insurance costs rose sharply in 2013—almost doubling for some operators—from around \$6,500 per taxi to \$12,000 - \$13,500 depending on the vehicle. The immediate cause was the withdrawal of long-time taxi insurance suppliers for Toronto and Southern Ontario. Underlying causes have been both local and global. Financial crises in Europe and significant weather events have stressed global insurance markets, causing insurers to pull out of marginal markets of all kinds. For taxi insurance in North America, the impact has been variable depending on the municipality, but wherever the product used by local insurance brokers has been withdrawn, prices have risen dramatically. The consequence has been a significant increase in operating costs.
- **New technology inside the taxicab.** Available in-taxi equipment is changing. Pioneered by New York City and Boston in 2004, passenger information monitors (PIMs) provide customers with better control over their credit cards and an improved experience. People with sight or hearing disabilities can be accommodated in new and convenient ways. The ability to accommodate people with disabilities is relevant to AODA requirements. AODA goes beyond wheelchair accessibility to require accommodating all kinds of disabilities.
- **The advent of apps.** To counter the challenge of TNCs, many larger taxi companies are introducing their own smartphone apps offering similar convenience. As these apps become more common, they will be available economically to smaller companies, such as those operating in Mississauga.
- **Demographic changes.** Demographic changes are affecting taxi usage. The aging population correlates with increased numbers of people with disabilities, particularly wheelchair users, who expect equitable service. At the same time younger generations are choosing to postpone vehicle ownership, increasing their demand for taxis (and public transit) to support this choice.

These considerations are incorporated in the report's analysis.

Size and Role of the Taxi Industry

Mississauga's taxi industry is a significant employer. In addition to the hundreds of taxi drivers, there is associated employment in taxi brokerages, and vehicular maintenance and servicing. Groups that use taxis intensively are business people, the elderly, young adults, low-income earners, people with disabilities, and those who have chosen not to own a vehicle.

The taxi industry also plays strategic roles in the city's economic development:

- **Vital service.** It is an essential service for business travelers, and for those who cannot afford or operate a private vehicle or choose not to own one

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- **Positive factor in public transit usage.** Taxis complement public transit; they are not a substitute. When people organize their lives to make less use of privately owned vehicles, they have to be able to rely on a package of public transit and the availability of taxis when they need quick service. Better taxi service means more public transit use and less reliance on private vehicles.
- **Communicates effectiveness of City administration.** Taxis are ambassadors for the city. They are a significant means by which business travelers assess the quality of civic administration, and the likely ease of doing business with and within the city.
- **Necessary to promote Mississauga as a destination.** Poor availability of taxis compromises a city's ability to compete for large conferences and events, and tourism.
- **Reduced cost of road infrastructure.** Good taxi availability, especially downtown, increases commuting by public transit and reduces road infrastructure costs.

Organization of the Report

Following this introduction, Chapter 2 presents stakeholder views of the issues covered in the report. The views expressed are not necessarily those of Hara Associates. Subsequent chapters draw on these views, and address concerns that stakeholders raised.

Chapter 3 examines the adequacy of Mississauga's current taxi supply. Is today's number of taxis the right place to start in developing a formula for taxi plate issuance in the future? Chapter 4 compares Mississauga's current formula to that of other cities, and recommends an approach for the future.

Chapter 5 turns to AODA issues: what percentage of tomorrow's fleet should be wheelchair/mobility device accessible? How should this be accomplished? Finally, Chapter 6 examines methods for reviewing meter rates, and recommends an approach.

2 Stakeholder Viewpoints

This chapter offers the views of stakeholders in the Mississauga taxi industry, as expressed to the study team in interviews. The views expressed are not necessarily those of Hara Associates, and may cover topics outside the scope of this study.

The interviews were conducted in Mississauga from July 2014-March 2015. Extensive consultation was undertaken with stakeholder groups including:

- Council Members: from the Public Vehicle Advisory Committee (PVAC) and the Accessibility Advisory Committee (AAC);
- Industry Representatives: from A Black Cab, All Star Taxi Service, Blue and White Taxis, Airlift Services, accessible taxis owner and operator, Aeroport Taxis;
- Community Organizations: Members of AAC, PVAC, and of the Older Adults Advisory Panel;
- Region of Peel: TransHelp;
- Greater Toronto Airport Authority.

Stakeholder comments are organized by these topic areas:

- Forecasting Mississauga taxi demand
- Accessible taxis
- Plate issue
- Meter rates

2.1 Forecasting Mississauga Taxi Demand

The following questions were discussed with the stakeholders:

- **Number of Taxis:** Do you think Mississauga has the right number of taxis at present? Are all times of day well served? All neighborhoods?
- **Formula:** Mississauga has a multi-factor formula to determine the number of taxi licences that should be issued. Are you aware of it? How well do you feel it has worked? How would you like to see the number of taxis determined in the future?

Number of Taxis

The majority of stakeholders view the current number of taxis in Mississauga as being too high or reasonable. Based on feedback received, except in special circumstances, (winter storms, holidays), the wait time is typically 10 minutes or less. This is considered by the industry to be a reasonable wait time.

Numerous stakeholders noted that while Mississauga's population is increasing, this has not translated into increased demand for taxis. Industry representatives identified a number of reasons for this, including changes in demographics, new entries to the market, and City initiatives that have adversely affected the demand for taxis over several years and are expected to continue. For example, many hotels provide shuttle services which reduce demand for taxis. Uber's entry into the market was frequently cited as it is having a direct impact on the demand for taxis by offering discounted rates, and is deemed to be competing in an inequitable manner. Stakeholders also discussed the City's efforts to

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expand and enhance transit. While recognized as a positive initiative, stakeholders identified this as a factor impacting demand for taxi service, stating that the number of taxis needs to be evaluated "in the big picture" of all planned transportation strategies.

Few suggested that additional taxis are needed although several pointed to the problem of evening taxi shortages arising from the exclusively daytime use of some cabs. This single-shift use of vehicles was attributed largely to owner-drivers avoiding the higher cost of insurance if multiple drivers are used (double-shift).

The following provides a summary of the feedback received, as well as some direct quotes, under the three main categories (number of taxis is too high, reasonable or too low):

Number of taxis is too high

- The majority of industry representatives maintained that there are too many taxis currently operating in Mississauga.
- Drivers and brokers identified earning a reasonable living as a significant challenge for drivers due to the high cost of insurance and other expenses, new competition, and the recent release of taxi plates by the City. Below are some of their comments:
 - "Drivers are suffering because there are too many taxis"
 - "There are more than enough cabs....33 newly issued were not needed"
 - "Uber is wreaking havoc on the industry. Some drivers and customers are using Uber. Uber is offering the service at discounts to get in the market"
 - "Uber technology is moving into the Mississauga. It is unregulated as you don't know if they are licensed commercially, they can charge whatever they want and there are no vehicle standards"
 - "It is not easy to get a licence and Uber is taking away business"
 - "The City needs to stop illegal and unlicensed services"
 - "More senior homes are providing their own resident transportation vehicles which has reduced the demand for taxi service"
 - "Much of the growth in Mississauga's population is through immigration. Some of the cultures that have immigrated do not use taxis"
 - "The city has matured in development and future growth will be intensified"
 - "Need to keep business prosperous"
 - "School buses and shuttles are taking away business from the taxi industry and do not have the same insurance issues as the taxi industry"
 - "Hotel shuttles have reduced demand for taxis"

Numbers are reasonable

- While the majority of industry representatives maintained that there are too many taxis, numerous stakeholders believe the current number is reasonable.
 - Generally customer wait time is less than 10 minutes which is an industry standard
 - Drivers and brokers both note that when weather is bad, response times will be slower, but this is not indicative of a need for more taxis on the road, but for an

adjustment in expectations on the part of the public. This is also the case for peak holidays, (e.g. Christmas, Thanksgiving, etc.)

- Demand sags in summer, winter is peak season and as such, there are times there are too many cabs and times when there are not enough cabs. However, as one industry representative stated, *"Plates have a value and the cost to enter the business only seasonally is too high so you can't issue seasonal plates"*
- One member of the industry stated that *"I have come to the conclusion that you can bend, twist and re-analyze the figures all you like; in Mississauga, we have enough taxis-just the wrong mix."*

Numbers need to increase

- Several stakeholders noted that additional taxi plates are needed for a number of reasons including the high cost of insurance for having multiple drivers using one vehicle, which results in underutilization of existing taxis (single- versus double-shifts), as well as some additional opportunities to support tourism related business. Others identified opportunities to expand the taxi business through changes in current policies and practices. Taxi brokerages that identified as cooperatives felt that a limited number of additional plates would provide opportunities for members who do not have plates at present. Comments included:
 - "We need more plates because insurance for two drivers is \$13,000 versus \$4,500 for one, therefore a plate is not being fully utilized."
 - While industry stakeholders believe that daytime rush hours are well served, noting that even during these peak times cars can be seen waiting without passengers, late nights are another matter. "Sometimes customers have to wait 20 minutes due to shortage on shifts. It would be good to have plates issued to address these shortfalls, (e.g. could issue night plates)"
 - The industry receives significant business from tourists staying in Mississauga and visiting Toronto.
 - "Taxi industry needs changing as they are limited to where they can pick up passengers. If this were to change, additional taxis would be needed"
 - "The City used to have more taxi stands in the malls but they have not put any new stands in approximately 10 years. If more were added, it would support the industry and may require additional taxis."
 - Younger population are not buying cars as frequently which may increase demand for taxis

Taxi Formula

Industry stakeholders were asked a number of questions related to the existing multi-factor formula used to determine the number of taxi licences that should be issued. The discussions focused on the existing criteria, the source data used for the calculation, as well as whether there is a need to modify the formula for the future issuance of licences.

There was considerable feedback about the existing formula. All stakeholders were supportive of using a multi-factor formula approach, recognizing that there are many aspects that should be considered in determining the number of taxis needed to meet demand. While some municipalities issue plates using the single factor of taxi plate to population, there was no support for simplifying the calculation to this

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extent. A number of suggestions were made for updating the existing formula. Some suggested that the existing formula is overly complex, while others identified additional criteria that should be included in the calculation.

Some suggested the City should review the formula more frequently than it has. Formal consultation with the industry was also identified as a priority. This consultation was also recommended to be early in the process to allow the industry to provide input rather than simply comment after the fact. Numerous stakeholders expressed concern that the data provided by the industry, which is used in the formula to calculate the number of taxis, is not readily or consistently available. They suggested that there is a need for the City to validate the data prior to issuing plates.

Comments included:

- "I was amazed at the variety of factors included in the formula"
- "The formula is overly complex and has not been updated since 2004."
- "Formula should be simpler and more transparent"
- "Industry was not consulted"
- "Formula is too old, dated – should be reviewed every five years – we need to be involved in the discussion of how to fix it"
- "Data is not always available, resulting in problems with the calculations and inaccuracies"
- "Not consistent in data use and the quality of the data is suspicious as it comes from the industry"
- "Need clear, accurate and verifiable data"
- "A 2 year review of the formula was undertaken in 2012 which indicated that the city had too many cabs (26 over the limit) but the data was questionable and when revisited, results indicated a need for 33 additional plates to be issued"
- "A simpler formula is needed – most important factors – population growth, demand for service, age of population, tourism needs to be considered as a large part of the business is related to tourism"
- "Some factors are missing and others are not appropriate"
- "Should consider all modes of transportation and look at GTA"
- "Formula includes hotels and occupancy as factors but hotel guests frequently use hotel shuttle services and this has not been factored into the formula"
- "The number of calls are not increasing – must consider call volumes as a key factor in determining taxi need"
- "City has great aspirations for more public transportation. If these alternative modes are successful, it will negatively impact the taxi industry and should be considered in the calculation of the number of taxis needed"
- "Formula should consider the impact of car sharing, ride sharing and bike sharing on taxi usage"
- "Consider waiting time of the customer"
- "Formula didn't factor in the 34 accessible taxis on the street"

2.2 Accessible Taxis

There are two AODA regulations relevant to the taxi industry:

- *Integrated Accessibility Standards*. Requires the municipality to establish “the proportion of on-demand accessible taxicabs required in the community” and a timetable to achieve this.
- *Accessibility Standards for Customer Service*. Requires individual taxi service providers to make reasonable efforts to ensure that “persons with disabilities be given an opportunity equal to that given to others” to obtain and use taxis.

The key questions posed to respondents were:

- What percentage of the fleet needs to be accessible taxis in order to meet the AODA standard?
- What options should we consider to achieve this percentage?

Discussion here was wide ranging, covering a number of issues.

Accessible Service Standards

All participants in the consultation process agreed that improving accessible taxi service in Mississauga is necessary.

Stakeholders from the accessible community consistently identified establishing on-demand accessible transportation systems comparable to those serving the rest of the community as essential to enhancing the opportunity for persons with disabilities to participate fully in the community. This was summed up as, “A lack of accessible service creates barriers for people who are disabled that do not exist for the rest of the population.” Numerous examples were provided to demonstrate that service levels are not equal. Most stakeholders agreed that changes should and must be made to allow all people to participate on an equal basis. While most people have the right to decide at the last minute to participate in a community activity or be on-call for work, this option does not exist for people who require accessible service.

One of the key service standard differences identified between accessible and standard cab service is that customers with accessible needs, must, for the most part, call in advance (typically 24 hours) compared with on-demand service for standard taxi service. One stakeholder stated that the City “needs to consider the needs of the customers as it is not fair that they have to book ahead and standard taxis are on-demand.” We also heard, “People with disabilities do not go out because they can’t go out.”

Stakeholders stated that GO transit buses and city buses are 100% accessible (or are moving in that direction) and “taxis are also a public service and therefore should be the same level of service.” A large service provider for accessible service in the city is TransHelp, but as described by stakeholders, “this is a slow service as it is shared. People with disabilities work and they need a reliable and timely service. We need to create an equal playing field.”

While standard taxi service operates on a 24/7 basis, accessible taxi service is considerably more limited. Stakeholders stated that there is regularly a lack of accessible cabs in the evenings and on Sundays. Consistently, industry service providers and stakeholders identified the need to ensure that people with disabilities have an equal opportunity to obtain and use taxis, and that on-demand accessible taxis are available when needed.

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Consistently we also heard that there is limited data available to fully understand the demand for accessible service as the processes are not in place to track unmet demand. We also heard for one user of the accessible service that, *"Lousy service is given to the disabled and this is holding down the demand."*

Consistently also, the industry raised concerns over the upfront cost of accessible vehicles, higher operating costs (insurance, fuel, maintenance), and the challenge of earning income on trips that take more time to service. There were different opinions about how to move forward on addressing the service delivery gaps in providing accessible taxis. This will be discussed later in this section of the report.

Another challenge cited is that of aligning the service and vehicle to customer needs using traditional dispatch services. As identified by an accessible taxi service provider, to appropriately service accessible customers, you have to ask the right questions: how many passengers, side entry, rear entry, oxygen, size of the wheelchair. It appears that not all brokerages ask these essential questions. We also heard that, *"Customers are being let down by some companies that take other calls and put the accessible customers at the back of the queue."* Another difficulty identified is related to drivers not accepting seeing-eye dogs in taxis due to cultural mores, and that City enforcement alone cannot address these situations.

Number of Accessible Vehicles Required—Percentage of Fleet

Having heard widespread agreement on the need to enhance accessible vehicle service, the next question examined was the percentage of the fleet that needs to be accessible taxis. Responses ranged from 25% to 100%.

Information on the demand for accessible service is not readily available which concerns the taxi industry since without complete data, it is impossible to gauge how many vehicles are required to meet accessible needs. As one broker stated:

"It is a large investment with no guarantee of demand. We do not have data on how many people are confined to wheelchairs and in need of wheelchair accessible service." We also heard that there is a "need to work with industry that is involved in accessible service to see what the demand is."

This was echoed by another member of the taxi industry who said:

"No brokerage can provide information on requests for accessible taxis that are not accepted. And no one can provide accurate information on potential load levels, because with the current availability of accessible taxis, a large segment of the population that might actually use this service does not call, as they have had such poor service response in the past."

It was said that, while there may be sufficient accessible licences, ensuring these are used primarily for accessible service is a challenge. Some industry participants argued that the problem is that drivers use the cars to make a profit, and as accessible business is more time consuming and therefore less profitable, it is not their first priority. There were also differing opinions on the types of vehicles that should be used for accessible service, and as to whether there should be general integration of the taxi fleet or only specific dedicated vehicles. Feedback was also provided about the type of vehicles currently in use and whether the fleet is meeting the needs of all persons with disabilities. Additional discussion on vehicles is included later in this section of the report.

One of the service providers at the airport indicated the need for additional accessible vehicles to meet existing unmet demands. Other brokers operating in the city, with only a few existing accessible plates indicated that to provide an equal level of service, they would require additional plates. This is also necessary to grow the existing accessible business, since with limited vehicles available at some companies, customers requiring an accessible vehicle become frustrated and stop calling having repeatedly failed to get on-demand service.

One long-time member of the taxi industry described the problem with accessible plate issuance as follows:

"The current issuance policies for accessible taxis are based on brokerage performance; the higher the broker's load volume, the more accessible taxi plates the City will issue to that broker. The problem with this approach is, of course, that you cannot provide the increased service without the vehicles. The exception here is brokers with major contracts such as TransHelp, which can justify requests for extra vehicles without having the historical dispatch figures to justify the extra vehicles. The "two accessible taxis per broker" policy in the Bylaw ignores a basic business premise - a two vehicle "fleet" cannot reasonably be expected to provide anywhere near the service that a 100+ regular taxi fleet provides to the general public for a city the size of Mississauga, and, therefore, the "two vehicle accessible" fleet concept is a preordained failure."

As stated by members of the accessibility community, provision of accessible on-demand taxi service potentially will increase the mobility of many travelers if the service is fully accessible to the wide range of people with disabilities. The goal, therefore, is to identify the most viable solution for providing people with disabilities with the same demand-responsive service as standard taxis offer other travelers.

Through discussions about accessible service, it became clear that "100% accessible service" requires a clear definition. A fully accessible service delivery model does not necessarily translate into the need for all vehicles to be wheelchair accessible. Rather, a variety of accessibility needs must be considered in establishing standards. It was suggested that all accessibility needs be considered and integrated into the service by offering a variety of vehicles to meet the diversified needs of people with disabilities.

A few brokers estimated that 25% of the fleet should be wheelchair accessible to meet needs and the rest a mix of sedans and minivans. The following summarizes feedback received supporting enhancements to the existing percentage of accessible taxis:

- "50% will be too high."
- "An accessible fleet is not 100% vans—it is not necessary nor practical."
- "You must have 100% accessibility because you won't get on-demand service without it."
- "Mississauga should move forward to 100% accessibility. It is the right choice financially. It is the right choice legally. And it is the right choice morally."

The following summarizes comments with respect to the challenges of moving to 100% wheelchair

There was significant concern from some brokers about the cost of service and the impact on the value of the plate accessible service. One estimated that "only 5% of disabled needs require a wheelchair accessible vehicle. There are many other types of disabilities that can be serviced with sedans." Other related comments included:

- "If you make it 100% accessible the value of the plate will be zero."
- "Accessible taxis . . . 100% is not possible. It would kill the business."
- "100% is not an option due to the cost of service and the lack of willingness for all customers to receive service in an accessible vehicle"

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- “We are not operating as a bus service. We are operating a business and without taxpayer subsidy – we have to make a living”

The Cost of Accessible Service

Industry participants in the consultation process indicated that purchasing and equipping a wheelchair accessible taxi is more costly than purchasing and equipping a standard vehicle. In addition to higher one-time costs, a wheelchair accessible vehicle is more expensive to maintain and operate on a daily basis. The following summarizes comments received:

- **Upfront cost:** Brokers providing both accessible vehicles and sedans estimated the range of upfront cost of purchasing an accessible vehicle to be \$35,000-\$50,000 compared with \$8,000-\$10,000 for a pre-owned sedan. They do not believe that revenues are sufficient to offset the additional cost of accessible vehicles as they typically are used for only four to five years.
- **Operating costs:** Industry representative stated that the cost of insurance is considerably higher for a wheelchair accessible vehicle than for a sedan, which increases the annual cost of service. Maintenance costs were also said to be higher because of increased weight and wear and tear on the vehicles. Fuel costs were also identified as higher for accessible vehicles than for sedans.

Ultimately, members of the taxi industry are concerned that the added costs of providing a wheelchair accessible service, which must be assumed by the industry without additional revenues to offset these costs, is too high. According to industry representatives, this is further exacerbated by the fact that a wheelchair accessible taxi typically does not generate the same revenue as a standard taxi vehicle. However, this was not universally accepted as being the case. Mississauga's largest service provider of accessible taxi service indicated that accessible taxi service can, in fact, generate a good income for drivers.

Transition Planning

As stated earlier, there is an unquestionable need to expand wheelchair accessible services to meet community needs and to achieve compliance with AODA requirements. There was also widespread agreement that any change will require a transition plan and a phase-in strategy. Different options and ideas were identified through the consultation process to improve accessible service as follows:

- “Move toward 100% accessibility. Over the span of 7 years (the lifetime a new sedan/minivan taxi), every new vehicle would be accessible. The extra cost of operation would be immediately factored into the meter price; otherwise, the operators of the accessibles would be personally incurring extra expenses not being assumed by the other drivers. In seven years, the entire fleet would be accessible. With no extra taxis on the road, operators' incomes would not be diluted, and in fact, would be enhanced by the extra traffic generated by the improved accessible taxi service available. All drivers would become proficient in the extra duties required of accessible taxi drivers, and those individuals requiring accessible taxis would not be treated as a separate class of passenger.”
- “Allow each broker to expand their accessible fleet, determined by their expectation of call levels. Extra “A” plates would be available, conditional on ongoing performance levels. Brokers who cannot develop a business model that justifies the extra number of plates would see these plates revert back to the City. The extra costs incurred (as presently the case) would be partially covered by the subsidy of a no-charge taxi plate, and the hope of higher fare volume. The down side of this approach is the fact that the extra vehicles on the road would negatively affect the income of the existing vehicles, as some of the extra accessible taxi business would be carrying regular fares. Individuals requiring accessible taxis would still be treated as a

separate class of passenger, contrary to the premise that everyone deserves equal and non-differentiated service in Ontario."

- "Issue transferrable accessible taxi plates to independent operators. This would attract operators who, hopefully, were interested in providing this kind of service. However, as presently the case, there would be those operators whose prime interest in the program is the use of a free plate. The value of the plate, and the hope, as above, of an increased fare volume, would be the incentive here. The same downside as above, however, would apply, as there would be more capacity for ambulatory passengers, with no extra volume. Once again, there would be a two-tiered taxi system, with the perceived stigma that is attached to being transported in vehicles plastered with accessible vehicle graphics."
- "Make it a condition when issuing accessible plates that the vehicles will be available 24 hours a day, 7 days a week. Ideally all vehicles should be double shifted."
- Phase in approach to vehicle replacement – Based on industry feedback, vehicles are typically replaced every 5-8 years. A number of stakeholders suggested that as vehicles are replaced; require replacements to meet accessibility requirements.
- "Require brokerage companies have x% accessible cabs, as vehicles are replaced and establish an end date for compliance."
- "Provide the options to the industry as a % of fleet and the rest of the fleet have to meet accessibility requirements to some degree."
- "Issue new accessible plates to drivers not brokers to provide an opportunity for drivers to enter the market and provide service."
- "Make plates non-transferrable to brokers so they do not have a plate value."
- "Over time, issue additional accessibility plates by starting with the existing priority waiting list to see who is interested. Voluntary option should be provided to the first person on the list with no penalty if they don't accept it."
- "Establish/improve an on call arrangement for evenings."
- "Consider incentive programs for companies to convert standard to accessible plates."
- One industry stakeholder identified the need to re-evaluate the long term direction of taxi service stating:

"We are entering a time frame when a large portion of the population will be aging, and will be requiring a different level of taxi service. This aspect of our marketing plan cannot be determined by figures gleaned from past performance. Only by looking down the road at the new demographics can we point the taxi in a direction that will provide continuing relevance to our industry. Social service transportation provision is also becoming an important part of our industry. These challenges can only be met by changing the way we do business. We need the vehicles and the operators who are able to meet the needs of an aging demographic."

Vehicle and Equipment Standards

Considerable feedback was received on establishing appropriate vehicle and equipment standards to meet the needs of the community. There was consensus that there is a need for a diversified fleet of vehicles to meet the diversified needs of the community. Ultimately, as one stakeholder noted, there is a *"need to remove barriers; therefore you need a variety of vehicles to meet the needs of all."* Some of the key issues raised with respect to vehicles included the following:

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- Industry recognizes that as the population ages, there is a need for better accommodation of many different types of disabilities.
- Entering a wheelchair accessible vehicle is a challenge for elderly customers due to the height of the vehicle. *"Many seniors simply cannot access these vehicles and require a sedan."*
- Seats in accessible vehicles are not as comfortable as a sedan.
- Need to accommodate all types of equipment and wheelchairs which vary considerably.
- There is a need to make it more accessible for parents with strollers – as such accessibility helps not just disabled, it removes barriers for all.
- Change the vehicle standards and factor the cost into the meter rate.
- Design factors need to take into consideration various types of disabilities (hearing impaired, visually impaired).
- Revisit existing technology for payments (e.g., Visa and debit cards)—today's equipment is not consistent from company to company which affects a customer's ability to enter tips or verify amounts, and requires relying on assistance from drivers. This in turn impacts privacy and security related to card access and pin numbers. Installing automatic vehicle locators in taxis for security purposes for the visually impaired was also suggested.

2.3 Plate Issue

The City currently issues new plates from a priority list. Through the consultation process, the following questions were asked of taxi industry stakeholders:

- Are you happy with how new plates are now issued?
- Are there different approaches you would like this review to consider?

There was generally strong support from the taxi industry to maintain the existing priority waiting list for the issuance of new taxi plates. One stakeholder referred to the priority list as *"the holy grail which cannot be touched."* Others supported this premise, stating that the priority list has worked very well for 40+ years.

One member of the industry stated that, "It is generally agreed that the current issuance model, although in need of updating, has served both the industry and the travelling public quite well over the past years. As the Chairman of the PVAC noted at a meeting last year, the only complaints that the City has consistently received concern the supply of accessible taxis."

However, there was some support for re-evaluating the rules and criteria in order to support active and ongoing participation in the industry, rather than treating a plate as an investment opportunity. Others voiced concern that those on the list were no longer active in the industry and would not contribute to its future success.

Concern was raised that there is insufficient validation of the eligibility criteria for remaining on the priority list, and that it is based on the broker's information, without verification by the City. Industry stakeholders suggested that the City verify the accuracy of the priority list by reviewing trip sheets to prove ongoing involvement in the industry.

Concern was also raised as to the type of plate that will be issued through the priority list. One industry representative stated that, "It is not fair to the people who received plates earlier as a standard plate if

the City now issues only accessible plates from the priority list—this creates an unfair playing field—the cost of putting an accessible vehicle on the road is significantly different, as are the ongoing costs.” A suggested alternative is to increase accessibility plates through the replacement of existing vehicles. In this approach, every plate would be deemed a standard plate but on the year of replacement, the plate would convert to an accessible vehicle.

It is recognized that plates in Mississauga hold a value well beyond what is paid to the City and is seen as a “de facto” pension plan for those who have contributed to the taxi industry. Based on feedback, it takes approximately 20-25 years to receive a plate from the priority list. Some additional considerations were identified to support an effective delivery of service by committed taxi industry participants. These included:

- As a condition of receipt, a person who receives a plate must drive the taxi at least 40 hours a week.
- When he/she retires, take the plate back and put it back in the list.

According to taxi industry representatives, any change to the issuance of taxi plates must be long-term and gradual. Another key consideration is the need for the City to “*stagger the plate issuances—not put them out all at once—issue so many each month to spread out the impact.*”

2.4 Meter Rates

The industry was asked the following questions related to meter rates:

- **Current Rates.** Are current meter rates at the right level?
- **Recent changes in costs.** What have been the significant recent changes in the costs of operation (both higher and lower)?
- **Method of Adjustment.** Are you happy with how meter rates are determined now? Are there different approaches you would like this review to consider?
- **Rate structure.** Are the drop, distance, and time charges appropriately balanced?

From the taxi industry’s perspective, one goal in regulating fares includes ensuring that those in the industry are able to earn a reasonable income for their service. Consequently, industry cost conditions must be considered. Adjusting meter rates to reflect changes in costs helps stabilize driver incomes, which in turn influences the quality of drivers retained by the industry. Discussion focused on the cost of service and changes over time in terms of insurance, fuel, and maintenance.

While the industry recognizes that costs have increased in a number of areas since the last fare increase (approximately four years ago), it wants to ensure that future fare increases will not have a negative impact on the demand for service, which some identified as an outcome of the last fare increase. Further, the industry stated that any fare increase is particularly challenging with the entrance of new, lower cost service providers and alternative service delivery options.

It appears that a sizable portion of the current client base is using taxis out of necessity—not simply for convenience—and as industry representatives pointed out, raising fares has a direct impact on such clients, which could “price taxis out of the market.”

There was mixed support for the taxi rate formula currently used by the City, reflecting a need to revisit existing practices, policies, and strategies in setting rates so as to improve transparency and clarity. The following reflects feedback regarding the existing formula:

2-12 Stakeholder Viewpoints

- "The City does not appear to be following the formula—if the City finds it too high then the City reduces the rate back to a lower increase."
- "The formula, in effect, is not being used."
- "If the formula reflects an 18% increase, then it should be used—drivers costs have gone up."
- "The City should either use the approved formula or revise it."
- "The fares are reviewed every 2 years which is too infrequent"

The following summarizes concerns about raising fares, despite increasing costs:

- "So many illegal services in the industry run at lower costs."
- "The last increase in fares resulted in a significant reduction in usage."
- "Because of the driver community, there is some concern that usage will drop if a rate increase is implemented."
- "Meter rates are fine, do not increase them."
- "Rates are high."
- "If you increase rates it will kill the business."
- "Main driver is to benchmark rates around Mississauga"
- "It's too expensive to take a cab in Mississauga."
- "Most people can't afford taxis. A trip to the doctor can cost \$25-\$30 each way versus a transit trip of \$3.25."
- "We cannot have a significant meter increase"

Alternative options were also explored with the following responses:

- "What about providing a higher rate for nighttime usage?"
- "The airport flat rate is lower—taxis should be able to charge a flat rate as well."
- "You should be able to charge what you want below the meter rate—it should be treated as a cap."
- "The rate needs to be more responsive to changes in the economics. And it should be automatically reviewed every two years."
- "Use increases in rates to support a target of 100% accessible service."
- "The best time of the year to change the rate is winter."

3 Are There Enough Taxis Now?

Before discussing the future, it is important to establish the right starting point: Does Mississauga have enough taxis now? Is there a shortage? A surplus? This chapter combines dispatch data and other evidence to answer this question. Also addressed is whether there are shortages by neighbourhood, or in peak periods such as bar closing, rush hour, or weekend evenings.

Multiple sources of evidence are reviewed. These include:

- Structural analysis of Mississauga's taxi industry
- Comparison to other large cities
- Application of Hara Associates' Taxi Demand Model
- Dispatch data voluntarily shared, on a confidential basis, by some of Mississauga's taxi brokers.

Evidence from each source is reviewed in turn, followed by a final assessment. The supply of accessible taxis is addressed in Chapter 6.

Based on the evidence, we conclude that Mississauga has enough taxis—there is no oversupply at present. Mississauga has sufficient taxis to provide good dispatch response times. The average response time to the door is 9.8 minutes, with 90% of calls served within 15 minutes. Nonetheless, analysis by peak hour and geographic area shows minor weaknesses, indicating that there may be room for a small increase in the fleet. In particular, service to the north east of the city (near the airport) is slow during weekday rush hours, with the percent of dispatch calls served within 15 minutes down to around 75%.

Evidence also suggests that the strong expansion of the fleet since 2004 (17.2%) has been largely supported by strong growth in Pearson Airport passenger volumes, and associated traffic from air travellers choosing to stay in the Mississauga area. The growth in Mississauga's population has not been enough to sustain this expansion, and other factors, such as the declining cost of private car ownership and meter rate increases, would otherwise have led to a decline in Mississauga taxi demand.

3.1 Background

Current Number of Taxis

At the time of writing, Mississauga licenses 708 taxis, of which 40 are wheelchair accessible. This excludes a separate set of vehicles-for-hire licensed to serve Pearson Airport exclusively, as part of Mississauga's share of the Pearson fleet.¹ Taxis in the airport group are not permitted to serve the Mississauga market, and are forbidden from having meters installed. The focus of this study is the 708 currently licensed for the Mississauga market itself.

Clarifying the question: What is a shortage of taxis?

There is more than one way to interpret the question: *Are there enough taxis?* The broadest interpretation is to ask whether there is *any* alternative arrangement that would improve the taxi system and involve either more or fewer licensed taxis than there are now. This analysis would include assessing the effects of possible changes in regulations and meter rates to complement a change in taxi numbers.

¹ There are 336 of these vehicles for hire, of which six are accessible.

3-2 Are there enough taxis now?

Using this broad interpretation, it is relevant that rights to Mississauga taxi plates reportedly were being traded privately for \$200,000 to \$220,000 up until last year. Leases of licences, paid by drivers who wish to run their own business but lack the plate, were reported as ranging from \$800 to \$1,200 per month, depending on the parties involved.² *It can be shown that whenever taxi plates command significant market value, there is always an alternative combination of more taxis and lower meter rates that would provide improved service to customers, while maintaining adequate returns to the industry.*³ However, such a combination would reduce or eliminate plate values, significantly disrupting current stakeholders in the industry. Owner-drivers would see their incomes fall and the value of a cherished asset disappear.⁴ There is also the risk of short-term disruption to incomes of drivers who do not own their own licence, although this would pass as plate leases and/or broker fees were renegotiated.

The second and more usual way of interpreting the question is: *How many taxis does a given city need to maximize efficiency, if all other aspects of the system (including meter rates) remain the same?* If there are too few taxis for a given meter rate, then customers will be waiting excessive times and the shortage will cause potential customers to find other means of transport or not take their intended trips (at a loss to both customers and drivers). In this case the system can be improved by adding more taxis.

If instead there are too many taxis for a given meter rate, then taxi waiting times between fares will be excessive. This will manifest in long taxi line-ups at taxi stands, and lengthy waiting time between fares for taxis booked onto a broker's dispatch system. Excessive waiting time means wasted driver time, wasted fuel, and increased vehicle depreciation. In this case, it may be possible to improve the efficiency of a system incrementally by reducing the number of taxis.⁵

This chapter addresses the second interpretation of the question. It offers an opinion as to whether there are enough taxis, *for the given regulatory structure and meter rates.*

Can you ever have enough taxis? Peak, off-peak, and average peak

In simplest terms, you have too many taxis when the supply of taxis exceeds customer demand. But customer demand for taxis is not a constant. There are peak and off-peak times. For example, few cities have enough taxis to meet demand at the moment that bars close on a weekend night. Severe weather also produces shortages of taxis, even when a city may be otherwise oversupplied. Under normal circumstances, we expect the number of taxis to be sufficient to meet demand during an average peak period, omitting extremes. This ensures that customers can usually count on being able to obtain a taxi at any time of day during the week, other than known times such as bar closing, without excessive delay.

In a well-designed system, taxis wait for customers, rather than customers waiting for taxis. We expect that during average peak periods, an efficient system will average a few more taxis than customers to absorb random variations in demand. Since taxi shifts cover peak and off-peak hours, adequate capacity in peaks means that we expect to see excess taxis in off-peak hours, even in an efficient system.

² Stakeholder interviews and industry sources.

³ The willingness of buyers to pay for plates is an indication that the net rate of return to a taxi exceeds costs, including the costs of the revenue share necessary to attract drivers to operate the vehicle. For revenues per taxi to have reached this level, the plate freeze must be achieving an artificial restriction in supply below optimal levels that would maximize service to customers while providing just and reasonable returns to the industry.

⁴ The licence is the property of the city. However, because the rights to the licence are transferable, drivers view it as an asset.

⁵ In this case, the net gain in efficiency would result in a short-term increase in driver income. In the long run, it is likely that driver income gain would be lost to the owners of plates (often not the driver) as plate lease fees and/or relevant broker fees increased.

3.2 Structural Analysis: Mississauga Unusually Subject to Outside Forces

The Mississauga taxi market is unusually subject to outside forces, so that decisions by another authority can significantly affect the balance of demand and supply. Two key players are:

- **Pearson Airport.** Airport activity has a significant impact on taxi usage, even for taxis not licensed to the airport. Passengers who stay at airport hotels in Mississauga often commute to and from Toronto and other municipalities during their stay. As discussed later in this report, an estimated 7% involve crossing municipal boundaries. On top of the airport as an economic driver, rule changes at the airport can also substantially affect the number of taxis available for local dispatch. For example, previously a local Mississauga taxi brokerage was contracted by the Greater Toronto Airports Authority to provide the regular peak period contract hours. This affected how many taxis were present for general dispatch within the City. This practice is just one example of how future rule decisions at the airport materially affect locally available taxi supply.
- **TransHelp.** TransHelp is the Region of Peel's public transit service for persons with disabilities. As part of its strategy for cost-effective service delivery, TransHelp makes use of taxis, both accessible and non-accessible, to provide public transit service to eligible individuals (at bus fare). Taxis hired by TransHelp are placed on scheduled service and removed from the dispatch pool of available taxis. Until recently, the number of Mississauga taxis on TransHelp duty included approximately 30 of the accessible taxis—most of the accessible fleet. Again, this can be good for Mississauga taxis, but also raises the question of how Mississauga can manage its taxi numbers, and accessible numbers, given the possibility that a change of practice can add or remove significant numbers from the dispatch pool. TransHelp continues to seek better solutions using more taxis, but is also frustrated by the limited number of licensed accessible taxis available.

Thus any assessment of the adequacy of current taxi supply, or any plate issuance formula, may be accurate at one moment, but then cease to be accurate given changes in airport rules, or TransHelp requirements.

3.3 Comparison with Other Cities: Taxis per Capita

Figure 3.1 compares Mississauga to peer cities in terms of taxis per 10,000 population, based on 2011 census population.

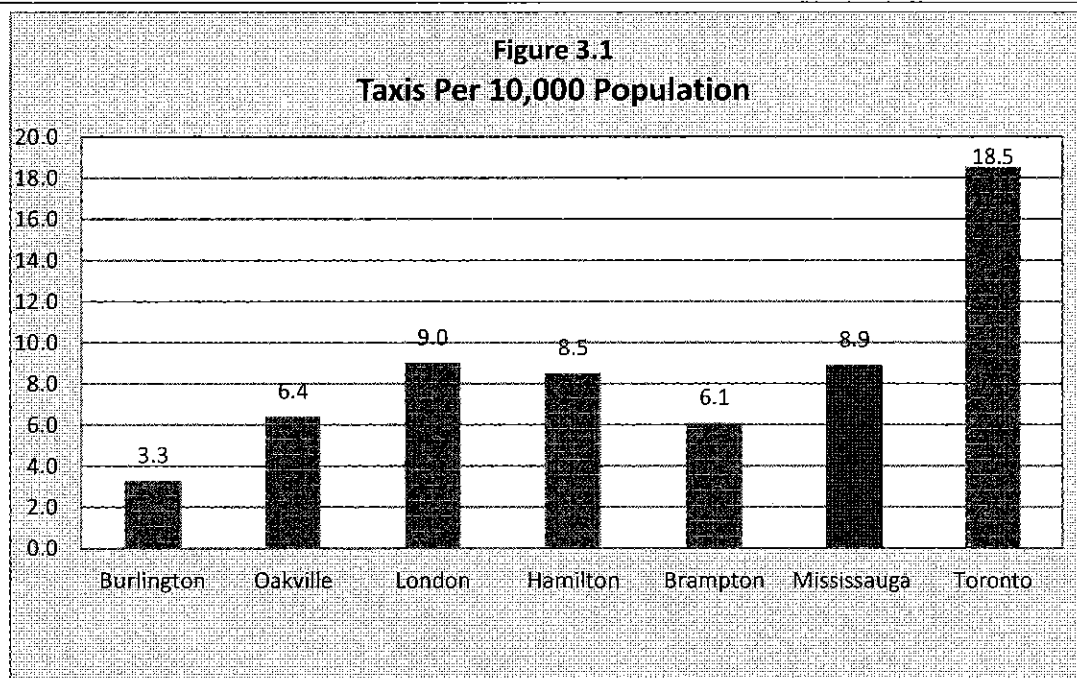
The difference in per capita taxis between cities is quite large—there is no “normal.” Numbers vary according to both history and geography. Burlington's high incomes and high rate of car ownership results in lower taxi demand. Toronto's high per capita taxi rate is a result both of its high density, and of the now defunct owner/driver Ambassador taxi program implemented some years ago which greatly expanded the number of taxi plates available.

Excluding Toronto, Mississauga is towards the high end of its peers.

3.4 Hara Associates' Taxi Demand Model

Given the wide variation in per capita taxis, it is not a measure that can be used to assess the adequacy of Mississauga's taxi supply.

3-4 Are there enough taxis now?



To better account for factors other than population that affect differences between cities, Hara Associates maintains a Taxi Demand Model. It is a proprietary regression-based model that estimates the demand for taxis as a function of:

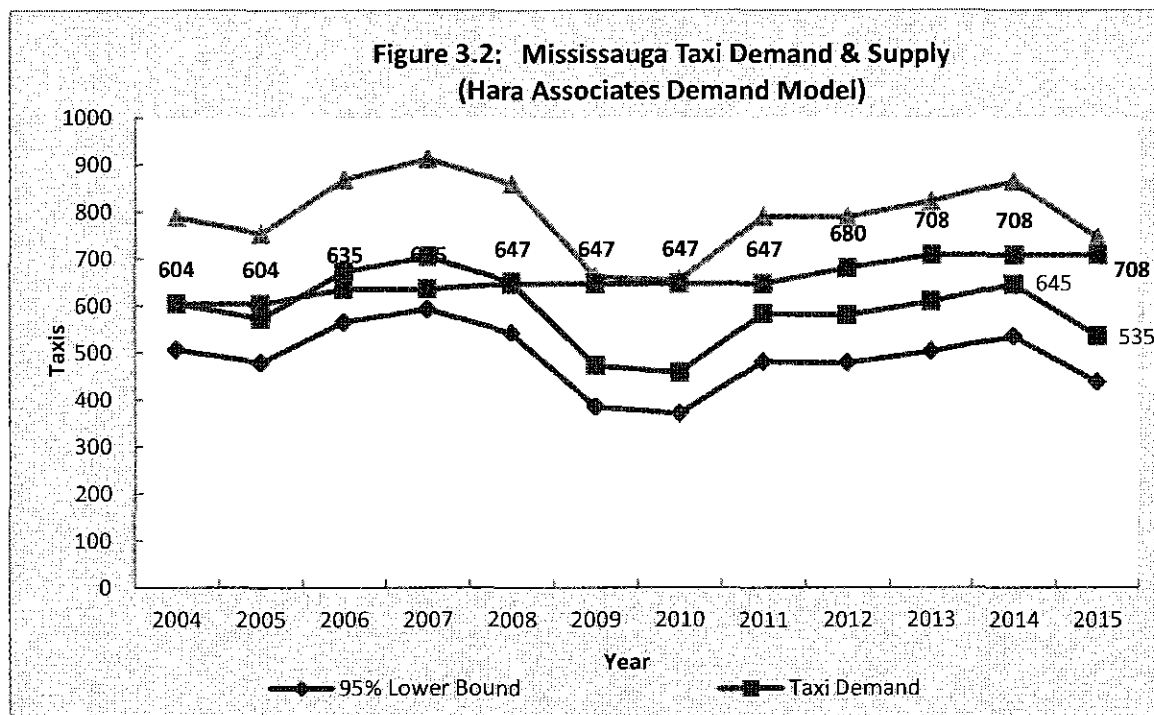
- population
- cost to the customer (meter rates)
- proportion of commuters
- proportion of low income population
- length of winter
- local cost of car ownership.

By accounting for all these factors rather than only for population, the Demand Model has demonstrated itself to be a statistically valid predictor of the number of taxis required by a municipality. As a statistical model, it does not generate a single number, but provides a high-low range within which 90% of cities with Mississauga's characteristics can be expected to fall. Falling outside this range would be cause for concern.

The demand model may be used to track the relative changes in Mississauga taxi demand since the current Bylaw was established in 2004.

Figure 3.2 shows the result from 2004 to 2015. The solid green line shows the number of authorized licences. The authorized fleet expanded from 604 in 2004 to 708 today, an increase of 17.2%. However, this overstates the increase since it includes some 28 accessible taxi plates issued to serve TransHelp and not fully participating in the taxi pool. Disregarding these, the number of taxis participating in the dispatch pool increased from 604 to 680, or 12.6% over eleven years.

The central red line shows the main estimate of relative change in taxi demand over the period, beginning with 604 taxis in 2004. The dotted red lines indicate the high and low estimates of the model. Ninety percent of cities with Mississauga's characteristics fall between the two dotted lines.



Following the central estimate red line: Demand rose from 2004 until 2008 due to population expansion, increased commuter employment in Mississauga, and the rising cost of owning and operating a private vehicle. 2008 saw a broad economic recession, combined a significant increase in meter rates. With the recession, the costs of private vehicle ownership also fell. All these factors had the impact of reducing taxi demand, as shown by the dip in the red line after 2008. Beginning in 2010 there was a slow recovery in demand, driven again by population growth and rising costs of private vehicle ownership. Estimated demand growth peaked at 645 last year, but has fallen precipitously due, again, to the falling cost of car ownership (primarily lower fuel prices). Should lower fuel prices continue, the Mississauga taxi market will see a decline in locally-generated demand as more families purchase second private vehicles.

The recent decline in gas prices in 2015 may be a short term anomaly. If we disregard 2015 and take 2014 as our end point, we see that the relative increase in taxi demand increased from 604 to an estimated 645 – or 6.8%. Meanwhile Licensed taxis (adjusting for TransHelp) have increased approximately 17.2% from 2004 to 2015. The model suggests that taxi supply has been increased more rapidly than demand since 2004.

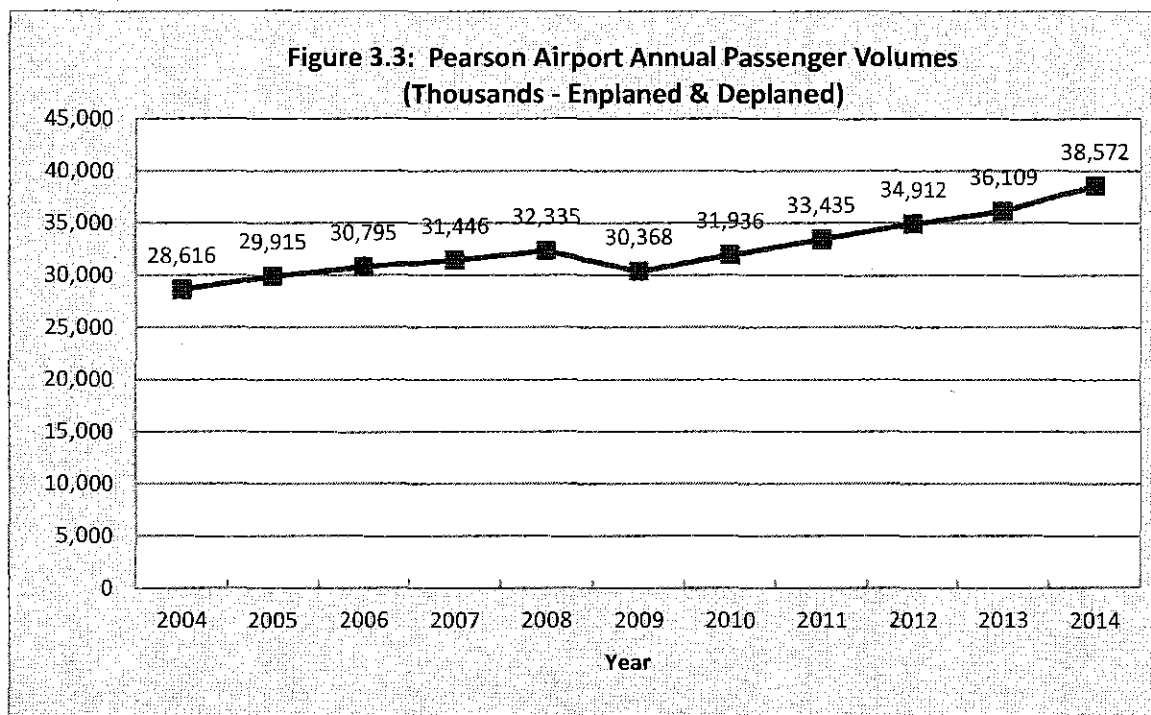
The model is, however, only one tool. It accounts for more factors than population, but not all factors affecting demand. Additional factors specific to Mississauga also need to be accounted for.

Missing Factor: Growth in Airport Passenger Volumes

Not included in the demand model is the disproportionate impact of Pearson International Airport on the Mississauga taxi business. An airport's impact is normally captured indirectly by the model through population and the other variables. However, Pearson's activity is driven by the entire region yet, as noted in the structural analysis, it has a disproportionate impact on Mississauga taxis through the business generated by travellers who stay in Mississauga.

3-6 Are there enough taxis now?

Figure 3.3 shows steady strong growth in Pearson passenger volumes, with only a slight dip during the 2008/2009 recession.⁶ Over the eleven years, passenger volume has increased by 34.8%.



3.5 Dispatch Response Times

Has the impact of airport growth overcome other factors and provided enough business to keep current Mississauga taxis busy?

Mississauga is fortunate to have had the cooperation of some of its brokers who provided full disclosure on dispatch response times. Modern dispatch systems include GPS positioning, and time of meter-on and meter-off, although this data is not always retained by companies. Cooperating Mississauga brokers provided individual trip records covering several months, on the assurance that results would be combined to show the overall picture, and that individual company data would not be disclosed. Hara Associates compiled and processed the data accordingly.

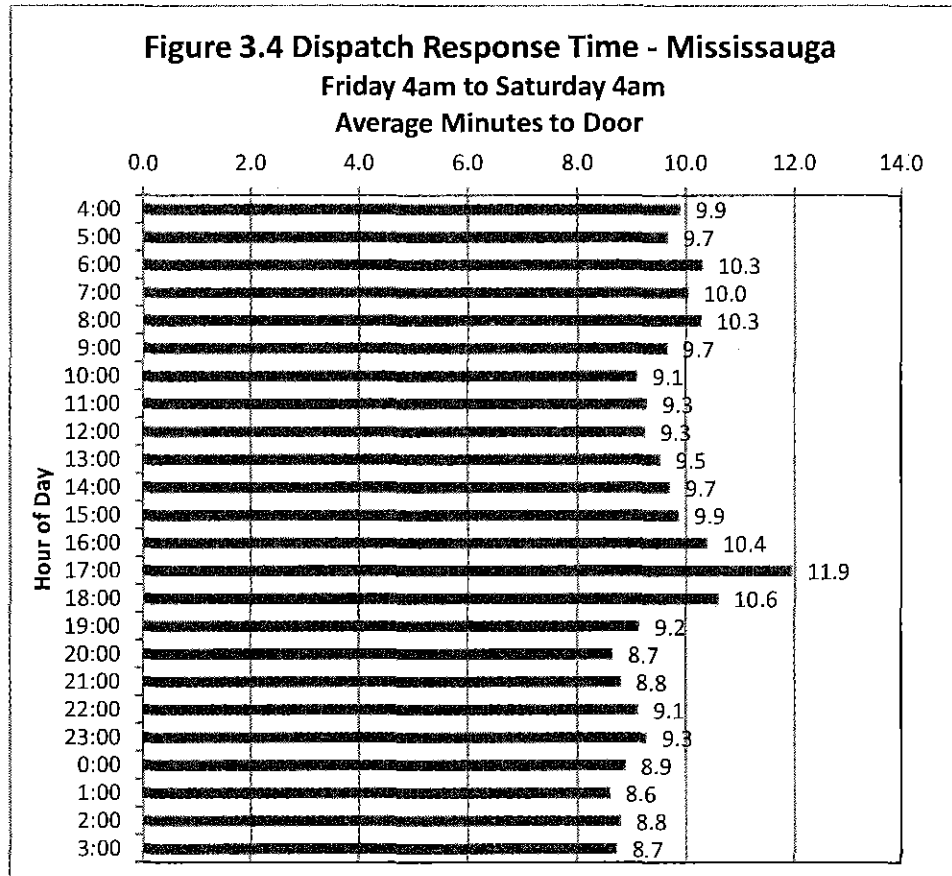
With complete data for a variety of seasons, the adequacy of current supply can be conclusively answered.

Mississauga has good dispatch response times

When taxi supply is good, you should not have to wait for a taxi. For dispatch, most customers expect their taxi to reliably arrive within 15 minutes of the call. This will not happen 100% of the time, as there will be bad weather, and office parties on the last Friday before Christmas, and then the regular crunch at peak period like bar closing. However, a good percentage should arrive within 15 minutes.

⁶ Source: <http://www.torontopearson.com/en/gtaa/statistics>

Los Angeles is one of the few cities to set and enforce a standard for response time. There, if less than 80% of calls arrive within the 15 minute window, taxi companies are subject to discipline up to and including revoking their franchise and associated taxi plates. 80% is a bottom line standard—90% is preferable.



The good news for Mississauga is that the average dispatch response time is 9.8 minutes. In addition, 90.01% of dispatch calls were served within 15 minutes. This more than meets acceptable overall standards.

For a clearer picture, it is also helpful to look at peak periods to see if the standard is met. Figures 3.4 and 3.5 show the most challenging day—Friday through to 4am Saturday morning. Average dispatch response time on a Mississauga Friday peaks at 11.9 minutes at 5pm—likely reflecting commuter demand combined with slow rush hour traffic. Interestingly, bar closing times seem well served, with average response time at less than 9 minutes.

Turning to Figure 3.5, the news is less good but still reasonably satisfactory. During most of the day and night, more than 90% of calls have the taxi arrive within 15 minutes. In the worst period (again Friday at 5pm), only 83% of trips meet the standard—but this still is in excess of the overall 80% minimum threshold.

3-8 Are there enough taxis now?

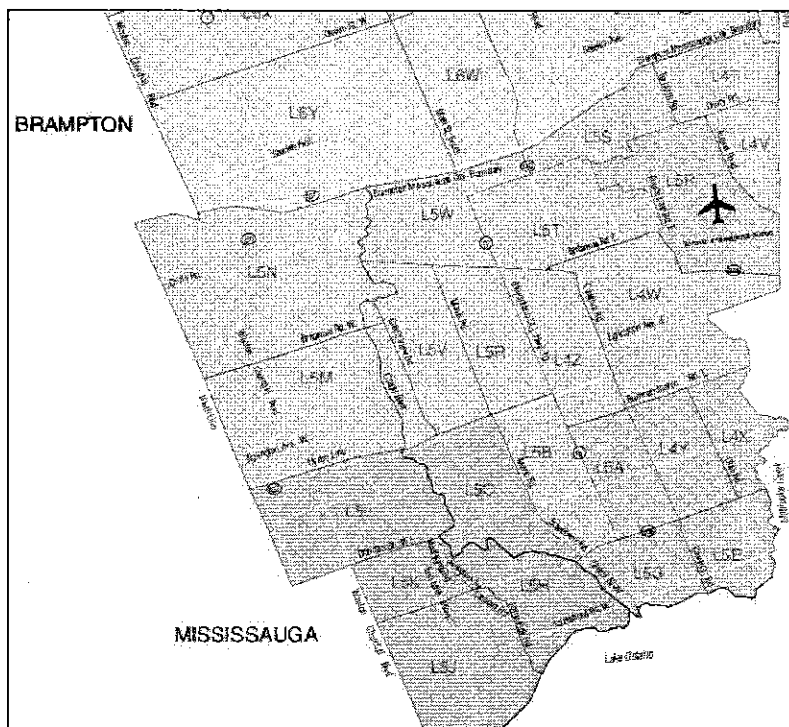
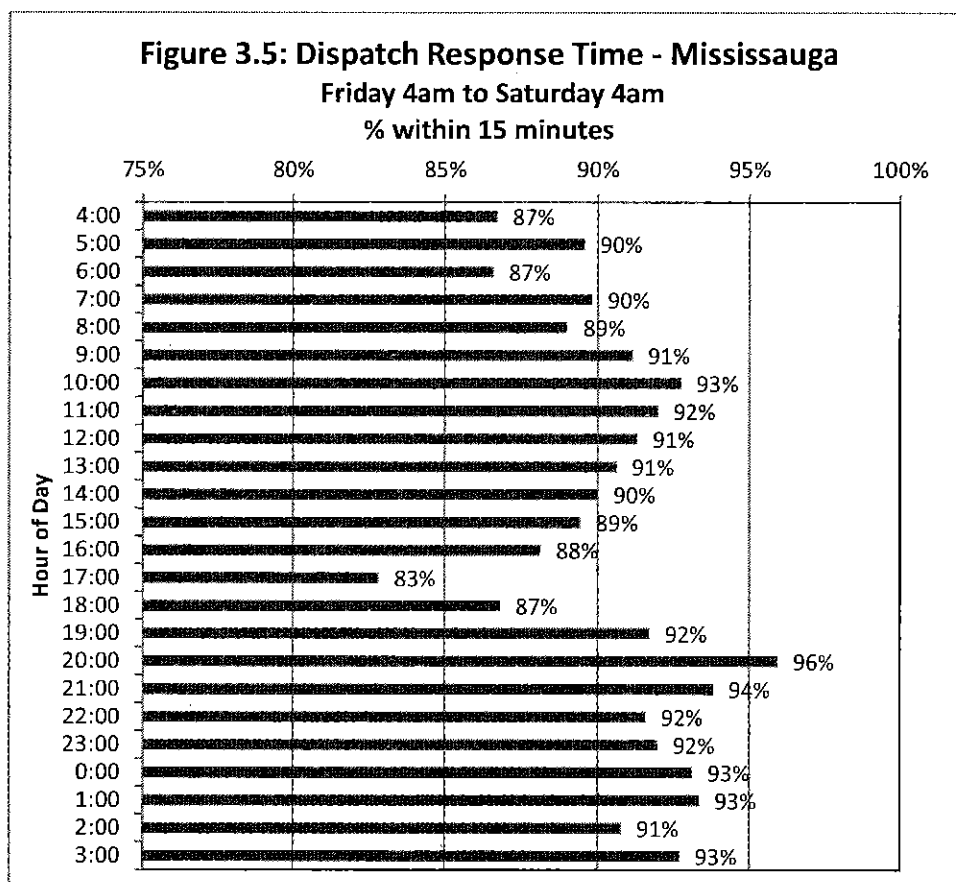


Figure 3.6: Geographic Regions Used for Dispatch Analysis

Analysis by Geographic Area

Good overall response time can mask deficient service to some neighbourhoods. To check for this possibility, the study team divided Mississauga into six geographic areas based on postal code, geography, and airport hotel concentrations. The map in Figure 6 shows the areas used, as indicated by the colored zones and associated postal codes.

Analysis did find some moderate weakness in dispatch performance, primarily in the northeast, near the airport. Weak times of day were:

- Weekdays 8am to 9am avg. 12.5 minutes—only 75% less than 15 minutes.
- Weekdays 4pm to 6pm avg. 13 minutes—only 77% less than 15 minutes.
- Saturday (Friday aft midnight) and 7pm Saturday are also issues.

Similarly if you are calling for a taxi in the northwest on a weekday after 2am and before 4am, only 77% of calls will arrive within 15 minutes.

3.6 Conclusion on Adequacy of Mississauga Taxi Supply

The dispatch data shows that:

- Mississauga has reasonably good taxi service, with an average response time of 9.8 minutes and 90% of calls arriving within 15 minutes. Coverage is also good by time of day, with even the worst period (5pm on Friday) still arriving within 15 minutes more than 80% of the time.
- Some moderate weakness in supply is shown for areas near the airport during weekday rush hours and some points late on weekend nights. Here, less than 80% of calls arrive within 15 minutes.

The combination of good dispatch times with slight weakness at some times and areas suggest that Mississauga's taxi supply is adequate, but there is room for a minor increase in the fleet size. The latter point is a consideration in how quickly the accessible taxi supply might be expanded (discussed in Chapter 6).

4 Approaches to Plate Issuance

The previous chapter showed that the current number of Mississauga's taxis is adequate, and a reasonable starting point for any formula or regime changes for managing taxi numbers into the future. This chapter compares Mississauga's current approach to managing taxi numbers to approaches taken by other cities and recommends a way forward.

A distinction is drawn between formula approaches, and non-formula approaches. Two recommendations are offered. One is a simpler replacement for the formula used now. The other is recommended if Mississauga chooses to take a broader approach to managing taxi numbers. It is also recommended that whatever formula Mississauga adopts, no new plates be issued until the matter of regulating TNCs (e.g. Uber) is resolved.

4.1 Current Plate Issuance Model

The simplest, most common plate issuance formula is a *per capita* formula, whereby one taxi licence is issued for every X thousand population of the city. There are also a variety of more complex approaches.

Mississauga's current plate issuance model rates as one of the most complex. It falls within the category of *weighted growth factor* models. In this approach, the percentage increase in the number of taxi licences is tied to the percent growth in a number of other factors, each weighted at various levels of importance. Thus population may matter, but so may tourism volume as measured by hotel rooms occupied.

The actual formula for Mississauga takes up five pages of the *Public Vehicle Licensing Bylaw* (Schedule 13). Table 4.1 summarizes the growth factors that are included. There are a total of 22 growth factors divided into five categories. The factors range from hotel occupancy rate to the number of licensed bingo nights. Each is assigned its own weight—however the formula includes summary weights as shown (e.g. population factors get a collective 30.4% of the weight).

To apply the bylaw, the City's licensing branch must identify the rate of growth of each factor over the previous two years and then apply the formula.

Formula Developed by Consensus

Ideally, a growth factor formula is developed based on statistical evidence. Potentially relevant factors are checked for their statistical significance in explaining past variation in taxi trip volumes. The most relevant are combined in a formula in which the weights given to each are consistent with the combined explanatory power (through a technique termed *regression analysis*). Although many things contribute to taxi demand, this process usually boils down to the few most relevant and statistically valid factors.

The large number of growth factors in the Mississauga model reflects its origin. It was developed on a consensus basis among stakeholders, rather than through a statistical process. Industry stakeholders were surveyed about a wide variety of suggested growth factors, and the weight given to the set now in use simply reflects the number of respondents who thought they were important. This has advantages and disadvantages.

4-2 Approaches to Plate Issuance

Table 4.1: Current Mississauga Plate Issuance Formula Summary of Growth Factors		
Category of Growth Factors	Total Weight Given to Category (adds to 100%)	Individual Factors That Must Be Calculated Each Year
1. Number of Trips Dispatched by Brokerage	17.2%	Trips dispatched
2. Increase in Business Industry	11.1%	Number of hotel rooms Hotel occupancy rate Number of convention group nights Number of licensed bingo nights Number of banquet halls Office occupancy rate Number of theatres Number of banquet halls Number of licensed bars, Restaurants, taverns, etc. Square meters of shopping centres, malls, and plazas GO transit ridership
3. Population Related Factors	30.4%	Population Population in apartments and townhomes. Number of social assistance cases Senior population
4. Information on Drivers/Operators	11.8%	Driver daily income Operating expenditure Ratio of drivers to taxicabs
5. Licence Value (Plate Value)	29.5%	Sale price (between private parties) Average lease price
	100%	

Advantages of the present formula are:

- **Breadth of coverage.** With one exception, each of the growth factors is potentially relevant. For example, if GO transit ridership increases, there will be more commuters seeking taxis at the station, plus the volume of transit ridership also suggests households are choosing to have fewer cars (e.g., forgoing a second car).

The one exception is taxi driver operating expenditure. It is not clear why an increase in costs to drivers (say, an increase in the price of fuel) will result in more customers. One could argue that more costs mean the taxi is busier and using more fuel, however driver income is already included as a direct measure.

- **Recognition of plate values and plate leases.** The formula explicitly recognizes the link between plate values and the need for more taxis. As taxis become busier, they make more money and the plate is worth more—but customers are also waiting longer at peak periods for

a taxi. A relative increase in plate values is a good indicator of the need for more taxis. Plate lease value is an even better indicator, as it is not distorted by general economic factors like prevailing interest rates and return on equity.

- **Peace.** Because the number of taxis affects the value of a taxi plate, any formula is contentious. In the consensus process, everyone gets a say and a vote.

Disadvantages of the present formula are:

- **Not evidence based.** The weight given to factors is dependent on their popularity rather than on their actual contribution. For example, there is the aforementioned inclusion of driver operating costs, even though it is dominated by the more relevant driver income.
- **Available data not consistent or reliable for all factors.** While occasional studies or compilations provide numbers for some of the factors, reliable and updated numbers are not consistently available for all of the factors. Worse, even when numbers are available, definitions and measurement methods may be revised from year to year by the primary users of the data. When this happens, the City's bylaw department needs to notice (which requires expertise in each area), and make appropriate adjustments. Some of the data sources are also heavily reliant on other data sources. For example, driver income can be calculated by taking copies of driver trip sheets that the bylaw requires be kept. However, in every city, trip sheets are notorious for being poorly kept. Plate value, as reported to the City, is also highly variable.
- **Difficult and expensive to administer.** Finding and renewing data sources for each of the 22 growth factors, checking data integrity, and performing the four-page calculation accurately, pose challenges for bylaw staff. In the case of the number of hotel rooms, for example, originally was based on reported rooms via the Greater Toronto Hotel Association. This membership-based report, was later replaced by an inventory conducted by the City's Planning and Building Department.
- **Prone to error.** With the above issues, the application of the formula is subject to error. For example, in 2012, the previous 2010 calculation was reviewed and the indicated decrease in taxis for that year was changed from 24 to 26 taxis.
- **Not transparent.** Given its complexity, it would be difficult for members of the industry or the public to accurately review application of the formula or assess its results.
- **Excludes the airport.** Activity at Pearson International Airport is not included, presumably because Mississauga airport taxis are licensed separately. As discussed in previous chapters, it is plain that the volume of passengers through the airport has a significant impact on the volume of taxi traffic in the city.
- **Perverse Results.** The market entry of an unlicensed provider (Uber) will skew the formula's results perversely. Uber has cut into taxi revenue, and made the future uncertain. Reflecting this uncertainty, plate values can be expected to fall sharply, as will lease values in response to the lower revenue per taxi. Taking these factors into account using the current formula, will indicate that the taxi industry should shrink substantially—but this effectively cedes market share to the unregulated entrant, a truly perverse outcome. The industry might prefer to compete with more and better service (in addition to seeking regulatory solutions).

4.2 What Other Cities Do

At the outset, it should be acknowledged that not all cities do what their bylaws say. In cities that have a per capita bylaw formula, responsibility for applying the formula may not be identified. The number of taxis may lag behind population growth until the shortage arouses public protest. At that point, applying the formula will be controversial because of the long delay.

4-4 Approaches to Plate Issuance

Mississauga has a good reputation in having regularly applied its bylaw.

Table 4.2 summarizes the principal approaches taken by other jurisdictions to manage the number of taxis. Details are provided below. Discussion is divided into formula approaches and non-formula approaches.

Formula Approaches

Fixed caps. Under this approach, a fixed number of taxis is written into a bylaw or regulations. Change happens only if these are reviewed or amended. Toronto uses this approach. Ambassador plates are now being consolidated with older regular plates into the new Toronto Taxi Licence; however the combined total has not been changed. A fixed cap is also used in Regina, Edmonton, and in the Province of Quebec.

A disadvantage of a fixed cap is that it places the practical responsibility for update on the City administration. Without a defined methodology for a review, a significant level of expertise must reside within the City or Province. This is easier at the provincial level. The Province of Quebec regulates the number of taxis in each municipality, but does so using frequent reviews by technical staff, regular consultation, and public hearings.

In Toronto, although taxis have been at the forefront of public policy, the total number of taxis has remained fixed since the start of the massive expansion of plates for its Ambassador owner/driver plate program in 1998. In recent reforms, Toronto consolidated all its taxi licences in a new class of taxis that provide wheelchair accessibility. However the total number of taxis has remained fixed.

In the worst case, there is simply no review or updating of the number of plates until a crisis forces legislative attention.

Fixed caps tend to occur when the primary motivation is to close a previously open industry. At the time of enactment, the fixed number includes current operators and is generally considered "more than enough."

Per capita formula. For this commonly employed approach, the bylaw includes a number such as one taxi per X thousand residents. Ottawa and Sudbury use per capita formulas. The Town of Oakville, mentioned by stakeholders during interviews, changed its per capita formula from 1 per 2,000 to 1 per 1,500 residents, phased in over time. The change was controversial among industry members who reported a resulting decline in business per taxi and associated plate value. Oakville is currently undertaking a broader review in the context of TNCs.

The advantage of a per capita formula is simplicity, combined with a defined method that ties taxi supply to a very relevant indicator of civic need. Data on population is relatively easy to get both through the census and municipal data collection. Ontario's Ministry of Finance also posts estimates and projections of population growth (albeit for the region of Peel rather than Mississauga alone).

The disadvantage is that there many other factors that affect taxi demand in any city. In Mississauga, these factors are compounded by regional economy issues, including the impact of airport volumes as discussed in the previous chapter.

Multi-factor formula. These tie new licence issue to a number of factors in addition to population. This is what Mississauga does now. The City of Brampton takes an approach similar to Mississauga's, evidently sharing some common history on the evolution of their method. As discussed earlier, under best practice, the weight given to each factor is evidence-based and uses a statistical process to measure the correlation of the factors with taxi trip demand. Examples include the past practice

**Table 4.2: Principal Approaches to the Number of Taxi Plates Issued
By Other Jurisdictions**

Plate Issuance Approach	Advantages	Disadvantages
Formula Approaches		
Fixed Cap (e.g., Toronto, Quebec, Regina, Edmonton)	<ul style="list-style-type: none"> Simple 	<ul style="list-style-type: none"> Taxi supply lags civic growth until action triggered by crisis Alternatively—there must be sustained expertise in the City or Province attending to the technical details of reviewing taxi market conditions
Per Capita Formula	<ul style="list-style-type: none"> Simple. Population data easy to get 	<ul style="list-style-type: none"> Approximate, excludes many relevant factors
Multi-Factor Formulas	<ul style="list-style-type: none"> More accurate (when evidence-based) 	<ul style="list-style-type: none"> Requires at least 10-year history of taxi trip volumes or similar More challenging to administer
Non-Formula Approaches		
Public Convenience and Necessity	<ul style="list-style-type: none"> Responsive to circumstance Provides avenue for new entrants 	<ul style="list-style-type: none"> Poor practical results due to incumbent advantages Large administrative overhead from hearings Out of fashion due to barriers to new entrants
Service Standard	<ul style="list-style-type: none"> Expands taxi supply when needed to correct service decline 	<ul style="list-style-type: none"> Requires effective company reporting Requires civic administrative overhead to analyse performance May not recognize systemic underserved taxi markets.
Open Entry	<ul style="list-style-type: none"> Very simple Takes the City out of formula game. Open to competitive entry 	<ul style="list-style-type: none"> Record of failure during U.S. deregulation experiments of 1970s Excess entry during recessions results in falling driver incomes, lower service quality, driver protest, and pressure to close once more High enforcement costs during recessions
Entry Managed By Licence Fee	<ul style="list-style-type: none"> Very simple. Takes the City out of formula game. Open to competitive entry Prevents excessive entry during recessions Protects plate value/industry profitability at level chosen by City. Generates revenue for City from new entrants. Revenue can fund bylaw enforcement or accessible taxi programs. 	<ul style="list-style-type: none"> Although a well-known alternative, there are no example major jurisdictions that have taken this approach Lack of clarity in Ontario law concerning permissible licence fees

4-6 Approaches to Plate Issuance

of the City of Toronto. Prior to introducing its Ambassador program, Toronto maintained a model that included such factors as hotel rooms and public transit volumes, each given a weight based on past correlation with taxi trip counts. The City of Sudbury also used to employ a multi-factor model based on the Hara Associates Taxi Demand Model. In a simpler example, the City of Houston uses a two-factor formula—population and local airport passenger volumes.

The advantage of a multi-factor formula, under best practice, is the greater accuracy and sensitivity to the needs of a city.

Among the disadvantages of a multi-factor formula is that it is demanding in terms of the historical data required. It is necessary to have at least a ten-year history of trip volumes to estimate how important various factors are to trip demand. Without that history, the list of factors is notional. There are always many relevant factors—but which are important and by how much? A second disadvantage is the technical expertise and administrative overhead required to maintain the system.

Non-Formula Approaches

There are also approaches that avoid setting and maintaining a formula.

Public convenience and necessity (PC&N). This regime is common to many areas of licensing and regulation. It has a long history and considerable case law governing its practice. It is administered by judge or tribunal. Potential entrants, or those who wish to expand their fleet, must demonstrate that the expansion serves public convenience and need. A public hearing is held where other parties, notably incumbent firms, may challenge the application.

PC&N is a classic approach that has fallen from favour in recent decades as governments have sought to reduce regulatory burdens. In Ontario, intercity trucking deregulation largely removed the PC&N regime for that industry. For taxis, the largest current example in Canada is the Province of British Columbia. The BC Passenger Transportation Board holds hearings on applications for taxi licences by region, as well as setting fares and managing other transportation regulation.

The advantage, in the ideal, is that it permits a rule of reason in each case.

The disadvantage, more evident in practice, is that it gives incumbent firms a significant advantage in preventing new entrants or expansion of existing fleets. This in turn leads to supply shortages over time as the needs of the jurisdiction grow. Part of the problem is that the burden of proof is on new entrants to show they are needed. There have been experiments with reverse onus regimes where incumbents must show why an application should *not* be granted. However, it is difficult to redirect a long legal tradition. A well-known example is Denver, Colorado where efforts of both municipal and state legislators to change the rules failed to change the behaviour of judges and commission members (see references to the case of *Mile High* taxi company).

Another disadvantage is the high public expense of holding hearings, as well the expense for participants.

Service standard. Rather than setting a particular number of taxis, the City uses performance standards to manage taxi numbers. For example, if taxi service is too slow, more licences are issued. The advent of computer dispatch systems (now decades ago) has made this approach feasible, but examples are rare. The City of Calgary uses this approach as part of its management of taxi numbers. Taxi companies each provide the City with a monthly computer file containing all trips dispatched and response times. The City processes this data, monitoring dispatch response time for both regular taxis and accessible taxi service requests. The results are used to guide the advisory committee's reports to Council.

The advantage of this approach is that it is results-based, and keeps the City in touch with actual service performance. The success of implementing accessible taxi service can also be monitored.

Disadvantages are the administrative investment in monitoring. Collecting the data is fairly straightforward, as most modern dispatch systems generate the necessary data, however, taxi companies may need to invest in understanding all their system capabilities, and pay a programmer to develop a report that meets the city's specification (a one-time expense). The measurement regime also does not provide a complete picture. Taxi dispatch can be fast for areas served, but systemic shortages of taxis may still be present in potential markets where people are choosing to drive, or own a second vehicle, because taxis are difficult to obtain. The absence of taxi trips to and from these areas will mean they receive low weight in the performance measurement.

Open entry. Given the challenges of managing entry, a natural question to ask is why bother at all? Under an open entry regime, anyone who qualifies as a driver, meets vehicle standards, and pays a nominal licensing fee, may enter the market. Most other industries are managed like this.

While intellectually appealing, there are reasons why open-entry is not a common regime. Most cities limit the number of taxi plates in one way or another. There are public policy reasons for this, along with a large body of policy literature. Briefly, the role of taxis as a residual employer means that, unlike other industries, supply rises when the economy falters. If anyone can take their private vehicle and become a taxi, then the unemployed begin to flood the market, reducing the income of long-term drivers and forcing experienced drivers out of the market. This has implications for customer service (the experienced drivers are driven out), public safety, and public peace. Depressed taxi incomes lead to under-maintained vehicles that place others at risk on the street, whether or not they take taxis. In serious recessions, the excess supply also leads to disturbances in public peace as drivers fight at stands, and an overburdened bylaw administration trying to police new entrants and keep them up to standards. The results are also expressed politically. City Council chambers are flooded with protesting taxi drivers asking that their industry be closed. Among Canadian open-entry cities, Edmonton and Halifax were the last holdouts, and both closed entry in recent decades during periods of economic recession and driver protest.

There is also the well-documented history of taxicab deregulation in the 1970s. That decade saw widespread support for deregulation in many industries, ranging from telecom to airlines to taxis. As documented by Teal et al (1987), a number of U.S. jurisdictions deregulated taxicabs.⁷ In addition to removing limits to the number of taxis, controls over meter rates were typically eliminated, and other regulations, such as extra vehicle inspections and driver testing, were relaxed.

The results of these taxi deregulation experiments were mixed at best. Although the supply of taxis expanded dramatically, fares often went up instead of down, and total cab usage often went down, which reduced incomes for companies and drivers.⁸ Long cab lines usually emerged at major sites like airports, frustrating drivers. Seattle is well known for its decision to re-regulate a few years later, restoring the caps on licence numbers. Many other cities followed suit.⁹ Phoenix was an exception.

In summary, open-entry has the advantage of simplicity and allowing competitive entry. It has the disadvantages of periodic crises whenever the economy turns down, with negative impacts on driver incomes, customer service, and public safety.

Entry managed by licence fee. In this approach, the City no longer sets a fixed number of plates, but guards against excessive entry by setting a significant annual licence fee. Older licencees are allowed to continue renewing at older fee levels, but any additional licences require the higher licence fee.

⁷ Teal, Roger F. and Mary Berglund, "The Impacts of Taxicab Deregulation in the USA", *Journal of Transport Economics and Policy*, January 1987, pp. 37-56.

⁸ *ibid.*

⁹ Of the ten cities identified by Teal and Berglund, the majority (six) have returned to closed systems at the time of writing. The re-regulated US cities include San Diego, Seattle, Sacramento (recent freeze in 2011), Kansas City, Oakland, and Portland.

4-8 Approaches to Plate Issuance

Advantages of this approach are:

- **It allows the City to choose the level of profitability it wishes to protect.** If the desire is protect current plate value levels, then the annual fee would be set equivalent to the current plate lease rate (in Mississauga's case this would be \$800 to \$1000 per month, or \$9,600 to \$12,000 per year). Alternatively a lesser value might be chosen, one sufficient to keep plates valuable and motivate provision of the more expensive accessible taxis.
- **It allows competitive entry.** Anyone who thinks they can do better than the present providers can take out licences directly from the City, rather than having to negotiate purchase of the plates from existing holders.
- **It lets drivers acquire their own licence.** When an individual driver wishes to commit to the industry, they too can acquire a licence from the City instead of seeking someone who wishes to sell one. Even when drivers prefer to lease from old plate holders, the bargaining relationship is more balanced, as the driver always has the option of obtaining a new plate from the City.
- **Current plate holders are protected.** Through this process, the City effectively sets a ceiling on plate leases of older plates, since no driver would pay more than what they could pay the City for a new plate. In exchange, plate holders operate in a regime that recognizes and legitimates the level of revenue to plates. In addition to the increased security from the new framework, the explicit regulation more readily enables financial institutions to recognize the value of the plates when plate holders use them as bonds. In a further benefit, it can be shown that the long run stabilization of plate lease revenue effectively makes older plates a less risky asset in the financial sense, increasing the value of the plate to potential purchasers.

In exchange for the City choosing to stabilize the return to existing licences, current plate holders receive the security of explicit recognition of their value. This makes the plates easier to use for financial purposes at the bank. In the long run, it can be shown that the stabilization brought to lease rates of plates from this policy raises plate values by an additional amount.

- **Plate numbers are driven by market requirements.** The City no longer has to establish a set number of plates. When demand increases, industry members will find it profitable to take out additional plates. The number adjusts automatically to market conditions, as in other markets.
- **Lower administrative costs.** The City no longer has to review and maintain formulas on plate numbers.
- **Potential revenue can be used to improve service or enforcement.** Initially revenues from new plates may be quite low. However, as the city grows and the need for taxis increases, more new plates will be taken out. The revenue can be used to pay the costs of bylaw enforcement, or put back into programs such incentives to provide effective accessible taxi service.

Disadvantages of this approach are:

- **No current examples.** Although a well-known solution in other regulatory frameworks¹⁰, taxi regulation through licence fees is not currently practiced. The strongest endorsement so far came from an international inquiry conducted by the Australian state of Victoria. That inquiry, led by the former head of their competition bureau, recommended the approach. It also recommended a fee that would effectively have reduced plate value to half its previous level. The Victoria government, after a second review, endorsed the recommendation. However,

¹⁰ In economic terms, the principal is *duality*. Anything a regulator wishes to accomplish in quantity terms can be accomplished by an equivalent measure focused on price. Both can get you to the same point on consumer demand. Application ranges from international trade quotas to regulating money supply. The approach is particularly useful when there is uncertainty about the quantity required, but have greater clarity on the price.

controversy over the plate value reduction, combined with a change of government, has left this recommendation in limbo.

As a result, any city that implements this process will be in the position of an innovator.

- **Possible legal issues in Ontario.** Ontario law has restrictions on how much money can be raised by licensing fees. However, the underpinnings and interpretations of this restriction are not clear. The history of the issue is around preventing municipalities from taxing lawful businesses out of existence for moral reasons (e.g. massage parlours). Its relevance or application to a bylaw that effectively makes entry the industry more open remains to be determined.

4.3 Analysis and Recommendations

Hara Associates offers two alternative recommendations. One is a replacement formula for plate issuance. The other is recommended if Mississauga is willing to consider non-formula approaches.

Recommended Plate Issuance Formula

A multi-factor formula is a preferred approach when evidence based. Unfortunately Mississauga lacks a reliable ten-year record of trip volumes, the minimal requirement for conducting the appropriate statistical analysis. In addition, the burden of maintaining any multi-factor formula is significant.

As detailed earlier, the present multi-factor formula involves some 22 factors selected and weighted according to a voting process. While there are many relevant factors in the formula, there is no evidence-based weighting, and the lack of historical data means that such weighting cannot be credibly determined. In addition, data sources are not consistently available for all the factors. Data collection and the application of the four-page formula is prone to errors, and a great deal of staff time both inside and outside bylaw enforcement must be devoted to updating the calculation.

In addition, the time spent by stakeholders in engaging in the complex process is a distraction given the more urgent challenges the industry faces.

In the absence of data to support a more complex approach, Hara Associates recommends a simpler formula based solely on population and traffic volumes at Pearson International Airport.

Recommendation 4.1: Plate Issuance Formula. *If Mississauga wishes to use a plate issuance formula, it is recommended that the number of taxi plates issued to operators for use within the city be increased by*

- 1% for every 1% population growth in Mississauga, or part thereof; plus
- 0.07% for every 1% growth in passenger traffic at Pearson International Airport as indicated by enplaned and deplaned passenger totals; plus
- The number of taxis and accessible taxis required by TransHelp contracts.

Application would begin with the number of taxis licensed for 2015, with annual adjustment in future years.

Population is a primary indicator of taxi demand. Including Pearson passenger volume recognizes that it is an important source of taxi trips within the city, not just to and from the airport, and that the volumes are reflected regionally, not just by Mississauga's own population. The weight given airport taxi volumes reflects findings from dispatch data noted in Chapter 3. Of the dispatch calls where both origin and destination were identifiable, approximately 7.0% crossed municipal boundaries.

Taxis contracted by TransHelp are effectively taken out of the dispatch pool for much of their service period—they are providing public transit service and need to be accounted for separately. Adoption of the suggested formula would empower Mississauga staff to coordinate with TransHelp to easily

4-10 Approaches to Plate Issuance

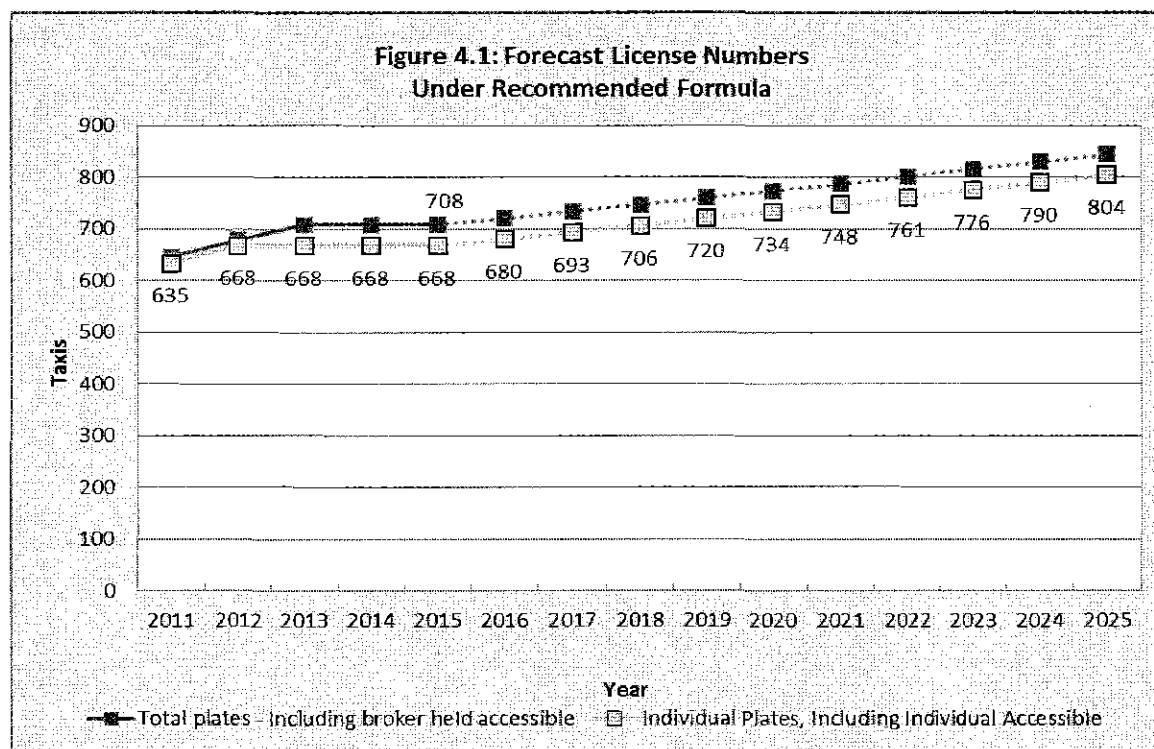
facilitate expansion in the use of Mississauga taxis. We note that this is important to the industry as TransHelp can easily source taxis from other municipalities within the region. Facilitating TransHelp is also important as it uses taxis to provide better and more cost effective service to its client base.

Data sources for the formula are publicly available on a consistent basis. In addition to Mississauga civic estimates, estimates and forecasting of population growth in the Region of Peel are provided regularly by the Ontario Ministry of Finance. As well, monthly enplaned and deplaned passenger estimates are reported by the airport to Statistics Canada for publication.¹¹ The most recent numbers are also posted on the Toronto Pearson International Airport website.

The simplicity of the formula, relative to the current formula, allows for more frequent and responsive application on an annual basis.

Figure 4.1 provides a forecast growth of licences under application of the formula. The forecast is based on forecast population growth for Peel by the Ontario Minister of Finance¹², and forecasts of Pearson passenger volumes posted on the airport website.¹³ Population growth is forecast at 1.6% annually in the coming years, while airport passenger growth is projected to increase by 2.8%.

Figure 4.1 shows two lines. Individually issued plates (which in the future may include accessible taxis) are forecast to grow from 668 at present to 804 by 2025. In addition to individually owned plates, there are two accessible taxi plates currently issued to each broker, plus an additional number that were issued to fulfil previous TransHelp contracts. This brings the total to 708. Future totals would be subject to TransHelp arrangements.



¹¹ Enplaned and deplaned passengers are the most common measure of activity. Although it includes passengers in transit, the figure is relatively consistent and reliable. Data on passengers actually leaving the terminal is less frequently available, and the methodology for estimation more subject to change.

¹² Ontario Population Projections (<http://www.fin.gov.on.ca/en/economy/demographics/projections/>)

¹³ Report of the Airport Consultant to the Greater Toronto Airports Authority. Axis Consulting Inc., 2014.

Distribution of Plates and the Waiting List

There is currently a waiting list for new plates. Some people have been on the list for a considerable time, and have paid fees and met conditions for remaining on it. Industry stakeholders almost universally felt that the current waiting list for plates should be respected even though there are drawbacks to the system.

Among these drawbacks are:

- The need to consider the group's legitimate concerns complicates any present or future regulatory reform.
- The list may create unreasonable expectations for those far down the list as to whether they will receive a plate.
- Getting on the list requires awareness of the nature of the system. Long serving drivers may not realize the importance of putting themselves on the list until many years have passed.

If designing a system from the beginning, Hara Associates recommends using the continuous years of service of active taxi drivers as a fairer method of distributing plates.

*Recommendation 4.2: **Waiting List.***

a) The waiting list should be closed, and new plates should be offered to those on the waiting list until such time as the waiting list is exhausted.

b) After the waiting list is exhausted, new plates should be offered to active drivers with the longest continuous service to that time. The list administrators may notify those eligible, however responsibility for applying should rest with the applicant.

Recognition of Current Crisis in Vehicle-for-Hire Industry

*Recommendation 4.3: **Resolution of TNC Regulation.** With the exception of licences issued to serve TransHelp contracts, the issuing of taxi licences under the present or recommended replacement formula should be held in abeyance until Mississauga resolves the regulatory framework for TNCs such as Uber.*

As discussed in the introductory chapter, at the time of this study, the industry has been undergoing a major competitive challenge. The increased number of people with smartphones has led to the development of new internet-based services that directly connect passengers and drivers. Leading firms include Uber, Lyft, and Hailo. A generic term for these firms is Transportation Network Companies (TNCs). Uber has been particularly active in Toronto and the surrounding region, has held recruiting meetings for drivers in Mississauga, and offers service in Mississauga. While convenient for customers, TNCs introduce issues for regulators because they effectively act as dispatch, bypassing brokers licensed by municipalities.

The resulting negative impact on trip volumes for current Mississauga taxi operators has been significant. The Mississauga taxi industry is especially vulnerable since it is primarily dispatch-based and lacks the street-hail market that taxis serve in cities like Toronto. In this climate of uncertainty and lower revenue, it would be difficult to ask the industry to accept the issuing of more taxi licences.

Resolution of the TNC issue is outside the scope of this study, but is being tackled on an urgent basis by many cities, including Mississauga.

4-12 Approaches to Plate Issuance

Recommendation if a Non-Formula Approach is Considered

Any formula approach is subject to inaccuracy. In addition, as discussed in the introduction, Mississauga is uniquely vulnerable to decisions by other authorities, such as changes in rules governing Pearson airport.

What would be desirable is a system in which:

- Mississauga could choose the level of profitability in the taxi industry it wishes to protect;
- The inaccuracy and expense of maintaining a formula is avoided;
- Drivers who wish to commit to the industry are able to acquire a plate of their own easily; and
- New companies with new ideas have a means of entering the industry.

The Entry Management by Licence Fee approach, detailed earlier in this chapter, meets all these requirements. It is a well-known solution to the quandary of how to protect current incumbents while opening a licensing regime to new entrants and increased customer demand. It is also fairly simple—it only requires setting a different and higher annual licence fee for new plates issued by the City.

However, the approach depends upon the will to risk innovation, and its application to taxi regulation lacks noteworthy examples (apart from the findings of the Victoria Taxi Inquiry conducted in Australia). It also requires clarification of restrictions in Ontario law concerning bylaw licensing fees.

Recommendation 4.4 Entry Management by Licence Fee

a) That Mississauga consider replacing its formula approach to numbers of taxis with entry management by licensee fee.

b) That in support of this consideration, Mississauga seek clarification on restrictions to the level of licence fees in Ontario and, if necessary, seek reform from the province to permit municipalities to utilize this option.

A move to entry management by licensing fee raises the question of the waiting list for plates.

Recommendation 4.5 Waiting List with Entry Management. *In the event of a shift to entry management by licence fee, members of the waiting list be offered the new licences at a reduced annual fee, pro-rated according to their years on the waiting list.*

For example, those at the top of the list might receive a plate that could be renewed at the same rate as the older class of licences (effectively a free plate). Those at the bottom of the list might have the option of obtaining one of the new plates, with the ability to renew at 90% of the rate being charged to someone coming off the street. Those in the middle of the list would have the option for a plate at a renewal rate discounted somewhere between these extremes.

5 How Many Accessible Taxis?

Wheelchair and mobility aid users are heartfelt in their desire for reliable taxi service. Whether for work, or to be able to go out Saturday night like everyone else, having reliable transportation options is part of having equal opportunity for a full life.

Community support for accessible taxi service is reflected in the *Accessibility for Ontarians with Disabilities Act* (AODA). The AODA requires municipalities to establish "the proportion of on-demand accessible taxicabs required in the community"¹⁴ in consultation with its Accessibility Advisory Committee,¹⁵ and to set a timetable for meeting this goal.

This chapter assesses the percentage of Mississauga's fleet that should be wheelchair/mobility-device accessible. After providing background, alternative target service levels are discussed along with the number of taxis likely to be needed to achieve each level. A target percentage of accessible taxis is recommended, along with an approach to implementation.

5.1 Background and Considerations

The Principle of Integration

The AODA reflects the principle that, where possible, disabilities should be accommodated within existing services rather than by constructing separate systems. This is pursued both for reasons of social integration, and for efficient use of society's resources. Consequently, wheelchair accessible taxis are typically integrated with general taxi service. They pick up any dispatched fares, but are available for priority assignment when a wheelchair accessible taxi is requested.

Consensus that Current Service is Unacceptably Poor

Mississauga currently allots two accessible taxi licences per broker, with more available to any broker who can demonstrate a business plan to put more service into place. In practice this has meant extra plates issued to service TransHelp contracts (see previous chapters).

Thus, although Mississauga has issued 40 accessible taxi plates, most are being driven primarily on scheduled routes for TransHelp public transit contracts.¹⁶ Thus they are not reliably in the dispatch pool. In addition, the high cost of insurance for adding a second driver has caused much of the industry to single-shift cabs—suggesting that many accessible taxis go home with the driver after finishing their TransHelp runs.

During interviews, the assessment of service quality by most industry stakeholders matched the assessment by members of the Accessibility Advisory Committee (AAC). Reliable accessible taxi dispatch, or any form of accessible taxi, is difficult to get. The typical story involved the need to book at least 24 hours in advance—with no guarantee that a taxi will be available. There are dedicated drivers of accessible vehicles who work to serve this market. There just is not enough capacity to provide the on-demand service that AODA mandates. To reliably get to a wedding or birthday party, people in mobility

¹⁴ Section 79, *Integrated Accessibility Standards* (regulation under AODA).

¹⁵ Municipalities with a population greater than 10,000 must establish such a committee. This may be fulfilled by continuing the existence of any similar committee that pre-existed the AODA.

¹⁶ TransHelp arrangements are in the process of being restructured.

5-2 How Many Accessible Taxis?

devices often must consider expensive alternatives, such as booking a patient transfer service and paying hospital rates.

What does 100% accessible mean? Accommodating a diversity of disabilities

One line of thinking is that all taxis should be wheelchair accessible. This is the approach taken in London England, where the specially designed London cab accommodates wheelchair users and all others using a single unified design. Toronto recently committed to 100%, despite a contentious reconsideration by the new council after the last election.

However, not all disabilities involve wheelchairs. Many seniors prefer a regular sedan in which the seat height and position make it easy to enter or back into the cab. There are also other disabilities. Consultation with members of Mississauga's Accessibility Advisory Committee included passionate discussion about a person with knee braces, and their challenges accessing some wheelchair accessible vehicles.

In the end, with substantive debate, participating AAC members upheld their long standing objective of a 100% accessible taxi system, but felt that the definition of 100% accessible should be understood to mean 100% accessible to all forms of disability. This position is consistent with the AODA. The AODA asks municipalities to set a percentage target for wheelchair accessible taxis, but also requires the industry to provide effective service to all types of disability.

Discussion with the Older Adult Advisory Panel (OAAP) also reflected this debate. In terms of seniors with mobility concerns, there was recognition of this as a need to be accommodated, but also an interesting comment from one senior who liked the high SUV-like seats for entering—he found the ceiling height and higher seat easier to mount. Members of the OAAP did not ask that all taxis be wheelchair accessible, but spoke of percentages ranging from 50%, as a compromise, or a percentage equal to the portion of the population who use mobility devices.

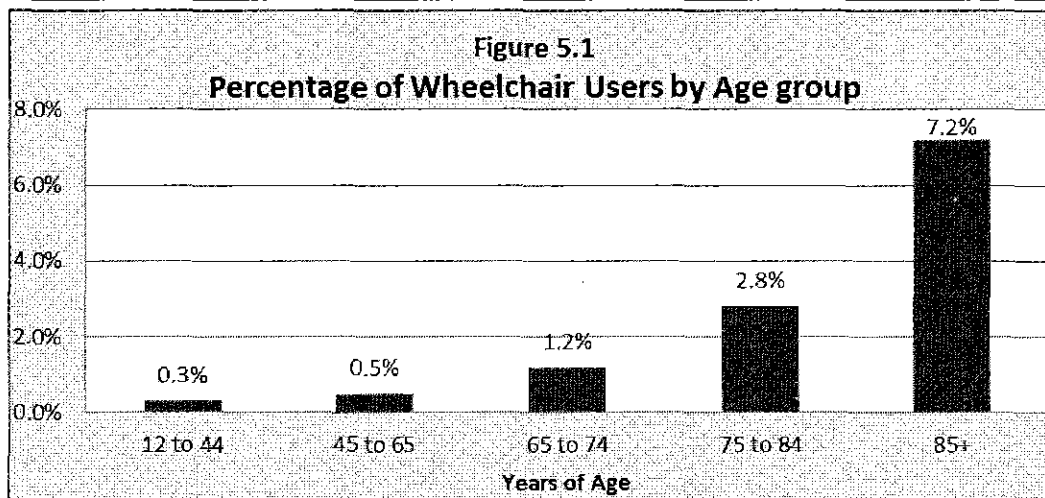
Thus, the position that respects all disabilities seems to be that a 100% accessible system involves a diversity of vehicles to accommodate the diversity of disabilities.

Fortunately, the taxi dispatch system allows this possibility. When one is waiting for a bus, the bus that arrives is the only one in that moment. This means all buses must be designed to meet a common accessibility standard. With taxis, the dispatch system has a choice as to which vehicle to send to your door. This allows for a diversity of vehicles, but requires enough wheelchair accessible taxis in the pool to ensure that prompt on-demand service is available to all customers regardless of their mobility needs.

Related issue: Aging population will increase demand

Wheelchair use is correlated with age (See Figure 5.1).¹⁷ As the baby boom generation moves through its later years, the growing number of wheelchair users will increase the demand for wheelchair accessible taxis. In addition to meeting the mobility rights of people with disabilities, providing accessible taxi service will help people live in their own homes longer, resulting in greater personal satisfaction and lower social costs.

¹⁷ Shields, Margo. "Use of wheelchairs and other mobility support devices." Health Reports, Vol. 15, No. 3, May 2004. Statistics Canada 82-0003.



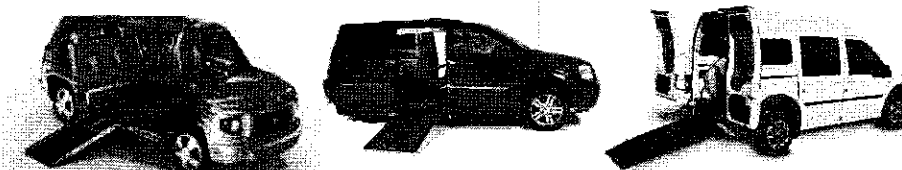
Type of Accessible Vehicle

Part of the policy discussion on accessible taxi service revolves around the type of accessible vehicle one envisages. Is there a vehicle type that would accommodate everybody? Principle choices are illustrated in Figure 5.2.

The most common vehicle is the adapted family minivan. This is what predominates in Mississauga. It is usually rear-loading and accommodates the broadest variety of mobility devices, some of which can be quite large. It also has the lowest initial price for owner-drivers, although still costing significantly more than the typical taxi vehicle.

Figure 5.2: Types of Accessible Taxis

	Purpose Built	Minivan	Compact Van
Fuel Economy	Least	Middle	Best
Initial Price	Most	Lowest	Middle
Entry	Side	Either	Rear
Service Network	Low	High	High
Room For Mobility Devices	Most	Middle	Least



5-4 How Many Accessible Taxis?

Cities that want high numbers of accessible taxis may consider a more expensive solution—the purpose-built taxi. England's London taxicab is an example. These vehicles are designed from the ground up to be taxis, and have enough room to accommodate a wheel chair or mobility device (although not all sizes on the market today can be accommodated). Another example is the MV-1, a larger vehicle being developed in North America. The idea is to provide an accessible taxi that is also attractive to most users. However, there are trade-offs. For example, the MV-1's rear seat is necessarily set back to make room for a wheelchair. This makes entry difficult for those who use walkers, and for anyone who prefers to back into a seat from the curb while holding the door frame or a grab bar.

An intermediate solution is the adapted commercial compact van. These vehicles typically are altered by the original vehicle manufacturer. They offer a lower seat height and room for larger mobility devices.

Recommendations on vehicle type are outside the scope of this study. For now, we note that there is no type of vehicle that will accommodate all disabilities. More expensive choices will accommodate more types of disabilities, but no single vehicle type will accommodate everyone.

5.2 Choosing a Level of Service

Requirements of AODA

How many accessible taxis are needed? At least enough to fulfil the requirements of the AODA. In regulations governing customer service, the AODA requires, for all Ontario industries that “persons with disabilities be given an opportunity equal to that given to others to obtain, use, and benefit from the goods and services”. This means that service standards for mobility device users must be the same as for others as is practically achievable. In addition, this must be achieved without charging a different fee than other customers pay.

Note that AODA establishes this as a right—it is not dependent on how many mobility device customers there are. As business people, some industry stakeholders expressed the desire to see customer volume before investing in expanded accessible service. The AODA has a different expectation— it sets a standard of service which an individual using a mobility device has the right to expect. In addition, the regulation places the obligation directly on service providers, whether or not the municipal government assists by providing the required regulatory framework.

Also note that:

- The more accessible taxis there are in the general dispatch pool, the more taxis there are to share the cost of responding to accessible taxi requests, thereby lowering costs for any vehicle;
- With increasing numbers of people with disabilities as the population ages, the market volume is likely to be there once the service is reliably available.

Estimating an adequate percentage of accessible taxis

Because AODA sets a service standard requirement, the question of the percentage of taxis that should be accessible is an operational problem: how many accessible taxis do we need in the dispatch system before service-on-demand is readily available, and where the speed of service is not readily distinguishable from how quickly other dispatch requests are served?

The greater the proportion of the fleet that comprises accessible taxis, the more closely the level of service to those with mobility disabilities will approach regular service levels. Conceptually, four potential levels of service can be defined. In declining order they are:

1. **Equal Service Levels.** The only way to ensure that every call for an accessible cab is responded to as quickly as every call for a standard cab would be to have every taxi in the city accessible. This would be consistent with the approach taken for public buildings (universally accessible for new buildings and eventually for all older buildings). A downside to this approach is the negative impact on the accommodation of other types of disabilities, for which AODA also requires accommodation.

The taxi industry would also find a 100% accessible standard a significant financial burden. It would impose a cost of around \$45,000 for every new vehicle on all existing taxi licence holders—an expense that would have to be renewed every five years or so.

2. **Reasonably Comparable.** A “reasonably comparable” level of service is one that ensures a cab is available for every call (barring extreme weather) and available for dispatch from within the same general area of the city. This would result in occasionally slower, but generally reliable timeframes comparable to any other customer.
3. **Generally Available.** A “generally available” level of service is one that ensures an accessible cab is available for every call (barring extreme weather) and available for dispatch from within the same general area, but may have to complete a prior call before responding (i.e., the accessible taxi may already be carrying a fare or traveling to pick up an assigned fare at the time of the request). This would result in somewhat slower, but perhaps acceptable response times.
4. **Basic Service.** Basic service ensures that all calls can be accommodated, but the accessible taxi might have to be assigned from another part of the city, and may have to complete its current fare. This would mean a significantly higher average wait time than other taxi users experience at the same time of day.

Of the above, only levels one and two meet the AODA standard. The number of taxis required to reach the level one is 100% of the fleet. Determining the number of accessible taxis needed to meet level two (or the other levels) is a statistical exercise.

Estimating the proportion of accessible taxis required by service level

Because accessible taxis serve the whole market, both wheelchair customers and others, they will be distributed randomly throughout the city at any given moment. Thus, one can never be completely certain that an accessible taxi will be available in the immediate neighbourhood. It is possible, however, to obtain an acceptable level of certainty. For example, one may ask: “How many accessible taxis are necessary for it to be 90% likely that an accessible taxi will be in a given geographic zone and available for a fare when a request comes in?”

The steps required to answer this question entail:

- **Division of Mississauga into geographic dispatch areas.** The geographic dispatch areas should represent the largest possible units where a taxi in the zone can reach a customer in that zone in reasonable time. A good guide is the taxi zones set up and used by the taxi dispatch companies themselves—since this is the problem they are solving with their own systems. For the purposes

5-6 How Many Accessible Taxis?

of this calculation, the city is divided into 27 zones. This represents a middle choice between the various Mississauga taxi company dispatch maps.

- **Estimating the average number of taxis during peak.** During peak hours, almost all of the Mississauga fleet is active. Conservatively counting only the 668 plates issued to individual operators produces an average occurrence of 25 taxis per zone.
- **Determine the number of accessible taxis necessary to meet service levels 2 and 3.** Taxis spend more than half their time with the meter off, even in a busy system. Thus if only one taxi is available in a zone, there is at least a 50% likelihood that it will be busy and any new customer will have to wait. This is "basic" service. If there are two taxis in a zone, it is likely that one will be immediately free for dispatch. This corresponds roughly to "general availability." If there are three in a zone, the odds are high that one will be available for immediate dispatch. This is "reasonably comparable" service.

Given the above, it is possible to calculate the number of taxis that achieve a 90% likelihood of providing level 2 or 3 service in the urban core.¹⁸ Table 5.1 summarizes the results.

Table 5.1: Summary of Options for Accessible Taxi Service Levels in Mississauga (Based on Core Fleet of 668 Taxis)*				
Approach	4 Basic	3 General Availability	AODA Compliant	
			2 Reasonable Comparability	1 Equal Service Level
Accessible Licences Required (% of fleet)	61 (9% of fleet)	102 (15% of fleet)	138 (21% of fleet)	668 (All of the fleet)
Service Level Experienced by Clients with Wheelchairs/ Mobility Device	Virtually all trips served but wait times may be longer and occasionally very long when a taxi must be dispatched across the city	Virtually all trip requests served, many trips with some waiting periods	All trip requests served, most within similar timeframe to other taxi requests	All trip requests served, wait times the same as other taxi request.

*Does not include some 40 current accessible taxis, most of which are allocated to TransHelp.

From the table, we see that increasing the number of accessible taxis to 21% of the fleet, over and above any contracted to TransHelp, would achieve reasonably comparable service (and a vast change in lifestyle options for those using mobility devices). At this level, variation in response time would be the same as for other customers 90% of the time, and probably indistinguishable from service received by others given the generally rapid dispatch response times prevailing in Mississauga.

The choice of service level between level 2 and level 1 is a community choice. The AODA does not set a standard for individual communities, but does require discussion and that there be a community plan to fulfill agreed upon objectives over time.

¹⁸ Based on the binomial probability distribution.

5.3 Recommended Choice for Mississauga

*Recommendation 5.1: **Percent Accessible Taxis.** Hara Associates recommends that Mississauga set a target of 21% of taxis being mobility device accessible. This level will ensure that an accessible taxi is near the required address when a call is received, and allow dispatch systems to provide a response time that is reasonably equivalent to that received by other customers. Achieving this will radically improve the lifestyle choices available to people using mobility devices. The percentage of less than 100% also allows for a diversity of other types vehicles to meet other disability needs.*

This percentage is in addition to accessible taxi licences issued to fulfil TransHelp contracts.

5.4 Implementation: How do We Get There?

The usual approach to offering accessible taxi service is to do so by issuing new accessible taxi plates as the industry's needs expand. Those on the waiting list may choose to decline and wait longer, but most accept the extra cost of putting an accessible taxi into service rather than waiting an additional indeterminate time.

The number of accessible plates required to reach the 21% target is at least 140 more than at present. Based on the recommended formula, and the projections detailed in the previous chapter, this is close to achievable in a ten-year time frame. By 2025, using the formula recommended in this report, Hara Associates projects approximately 136 more taxis would be required (See Chapter 4, Figure 4.2).

There are drawbacks to a slow phase-in:

- Those with mobility devices want and need material change now.
- A minimum scale is necessary to provide any form of reliable service. Even achieving the "basic level" of service discussed in this chapter would require about 61 more accessible taxis (9% of the fleet). As well, without minimum reliability, mobility device customers will tend not to use the service. Those using mobility devices are less able to risk being stranded than are other customers.

However, a more rapid expansion of the accessible fleet also raises issues. There are only two ways to achieve it:

- **Release extra new plates ahead of formula.** Releasing 61 plates over the next two years would achieve at least a basic level of accessible service, and anticipate the formula projection for plate needs up to year 2020. The industry is unlikely to feel comfortable with such an expansion in the current climate of uncertainty resulting from TNCs. This approach also assumes that projected increases in population and Pearson traffic materialize to provide business for the increased fleet.
- **Force conversions on existing plate holders.** Some industry stakeholders felt this could be done by requiring conversion to accessible taxis when currently registered vehicles reach their maximum allowed years of service. However, doing this for only a portion of the fleet will place an unfair burden on those unfortunate enough to have their vehicles "expire" first.

Given these considerations, the following compromise is suggested:

Hara Associates

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Recommendation 5.2: Accessible Plate Issue. All new issues of plates should be accessible taxi plates until the 21% of fleet target is met.

Recommendation 5.3: Accessible Plate Plan. To achieve a minimally efficient scale of accessible service in the next two years:

- a) 30 accessible plates be released in each of the next two years, in advance of plate issuance formula requirements.
- b) Such plates be offered first to the waiting list. Any remaining plates be offered to brokers, then to senior drivers.
- c) A condition of such plates is that they be put into service in the dispatch pool for at least 40 hours per week.
- d) Any plates not taken up by active industry members be reserved until the end of the two-year period.
- e) At the end of the two-year period, if the additional plates have not been taken up, they should be issued to brokers proportionate to registered fleet size, with the requirement that they be put into service as a condition of being licensed.
- f) Where plates are issued to brokers under (e) above, the required service period should be doubled to a minimum average of 80 hours per week over the year, combined with a general duty to provide accessible taxi service on-demand.

As with the recommendation in the previous chapter, implementation of these recommendations should be suspended until a framework for TNC regulation is resolved.

6 Meter Rates

This chapter addresses two questions:

- Are current meter rates at the right level?
- How should meter rates be managed over time?

6.1 Background

History

Mississauga taxi meter rates were last adjusted in 2010. Since that adjustment reflected the increased taxation of the industry under HST harmonization, arguably the last adjustment was in 2008, seven years ago. In the intervening period, operating costs have risen, especially for taxi insurance which occurred to varying degrees across Canada around 2013.

Industry Reluctant to Raise Rates

As discussed in Chapter 2, Stakeholder Views, most industry stakeholders are reluctant to increase rates despite the lack of an increase over this long period. They fear losing business. At the beginning of this study, there were general concerns that business was being lost to limousine companies running short trips out of hotels, and about price resistance among Mississauga residents. The latter concern increased during the course of the study as Uber's market penetration was felt.¹⁹

This has prompted some stakeholders to raise, the possibility of being allowed to charge *less* than the official rates.

Policy Objectives and the Law

Cities regulate meter rates primarily to protect consumers. In the absence of regulation, passengers cannot assess a fair price given the variable nature of the service in terms of both distance, and the quality of vehicles and drivers. Regulated meter rates provide a convenient guide, and avoid situations of haggling or exploitation (as on a lonely street late at night).

Although rates are set for the benefit of the consumer, the concerns of the industry also must be considered. The broader framework of common law places duties on governments when regulating the price of any product or service; prices must be set high enough to allow firms in the industry the opportunity to make a *fair and reasonable* rate of return on their investment. To achieve this, the industry's cost conditions must be considered. Cities typically change taximeter rates in response to changes in industry costs.

Another relevant consideration is the value of a taxi plate within the jurisdiction. Over time, the limited right to operate tends to accrue a value. Taxi plates in New York City (termed medallions) are auctioned for as much as a million dollars. Mississauga plates were reputed to be worth between \$200,000 and \$220,000 at the beginning of 2014, although that price is likely falling given current industry uncertainty.

When people are willing to pay to enter an industry, it is evidence that returns to capital are higher than generally available—prima facie evidence that the regulator's duty to permit just and reasonable returns is more than met.

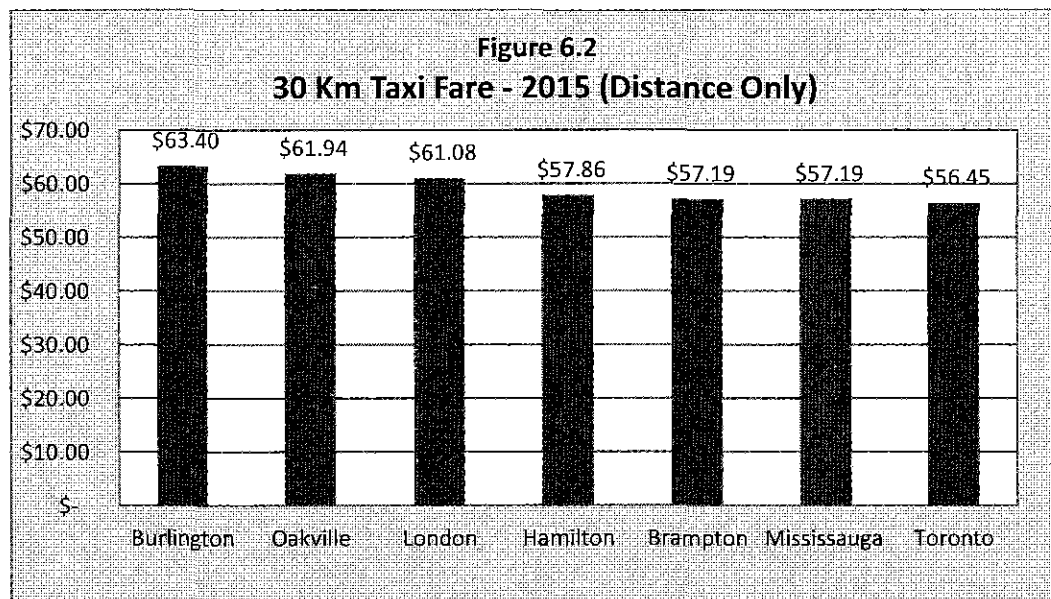
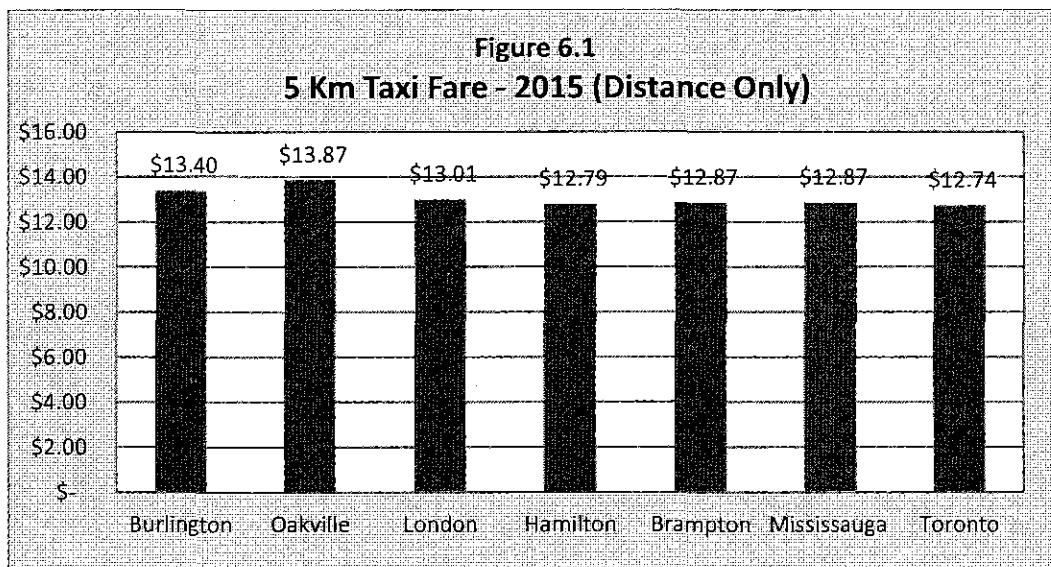
¹⁹ At the time of writing, it appears the limousine shuttles from Mississauga hotels also have begun to disappear due to competitive pressure from Uber.

6-2 Driver and Passenger Safety

In the presence of plate value, cities still manage meter rates on a relative basis, adjusting them proportionate to changes in industry costs. A well-managed rate preserves a moderate level of plate value consistent with a healthy industry, and provides a predictable environment in which all industry participants can plan for the future. If rates are left unadjusted while costs rise, service may be disrupted as industry players do not make the needed long-term investments in equipment and service, and energy is shifted to determining who is bearing the cost burden and how this is to be ameliorated.

6.2 Comparing Meter Rates in Other Jurisdictions

Figures 6.1 and 6.2 compare meter rates for Mississauga with peer Ontario jurisdictions. The comparison shows that Mississauga's current rates are competitive with peer cities. The short-distance fare is just below the middle of the pack. The long-distance fare is cheaper than all but Toronto, but not noticeably out of line despite the lack of change since 2010.



6.3 A Cost Profile for Mississauga Taxis

The costs of taxi operation vary from city to city. Fuel costs can be a larger or smaller proportion depending on the road network and city density. Double-shifted taxi are common in some cities, and an exception in others. To provide better insight into how Mississauga meter rates have kept pace with costs of operation, a cost profile of a typical Mississauga taxi was developed. The profile was designed in consultation with industry stakeholders, combined with Hara Associates data from other cities and operations.

Consultation with Industry Stakeholders and Financial Confidentiality

An accurate cost profile includes industry stakeholders so that local conditions are captured.

A major obstacle to consultation is the industry's desire to keep its financial data confidential. To facilitate industry cooperation, it was agreed that industry members could speak frankly with the study team on estimated dollar amounts, but that only the percentage breakdown of costs would be shared with the City and in the public report. This arrangement was recommended based on previous index construction experience. Better quality information is obtained when industry members feel comfortable enough to speak freely. The City and industry participants agreed to this arrangement.

One of the advantages of this process is that there is little conflict of interest for industry participants. Since costs must add up to 100%, increasing one cost necessarily decreases another. On a percentage basis, it is in the interest of all participants to declare costs accurately so that future meter rate adjustments respond to actual changes in costs.

Information was collected based on a survey form and follow-up interviews. Detailed line items were consolidated into simpler totals that could be linked to cost categories monitored by Statistics Canada (e.g., repairs and maintenance includes both regular maintenance and repairs from accidents not paid by insurance).

The final cost profile combines the input of participants. Where there was variation, the study team applied its experience from other jurisdictions and expert judgment. While collecting this data, fuel prices changed significantly. Stakeholder input was adjusted to reflect the date the interviews took place..

Cost Profile of a Typical Mississauga Taxi

Table 6.1 and Figure 6.3 show the percentage breakdown of costs for a typical Mississauga taxi. For example, fuel is an estimated 28.1% of costs, while insurance is 11.5%. Since drivers, too, are part of the cost of taxi, the table includes the cost of labour (what drivers currently receive). There must be enough revenue for drivers to keep qualified ones behind the wheel. Returns to driver are 38% of the cost.²⁰

6.4 Tracking Costs Over Time—Methodology

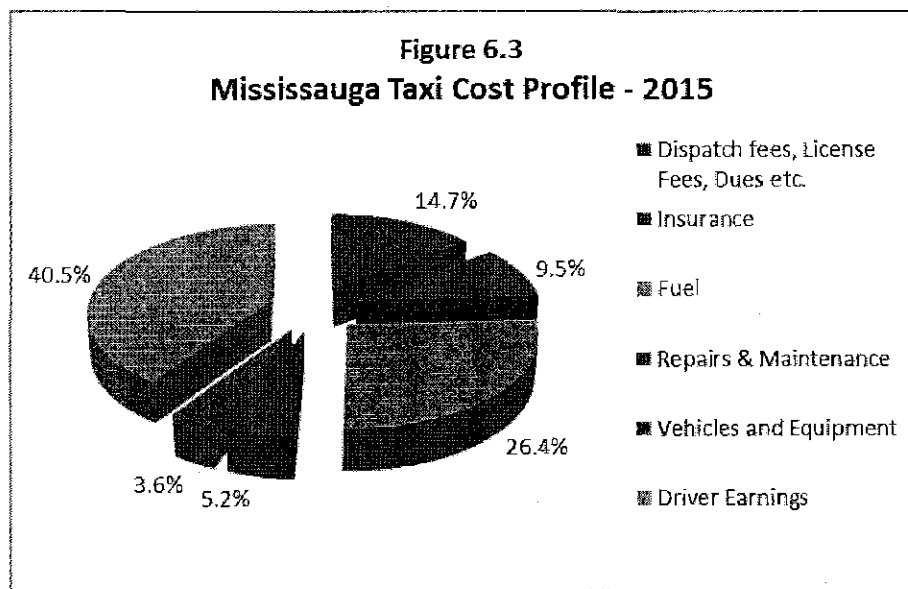
The cost profile can be used to estimate the historical movement of taxi costs over time, including the impact of the recent hike in insurance costs. Fortunately, Statistics Canada publishes monthly statistics on key areas that are closely related to each taxi cost element. For example, the cost of gasoline is tracked, as is that of personal auto insurance. Combining these with the current cost profile allows

²⁰ The table does not include lease payments on the plate itself, since that is not a *cost* of operation in the regulatory sense. The plate is actually owned by the City, and lease payments for the plate, separate from the vehicle and dispatch services, is economic rent created by the system for a small piece of metal. The plate lease portion of payments does not represent a real consumption of resources to produce a service. Including plate lease in the index is not normally done, as it results in a circular process. Raising meter rates according to an index that included lease rates would increase the profitability of a taxi, in turn raising the market lease rate—which in turn would raise the index yet again.

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construction of a Taxi Cost Index (TCI) that approximates how the total cost of taxi operation has changed from year to year.

Table 6.1 Cost Profile of a Mississauga Taxi	
Item	% of Taxi Cost
Dispatch fees, licence fees, dues, etc.	14.7%
Insurance	9.5%
Fuel	26.4%
Repairs and maintenance	5.2%
Vehicles and equipment	3.6%
Driver earnings	40.5%
TOTAL	100.0%



The virtue of a TCI is that it provides a total picture. Rather than focusing on gasoline one year, and insurance the next, the TCI describes how total costs rise (or fall). Many regulators make use of the TCI approach to regulate meter rates. In Ontario, both Toronto and Ottawa use taxi cost indexes.

While very helpful, a TCI only approximates the cost changes for an average taxi. Individual taxis vary. In addition, events may occur that are not captured by the Statistics Canada published series used to track cost changes. For example HST harmonization in 2010 had a complex impact on the taxi industry. While the gross rate of taxation rose from 5% to 13%, the tax paid on gasoline and selected other inputs became an HST tax credit, effectively *reducing* the cost of fuel by the 8% provincial sales tax that had been eliminated. Statistics Canada series on gasoline prices are based on the posted price, and do not capture changes in tax advantage.

Table 6.2 shows the public data sources used to track the movement of taxi operation costs in Mississauga. For example, the cost of fuel is monitored using the Ontario component of the Consumer Price Index (CPI) for fuel. One of the costs that must be tracked is the cost of keeping the driver behind the wheel. Taxi drivers are not paid wages, but they must be offered a deal that nets them at least as much as they could earn from occupations available to them. This amount changes as economic conditions change, including inflation.

To track the return needed to retain drivers, the average hourly wages for Ontario was used.²¹

Statistics Canada tracks wages and prices in large municipalities, but only releases data when confidentiality can be protected and the estimate is deemed reliable. Thus some series are available only for all of Ontario, while others are available for large urban areas, of which Toronto is the closest.

Table 6.2: Taxi Cost Index Data Sources—Mississauga				
Item	% of Taxi Costs	Public Data Source Used to Independently Track Costs		
		Name	Data Source (Statistics Canada CANSIM # used for retrieval)	Table Description
Dispatch fees, licence fees, dues, etc.	14.7%	All Items CPI for Toronto	v41692888 Table 326-0020	Consumer Price Index, (2002=100)
Insurance	9.5%	Passenger vehicle insurance premiums (Canada CPI)	v41691141 Table 326-0020	
Fuel	26.4%	Gasoline (Ontario CPI)	v41691994 Table 326-0020	
Repairs and maintenance	5.2%	Passenger vehicle parts, maintenance, and repairs (Ontario CPI)	v41691995 Table 326-0020	
Vehicles and equipment	3.6%	Purchase of passenger vehicles (Ontario CPI)	v41691992 Table 326-0020:	
Earnings, all drivers	40.5%	Average hourly earnings for employees paid by the hour, Industrial aggregate excluding overtime, for Ontario	v1591285 Table 281-0029	Average hourly earnings based on the North American Industry Classification System (NAICS)

Three cost items were tracked using the general CPI and consolidated, rather than specific series related to the item. The reasons for this vary by item:

- **Miscellaneous costs and professional fees.** There are no series that track changes in these prices. To estimate cost changes a general measure of inflation was used—the CPI as a whole. These are small part of total costs.
- **Dispatch fees, licence fees, dues, etc.** These are fees that brokers charge taxi owners. The TCI uses the CPI to track these costs rather than the real costs, even though the real costs are known. This is because a meter rate formula based on actual broker fees would automatically

²¹ This indicator is more stable than the specific series that includes taxi drivers: wage in Ontario Transportation and Warehousing. The latter is subject to sudden moves due to collective bargaining settlements outside the taxi industry.

6-6 Driver and Passenger Safety

pass any increase in broker fees straight to the consumer. Instead, the TCI gives a general allowance for adjusting broker fees based on the CPI.

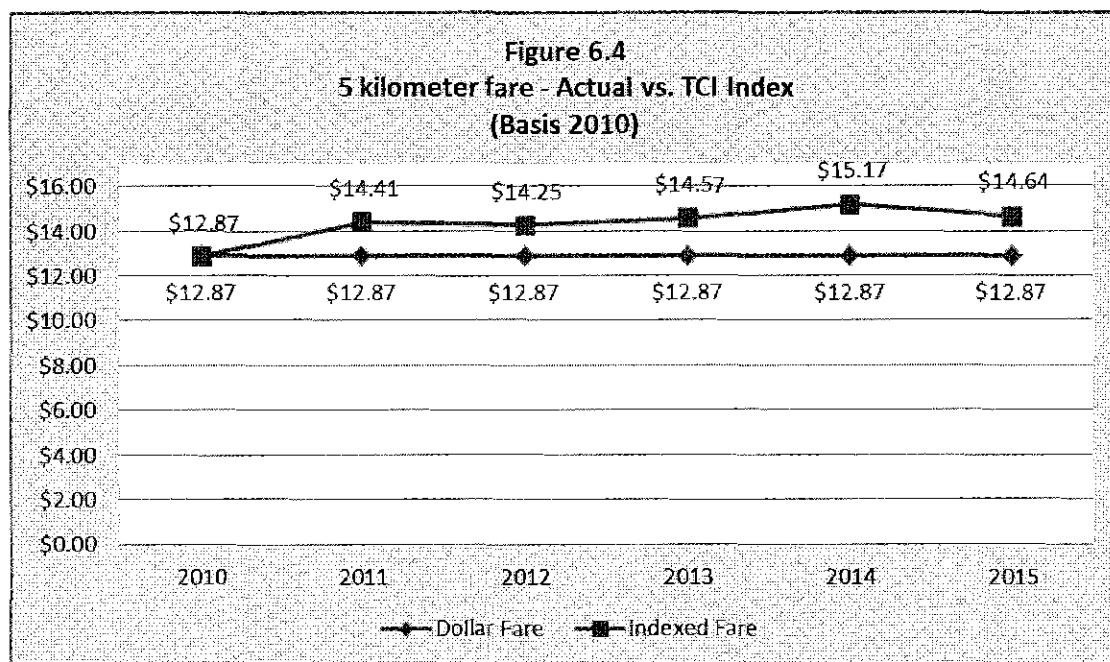
- **Municipal licence fees.** The actual cost of these is known. They are the fees the City charges to license drivers and vehicles. To protect the confidentiality of the underlying numbers provided by the industry, licence fees have been lumped in with dispatch fees and miscellaneous costs.

6.5 Results of Tracking Costs over Time

A cost index expresses the change in costs in percentage terms. To apply a cost index over time, that is, historically, one must choose a starting point, or base period. The usual choice is the last time meter rates were set by the City. Applying the cost index from that point forward allows meter rates to be adjusted proportionally to changes in taxi operating costs.

Figure 6.4 applies the cost index to meter rates using the 2010 meter rate for a five-kilometer fare as the starting point. In 2010, the five-kilometer fare was \$12.87.²² The blue line shows the actual meter rate year by year (unchanged). The red line shows what the meter rate would have been if adjusted annually according to estimated changes in industry costs.

Between 2010 and 2015, Mississauga taxi operating costs rose an estimated 13.8%. If matched by a fare increase, the five-kilometer meter rate would have moved to \$14.64.



6.6 What should Meter Rates Be?

Should there be a rate increase given that industry costs have risen 13.8% since the last adjustment in 2010?

A rate increase is not recommended. The industry is largely negative on the idea, despite the increase in operating costs. Average fares currently are within reason compared to regional peers. Prior to Uber's

²² Distance charge only. To facilitate year-to-year comparisons, fares are also calculated using the distance rate per meter, rather than calculating "on-the-nickel" according to the fixed \$ increments of the taximeter.

expansion into Mississauga, the industry was also able to make sufficient profit at present rates to support a significant plate value.

*Recommendation 6.1: **No Meter Increase.** That there be no meter rate adjustment for 2015.*

Downward Flexibility in Fares?

In the face of competition from TNCs, some industry stakeholders have suggested that Mississauga taxis be permitted to charge less than the metered rate. At least one Toronto company has made this request of the Toronto administration.

While some cities take the approach that meter rates are a maximum, there are reasons why the majority of cities set meter rates as fixed—that is, they are both the maximum and the minimum. To assess the risks, consider two ways that downward fare flexibility might be implemented:

- **Via individual drivers.** Individual drivers could be permitted to offer flat rates that are lower than the metered rate, or discounts on the metered rates. This approach risks drivers overcharging those unfamiliar with the metered fare. *In the event this approach is taken, the meter should always be run so that the customer sees what they would have paid, and so that the dispatch system records the carrying of a passenger.*
- **Via companies setting lower meter rates for their taxis.** This approach risks confusion among consumers, and potential complaints when fares are unexpectedly higher than previously experienced. *At minimum, this approach calls for posting discounted meter rates on exterior facing labels, and notifying bylaw enforcement of rate schedules and changes in schedules.*

Beyond these considerations, there is also the concern that companies may race to the bottom, collectively undermining their profitability and risking under-maintained vehicles and higher inspection and enforcement costs.

Outweighing these traditional considerations is the need to free companies to meet the competition during this TNC-generated crisis period. As a result, the following is recommended:

*Recommendation 6.2: **Downward Fare Flexibility.** If industry representatives on PVAC request it, companies should be permitted to charge less than the bylaw meter rate. Depending on industry request, either or both of these methods should be considered:*

- a) **Driver Option.** Drivers may offer a fare to an individual passenger at less than the meter rate. In this event, the meter should still be run to show the customer the meter charge, and to create an electronic record of the trip.*
- b) **Company Option.** If companies wish to formally reduce their meter rates overall, notice of fares should be posted where visible to customers prior to entering the taxi, and fare schedules and posting method should require approval of bylaw enforcement.*

6.7 Managing Meter Rates in the Future: CPI or TCI?

Many cities manage taximeter rates by waiting for industry requests. This leads to infrequent and large increases since the industry prefers not to expose its financial affairs to public view.

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It is preferable that there be an annual review process with an objective guide to the relative role of different costs. A predictable process allows the industry to form sensible expectations about future rates. It allows consumers to do so as well. This helps avoid large and infrequent rate increases that lead to customer sticker shock and loss of passengers. Regular adjustment also provides individuals who are considering giving up car ownership a more stable framework in which to make that choice.

The Consumer Price Index (CPI) tracks the cost of living for the average household. Its advantage is that it is well understood and easily available. The CPI tracks the cost of a "basket" of goods representing average consumer purchases. When the cost of living rises by 2%, cities that rely on the CPI consider increasing meter rates by 2%.

The disadvantage of the CPI is that it does not give sufficient weight to things that are important to operating taxis. The price of fuel, vehicles, and insurance are far more important to taxis than the weight they are given in the consumer basket of the CPI.

The alternative to the Consumer Price Index is a Taxi Cost Index. Mississauga has used a cost index approach in the past. Its advantages are:

- **Specific to each city.** Costs of taxi operation vary from city to city. Fuel costs vary, distances per fare vary, time spent waiting for a fare varies, etc. The TCI reflects actual taxi operating costs and behaviour in the city for which it is developed.
- **Easy to update.** Once the cost profile for the starting year is established, the index can be recalculated whenever desired using published data from Statistics Canada or other reliable public agencies. Usually this is done annually.
- **Easy to apply.** If the TCI rises 5%, then rates can be adjusted upward by 5%. Most cities use the index as a guide, leaving open the possibility that the industry might decline the rate increase (as sometimes happens), and giving City Council ultimate authority. City councillors tend to feel comfortable and well guided when an objective index is used. This permits the council process to become routine.
- **More regular rate adjustments.** Ease of application allows regular small adjustments to fares, rather than large adjustments after a few years. The index itself should be reviewed and re-based at least every ten years.
- **Standardized methods.** The principles of cost indexes are well known. Calculation can be embodied in a computer spreadsheet that can be reviewed by anyone and crosschecked against public sources.

The disadvantages of a taxi cost index are:

- **Only preserves the status quo.** A taxi cost index is used to keep the profitability of the industry at the same level as in the base year that is chosen. It says nothing about whether the profitability in the base year was too high or too low.
- **Requires updates when vehicle technology changes.** The cost index assumes that the physical requirements for operating in the industry remain unchanged. In reality, gas mileage may improve, reducing the importance of fuel. Other changes also occur, including longer lasting vehicles with lower maintenance, or a shift to a new kind of vehicle such as hybrids. When technology changes, the cost index will no longer give the correct weight to each factor. *Cost indexes should be updated at least once every ten years to account for technological change.*
- **More challenging for municipal staff to maintain.** A cost index is not complex, but errors can be made by those unfamiliar with the formula or the data sources. Experience shows that a TCI can be maintained by in-house staff so long as a spreadsheet tool is provided that identifies the data sources and guides the updating process in easy steps.

*Recommendation 6.3: **Taxi Cost Index.** Adopt a taxi cost index based on the cost profile and data sources in Table 6.2. The next application of the index should be in the fall of 2016, based on relative changes in cost from 2015.*

The majority of industry stakeholders were supportive of a cost-based approach, rather than the Consumer Price Index.

To minimize the risk of miscalculation, if desired, the study team will provide a spreadsheet tool to guide updates of the index.

7 Recommendations

For convenience, the recommendations made in previous chapters are provided below.

Plate Issuance

Recommendation 4.1: Plate Issuance Formula. *If Mississauga wishes to use a plate issuance formula, it is recommended that number of taxi plates issued to operators for use within the city be increased by*

- 1% for every 1% population growth in Mississauga, or part thereof; plus
- 0.07% for every 1% in the growth in passenger traffic at Pearson International Airport as indicated by enplaned and deplaned passenger totals; plus
- The number of taxis and accessible taxis required by TransHelp contracts.

Application would begin with the number of taxis licensed for 2015, with annual adjustment in future years.

Recommendation 4.2: Waiting List.

a) The waiting list should be closed, and new plates should be offered to those on the waiting list until such time as the waiting list is exhausted.

b) After the waiting list is exhausted, new plates should be offered to active drivers with the longest continuous service to present. The list administrators may notify those eligible, however responsibility for applying should rest with the applicant.

Recommendation 4.3: Resolution of TNC Regulation. *With the exception of licences issued to serve TransHelp contracts, the issuing of taxi licences under the present or recommend replacement formula should be held in abeyance until Mississauga resolves the regulatory framework for TNCs such as Uber.*

Recommendation 4.4 Entry Management by Licence Fee.

a) That Mississauga consider replacing its formula approach to numbers of taxis with entry management by licensee fee.

b) That in support of this consideration, Mississauga seek clarification on restrictions to the level of licence fees in Ontario and, if necessary, seek reform from the province to permit municipalities to utilize this option.

Recommendation 4.5 Waiting List with Entry Management. *In the event of a shift to entry management by licence fee, members of the waiting list be offered the new licences at a reduced annual fee, pro-rated according to their years on the waiting list.*

Accessible Taxis

Recommendation 5.1: Percent Accessible Taxis. *Hara Associates recommends that Mississauga set a target of 21% of taxis being mobility device accessible. This level will ensure that an accessible taxi is near the required address when a call is received, and allow dispatch systems to provide a response time that is reasonably equivalent to that received by other customers. Achieving this will radically improve the*

lifestyle choices available to people using mobility devices. The percentage of less than 100% also allows for a diversity of other types vehicles to meet other disability needs.

This percentage is in addition to accessible taxi licences issued to fulfil TransHelp contracts.

Recommendation 5.2: Accessible Plate Issue. *All new issues of plates should be accessible taxi plates until the 21% of fleet target is met.*

Recommendation 5.3: Accessible Plate Plan. *To achieve a minimally efficient scale of accessible service in the next two years:*

- a) 30 accessible plates be released in each of the next two years, in advance of plate issuance formula requirements.*
- b) Such plates be offered first to the waiting list. Any remaining plates be offered to brokers, then to senior drivers.*
- c) A condition of such plates is that they be put into service in the dispatch pool at least 40 hours per week.*
- d) Any plates not taken up by active industry members be reserved until the end of the two-year period.*
- e) At the end of the two-year period, if the additional plates have not been taken up, then they should be issued to brokers proportionate to registered fleet size, with the requirement that they be put into service as a condition of being licensed.*
- f) Where plates are issued to brokers under (e) above, the required service period should be doubled to a minimum average of 80 hours per week over the year, combined with a general duty to provide accessible taxi service on demand.*

Meter Rates

Recommendation 6.1: No Meter Increase. *It is recommended that there be no meter rate adjustment for 2015.*

Recommendation 6.2: Downward Fare Flexibility. *If industry representatives on PVAC request it, companies should be permitted to charge less than the bylaw meter rate. Depending on industry request, either or both of these methods should be considered:*

- a) Driver Option. Drivers may offer a fare to an individual passenger at less than the meter rate. In this event, the meter should still be run to show the customer the meter charge, and to create an electronic record of the trip.*
- b) Company Option. If companies wish to formally reduce their meter rates overall, notice of fares should be posted where visible to customers prior to entering the taxi, and fare schedules and posting method should require approval of bylaw enforcement.*

Recommendation 6.3: Taxi Cost Index. *Adopt a taxi cost index based on the cost profile and data sources in Table 6.2. The next application of the index should be in the fall of 2016, based on relative changes in cost from 2015.*

Appendix A

List of Interview Respondents

Appendix A

Interview Respondents

Committees

- Al Cormier – Citizen Member of PVAC
- Paramvir Singh-Nijar, owner representative, PVAC member
- Harismar Sing Sethi, driver representative, PVAC member
- Dianna Simpson, AAC member
- Clement Lowe, AAC member
- Rabi Khedr, AAC member
- Naz Husain, AAC member
- Glenn Barnes, AAC member
- Carol Ann Chafe, AAC member
- Pat Saito, Councillor and AAC member
- Lorena Smith, Community Development Coordinator, Older Adult Recreation Division, Older Adults Advisory Panel

Industry

- Shokat Ali, Manager, A Black Cab
- Gus El-Gharib, Airlift Services Limited
- Gurvel Singh, Broker and PVAC Member, All Star Taxis
- Ranjit Desi, Aerofleet Cab Services
- Baljit Pandori, Blue and White
- Peter Pellier, former driver
- Phil Sheridan, former owner of Airport Taxi
- Mark Sexsmith, former taxi industry
- Ron Baumer, Accessible Taxis Owner and operator

Region of Peel

- Mark Castro, Region Disabled Transit

Greater Toronto Transit Authority

- Mark Reginald, GTAA
- Marina Marchetti, Manager of Grounds Transportation, GTAA

City of Mississauga

Corporate Report



<p>Date: November 25, 2015</p> <p>To: Chair and Members of Public Vehicle Advisory Committee</p> <p>From: Martin Powell, P. Eng. Commissioner of Transportation and Works</p>	<p>Originator's files:</p> <hr/> <p>Meeting date: 2015/12/07</p>
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Subject

Consultant's Review of Policy Alternatives for the Regulation of Transportation Network Companies

Recommendation

1. That the report from the Commissioner of Transportation and Works, dated November 25, 2015 entitled "Consultant's Review of Policy Alternatives for the Regulation of Transportation Network Companies", be received.
2. That the Public Vehicle Advisory Committee provide comments on the policy alternatives outlined in Appendix 1 to the report from the Commissioner of Transportation and Works, dated November 25, entitled "Consultant's Review of the Policy Alternatives for the Regulation of Transportation Network Companies" for incorporation in a future report from staff to General Committee.

Report Highlights

- Transportation network companies (TNCs) are firms that use internet-based services to directly connect customers with drivers.
- The City of Mississauga engaged the firm of Windels Marx Lane and Mittendorf, LLP, to report on how other jurisdictions in Canada, the United States and Europe are regulating TNCs, and to propose and evaluate policy alternatives for the regulation of TNCs.
- The purpose of this report is to bring forward for consideration by the Public Vehicle Advisory Committee the final report from Windels Marx Lane and Mittendorf, LLP, dated November 26, 2015 and entitled "Study of Regulations for Transportation Network Companies (TNCs)".

Background

The taxi industry in Mississauga is undergoing a major competitive challenge. The widespread use of smartphones has led to the development of internet-based services that directly connect passengers and drivers. These internet-based transportation services are being offered by firms that are described as TNCs.

The challenge posed by TNCs is that one of their primary services includes drivers who use their personal vehicles and operate outside the regulatory framework. Municipalities are struggling to bring TNC vehicle operation into the regulatory fold. The issue is complicated by their popularity, by the difficulty of enforcing rules on individual unmarked cars and by the legal position taken by TNCs that they are merely telephone applications, not taxi or limousine brokers.

The City of Mississauga engaged the firm of Windels Marx Lane and Mittendorf, LLP, to report on how other jurisdictions in Canada, the United States and Europe are regulating TNCs, and to propose and evaluate policy alternatives for the regulation of TNCs.

The final report from Windels Marx Lane and Mittendorf, LLP, dated November 26, 2015 and entitled "Study of Regulations for Transportation Network Companies (TNCs)" (the "Windels Report"), is attached as Appendix 1. The purpose of this report is to introduce the Windels Report.

Comments

A summary of the policy alternatives evaluated in the Windels Report is shown below:

1. *"Capture Option: Capture TNCs under current regulations using amendments (taxis and limousines)*
 - *TNCs would be regulated as taxi brokers and adhere to taxi and limousine rules.*
 - *Certain taxi and limousine rules (such as metered rates) could continue to apply, or the City could opt to make minor adjustments to the By-laws.*
 - *UberX is an illegal operation.*
2. *Capture Option (Modified): Capture TNCs under current regulations using amendments (limousines)*
 - *TNCs would be regulated as brokers and adhere to taxi and limousine rules;*
 - *Certain taxi and limousine rules, such as mandatory minimum fares, could continue to apply, or the City could opt to make minor changes to the By-laws.*
 - *UberX would operate as a special limousine category.*
3. *New Licensing Category Option (Equal Regulation)*
 - *TNCs would be considered TNC brokers, as part of a new license category;*
 - *Requirements would be equivalent to taxis and limousines; and*
 - *This option could include a licensing cap or growth standard, or an open licensing system for TNCs.*

4. *New Licensing Category Option (Unequal Regulation)*

- *Provides a basic, self-regulating licensing framework for TNCs to operate legally;*
- *TNCs must register with the municipality but can issue their own driver permits, conduct their own background checks, and set their own vehicle standards; and*
- *Subjects TNCs to increased licensing fees, and to municipal data collection, auditing, and fines/penalties for failure to properly self-regulate.*
- *This option would include a licensing cap or growth standard, or an open licensing system for TNCs.*

5. *Pilot Program Option*

- *Pilot program for TNCs.*
- *TNCs would be introduced to the City through a pilot program aimed at addressing service problems and gaps in the FHV and taxicab industries; and*
- *The pilot would measure the introduction of TNCs to ensure entry leads to service improvements and does not cause widespread irreversible safety or environmental problems or market failure.*

6. *Complete Deregulation Option*

- *Complete deregulation of current by-laws.*
- *Deregulations would include lifting a cap on taxicab plates, removing required minimum and maximum fares, or by enabling taxicabs to operate in all service areas; and*
- *Lifting all licensing requirements for all vehicles.*

7. *Provincial Regulation Option*

- *Rely on the provincial government to pass province-wide regulations.*
- *The City would not pass any regulations, but will resort to the Ontario government to pass province-wide regulations; and*
- *This option could include complete provincial regulation of licensing and economies, or just provincial licensing standards with fares and regulation reserved for the local level."*

Staff recommend that the Public Vehicle Advisory Committee receive the report from the Commissioner of Transportation and Works, dated November 25, 2015 and entitled "Consultant's Review of Policy Alternatives for the Regulation of Transportation Network Companies". Further, staff recommend that the Public Vehicle Advisory Committee provide comments to staff on the policy alternatives evaluated for the regulation of TNCs in the Windels Report (attached as Appendix 1 to the report from the Commissioner of Transportation and Works, dated November 25, 2015 and entitled "Consultant's Review of Policy Alternatives for the Regulation of Transportation Network Companies") for inclusion in a future report to General Committee.

Financial Impact

The cost of the consultant's review of policy alternatives for the regulation of TNCs is funded from the operating budget for Regulatory Services. The financial impact to the City for the regulation of TNCs will be addressed in a future report to General Committee following consultation with public vehicle industry stakeholders on the policy alternatives for the regulation of TNCs.

Conclusion

The City of Mississauga engaged consulting services to report on how other jurisdictions in Canada, the United States and Europe are regulating TNCs, and to propose and evaluate policy alternatives for the regulation of TNCs. The firm of Windels Marx Lane and Mittendorf, LLP, was engaged to perform this review and has completed their final report. This report brings forward the report from Windels Marx Lane and Mittendorf, LLP, on the regulation of TNCs.

Attachments

Appendix 1: Report from Windels Marx Lane and Mittendorf, LLP, dated November 26, 2015 and entitled "Study of Regulations for Transportation Network Companies (TNCs)".



Martin Powell, P. Eng.
Commissioner of Transportation and Works

Prepared by: Mickey Frost, HBA; CPA, CGA; MPA, Director of Enforcement



STUDY OF REGULATIONS FOR TRANSPORTATION NETWORK COMPANIES (TNCs)

November 26, 2015

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Executive Summary

The idea of using a smartphone application to request rides is a simple one. Companies, often known generically as Transportation Network Companies (TNCs), offer to the public an app that provides on-line booking of what some TNCs refer to as "ridesharing services." Under this arrangement, passengers request a ride from a private passenger vehicle driven by an oftentimes non-commercially licensed driver through the app. The driver of the vehicle is given the passenger's location through GPS. This app also provides a fare to the passenger and a system by which the driver and passengers can rate each other. A passenger's credit card information is saved within the app so that it can be used for future trips and to make future transactions more convenient because they are cashless. The TNCs often believe local regulations regulating for-hire vehicles do not apply to them, preferring to conduct their own background checks of drivers, and set their own insurance requirements and vehicle requirements.

This new approach to less regulated transportation services has been repeatedly referred to as a newly "innovative" business model, and has caused regulatory issues for municipalities all around the world, as they deliberate on how to address the issues of TNCs. Many jurisdictions believe that TNC operations fall under their for-hire vehicle licensing laws, however, TNCs often argue that they are not transportation companies, but are technology companies. One defining characteristic of TNCs is that they consider themselves disruptors. Their business model includes TNCs going into a jurisdiction and operating without regards to existing regulations. They will often continue to operate until challenged by local regulators or law enforcement officials.

When TNCs enter jurisdictions without proper licensing, many jurisdictions have answered by filing lawsuits, as Edmonton and Toronto have done, to block their operations. When TNCs have been blocked by these lawsuits, it sometimes compels them to work with local regulators to create a system in which the TNC model can operate, or to cease operations. Jurisdictions have addressed TNCs in a wide range of ways, from requiring them to follow laws applicable to all other TNCs, to creating a separate category of regulations for TNCs, to deregulation of the for-hire vehicle industry.

This report studies the entrance of TNCs into the City of Mississauga, reviews the existing regulations, discusses the current state of the market, the history of the smartphone app movement, international regulatory responses, and examines litigation involving TNCs. This report analyzes these factors and provides policy options and considerations to the City of Mississauga for addressing TNCs.

Section 1 of the report identifies the methodology used to write the report. A detailed comparative analysis was conducted of existing regulations to determine what standards may be transferrable from the incumbent taxicab industry and to identify multiple regulatory policy options that will ensure consistent regulations. Our methodological approach also encompassed the analysis of primary data collected from various stakeholders and attendance at a Public Vehicle Advisory Committee meeting to solicit comments.

Section 2 of the report examines the existing regulatory structure and state of the market. Mississauga's By-law 420-04 regulates four types of for-hire vehicles: Taxicabs, Airport Public Transportation Vehicles, Airport Municipal Transportation Vehicles, and Limousines. The By-law also regulates drivers and owners of such vehicles and brokerages, which dispatch licensed vehicles. In addition to this report, the City of Mississauga recently retained other economic consultants to conduct a Taxi Plate Issuance Model Review, which concluded that although Mississauga has good taxicab service, with an average response time of 9.8 minutes and 90% of calls arriving within 15 minutes, there were some areas of poorer service near the airport; and also noted there is some room to slightly increase Mississauga's taxicab fleet. Although Mississauga Taxicabs are allowed to accept street hails, almost all of their rides are prearranged. There is concern that allowing TNCs to enter the market may have a devastating effect on driver income and taxi plate prices, as TNCs are dispatched through a smartphone app and would unfairly compete head-to-head with taxicabs.

Sections 3 and 4 examine the new entrants and technologies and analyze whether existing regulations apply to TNCs. TNCs first appeared in Mississauga in 2012 by recruiting drivers. By 2014, TNCs had begun operations without obtaining licenses that the City of Mississauga required for them to operate. Instead, TNCs vet their own drivers and use their own standards for the vehicles. TNC operations arguably fall under the existing by-law because they conduct business like the current taxicabs and limousines and taxicabs and only differ in their method of dispatching their vehicles. Yet, despite two meetings with City of Mississauga regulators to discuss the need to follow the law, TNCs commenced operations without obtaining any licenses.

Section 5 examines benchmarking and accepted practices across the world, including an overview of TNC laws and litigation involving TNCs. Municipalities across the world have been confronted with the same TNC issues facing Mississauga. Canadian cities such as Calgary, Alberta; Edmonton, Alberta; Toronto, Ontario; and Vancouver, British Columbia have been challenged to find a solution. In all of these cities, TNCs started to operate in the City without obtaining necessary licensing. Some of these cities filed lawsuits to stop the continued operation of the TNCs, while other cities are working on regulations to address their existence.

In the United States, the birthplace of TNCs, some municipalities, such as California and Maryland, have enacted new regulations to regulate TNCs. These new regulations create a separate category for TNCs with different standards, primarily with insurance and driver

background checks. While in New York City, companies that are considered TNCs elsewhere, have had to comply with the existing regulations, although the local regulator recently adopted new rules that require the licensing of dispatch app providers that do not operate a base, or brokerage, as it is known in Mississauga. Europe may be the most aggressive in addressing TNCs, with many countries banning UberPop, which allowed people to use their personal vehicles to provide for-hire transportation.

The entry of TNCs into existing markets has spurred litigation in Canada, where the City of Edmonton and the City of Toronto have filed lawsuits attempting to stop Uber from operating in their cities. A Court granted the City of Calgary a temporary injunction on November 20, 2015, preventing all Uber drivers from operating in Calgary. The city claimed that Uber drivers were operating FHV's without necessary licenses and not following other regulatory requirements. The City will seek to have the injunction made permanent at a hearing on December 17, 2015. Across the world, TNCs' operations have also caused the filing of lawsuits alleging the violation of labor laws, privacy laws, environmental laws, criminal background check requirements, insurance coverage, constitutional laws, and disability discrimination.

Section 6 describes our efforts to solicit public comments. The City of Mississauga's Public Vehicle Advisory committee held a meeting on October 1, 2015, soliciting comments from stakeholders and the public. We also solicited public comments through a dedicated email address. The comments showed a range of views, including some who appreciated the new service and said they would like the TNC service to continue. Others, from the taxicab and limousine industry stated that the new TNCs are hurting their businesses and provided unfair competition because TNCs were not subject to the same regulations, and are not required to pay certain fees and taxes. While some praised the City of Mississauga's current for-hire vehicle by-laws, others felt that the by-law needed to be amended, including making the fare structure more flexible.

Section 7 provides policy recommendations to the City of Mississauga. While considering these options, there are certain issues the City of Mississauga should consider such as:

- Would TNCs be required to have camera systems and licensing identification on the vehicles?
- What is the TNCs' responsibility for providing wheelchair accessible service?
- How will the City pay to regulate and enforce TNC regulations?
- Will the TNCs be required to pay the Harmonized Sales Tax? (This is primarily a federal and provincial concern).
- Data collection and protection □ What should be required of the TNCs with regard to privacy and security of its data? Also, should Mississauga collect such data?
- How should the City of Mississauga set Taxicab fares?

- What type and how much insurance should be required of TNCs?
- What type of training should be required for TNC drivers and operators?

The following are policy options for consideration based upon a review of other jurisdictions and the current Mississauga regulatory system. The following options include: Capture Option, Capture Option (Modified), New Licensing Category Option (Equal Regulation), New Licensing Category Option (Unequal Regulation), Pilot Program Option, Complete Deregulation Option, and Provincial Regulation Option. The charts below set forth an explanation of each option, the pros and cons of each option, as well as the regulatory costs and jurisdictions where similar options have been or are being implemented.

CAPTURE OPTION	
Policy	Capture TNCs under current regulations using amendments (taxis and limousines) <input type="checkbox"/> TNCs would be regulated as taxi brokers and adhere to taxi and limousine rules. <input type="checkbox"/> Certain taxi and limousine rules (such as metered rates) could continue to apply, or the City could opt to make minor adjustments to the By-laws. <input type="checkbox"/> UberX is an illegal operation.
Pros	<input type="checkbox"/> Provide for consistent regulations between TNCs and brokers; <input type="checkbox"/> Addresses public safety concerns by maintaining the same licensing standards for insurance, background checks, driver training, and vehicle inspections; <input type="checkbox"/> Less costs involved in amending current regulations, than a new class of vehicles and laws; <input type="checkbox"/> Increased further availability of vehicles, to fill niche demands that exist in the taxi market, and further reduce wait times; <input type="checkbox"/> Allow drivers to move between the traditional FHV industry and TNCs, thus enhancing the labor pool and options for drivers; and <input type="checkbox"/> Does not allow open entry for TNCs to the taxi market and cause heightened environmental concerns.
Cons	<input type="checkbox"/> Additional enforcement, licensing, and inspection costs; <input type="checkbox"/> Potential to oversaturate the FHV market with too many FHVs, particularly for limousines, which can lead to environmental issues and taxi plate devaluation, as well as market failure; <input type="checkbox"/> Potential for insurance gaps with TNC drivers; <input type="checkbox"/> Data protection risks with mobile applications; <input type="checkbox"/> Costly and difficult to regulate unlicensed TNC operators through enforcement; <input type="checkbox"/> If officer enforcement is unsatisfactory, court injunctions and legal costs may be required; and <input type="checkbox"/> Taxi licensing fees may need to be increased to offset additional regulatory costs representing an additional burden on the taxi and limousine industries.
Costs	<input type="checkbox"/> Cost of implementing amendments to the regulations; <input type="checkbox"/> Cost to municipality to license TNCs; <input type="checkbox"/> Cost to license and test new drivers; <input type="checkbox"/> TNC vehicle inspection costs; and <input type="checkbox"/> Cost to regulate unlicensed operators including officer enforcement and legal costs for litigation, if required, could be high.
Jurisdictions	<input type="checkbox"/> New York, NY <input type="checkbox"/> London, UK

CAPTURE OPTION (MODIFIED)	
Policy	<p>Capture TNCs under current regulations using amendments (limousines)</p> <ul style="list-style-type: none"> <input type="checkbox"/> TNCs would be regulated as brokers and adhere to taxi and limousine rules; <input type="checkbox"/> Certain taxi and limousine rules, such as mandatory minimum fares, could continue to apply, or the City could opt to make minor changes to the By-laws. <input type="checkbox"/> UberX would operate as a special limousine category.
Pros	<ul style="list-style-type: none"> <input type="checkbox"/> Provide for consistent regulations between TNCs and brokers; <input type="checkbox"/> Addresses public safety concerns by maintaining high standards for insurance, background checks, driver training, and vehicle inspections; <input type="checkbox"/> Less costs involved in amending current regulations than a new class of vehicles and laws; <input type="checkbox"/> Increased availability of vehicles, to fill niche demands that exist in the taxi market, and further reduce wait times; <input type="checkbox"/> Allow drivers to move between the traditional FHV industry and TNCs, thus enhancing the labor pool and options for drivers; and <input type="checkbox"/> Does not allow open entry for TNCs to the taxi market.
Cons	<ul style="list-style-type: none"> <input type="checkbox"/> Additional enforcement, licensing, and inspection costs; <input type="checkbox"/> Potential to oversaturate the FHV market with too many FHV, particularly for limousines, which can lead to environmental issues and taxi plate devaluation, as well as market failure; <input type="checkbox"/> Potential for insurance gaps with TNC drivers; <input type="checkbox"/> Data protection risks with mobile applications; <input type="checkbox"/> Costly and difficult to regulate unlicensed TNC operators through officer enforcement; <input type="checkbox"/> If officer enforcement is unsatisfactory, court injunction and litigation costs may be required; and <input type="checkbox"/> For-hire licensing fees may need to be increased to offset additional regulatory costs representing an additional burden on the taxi and limousine industry.
Costs	<ul style="list-style-type: none"> <input type="checkbox"/> Cost of implementing amendments to the regulations; <input type="checkbox"/> Cost to municipality to license TNCs; <input type="checkbox"/> Cost to license and test new drivers; <input type="checkbox"/> TNC vehicle inspection costs; and <input type="checkbox"/> Cost to regulate unlicensed operators including officer enforcement and legal costs for litigation, if required, could be high.

NEW LICENSING CATEGORY OPTION (EQUAL REGULATION)	
Policy	Introduce more stringently regulated separate category <input type="checkbox"/> TNCs would be considered TNC brokers, as part of a new license category; <input type="checkbox"/> Requirements would be equivalent to taxis and limousines; and <input type="checkbox"/> This option could include a licensing cap or growth standard, or an open licensing system for TNCs.
Pros	<input type="checkbox"/> Removes discrepancies between TNCs and the incumbent industry in licensing standards; <input type="checkbox"/> Public safety concerns are addressed in this option by maintaining consistent standards for insurance, background checks, driver training, and vehicle inspections; <input type="checkbox"/> Mitigates unfair competitive advantage that TNCs currently enjoy by foregoing licensing costs, including licensing fees, the opportunity cost of time spent on training, and the cost of meeting higher vehicle standards; and <input type="checkbox"/> The public is satisfied to have TNCs available to meet their needs as an option made safer by heavy regulation.
Cons	<input type="checkbox"/> Provides TNCs with an unfair competitive advantage in their freedom to set their own fare structure; <input type="checkbox"/> Allows open entry for TNCs, but not for taxis, which would potentially allow TNCs to flood the market, significantly decreasing the taxicab and for-hire market share, and individual driver potential earnings; and <input type="checkbox"/> Licensing TNC drivers and owners will incur significant regulatory costs for the municipality.
Costs	<input type="checkbox"/> The creation of a separate category with more stringent means the regulation burden and costs are increased on the municipality; <input type="checkbox"/> The municipality will potentially need to increase staff and accrue training costs to effectively implement the new licensing structure and accommodate the influx of new license applications for TNC drivers and owners to be processed; <input type="checkbox"/> Additional costs to train drivers and inspect the vehicles; and <input type="checkbox"/> Increase licensing fees to meet the needs of the growth of the market.
Jurisdictions	<input type="checkbox"/> Maryland <input type="checkbox"/> Houston, Texas

NEW LICENSING CATEGORY OPTION (UNEQUAL REGULATION)	
Policy	<p>Introduce less stringently regulated separate category</p> <ul style="list-style-type: none"> <input type="checkbox"/> Provides a basic, self-regulating licensing framework for TNCs to operate legally; <input type="checkbox"/> TNCs must register with the municipality but can issue their own driver permits, conduct their own background checks, and set their own vehicle standards; and <input type="checkbox"/> Subjects TNCs to increased licensing fees, and to municipal data collection, auditing, and fines/penalties for failure to properly self-regulate. <input type="checkbox"/> This option would include a licensing cap or growth standard, or an open licensing system for TNCs
Pros	<ul style="list-style-type: none"> <input type="checkbox"/> Self-regulation reallocates regulatory responsibility to parties other than the government, thus reducing some costs, but creating new costs as well.
Cons	<ul style="list-style-type: none"> <input type="checkbox"/> Self-regulation and the current processes conducted for background checks today by TNCs may not reach the level of accuracy that the taxi industry and other industries employ; <input type="checkbox"/> Insurance gaps may exist; <input type="checkbox"/> Less options for wheelchair users or disabled passengers; <input type="checkbox"/> Allowing open entry for TNCs but not for taxis, which would potentially make TNCs flood the FHV market, significantly decreases the taxicab and for-hire market share, and individual driver potential earnings; <input type="checkbox"/> Self-regulation requires resources to audit TNCs.
Costs	<ul style="list-style-type: none"> <input type="checkbox"/> The regulatory costs to the City of Mississauga would include the cost of audits of TNCs to ensure they are self-regulating; <input type="checkbox"/> There would be reduced costs for distributing permits or providing background checks for drivers; <input type="checkbox"/> Self-regulation can be more efficient for business, and these savings could be passed on to consumers; and <input type="checkbox"/> The cost of auditing TNCs may be offset by licensing fees.
Jurisdictions	<ul style="list-style-type: none"> <input type="checkbox"/> California <input type="checkbox"/> Washington, D.C.

PILOT PROGRAM OPTION	
Policy	Pilot program for TNCs <input type="checkbox"/> TNCs would be introduced to the City through a pilot program aimed at addressing service problems and gaps in the FHV and taxicab industries; and <input type="checkbox"/> The pilot would measure the introduction of TNCs to ensure entry leads to service improvements and does not cause widespread irreversible safety or environmental problems or market failure.
Pros	<input type="checkbox"/> Using a pilot program to regulate may help improve customer protections to ensure public safety without permanently establishing regulations that may not work; <input type="checkbox"/> The City can pick and choose programs that seem to be the most successful and has the option to easily extend programs as needed; <input type="checkbox"/> Removes the risk of long-term ineffective regulations; <input type="checkbox"/> Can fill gaps in niche markets, such as accessibility and other service gaps; <input type="checkbox"/> Can immediately meet demands in case of a shortage in service; <input type="checkbox"/> Can provide competitive advantages to current drivers, but mitigate against immediate driver income level losses; and <input type="checkbox"/> Can potentially lessen negative environmental impacts.
Cons	<input type="checkbox"/> Successful programs could be terminated through public opinion or lobbying; <input type="checkbox"/> Potentially successful programs might not have enough time to work out kinks and issues before being branded as a failure and discontinued; <input type="checkbox"/> There are costs involved in writing regulations, holding meetings with the industry and the public throughout the program; and <input type="checkbox"/> New regulations in pilot programs come with uncertainty in their application which can create market confusion and increase enforcement costs.
Cost	<input type="checkbox"/> While pilot programs certainly come with costs such as those to write and pass the regulations, enforce the new regulations, and assess the regulations at the end of the program, they are minimal compared with instituting permanent laws and enforcing those laws indefinitely.
Jurisdictions	<input type="checkbox"/> Portland, Oregon

COMPLETE DEREGULATION OPTION	
Policy	Complete deregulation of current By-laws <input type="checkbox"/> Deregulations would include lifting a cap on taxicab plates, removing required minimum and maximum fares, or by enabling taxicabs to operate in all service areas; and <input type="checkbox"/> Lifting all licensing requirements for all vehicles.
Pros	<input type="checkbox"/> Increased number of taxis available for hire; <input type="checkbox"/> Employment opportunities for prospective taxi drivers; and <input type="checkbox"/> Potential for service diversity and the emergence of a new service class;
Cons	<input type="checkbox"/> Oversupply of taxicabs and potential for market failure; <input type="checkbox"/> Traffic congestion and environmental impacts; <input type="checkbox"/> Danger of creating unprofessional and unsafe driver pool as a result of ease of entry; <input type="checkbox"/> Lack of certainty as to taxi fares and potential taxi price hikes; <input type="checkbox"/> Limited supply of taxi service to suburban and underserved communities; <input type="checkbox"/> Service refusal and disability discrimination as a result of lack of recourse measures for passengers; <input type="checkbox"/> Such deregulation has been unsuccessful in almost every other jurisdiction; and <input type="checkbox"/> Litigation costs in defending potential taxi industry lawsuits against the government.
Costs	<input type="checkbox"/> While the costs of licensing and enforcement may be eliminated, other externalities may result in costs for other governmental agencies and society impacts such as increased traffic, labor oversupply, reduced driver income, pollution, motor vehicle accidents, litigation, and more crime.
Jurisdictions	<input type="checkbox"/> Collier County, Florida <input type="checkbox"/> Gainesville, Florida <input type="checkbox"/> Sarasota, Florida

PROVINCIAL REGULATION OPTION	
Policy Recommendation	Rely on provincial government to pass province-wide regulations <input type="checkbox"/> The City would not pass any regulations, but will resort to the Ontario government to pass province-wide regulations; and <input type="checkbox"/> This option could include complete provincial regulation of licensing and economies, or just provincial licensing standards with fares and regulation reserved for the local level.
Pros	<input type="checkbox"/> Creates consistent regulations for TNCs across the province, and may help solve regional licensing discrepancies; <input type="checkbox"/> May receive more diverse comments when formulating regulations; <input type="checkbox"/> May lower regulatory costs to the City and to the industry; and <input type="checkbox"/> TNCs may not be able to operate if they must follow each municipality's unique laws.
Cons	<input type="checkbox"/> Removes traditional power of cities to regulate their for-hire vehicles; <input type="checkbox"/> Provincial regulations may not address unique circumstances in each City; <input type="checkbox"/> Regulations may provide unfunded mandates to cities.
Costs	<input type="checkbox"/> Decreased costs for municipalities and private transport industries may result; <input type="checkbox"/> If a less regulated approach is taken, municipalities may have increased externality costs (i.e., traffic, accidents, etc.).
Jurisdictions Adopted	<input type="checkbox"/> Vancouver, British Columbia

1 Methodology

In order to identify regulatory and enforcement policy options to regulate TNCs, our methodological approach focused on reviewing public safety and regulatory mandated principles to identify the role of the City of Mississauga (or the "City") to (a) protect the public and (b) to promote innovation and market efficiencies by encouraging the participation of new market entrants in the for-hire transportation industry. In order to identify regulatory and enforcement policy options to revise and update the existing taxi and limousine regulations, we conducted a detailed comparative analysis of the existing regulations, to determine what standards may be transferrable from the incumbent taxicab industry to the TNC model, and to propose policy changes that will enable each sector to co-exist with a level playing field.

In general, our methodological approach encompassed the analysis of primary data collected from regulators, the incumbent industry, new market entrants, the riding public, and other sectors with a vested interest in the success of the for-hire industry as a whole. Data was collected with a purposeful sampling of stakeholders, during the public consultation periods. Furthermore, our analysis of regulation and enforcement-related issues relied on various academic literature that proposes strategies to balance the interest of public safety with reducing the barriers of doing business in regulated industries.

In conjunction with the City, we attended a Public Vehicle Advisory Committee on October 1, 2015, with stakeholders to solicit public comments. Working with the City, we also published a request for comments where the public was invited to submit comments to Mississauga@windelsmarx.com on or before the close of business on October 16, 2015. We created a master list of issues raised at the public summits in order to undergo visioning exercises with the relevant City officials to refine our outline of stakeholder objections and concerns to be addressed.

2 History and Background □ The Existing Paradigm and Framework

2.1 Overview of the Existing Regulatory System in Mississauga

The City of Mississauga is a lower-tier municipality belonging to the upper-tier municipality of the Region of Peel. The Municipal Act of 2001 (the "Act") gives the power to legislate by-laws for the municipality to its local (lower-tier) municipality council.¹ Under the Act, the City is given the power to create a system of licenses for businesses, and affords the City the authority to prohibit businesses without a license from operating, and to impose penalties for non-compliance.² The Act also specifically outlines the powers of the City to establish and provide for the collection of rates or fares for taxicabs and the ability to limit the number of taxicabs or any class of them.³ Pursuant to the Act, the City is only allowed to regulate activity within its geographical borders and may only regulate activity outside its borders by agreement with the relevant authority for the extra-territorial area.⁴

1 Ontario Municipal Act 2011 □Part I, Section 5 (1), (3) <http://www.ontario.ca/laws/statute/01m25>.

2 Ontario Municipal Act 2011 □Part IV, Section 151 <http://www.ontario.ca/laws/statute/01m25>.

3 *Id.*

4 Ontario Municipal Act 2011 □Part II, Section 19 (1) and (2) <http://www.ontario.ca/laws/statute/01m25>.

In the City of Mississauga, the Public Vehicle Advisory Committee (PVAC) is an advisory committee of the Council established to make recommendations to Council including input and advice on policy issues affecting the taxi industry.⁵ The PVAC meets on a bi-monthly basis (six times per year) and is comprised of Council members, industry representatives (drivers and owners), and citizens.⁶ The City's Transportation and Works Department enforces the for-hire vehicle regulations or by-law.

2.2 Definitions of For-Hire Ground Transportation Sub-Modes and Services

There are four (4) different types of for-hire vehicles (FHV(s)) licensed by the City of Mississauga's Transportation and Works Department: Taxicabs, Airport Public Transportation Vehicles (APTVs), Airport Municipal Transportation Vehicles (AMTVs), and Limousines. Each mode of transportation is distinctly defined by the City of Mississauga in their by-laws regarding Public Vehicle Licensing (By-Law Number 420-04) and distinguishable based on the licensing requirements imposed on the respective drivers and vehicle owners.

Driver and Owner are defined by By-Law 420-04 as follows:

Driver means any person who drives a Taxicab, Limousine, Airport Municipal Transportation Vehicle or Airport Public Transportation Vehicle.⁷

Owner means the Person licensed under this By-law as the Owner of a Taxicab, Limousine, Airport Municipal Transportation Vehicle or Airport Public Transportation Vehicle.⁸

The different vehicles are defined as follows:

Airport Municipal Transportation Vehicle is a vehicle which has not been altered by more than thirty (30) centimeters from the original manufacturers' length dimensions, is equipped with four (4) passenger accessible doors and a seating capacity of no less than four (4) passengers and not more than six (6) passengers, has attached to it an illuminated Roof Light and identifying numbers attached to the side fenders and does not have a Taxicab Meter, and is used exclusively for the prearranged conveyance of Passengers or goods for hire or reward from any point in the City to Lester B. Pearson International Airport collecting or making only one Fare or charge per Trip.⁹

Airport Public Transportation Vehicle includes an accessible Airport Public Transportation Vehicle and means a Vehicle that has not been altered from the manufacturer's original length dimensions, is equipped with four (4) Passenger accessible doors with a seating capacity exclusive of driver for not less than three (3) Passengers and not more than five (5) Passengers, and does not have a Taxicab Meter, and is used exclusively for the pre-arranged

⁵ Terms of reference for Public Vehicle Advisory Committee.

⁶ *Id.*

⁷ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Section 1
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

⁸ *Id.*

⁹ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04 , Section 1
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

conveyance of passengers or goods for hire or reward from any point in the City to Lester B. Pearson International Airport collecting or making only one Fare or charge per Trip.¹⁰

Taxicab includes an Accessible Taxicab, Special Accessible Taxicab or a Standard Taxicab which has not been altered greater than thirty centimeters (30 cm/one foot) from the original manufacturer's length dimensions, and is equipped with four (4) passenger accessible doors and a seating capacity of not less than four (4) Passengers and not more than seven (7) Passengers and, is equipped with a Taxicab Meter, and is used for the transportation of Passengers and/or goods for hire or reward, one Fare or charge only being collected or made for the Trip.¹¹

Limousines include two classes of vehicles. A Class A Limousine is any Motor Vehicle not equipped with a taximeter, with seating capacity for fifteen (15) passengers or less, including the Driver. This definition consists of Vehicles which are recognized by the automobile industry as "luxury" Vehicles that are manufactured with an extended wheel base or have been extended from its original design and includes vehicles that have been uniquely modified so as to provide "luxury" Limousine service, such as buses and Sport Utility Vehicles (SUV). It does not include the following vehicles: station wagon, panel truck and van. The Vehicle is operated by a uniformed driver for and on behalf of any person for the transportation of goods and/or Passengers for gain or reward.¹²

A Class B Limousine is any Motor Vehicle not equipped with a Taxicab Meter, with the seating capacity for not less than five (5) passengers and not more than eight (8) passengers including the driver. The vehicle is operated by a uniformed driver for and on behalf of any person for transportation of goods and/or Passengers for gain or reward. This definition consists of Vehicles which are recognized by the automobile industry as "Luxury Vehicles" that are not manufactured with an extended wheel base, and have not been extended from its original design. A "luxury" Sport Utility Vehicle ("SUV") may be included in the definition, but a station wagon, panel truck, bus and a van are not included.¹³

The by-law also defines "Broker" as any Person who carries on the business of accepting Orders for, or dispatching in any manner to, Vehicles licensed under this by-law, that are not owned by the Person.¹⁴ Section 2 of the by-law expressly states that no person can own, operate or act as a broker for an APTV, AMTV, Taxicab or Limousine without the licenses outlined in the By-Law.

2.3 Licensing Standards and Requirements

Under the Public Vehicle Licensing By-Law, the driver, the vehicle owner, and the broker must meet specific requirements to receive a license to operate in the City of Mississauga.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Section 1
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

¹⁴ *Id.*

The Mobile Licensing Enforcement Section in the Enforcement Division of the City of Mississauga administers all licensing for FHV's in Mississauga.

AMTV and APTV Driver & Owner Requirements

AMTV Driver's Licenses and APTV Driver's Licenses have the same requirements. Both AMTV and APTV driver candidates are required to submit proof of age, and eligibility to work in Canada to the Licensing Section. The applicants are also required to provide the following:

- a valid Airport Driver's Card issued by the Greater Toronto Airport's Authority (GTAA);
- a valid Ontario Driver's license (Class G or better) which is in good standing according to the records of the Ministry of Transportation and Communications;
- a certificate of Criminal Conviction data search issued by the Peel police department; and
- a medical report from a physician stating the applicant is fit and able to operate a motor vehicle.

The applicants must also demonstrate a proficiency in English to the Canadian language Benchmarks Assessment Standard for listening/speaking or provide a valid Ontario secondary school graduation diploma or its equivalent as determined satisfactory by the License Manager. Lastly, the applicants must successfully complete a Defensive Driving Course, a Sensitivity Training Course and a Robbery Prevention Course.¹⁵

Owners of AMTVs and APTVs also must be licensed in order for the vehicle to be operated for-hire. An AMTV owner is required to hold a valid Airport Permit issued by the GTAA as well as an AMTV driver's license issued by the City of Mississauga. For vehicle approval, the owner must provide the Licensing Section with a copy of the current Provincial Permit for the Vehicle issued by the Ontario Ministry of Transportation in the Owner's name as well as a copy of the Owner's license, a copy of the current Motor Vehicle Liability Insurance Card endorsed to show the Vehicle being registered and either an Ontario Ministry of Transportation and Communication Vehicle Inspection report showing that the Vehicle has passed inspection within the previous sixty (60) days or a Safety Standard Certificate issued under the Highway Traffic Act, R.S.O. 1990, C. H.8, as amended, within the previous sixty (60) days. Lastly, the owner must submit the Vehicle to be registered for inspection and approval by the Licensing section. The Vehicle must be in compliance with section 14 of schedule 3 of the Public Vehicle Licensing By-Law Number 420-04 for approval. The by-law allows forty (40) AMTV Owner's Licenses to be issued for the City of Mississauga.¹⁶

An APTV Owner must also attain an APTV Owner's license from the Licensing section. To apply, APTV Owner must present an Airport Permit issued by the GTAA. In addition, for vehicle approval, the owner must provide the Licensing Section with a copy of the current

¹⁵ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedules 3 and 4
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

¹⁶ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 3
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

Provincial Permit for the Vehicle issued by the Ontario Ministry of Transportation in the Owner's name, as well as a copy of the Owner's license, and a copy of the current Motor Vehicle Liability Insurance Card endorsed to show the Vehicle being registered. Lastly, the owner must either provide an Ontario Ministry of Transportation and Communication Vehicle Inspection report showing that the Vehicle has passed inspection within the previous sixty (60) days or a Safety Standard Certificate issued under the Highway Traffic Act, R.S.O. 1990, C. H.8, as amended, within the previous sixty (60) days or submit the Vehicle to be registered for inspection and approval by the Licensing Section. The by-law allows two hundred and ninety (290) APTV and six (6) Accessible APTV Owner's Licenses to be issued for the City of Mississauga.¹⁷

Taxicab Driver and Owner Requirements

Taxicab Driver license applicants are required to submit proof of age, and eligibility to work in Canada to the Licensing Section. The applicants are also required to provide a valid Ontario Driver's license (Class G or better) which is in good standing according to the records of the Ministry of Transportation and Communications, a certificate of Criminal Conviction data search issued by the Peel Regional police department and a medical report from a physician stating the applicant is fit and able to operate a motor vehicle. The applicants must demonstrate a proficiency in English to the Canadian language Benchmarks Assessment Standard for listening/speaking competencies of Benchmark 7 or provide a valid Ontario secondary school graduation diploma or its equivalent as determined satisfactory by the License Manager. The applicants must also successfully complete a Defensive Driving Course, a Sensitivity Training Course and a Taxicab Driving Course. Additionally, the applicant must have his photograph taken by the Mobile Licensing Enforcement Section and pass a written test set by the License Manager relating to the provisions of the Public Vehicle Licensing by-laws, the geography of the City, the use of a street guide and the location of specific sites such as hospitals and public transportation terminals.¹⁸

A Taxicab Owner Licensing applicant must be a licensed Taxicab driver if a natural person or, if a corporation, have the individual person holding the shares carrying at least fifty-one percent (51%) of the voting rights attached to all shares of the corporation, be a licensed taxicab driver. In addition, for vehicle approval, the owner must provide the Licensing Section with a copy of the current Provincial Permit for the Vehicle issued by the Ontario Ministry of Transportation in the Owner's name, as well as a copy of the Owner's license, a copy of the current Motor Vehicle Liability Insurance Card endorsed to show the Vehicle being registered, and either an Ontario Ministry of Transportation and Communication Vehicle Inspection report showing that the Vehicle has passed inspection within the previous sixty days or a Safety Standard Certificate issued under the Highway Traffic Act, R.S.O. 1990, C.H.8, as amended, within the previous sixty (60) days.

¹⁷ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 4
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

¹⁸ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 8
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

Lastly, the owner must submit the Vehicle to be registered for inspection and approval by the Licensing section. The Vehicle must be in compliance with section 41 of schedule 8 of the Public Vehicle Licensing By-Law Number 420-04 for approval. Most notably, a taxicab vehicle must be equipped with a taximeter that is adjusted in accordance with the rates prescribed by Schedule 9 of the Public Vehicle Licensing By-Law Number 420-04 and a security camera in accordance to the specifications set out by Schedule 15 of the Public Vehicle Licensing By-Law Number 420-04. No taxicab is allowed to be more than three (3) model years old if being registered for the first time, or more than seven (7) model years old for any subsequent registration. The Public Vehicle Licensing By-laws limits the number of taxicab owner licenses to seven hundred and eight (708). The total number of taxicab owner licenses issued at any given time is established by the Plate Issuance Formula set out in Schedule 13 of the Public Vehicle Licensing By-Law Number 420-04. The by-laws also place a limit on the number of taxicab Owner licenses to be held by one person to twelve (12) licenses.¹⁹

Limousine Driver and Owner Requirements

Limousine Driver License candidates are required to submit proof of age and eligibility to work in Canada to the Licensing Section. The applicants are also required to provide a valid Ontario Driver's license (Class G or better) which is in good standing according to the records of the Ministry of Transportation and Communications, a certificate of Criminal Conviction data search issued by the Peel police department and a medical report from a physician stating the applicant is fit and able to operate a motor vehicle. The applicants must demonstrate a proficiency in English to the Canadian language Benchmarks Assessment Standard for listening/speaking competencies of Benchmark 7, or provide a valid Ontario secondary school graduation diploma or its equivalent as determined satisfactory by the License Manager. Lastly, the applicants must successfully complete a Defensive Driving Course and a Sensitivity Training Course.²⁰

Limousine Owner license applicants must submit, file, and maintain an Ontario business registration or submit and file a copy of their Articles of Incorporation. They must also file with the Licensing Section documentation to the satisfaction of the License Manager of potential and viable Limousine business for at least 35 hours per week in the City. An applicant for a Class B owner's license must hold at least one Limousine Class A license for every Limousine Class B owner's license he/she applies for. Additionally, Limousine Owner license applicants are required to file with the Licensing Section a schedule of all hourly tariff rates to be charged. Rates are to have a minimum of two (2) hour duration at a charge of not less than fifty dollars (\$50.00) for the first hour and thirty (\$30.00) dollars for each additional hour for a Limousine Class A. The same minimum rates apply for a Limousine Class B license, but there is no two hour minimum duration requirement. In addition, for vehicle approval, the owner must provide the Licensing Section with a copy of the current Provincial Permit for the Vehicle issued by the Ontario Ministry of Transportation in the Owner's name as well as a copy of the Owner's license, a copy of the current Motor Vehicle Liability Insurance Card endorsed to show the

¹⁹ *Id.*

²⁰ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 6
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

Vehicle being registered and either an Ontario Ministry of Transportation and Communication Vehicle Inspection report showing that the Vehicle passed inspection within the previous sixty days or a Safety Standard Certificate issued under the Highway Traffic Act, R.S.O. 1990, C.H.8, as amended, within the previous sixty days or a City of Toronto Vehicle Inspection Report accompanied by a City of Toronto Livery Cab Fitness Report showing that the Vehicle has been accepted within the previous sixty (60) days. Lastly, the owner must submit the Vehicle to be registered for inspection and approval by the Licensing section.²¹

There is a separate broker's license that must be acquired for each of the four categories of public vehicles. Brokers must maintain an office within the City from which the Brokerage is operated. Taxicabs, Limousines, APTVs and AMTVs are only allowed to be affiliated with one brokerage at a time.²²

Criminal and Drivers Records Amendments

Recently, the City of Mississauga enacted a by-law²³ that amended the for-hire vehicle by-law governing criminal and driving record checks. The by-law amended the criminal records checks and driver abstract checks for limousine and taxicab drivers to require:

- Submission to the License Manager of a criminal record search within 60 days of the application issued by the Peel Regional Police, or other police service in Ontario; and
- A driver's abstract.

No applicant will be issued a new license or renew an existing license if the License Manager determines that the applicant:

- Received any criminal conviction within five years of the date of application or renewal;
- Received a criminal conviction for any offense listed in Schedule 15 of the by-law;²⁴
- Has a drivers' license that contains more than six demerit points of their equivalent from outside the Province of Ontario; or
- Has received an individual Highway Traffic Act conviction which resulted in at least four demerit points, or its equivalent from outside the Province of Ontario, being added to the applicant's driver's abstract.

The license manager may issue a conditional license if the applicant provides documentation showing that he or she has a current application to the Parole Board of Canada for a record suspension in accordance with the Criminal Records Act.

²¹ *Id.*

²² City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 5
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

²³ Bylaw number 0259-2015, enacted and passed on October 14, 2015.

²⁴ Among some of the offenses are promoting or committing terrorism, sexual offenses against minors, murder, assault, robbery and extortion, arson and trafficking in controlled substances.

2.4 The State of the Market²⁵

The City of Mississauga retained Hara Associates to conduct a Taxi Plate Issuance Model Review (the "Study"). The analysis focused on the 708 taxis that Mississauga currently licenses. Of the 708 licensed taxis, 40 are wheelchair accessible. This does not include the 336 for-hire vehicles, of which six are accessible, currently licensed to serve the airport exclusively. Part of the Hara Study analyzed whether Mississauga's taxi fleet efficiently serves its population. In an efficient system, passengers will not have to wait an excessive amount of time for a taxi and drivers will not have to wait an excessive amount of time between fares.

The Study noted that taxi demand is not always a constant. There will be times, such as the moment that a bar or restaurant closes, or during inclement weather, when demand spikes and there are not enough taxis available, even though The City may otherwise have an adequate supply of taxis. The Study also determined whether Mississauga's taxi fleet can meet demand during an average peak period omitting extremes.

The Study found that there are external factors that affect the balance of supply and demand for taxis. For instance, taxis that serve the airport may affect supply and demand because the airport has rules that sometimes allow outside taxis to serve the airports, reducing the supply in the City. Also, Transhelp, the public transit service serving people with disabilities in Mississauga, uses both accessible and non-accessible taxis to serve its passengers, making some taxis unavailable to the general public.

Among some other findings of the Study were that Mississauga has 8.9 taxis per 10,000 people, which is near the high end of its peers. For comparison, Toronto has 18.5 taxis per 10,000 people, but the high Toronto number is skewed because of the high density of people and an incentive program, now discontinued, that greatly expanded the number of taxi licenses available. Another peer city, Burlington, only has 3.3 taxis per 10,000 people, which can be partially explained by the higher percentage of car ownership.

The Study also found that there has been substantial growth at the airport, with passenger volume increasing by 34.8% over the last 11 years (2004 to 2014). Although Pearson Airport's activity is driven by the entire region, it has a disproportionate impact on Mississauga taxis because of the business generated by travelers who stay in Mississauga.

Operating under the premise that most people expect a taxi to arrive within 15 minutes of the request, the Study "using data from cooperating brokers" showed that Mississauga has good dispatching response times. Modern dispatching systems include GPS positioning and indicate when the meter is activated. The data from cooperating brokers was combined and anonymized to get a larger picture of dispatch response times. The data showed that the average response time for a taxi is 9.8 minutes, with 90.01% of calls answered within 15 minutes.

Looking at a period with high demand (Friday afternoons), the Study found the average waiting time peaks at 11.9 minutes at 5 pm. Even at this peak time, 83% of dispatches are

25 Unless otherwise noted, information for this section is from the "City of Mississauga, Taxi Plate Issuance Model Review" by Hara Associates Incorporated, dated October 7, 2015.

answered within 15 minutes. Although the overall response time is good, the standard is not consistent across all geographic areas. The Study found that areas in the Northeast, near the airport, tended to have weaker dispatch performances, with a 12.5 minute average and only 75% less than 15 minutes on a weekday morning between 8 am and 9 am. Results were similar in the afternoon, with a 13 minute average and only 77% arriving within 15 minutes on a weekday between 4 pm to 6 pm.

This Study concluded that, in general, Mississauga has good taxi service, with an average response time of 9.8 minutes and 90% of calls arriving within 15 minutes. Even during the busiest times, taxis still arrive within 15 minutes 80% of the time. There are, however, some areas of the City, near the airport, where less than 80% of calls arrive within 15 minutes. The Study further concluded that while Mississauga's taxi fleet is adequate, there is some room to slightly increase the taxi fleet size to address weaker dispatch times near the airport.

2.5 Sustainability and long-term impact on driver income and plate values

Although taxis are allowed to pick up street hails, almost all of their business in Mississauga is performed through dispatches. TNCs also dispatch their vehicles, although they may do it with different technology. This suggests that any model that allows TNCs to enter the market in large numbers will have a negative effect on taxis, reducing their business and the value of their taxi plates. Even in a jurisdiction like New York City, where TNCs are required to follow existing regulations for for-hire vehicles, although these regulations are not as strict as those regulations for taxis, and taxis are the only vehicles authorized to accept street hails in the Manhattan central business district, the number of riders has dropped²⁶ and the taxi medallion values have fallen.²⁷ In the United States, Uber drivers earn 47% more than taxi drivers and fares per medallion in New York City, with its strong street hail market, have dropped 10%.²⁸ In a city like Mississauga, the entry of a large number of unregulated TNC vehicles may have a more devastating effect.

2.6 Accessibility

The Accessibility for Ontarians with Disabilities Act (the "AODA") was enacted in 2005. The AODA outlines the duties of municipalities with regard to accessible taxicabs. Among some of its requirements are that municipalities consult with their Accessibility Advisory Committees to establish the proportion of on-demand accessible taxicabs required in the community and set a plan for progress to meeting the proportion goal. The AODA requires each municipality to have an Accessibility Advisory Committee to ensure that accessibility needs are a priority for the municipality. The AODA requires that municipalities ensure that owners and operators of taxicabs do not charge a higher fare or an additional fee for persons with disabilities than to the fare charged for persons without disabilities for the same trip and that they do not charge a fee for the storage of mobility aids or mobility assistive devices. It also requires municipalities to ensure that taxicabs place vehicle registration and identification information on the rear bumper

26 <http://www.amny.com/transit/nyc-yellow-cab-trips-on-the-decline-uber-to-blame-1.10627001>.

27 <http://nymag.com/daily/intelligencer/2015/11/yellow-cabs-file-suit-against-city.html#>.

28 <http://seekingalpha.com/article/3607036-the-impact-on-medallion-financial-of-uber-driver-pay>.

of the taxicab, and for vehicle registration and identification information to be available in an accessible format to persons with disabilities who are passengers.

The City of Mississauga's current by-laws allot two accessible taxi licenses for every brokerage that has a minimum of twenty-five (25) licensed Mississauga Taxicab Owner's affiliate with the brokerage²⁹. Additional accessible taxi licenses are available if the broker provides a business plan showing how the broker would put more service into place. As a result only 40 accessible taxi plates have been issued by the City of Mississauga³⁰. The Hara Associates Study, through consultations with stakeholders and the Accessibility Advisory Committee, found that the current accessible taxi service in Mississauga is failing to meet the needs of the public and does not adequately address the mandates of the AODA³¹.

2.7 Airport Regulations

The City of Mississauga has a unique relationship with the Lester B. Pearson Airport. The airport is geographically located in the City, but it is the largest international airport in Canada and serves the entire surrounding region, including being the primary airport serving Toronto. The Municipal Act of 2001 gives the upper tier municipality, in this case the Region of Peel, the authority to license and govern taxicabs and other for hire vehicles that pick-up and drop-off passengers at the airport.³² The airport is governed by the Greater Toronto Airport Authority (GTAA). The GTAA has its own regulations, licenses and permits for the FHV's that service the airport. However, since the airport is located within the geographical boundaries of Mississauga, the City may also license for-hire vehicles that operate between the airport and within the City. As a result, a taxicab or limousine picking up or dropping off passengers at the airport with the origin or the destination of the trip being in the City of Mississauga, has to be licensed by both the GTAA and the Licensing Section of the City. The GTAA requires any Taxicab to obtain an Airport Taxicab Permit (ATP) for the owner of the vehicle and allows up to four drivers to apply for an Approved Driver Certificate (ADC) for each vehicle. If an airport Taxicab will pick-up or drop-off within the City of Mississauga, the driver then needs to obtain all the necessary licenses to operate as an AMTV (as explained above).

Uber has an agreement with the GTAA that allows it to operate as an approved pre-arranged vehicle company at the airport. Only UberBLACK is allowed to operate at the Airport according to this agreement, and Uber must pay a required pre-arranged fee per trip (as all other pre-arranged service providers must pay).³³ According to Uber, it does not offer the UberBLACK service in Mississauga. Since the Municipal Act prohibits the City of Mississauga's regulation of taxicabs operating between an airport and an external municipality, Uber's agreement with the GTAA allows it to operate only if the trip is between the airport and a

29 City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 7
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

30 City of Mississauga, Taxi Plate Issuance Model Review, Hara Associates, October 7, 2015.

31 *Id.*

32 Ontario Municipal Act 2011 <http://www.ontario.ca/laws/statute/01m25>.

33

http://torontopearson.com/uploadedFiles/Pearson/Content/About_Pearson/Community_Relations/Committees/Taxi_and_Limo_Committee/CCTL_Minutes_20141022.pdf.

drop-off or pick-up location outside of Mississauga. An argument can be made that UberBLACK uses vehicles that are more akin to limousines, in which case, Taxicab regulations may not apply. However, if the trip is between the airport and somewhere within Mississauga, then Uber is operating illegally because it does not have the necessary requirements set by the City.

3 New Entrants & Technologies³⁴

The introduction of new transportation network companies (‘‘TNC(s)’’) purporting to provide ‘‘ridesharing’’ services launched in the Summer of 2012 after their initial introduction to many U.S. cities as mere ‘‘technology providers’’ offering for-hire transportation services. Such companies offer smartphone applications (‘‘app(s)’’), which provide on-demand online booking for transportation services. Passengers may request a ride through the app from a type of commercially-licensed or a private passenger vehicle driven by either a commercially or non-commercially licensed driver, which then communicates the passenger’s location to drivers via GPS. TNCs also communicate to the passenger an estimated fare. Many TNCs also have a rating system that allows for drivers and passengers to rate each other after the trip is completed. Passengers’ credit card information is saved by the app so that they may be identified for future trips. TNCs claim to conduct background checks of all drivers with whom they engage to provide transportation services and they classify drivers as independent contractors, rather than employees. A percentage of the fare charged for each trip goes to the driver, as well as gratuities, and the remaining balance goes to the TNC.

Since Uber is operating without licenses from the City and is vetting its own drivers, driving a for-hire vehicle has become easier than ever for many people who normally would not drive a for-hire vehicle. Uber is turning for-hire driving into a part-time occupation where students and other people with extra time can earn money by providing rides to other people. Uber vehicles also are provided in several categories, as described below, giving passengers more choice in their for-hire vehicles. By adding Uber vehicles to the fleet of vehicles serving Mississauga, the waiting times for a dispatch may drop. But, in Mississauga, as described in the Hara Study, there is already an adequate taxi fleet where dispatched taxis arrive within 15 minutes approximately 80% of the time, except in some areas near the airport.

3.1 History of Entry

Uber first appeared in Mississauga in 2012, recruiting drivers for its new service. Shortly after its appearance, City officials explained to Uber that the City by-laws do not allow it to operate since Uber is recruiting taxi drivers, taxis must be linked with one brokerage at a time and Uber is not a licensed brokerage. Uber disagreed with the City’s interpretation, stating that the by-laws did not apply to it because it is a technology company. According to Uber, it began operating in Mississauga on July 1, 2014. In August of 2014, City officials went to Uber again to discuss the by-laws, but Uber ignored them and launched UberX in September 2014.

³⁴ The information from this section is from responses to questions that the City of Mississauga posed to Uber.

3.2 Business Models and Services Offered by Uber

3.2.1 Rate Structure & Dynamic Pricing

The following is the rates structure for the various types of service offered by Uber:

- UberX: \$2.50 base fare, \$0.18/minute, \$0.80/KM, plus a \$1.50 safe ride fee (\$4 minimum fare);
- UberXL: \$5 base fare, \$0.35/minute, \$1.55/KM, plus \$1.50 safe ride fee (\$6.50 minimum fare);
- UberSELECT: \$5 base fare, \$0.35/minute, \$1.80/KM, plus \$1.50 safe ride fee (\$10 minimum fare)

Uber uses surge pricing, also known as dynamic pricing, in Mississauga. Dynamic pricing goes into effect when demand outpaces supply, causing a shortage of drivers. Uber justifies dynamic pricing by arguing it brings more cars into service by offering drivers higher compensation. When dynamic pricing is in effect, riders are notified prior to placing their request to confirm they have accepted the multiple on the fare. When there is a multiplier of 2X or more, the rider must also confirm the multiple before accepting the ride.

3.2.2 Services

Uber offers UberX, UberXL and UberSELECT in Mississauga. UberX is the low cost peer-to-peer service. Uber XL is also peer-to-peer, but uses larger vehicles with at least 6 seats as opposed to a standard UberX, which has 4 passenger seats. UberSELECT is peer-to-peer, but uses high end vehicle models from Tesla, Mercedes Benz and BMW.

According to Uber, it currently has approximately 2,400 active drivers who reside within Mississauga. A majority of UberX drivers work less than 10 hours a week on the Uber platform.

3.2.3 Wheelchair Accessible Compliance

Wheelchair accessible vehicles are currently not available on the Uber app in Mississauga. In Toronto, Uber provides wheelchair accessible vehicles through UberACCESS, where it partners with accessible taxicab drivers. Uber users in Toronto can request a wheelchair accessible taxi with hydraulic lifts or ramps.

3.2.4 Licensing Standards

Uber, despite being directed twice by City officials that its operations violated City by-laws, continues to operate in violation of City by-laws, instead using internal company procedures to recruit drivers and approve vehicles for service.

In order to become an Uber driver in Canada, an applicant must create an account at www.uber.com and review a 15-minute video outlining how Uber works. Drivers complete a profile by uploading copies of their driver's license, proof of work eligibility, vehicle registration, and proof of insurance. The upload requires the expiration dates of each document. The documents are reviewed by a Chicago-based team, with direction from a Toronto-based operations manager. The documents must meet the following requirements:

- Driver's license
 - Full G or equivalent
 - Not expired
 - Minimum one year driving history
- Proof of work status
 - Federal document (SIN card, Canadian Passport, work permit, etc.)
 - Not expired
- Vehicle registration
 - Valid in Ontario
 - Not expired
 - Car must be a 2005 or later four-door model
 - License plate must be on the vehicle associated with the partner's profile
- Vehicle insurance
 - Valid in Ontario
 - Not expired
 - Name on insurance document must match name of prospective partner
 - License plate(s) must match registration documents

The potential driver must undergo a background check offered by a third-party background screening company, ISB Canada Inc., or First Advantage Canada, Inc. The background checks have two components, a criminal background check and a driver's abstract. The vendor obtains informed consent from the potential driver and two pieces of identification or verification of identity through electronic ID verification. The vendor sends the applicant's consent form, with name and date of birth and two pieces of acceptable identification, to a local police service to conduct a □CPIC□search.

A CPIC search involves screening the applicant's name and date of birth against the Royal Canadian Mounted Police National Repository of Criminal Records for any criminal conviction, including any conviction under the Criminal Code of Canada or the Controlled Drugs and Substances Act; and reviewing the CPIC database for any cases involving the applicant that are before the courts and for any charges against the applicant that have been withdrawn that involve serious offences as defined by the Police Services. An applicant will fail the enhanced criminal check if the local police service search of the RCMP records finds records with the names(s) and date of birth of the applicant.

The driver's abstract reviews the applicant's driving record over the past three years. Upon receiving the applicant's consent, the background check vendor □runs□ the driver's license thorough a database of driving records of the Ontario Ministry of Transportation. An applicant will fail if his or her driving record reveals one of more of the following:

- Any conviction for impaired driving;
- Any other major driving infraction, such as leaving the scene of an accident or speeding more than 30 km/hour over the speed limit; or
- More than two minor driving infractions, such as speeding less than 30 km/hour over the speed limit, driving while using a handheld device, or failure to wear a seatbelt.

The background check vendor prepares a report to Uber Canada with the results of the background check. The applicant must pass the criminal background check and driver's abstract in order to pass the background check. To ensure continued compliance, according to Uber, its managers conduct audits to ensure all documents are up to date and accounts are automatically deactivated when a document expires.

Uber requires UberX vehicles to be no more than 10 years old and they must be four-door vehicle models. Vehicles are also subject to a mandatory 26-point vehicle inspection by certified auto mechanics in the Province of Ontario.

3.3 Public Opinion of New Entrants

Earlier this year, Toronto City Council directed the Executive Director of Municipal Licensing and Standards, to review the operations of Uber and technologies like it, including the interests of the public in the technologies and their impacts on the current taxicab industry.³⁵ A mix of focus groups and in-depth interviews were conducted. When asked to explain their satisfaction with Uber services, the vast majority of users provided a positive comment, indicating overall satisfaction.³⁶ The most common mentions are for the affordable/cheaper cost, the ease of use or a positive driver experience.³⁷ A number of people were also most satisfied with the convenience and friendly drivers.³⁸ Very few provided a negative comment when discussing their satisfaction with Uber, of which the most common were for unsafe driving.³⁹

When asked, 80% of residents were most likely to agree that taxi service require a taxi license to operate legally.⁴⁰ 60% of residents agreed that since Uber services are less regulated, they can provide service for a lower cost.⁴¹ 60% of residents also agreed that having Uber in the market offers the type of competition in taxi and limo services that Toronto needs.⁴² Just over half of residents felt that even though there is regulation on taxi and limousine services in Toronto, it hasn't created a service that is better for consumers than what Uber offers.⁴³

3.4 Benefits of Transportation Network Companies

There are a number of benefits to allowing TNCs to operate in the City. TNCs allow drivers to use their personal vehicles to generate income by providing rides to the public. A driver only learns the passenger's destination when the tallying of the fare starts, and thus, this addresses the problem of taxi service refusal when traveling to undesirable parts of town.⁴⁴ Users like the conveniences offered by smartphone apps, including being able to hail a car from

35 Information from this section is from Uber, Taxi and Limousine Perceptions and Attitude (2015), the study conducted by Ipsos Public Affairs, at the request of the Toronto City Council

36 *Id.*

37 *Id.*

38 *Id.*

39 *Id.*

40 *Id.*

41 *Id.*

42 *Id.*

43 *Id.*

44 <http://www.investopedia.com/articles/investing/110614/taxi-industry-pros-cons-uber-and-other-ehail-apps.asp>.

any location and have a car ready within minutes⁴⁵; they like being able to see on a map where the closest vehicle is, and of being able to pay seamlessly by a stored credit card.⁴⁶ Unprofessional drivers are weeded out because passengers rate the driver's performance, and a consistently low rating will force a driver out of UBER or its competitors. Users also like the idea of participating in the "sharing economy." Fares are lower than for municipally licensed cabs because TNC drivers do not pay the costs of meeting regulations for consumer and driver safety that licensed vehicles must pay.⁴⁷ Insurance in particular is an issue, since TNC drivers, who rely solely on inadequate personal driver insurance, pay approximately \$1,000 per month less for insurance.⁴⁸

4 Application of Existing Paradigm and Licensing Structure to New Entrants

4.1 Comparison of New Entrant's Local Business Model to Existing Regulations Do the Existing Regulations Apply or Not?

Arguably, Uber should be regulated under the existing Mississauga Public Vehicle Licensing by-law. Mississauga Public Vehicle By-Law Number 420-04 licenses seven categories related to for-hire vehicles:

- Owners and operators of Airport Municipal Transportation Vehicles
- Owners and operators of Airport Public Transportation Vehicles
- Brokers
- Owners and operators of limousines
- Owners or operators of Accessible Airport Public Transportation Vehicles
- Owners or operators of Special Accessible Taxicabs or
- Owners or operators of Taxis

Broker is defined as "any Person who carries on the business of accepting Orders for, or dispatching in any manner to, Vehicles licensed under this by-law, that are not owned by the person." Uber connects drivers, using their personal vehicles, to riders through its app. The rider is charged a fare as determined by Uber's formula and a percentage is retained by Uber for accepting the order for a ride and then dispatching to a driver. Uber dispatches to vehicles that may be considered Taxis or Limousines as defined in the By-law.

Uber, through its app, accepts orders for vehicles that should be licensed as limousines under the By-law. Uber does not own its own vehicles, thus Uber is acting as a livery cab brokerage or a Taxicab brokerage under the by-law. Uber argues that the existing by-law does not apply because it is a technology company, its drivers use their personal cars and they only drive part-time, with a majority driving less than 10 hours per week. However, under the By-

⁴⁵ *Id.*

⁴⁶ Information for this paragraph is from the Draft Taxi Plate Issuance Model Review by Hara Associates Incorporated, 1-2, dated October 7, 2015.

⁴⁷ *Id.*

⁴⁸ *Id.*

law, the means used by a company to dispatch a vehicle does not change the nature of what the company does. In fact, the by-law defines dispatch to mean “the communication of an Order or information *in any manner* between a Broker and a Driver. (Emphasis added)” As discussed, the by-law also provides specifically that a broker dispatches vehicles that are not owned by such broker. The By-law also does not contain any exemptions for drivers who work less than full time.

4.2 Identification of Non-Compliance or Loopholes

Uber is currently operating without any licenses from the City of Mississauga. As discussed, under the by-law, Uber should have a broker's license and its drivers should possess a taxicab or limousine license.

5 Benchmarking & Best or Accepted Practices

As many jurisdictions struggled to understand the operations of transportation apps, the following legal issues were identified as areas where existing regulations were in tension with purportedly new “innovation”:

- I. *Prearrangement or Electronic Street Hail?* There are jurisdictions that only allow for taxicabs to be “hailed” by the passengers. Today, some apps allow users to request for-hire vehicles on demand. Although this may seem attractive to the riding public, such apps may potentially run afoul of industry regulations, since many communities have yet to answer whether on-demand service is an “electronic street hail” or prearranged service.
- II. *Safety Concerns.* Most apps are technology start-ups and many are not associated with a specific livery or taxicab business license. If apps continue to operate without regulations or are under-regulated, the public may be riding in vehicles that do not meet the vehicle license requirements or have a driver who has satisfied the licensing requirements for the community.
- III. *Use of “Taxi” or “Taxicab” in the App Name.* Some municipalities restrict the use of the term “taxi” or “cab” to prevent consumer confusion and enforce the distinctions as to how taxicabs operate. In one instance, an app was required to remove “cab” from its name because the app functioned to dispatch livery vehicles, and those vehicles did not meet what the public expects from a “cab.”
- IV. *Illegal Service Refusals.* Many jurisdictions have local laws that expressly prohibit a licensed transportation service from refusing potential fares. Apps may allow a driver to accept or decline potential dispatches. In addition to the possible violation of driver rules, possible discrimination against consumers may occur by such actions.
- V. *“Fair” Fares.* Fare regulations can have two purposes: 1) consumer protection, and 2) the ability to easily distinguish different types of transportation services. Numerous cities will require the fares to be published and filed with a local agency. Yet, some apps operate by charging passengers at the end of the trip. The consumer has no assurance as to the final fare, or whether the charge is “fair.”

VI. *Is it a taximeter?* Generally, taxicabs must have a taximeter, and only taxicabs may charge fares based on distance and time. Taximeter specifications are regulated in the United States by the National Institute of Standards and Technology [NIST] and various state agencies. Among the requirements, the taximeters are calibrated, sealed, and inspected. Some apps may use their own technology, including GPS, to calculate the fare based on time, mileage and demand, which does not meet taximeter standards, and may or may not be consistent with the fare charged to each passenger using the same application, or passengers using any other application.

5.1 International History and Overview of Smartphone App Movement

5.1.1 Canada

Calgary, Alberta⁴⁹

TNCs

In October 2013, Uber tried to launch UberBLACK as a promotion but was quickly stopped by the City because they violated by-laws by partnering with a local licensed broker who had rented unlicensed vehicles from Hertz and used unlicensed drivers to provide for-hire service. UberX launched on October 15, 2015, with the claim that the launch was “to allow the City to try out their services” while the City Council is developing the regulations to govern them. Calgary currently has 6 enforcement officers as taxi inspectors, but undercover plain clothes officers and Calgary police are also tasked with helping enforce transportation regulations. On November 20, 2015 a judge granted a temporary injunction to stop Uber drivers from operating in Calgary. As a result, Uber was forced to suspend its operations in the City. Until the City's concerns regarding safety, insurance and regulatory requirements are addressed; City lawyers will seek a permanent injunction at a hearing scheduled for December 17, 2015.⁵⁰

Regulations

The Calgary City Council writes the by-laws governing for-hire vehicles, with recommendations made by advisory committees. Calgary does not have a taxi commission. The current for-hire vehicle by-laws regulate two categories; taxis and limousines. Calgary issues licenses for vehicles, drivers and brokers of taxis and limousines. Taxis in Calgary have the exclusive right to be hailed on the street, but may also be prearranged. Fifty percent of taxi rides in Calgary are through street hails while the other fifty percent of taxi rides are prearranged through brokers.

Uber challenged the current by-laws for minimum hourly rates for limousines, which are currently at \$84.60/hour and to remove the minimum waiting requirement, which is currently 30 minutes. There is a proposed bill with these amendments which has not yet been passed. Calgary is currently working on updating its by-laws with regard to TNCs. The City is developing a new framework that was discussed at the October 30, 2015 Advisory Committee meeting, and was discussed by Calgary City Council on November 16, 2015. An extension was granted and full

49 Information for this section is from an interview with the Calgary regulators on October 19, 2015.

50 <http://calgaryherald.com/news/local-news/court-grants-temporary-injunction-to-stop-uber-drivers-in-calgary>.

bylaws must be prepared for review by February 22, 2016. Calgary has taken the lead on its by-laws from Edmonton's proposed bill.

The proposal for Calgary's new by-laws would introduce a new category of "Private Vehicle for Hire" for the TNCs. The City would issue separate vehicle and driver licenses for these private vehicles for hire. Under the proposal, Private Vehicles for Hire will not be allowed to perform street hails and will need to undergo an annual inspection and will include vehicle age restrictions. Drivers will have to submit to a background check by the City and must carry a Class 4 driver's license from the province. The proposed framework places no cap on the number of licenses to be issued for the private vehicles for hire. Calgary will not restrict surge pricing for private hire vehicles, but will maintain a minimum rate. Current taxi regulations control entry and have maximum rates for taxis.

Calgary is facing a challenge with insurance requirements for TNCs because insurance companies explicitly preclude drivers from using their cars to transport for compensation under their personal insurance. Therefore, anyone using private vehicles with personal insurance for work with a TNC will not be covered by the insurance. As a result, Calgary's proposal requires full commercial insurance for the private vehicles for hire. Uber has partnered with Intact, a Canadian insurance company, to create a new insurance product that would be suited for TNC usage.

Among some of the other issues being debated is if Calgary will require private vehicles for hire to have cameras, as is required for taxis. There is an argument that since private vehicles for hire will not be allowed to accept street hails, then they will not need cameras. Calgary is also proposing to not allow TNCs to place any kind of logo or identifying marker on the cars or trade dress for the drivers to curb illegal street-hailing.

The proposal also would license app operators as dispatchers subject to approval by the City in order to have accountability. The dispatcher license would have an accessibility requirement that requires the same level of service as all other taxi brokers, which is the ability to provide accessible transportation within 15 minutes, 77% of the time. It is believed that TNCs will probably contract with local companies with accessible vehicles to meet this requirement. The proposal also requires app operators to keep trip data reporting requirements for private hire vehicles.

The existing for-hire vehicle industry has responded that the by-laws have to be strictly enforced. Brokers are now making a shift from fighting against TNCs to figuring out how to compete with them.

Edmonton, Alberta⁵¹

TNCs

Uber started operations in Edmonton in September 2014, advertising for vehicles and drivers to join their platform in Edmonton, and quickly launched their services. On December

51 Information for this section is from an interview with the City of Edmonton regulators on October 19, 2015.

18, 2014, Uber started to provide free rides to customers. On December 27, 2014 Uber started charging for rides. This caught the attention of the City of Edmonton, which on January 20, 2015, filed for an injunction to stop Uber from operating, but it was denied by the local court.

Regulations

After losing in Court, the City's Executive Committee, which is comprised of the Mayor and three Councilors, began working on amending the for-hire vehicle by-laws to regulate the new entrants to the market. On September 9, 2015, the Executive Committee released its new Vehicle for Hire By-law draft. The Executive Committee held meetings with six different stakeholder groups and issued a survey on their website for feedback. The Executive Committee then held a public meeting in which 89 people spoke, after which the Executive Committee sent the draft by-laws to the City Council without recommendations. Taxi drivers protested the bill.

The existing by-laws only provide for three categories of for-hire vehicles; taxis (and accessible taxis), limousines and shuttles. The draft bill creates a new category of Private Transportation Providers (PTPs) licenses, distinct from taxis and limos. Drivers of PTPs, however, will be required to have a taxi driver's license and commercial vehicle insurance, or a policy that meets insurance requirements of the Province for commercial vehicles. The TNCs will need to apply for a dispatcher license in order to operate in Edmonton. The new by-laws also remove fare minimums for limousines (currently, the minimum is \$75), place no minimum fare on PTPs, do not restrict surge pricing and places no cap on the number of PTPs. The current taxi fare structure and caps will remain in place.

On November 17, 2015, the City Council reviewed the bill and sent it back to the Executive Committee with some amendments and areas to investigate in 2016. The proposed amendments were:

- Create a distinct license class with appropriate fees for Transportation Network Companies (TNC);
- Provide a driver's license fee in a nominal amount for Private Transportation Provider (PTP) drivers who are affiliated with TNCs;
- Propose ways to deter PTPs from refusing pickups;
- Maintain the current number of accessible vehicle licenses; and
- Create a new fund with contributions from TNCs to support future conversion of existing vehicle licenses to accessible vehicle licenses, and/or create additional accessible vehicle licenses.⁵²

The areas to investigate were a self-regulation model for PTPs, fare structure for the industry and ways to administer the accessible vehicle fund.⁵³

In addition, there is a proposal to require PTPs to place a placard identifying the company and perhaps a car number in the windshield while operating as a PTP. The stated reason to support the use of the placard is that it may be removed while using the vehicle for private use.

⁵² http://www.edmonton.ca/bylaws_licences/licences_permits/vehicle-for-hire-bylaw.aspx.

⁵³ *Id.*

Toronto, Ontario⁵⁴

TNCs

Uber began operating in Toronto in 2012 with UberBLACK and UberTaxi. Uber used vehicles that were licensed by the City as taxis and limousines, but Uber was not licensed as a broker so it was not compliant with Toronto's By-laws. In September of 2014, Uber launched UberX in Toronto. The City immediately responded by filing for an injunction, but lost the motion in the courts. Toronto also issued consumer alerts to warn the public about security and insurance issues in using Uber. The Judge used a narrow interpretation of the by-laws in which he declared TNCs were not a part of the by-laws.

Regulations

Under Toronto's by-laws, taxis are allowed to perform street hails and prearranged trips. Taxis are not required to use credit card machines, but about 80% do utilize them. Taxis are required to have cameras and taximeters. Limousines must be booked a minimum of 20 minutes in advance, and have a minimum fare of \$70 per hour for a minimum of 2 hours. Limousines are not allowed to use meters. Both taxicab and limousine drivers are required to conduct a background check and submit their driver abstract. Taxicab drivers are also required to partake in a 17 day driving course while Limousine drivers only need to complete a 5 day driving course.

On October 2, 2015, Toronto issued new amendments to by-laws that redefined "taxicab," "taxicab broker" and "limousine service company" to include TNCs. The amendments make clear that dispatchers are only allowed to work with licensed taxicab drivers and owners and reduced the initial fare to \$3.25 from \$4.25.⁵⁵ The City then asked Uber to register as a taxicab broker. The City is currently in the process of licensing Uber as a taxicab broker. However, under the current by-laws, UberX would still be illegal. Toronto is working on new regulations expected in the Spring of 2016 that would include UberX. Currently, Uber X is seen as non-compliant and is not permitted by the law to operate. Thus far, Toronto's by-law enforcement officers and police officers have issued 204 violations against 102 drivers.

Insurance requirements are a provincial matter, set by the Ministry of Finance of Ontario. The Financial Services Commission of Ontario (FSCO) licenses insurance companies. Currently Intact Financial Corporation and Uber are working together to obtain the three-time-slot insurance approved by the province for UberX drivers.

Quebec

TNCs

Uber launched in Montreal, the largest city in the Province of Quebec in early 2014, and in the remainder of Quebec earlier this year.⁵⁶ According to the company, approximately

⁵⁴ Information for this section is from an interview with the City of Toronto regulators on October 27, 2015.

⁵⁵ <http://www.toronto.ca/legdocs/bylaws/2015/law1047.pdf>.

⁵⁶ <http://www.cbc.ca/news/canada/montreal/uber-montreal-requests-to-be-regulated-in-quebec-1.2875639>.

300,000 Uber requests are made via smartphone in Montreal each month.⁵⁷ A ride is ordered on the Uber platform in Montreal once every nine seconds.⁵⁸ Sixty-eight percent of UberX rides in Montreal are one-way, which means that an alternative means of transportation is used for the return trip.⁵⁹ Twenty eight percent of UberX rides in Montreal start or end near a Metro station □ usually between the user's home and a station.⁶⁰ Fifty percent of Uber's driver-partners work fewer than 10 hours a week and 70% work fewer than twenty hours a week.⁶¹ Uber says the average hourly income earned by UberX driver-partners in Montreal is \$22.40.⁶²

Since its introduction, the mobile app has been met with staunch criticism. Mayor Denis Coderre and the Quebec government have called the UberX service illegal.⁶³ Taxi drivers in the city have held protests against UberX, arguing it has an unfair advantage and is compromising their ability to make a living.⁶⁴ Montreal's taxi bureau has been ramping up its efforts to crack down on the popular ride-sharing service, which allows drivers without taxi licenses to offer rides in the city.⁶⁵ More than 400 vehicles have been seized in Montreal since the beginning of the year.⁶⁶ About 100 UberX cars were seized in October 2015 alone.⁶⁷

Regulations

In December 2014, Uber Montreal executives met with the Quebec Transport Ministry, saying they want the company to be legally recognized in the province.⁶⁸ Regulations, however, are still not in place. Jean-Nicolas Guillemette, Uber's general manager for Quebec, said the company hopes to work alongside the taxi industry, but he doesn't think his drivers should need to pay for taxi licenses because Uber is a different product.⁶⁹ He said he would like to work within a legal framework and is happy to sit down with Transport Minister Robert Poëti again to make that happen.⁷⁰

Vancouver, British Columbia

TNCs

Uber started operating in Vancouver in July 2012.⁷¹ It stopped its operations in November 2012 when the British Columbia's Passenger Transportation Board determined that it was operating as a limousine company but was not complying with existing rules for limousine companies, such as charging a minimum of \$75 per ride.⁷² Starting in October 2014, the

57 <http://www.cbc.ca/news/canada/montreal/montreal-uberx-crackdown-1.3307144>.

58 <http://montrealgazette.com/news/local-news/uber-says-it-offers-a-ride-every-nine-seconds-in-montreal>.

59 <http://www.cbc.ca/news/canada/montreal/montreal-uberx-crackdown-1.3307144>.

60 *Id.*

61 *Id.*

62 *Id.*

63 *Id.*

64 *Id.*

65 *Id.*

66 *Id.*

67 *Id.*

68 <http://www.cbc.ca/news/canada/montreal/uber-montreal-requests-to-be-regulated-in-quebec-1.2875639>

69 <http://montrealgazette.com/news/local-news/uber-says-it-offers-a-ride-every-nine-seconds-in-montreal>

70 <http://montrealgazette.com/news/local-news/uber-says-it-offers-a-ride-every-nine-seconds-in-montreal>

71 <https://www.biv.com/article/2015/10/uber-signals-second-bid-enter-vancouver-market/>

72 <http://www.vancourier.com/news/uber-eager-to-bring-rideshare-service-to-vancouver-1.2070658>

Vancouver City Council created a temporary moratorium on taxicabs to conduct a study on expanding taxicab service with environmental, safety, and service considerations.⁷³ In addition to the study, the City of Vancouver held several sessions since April 2015, up until October 2015, to allow industry stakeholders to submit testimony on how to regulate TNCs, with Professor Glenn Sigurdson mediating. Chief License Inspector Andreea Toma produced a report in October 2015, recommending amendments to existing Taxi regulations and for local governments to work with TNCs to allow them to operate. As of November 2015, no resolution regarding TNCs was reached and the moratorium was extended by another 12 months.⁷⁴

Regulations

As of November 2015, the regulations that were recommended by the Chief License Inspector were not agreed upon and the Vancouver City Council requested the British Columbia province to develop a province-wide policy.⁷⁵

5.1.2 **United States**⁷⁶

California Model

California is not only the birthplace of TNCs, but it has served as somewhat of an incubator for technology companies providing transportation services.⁷⁷ In December 2012, in an effort to address the many safety and regulatory concerns arising from the business operations of Lyft, SideCar, Uber, and other similar app companies, the California Public Utilities Commission (the “CPUC”) issued an order to initiate a “quasi-legislative” rulemaking proceeding (“OIR”) to consider amending existing regulations and/or promulgating new regulations which relate to passenger carriers, ridesharing, and what the CPUC termed “new online-enabled transportation services,” and later referred to as “transportation network companies.”⁷⁸ The CPUC officially recognized TNCs, and coined the term itself, in September 2013 when it adopted State regulations governing “an organization whether a company, partnership, sole proprietor, or other form, that provides transportation services for compensation using an online-enabled application (app) or platform to connect passengers with drivers using their personal vehicles.”⁷⁹ The CPUC justified its regulations by classifying TNCs as charter-party carriers. Charter party carriers provide pre-arranged services for a fee and are subject to regulation by the CPUC.

The California regulatory scheme carves out a special category for TNCs within the existing category of charter-party carriers (limousines and sedans) under the existing CPUC rules, and requires a company or individual wishing to provide transportation, or facilitate the transportation of passengers, to choose to apply for either a charter-party carrier license or a TNC

73 <http://former.vancouver.ca/ctyclerk/cclerk/20151020/documents/rr3presentation.pdf>

74 <http://www.metronews.ca/news/vancouver/2015/11/01/vancouver-refuses-to-expand-taxi-service.html>

75 <http://www.metronews.ca/news/vancouver/2015/11/01/vancouver-refuses-to-expand-taxi-service.html>

76 For a full chart on the different TNC regulations applied in U.S. jurisdictions see **Appendix A**.

77 Policy Analysis Report regarding Impact of Transportation Network Companies in San Francisco to Supervisor Mar, City and County of San Francisco Board of Supervisors, dated June 9, 2014.

78 http://www.cpuc.ca.gov/PUC/transportation/Passengers/CarrierInvestigations/CPUC_Proposes_to_Evaluate_Ridesharing_Services_Via_New_Proceeding.htm

79 See California Public Utilities Commission Decision entered September 19, 2013. Rulemaking No. 12-12-011.

license.⁸⁰ The CPUC views □the primary distinction between a TNC and other Transportation Charter Parties (TCPs) is that a TNC connects riders to drivers who drive their personal vehicle, not a vehicle such as a limousine purchased primarily for a commercial purpose.□⁸¹

Although the CPUC outlined insurance requirements for TNCs when it first passed its regulations, in September 2013, the California state legislature passed an assembly bill requiring TNCs to provide primary commercial insurance coverage for drivers and passengers during TNC services.⁸² TNC insurance must be primary and in the amount of \$1 million for death, personal injury and property damage. As further outlined, *infra*, the state created a system of insurance coverage based on three periods of TNC services. The \$1 million requirement is in effect from the moment a participating driver accepts a ride request on the app until the driver completes the transaction. TNC insurance coverage must also provide for uninsured motorist coverage and underinsured motorist coverage in the amount of \$1 million from the moment a passenger enters the vehicle of a participating driver until the passenger exits the vehicle.

The above insurance requirements, which became effective July 2015, may be maintained by the driver, the TNC itself, or a combination of the driver and TNC. Where the insurance is maintained by the driver, the TNC must verify that the policy is maintained by the driver and is specifically written to cover the driver's use of a vehicle in connection with a TNC app. TNCs must also make their certificates of insurance public and the CPUC will publish each on its website.⁸³

In addition to the insurance requirements, a TNC must also:

- I. Conduct national criminal background checks on all of its driver-applicants using the applicant's social security number;
- II. Establish a driver training program to be filed with the CPUC;
- III. Maintain a zero-tolerance policy on drugs and alcohol;
- IV. Register in the Department of Motor Vehicle (DMV) Pull Notice program, which allows a transportation company to monitor driver's license records of employees/affiliated workers;
- V. Conduct a 19-point car inspection of TNC-affiliated vehicles to be performed by the TNC or an authorized third party facility licensed by the California Bureau of Automotive Repair;
- VI. Require a one-year driving history from TNC drivers, where drivers must be at least 21 years of age and have a CA driver's license;
- VII. Submit verified reports to the CPUC's Safety and Enforcement Division (□SED□) detailing (a) the number and percentage of TNC customers who requested accessible vehicles, and how often the TNC was able to comply with such requests (b) the number of rides that were requested, but not accepted by TNC drivers within each zip code where the TNC operates; (c)

80 It should be noted that the CPUC's press release regarding its decision, available at docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K132/77132276.PDF.

81 Decision at p. 23.

82 See CA Assembly Bill 2293.

83 *Id.* at p. 26 fn.39.

detailing the number of drivers that were found to have committed a violation and/or suspended; (d) total number of accidents and details thereof; and

- VIII. Endeavor to provide equal access to all consumers and submit a plan to inform the CPUC of how they plan to avoid creating a divide between able and disabled communities.⁸⁴

Further, TNCs are prohibited from operating at any airport without obtaining authorization by the airport authority involved and must remit 0.033% of the TNC's California revenues to the CPUC on a quarterly basis as part of overall fees.

The above-standards mirror many of the existing standards imposed by the CPUC on other charter-party carriers, although they are significantly more liberal than the regulations imposed on taxicabs, which are regulated on a local/city-level in California.

Maryland Model

In April 2015, the state of Maryland passed a statewide TNC bill that, like the California model, created a category of TNCs under the existing category for common carrier for-hire transportation in the state. "Transportation Network Company" is defined as a company that has been issued a permit by the Maryland Public Service Commission ("PSC") and operates in the State using a digital network to connect passengers to transportation network operators or transportation network partners for transportation network services. A "Transportation Network Operator," "Transportation Network Partner," or "Transportation Network Driver" is defined as an individual (i) licensed or authorized by the PSC to provide TNC services; (ii) receiving through a TNC's digital network a connection to transport a passenger between two points in exchange for a fee paid to the TNC; and (iii) using a motor vehicle that is owned, leased or otherwise authorized for use by the individual and approved for use by the TNC.

"Transportation Network Services" is defined as the activities of an operator during three periods:

- Period one "when the operator is logged in and ready to accept a prearranged ride request made through a TNC's digital network;
- Period two "when the operator accepts a ride prearranged request from a passenger through a TNC's digital network and is traveling to pick up such passenger; and
- Period three "when the operator is transporting the passenger and ending after the passenger departs the vehicle.

Also similar to California, the Maryland regulations created insurance standards for TNC operations; TNC operator licensing and insurance standards; TNC driver requirements; imposed certain assessments on TNCs be determined by the Maryland Insurance Administration and the state for-hire transportation regulatory body "the Public Service Commission or "PSC." The

⁸⁴ The plans must also discuss how TNCs intend to provide incentives to individuals with accessible vehicles to become TNC drivers and how they will ensure accessibility accommodations for their apps and websites. The Decision also requires, *inter alia*, a timeline for modifying apps so that they allow passengers to indicate their access needs and a timeline for modifying apps and TNC websites so that they meet accessibility standards.

PSC is also tasked with preparing several reports, including an analysis of whether there is adequate TNC insurance and recommendations on how to make traditional FHV's, such as taxis and limousines, competitive. With respect to accessibility, the state law creates a Transportation Network Assessment Fund, which would be used to fund transportation-related projects.

The Maryland law is distinguishable from the California law with respect to the driver vetting requirements for TNC drivers. Under the Maryland TNC law, the PSC may issue a temporary TNC operator's license if the applicant completes the application, including a driving record check and a national criminal history record check conducted by the National Association of Professional Background Screeners, or a comparable entity approved by the PSC. The criminal records check would include (i) a multi-state multijurisdictional criminal records database search or a search of a similar database with validation; (ii) a search of the sex offender and crimes against minors registry; and (iii) a search of the U.S. Department of Justice's National Sex Offender Public Website.

All searches are performed by a state-approved third party, rather than the TNC. The PSC may issue a permanent TNC operator's license if the applicant submits a satisfactory supplemental fingerprint-based criminal background check. However, applicants do not need to comply with the fingerprinting requirement until after April 1, 2016 if the operator provides details about the background check process performed on the TNC operator applicant. A TNC may request a waiver of the fingerprinting requirement if the PSC determines such company's process is as comprehensive and accurate as a fingerprint-based check. The PSC will make a determination within 3 months of receiving the waiver request whether to grant it, deny it or approve an alternative process. The exemption is also available to limousine and sedan operators in Maryland, but not taxicab operators.

New York City Model

New York City requires TNCs to be licensed or operate with licensed drivers, vehicles and businesses. It has a robust on-demand transportation system that includes several classes of for-hire vehicles: (1) taxicabs, which are motor vehicles carrying passengers for hire in the city, designed to carry a maximum of five passengers and which are the only vehicles authorized to accept street hails in Manhattan's Central Business District and nearby airports; (2) liveries, also known as community cars, that provide for-hire vehicle services to the public through prearrangement and mostly accept cash payments; (3) black cars which generally serve corporate clients on a prearranged basis and are mostly paid by credit card or company account; and (4) luxury limousines, which serve the public on a prearranged flat rate, time or mileage. New York State law, in 2012, created a new class of Street Hail Liveries which are allowed to pick up street hails in certain areas outside of Manhattan's Central Business District and at the airports.

On May 3, 2011, Uber announced its entry into the New York City market.⁸⁵ As in other jurisdictions, Uber's business model raised some issues and concerns about whether it was operating within the bounds of existing laws. In response to complaints that Uber was contacting for-hire vehicle owners and drivers directly, the TLC issued Industry Notices to clarify how smartphone applications should operate under the existing rules. TLC issued the first industry

⁸⁵ <http://blog.uber.com/2011/05/03/uber-nyc-launches-service/>.

notice #11-15 on July 1, 2011.⁸⁶ In response to inquiries, TLC issued another more comprehensive Industry Notice #11-16 on July 18, 2011.⁸⁷ In addition to clarifying when a smartphone application would need a base station license, the Notice warned that bases using smartphone apps must ensure they do not violate laws governing TLC or TLC rules.⁸⁸ The TLC advised bases that because they are the licensed entity, they would be held accountable for the breach of any laws or rules. The notice also stated that a smartphone app that provides for-hire transportation directly and not through a base, is itself required to hold a TLC base license.

To ensure compliance, the TLC, when it becomes aware of a smartphone app that may be acting outside the rules, will request the app provider to submit: (1) a list of licensed bases that the smartphone app works with, including effective dates; (2) an attestation that it is not dispatching to any non-affiliated bases; and (3) copies of the agreements.⁸⁹ The TLC stated it will presume those smartphone apps that do not comply with its request are violating rules prohibiting unlicensed base stations.⁹⁰ The notice also stated the TLC may request trip sheet information from smartphone apps, and if it does not obtain such cooperation, it may decide to license smartphone apps directly.⁹¹

With the proliferation of app-based dispatching, on February 12, 2015, the New York City Taxi and Limousine Commission (TLC) held a fact-finding hearing on licensing dispatch apps.⁹² Uber, Lyft and other stakeholders testified and the TLC, using the information it obtained from this hearing, drafted a series of new rules to address the use of for-hire vehicle dispatch apps. The proposed rules distinguish between a dispatch app used by a base and those apps that are sold, leased or otherwise made available to a TLC-licensed base.⁹³ The rules create different regulatory structures for the two types of dispatch apps.

86 http://www.nyc.gov/html/tlc/downloads/pdf/industry_notice_11_15.pdf. The notice acknowledged the growing use of smartphone apps to request and dispatch for-hire vehicle trips, but advised that the use must be in compliance with TLC rules. The notice advised that for-hire vehicle owners and drivers must obtain the approval of their bases (their existing dispatching company) before contracting directly with a smartphone app provider. The notice further explained that it violated TLC rules if a for-hire vehicle owner or driver was accepting dispatches through a smartphone app that is not authorized by his or her base. The notice also warned taxi drivers that they are prohibited from using smartphone apps and could only pick-up passengers that hail them.

87 http://www.nyc.gov/html/tlc/downloads/pdf/industry_notice_11_16.pdf. This notice clarifies when a smartphone app is required to have a for-hire base vehicle license as required by local law and rules, and to remind licensees of rules that apply when a licensed base contracts with a smartphone app. The notice states that any smartphone app that functions solely as a referral, reservation or advertising service for a licensed base, will not need to be licensed.

88 Among some of the requirements that bases must comply with are; no base using a smartphone app can advertise using the term taxi, taxicab, cab or hack or coach, TLC Rules §59B-25(b); bases must file their smartphone app fares with TLC if those fares are different than their existing rates, Id. at §59B-21(a); bases must ensure that trip sheets of trips dispatched through a smartphone app are maintained and available for at least six months after the trip, Id. at §59B-19(b)(2); bases must be able to handle customer complaints, including through a smartphone app, Id. at §59B-17(a); and bases must ensure they are dispatching calls within the hours of operation filed with TLC, Id. at §59B-21(b).

89 http://www.nyc.gov/html/tlc/downloads/pdf/industry_notice_11_16.pdf

90 TLC Rule §59B-11.

91 http://www.nyc.gov/html/tlc/downloads/pdf/industry_notice_11_16.pdf.

92 http://www.nyc.gov/html/tlc/downloads/pdf/fhv_app_rules_hearing_notice.pdf.

93 http://www.nyc.gov/html/tlc/downloads/pdf/proposed_rules_fhv_app_cert.pdf.

The TLC heard public testimony on the proposed rules on May 28, 2015, but did not hold a vote. Stakeholders from all segments of the industry testified, including elected officials, base owners, technology advocacy groups, taxi associations, a taxi riders' advocacy group and Uber drivers. Showing how divisive this issue can be, the testimony from the elected officials ranged from opposition to the proposed rules, to not taking a position, to supporting them. Generally, the technology advocacy groups, Uber and Lyft testified against the proposed rules stating that they placed too many restrictions on the applications and would hamper innovation. Some groups also stated that TLC should be regulating for-hire vehicles and not technology.

Many of the for-hire and taxi industry groups testified in support of the rules, with some stating that the rules did not go far enough in regulating dispatch apps. The representative for a taxi riders' advocacy group also testified in support of the rules, stating that they improve transparency for the passengers. A few representatives from the taxi industry and base owners did testify against the rules because they do not believe they went far enough to create a level playing field, and would not prevent an app from communicating directly with a driver, eliminating a base's role in ensuring customer safety.

After making some amendments to the rules based upon testimony from its May 28th meeting, the TLC unanimously adopted the new rules on June 22, 2015. Under the newly adopted rules, Dispatch Service Provider is defined as an entity licensed by the TLC to provide Dispatch Services for licensed FHV Bases. Dispatch Service is defined as dispatching, reserving, or referring trips to drivers on behalf of TLC-licensed bases through a publicly available, Passenger-facing booking tool.⁹⁴ E-Dispatch is a Dispatch arranged through a licensed Dispatch Service Provider. Dispatch is a request made from a base station to a TLC-licensed driver, directing the driver to provide transportation to a passenger who has previously arranged for such transportation.

Some of the key provisions in the rules that apply to FHV Dispatch Apps include the following:⁹⁵

- Smartphone app licensees may be an individual or business and must demonstrate they are fit to hold a license;
- Applicants must hold all rights or licenses to all intellectual property associated with the dispatch app;
- The TLC must approve all dispatch apps;
- Privacy and security policies must be put into place;
- A working customer service phone number or email address must be provided;
- Providers must notify the TLC if it modifies its dispatch app;
- Proof of Insurance □ Professional liability insurance at a minimum of \$1,000,000 per claim must be in place if professional services will be provided;

94 Under the rules, dispatch Service does not include a base dispatching through a Passenger-facing booking tool that uses the same public-facing name in its branding, operations, promotions, or advertisements as the trade, business, or operating name the Base has on file with the TLC. Dispatch Service does not include a Base dispatching or managing its fleet under the trade, business, or operating name the Base has on file with the TLC using commercial dispatching software.

http://www.nyc.gov/html/tlc/downloads/pdf/proposed_rules_final_fhv_dispatch.pdf.

95 Id.

- A \$5,000 bond to ensure compliance with all laws and rules and payment of fines must be posted;
- A fee of \$1,000 for each license for a term of three years or less will be charged;
- The DSP must notify the TLC of any material changes and any suspension or revocation of needed licenses;
- The DSP must notify the TLC of any security breaches if notice is required under State or Federal law;
- Security □DSPs must meet applicable Payment Card Industry (PCI) standards⁹⁶ and its security standards must be filed with the TLC;
- The app must be able to collect and transmit trip data to TLC; and
- DSPs must provide a wheelchair accessible option that meets □equivalent service□ requirements under the Americans with Disabilities Act.

The rules went into effect on July 29, 2015.

Seattle Model

On March 17, 2014, the Seattle City Council passed Council Bill Number 118036 (the □Bill□), an ordinance which legalized TNCs and established a 2-year pilot program for such TNCs and affiliated drivers and vehicles (the □Pilot Program□), including specific operational requirements for applicable parties. As a general matter, the Bill opens with a few generalities about the new law, including (i) the fact that □while `active on a TNC dispatch system,'⁹⁷ TNC drivers are for-hire drivers operating for-hire vehicles,⁹⁸ (ii) the fact that upon 30-days written notice of his/her intent to do so, including such reasons for same, the director may issue up to a 180 day suspension of the issuance of TNC endorsements or TNC licenses □upon finding that the continued issuance of TNC vehicle endorsements or TNC licenses threatens public safety or raises substantial consumer protection concerns,⁹⁹ (iii) a reporting requirement that within every 60 days (through June 30, 2016), the director shall report to the chair of the Taxi, For-Hire and Limousines Regulations Committee of the Council on the response, behavior and experience of the different segments of the for-hire market,¹⁰⁰ and (iv) the direction that the director is to seek the legislative authority of the Council to adjust or remove the cap on the number of TNC endorsed vehicles if he/she finds that it is in the public's interest to have such cap adjusted or removed.¹⁰¹ There are 48 provisions of the Bill, beginning with the legislative findings and declarations in Section 1, followed with 44 sections of amendments to existing sections and the incorporation of new sections to the Seattle Municipal Code and several miscellaneous sections.

The Bill incorporates TNCs, their drivers and vehicles into the regulatory apparatus in Seattle and, at the very least, establishes operating requirements that, for the most part, parallel

⁹⁶ https://www.pcisecuritystandards.org/security_standards/index.php.

⁹⁷ Section 6.310.110 of the Seattle Municipal Code defines □active on the TNC dispatch system□to include when the driver is logged onto the transportation network company application dispatch system showing that the driver is available to pick up passengers, when a passenger is in the vehicle, when TNC records show that the vehicle is dispatches, when the driver has accepted a dispatch and is en route to provide transportation services to a passenger.

⁹⁸ Section 6.310.100(A) of the Seattle Municipal Code

⁹⁹ Section 6.310.100(B) of the Seattle Municipal Code

¹⁰⁰ Section 6.310.100(C) of the Seattle Municipal Code

¹⁰¹ Section 6.310.100(D) of the Seattle Municipal Code

the regulations of the taxicab and for-hire industry in Seattle. Although the Bill intends to bring TNCs into the full purview of the regulations in Seattle, it remains to be seen how this Bill will impact the TNCs currently operating in Seattle. The Seattle Council has addressed requirements for licenses, annual renewals and investigations into a driver's background, appropriate insurance, and penalties for noncompliance. There are several provisions that likely resulted from negotiations among the platforms, such as cruising for for-hire vehicles and no misdemeanors on a driver's first violation.

In September 2013, the results of the Council's taxi, for-hire and limousine service demand study were released, and demonstrated that the City of Seattle was responsive to application dispatch application technology. However, the demand study also revealed that many of the current application dispatch technology used in Seattle were unlicensed companies using unlicensed vehicles and unlicensed drivers, which is a clear public safety concern. The Council further determined that because these TNCs are for-profit companies, drivers are recruited with promises to be paid, drivers intend to be paid, and passengers are in fact paying for the services rendered. The TNCs were operating illegally. As such, the Council introduced the first rendering of the Bill, proposing the Pilot Program to test regulations setting forth minimum operating requirements for such TNCs, transportation network company drivers (TNDs) and those vehicles used by TNDs operating under TNCs (TNVs). Further details of the Pilot Program are set forth below.

The Bill directs the Department of Finance and Administrative Services to assess the benefits and negative unintended consequences of the Pilot Program.¹⁰² Such review included the review and assessment of the following: (a) the taxi industry trips and revenue, (b) the percentage of taxi industry trips that dispatched through a TNC, (c) the response times for any companies in the dispatch market (TNCs and traditional taxis, for-hire and limousine service), (d) the location of rejected rides by companies in the dispatch market, (e) the financial burdens of drivers across the various platforms, (f) data about driver experience and driver migration across the platforms, (g) collisions, (h) driver violations, (i) rates, (j) customer satisfaction rates and complaints. In the event no further action is taken by the Council, the Pilot Program will automatically continue.¹⁰³

The Bill not only authorizes the issuance of 100 additional taxicab licenses per year for the years 2014 and 2015, but it directs the director to so issue such licenses.¹⁰⁴ To be eligible for the new taxicab licenses, the applicant must either (i) have no ownership interest whatsoever in a licensed for-hire vehicle or taxicab license or (ii) relinquish any such rights prior to and as a condition of the issuance of the new license.¹⁰⁵ Other than complying with the "minimum operating requirements," the Bill does not discuss further details or limitations of the Pilot Program.

102 Section 45 of the Seattle City Council Bill Number 118036

103 Section 47 of the Seattle City Council Bill Number 118036

104 Section 6.310.500(E) of the Seattle Municipal Code

105 Section 6.310.327(E) of the Seattle Municipal Code; "relinquish" includes, among other things, the transfer of such interest to another who does not currently have an interest.

5.1.3 Europe

European nations have been the most aggressive in challenging the proliferation of Uber. Germany, Italy, Belgium, France, Spain, Portugal, and the Netherlands have all in some way banned UberPop from operating in their respective nations.¹⁰⁶ UberPop was a service provided by Uber where anyone with a car could become a driver, similar to UberX in North America. Uber continues to operate their other services in most of these European countries where they claim to only use private hire or licensed taxi drivers. Spain banned all Uber activities in December of 2014 and even blocked access to the Uber website within the nation.¹⁰⁷

In France, police raided Uber's offices and arrested two high ranking officials, who are currently standing trial on six charges for allegedly running an illegal taxi service and violating data privacy laws.¹⁰⁸ If they are found guilty, they face hefty fines and possible jail time. In the Netherlands, police also raided Uber's offices in Amsterdam after Uber ignored the ban on UberPop and continued offering the service despite fines adding up to 450,000 Euros.¹⁰⁹ The subject has now been brought up to the European Court of Justice to decide whether Uber is a transportation or technology company. Uber argues that if the Court finds that it is, as they claim a technology company, then the bans on its services in the European countries violate EU treaties on competition.¹¹⁰ The Court is set to issue a decision on November 26, 2015.¹¹¹

5.2 Transportation Network Company (TNC) Laws

5.2.1 Overview of TNC Laws & Differing Regulatory Approach

TNCs have created regulatory challenges for many municipalities across Canada, the United States and the world particularly because they self-identify themselves as technology companies that merely connect riders with people willing to provide rides in their own vehicles, rather than as transportation companies. There have generally been three models for the regulation of TNCs: (1) a few municipalities have required them to obtain the same licensing, insurance and otherwise meet the regulatory requirements as other for-hire vehicles (the New York City Model); (2) some have created special laws for TNCs (the California/Maryland Model); and (3) some have allowed them to operate unfettered.

5.2.2 Litigation Affecting TNC Laws and Business Model

Canadian Litigation

Since TNC are relatively new to the Canadian market, there have not been many legal cases involving TNCs. The City of Toronto and the City of Edmonton both separately tried to

106 <http://www.whosdrivingyou.org/wp-content/uploads/2015/10/UberLyft-AWorldwideOverviewofRegulatoryLegalActionsupdatedasofOctober152015.pdf>

107 <http://www.bbc.com/news/business-30395093>; <http://skift.com/2015/04/30/why-ubers-one-size-fits-all-approach-didnt-work-in-spain/>

108 <http://money.cnn.com/2015/09/30/news/companies/uber-in-trouble-london-paris-amsterdam/>

109 <http://www.reuters.com/article/2015/09/29/us-uber-netherlands-idUSKCN0RT12920150929#vvaouRV8RLh89w88.97>

110 <http://www.wsj.com/articles/case-against-uber-referred-to-europes-top-court-1437402253>

111 <http://www.politico.eu/article/uber-new-europe-strategy-obama-campaign-guru-david-plouffe/>

file injunctions to stop Uber from operating in their cities. In *City of Edmonton v. Uber Canada*, the city of Edmonton argued that Uber Canada is a taxi broker requiring a license and Uber's model for arranging rides violated Edmonton's by-laws. Uber Canada argued that Edmonton named the wrong party in the lawsuit, it does not provide dispatch services within the meaning of the relevant by-laws, it does not employ or control the drivers, and that the court should not enjoin a party to comply with a vague by-law. The court denied the injunction, holding that the City of Edmonton did not demonstrate that Uber Canada was in a clear and continuous breach of the by-laws in question as the by-laws were ambiguous. Additionally, the court found that Edmonton failed to name the drivers or other entities involved as parties to the lawsuit and that the relief it seeks would affect their interests as well. For those reasons, the court found that Edmonton failed to meet its burden to prove a *prima facie* clear and continuing breach of the by-laws and therefore denied its application for an interlocutory injunction.¹¹²

Similarly, in the *City of Toronto v. Uber Canada*, the city of Toronto argued that Uber Canada is operating a taxicab brokerage and limousine service company in the city and seeks a permanent injunction to stop them from doing business in the city. The court in this case found that because Uber Canada is only minimally involved in the business transaction of hailing a ride, i.e. they lack any role in "accepting" requests, they do not fall under the City's definition of taxicab, taxicab broker, or limousine service company, and as such, are not required to apply for a license pursuant to the City's Code. Furthermore, the court dismissed the motion for a permanent injunction and allocated the costs payable to the respondents.¹¹³

On the other hand, in *City of Calgary v. Trevor Arthur John Gold, et. al.*, a temporary injunction was granted on November 20, 2015, preventing all Uber drivers from operating in Calgary. The basis for the city's claim was that none of the respondents, all Uber drivers, have applied for a Taxi Plate License, Accessible Taxi Plate License, or Limousine Plate License for their personal motor vehicles and are therefore in contravention of the Livery Transport Bylaw.¹¹⁴ The city also argued that the respondents failed to provide proof of vehicle insurance, vehicle inspection certificates, and safety equipment/security cameras, as required by law. The injunction will remain in place until December 17, 2015, at which time, the city will seek to have the injunction made permanent until private for-hire vehicles operating with the Uber application meet safety, insurance, and regulatory requirements.

Additionally, two class action lawsuits have been filed but not yet certified against Uber Canada. The first class action was filed in Toronto on behalf of taxi and limousine drivers, owners and bases. The action seeks \$410 million dollars in compensation for the diversion of revenue created by Uber drivers operating illegally in Ontario.¹¹⁵ The second class action lawsuit was filed in Quebec on behalf of 11,000 traditional taxi drivers claiming that Uber does not follow regulations.¹¹⁶

¹¹² *City of Edmonton v. Uber Canada Inc.*, 2015 ABQB 214.

¹¹³ *City of Toronto v. Uber Canada Inc. et al.*, 2015 ONSC 3575.

¹¹⁴ *City of Calgary v. Trevor Arthur John Gold, et. al.*, 1501-12242.

¹¹⁵ <http://www.theglobeandmail.com/news/national/ontario-taxi-files-400-million-class-action-suit-against-uber-canada/article25643753/>.

¹¹⁶ http://www.huffingtonpost.ca/2015/02/04/uber-montreal-lawsuit-cars-seized_n_6614538.html.

U.S. Litigation¹¹⁷

The United States is the birthplace of TNCs and so almost all of the litigation involving TNCs is in the United States. This section discusses many of these cases and the legal issues involved. Although some of the legal arguments raised may not have an equivalent concept in Canadian jurisprudence, this section helps to highlight some of the legal issues that may arise from the operation of TNCs.

The advent of TNCs has raised several public safety and consumer protection issues that are currently being litigated in lawsuits across the United States as well as around the world. There is a panoply of claims, although many of the overarching theories of these claims overlap. Indeed, cases involving TNCs are varied and include the following: (i) Equal protection and Mandamus challenges; (ii) labor law violations and worker misclassification claims; (iii) privacy and data; (iv) environmental issues and closed v. open markets (caps); (v) Criminal Background checks; (vi) insurance; and (vii) disability discrimination;

Equal Protection and Mandamus Challenges

The Equal Protection Clause of the 14th Amendment of the U.S. Constitution, as well as similar clauses in many state constitutions, prohibits states from denying any person within its jurisdiction the equal protection of the laws. *See* U.S. Const. Amend. XIV. Taxi industry stakeholders have filed lawsuits against regulators alleging that their treatment of TNCs, which they argue provide the same for-hire vehicle services as taxicabs and limousines, violate equal protection provisions because taxicabs and limousines are subject to stricter laws and regulations.

Labor Law Violations

Drivers have initiated legal action against TNCs for labor law violations particularly with respect to wage and hour issues. In many of these cases, drivers are seeking damages in the form of wages and/or overtime that went unpaid due to their misclassification as independent contractors rather than employees and/or unpaid gratuities that were pocketed by the TNCs rather than the drivers.

Privacy and Data

In the past year, press reports suggest that some TNCs have misused and possibly exploited private passenger data. In March 2015, a former Uber driver based in Portland, Oregon filed a lawsuit against Uber alleging that the company failed to secure and safeguard its drivers' personally identifiable information, including names, drivers licenses numbers and other personal information, and failed to provide timely and adequate notice to Plaintiff and other class members that their private information had been stolen, in violation of California state law.¹¹⁸ Plaintiffs seek an injunction, equitable relief in the form of compelling Uber to adopt appropriate policies and methods to respect its data collection, storage and data safety, restitution and the

¹¹⁷ For a more detailed list of U.S. Litigation against TNCs see Appendix B.

¹¹⁸ *Antman v. Uber*, Case No. 3:15-cv-01175-JCS (N.D. Ca).

payment of actual damages. Uber responded by filing its own lawsuit against an unknown third party it alleges committed the privacy breach.¹¹⁹

Environmental Issues & Closed vs. Open Markets (Caps)

When new laws that greatly affect an entire industry are passed, most local laws require that the government conduct some sort of study or analysis to determine the environmental impact of such laws. An example of one such law is the California Environmental Quality Act (the "CEQA"), although many cities and states have similar procedural requirements that a government agency must adhere to with respect to rulemaking.

Similarly, in New York State, the State Environmental Quality Review Act ("SEQRA") requires a full environmental review prior to "agency" resolutions that may affect the environment, such as the major transportation policy effected here, and no agency may approve the action until it has complied with SEQRA. Plaintiffs in California and New York have filed lawsuits alleging that the regulatory agencies did not follow these environmental review laws before allowing TNCs to operate, which they have alleged adversely affects the environment.

Criminal Background Checks

Over the last few years, discussion has been sparked regarding the accuracy, reliability, and adequacy of the public safety requirements that are imposed on TNC providers. Much of the debate has centered on whether the breadth and scope of driver vetting requirements imposed on TNC drivers are comparable to those vetting requirements that have been established for traditional for-hire vehicle providers. This discussion is compounded by the fact that in several jurisdictions TNC background checks are often self-imposed and not regulated by any government entity, which has many consumer rights advocates and law enforcement officials questioning whether TNCs are doing enough to protect the riding public.

The consequences of less than thorough background checks can be seen in the many examples of TNC drivers attacking passengers all over the globe. An Uber driver in China has been accused of robbing a female passenger at knife point and then raping her.¹²⁰ In Chicago, Illinois, a driver exposed himself to a passenger shortly before his prior criminal record was exposed.¹²¹ Another driver in London left a passenger a voicemail threatening to cut her neck.¹²² A woman in New Delhi, India, says she was raped by an Uber driver, and is suing the company for failing to properly check the background of the accused driver.¹²³

Canada has not been immune to such incidents due to weak background checks. In Toronto an Uber driver, Fareborz Karandish, was sought for by police for allegedly sexually assaulting a 21 year old female passenger in the vehicle.¹²⁴ In another case in Toronto, the police

119 *Uber v. John Doe*, case no. Case3:15-cv-00908 (N.D. Ca).

120 <https://www.techinasia.com/uber-nightmare-chinese-woman-robbed-sexually-assaulted-threehour-ordeal/>.

121 <http://abc7chicago.com/news/uber-driver-removed-from-platform-after-failed-background-check-/808080/>.

122 <http://www.buzzfeed.com/alanwhite/an-uber-driver-appears-to-have-left-a-voicemail-threatening>.

123 <http://money.cnn.com/2015/08/20/technology/uber-safety-lawsuit/>.

124 <http://www.torontosun.com/2015/09/25/uber-driver-wanted-for-june-sex-assault>.

charged Uber Driver, Amritpal Singh, with sexual assault and forcible confinement after a passenger claimed he sexually assaulted her in the car outside her destination.¹²⁵ Lastly, a Mississauga Uber driver was charged by York Police with sexual assault. He allegedly told a female passenger that she could either pay with money or by other means, when she exited the car he got out and sexually assaulted her.¹²⁶ The Appendix C annexed hereto includes a list of other incidents all over the world in which TNC drivers have been accused of attacking their passengers.

In September 2014, the San Francisco (["SF"]) and Los Angeles (["LA"]) district attorneys (["DAs"] or ["prosecutors"]) commenced an investigation of Uber, Lyft and Sidecar alleging that the TNCs were misleading customers by claiming their background checks of drivers screen out anyone who has committed driving violations, including DUIs, as well as sexual assault and other criminal offenses, which the DAs alleged is "patently untrue."¹²⁷

Insurance

Generally, a standard personal auto policy will not provide coverage for ridesharing. A standard personal auto insurance policy stops providing coverage from the moment a driver logs into a TNC ridesharing app to the moment the customer has exited the car and the transaction is closed. Recognizing this coverage gap, lawmakers have been working to enact legislation that specifies what insurance coverage is needed to operate legally from "app-on to app-off."

The chart below generally outlines the insurance coverage model currently being provided to drivers by TNCs during different phases of a network trip. In the United States additional coverage is, or should be, provided by TNCs, as required by state and local laws. There are no laws in Canada requiring supplemental insurance for TNCs; however, according to Uber, it provides an additional \$5,000,000 in contingent insurance for its rides. We understand from our independent research with Canadian regulators that Uber is working on an insurance policy based upon the phases of a TNC ride, as it does in the United States.

¹²⁵ <http://www.cp24.com/news/uber-driver-accused-of-sexual-assault-in-police-custody-1.2607295>.

¹²⁶ <http://www.theglobeandmail.com/news/toronto/uber-driver-charged-with-sexual-assault-on-female-passenger-in-vaughan-ont/article24519289/>.

¹²⁷ *Id.*

Phase	Current TNC Coverage
1. Driver is logged into the TNC application but the driver has not yet accepted a ride request. (A "match" has not been made).	Contingent liability coverage if personal auto coverage is declined/not available.
2. A "match" has been made but there is no passenger occupying the vehicle.	Primary liability and Uninsured Motorist /Underinsured Motorist Coverage (UM/UIM) coverage at a higher limit. Contingent comprehensive/collision coverage based on certain circumstances.
3. A passenger is in the vehicle and until the passenger safely exits the vehicle.	Same coverage as Phase 2. ¹²⁸

Personal auto policy is designed to cover only the personal use of a private-passenger vehicle, not the commercial use of a vehicle, and the fact that money is exchanged for the rideshare company's services transforms the transportation into a commercial/for-hire enterprise requiring appropriate commercial insurance coverage. In fact, regular, private car insurance or van insurance will be invalidated if you carry a paying customer.¹²⁹

The insurance industry appears to still be grappling with considerations such as who will ultimately be responsible when a loss occurs, when that responsibility commences and the extent of coverage provided by these TNCs. These risks have resulted in a number of jurisdictions issuing consumer alerts to make consumers (drivers and passengers alike) aware of the potential hidden insurance risks of TNCs. In Canada, the Provinces of Ontario and Alberta's insurance regulators both issued consumer alerts:

- The Financial Services Commission of Ontario issued a cautionary notice that standard automobile insurance excludes coverage when a vehicle is being used for paying passengers or as a taxicab and passengers would probably not be protected against damages, losses and liabilities.¹³⁰
- An advisory notice was issued by Alberta's Superintendent of Insurance on ride sharing services and the insurance risk they currently pose to Albertans. It claimed that after reviewing Uber's insurance policies they found that they were inadequate. The notice also said that Uber's supplementary insurance does not provide the necessary coverage in Alberta. Passengers of TNCs without proper commercial insurance are at risk of not having access to automobile insurance protection,

¹²⁸ <http://newsroom.uber.com/2014/02/insurance-for-uberx-with-ridesharing/>.

¹²⁹ <http://www.gocompare.com/taxi-insurance/uber-and-other-ride-sharing-apps/>.

¹³⁰ <http://www.fscs.gov.on.ca/en/auto/Pages/ridesharing-info.aspx>

including accident benefits or any compensation for injuries they may suffer in the event of a collision¹³¹

Disability Discrimination

TNCs are also being brought to court for allegedly discriminating against passengers on the basis of disability in violation of the U.S. Americans with Disabilities Act. At least one federal case exists in which disabled passengers and disability rights activists are suing a TNC for refusing to provide service to individuals with disabilities, refusing to have accessible vehicles, and refusing to assist with the stowing of mobility devices.

6 Public Comments - PVAC Meeting Testimony and Written Comments

In order to receive stakeholder input to inform this report, the Public Vehicle Advisory Committee (PVAC) held a meeting¹³² on October 1, 2015, to discuss Transportation Network Company Regulations. All relevant stakeholders and interested parties were encouraged to voice their concerns and recommendations for consideration in this report. Furthermore stakeholders were encouraged to submit their written comments through a designated e-mail (Mississauga@windelsmarx.com) by October 16, 2015.¹³³ Stakeholders were instructed to provide their input on FHV regulations in place in the City of Mississauga.

The PVAC meeting and submitted written comments show a range of views regarding the entrance and regulation of TNCs in Mississauga. Some comments discuss the public's appreciation of TNC services and that polls show they would like for the services to continue. They also point to the job creation benefits of TNCs and the positive effects of carpooling services provided by TNCs. On the other hand, the vast majority of the comments were from incumbent industry members explaining that the introduction of TNCs in the market has hurt them as a result of unfair competition. Most comments argue that TNCs currently benefit from not following the by-laws that Taxis and Limousines follow, which greatly decreases their overhead allowing them to charge lower prices at a larger profit margin. Under the by-laws, Taxis and Limousines must be licensed, which incurs licensing and registration fees, inspection fees, driver courses, commercial insurance and paying HST which TNCs do not pay. In addition, the by-laws provide for more stringent vehicle standard requirements for licensing that TNCs do not abide by, further decreasing the cost on the drivers. Lastly, the licensed taxi fare structure is set by the City of Mississauga and cannot be altered according to demand as TNCs fares are altered (surge pricing) which further provides an unfair competitive edge to TNCs.

Overwhelmingly, the incumbent industry comments showed high approval of the current by-laws, some stating that they are the *Best in Canada* and that they provide high standards for safety and fairness as a result of years of development. Most commentators felt that the by-laws should not be changed and that if TNCs will be allowed to operate, they must be licensed as brokers and fully comply with existing by-laws. Many believed that the definitions of *broker*

131 <http://alberta.ca/release.cfm?xID=383502BD794B4-A4A5-8BA8-DD523635E34F0FD8>

132 For a summary of comments from the October 1st PVAC meeting see **Appendix D**.

133 All submitted comments can be read in **Appendix E**.

and "driver" should be revised in the by-laws to broaden their scope so that there is no doubt about their applicability to TNCs (despite The Enforcement office's declaration that the current definitions do apply to TNCs). Many of the commenters also called for stricter enforcement of the by-laws, for the police to be included in the enforcement measures, and to increase fines and penalties on offenders (illegal TNC operations).

Some comments discussed the fare structure under the by-laws with regard to TNCs. They asked that either the fare structure set by the municipality become more flexible or be deregulated completely. Others asked for the municipality to force TNCs to follow the same fare structure.

A few comments also addressed the licensing cap set on taxicabs. The commenters felt that the cap should be either removed or increased to allow for more entrants to the market. However, they requested that any new licenses issued should be given to drivers on the priority list first.

A few of the comments also requested that Uber be sent a cease and desist order or that there be a complete ban in the City.

7 Policy Options for By-Law Enforcement and/or Revisions

Regulating TNCs is a very complex and highly politicized issue. Regulators sometimes try to balance service delivery and promote fair competition by creating a level playing field with the incumbent for-hire vehicle industry, consumer and driver safety concerns versus consumer demand and preferences for TNC services. In deciding this balance, different jurisdictions around the world as discussed in this report have responded with a wide range of solutions. Below are some of the ways that jurisdictions from around the world have addressed TNCs:

Option 1: Capture TNCs Under Current Regulations Using Amendments

Under the Municipal Act of 2001 (the "Act"), the City was given the power to create a system of licenses for businesses, and affords the City the authority to prohibit businesses without a license from operating and to impose penalties for non-compliance. The Act also specifically outlines the powers of the City to establish and provide for the collection of rates or fares for taxicabs and the ability to limit the number of taxicabs or any class of them. Under the Act, the City of Mississauga can choose to allow TNCs to operate provided that TNCs follow the by-law regulating for-hire vehicles ("FHV(s)").

Currently, there are four (4) different types of for-hire vehicles ("FHV(s)") licensed by the City of Mississauga's Transportation and Works Department: Taxicabs, Airport Public Transportation Vehicles ("APTVs"), Airport Municipal Transportation Vehicles ("AMTVs") and Limousines. Each mode of transportation is distinctly defined by the City of Mississauga in their by-laws regarding Public Vehicle Licensing (By-Law Number 420-04) and distinguishable based on the licensing requirements imposed on the respective drivers and vehicle owners.

For TNCs to operate under the current by-laws, they need be clearly included in the current by-laws definitions. The most efficient way of capturing TNCs under the current regulations would be to amend the definitions of either taxis or limousines as well as the definition of what a broker is to ensure TNC operations fall under the city's regulatory umbrella.

Capture Option (Taxis or Limousines)

One option is to amend the current regulations to allow TNC vehicles to be classified as taxis. Unfortunately, a difficulty in implementing this option is that there is currently a cap on the number of Taxi owners' licenses so any current TNC driver who wishes to become licensed as a taxi driver would be barred from entering the market. Recently, the Hara Taxi Plate Issuance Model Review has shown that while Mississauga's current taxi supply is adequate, there is room for a minor increase in fleet size; specifically around airports during the weekday rush and late-night on weekends. Increasing the cap must be done with caution as taxi plate values could be negatively impacted if the market is flooded with new drivers. In addition to a slight increase in the number of taxis, it is recommended that the City also change its By-laws to allow taxi drivers to work for more than one broker at a time. These amendments would give more flexibility and control to drivers and require TNCs to only work with those licensed as taxi drivers, if a closed market is maintained. Additionally, because the definition of taxis in Mississauga requires numerous features that do not exist in most TNC vehicles, such as fully operational security cameras, taximeters and the mandated rate formula, additional amendments expanding the regulations may need to be made to incorporate these types of vehicles under the taxi definition. Otherwise, enforcement efforts would need to increase to ensure complete compliance with the current By-laws. For example, the City could choose to amend and expand the definition of taximeters to include TNC mobile applications, or the city could require all TNC vehicles have an approved taximeter installed and strengthen enforcement mechanisms to ensure compliance.

The other option is to amend existing regulation to classify TNC vehicles as limousines. In order for TNC vehicles to realistically operate as limousines, certain amendments would need to be implemented to make that realistically viable. For example, very few people would choose a TNC vehicle over a taxi or traditional limousine if they had to pay the mandatory rates that limousines currently operate under. Current by-laws state that limousines have a minimum fare of \$50 for the first hour and \$30 for every subsequent hour. A Limousine Class A is also required to be hired for no less than 2 hours. TNCs typically use their own formulas for establishing fares and they are normally lower than the cost of a limousine. Requiring TNCs to use the current limousine rate structure would reduce the consumer appeal of TNCs and have potential to dramatically reduce ridership. Moreover, because TNCs currently do not use a taximeter to calculate fares or the standard limousine rates that exist in Mississauga, for passengers taking the same route, depending on the TNC providing the service and the demand at the time of the ride, fares can drastically vary. TNCs also often use surge pricing which increases the rates during periods of high demand. When implementing the amendments to regulate TNCs limousines, the City must consider how to integrate the already existing aspects of TNC vehicles into the definition of limousine while amending the regulations to standardize and moderate rates. The current rates for limousines are not compatible with the current TNC model and if the city decided to capture TNC vehicles under the City's limousine regulations,

enforcement efforts would also need to increase, at least during the initial period of transition to ensure compliance with the new amendments. One additional amendment the City may consider if implementing this regulatory regime is placing a cap on the total number of limousines in Mississauga. This will reduce the risk of oversaturating the market and help to prevent supply from outpacing demand and negatively impacting the entire FHV market in Mississauga.

Capture Option (Modified)

While option 1 recognizes TNCs as basically taxis or limousines that can be incorporated under the existing By-laws with a few tweaks to address their slightly different business model, this option would create a special limousine license for TNCs. Arguably, TNCs in the City Mississauga operate more similarly to limousines than taxicabs. Like limousines, they do not have taxi meters, they are not allowed to accept street hails and they set their own fares. However, under the existing By-laws, limousines must have minimum fares and minimum engagement times, which is not part of the TNC business model. TNCs also use dynamic pricing, which should be regulated to prevent gouging of prices when the special TNC limousines would be in the greatest demand. By creating this special category, the City of Mississauga may also consider capping the number of these special vehicles. Currently, there is no cap on limousines, but these special TNC limousines will compete heavily against taxicabs and traditional limousines, and a cap would be advisable to prevent an oversaturation of the FHV market and ensure taxicab drivers would pursue an occupation that is economically viable.

Lastly, if the City chooses to capture TNCs under the existing taxi or limousine regulations, TNCs would then be required to apply for a broker's license. Once obtained, a TNC broker could work only with licensed drivers and owners of taxis and/or limousines. Any services provided by drivers using personal vehicles (not licensed as taxis or limousines) such as those currently operating under UberX would be strictly illegal as is the case in New York City, London and most of Europe. Also note that taxis and limousines are only allowed to partner with one broker at a time. For a TNC to then acquire taxi or limousine driver partners, the drivers and owners must disassociate with their current broker and associate with the licensed TNC or accept only new licensees, if new licenses are allowed.

- ***Pros:***

There are numerous benefits that come from instituting a regulatory scheme such as this. First of all, allowing TNCs to operate under the current regulatory structure would ensure consistent regulations for current FHVs and brokers competing with TNCs. Public safety concerns are also addressed in this option by maintaining high standards for insurance, background checks, driver trainings and vehicle standards. Also, it would be less costly to amend current regulations than to create a new class of vehicles and laws governing them. Instituting this method to regulate TNCs would also increase availability of vehicles, fill niche demands that exist in the taxi market, and reduce wait times. This regulatory regime could also, if the City so chooses, restrict open entry into the market and maintain consumer protections and market stability as well as reduce environmental concerns. And lastly, these regulations would allow drivers the flexibility to move between the traditional FHV industry and TNCs, thus enhancing the labor pool and options for drivers.

- ***Cons:***

While there are numerous benefits to capturing TNCs under the existing regulations, it would inevitably result in additional enforcement, licensing, and inspection costs. It is costly and difficult to regulate unlicensed TNC operators through officer enforcement and if officer enforcement is unsatisfactory, a court injunction may be required. It would also run the risk of potentially oversaturating the FHV market with too many FHVs, particularly limousines, if open entry is allowed for TNCs (no caps on number of licenses). This leads to environmental concerns that come when adding more vehicles to the road, and economic concerns, such as market failure, which arise with the potential of devaluing taxi plates. Under any circumstances, when TNCs are introduced to a market there is always the potential for insurance gaps with TNC drivers anytime they are involved in an accident. And lastly, data protection is always a risk with mobile applications. The two top concerns should be ensuring client data security as well as accessibility to trip data information by law enforcement and others. Lastly, Taxi licensing fees may need to be increased to offset additional regulatory costs representing an additional burden on the taxi and limousine industries.

- ***Regulatory Costs: High***

The regulatory costs of capturing TNCs under the existing regulations would be high. This includes the cost of implementing amendments to the regulations, the cost to the municipality to license TNCs, the cost to license and test new drivers, TNC vehicle inspection costs, and enforcement costs to regulate them in the field. The City would also have to absorb the cost to enforce new regulations among TNCs, which could be challenging particularly if open entry is not allowed for TNCs. If enforcement is unsatisfactory a court injunction may be required and legal costs would be needed for litigation.

- ***Jurisdictions which have adopted a similar regulatory scheme (for capture of taxis and limousines):***

- New York City
- London

Option 2: New Licensing Category (Equal Regulation)

Another option the City of Mississauga can choose is to create a new category of regulations for TNCs that is more compatible with the TNC business model but maintain heavily regulated licensing standards equal to the standards set for taxis and limousines. In this case, TNCs would have to obtain the newly created TNC broker, TNC driver and TNC owner licenses. The requirements for licensing should be equivalent to taxis and limousines in terms of insurance, background checks, driver trainings, and vehicle standards. This option could include a licensing cap or growth standard, or an open licensing system to allow TNCs entry to the market in order to allow for a large pool of drivers since most of their drivers are part time workers averaging a few hours per week. Additionally, the City would not regulate TNC fare structure allowing TNCs total control over their pricing schemes, including surge pricing.

- ***Pros:***

Regulating TNCs as a more separate FHV category removes the discrepancy between TNCs and the incumbent industry in licensing standards. As a result, public safety concerns are

addressed in this option by maintaining high standards for insurance, background checks, driver trainings and vehicle standards. Furthermore it mitigates the unfair competitive advantage TNCs currently have by foregoing licensing costs including licensing fees and the opportunity cost of time spent on training and the cost of meeting the higher vehicle standards. Lastly, it may satisfy the public to have TNCs available to meet their needs in a safer environment.

- ***Cons:***

Negatively, this regulatory approach gives TNCs an unfair competitive advantage in their freedom to set their own fare structure. Allowing open entry for TNCs but not for Taxis, would potentially have TNCs flood the FHV market, significantly decreasing the Taxi market share, individual driver potential earnings, and taxi plate values. Furthermore, this option has serious negative implications for the taxi industry, particularly complicated by the fact that there is no hail market in Mississauga. Licensing TNC drivers and owners will have significant regulatory costs for the Municipality, which may be offset by new fees for TNC licensing.

- ***Regulatory Costs: High***

This option has high regulatory costs. The creation of a separate category with high regulation means the regulation burden is increased on the municipality. The municipality will potentially have to increase staff and accrue training cost to effectively implement the new licensing structure and accommodate the influx of new license applications for TNC drivers and owners to be processed. Additionally, there are costs for training the drivers and inspecting the vehicles. The City might need to increase licensing fees to meet the needs of the growth of the market. On the other hand, TNCs would be operating legally under this option.

- ***Jurisdictions which have adopted a similar regulatory scheme:***

- Maryland
- Houston
- Edmonton (Proposed)

Option 3: New Licensing Category (Unequal Regulation)

The City of Mississauga can choose to allow TNCs to operate more freely by introducing a new category of regulations for TNCs that are not as strict as regulations governing Taxis and Limousines. These new TNC regulations would provide a basic, self-regulating framework for TNCs to operate legally - determining their own driver fitness licensing standards, exclusively making the decision on whom to license or not to license, and without any government oversight. Alternatively, this option could include a licensing cap or growth standard if the City wants to control the total number of FHVs allowed on the streets. Regardless, under this option TNCs must register with the municipality but can issue their own driver permits, conduct their own background checks, and set their own vehicle standards. This applies to the initial background check process and also to any automated and/or continuous checks, which ensures that there is no subsequent criminal activity after the applicant is approved to drive.

- ***Pros:***

Self-regulation reallocates regulatory responsibility to parties other than the government. One characteristic of success that emerges quite clearly is the importance of being

able to exert sufficient control to ensure compliance with whatever rules are developed.¹³⁴ For self-regulatory bodies to control their members, sanctions—including the ultimate punishment of expulsion—must be costlier than the benefits of misbehavior.¹³⁵ In some ways, this underscores the value of including the platforms themselves as enforcers of the self-regulatory solution. For example, Uber and Lyft have tremendous potential enforcement capabilities as regulatory entities: they control the channels for demand for their drivers, and as digital platforms, disconnecting a driver involves minimal transaction costs for the companies. Rulemaking, monitoring, enforcement and remediation processes can also be faster using self-regulation rather than government regulation, which means that consumers are protected sooner.

- ***Cons:***

Self-regulation and the current processes conducted for background checks today by the TNCs simply do not reach the level of accuracy that the taxi industry and other industries that are trusted with public safety and trust maintain as best practices today, especially since, absent approvals to use a channeling agency, these private companies do not have the same access as government or law enforcement agencies. Regardless of whether the driver is an employee or an independent contractor (or whether the driver is working one hour per month or 40 hours per week), any person engaged to drive the riding public should meet the best standard to ensure public safety. TNC insurance requirements may also not as comprehensive, creating a potential insurance gap if there is an incident. TNCs, unless mandated to do so by regulations, may not provide adequate options for people with disabilities. Finally, allowing open entry may flood the market with TNCs, which would hurt drivers' incomes.

- ***Regulatory Costs: Moderate***

The regulatory costs to the city of Mississauga would be moderate, as the regulatory responsibility would be reallocated from the government to the individual TNC. There would not be a need for enforcement resources to distribute permits or provide background checks for drivers. In addition, as TNCs would be legalized. Furthermore, self-regulation can be more efficient for business, and these savings are passed on to consumers. However, increased costs would be incurred by the City to conduct regular audits of the TNCs to ensure they are in fact self-regulating. The cost of these audits may be offset by TNC licensing fees.

- ***Jurisdictions which have adopted this regulatory scheme:***

- California
- Washington, D.C.
- Kitchener–Waterloo (Proposed)

Option 4: Complete Deregulation Option

The City of Mississauga can also adopt the deregulation model that was implemented in several jurisdictions all over the world starting in the 1980's and 1990's. Ireland, Japan, New Zealand, Sweden, and South Korea all introduced some level of deregulation to their taxi industries by removing entry restrictions, lifting the cap on taxicab vehicle numbers, by

¹³⁴ <https://lawreview.uchicago.edu/page/self-regulation-and-innovation-peer-peer-sharing-economy>.

¹³⁵ *Id.*

abolishing minimum and maximum fare, by enabling taxicabs to operate in all service areas without geographical restrictions previously imposed, and by limiting taxicab driver licensing requirements.¹³⁶ Deregulation in these jurisdictions has been followed by a massive increase in the number of taxicabs, a much wider range of taxi services that exploited different market segments and offer a wider geographic coverage. Many more driving jobs have been opened up, although this is widely believed to have been accompanied by reduced incomes and longer hours. Moreover, it had been reported that little entrepreneurial flair has been observed in cities that have deregulated, and service provision in less dense markets such as suburbs and rural areas did not always improve.¹³⁷

In the United States, over 20 jurisdictions followed the U.S. Congress decision to deregulate wholly or partly, a number of industries, including airlines, motor carriers, railroads, and interstate bus companies in the 1980's, started deregulating their taxi and for-hire vehicle industry. The rationale for deregulating these industries, including the taxi industry impinged upon the ideological movement which loathed government entry and price controls as manifestly causing waste and inefficiency, while denying consumers the range of price and service options they desire. The deregulation ideological movement in the taxi industry heavily relied on the conceptual free market to respond to any inefficiency, such as vehicle quality, taxi fare volatility, and service coverage area, and correct these inefficiencies through a demand-supply driven market correction mechanism.

Thus, in the 1980's, more than 20 cities, most located in the Sunbelt, moved from a traditional regulatory structure to one of two forms of deregulated market entry: (1) open entry (13 cities); and (2) minimum standards (5 cities). Three other cities deregulated fares, but maintained controls over market entry. The open entry system, which is a total deregulation of the industry, permitted almost anyone with a vehicle and driver's license to obtain a taxi permit and provide transportation service. However, regulatory agencies would still check and confirm the existence of the proper insurance coverage and that the driver has passed criminal background check. The cities that opted to keep minimum standards permitted taxis to operate without limiting their number based on a demand driven licensing issuance structure. As such, as long as taxi operators met certain standards, such as minimum number of vehicles, radio dispatch capability, 24 hours service, and vehicle age limit, the industry operated with no further regulatory requirements.

However, the experience with taxicab deregulation was so profoundly unsatisfactory that virtually every city that embraced it has since abandoned it in favor of resumed economic regulation. A study by Price Waterhouse of these cities which deregulated their taxi industry concluded that:

- Although the supply of taxi services expanded dramatically, only marginal service improvements were experienced by consumers.
- Prices rose in every instance. Paradoxically, the influx of new entrants did not invoke the price competition typically experienced in other newly-deregulated industries.

¹³⁶ <http://www.taxi-l.org/kang0898.htm#c5>.

¹³⁷ Frankena, Mark. W. and Paul A Pautler. 1984. An Economic Analysis of Taxicab Regulation. Federal Trade Commission, Washington, D.C.

- Service quality declined. Trip refusals, a decline in vehicle age and condition, and aggressive passenger solicitation associated with an over-supply of taxis are characteristic of a worsening in service quality following deregulation.

As such, even though the deregulation model is one option for the City of Mississauga, the experience of other cities that implemented this model and their decision to revert back to some level of regulation as a result of the markets failure to correct the inefficiencies that arise following the absence of a regulator indicates that this should be one of the lesser strategies the City may adopt to provide a quality taxi service to its residences and visitors. Moreover, the Florida cities that completely deregulated their for-hire vehicle industry to accommodate companies such as Uber and Lyft indicates that the deregulation method that is being exercised has lower standards of accountability and passenger safety consideration than the open entry system that was introduced in the 1980's. For example, as a result of the Collier County, Florida decisions to deregulate the for-hire industry, county ordinance is officially taken off the books and both taxi companies and new market entrants will no longer have to buy commercial insurance and their drivers won't have to pass criminal background checks. Moreover, Collier County will no longer issue licenses to taxi or limo companies, essentially permitting anyone with a driver's license to be able to operate a for-hire in Collier County.

- ***Pros:***

Deregulation does offer some appealing benefits. For example, deregulation often results in an increased number of taxis available for hire, initially expands employment opportunities for prospective taxi drivers, and improves potential for service diversity and the emergence of new service class.

- ***Cons:***

Unfortunately, the tradeoffs for deregulating are almost always not worth the benefits. Deregulation leads to an oversupply of taxicabs, traffic congestion, and the resulting environmental impacts. There is also a danger of creating bad driver pool as a result of ease of entry into the FHV industry. Deregulation leads to a lack of certainty as to taxi fare and the potential of taxi price hike or instability. There have been many cases where deregulation leads to a limited supply of taxi service to suburban and poor neighborhoods and service refusals and discrimination as a result of lack of recourse measures for passengers.

- ***Regulatory Costs:***

Although this option would eliminate the costs of licensing and enforcement, other costs, there may be costs to other government agencies to ensure general laws against the new TNCs. There may also be societal impacts such as increased traffic, labor oversupply, reduced incomes, pollution, motor vehicle accidents, litigation, and increased crime.

- ***Jurisdictions which have adopted this regulatory scheme:***

- Collier County, Florida
- Gainesville, Florida
- Sarasota, Florida

Option 5: Pilot Program: Using New Entrants to Solve Regulatory Problems and Improve Service

The City of Mississauga could elect to amend their regulations to implement a pilot program designed to address problems which currently exist in their FHV industry as well as improve service within the City. In instituting a pilot program, similar to what New York City has enacted, the City could elect to capture TNCs under current regulations or to introduce TNCs as a separate and new heavily regulated class of vehicles. The pilot would measure the introduction of TNCs to ensure entry leads to service improvements and does not cause widespread irreversible safety or environmental problems or market failure. In any case, the pilot program would serve the purpose of improving the City's FHV industry while promoting more sound market conditions. The pilot program should be used to address the lack of wheelchair accessible vehicles as well as shortage of taxis that exists in the northeast area of the City around the airport. The program could allow TNCs to enter this market but only if they are equipped with wheelchair accessibility features and then only serve a certain geographic area. The regulation establishing this TNC approved geographic zone should include an exception that allows TNC vehicles to do passenger pick-ups outside of the TNC zone if they are responding to the requests of customers with disabilities. The City may also consider adding environmentally conscious requirements, such as the use of electric vehicles or other clean air fuels, to ensure the influx of new FHV does not contribute to a negative environmental impact. Additionally, using pilot program gives the City the added luxury of flexibility. At the end of the pilot program the City has the opportunity to analyze what policies worked, which did not, and what can be altered to improve service and/or reduce costs.

- ***Pros:***

Using a pilot program to regulate may help improve consumer protections and ensure public safety without permanently establishing any regulations that may not work. The City will have to option of abandoning any policies with negative effects or outcomes. The City can pick and choose which programs or combinations of programs they think will be most successful and have the option of easily extending programs that work. It may be easier and more palatable to pass temporary regulations and then extend them once members of the public and the FHV industry see them successfully in action. Also, the use of pilot programs removes the risk of long-term wasteful regulations. The program described above will provide greater numbers of accessible vehicles, help meet demands where there are other service gaps, provide competitive protections to current drivers, and potentially lessen negative environmental impact by the FHV industry.

- ***Cons:***

While pilot programs are largely beneficial in instituting new programs, they do have a few negatives aspects. There is a risk that successful programs are not extended because of public opinion or lobbying efforts. There is also a risk that what would become a successful program does not get the time it needs to work out the kinks and gets branded as a failure and discontinued. There is also the costs involved in writing the regulations, holding meetings with industry figures and the public to discuss, and having to reconvene at the prescribe end to the pilot program and go through a similar process in determining what the future holds for each policy. Also, new regulations such as those in pilot programs come with uncertainty in their

application which can create market confusion and increased enforcement costs or conversely a total lack of enforcement.

- ***Regulatory Costs: Low***

While pilot programs certainly come with costs such as those to write and pass the regulations, enforce the new regulations, and assess the regulations at the end of the program, they are minimal compared with instituting permanent laws and enforcing those laws indefinitely.

Option 6: Provincial Regulation

The last option open to the City of Mississauga is to request that the Province of Ontario to enact a law for TNCs for the entire province. There is currently a bill (Bill 131, Opportunity in the Sharing Economy Act, 2015) that is under consideration by the Ontario Legislative Assembly and has passed its second reading. This bill authorizes the Municipalities to regulate TNCs but prohibits a complete ban. The bill provides for licensing by the Province if the municipality in which they operate does not have its own regulations. This bill is similar to the one passed in the State of Illinois which loosely regulates TNCs for the entire state but does not preempt cities such as Chicago from creating further regulations.

- ***Pros:***

Instead of having a patchwork of regulations by cities, this creates consistent regulations for TNCs across the province. TNCs may not be able to operate if they have to follow each City's own unique laws regulating TNCs. The regulations may be crafted based upon more diverse viewpoints because you will get more comments from the entire province. It should also have lower or no regulatory costs to City.

- ***Cons:***

Regulating for-hire vehicles has traditionally been one of the powers of a City. This would take that power away and give it to the province, which might not have the experience to craft regulations to address unique circumstances in each City. There is also the danger of the new regulations creating new unfunded mandates for the City.

- ***Regulatory Costs: Low***

Provincial regulation could decrease costs for municipalities and private transport industries may result. If a less regulated approach is taken, municipalities may have increased externality costs (i.e., traffic, accidents, etc.).

Additional Considerations:

In choosing any type of regulatory system, there are some issues involving TNCs that should be addressed:

Camera/Car identification

An argument has been made that TNCs identify the driver and passenger on their platform so they therefore do not need cameras. In addition to identification, cameras may also help to record what happened in the vehicle if there is a dispute. Cameras can also be helpful to resolve disputes where some TNC drivers may illegally pickup street hails or make their own arrangements to pick up a passenger outside of the platform.

There is a question as to whether a TNC should be required to have some kind of identifying marker on their vehicles such as a special plate or logo. This would clearly identify them to the public and for police enforcement. Some jurisdictions have required TNC cars to have a non-permanent identifier, such as a magnetic sign when they are on-duty to help the public and their riders to identify them. Such markings may help prevent riders from accidentally going into a vehicle they did not request.

Accessibility

Mississauga currently is not meeting its AODA requirements for accessible for hire vehicle service. There are not enough accessible taxis to meet the needs of disabled people in the city. The Hara Associates Study recommends that Mississauga set a target for 21% of taxis to be accessible for there to be on-demand service available at all times in order to meet the AODA requirements.¹³⁸ As Mississauga is working to meet the AODA requirements with its Accessibility Advisory Committee it should also consider how it would apply the requirements to TNCs. An option that has been considered by other jurisdictions is to require TNCs to provide accessible services within a specific time frame from the time the request is made. TNCs are given the option of contracting out accessible service but it would be their responsibility to ultimately provide the service through their platforms. If a TNC does not want to provide wheelchair accessible service, Mississauga may also want to consider imposing a surcharge on TNC rides to help pay the owners and drivers of wheelchair accessible vehicles for the higher costs of operating such vehicles.

Enforcement

The City of Mississauga needs to consider the costs of enforcement against TNCs. Currently, there is a complement of 9 enforcement officers in Mobile Licensing Enforcement that regulate taxi, limousines, tow trucks and other public vehicles. For more effective enforcement more resources are required. Additional resources can be funded by increased fines, which would also act as an effective deterrent, and increased licensing fees, particularly on

138 □City of Mississauga, Taxi Plate Issuance Model Review, □Hara Associates, October 7, 2015.

TNCs. Increased licensing fees on the existing for hire industry may be seen as a burden, on an industry already struggling with a new competitive challenge.

HST

A major discrepancy between the current licensed for-hire vehicles and the TNCs operating in Mississauga is that the TNCs do not require their drivers to pay the Harmonized Sales Tax (HST). It is left up to the drivers to pay the HST and they are only required by law to pay the tax if they make over \$30,000 per year. Since there is no oversight on the TNCs and the drivers there is a great window for tax evasion. taxis and Limousines on the other hand are required to pay HST regardless of how much they earn setting an unfair competitive advantage to the TNCs. However, since HST is set by the federal and provincial governing bodies, this matter needs to be addressed by them.

Data Collection

The potential unlawful tracking of passengers and consumer data collection along with lapses in privacy safeguards is troubling. If TNCs are engaging in the collection, use and monitoring of data which is not pursuant to a legitimate business or regulatory purpose, with personal details and customer information so readily available that an intern or a job applicant (or possibly a hacker) could get their hands on it, there is a potential privacy and security issue. Thus, to the extent privacy measures are currently in place for technology used in taxicabs and/or limousines, TNCs should be held to the same standard.

TNCs may have privacy policies in place which are sufficient to protect the riding public. As such, it is recommended that the City of Mississauga conduct an audit/investigation of TNC privacy policies to determine whether they protect against the inappropriate use of data and prevent privacy or security breaches from taking place. Safeguards to be kept in mind during the City's investigation include (1) imposing restrictions on access to data internally at TNCs and to private third parties without express permission from passengers as to the specific entity or purpose for which such data will be used; (2) security safeguards to ensure that hackers cannot access such TNC data, which are imposed and monitored by regulators; and (3) a requirement, as exists in San Francisco and New York City, as well as in various Australian states and elsewhere, for the companies doing business with TNCs or TNCs themselves to submit electronic trip sheet data while on-duty (pick-up, drop-off and fare box data at a minimum) so that regulators can ensure compliance with various laws, and analyze industry economics with a solid factual basis.

It is completely within the power and authority of the City to require, as a condition to the licensure of TNCs, that privacy protections are put in place. Such requirements have been developed and imposed in local jurisdictions (i.e., New York City T-PEP regulations).¹³⁹ By way of example, in New York City, working closely with the New York Civil Liberties Union (NYCLU), regulations were enacted that required the vendors which were authorized to install the taxicab technology systems (the credit card machines, screens, monitors and GPS systems (referred to as TPEP system)) in NYC yellow taxicabs, to adhere to strict security and privacy protocols to protect the public from credit card fraud, identity theft, and other unlawful hacking

¹³⁹ See e.g., <http://www.buzzfeed.com/bensmith/uber-executive-suggests-digging-up-dirt-on-journalists>

of such data.¹⁴⁰ For example, TLC Rules require that TPEP providers establish an information security policy, prior to developing a system design, which policy must be disseminated to its employees and relevant third parties and which are reviewed and updated at least annually.¹⁴¹ Further, data categorized as private or confidential must not be transitioned to removable media without TLC approval.¹⁴²

Further, the amount of data available to the City could be limited to all that is necessary to maintain consumer safety and TNC oversight. For example, the NYC TLC is entitled to only a limited amount of data: which includes the data relative to taxicab pick-up and drop-offs, as well as certain GPS location information. The TLC does not typically obtain (and is generally shielded from reviewing) breadcrumb data, or the GPS pings of the taxicab and its location throughout the route in between pick-up and passenger drop-off. This is precisely the type of information - the tracking of a passenger trip -- that Uber was alleged to have been monitoring as part of its "God View." The TLC typically obtains very important T-PEP data on the number of rides, the taxi fare information, and other general information that include "blips or dots on a screen" -- with no particular identity of passengers or individual taxicab drivers or medallions (unless requested for a specific legitimate regulatory purpose as part of a TLC or other government investigation). Off-duty locations of taxicabs are completely off-limits to the TLC as a privacy safeguard the TLC agreed to with the NYCLU that was embodied in the T-PEP vendor agreements and the TLC rules. The TLC collects general ridership data to achieve various objectives, not the least of which is to verify that taxicabs are servicing all neighborhoods in the city, and to determine the actual earnings of taxicab drivers and medallion owners in order to make sound fact-based decisions in enacting fare increases as opposed to the prior guesswork involved in manual trip sheet surveys and other primitive regulatory methods. The TLC will only receive further breadcrumb data from the T-PEP system if it is specifically requested for a targeted and disclosed purpose (i.e., lost property; stolen cab, etc.). Further, the TLC will only release more detailed data to law enforcement if served with a subpoena.

Calculating Fares

The most important goal of regulating taxi fares is to ensure that drivers have a reasonable income where they can sustain themselves. With the TNCs that employ surge pricing, also known as dynamic pricing, many stakeholders in the existing taxi industry feel they are at a disadvantage because they are not able to adjust their fares according to supply and demand principles. Many in the industry fear raising the fare too high because they also do not want to "price taxis out of the market."¹⁴³

As discussed in the Hara Study, one of the fairest ways to set taxicab fares is through the use of a Taxi Cost Index (TCI) that measures the cost of operating a taxicab and assigns a weight to them. Using a TCI instead of the Consumer Price Index (CPI) has the advantage of giving sufficient weight to costs associated with operating a taxicab and can be easily updated and applied. Among the disadvantages is it will preserve the same profit margin without regard to

¹⁴⁰ See Chapter 76 of the NYC TLC Rules and Regulations

¹⁴¹ See NYC TLC Rule 76-03(a).

¹⁴² See NYC TLC Rule 76-03(u)(3).

¹⁴³ "City of Mississauga, Taxi Plate Issuance Model Review," Hara Associates, October 7, 2015.

whether it was too high or too low and that it requires updating when the weight of various items changes.

Most TNCs use their own formulas to create their fares. Most TNCs also use “dynamic pricing,” also known as “surge pricing.” TNCs argue this helps to ensure an adequate supply of vehicles by incentivizing drivers with higher pay when there is a shortage of vehicles. One TNC will generally surge price up to 8X the normal fare, but has experimented with 50X the normal fare.¹⁴⁴ While “surge pricing” may bring more vehicles on the road, there are fears that the times when “surge pricing” usually take effect are the times when someone may desperately need transportation, such as during inclement weather or on a holiday. Some have accused the TNCs of price gouging and the New York City Council has drafted legislation that would cap “surge pricing” at no more than 2X the normal fare.¹⁴⁵ If the City allows TNCs to set their own fares, we recommend a cap to prevent excessive fares.

Minimum Insurance Requirements for TNCs

With regard to insurance requirements, to ensure that the public is protected, Mississauga should have in place extensive rules requiring all TNC vehicles to have adequate insurance. We therefore recommend that the city follow the New York Model when instituting its insurance policies in its regulations. In NYC, app-based vehicles and drivers have the same insurance as all other taxicabs and for-hire vehicles and further legislation is not required to meet the needs of the public for safety and insurance. If there is an incident in a for-hire vehicle, the TLC has extensive rules requiring all for-hire vehicles to have adequate insurance.¹⁴⁶ Under TLC rules, taxis, livery and black cars must have liability coverage for \$100,000 per person, \$300,000 per occurrence, and \$200,000 in no-fault or personal injury protection coverage to cover medical expenses and lost earnings. Luxury Limousines must have liability coverage for \$500,000 per person, \$1,000,000 per occurrence, and \$200,000 in personal injury protection. This coverage is required at all times (24 hours per day and 7 hours per week), and vehicle owners are required to notify TLC of any changes in insurance coverage.

App-based dispatch companies like Uber and Lyft must dispatch vehicles that maintain insurance coverage in order to operate in New York City. This is not required in jurisdictions that have promulgated TNC laws that have questionable and less coverage available on the primary level, than for taxicabs and limousines providing the same exact for-hire service as TNCs. The TLC also has strict commercial insurance requirements for its licensed vehicles that must be in effect at all times.¹⁴⁷ This requirement for 24/7 insurance eliminates any potential gaps in coverage or disputes over coverage.

Many “rideshare” companies have been operating in states taking advantage of perceived loopholes in local laws to circumvent common sense regulations that protect the public, drivers

¹⁴⁴ <http://www.businessinsider.com/ubers-highest-surge-price-ever-may-be-50x-2014-11>.

¹⁴⁵ <http://legistar.council.nyc.gov/LegislationDetail.aspx?ID=2073899&GUID=0C1C4C28-9D46-4021-BAA6-EAC0D95D5F09&Options=ID|Text|Search=int.+556>.

¹⁴⁶ The chart above generally outlines the insurance coverage model currently being provided to drivers by TNCs during different phases of a network trip.

¹⁴⁷ TLC Rule §59A-12.

and others. Although they purport to provide "ridesharing" services, the business model of these companies is in direct violation of any traditional definition or understanding of true ridesharing. "Ridesharing" is the term used to describe grouping travelers into common trips by car or van through "carpooling" or "vanpooling."¹⁴⁸ At its outset, ridesharing did not, and was not intended to result in financial gain for the driver.¹⁴⁹ The purpose of ridesharing was based on common origin and/or destinations between passengers.¹⁵⁰ The fact that money is exchanged for the "rideshare" company's services transforms the transportation into a commercial/for-hire enterprise requiring appropriate commercial insurance coverage.

We have been monitoring the actions related to these rideshare companies and raise concerns with regard to the insurance coverage for these companies. The issue of inadequate insurance coverage is a serious one jeopardizing public safety, which could also undermine the public's confidence in all segments of the for-hire vehicle industry. As discussed above, the Personal Insurance Federation of CA ("PIFC") was the first insurance trade association to make a public statement addressing the issue of coverage when it comes to rideshare app companies and the transportation services they offer.

Moreover, the California Department of Insurance's ("CDI") conducted an investigative hearing on rideshare companies which resulted in the California Insurance Commissioner writing a letter, dated April 7, 2014, to the CPUC offering recommendations for more stringent insurance requirements.¹⁵¹ In the letter, the Insurance Commissioner notes that the CDI finds that personal automobile insurers never planned or intended to underwrite for the risks presented by individuals driving their personal vehicles for commercial purposes, which did not exist, when the current policies were written. As such, insurers did not incorporate for-hire use when developing their rates and the risk exposure to the personal automobile insurance "pool" that is presented by ridesharing app services may increase personal automobile insurance rates. The Insurance Commissioner also stated, "The fact that some exclusions in personal automobile insurance policies may not be clear on this point should not be misinterpreted as an agreement to cover this new TNC risk."

At least eleven states (California, Connecticut, Kansas, Maryland, Michigan, Minnesota, Nebraska, New Mexico, Ohio, Rhode Island and Tennessee) have issued insurance gap warnings regarding "ridesharing." Some examples of the alerts issued by insurance regulators over the past several months include the following:

- In February 2014, the California Department of Insurance issued a Notice to drivers for Transportation Network Companies (TNCs) to be aware of potential gaps in insurance coverage. Although TNCs approved by the California Public Utilities Commission are required to maintain \$1 million in liability insurance, TNCs are not required to have medical payments coverage, comprehensive, collision, uninsured/underinsured motorist (UM/UIM) coverage or other optional

148 Transport Reviews, Vol. 32, No. 1, 93-112, January 2012, "Ridesharing in North America: Past, Present and Future" by Nelson D. Chan and Susan A. Shaheen.

149 *Id.*

150 *Id.*

151 <http://www.insurance.ca.gov/video/0030VideoHearings/upload/CDI-CPUC20140407.pdf>.

coverages. This means that the TNC's liability policy does not have to provide coverage for: 1) bodily injury to the TNC driver; 2) damages to the TNC driver's car, or 3) bodily injury or physical damage caused by an uninsured or underinsured motorist. In addition, the Notice advised that insurance companies might deny coverage to TNC drivers that are driving passengers for payment of more than a share-the-expense car pool fee based on the above exclusion or similar exclusions.¹⁵²

- On March 12, 2014, Tennessee Commerce and Insurance Commissioner, Julie Mix McPeak, issued a warning of potential auto insurance gaps for individuals working as drivers for TNCs such as Lyft, UberX, and Sidecar. "The Department wants Tennesseans to know that most standard auto insurance policies contain exclusions for livery or driving for hire," said McPeak. "These gaps can leave individuals in insurance limbo without the coverage needed to protect their vehicle and passengers in the event of an accident."¹⁵³
- On April 16, 2014, Ohio Lt. Governor and Insurance Director Mary Taylor issued a warning that most personal auto insurance policies don't cover commercial use of a vehicle. Taylor advised would-be rideshare drivers to review their policies with an agent, broker or insurance company. "Ohioans considering these types of services should weigh all factors including any coverage gaps that may exist," Taylor said. "While the driver may have insurance, his or her policy may or may not provide all the coverage needed should an accident occur."¹⁵⁴
- On April 30, 2014, the Rhode Island Department of Business Regulation, Insurance Division, issued Consumer Alert 2014-4 to highlight "potential insurance implications for Rhode Island residents participating in for hire transportation services. The Alert states that there are potential coverage gaps since most standard personal auto policies contain exclusions for livery "which essentially means driving for hire."¹⁵⁵

Driver/Operator Training Requirements

The driver and operator training requirement in Mississauga are thorough. taxicab and limousine driver applicants are required to submit proof of age, and eligibility to work in Canada, provide a valid Ontario Driver's license (Class G or better) in good standing, a certificate of Criminal Conviction, and a medical report from a physician stating the applicant is fit and able to operate a motor vehicle. In addition, applicants must demonstrate a proficiency in English, complete a Defensive Driving Course, a Sensitivity Training Course (which includes training to assist passengers who are disabled, elderly or otherwise in need of assistance), a Taxicab Driving Course, and pass a written test including the local bylaws, the geography and popular sites in the City, and the use of a street guide. Additionally, some jurisdictions require

¹⁵² <http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/TransNetwkDrvr.cfm>.

¹⁵³ <https://news.tn.gov/node/12367>.

¹⁵⁴ <http://www.insurance.ohio.gov/Newsroom/Pages/04162014TransportationNetworkingCompanies.aspx>.

¹⁵⁵ <http://www.dbr.state.ri.us/documents/divisions/insurance/consumers/ConsumerAlert2014-4.pdf>.

more than a certificate of criminal conviction and insist on a more complete vetting process including a driver history and criminal background check while other jurisdictions also require the fingerprints of their FHV operators. Mississauga should analyze the full array of driver vetting and training options if and when they make changes to their current requirements.

Environmental Concerns and Clean Air Fuels

Anytime a program which puts additional cars on the road is being implemented, environmental impact should be considered. The City of Mississauga should contemplate the number of additional vehicles their plan would conceivably add to the streets and potentially implement standards to create a net zero environmental impact. This could be done by imposing the use clean air fuel vehicles or other environmentally conscious standards such as minimum Litres per 100 Kilometers standards for traditional fossil fuel vehicles.

Fare Flexibility

One aspect of the current regulations that some consider too onerous is the minimum fare requirements. Whereas some cities take the approach that the rate showing on the meter is a maximum allowable fare, and the majority of cities consider meter rates to be fixed (the maximum and the minimum), Mississauga does not allow drivers to charge less than the price showing on the meter.¹⁵⁶ At least one Toronto taxi company and some industry stakeholders have suggested and requested that drivers be permitted to charge less than the metered rate. The regulations could be amended to allow drivers to charge a flat fee or discounted rates. If this approach is taken, safeguards should also be implemented to prevent drivers from abusing this newfound fare flexibility. One way to ensure passengers are not being overcharged is to require the meters to run during every trip, regardless of whether a flat or discounted fare is being charged; this way the passenger always knows whether or not they are paying a reduced rate or being overcharged. While greater flexibility for drivers and the prospect of lower fares for riders appears beneficial to all parties involved, this change would not be without risk. Companies and drivers could attempt to undercut each other's pricing and reduce profitability. This could lead to cost cutting in crucial areas such as vehicle maintenance and potentially increase enforcement costs.

Taxi Cap Formula

Mississauga currently has one of the most complex formulas for determining when to issue additional taxi plates.¹⁵⁷ The formula uses weighted growth factor models consisting of twenty-two growth factors divided into five categories and each assigned its own weight. Perhaps not surprisingly, this complex formula covers five pages of the Public Vehicle Licensing Bylaw (Schedule 13). The simplest, and most common, plate issuance formula is a per capital formula, which calls for a 1% increase in the number of licenses issued for every 1% increase in the City's population with annual adjustments. The Hara Associates Taxi Plate Issuance Model

¹⁵⁶ Unless otherwise noted, information for this paragraph is from the Draft Taxi Plate Issuance Model Review by Hara Associates Incorporated, 6-2, dated October 7, 2015.

¹⁵⁷ Unless otherwise noted, information for this paragraph is from the Draft Taxi Plate Issuance Model Review by Hara Associates Incorporated, dated October 7, 2015.

Review recommends Mississauga implement a new formula that combines the 1% increase in taxi plates issued for every 1% growth in population, plus a .07% increase in taxi plates issued for every 1% growth in passenger traffic at Pearson International Airport. They also recommend the number be periodically increased based on the number of taxis and accessible taxis required by TransHelp contracts. This would help ensure the number of taxis in Mississauga remains stable in relation to tourists and visitors, the local population, and the demand for accessible taxis.

Appendix A

Compilation of TNC Regulations

TNC REGULATIONS CHART

6.1

LOCATION	DRIVER VETTING	VEHICLE LICENSING & INSPECTIONS	INSURANCE	LICENSING FEES	MISCELLANEOUS
Austin, TX Enacted: 9/25/14 Effective: 10/6/14	The TNC Agreement requires that TNC driver must hold valid driver's license, proof of registration and current automobile insurance, and may not drive for more than 12 consecutive hours; TNC Agreement requires TNC driver to submit to annual national criminal background and driver history checks.	The TNC Agreement requires TNC driver to use a vehicle that is in compliance with Texas' vehicle quality requirements for private vehicles, no further details are specified in TNC Agreement.	The TNC Agreement requires commercial liability insurance with single limit of \$1 million when the driver accepts a trip request via digital network and ending when rider departs the vehicle, and City is named as additional insured with commitment from the insurer that the policy will not be terminated or cancelled without 30 days' notice.	No fees are specified in TNC Agreement	Pursuant to Ordinance No. 20140925-077, the City of Austin provided operation requirements for TNCs, and the City Manager for Austin was directed to enter into agreements ("TNC Agreement") with TNCs to allow their operation, create a penalty, and amend the City Code Chapter 13-2 to increase certain penalties. Taxes: TNC Agreement requires the TNC to pay surcharge of \$0.10 for all rides originating in the City, and surcharge will be used to support TNC riders who require ADA accommodations. Accessibility: TNC Agreement requires TNC to reasonably accommodate service animals, or identify an alternative transportation arrangement for the rider and service animal.

<p>Baton Rouge, LA</p> <p><u>Section 10:600-606 (Ord. No. 15722, § 1, 6-25-14),</u></p> <p>Enacted: 6/25/14 and the section regarding TNC requirements was amended on 9/24/14</p>	<p>TNCs are charged with registering drivers as Transportation Network Operators. TNCs are required to conduct a criminal background check and driving record check for each applicant. Sec.</p>	<p>TNCs must register vehicles used to provide transportation network services and inspect or have a 3rd party conduct a safety and general appearance inspection of the motor vehicle before an operator may use it to provide transportation network services</p>	<p>TNCs must maintain commercial liability insurance policy that provides:</p> <ul style="list-style-type: none">a. One million per incident when the operator is driving on a tripb. Uninsured/underinsured motorist coverage of at least one million per incidentc. Contingent comprehensive and collision coverage of at least \$50,000 for physical damage to a transportation network operator vehicle during the course of providing servicesd. Additional bodily injury coverage of at least \$50,000 per person and at least \$100,000 per accident and at least \$25,000 for property damage per accident when the operator is available for service, but not providing service <p>*Does not specify whether it has to be primary</p>	<p>No licenses required, but the Transportation network companies must pay a registration fee of \$250 annually and \$75 for every vehicle it registers.</p>	<p>6.1</p>
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<p>Chicago, IL</p> <p><u>Section 9-115 of the Chicago Municipal Code</u></p> <p>Effective: 9/2/14</p>	<p>Drivers must (i) be in possession of a valid driver's license; (ii) be 21 years of age or older; (iii) not have any convictions within 12 months of seeking the license of reckless driving, hit and run, more than two moving violations, or license suspension or revocation; (iv) have no guilty findings within five years for felonies, DUIs, crimes of moral turpitude, and sale or possession of controlled substances.</p> <p>- Class A companies (logged in driver averages of less than 20 hours per week): City approval of their policies for background checks and driver training. Zero drug tolerance.</p> <p>- Class B companies (logged in driver averages of more than 20 hours per week) : Background checks and drug tests performed by the city of Chicago. The companies will need to obtain city approval for their driver training process.</p>	<p>All TNCs must be licensed.</p> <p>- Class A companies: City approval of the policy for vehicle inspections required.</p> <p>- Class B companies: Annual third party, 21-point inspection of all vehicles required. Vehicles in this class have an age limit of six years and must pass annual inspections by the city to operate up to 8 years.</p>	<p>TNCs must carry \$1 M in commercial auto liability insurance with a combined single limit for bodily injury and property damage of \$1M per occurrence from the time TNC driver has accepted a ride until the completion of the ride, as well as commercial general liability insurance with limits of at least \$1 M per occurrence for bodily injury, personal injury and property damage. The City of Chicago must be named on the policy as an additional insured.</p>	<p>- Class A companies - \$10,000. - Class B companies - \$25,000.</p>	<p>6.1</p>
<p>Cincinnati, OH</p> <p>Enacted: 10/29/14, Effective: 12/1/14</p>	<p>1) Driver licensing: same requirements proposed for TNC drivers, as currently imposed on taxi drivers; 2) Background checks: criminal background checks proposed for all TNC drivers.</p>	<p>Third-party vehicle inspections and decals proposed for TNC vehicle;</p>	<p>TNC must maintain \$1M in combined single limit liability third party coverage per occurrence for death, bodily injury and property damage beginning from when driver accepts ride request and continuing until passengers exit vehicle, and this policy shall act as primary coverage for driver, driver's vehicle and the passengers of the driver's vehicle for the duration of this period.</p>	<p>Corporate licensing fee of \$10,000 proposed for TNCs.</p>	<p>Taxes: No additional tax currently proposed under new ordinances. Accessibility: No details provided on reasonable accommodations.</p>

<p>Columbus, OH</p> <p>Enacted: 7/23/14</p>	<p>1) Driver licensing: obtain a transportation network driver's license and abide by driver standards;</p> <p>2) Background checks: TNC driver must submit to criminal background fingerprint check and a driver abstract; and be in good standing with the City's Income Tax Division.</p>	<p>The vehicle must not have been significantly modified from factory specifications (such as "stretch" vehicles), and have the following minimum requirements: (i) three doors; (iii) a working light within passenger compartment; (iv) manufacturer installed safety belts; (v) not require movement of a seat to gain access; (vi) not be older than ten years at time of inspection; and (vii) TNC vehicle subject to third party mechanical inspection, prior to initial licensing and any renewal, and will include an annual inspection form to be completed by the TNC and an inspection by an ASE certified mechanic.</p>	<p>The TNC must carry commercial liability policy with \$1 million coverage and policy shall act as primary and drop down. If the TNC driver maintains collision coverage on his/her personal motor vehicle insurance policy, the TNC shall match the TNC drivers level of collision coverage (not to exceed \$50,000 per incident). A contingent liability insurance policy must provide coverage for each associated driver and vehicle while available for hire.</p>	<p>Annual TNC fee of \$15,000; and as required for other vehicles for-hire, including, \$10 decal fee following vehicle inspection.</p>	<p>Taxes: No additional tax imposed under new ordinances. Accessibility: Must provide passenger ability to contact driver to determine whether vehicle can accommodate persons with disabilities.</p>
<p>Dayton, OH</p> <p>Enacted: 1/2015</p>	<p>Drivers must be registered with the city and have a city tag (though the tag does not need to be displayed), as per R.C.G.O. 115.303.</p>	<p>All public passenger vehicles must meet the standards prescribed and equipment requirements in MCO 100-51.5. Failure to appear for inspection: The Department of Public Works shall immediately suspend the vehicle permit when a vehicle owner does not submit the vehicle for inspection on the date and time given for the inspection to occur. MCO 100-51-6-d-1. No new or renewal public passenger permits for taxicabs shall be issued for any motor vehicles of model years greater than 10 years old at the time of application.</p>	<p>The Ordinance does not address insurance requirements for TNCs. Taxicab operators must carry \$1,000,000 for bodily injury and property damage.</p> <p>The Ordinance not available online at this time.</p>	<p>Annual TNC fee of \$8,500 as per R.C.G.O. 115.301 – 115.303.</p>	<p>Must provide name/ driver identification numbers to passenger if asked; must also provide receipt if requested; may not decline service to disabled passengers or passengers with service animals; trip records required (in format approved by police department); drivers must respond to service request within 30 minutes.</p>

<p>Dallas, TX</p> <p>TNC Regulations, Ordinance added a new Chapter 47A to the Dallas City Code; passed on December 10, 2014; effective date as of April 30, 2015</p>	<p>Driver licensing: must obtain a driver permit, by submitting driver application form and abide by regulations.</p> <p>Background checks: official copy of criminal history and all other states applicant resided in for preceding 5 years, or submit to FB Identify History Summary Check; and driving record from Texas and all other states applicant resided in for preceding 3 years.</p>	<p>N/A</p>	<p>Insurance policy requirements, include, having a policy that is acceptable to the City, names the City and its employees as additional insureds, and is listed as an authorized auto liability lines carrier on the Texas Department of Insurance's List of Authorized Insurance Companies or a surplus lines insurer listed on the Texas Department of Insurance's list of Eligible Surplus Lines Insurance Companies. In addition, the policy must include, inter alia, the following provisions:</p> <p>(a) Insurance required under this article must:</p> <p>(1) include a cancellation provision with 30 days' written notice to the director, and the City, before canceling (for a reason other than non-payment) or making a material change to the insurance policy, or not fewer than 10 days' notice before cancelling for non-payment,</p> <p>(2) cover all transportation-for-hire vehicles during all times that the vehicles are operating in furtherance of the operating authority's business, whether the vehicles are owned, non-owned, hired, rented, or leased by the operating authority, and whether the vehicles are or are not listed on a schedule of vehicles provided to the insurance company, and</p> <p>(3) include a provision requiring the insurance company to pay every covered claim on a first-dollar basis.</p> <p>(b) Proof of any and all applicable liability insurance policies in the vehicle while in service;</p> <p>(c) The operating authority may not be self-insured; and</p> <p>(d) File insurance policy required by this article with the City within 45 days of the issuance of the initial operating authority permit, and thereafter within 45 days of the expiration or termination of a previously issued policy.</p> <p>Pursuant to § 47A-2.5.2, the insurance liability coverage must at a minimum, provide as follows:</p> <p>(1) From the time a driver indicates that the vehicle is available to accept a ride request, but before the driver has accepted a ride request, the vehicle and driver must be covered by contingent primary liability coverage for injury and property damage arising out of or caused by the operation of the vehicle in the amount of \$50,000 per person, \$100,000 per occurrence for bodily injury and \$25,000 in property damage; and</p> <p>(2) From the time a driver accepts a ride request, either by being physically hailed or dispatched, to the time the passenger exits the vehicle, the vehicle and driver must be covered by primary commercial automobile liability coverage with a combined single limit of liability for injury and property damage arising out of or caused by the operation of the vehicle in the following amounts:</p> <p>a. For vehicles with a manufacturer's rated seating capacity of 1-8 passengers, \$500,000; and</p> <p>b. For vehicles with a manufacturer's rated seating capacity of 9 or more passengers, \$1,000,000.</p>	<p>Licensing fees: \$1,000 fee, together with application fee of \$410.</p> <p>Taxes: no additional tax imposed under new ordinances</p>	<p>Accessibility: when a wheelchair accessible vehicle is requested, the operating authority must provide an accessible vehicle, or cause one to be provided, without unreasonable delay. In addition, no additional fees or higher rate may be imposed for providing accessible service.</p>
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<p>Houston, TX</p> <p>Enacted: 8/6/14</p>	<p>1) Driver licensing: obtain a vehicle for hire permit, submit a drug test, a customer service training course and a physical examination; 2) Background checks: Driver must undergo a fingerprint-based FBI background check, and a warrant check.</p>	<p>“Vehicle for hire” was amended to include TNCs and such vehicles must be inspected by the City and are subject to specific age and mileage requirements.</p>	<p>TNCs are required to provide (i) a commercial automobile liability insurance, with a combined single limit of \$1 million per accident, covering liability resulting from any occurrence arising out of or caused by the operation of a transportation network vehicle for incidents involving a driver from the time a driver is matched with and accepts a trip request through the transportation network until the completion of the trip including the drop-off of passenger(s) at their final destination, regardless of whether the driver maintains personal insurance adequate to cover any portion of the claim and regardless of whether a driver is logged onto the transportation network company’s internet-enabled application or digital platform at any point following acceptance of the trip request; and (ii) Commercial automobile liability insurance in no less than the minimum coverage amounts specified in the Texas Motor Vehicle Safety Responsibility Act, as now enforced or hereinafter amended during the time that a driver for a transportation network company is logged in and available to provide services, but not actively engaged in providing the service.</p>	<p>Same fees associated with vehicle for-hire permittees.</p>	<p>Taxes: Two per cent (2%) fee on gross sales currently imposed on taxi drivers. Accessibility: The City Council has mandated a minimum number of accessible vehicles pursuant to Ordinance 2014-754, §8 that by the first anniversary of its effective date, not less than three (3%) percent of the Houston for-hire fleet and all new entrants, incl. TNCs, must consist of “ramp or lift-equipped wheelchair accessible vehicle or vehicles constructed and designed....or equipped to provide vehicle for hire transportation services to persons with disabilities who require the use of a wheelchair as a means of movement or ability to move from one place to another.”</p>
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Lansing, MI Partnership Agreement b/t the city of East Lansing and articles of incorporation for the Greater Lansing Taxi Authority entered into on 9/22/2014	No TNC license required, but drivers must possess a valid driver's license, proof of registration, maintain current automobile liability insurance and be at least 21 years old. TNC must, prior to permitting a person to be a driver, and annually thereafter, obtain a criminal history report and driver history report.	A TNC or a 3 rd party must conduct safety inspection annually and submit documentation within 21 days of the inspection to the Greater Lansing Taxicab Authority ("Authority"). No license required from the Authority.	Drivers must meet requirements of Michigan No-Fault Insurance. TNCs must meet Michigan business auto liability insurance requirements and maintain a business automobile excess liability insurance policy, covering all vehicles operated by drivers for the TNC, with a minimum combined single limit of \$1 million dollars for each occurrence of bodily injury and property damaged or accidents while a driver is in transit or during a trip. The Authority shall be named an additional insured on the TNC's policy.	No license required, but the TNCs must register with the Authority and pay a registration fee to be determined.	East Lansing and Lansing voted in September to create a Greater Lansing Taxi Authority ("Authority") to regulate TNCs. This information is from the Articles of Incorporation for the Authority. The Authority has not adopted rules yet.
Minneapolis, MN Minneapolis Transportation Network Companies (TNC) Ordinance Updated July 2014	Same background-check requirements for transportation network company drivers as taxi drivers, upon approval, drivers will be endorsed under TNC license.	Transportation network company license required- vehicles will be inspected and must meet the same requirements as taxicabs; upon approval, vehicles will be endorsed under TNC license.	TNCs are required to maintain at least \$1 million of commercial liability coverage per occurrence, covering vehicles while they are "active." TNC or driver maintains minimum liability limits \$50k/\$100k/\$30k while the driver is logged into a TNCs digital network but not engaged in a prearranged ride. https://www.municode.com/library/#/mn/minneapolis/codes	\$35,000 flat annual transportation network company license fee.	Consistent, distinctive signage required while vehicle is active on the TNC dispatch system.
Milwaukee, WI Enacted 7/22/14, Effective 9/1/2014	A public passenger vehicle driver's license required.	No public passenger vehicle may operate for hire upon the streets of the city without first obtaining a permit from the Common Council.	Minimum required policy limits are \$50k/\$100k/\$10k during all periods. Uninsured motorist coverage with limits comparable to the respective liability limits for the vehicle are also required during all periods. https://milwaukee.legistar.com/L	\$75 fee for public passenger vehicle license.	Passengers must accept the fixed fare agreement prior to the entry of the passenger into the vehicle.

<p>Orlando, FL</p> <p>TNC regulations, Ordinance No. 2014-64, Section 55.02 of Chapter 55 of the Code of City of Orlando; passed on 12/15/2014</p>	<p>Anyone providing vehicle for-hire services must have a Vehicle Permit: the permit issued which grants the privilege to operate one Vehicle for-Hire within the jurisdictional limits of Orlando. Drivers providing for-hire services on behalf of the Vehicle Permit Holder must have a Driver Permit—must be 18 years of age; sworn affidavit that applicant has not been convicted within the past five (5) years, nor have any charges pending against him or her for DWI, reckless driving, any felony, any crime involving the sale of a controlled substance; the Florida RICO Act; exposure of sexual organs or prostitution.</p>	<p>Livery vehicles accepting fares through a TNC must display the name of that TNC on passenger side or in the rear windshield of the vehicle. Vehicle must be inspected by an inspection facility and receive certification that the vehicle has been inspected by an Automotive Service Excellence mechanic and meets safety and equipment standards.</p>	<p>The Vehicle Permit-Holder shall possess a liability and property damage insurance policy issued by an insurance company or surety company who is authorized to do business in Florida, or who has a current license under federal law as a risk retention group for purposes of insurance. The coverage for each vehicle equipped to carry six (6) or fewer passengers, including the driver, shall be issued, at a minimum, in the amounts required pursuant to section 324.031, Florida Statutes (\$10,000/20,000/10,000 or \$30,000).</p> <p>The coverage for each vehicle equipped to carry seven (7) or more passengers, including the driver, shall be issued in the amount of \$1M combined, single incident, or its equivalent.</p> <p>The insurance policy shall list the City of Orlando as an additional insured with all notices of any kind; and must contain, at a minimum, a thirty (30) day written notice period prior to the effective date of termination, cancellation, reduction of coverage, renewal or non-renewal. All vehicle permits issued to a Vehicle Permit-Holder shall be covered under one master policy held by that permit-Holder.</p>	<p>\$250 for initial Vehicle Permit; \$200 for annual renewals and additional permits</p>	<p>Livery vehicles accepting fares from or through a TNC must display the electronic version of any current fare to any vehicle for hire administrator officer or Orlando police officer who so requests and TNC must allow records. Violations of the permitting requirements could result in vehicle impoundment and permit suspension or revocation. *Another note about insurance: The Vehicle Permit-Holder may also self-insure if the Vehicle Permit-Holder is certified for financial responsibility as a self-insurer, and is current in standing with the Insurance Commissioner of the State of Florida; (b) the retention of exposure by the Vehicle Permit-Holder is no greater than allowed by Florida Statute; and (c) the Excess policies, at a minimum, satisfy the policy limits listed above.</p>
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<p>Oklahoma City, OK Ord. No. 25002, § 9, 10-21-14</p>	<p>As part of application for TNV permit, proof of the following must be submitted: TNC must conduct approval process including: (1) providing proof of his personal automobile liability insurance policy; (2) conducting a driving record check from either the Oklahoma Department of Public Safety, or an Oklahoma tag agency or an accredited background company, which includes Oklahoma driving records. If the applicant has resided within other states for the previous three years, the driving record check must be done for all other states such that a complete driving record for the immediate past three years is provided; (3) conducting a criminal record background check by either the Oklahoma State Bureau of Investigation or an accredited background agency, the latter must include Oklahoma State Bureau of Investigation background information. The OSBI background information shall include a check of the sex offender registry, violent offender registry, and the criminal background; and (4) conducting the vehicle inspection requirements set forth in this article.</p>	<p>All vehicles shall be inspected by the TNV inspector prior to providing TNV services; vehicles older than 3 years or with more than \$150,000 must be inspected by an ASE Master Certified Technician.</p>	<ul style="list-style-type: none"> • Single limit coverage required for each accident or occurrence during period 2 & 3: <ul style="list-style-type: none"> o \$100,000 involving six or fewer seating capacity o \$750,000 involving seven to nine seating capacity o \$1,000,000 for seating capacity for ten • During periods 2 & 3 the TNC is required to provide coverage with minimum limits of (\$50k/\$100k/\$25k). <p>Amended by Ordinance 25,002</p> <p>https://www.municode.com/library/#!/ok/oklahoma_city/code/s/</p>	<p>Licensing fee of \$302/year for the business license/certificate;</p>	<p>TNCs must apply for a business license/certificate of public convenience. Must provide a list at the end of each month of vehicles permanently taken out of service. Must maintain records of all service. Smoking is prohibited in vehicle while operating as a TNV; a driver may refuse service to anyone with a disability or service animal. TNVs are restricted from accepting street hails. It shall be unlawful for a TNV to park or stand within an open stand for taxis or an open stand for carriages. Trip sheet required; most direct route required.</p>
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Salt Lake City, UT

Enacted 11/18/14

All drivers required to obtain a vehicle operator's badge. The badge costs \$65 for drivers. Thirty dollars of that is used to process a driver's fingerprints as part of an FBI background check. The badge is renewed every two years, and there is no charge for renewing it.

All ground transportation companies must undergo the same vehicle inspections. City vehicle inspections are based on vehicles meeting the appearance standards required by ordinance. Vehicles that meet or exceed the standards receive an inspection seal and an automated vehicle inspection tag.

TNCs are required to carry the same liability insurance limits as other ground transportation companies (taxis and limousines). There is some debate remaining about when this coverage should begin and end.

Insurance coverage levels set by determining the highest limits set by the Federal Motor Carrier Safety Administration, Utah Department of Transportation or U.S. Department of Transportation. The required limits at the time ordinance was passed, was \$1.5 million per occurrence.

<http://slcdocs.com/council/agendas/2014agendas/November/Nov25/112514A7D3.pdf>

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<p>San Antonio, TX</p> <p>Ordinance No. 2014-12-11-1002, amending and inserting new provisions under Chapter 33 of the Code of the City of San Antonio; passed on 12/11/2012; effective date as of 3/1/2015</p>	<p>Driver licensing: is a US citizen, or has legal papers to show legal right to engage in employment, is over 18 years of age, and possesses a valid Texas driver's license for class of vehicle to be operated, possesses an active Department of Defense ID and a current and valid driver's license from another state, or is a student and possesses a valid driver's licenses issued by any state or US territory; passes a drug test; completes defense driving test; and provides personal automobile policy in the minimum amount required by law.</p> <p>Background checks: must furnish release for the City to release criminal history information to the TNC, but it does not require fingerprint checks under the new ordinance.</p>	<p>Vehicle licensing and inspections: Prior to operation, and annually by A.S.E. certified mechanic in accordance with established inspection guidelines and standard of the City.</p>	<p>For all periods when a driver is logged into a TNC's application or digital platform, or is otherwise engaged in transportation network operations, including, but not limited to, when waiting for a dispatch, en route to pick up a passenger, and while providing transportation to a passenger, and insurance shall be maintained by the TNC, the driver, through a policy specifically designed to cover for a TNC, or a combination of both, including the following specific requirements:</p> <p>(i) General liability insurance and automobile liability insurance, insuring the general public against any loss or damage that may result to any person or property from the operation of the vehicles covered by the permit and securing payment through this policy of any final judgment or settlement of any claim against the applicant, its drivers and employees of the TNC resulting from any occurrence arising out of or caused by the operation of a transportation network vehicle.</p> <p>(ii) The insurance policy requested in this section shall be available to cover claims as specified in this section regardless of whether a driver maintains insurance adequate to cover any portion of the claim and shall be maintained and available for viewing on the TNC's internet enabled application and website.</p> <p>(iii) TNC shall at all times maintain the following minimum insurance coverage</p> <p>a. During the period that a driver is logged-onto TNC's application as a driver, or is otherwise engaged in transportation network operations, but has not accepted a ride and is not providing transportation to a passenger, primary coverage in the amounts of not less than: death and bodily injury coverage of \$50,000 per person; death and bodily injury coverage of \$100,000 per accident; and property damage coverage of \$25,000 per accident. There shall also be excess coverage in an amount of not less than \$200,000 per occurrence for death, bodily injury and property damage; and</p> <p>b. During the period from the time a driver accepts a trip request through to completion of the trip, primary insurance in an amount of not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage. In addition, the policy must provide not less than \$1,000,000 in uninsured/underinsured motorist coverage, and comprehensive and collision protection up to the actual value of the transportation network vehicle, up to an amount of \$50,000.</p> <p>(iv) This requirement may be satisfied by a surplus lines insurance policy that is issued by a company licensed in the United States and registered with the Texas Department of Insurance, which has a minimum A.M. Best rating of A-.</p>	<p>Licensing fees: Driver permit (\$15); Renewal of driver permit (\$15); TNC application (\$110); Citywide vehicle operating permit, per year/per vehicle, (\$160); Re-inspection (\$28); Inspection re-scheduling (\$28).</p> <p>Taxes: no additional tax imposed under new ordinances</p>	<p>Accessibility: TNC Agreement requires, inter alia, TNC to accommodate service animals, prohibit additional charges⁶¹ for provision of service; the driver to assist in stowing mobility devices; or refuse transportation of persons of rider capable of using service.</p>
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<p>Seattle, WA</p> <p>TNC regulations implementing Agreement b/t Mayor, TNCs and Industry Enacted: 7/14/2014 retroactively effective as of May 2014</p>	<p>Driver Licensing—TNC drivers shall have in the driver's possession a valid Washington State driver's license, a valid for-hire driver's license, and documentation that they are affiliated with a licensed TNC at any time the TNC driver is active on the TNC dispatch system.</p> <p>Background Check—TNC must review criminal background checks on every TNC driver and maintain records thereof. Drivers convicted of any traffic and/or criminal offense directly bearing on the driver's fitness including but not limited to theft, fraud, robbery, burglary, assault, sex crimes, alcohol, drugs, or prostitution shall not be permitted to provide TNC services. TNCs must also review driving records of TNC drivers and maintain records thereof. Drivers with convictions for any alcohol or drug related offense, reckless driving, hit and run, or driving with a suspended or revoked license shall not be permitted to provide TNC services.</p>	<p>A TNC vehicle must obtain an endorsement which is not valid and effective until and unless the driver obtains a for-hire driver's license under the law. Endorsements are valid for one year and must be renewed annually.</p> <p>TNC vehicles are required to undergo an annual 19-point inspection by a third party vendor approved by the Director</p> <p>TNC vehicles shall not be rebuilt or significantly modified from factory specifications. TNCs shall maintain vehicle inspection records.</p>	<p>TNCs must provide evidence that each vehicle has insurance in an amount no less than required by RCW 46.72.050 and underinsured motorist coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per accident, at any time while active on the TNC dispatch system.</p> <p>TNC insurance is only primary & exclusive in the event of failure of the driver to maintain personal auto insurance covering commercial activity.</p> <p>Such insurance shall name the City of Seattle as an additional insured, provide that the insurer will notify the City in writing of any cancellation and/or non- renewal at least 30 days before that cancellation and/or non- renewal takes effect, and not include self-insured retention, nonstandard deductibles, aggregate limits, territorial restrictions, named driver requirements or exclusions, or any other provisions that limit insurance coverage. RCW 46.72.050 requires: \$100K for any recovery for death or personal injury by one person/\$300K for all persons killed or receiving personal injury by reason of one act of negligence/\$25K for damage to property of any person other than the assured</p>	<p>Licensing and Regulation fee is paid for through a "per-trip fee" of \$0.35 (County) or \$0.10 (City of Seattle) based on where the ride begins.</p> <p>The total TNC industry fees shall not exceed \$525,000 in year one</p>	<p>Ordinance number 124526. Accessibility: TNCs must impose a ten-cent per ride surcharge to go towards the City's 6.1 accessibility fund. TNCs must provide passengers requesting accessibility service with contact information for an accessible taxi dispatch.</p>
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<p>Tulsa, OK Ordinance 23189, Enacted 8/18/14</p>	<p>The TNC certificate holder must have conducted a local and national criminal background check that shall include the Multi-State/Juris Criminal Records Locator or other similar commercial nationwide database with validation (primary source search) and the National Sex Offender Registry database on each potential driver before the driver is given access to the TNC's digital platform. A match on the national sex offender registry or a conviction that appears on a criminal background check within the past seven (7) years for crimes of violence, sexual abuse, felony robbery, or felony fraud, shall automatically and permanently disqualify an individual from acting as a driver for any Transportation Network Company. The holder must have a driving history record conducted on each potential driver before the driver is given access to the TNC's digital platform. A conviction that appears on a driving history check within the past seven (7) years for aggravated reckless driving, driving under the influence of drugs or alcohol, hit and run, attempting to evade the police, or the use of a motor vehicle to commit a crime, or a conviction that appears on a driving history check in the previous three (3) years for driving with a suspended or revoked license, shall automatically disqualify an individual from acting as a driver for a TNC.</p>	<p>Every vehicle operating under this chapter shall be periodically inspected by the holder/licensee at such intervals as shall ensure the continued maintenance of safe operating conditions. Upon such inspection, if it is found that the vehicle does not meet safe operating requirements, the holder/licensee shall cause the vehicle to be removed from service until such time as the vehicle has complied with safe operating standards.</p>	<p>The driver of the TNC must maintain minimum liability limits of \$25k/\$50k/\$25k.</p> <p>TNC must have a \$1 million per incident excess policy as well as step in to pay losses not covered by the driver's personal auto coverage.</p> <p>https://library.municode.com/index.aspx?clientId=14783&stateID=36&statename=Oklahoma</p> <p>Ordinance No. 23189</p>		<p>An annual certificate fee shall be assessed for each transportation network company. The certificate fee shall be assessed^{6.1} annually for the period from May 1 through April 30 of the following year. The fee shall be in accordance with the following schedule: The annual fee is based on the number of drivers authorized to provide vehicle services through the Holder's digital platform</p> <p>If 10 or fewer \$300.00</p> <p>If 11 – 40 \$600.00</p> <p>If 41-70 \$900.00</p> <p>If more than 70 - \$1200.00. A person shall not operate a transportation network company within the City unless he has been issued a current and valid TNC certificate. Rates and charges shall be posted in the licensee's digital platform or the internet at all times in a place clearly visible to the person requesting the service, prior to the TNV service being booked. Receipts must be furnished upon request; driver's name must be furnished upon request. Most direct route required.</p>
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STATES ONLY (& DC)

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Washington, D.C. Innovation Act Passed City Council 10/27/2014	The TNC shall conduct, or have a third party (accredited by the National Association of Professional Background Screeners), conduct a local and national criminal background and driving record check driver-applicants going back 7 years.	TNCs must conduct, or have a third party conduct, a safety inspection of the motor vehicle that a transportation network operator will use before the motor vehicle may be used to provide transportation network services.	TNCs must maintain a primary commercial policy of at least \$1,000,000 per incident for accidents that applies at all times driver is engaged in a "prearranged ride." There are lower minimums when app is on, but no match made: \$50K/\$100K per accident/\$25K for property damage (not primary). Mayor shall assess requirements after 1 year.	The TNC must submit to the District of Columbia Taxicab Commission proof that the company is licensed to do business in the District.	Accessibility: Company that provides digital dispatch shall ensure company's website & apps are accessible; train drivers on how to properly interact with persons w/ disabilities Companies to provide report by 2016 proposing how they plan to increase accessible service. No trip refusals and accessibility report due 2016. The Bill was introduced as the "Transportation Network Services Innovation Act of 2014", but the DC Council passed the legislation as the "Vehicle-for-hire Innovation Amendment Act of 2014". No references to worker's compensation.
State of Arizona House Bill 2135, amending sections of the Arizona revised statutes Enacted on 4/2/15; Insurance provisions effective 2/29/2016	The TNC shall conduct or have a third party conduct a local and national criminal background check that includes multijurisdictional criminal records locator or similar, validated commercial nationwide database and a national sex offender registry. TNC shall not permit an individual to act as a driver on its network who had more than three moving violations in the prior three year period, or one major violation in the prior three year period; has been convicted, within the past seven years of DUI, fraud, sexual offenses, use of a motor vehicle to commit a felony.	The vehicle shall have a seating capacity not exceeding 8 passengers, including the driver & authorized by a TNC; must display TNC trade dress, which also shall be filed with the department. Vehicles must also pass state vehicle safety and emissions standards and undergo annual brake and tire inspection by a third party.	An Insurer may issue an endorsement to a private passenger policy that expressly provides coverage for the provision of TNC services. Before 3/1/16, TNC driver shall maintain insurance that meets at least the requirements of section 28-4009. TNC coverage should be in the amount of \$25K/\$50K/\$20K. From 2/29/16, TNC or TNC driver or both shall provide primary coverage in the amount of \$25K/\$50K/\$20K. While a TNC driver is engaged in a trip, a TNC driver or TNC or both must provide primary commercial coverage in a minimum amount of \$250K and commercial uninsured motorist coverage in a minimum amount of \$250K. While TNC driver is logged on but not engaged, primary coverage in the amount of \$25K/\$50K/\$20K.	The department shall charge and collect an application fee as determined by the director.	A TNC that has a permit may not be required to pay a transaction tax or similar tax.

<p>State of Arkansas</p> <p>Senate Bill 800</p> <p>Enacted: 4/4/15</p> <p>(does not limit the Arkansas State Highway 25 and Transportation Department, the Department of Arkansas State Police, the 26 Attorney General, other state agencies, law enforcement, and local 27 governments within this state from enforcing state and federal laws or 28 regulations of general applicability that apply to transportation network 29 companies and transportation network company drivers.)</p>	<p>Applicants must provide address, age, driver's license, driving history, motor vehicle registration, motor vehicle liability insurance coverage. TNC must conduct, or have a third party conduct, national criminal background check for each applicant, including search of National Sex Offender Registry. TNC shall not permit an individual to act as a driver on its network who: has more than three moving violations or has had one major violation within the previous three years; convicted within the past seven years of DUI, fraud, sexual offense, use of motor vehicle to commit felony or a crime involving property damage, theft, acts of violence, or acts of terror; is a match in the National Sex Offender Registry database; does not possess valid driver's license; does not possess proof of registration for the vehicle(s) to be used; does not possess proof of insurance, is not at least 19 years of age.</p>	<p>A Vehicle inspection must be conducted within 90 days of beginning service by a mechanic certified by the National Institute for Automotive Service Excellence.</p>	<p>While a TNCs driver is logged into the network, but is not providing TNC services, the TNC must maintain motor vehicle liability insurance coverage that meets the minimum coverage requirements under § 27-22-104(b), providing coverage beginning with the first dollar of a claim in the event the TNC driver's own motor vehicle liability insurance policy excludes coverage or does not provide the minimum coverage required.</p> <p>While a TNC driver is providing services, the TNC shall provide primary motor vehicle liability insurance that expressly recognizes the transportation network company driver's provision of TNC services or other for-hire vehicle services; and must provide primary motor vehicle liability insurance of at least \$1mil. for death, personal injury, and property damage</p>	<p>Annual Permit Fee = \$15,000 to the Arkansas Public Service Commission</p>	<p>Street hails and cash trips are prohibited.</p> <p>6.1</p>
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<p>State of California</p> <p>Assembly Bill 2293</p> <p>Enacted: 9/17/14</p> <p>The California Legislature does not intend, and nothing in this article shall be construed, to prohibit the Public Utilities Commission from exercising its rulemaking authority in a manner consistent with this article, or to prohibit enforcement activities related to transportation network companies.</p> <p>Notwithstanding Section 11580.9 of the Insurance Code, or any other law affecting whether one or more policies of insurance that may apply with respect to an occurrence is primary or excess, this article determines the obligations under insurance policies issued to transportation network companies and, if applicable, drivers using a vehicle in connection with a TNC's online-enabled application or platform.</p>	<p>The TNC must conduct national criminal background checks & driving history. TNC drivers must possess a valid California driver's license, be at least 21 years of age, and must provide at least one year of driving history before providing TNC services. TNCs must conduct criminal background checks for each applicant before the applicant may become a driver. The background check must be a national criminal background check, including the national sex offender database, and be based on the applicant's name and social security number. Convictions within seven years for violent crimes, DUI, fraud, use of a motor vehicle to commit a felony, sexual offenses, acts of terror, or crimes involving property damage or theft will bar applicants from becoming TNC drivers.</p>	<p>Prior to operating, and annually thereafter, vehicles used to provide TNC services must pass a 19-point inspection, including foot and emergency brakes; steering; windshield; rear window and other glass; windshield wipers; headlights; taillights; turn indicator lights; stop lights; front seat adjustment mechanism; doors; horn; speedometer; bumpers; muffler and exhaust; tires; rear view mirrors; and safety belts.</p>	<p>Assembly Bill requires TNCs to provide commercial insurance once the driver activates the app. TNC services are defined with three periods. Period One is: App open – waiting for a match. Period Two is: Match accepted – but passenger not yet picked up (i.e. driver is on his/her way to pick up the passenger). Period Three is: Passenger in the vehicle and until the passenger safely exists vehicle.</p> <p>A minimum of at least \$1 million primary commercial insurance is required for Periods 2 & 3.</p> <p>A minimum of at least \$100,000 for one person, \$300,000 for more than one person, and \$50,000 for property damage of excess commercial insurance is required for Period 1.</p> <p>This insurance requirements can be met in one of two ways; 1) the TNC itself can maintain insurance on its own or 2) a combination of a TNC policy and a driver policy that is specifically written for the purpose of covering TNC services, or portion thereof.</p>	<p>The fee for filing a new application or refilling a previously denied or expired application for a TNC Permit is \$1,000. The permit is valid for three years.</p> <p>The fee to renew an existing TNC Permit is \$100.</p>	<p>Ordinance: CPUC Decision 13-09-045. Accessibility: TNCs must “endeavor to provide equal access to all consumers.”^{6,1} Public hearings scheduled in September and October to discuss how TNCs are serving the disabled community.</p>
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State of Colorado Senate Bill 14-125 Effective: 6/5/14; Temporary rules consistent with Bill effective on 7/8/14	TNC drivers must pass a criminal background and driving history check. Drivers will also be required to obtain a criminal history check every five years.	TNCs must conduct, or have a certified mechanic, conduct safety inspections on a vehicle before it is approved for use as a TNC vehicle. The vehicle must then have periodic inspections, at intervals of at least one inspection per year conducted thereafter.	TNCs must maintain liability insurance providing a minimum of \$1M coverage that applies all times a driver is logged onto the app. At minimum, contingent liability insurance must provide liability coverage if the driver’s insurer for personal automobile insurance validly denies coverage under the terms of the driver’s personal policy or the driver is otherwise uninsured. TNCs must disclose to passengers and drivers that personal policies may not provide coverage for these commercial transactions.	No licenses required, but TNCs must pay an annual permit fee of \$111,250.00 to the Commission, which may adjust the annual permit fee by rule.	Accessibility: TNC “shall provide services to the public in a nondiscriminatory manner, regardless of...disability, or other 6.1 potentially discriminatory factor that could prevent customers from accessing transportation.” TNC cannot impose additional charges for providing services to persons with physical or mental disabilities.If a ride requires the use of mobility equipment, a driver shall store the mobility equipment in the vehicle during a prearranged ride. Senate Bill 14-125. No reference to worker’s compensation.
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<p>State of Georgia</p> <p>House Bill 225</p> <p>Effective: 7/1/15</p> <p>House Bill 190 (Insurance Requirements) Effective: 1/1/2016</p> <p>Counties and municipalities which have adopted and have valid ordinances as of 43 July 1, 2014, requiring taxicabs to have certificates of public necessity and convenience or 44 medallions to operate within each such county or municipality may continue to require 45 such certificates or medallions. Except as otherwise provided in this subsection, no county 46 or municipality shall enact, adopt, or enforce any ordinance or regulation which requires 47 taxicabs to have certificates of public necessity and convenience or medallions to operate 48 within such county or municipality.</p>	<p>Drivers must have for-hire license endorsement and liability insurance coverage in the required amounts; have a current private background check certificate; must be at least 18 years old; possess valid driver's license; not have been convicted, on probation or parole, or served time on a sentence for a period of seven years prior to the date of the application for any felony or any other crime of moral turpitude.</p> <p>Applicants are subject to electronic fingerprinting; Subject to search of a multistate, multijurisdictional criminal records locator or similar nation-wide based search; search of national sex offender registry data base; review of driving history report;</p> <p>No certificate shall be issued to person who has more than three moving violations, or one major traffic violation, in prior three year period; has been convicted in the past 7 years of driving under the influence of drugs/alcohol, fraud, sexual offense, use of vehicle to commit felony, crime involving property damage or theft, crime involving violence or terror.</p>	<p>No</p>	<p>During the time a driver is logged onto the TNC network and available to accept ride request until the driver is logged off: TNC must maintain a minimum of \$100K for bodily injuries to or death of all persons in any one accident with a maximum of \$50K for bodily injuries to or death of one person and \$50K for loss of or damage to property of others;</p> <p>During the time a driver accepts a ride request until the driver completes the transaction, or the ride is complete (whichever is later), the TNC must provide a min. of \$1mil for death, personal injury, and property damage per occurrence and provides uninsured and underinsured motorist coverage of at least \$1mil per incident.</p>	<p>An annual fee not to exceed \$100</p> <p>Annual fee for master license:</p> <p>(A) For 1 to 5 for-hire vehicles: \$1,500.00</p> <p>(B) For 6 to 59 for-hire vehicles \$12,050.00</p> <p>(C) For 60 to 100 for-hire vehicles : \$25,000.00</p> <p>(D) For 101 to 150 for-hire vehicles: \$40,000.00</p> <p>(E) For 151 to 200 for-hire vehicles: \$56,000.00</p> <p>(F) For 201 to 250 for-hire vehicles: \$75,000.00</p> <p>(G) For 251 to 300 for-hire vehicles: \$90,000.00</p> <p>(H) For 301 to 350 for-hire vehicles: \$105,000.00</p> <p>(I) For 351 to 500 for-hire vehicles: \$150,000.00</p> <p>(J) For 501 to 1,000 for-hire vehicles: \$300,000.00</p> <p>K) For 1,001 and greater for-hire vehicles: \$300,000.00</p> <p>plus \$25,000.00 for each 100 vehicles</p>	<p>6.1</p>
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State of Idaho Title 49, Idaho Code, Ch. 37 Notwithstanding any other provision of law, TNCs and TNC drivers are governed exclusively by this chapter. No municipality or other local entity may impose a tax on, or require a license for, a TNC, a TNC driver, or a vehicle used by a TNC driver where such tax or licenses relates to providing TNC services, or subject a TNC to the municipality or other local entity's rate, entry, operational or other requirements.	Driver-applicants submit an application to the TNC; TNC must conduct or have a third party conduct a local and national criminal background check for each applicant which shall include - multistate/multi jurisdictional criminal records locator or other similar commercial nationwide database with validation (primary source search); and national sex offender registry database; obtain and review a driving history research report for such individual. TNC shall not permit an individual to act as a driver on its network who had more than three moving violations in the prior three year period, or one major violation in the prior three year period; has been convicted, within the past seven years of DUI, fraud, sexual offenses, use of a motor vehicle to commit a felony, acts of violence or terror.	Vehicle registration not required.	TNC and TNC drivers shall comply with all applicable requirements for insurance imposed by Idaho statutes pertaining to automobile liability insurance in Title 49 and Title 41 of the Idaho Code.	No TNC license required.	6.1
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<p>State of Illinois</p> <p>Senate Bill 2774</p> <p>Enacted 1/12/15 with an effective date of 6/1/15</p>	<p>Drivers must submit applications to TNC containing: address, age, driver's license, motor vehicle registration, automobile liability insurance, driving history research report. Drivers subject to criminal background checks. TNC cannot permit individuals to act as TNC drivers if individual: had more than 3 moving violations in the prior 3 year period; has been convicted within the last 7 years of driving under the influence, fraud, sexual offenses, use of a motor vehicle to commit a felony a crime involving property damage, or theft, acts of violence or terror; is a match in the National Sex Offenders Registry Database; does not possess a valid driver's license; does not possess proof of registration for the motor vehicle used to provide TNC services; does not possess proof of automobile liability insurance; is under 19 years of age.</p>	<p>None</p>	<p>The following automobile liability insurance requirements shall apply from the moment a participating TNC driver logs onto the TNC's digital network or software application until the TNC driver accepts a request to transport a passenger, and from the moment the TNC driver completes the transaction on the digital network or software application or the ride is complete, whichever is later, until the TNC driver either accepts another ride request on the digital network or software application or logs off the digital network software application: Automobile liability insurance shall be in the amount of at least \$50,000 for death and personal injury per person, \$100,000 for death and personal injury per incident, and \$25,000 for property damage. Contingent automobile liability insurance in these amounts.</p> <p>The following automobile liability insurance requirements shall apply from the moment a TNC driver accepts a ride request on the TNC's digital network or software application until the TNC driver completes the transaction on the digital network or software application or until the ride is complete, whichever is later: Automobile liability insurance shall be primary and in the amount of \$1,000,000 for death, personal injury, and property damage. Uninsured motorist coverage and underinsured motorist coverage in the amount of \$50,000 from the moment a passenger enters the vehicle of a participating TNC driver until the passenger exits the vehicle.</p>	<p>No fees are specified.</p>	<p>Drivers provide name/driver identification numbers to passenger if asked; must also provide receipt if requested; may not decline service to disabled passengers or passengers with service animals; trip records required (in format approved by police department); drivers must respond to service request within 30 minutes.</p>
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State of Indiana House Bill 1278 Enacted 5/5/15	A TNC may not allow a driver on the TNC network who has received judgments for: more than three moving traffic violations or at least one violation involving reckless driving or driving on suspended or revoked license in preceding three years; or who has been convicted of a felony or misdemeanor involving: resisting law enforcement; dishonesty; injury to a person; operating while intoxicated; operation a vehicle in a dangerous manner; operating with a suspended/revoked license in the preceding 7 years; applicant may not be a match in the national sex offender registry; under 19 years old.	A TNC must require that personal vehicles used to provide prearranged rides comply with all applicable laws and regulations concerning vehicle equipment.	A TNC must maintain primary motor vehicle insurance which covers the driver while he/she is logged into the TNC's network (\$50K per death/bodily injury; \$100K per incident for death/bodily injury; and \$25K per incident for property damage); or engaged in a prearranged ride (at least \$1mil per death/bodily injury/property damage.	No fees are specified.	6.1
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<p>State of Kansas</p> <p>Senate Bill No. 117</p> <p>Enacted 3/24/15</p> <p>Notwithstanding any other provision of law, TNCs and TNC drivers are governed exclusively by this act and any rules promulgated by the commission consistent with this act. No municipality or other local entity may impose a tax on, or require a license for, a TNC, a TNC driver, or a personal vehicle used by a driver where such tax or licenses relate to providing prearranged rides, or subject a TNC to the municipality's or other local entity's rate, entry, operational or other requirements.</p>	<p>Driver must submit an application to the TNC, which includes info regarding the applicant's address, age, driver's license, driving history, motor vehicle registration, automobile liability insurance; conduct or have a third party conduct a local and national criminal background check for each applicant that shall include: multi-state/multi-jurisdiction criminal records locator or other similar commercial nationwide database with validation (primary source search); and national sex offender registry database; obtain and review a driving history research report for such individual. TNC shall not permit an individual to act as a driver on its network who had more than three moving violations in the prior three year period, or one major violation in the prior three year period; has been convicted, within the past seven years of DUI, fraud, sexual offenses, use of a motor vehicle to commit a felony, acts of violence or terror.</p>	<p>Personal vehicle must meet equipment requirements applicable to private personal vehicles under Art. 17 of chapter 8 of the Kansas Statutes Annotated.</p>	<p>On July 1, 2015, a TNC driver or TNC on the driver's behalf shall maintain primary automobile insurance that covers the driver while the driver is logged on to the TNC's digital network, while the driver is engaged in a prearranged ride, or while the driver otherwise uses a vehicle to transport passengers for compensation as follows: (i) while driver is logged on to the app, available for service but not yet engaged - primary auto liability insurance of at least \$50K/\$100K/\$25; (ii) while driver is engaged in a prearranged ride - primary auto liability insurance that provides at least \$1M for death, bodily injury and property damage. Coverage requirements may be satisfied by insurance maintained by the TNC, the driver or any combination of the two. Coverage under the TNC insurance policy shall not be dependent on a personal automobile insurer first denying a claim nor shall a personal auto policy be required to first deny a claim.</p>	<p>Annual TNC permit fee of \$5,000 to the state corporation commission</p>	<p>Accessibility: If TNC cannot arrange wheelchair accessible service, it shall direct the rider to an alternate provider of wheelchair accessible service if available. Privacy: A TNC cannot disclose a rider's personally identifiable info to a third party unless the rider consents.</p>
<p>State of Kentucky</p> <p>Senate Bill 153</p> <p>Enacted March 19, 2015</p>					

<div>State of Maine</div> <div>Legislative Bill 1379</div> <div>Enacted June 30, 2015</div>		<div>Beginning October 1, 2015, a TNC driver or a TNC on the driver's behalf shall maintain primary automobile liability insurance that recognizes that the driver is a TNC driver or otherwise uses a vehicle to transport passengers for compensation and that covers the driver in accordance with the legislation.</div> <div>Minimum primary auto liability insurance while the driver is logged on to the digital network but not engaged in a prearranged ride in amounts no less than, but the greater of:</div> <div><div>a. \$50,000 per person for death and bodily injury; \$100,000 per incident for death and bodily injury; \$25,000 for property damage; or</div><div>b. The minimum amounts of coverage required under state law.</div></div> <div>Minimum primary auto liability insurance while driver is engaged in prearranged rides in amounts no less than, but the greater of:</div> <div><div>a. \$1,000,000 for death, bodily injury, and property damage;</div><div>b. The minimum amounts of coverage required under state law.</div></div>		<div>6.1</div> <div>APPENDIX 2</div>
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<p>State of Maryland</p> <p>Senate Bill 868</p> <p>Enacted 4/13/15</p> <p>Regulates TNC auto insurance and financial responsibility and specifying certain plan of maintenance requirements.</p>	<p>PSC may issue a temporary TNC operator's license if the applicant completes the application including a driving record check and a national criminal history records check conducted by the National Association of Professional Background Screeners or a comparable entity approved by the PSC. The criminal records check would include:</p> <ul style="list-style-type: none"> o A multi-state multijurisdictional criminal records database search or a search of a similar database with validation o A search of the sex offender and crimes against minors registry; and o A search of the U.S. Department of Justice's National Sex Offender Public Website; <ul style="list-style-type: none"> • The PSC may issue a permanent TNC operator's license if they submit a satisfactory supplemental fingerprint-based criminal background check, Applicants do not have to comply with the fingerprinting requirement until after April 1, 2016 if they provide details about the background check process they used. A TNC may request a waiver of the fingerprinting requirement and the PSC will determine whether such company's process is as comprehensive and accurate as a fingerprint-based check and make a determination within 3 months of receiving the waiver request whether to grant it, deny it or approve an alternative process 	<p>Vehicles must register with Maryland Public Service Commission</p>	<p>TNCs and/or an operator to maintain primary insurance that:</p> <p>Recognizes operator is a TNC operator or otherwise uses a motor vehicle to transport passengers for hire; and</p> <p>Covers the operator while he or she is providing TNC services</p> <p>Require the following coverage when the operator is actually providing TNC services:</p> <p>Security of at least</p> <ul style="list-style-type: none"> \$ Bodily injury of \$50,000 and \$100,000 for two or more people \$ Property damage of up to \$25,000 \$ Uninsured motorist insurance and personal injury protection as required under the Maryland Insurance law <p>o Coverage may be maintained by an operator, a TNC or a combination of both</p> <p>Where insurance is provided by both the TNC operator and TNC, the operator's insurance is primary. "Transportation Network Services" to means the activities of an operator during</p> <p>Period one – when the operator is logged in and ready to accept a prearranged ride request made through a TNC's digital network</p> <p>Period two – when the operator accepts a ride prearranged request from a passenger through a TNC's digital network and is traveling to pick up such passenger; and</p> <p>Period three – when the operator is transporting the passenger and ending after the passenger departs the vehicle</p>	<p>Not specified</p>	<p>TNCs, limousine companies and sedan companies can apply for a waiver from fingerprint based background checks, but there are no such provisions for taxicab companies</p> <p>This bill would exempt almost all of the records collected from TNCs, including insurance, criminal background and assessment information from disclosure</p> <p>This bill would require the preparation of several reports, including an analysis of whether there is adequate TNC insurance and recommendations on how to make traditional FHV's, such as taxis and limousines competitive.</p> <p>This bill would also create a Transportation Network Assessment Fund, which would be used to fund transportation-related projects. We should monitor this to see how this fund is being used.</p>
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State of Minnesota Senate Bill 1679 Enacted August 1, 2015	None specified.	None specified.	<p>While the TNC driver is logged on to the network but not engaged in a prearranged ride, the following coverage is required:</p> <ol style="list-style-type: none"> 1. Primary coverage of not less than \$50,000 due to death or bodily injury to one person in any accident; 2. \$100,000 due to death or bodily injury to two or more persons in any accident 3. \$30,000 for injury or destruction of property of others. <p>The following coverage is required while the TNC driver is engaged in a prearranged ride:</p> <ol style="list-style-type: none"> 1. Not less than \$1,500,000 for death, injury, or destruction of property. <p>Coverage can be satisfied by:</p> <ol style="list-style-type: none"> 1. Auto insurance maintained by the TNC driver; 2. Auto insurance maintained by the TNC 3. Combination of TNC or driver 		6.1
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State of Montana Senate Bill 396 Enacted 5/8/15 Notwithstanding any other provision of law, transportation network carrier services are exclusively governed by this chapter and rules promulgated by the commission consistent with this chapter.	None specified	None specified	A TNC must maintain primary motor vehicle insurance which covers the driver while he/she is logged into the TNC's network (\$50K per death/bodily injury; \$100K per incident for death/bodily injury; and \$25K per incident for property damage); or engaged in a prearranged ride (at least \$1mil per death/bodily injury/property damage.	None specified.	6.1
State of Nebraska Legislative Bill 629 Enacted 5/28/15	A TNC must obtain a national criminal history information check on all potential drivers. Fingerprinting is not required. TNCs may not permit drivers who: have had at least four moving traffic violations or at least one major moving violation in the past three years; have been convicted of driving under the influence in the past seven years; has been convicted of any offense involving fraud, use of motor vehicle to commit felony; crime involving property damage; theft; violence/ acts of terrorism	A TNC or certified mechanic shall perform initial safety inspection on each personal vehicle prior to approval for use as a personal vehicle. Driver shall obtain such inspections annually thereafter.	Insurance must be maintained by either the driver or the TNC TNC insurance during the engaged stage and during the passengers on board state: <ol style="list-style-type: none"> 1. Primary liability coverage in the amount of at least \$1mil for death, personal injury, and property damage; 2. Uninsured and underinsured motorist coverage for both the driver and passengers During the time a driver is logged into the TNC network, the TNC insurance shall be primary and in the amount of \$25K for death and personal injury per person; \$50K for death and personal injury per occurrence; \$25 for property damage.	A TNC can choose to pay annual fee of \$25,000 or not to exceed \$80 for each personal vehicle operated by TNC driver.	

State of Nevada Assembly Bill 176 Enacted 5/28/15 Except as otherwise provided in subsection 2, the provisions of this chapter do not exempt any person from any law governing the operation of a motor vehicle upon the highways of this State.	At the time of application and not less than once every 3 years thereafter, TNC must conduct or contract with a third party to conduct an investigation of the criminal history of the applicant, including: Review of criminal records from each state; search of sex offender registry in each state; no conviction of three or more violations of motor vehicle laws in the last 3 years; no conviction of violation of federal, state, or local law prohibiting driving while under the influence of liquor or drugs in the last 7 years; no conviction of any act of terrorism, violence, sex offense, fraud, damage to property or use of vehicle in the commission of felony in the last 7 years.	Annual inspection of each motor vehicle operated by a driver. The inspection must include, without limitation, an inspection of the foot and emergency brakes, steering, windshield, rear window, other glass, windshield wipers, headlights, tail lights, turn indicator lights, braking lights, front seat adjustment mechanism, doors, horn, speedometer, bumpers, muffler, exhaust, tires, rear view mirrors and safety belts of the vehicle which ensures the proper functioning of each component.	A TNC must provide, while driver is providing TNC services, coverage of at least \$1.5mil for bodily injury or death of one or more persons and injury to or destruction of property of others in any one accident; at least \$50K for bodily injury or death of one or more persons which occurs while the driver is logged into the network or app, and available to receive requests, but not otherwise providing services.	No fee specified.	6.1
State of New Mexico Adopted April 22, 2015 by the Public Regulations Commission	None specified.	Annual inspection form completed by a qualified inspector within the preceding twelve (12) months that shows that each motor vehicle proposed to be operated by the applicant meets the safety requirements of the federal motor carrier safety regulations	At a minimum, a TNC's insurance policy evidenced by the Form E shall provide coverage when a driver has turned on the online-enabled app or platform. The TNC's insurance policy shall be the primary insurance policy for coverage of incidents that occur when a driver has turned on the online-enabled app or platform.		

<p>State of North Dakota</p> <p>House Bill 1144</p> <p>Enacted 4/23/15</p> <p>Notwithstanding any other provision of law, TNCs and TNC drivers are governed exclusively by this chapter and chapter 26.1 - 40.1 and any rules adopted consistent with this chapter and by the insurance commissioner under section 1 of this Act. A political subdivision may not impose a tax on, or require a license for, a TNC or a TNC driver or subject a TNC to the political subdivision's rate, entry, operational, or other requirements. A political subdivision may prohibit a TNC from operating without a state permit within the jurisdiction of the political subdivision.</p>	<p>TNC must conduct or have third party conduct local and national criminal background checks, including: multistate and multijurisdictional criminal records; national sex offender registry database; driving history research report.</p> <p>TNC may not hire any driver who has had more than three moving violations or one major moving violation in the prior three years; who has been convicted, within the past 7 years, of driving under the influence of drugs/alcohol; fraud; sexual offense; use of motor vehicle to commit a felony; crime involving property damage, theft, act of violence or act of terror, or who is a match on the national sex offender registry database.</p>	<p>None specified.</p>	<p>TNC coverage, when driver has accepted a ride until driver completes the transaction or the ride (whichever is later): liability insurance is primary and in the amount of \$1mil. for death, bodily injury and property damage (maintained by either the TNC or by the driver or both).</p> <p>Insurance coverage, while app is on with no passengers in the vehicle: primary liability coverage of at least \$150K per person and \$100K per incident for death and bodily injury, and at least \$25K for property damage.</p>	<p>No fees specified.</p>	<p>6.1</p>
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<p>State of Oklahoma</p> <p>Enrolled House Bill 1614</p> <p>Effective 7/1/15</p> <p>Notwithstanding any other provision of law, the regulation, licensing or permitting of TNCs for the provisions of prearranged rides is within the exclusive jurisdiction of the Oklahoma Corporation Commission as set forth in the Oklahoma Transportation Network Company Services Act and any rules promulgated by the Commission consistent with the act. No political subdivision of the state may impose a tax on, or require a license for, a TNC or a TNC driver for the provision of prearranged rides or subject a TNC to the political subdivision's rate requirement, entry requirement, operational requirement or other requirements.</p>	<p>Applicant must be subject to local and national criminal background check including Multi-State/Multi-Jurisdictional criminal records locator and the National Sex Offender Registry; driving history research report.</p> <p>Applicant cannot become driver if he/she has had more than three moving violations or one major violation in the past three years; has been convicted within the past 7 years of driving under the influence of drugs/alcohol, fraud, sexual offense, use of motor vehicle to commit a felony, a crime involving property damage, theft, acts of violence, or acts of terror; cannot be a match on the National Sex Offender Registry database; must possess a valid driver license, and proof of motor vehicle registration, must be at least 19 years old.</p> <p>TNC shall implement a procedure for periodic information updates for each TNC driver for the criminal background and driving record information.</p>	<p>A TNC shall implement a procedure for periodic information updates for each driver's vehicle.</p> <p>TNC shall require that the vehicles meet the equipment standards of private motor vehicles under Section 12-101 of Title 47 of the Oklahoma Statutes.</p>	<p>While driver is logged onto the TNC's network, insurance required: primary automobile liability insurance of at least \$50K for death and bodily injury per person, \$100K for death and bodily injury per incident, and \$25K for property damage</p> <p>While TNC driver is engaged in prearranged ride: primary automobile liability insurance that provides at least \$1mil. for death, bodily injury, and property damage.</p> <p>– may be satisfied by either the driver or TNC or a combination.</p>	<p>Annual Permit Fee: \$5,000.00</p>	<p>6.1</p>
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<p>State of South Carolina</p> <p>Senate Bill 3525</p> <p>Transportation Network Company Act</p> <p>Amends Code of Laws of South Carolina by adding Article 16 to Chapter 23, Title 58 of the 1976 Code.</p>	<p>A TNC must obtain background and qualification information from driver applicants before approval to provide TNC services. Qualification information includes:</p> <p>A valid driver's license issued by the DMV; 21 years or older; copy of driver's ten year driving record; local and national criminal background check (conducted by TNC or third party); multistate and multijurisdictional criminal records locator (or similar nationwide database); national sex offender registry database search; proof of liability insurance.</p> <p>Driver qualification documentation must be maintained for three years.</p> <p>An applicant may not become a driver if the applicant is registered or required to register as a sec offender, has been convicted within the last ten years of driving under the influence of drugs or alcohol, fraud, use of vehicle to commit felony, felony involving property damage, theft and crimes defined as violent</p>	<p>Annual safety inspection of the vehicle performed by certified mechanic. The inspection must include inspection of foot brakes, emergency brakes, steering mechanism, windshield, rear window, windshield wipers, tail lights, turn indicator lights, stop lights, front seat adjustment mechanism, door capability to open, close, lock, unlock; horn, speedometer, bumpers, muffler and exhaust, tire condition, interior/exterior rearview mirrors, and safety belts.</p>	<p>A TNC or its driver must maintain primary auto insurance while the driver is logged on to the network or while the driver is engaged in a prearranged ride.</p> <p>While the driver is logged onto the network but not engaged in a prearranged ride, primary auto liability insurance of at least \$50,000 for death and bodily injury per person; at least \$100,000 for death and bodily injury per incident, and at least \$50,000 for property damage must be maintained; Uninsured motorist coverage</p> <p>While the driver is engaged in a prearranged ride, the following is required: Primary auto liability insurance that provides at least \$1,000,000 for death, bodily injury, and property damage Uninsured motorist coverage as provided by state law.</p>	<p>The Office of Regulatory Staff may assess each TNC an annual fee in an amount necessary to permit the Office of Regulatory Staff to carry out the requirements of Article 16 of Chapter 23, Title 58 of the 1976 Code.</p>	<p>6.1</p>
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<p>State of Tennessee</p> <p>House Bill 992</p> <p>Effective 7/1/15</p> <p>Companion Senate Bill 907</p> <p>TNCs are governed exclusively by this part. A TNC is not subject to any regulations passed by a municipality or other governmental entity governing private passenger for-hire vehicles pursuant to § 7-51-1003 and is not subject to the authority of the department of safety to regulate passenger operations pursuant to part 1 or part 2 of this chapter.</p>	<p>A TNC must conduct, or have third party conduct, a local and national criminal background check on any potential driver including a multi-state criminal records locator and national sex offender registry search; must obtain motor vehicle records for any potential driver.</p> <p>A TNC may not permit drivers who have been convicted of more than three moving violations or one major violation in the last 3 years, or who has been convicted, within 7 years, of driving under the influence of drugs/alcohol, fraud, sexual offense, use of motor vehicle to commit felony, crime involving property damage, theft, crime involving acts of violence, or acts of terror.; or applicants who are a match in the national sex offender registry, does not possess a valid license/registration, proof of automobile liability insurance, or who is not at least 19 years old.</p>	<p>None specified.</p>	<p>During the time driver is logged into the TNC network, insurance required: automobile liability insurance that meets at least the minimum coverage requirements set out in §55-12-102(12)(A)(i)(b).</p> <p>While driver is providing services: primary automobile liability insurance of at least \$1mil. for death, personal bodily injury, and property damage.</p>	<p>None specified</p>	<p>A TNC shall adopt a policy prohibiting solicitation or acceptance of cash payments from riders; drivers shall not solicit or accept cash payments from riders; any payment for services shall be made only electronically using the TNC's digital network or app.</p>
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<div>State of Utah</div> <div>Senate Bill 294</div> <div>Except as provided in Subsection (2), this chapter supersedes any regulation of a municipality, county, or local government regarding a transportation network company, a transportation network driver, or transportation network services. This chapter does not supersede a municipal, county, or local government regulation regarding a transportation network driver providing transportation network services at an airport.</div>	<div>Apply with TNC, criminal background check by the TNC or TNC designee and obtain and review report that list the individual's driving history. TNC shall not permit an individual to act as a driver on its network who had more than three moving violations in the prior three year period, or one major violation in the prior three year period; has been convicted, within the past seven years of DUI, fraud, sexual offenses, use of a motor vehicle to commit a felony, acts of violence or terror.</div>	<div>Safety and inspection as required in Sec. 53-8-205; equipment standards described in Sec. 41-6a-1601 and emission requirements adopted by a county.</div>	<div>TNC or TNC driver shall maintain insurance that covers, on a primary basis, a driver's use of a vehicle during a prearranged ride in an amount of \$1M. During "waiting periods", TNC or TNC driver shall maintain primary insurance in the amount of \$50K/\$100K/\$30K.</div>	<div>Registration fee in an amount to be determined by the Division of Consumer Protection</div>	<div>A driver pays a fee to a TNC in exchange for connection to potential passenger from TNC. Accessibility: If TNC cannot arrange wheelchair accessible service, it shall direct the rider to an alternate provider of wheelchair accessible service if available. Explicit preemption language included in bill Sec. 13-51-109 but grants airports their own authority to pass separate requirements.</div>
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<p>State of Virginia</p> <p>Senate Bill 1025</p> <p>Enacted 2/17/2015</p> <p>Except as otherwise provided in this chapter, every transportation network company, TNC partner, and TNC partner vehicle shall be subject to exclusive control, supervision, and regulation by the Department, but enforcement of statutes and Department regulations shall be not only by the Department but also by any other law-enforcement officer. Nothing in this section shall be construed as authorizing the adoption of local ordinances providing for local regulation of transportation network companies, TNC partners, or TNC partner vehicles.</p>	<p>The bill requires TNCs to ensure that all drivers are 21 years old and properly licensed to drive. They must conduct background checks on all drivers including conducting a national criminal background check, drug and alcohol check, obtaining a driving history report, and status on the state and national sex offender registries.</p>	<p>A TNC partner vehicles must be titled and registered personal vehicles; have a maximum seating capacity of no more than seven persons, excluding the driver. They must be registered with the DMV for TNC use and display TNC and DMV identification markers. The bill also requires TNC partners to have valid Virginia safety inspection and carry proof of that inspection in the vehicle.</p>	<p><u>Until January 1, 2016:</u> TNC insurance shall maintain a minimum vehicle liability coverage for death, bodily injury, and property damage in the amount of and the minimum amount of \$1 million; TNC insurance shall provide uninsured motorist coverage and underinsured motorist coverage to be applied from the moment a passenger enters a TNC partner vehicle until the passenger exits the vehicle. The minimum amount of uninsured motorist coverage and underinsured motorist coverage for death, bodily injury, and property damage is \$1 million; TNC insurance shall provide secondary motor vehicle liability coverage of at least \$125,000 per person and \$250,000 per incident for death and bodily injury and at least \$50,000 for property damage. <u>On and after January 1, 2016:</u> TNC insurance shall provide primary motor vehicle liability coverage of at least \$50,000 per person and \$100,000 per incident for death and bodily injury and at least \$25,000 for property damage.</p>	<p>An Initial TNC license fee of \$100,000 and an annual license renewal fee of \$60,000.</p>	<p>TNC must provide a credential to the driver and disclose information about the TNC partner and TNC policies to passengers.^{6.1} The DMC may conduct periodic reviews of TNCs to confirm compliance and authorizes fees to cover DMV's costs administering the program.</p>
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AIRPORT INFO

6.1

AIRPORT	AGREEMENT
NASHVILLE	Agreement was reached with Uber and Lyft to allow operations at Nashville International Airport. According to reports, Uber and Lyft are required to obtain a permit, pay user fees and be clearly identified.
SAN FRANCISCO	Agreement was reached with Uber, Lyft and Side Car to allow operations at SFO. According to reports, Uber, Lyft and Sidecar are subject to the same regulations and requirements for all permittees at SFO.

Appendix B

Compilation of all litigation against TNCs in the United States

LITIGATION CHART of U.S. CASES

Case Name	Court and Case No.	Subject Matter/Claims
National Federation of the Blind v. Uber Tech, Inc., et al.	Case No. 3:14-cv-04086-NC (N.D. Ca)	Violations of ADA/Disability discrimination
Solana v. Uber Tech., Inc., et al.	Case No. 21207509 (Circuit Court of the 11th Judicial Circuit, Miami Dade County, Florida)	Negligence
Albuquerque Cab Company Inc., et al. v. Uber Tech., Inc., et al.	D-202-CV-201405912	Unfair Competition
New Mexico Public Regulation Commission v. Lyft, Inc.,	D-101-CV-201401737 (New Mexico State Court)	Enforcement of PRC's cease and desist order
Child Doe, et al. v. Uber Tech., et al.	Civil Action No. CL15-2215 (Circuit Court for the City of Virginia Beach)	Sexual Assault/Kidnapping
McCandliss, et al. v. Uber Tech., Inc., et al.	Case no. 1:14-cv-03275 (N.D. GA)	Unfair Competition
Philliben, et al. v. Uber Tech., Inc., et al.	Case No. 3:2014cv05615 (N.D. CA)	Fraud
Davis, et al. v. Miami-Dade County, et al.	Case No. 2015-2645-CA-01 (11th Judicial Court of Florida)	Antitrust
Borja, et al. v. Uber Tech., Inc. and Lyft.	Case No. 1:15-cv-20040 (S.D. FL)	Labor Issue
Antman v. Uber Tech., Inc.	Case No. 3:15-cv-01175 (N.D. Ca)	Fraud/Privacy Breach
Ryan Lawrence v. Uber Technologies, Inc.	CGC-13-535949 (California Sup. Ct., County of San Francisco)	Negligence
Jiang Liu, et al. v. Uber Technologies, Inc [Tentative Settlement Reached]	CGC-14-536979 (California Sup. Ct., County of San Francisco)	Negligence/Wrongful Death
United Independent Taxi Drivers Inc., et al v. Uber Tech., Inc, et al.	BC51387 (California Sup. Ct., County of San Francisco)	Negligence
Herrera, et al. v. Uber Tech., Inc., et al.,	CGC-13-536211 (California Sup. Ct., County of San Francisco)	Negligence
Fahrbach v. Uber Tech., Inc.	CGC-13-533103 (California Sup. Ct., County of San Francisco)	Negligence
Goncharov, et al. v. Uber Tech., Inc.	CGC-12-526017 (California Sup. Ct., County of San Francisco)	Economic Interference
Landmark American Insurance Company v. Uber Tech., Inc., [Settled]	1:2013-cv-02109 (ND IL, Eastern Division)	Insurance Issue
O'Connor, et al. v. Uber Tech., Inc.	2013-cv-03826 (N.D. CA)	Worker misclassification
Lavitman v. Uber Tech., Inc	Civil Action No. 12-449 (Suffolk County Superior Court)	Unjust Enrichment
Dundar v. Uber Tech., Inc.,	Case No. 653400-2013 (Supreme Court of New York, New York County)	Promissory Estoppel
Boston Cab Dispatch Inc., et al. v. Uber Tech., Inc	Civil Action No. 13-10769-NMG (Massachusetts District)	Misrepresentation & Unfair Competition (Lanham Act) via illegal fares
Yellow Group, LLC, et al v. Uber Tech., Inc., [Voluntarily Dismissed]	Case No. 12-cv-7967 (N.D. IL, Eastern Division)	Misrepresentation & Unfair Competition (Lanham Act) via false advertising
Greater Houston Transportation Company, et al. v. Uber Tech., Inc and Lyft, Inc.,	Civil Action No. 14-941 (S.D. Texas, Houston Division)	Misrepresentation & Unfair Competition /Ridesharing vs For-Hire
Western Washington Taxicab Operators Association v. Uber Tech., Inc.	Case No. 14-2-08259-2 (Washington Superior Court)	Misrepresentation
Noorpavar v. Uber Tech., Inc.,	Case No. 2:14-cv-01771-JAK-JCG (C.D. CA)	Violation of Telephone Consumer Protection Act
Manzo Miguel, et al. v. Uber Tech., Inc.,	Case No. 1:2013cv-02407 (Circuit Court Cook County, IL)	Unfair Competition
Ehret, et al v. Uber Tech., Inc.	No. 12-CH36714 (Circuit Court Cook County, IL)	Defraud
Ramos, et al. v. Uber Tech., Inc., and Lyft Inc.	Case No. 5:14-cv-00502-XR (W.D. TX, San Antonio Division)	Violations of ADA/Disability discrimination
United Independent Taxi Drivers Inc., et al. v. Uber Tech., Inc. and Lyft, Inc.	Case No. BC513879 (California Superior Court, Los Angeles)	Economic Interference
City of Columbus v. Uber Tech., Inc.	No. 2014 EVH 60125 (Franklin County Municipal Court, Environmental Division)	Violation of City Regulations/Injunctive Relief
Greenwich Taxi, Inc., et al. v. Uber Tech., Inc. and Lyft	Case No. 3:14-cv-733 (District of Connecticut)	Misrepresentation/Unfair Trade Practices
The Yellow Cab Company, et al. v. Uber Tech., Inc., et al.	1:2012cv07967 (N.D. IL)	Unfair Competition
Cotter v. Lyft	Case No. 3:13-cv-04065-YGR (N.D. Ca)	Worker misclassification
LA Taxi Cooperative, Inc., et al. v. Uber Tech., Inc.	Case No. 3:15-cv-01257-MEJ (N.D. Ca)	False advertising (background checks of drivers)
The People of the State of California v. Uber Tech., Inc., et al.	Case No. CGC 14-543120 (Ca Sup. Ct., County of San Francisco)	False advertising/consumer protection
Ghazi v. Uber Tech., Inc., et al.	CGC-15-545532 (Ca Sup. Ct., City and County of San Francisco)	Unlawful Competition
Uber Tech., v. Berwick	CGC-150546378 (Sup Ct San Francisco)	Appeal of Labor Commissioner's decision re worker misclassification
City of Madison, W.I. v. Uber Tech., Inc.	3:2015cv00101 (Wisconsin Western District Court, Dane County)	Violation of City Regulations
Checker Cab Philadelphia, Inc. et al v. Uber Tech., Inc., et al. [Decision on March 3, 2015]	Civil Action No. 14-7265 (E.D., PA)	False Advertising/Unfair competition
Taxicab Paratransit Association of California v. Public Utilities Commission of the State of California	Case No. C076432 (California Court of Appeal, Third Appellate District)	Violation of equal protection rights under U.S. and CA constitutions
Taxicab Paratransit Association of California v. Public Utilities Commission of the State of California	Case No. S218427 (California Supreme Court, Los Angeles)	Environmental Issues
Illinois Transportation Trade Association et al., v. City of Chicago	Case No. 1:14-cv-00827 (N.D. IL)	Violation of the Takings Clause (5th Amendment) and Equal Protection (14th Amendment) of the U.S. Constitution
Black Car Assistance Corp., et al. v. the City of New York [Dismissed and closed.]	Case No. 100327/2013 (New York Supreme Court, New York County)	Violation of City Regulations
Uber Tech., Inc. v. John Doe	NO. C 15-00908 LB. (N.D. Ca)	Computer Fraud

Appendix C

Compilation of all TNC Incidents

JURISDICTION	DATE	INCIDENT	Source
Alexandria, VA, USA	7/20/2014	Police charged Uber Driver, Reshad Chakari, with second degree sexual abuse after a passenger accused him of assaulting her when she fell asleep during her cab ride home.	http://www.nbcwashington.com/news/local/Police-Make-Arrest-After-Woman-Accuses-Uber-Driver-of-Assault-268755481.html
Arlington, VA, USA	7/12/2015	An Uber driver was charged with misdemeanor sexual battery after allegedly groping a female passenger.	http://wjla.com/news/crime/uber-driver-charged-with-sexual-battery-after-allegedly-groping-passenger
Atlanta, GA, USA	9/7/2014	An Uber driver allegedly pulled a gun on a valet parking attendant and threatened to kill him. The employee asked the Uber driver to move forward to park in a designated space, at which time an altercation ensued. Subsequently, the Uber driver pulled out a gun and pointed it at the employee and told him he was going to kill him.	http://www.wsbtv.com/news/news/local/police-uber-driver-pulled-gun-threatened-kill-vale/nhFxc/
Avalon, NJ, USA	6/3/2015	An Uber driver got in the back seat with the passenger and started touching himself inappropriately and making inappropriate remarks to the female passenger. The passenger caught the whole thing on tape. The driver was removed from the Uber platform.	http://gothamist.com/2015/06/03/video_creepy_uber_driver_fondles_hi.php
Avon, OH, USA	8/16/2015	An Uber driver is accused of sexually assaulting a passenger before dropping her off at her housing development. The passenger was too scared to go home and called 911 while hiding in the bushes by the housing development's pool house.	http://www.cleveland.com/avon/index.ssf/2015/09/avon_police_to_pursue_sexual_a.html

Boston, MA, USA	12/6/2014	An ex-Uber driver Alejandro Done, 46, plead guilty to kidnapping, aggravated rape and assault and battery. He was sentenced to serve 10-12 years in prison. He had picked up a woman on Dec. 6 on Tremont Street in Boston and raped her in Cambridge. He has also been connected to 5 other assault cases. Although he was not a driver for Uber at the time of the rape, he had passed Uber's criminal record checks while he was working for them.	http://www.wcvb.com/news/uber-driver-charged-with-rape-eyed-in-2-other-assaults/30291782 http://www.dailymail.co.uk/news/article-3277241/Ex-Uber-driver-pleads-guilty-Boston-rape-gets-prison.html
Boston, MA, USA	2/8/2015	An Uber driver was charged with indecent assault and battery against a passenger. A female passenger said the driver touched her indecently several times on her ride home.	http://www.bostonglobe.com/metro/2015/02/09/boston-uber-driver-charged-with-indecent-assault-and-battery-boston-police-say/k9eKsX2q95hA9bdM13lorJ/story.html
Charleston, SC, USA	8/9/2015	A middle school teacher moonlighting as an Uber driver was charged with kidnapping and first-degree criminal sexual conduct after sexually assaulting a passenger and kicking her out of the car on the highway. The passenger was then hit by another car. The driver admitted his crimes to the police.	http://www.abcnews4.com/story/29760841/records-jerry-zucker-6th-grade-teacher-arrested-for-criminal-sexual-conduct
Chengdu, China	8/26/2015	An Uber driver was charged with robbery and rape after he pulled a knife on a female customer demanding all her money and then proceeding to rape her and take photographs of her exposed. He dropped her off 3 hours later and threatened her with the photos not to report the crime.	https://www.techinasia.com/uber-nightmare-chinese-woman-robbed-sexually-assaulted-threehour-ordeal/
Chicago, IL, USA	3/8/2014	A driver for Uber faced battery charges for allegedly fondling a passenger.	http://www.nbcchicago.com/news/local/Former-Uber-Driver-Charged-With-Fondling-Passenger-254799501.html

Chicago, IL, USA	7/31/2014	Uber driver, Adnan Nafasat, overpowered and choked his 21-year-old male victim after asking him to sit in the front of his personal car because the back seats were dirty. Police charged the driver with criminal sexual assault, unlawful restraint and kidnapping.	http://www.nbcchicago.com/news/local/uber-driver-charged-288586431.html
Chicago, IL, USA	11/16/2014	A woman told police her Uber driver asked her to sit in the front seat because he was unfamiliar with the area. The driver began assaulting the woman and she blacked out. She woke up to find herself being raped by the driver in an unfamiliar apartment after which he drove her home.	http://www.chicagotribune.com/news/local/breaking/chicago-investigating-uber-driver-20141209-story.html
Chicago, IL, USA	6/6/2015	An Uber Driver was arrested and charged with disorderly conduct, after allegedly exposing and touching himself to a female passenger. He was later found to have had several driving and criminal offences on his record that showed a crack in the Uber background checks.	http://www.sjr.com/article/20150612/NEWS/150619807 http://abc7chicago.com/news/uber-driver-removed-from-platform-after-failed-background-check-/808080/
Columbus, OH, USA	8/29/2015	Monica L. Serrott was run over by the rear wheel of an Uber vehicle and was pronounced dead on the scene. The cause of the accident was not determined and no charges were filed.	http://www.dispatch.com/content/stories/local/2015/08/28/woman-dies-after-struck-by-vehicle-on-north-side.html
Dallas, TX, USA	7/25/2015	Talal Ali Chammout, an Uber Driver, with a criminal record for possession of dozens of guns was arrested for raping a female passenger. He allegedly followed her into her house knocked her out and raped her. The victim is now suing Uber, the driver and his limousine company seeking more than a \$1 million in compensation for medical expenses and mental and physical damages.	http://thescoopblog.dallasnews.com/2015/08/dallas-woman-sues-uber-after-accusing-driver-of-sexual-assault.html/

Delhi, India	5/30/2015	A sexual harassment case was filed against an Uber driver after he tried to forcibly kiss a female passenger.	http://www.huffingtonpost.in/2015/06/01/uber-molest-girl-delhi_n_7482914.html
Delhi, India	6/28/2015	An Uber driver was arrested for molesting a US tourist passenger.	http://www.deccanherald.com/150731/nation-crime/article/us-tourist-alleges-molestation-uber-driver-delhi
Delhi, India	12/7/2014	Uber Driver, Shiv Kumar Yadav, was arrested for allegedly sexually assaulting and beating a female passenger. He was found guilty on November 3, 2015 and sentenced to life in prison. Delhi's Transportation department banned Uber from operating in the city after this incident but they later resumed operations.	http://www.cnet.com/news/uber-banned-from-india-capital-after-alleged-rape-incident/ http://money.cnn.com/2015/11/03/news/uber-india-rape-sentence/
Denver, CO, USA	3/31/2015	After dropping off a passenger at the airport, Gerald Montgomery, an Uber Driver, went back to the passenger's home in an attempt to rob it but was surprised by her roommate being home. The driver was taken into police custody and deactivated by Uber pending the investigation.	http://www.people.com/article/uber-driver-arrested-attempted-burglary
Gold Coast, Australia	9/4/2015	Uber Driver yelled at his passenger mid-ride to get out of the cab and then dragged her out of the car himself and proceeded to drive over her leg. The passenger was taken to the hospital with a suspected broken leg and blood clot. Police are investigating the crime and Uber deactivated the driver's account on the platform.	http://www.dailymail.co.uk/news/article-3224535/Gold-Coast-woman-suffers-broken-leg-blood-clot-run-Uber-driver.html
Houston, TX, USA	1/26/2015	An Uber driver was arrested for sexual assault after allegedly taking an intoxicated passenger back to his home and raping her. The driver had previously served 14 years in jail for a drug related crime, which would have disqualified him as a driver by the state law.	http://www.houstonpress.com/news/updated-what-we-know-so-far-about-the-local-uber-driver-accused-of-raping-a-passenger-6715846

Kolkata, India	7/8/2015	An Uber driver was caught masturbating while a 25-year old female passenger was in the car. He was arrested by police and Uber deactivated his account.	http://time.com/3967215/uber-india-driver-arrested-kolkata-masturbating/
London, UK	3/1/2014	An Uber Driver allegedly asked female passenger if she wanted him to perform oral sex on her, offering to pull over on a side street to do so. He was removed as a driver from the platform and the passenger was refunded for the trip.	http://metro.co.uk/2014/12/11/uber-driver-sacked-for-asking-london-passenger-to-perform-oral-sex-4982897/
London, UK	5/17/2015	An Uber Driver pulled over halfway through a passenger's journey from Kensington to Islington demanding that the passenger gets out of the car and told her "I hope you get raped" after the passenger had commented that he was taking a longer route. The passenger pleaded to be driven to her destination which ended up taking twice as long as it should have. After complaining to Uber she was reimbursed for the fare and the driver was de-activated from the platform.	http://www.london24.com/news/crime/i_hope_you_get_raped_uber_driver_tells_woman_1_4077895
London, UK	6/28/2015	After an Uber client cancelled her reservation she received a voicemail from the Uber driver verbally assaulting her and threatening to cut her neck. Uber was notified, the driver was suspended pending investigation and the police were notified.	http://www.dailymail.co.uk/news/article-3156053/Lecturer-left-terrified-Uber-driver-threatened-slit-throat-chilling-voicemail-left-cancelled-taxi.html
London, UK	7/2/2015	Florian Pedemanaud, an Uber passenger, says that he was in a car accident that resulted in the car bursting into flames due to an Uber Driver's reckless driving. They were on the highway on their way to Heathrow Airport. Uber refunded his fare and deactivated the driver but claims no liability for the accident since the driver is an "independent contractor"	http://www.standard.co.uk/news/london/uber-crash-victim-offered-35-refund-after-minicab-crashes-on-m4-and-bursts-into-flames-10370220.html

London, UK	10/8/2015	Uber Customer, Susan Ismaeel, claims that an Uber driver twice tried to drive off while she had not completed her entrance into the car resulting in a gash to her head and scrapes and bruises on her legs.	http://www.mirror.co.uk/news/uk-news/uber-customer-taken-hospital-after-6594474
Los Angeles, CA, USA	4/25/2015	A USC student alleges she was raped by an Uber Driver after he drove her home from a party.	http://www.nbclosangeles.com/news/local/USC-Student-Accuses-Uber-Driver-Rape-302111731.html
Los Angeles, CA, USA	10/14/2014	A Los Angeles Uber customer decided to leave a party for home early via UberX. Instead of taking her home, the driver took her on a nightmare ride to an abandoned lot, 20 miles away from her destination. The driver then locked the doors and would not let her out which prompted the passenger to scream for help, only then did the driver take her home. Uber first responded to the passenger's claim by apologizing for the inefficient route and partially refunding the fare. A day later they refunded the rest of the fare.	http://valleywag.gawker.com/uber-calls-womans-20-mile-nightmare-abduction-an-ineff-1645819700
Los Angeles, CA, USA	2/1/2015	A Los Angeles Uber driver wasn't working early Sunday morning, but he allegedly pulled over to pick up a passenger anyway and then sexually assaulted her.	http://www.bizjournals.com/losangeles/news/2015/02/03/off-duty-l-a-uber-driver-accused-of-sexual-assault.html
Los Angeles, CA, USA	6/2/2014	An Uber driver was arrested for kidnapping for the purpose of sexual assault after a woman woke up in a motel room with him following a night of drinking.	http://abc7.com/news/uber-driver-takes-drunk-woman-to-motel-arrested/91780/
Los Angeles, CA, USA	6/3/2015	Woman claims Uber driver verbally assaulted her, dragged her out of the car, and left her on the street after she told him he was driving the wrong way on a one-way street. Uber refused to release the driver's full name for the police report but said that they had deactivated the driver from the platform and refunded the passenger's \$4 cancellation fee.	http://laist.com/2015/06/04/uber_driver_behaving_badly.php

Madison, WI, USA	4/25/2015	An Uber driver is accused of inappropriately touching a female passenger and commenting that he would take her to a different destination than the one requested. Only after the passenger continued to demand to be let out of the vehicle did he let her go. Uber would not release the driver's information to the police without a warrant or subpoena.	http://www.nbc15.com/home/headlines/Police-Woman-inappropriately-touched-by-Uber-driver-301479391.html
Melbourne, Australia	1/1/2015	An Uber driver was arrested for indecently assaulting a 19-year-old female passenger on New Year's Day.	http://www.heraldsun.com.au/news/law-order/uber-driver-arrested-over-alleged-sex-assault-in-melbourne/news-story/200c9101a4f31ec7218507d7bd6b6d4a
Mississauga, Canada	5/17/2015	A Mississauga Uber driver was charged by York Police with sexual assault. He allegedly told a female passenger that she could either pay with money or by other means, when she exited the car he got out and sexually assaulted her.	http://www.theglobeandmail.com/news/toronto/uber-driver-charged-with-sexual-assault-on-female-passenger-in-vaughan-ont/article24519289/
New York City, NY, USA	9/1/2014	After The Daily Beast writer Olivia Nizzi reached her destination on an Uber ride, the Uber driver asked her if she had been near Lincoln Center a few hours earlier. She said she hadn't since she didn't remember walking past there. Then he took out his iPad. "Really?" he asked. "Because you look like this girl." He turned the iPad around to face the back seat. To her surprise, she saw a full-length, close-up picture of herself, wearing the workout clothes she'd had on an hour previously. The Uber driver asked her if she wanted him to send her the picture. The driver continued to harass her via email, contacting her employer and her friends through Facebook after getting her full name from the driver's own Uber app.	http://www.thedailybeast.com/articles/2014/03/28/uber-s-biggest-problem-isn-t-surge-pricing-what-if-it-s-sexual-harassment-by-drivers.html

New York, NY, USA	4/30/2015	An Uber driver is accused of assaulting a female passenger after she fell asleep in the car. She woke up to find him caressing her face and trying to kiss her. She ran out of the car and eventually filed a report with the police. Uber deactivated the driver from the platform.	http://newyork.cbslocal.com/2015/04/30/uber-driver-assault-allegation/
Oklahoma City, OK, USA	12/1/2014	An Oklahoma City real estate broker claims in a lawsuit that he needs dental surgery after a late-night ride through the ridesharing service, Uber, ended with a punch in the face in the parking lot of an Arby's restaurant.	http://newsok.com/oklahoma-city-uber-passenger-sues-after-scuffle-with-driver/article/4879999/?page=1
Orlando, FL, USA	9/19/2014	Ramy Botros, an Uber Driver, was arrested and charged with battery after a passenger said he had groped her breast and driven around aimlessly before dropping her off at her destination.	https://www.washingtonpost.com/news/spotlight/wp/2014/09/25/uber-driver-arrested-for-groping-a-woman-because-she-was-asking-for-that/
Paris, France	1/17/2015	An Uber driver was arrested and charged with sexual assault on a female passenger after he would not let her out of the vehicle ordering her to perform oral sex.	http://www.theverge.com/2015/3/25/8287519/uber-driver-arrested-sexual-assault-paris
Philadelphia, PA, USA	7/17/2014	An Uber driver got out of his car and started banging on Lorraine Delp's car and spit on her window. When she got out of the car to confront him, she claims that he physical assaulted her resulting in a broken nose and her earring being pushed into the skin of her neck. The driver was arrested for assault and reckless endangerment. Lorraine Delp has filed a civil law suit against Uber and the driver for the assault.	http://www.nydailynews.com/news/crime/philly-uber-driver-beat-model-traffic-jam-lawsuit-article-1.2054316

Philadelphia, PA, USA	2/6/2015	A police report was filed claiming an Uber driver raped a female passenger and then continued to drive around for two hours before letting her go. Uber claims it was not informed of the incident by police and therefore it took them a month to deactivate the driver.	http://time.com/3757398/uber-rape-philadelphia/
Roselle Park, NJ, USA	8/22/2015	An Uber driver raped a female customer when she invited him into her home with a female friend after driving them around all evening. He was arrested by police for the sexual assault and removed by Uber from their platform.	http://www.nydailynews.com/news/national/uber-driver-25-accused-raping-woman-nj-apartment-article-1.2340882
San Diego, CA, USA	9/5/2015	After a female passenger vomited in a Lyft car, the driver told her there is a 200\$ cleaning fee or 100\$ if she pays it in cash. When she went into her house to get the cash, the driver followed her in, groped her and demanded sexual favors and in exchange he would waive the cleaning fee. The passenger was able to get the Lyft driver to leave and is now suing him and Lyft for the incident. The passenger seeks punitive damages for sexual battery, civil rights violations, gender violence and negligence. Her lawyer argues that Lyft charges \$1.50 as a "trust and safety fee" but fails to take the necessary safety measures.	http://www.sandiegouniontribune.com/news/2015/oct/30/lyft-lawsuit/
San Francisco, CA, USA	12/31/2013	Six year-old Sophia Liu was hit and killed by a vehicle driven by Uber driver Syed Muzaffar, who was logged into the Uber app at the time. Muzaffar had a reckless driving record from almost 10 years prior. Attorneys for Uber argue that the company was not liable for the death because the driver was an independent contractor.	http://www.sfgate.com/bayarea/article/Uber-denies-fault-in-S-F-crash-that-killed-girl-5458290.php

San Francisco, CA, USA	11/24/2014	Daveea Whitmire was charged with two misdemeanor battery counts, one of which stems from a fight with a passenger he picked up through UberX. Whitmire has a felony conviction from 2009 for selling marijuana, a felony charge from 2012 for selling cocaine and is currently on probation for a battery charge. Uber insisted that the driver had passed its standard background checks.	http://www.forbes.com/sites/ellenhuet/2014/06/03/uber-driver-with-felony-conviction-charged-with-battery-for-allegedly-hitting-passenger/
San Francisco, CA, USA	10/15/2015	An Uber Driver threatened to kill and rape a passenger over the phone when he couldn't find her at the pick up location. He called several times verbally assaulting her. Uber contacted the passenger to apologize after she spread news of her encounter on social media. The San Francisco Police department is conducting a criminal investigation on the driver.	http://gawker.com/san-francisco-uber-driver-fired-after-allegedly-threat-1737356150
San Francisco, CA, USA	9/23/2014	Roberto Chicas, a 35-year-old San Francisco bartender, climbed into an UberX car around 2 a.m. and expected to get home safely. Instead, he landed in the hospital after his driver allegedly bashed in his face with a hammer after a dispute over the route.	http://www.forbes.com/sites/ellenhuet/2014/09/30/uber-driver-hammer-attack-liability/
Seattle, WA, USA	5/30/2015	When a Lyft passenger forgot her phone in the car, she called it and the driver answered demanding sex in exchange for the phone. He then came to her house and when she reached for the phone inside the car he drove off dragging her slightly causing her multiple abrasions and lacerations.	http://www.geekwire.com/2015/lyft-driver-in-seattle-allegedly-drags-customer-behind-car-after-demanding-sex/
Sydney, Australia	10/17/2015	An Uber driver was arrested by police for sexually assaulting a British tourist after offering her a ride off the street. The ride was not booked through the platform. Police have CCTV footage capturing the driver purchasing condoms before the assault.	http://www.businessinsider.com.au/a-ride-sharing-driver-has-been-arrested-for-rape-in-sydney-2015-10

Toronto, Canada	6/20/2015	Fareborz Karandish, an Uber driver, is sought by police for allegedly sexually assaulting a 21 year old female passenger in the vehicle.	http://www.torontosun.com/2015/09/25/uber-driver-wanted-for-june-sex-assault
Toronto, Canada	9/15/2015	Toronto police have charged Uber Driver, Amritpal Singh, with sexual assault and forcible confinement after a passenger claimed he sexually assaulted her in the car outside her destination.	http://www.cp24.com/news/uber-driver-accused-of-sexual-assault-in-police-custody-1.2607295
Virginia Beach, VA, USA	11/7/2014	A 13-year old girl had been using Uber to get back and forth from school when she kept getting the same driver who would make inappropriate comments to her despite her giving him low ratings on the app. After several of these uncomfortable rides with the same driver, the girl's mother says the driver reached back and touched her daughter inappropriately asking if her mom was home. The mother is now suing Uber and the driver for \$2 million in compensatory damages and \$350,000 in punitive damages on claims of assault, battery, intentional infliction of emotional distress, negligence, and negligence hiring and retention.	http://www.courthouseenews.com/2015/06/16/mom-says-uber-driver-molested-her-daughter.htm
Washington, D.C., USA	7/8/2014	Ryan Simonetti, CEO of New York-based Convene, and two colleagues claim to have been kidnapped, after they summoned an Uber Car. Simonetti said that as they approached their Uber car, they spotted a D.C. taxi inspector talking to the driver. But after they got in the car, the driver started driving and running red lights for about 10 minutes, while being followed by the Taxi Inspector.	http://www.washingtonpost.com/blogs/dr-gridlock/wp/2014/07/09/man-visiting-d-c-says-uber-driver-took-him-on-wild-ride/

Washington, D.C., USA	12/10/2012	A teenage girl was returning home after a late night. The Uber driver pulled into her driveway and after she got out, he waved her back and she complied. That's when he allegedly struck her on the head and raped her. The family has a surveillance camera that shows the driver carrying the girl back to the house.	http://www.nbcwashington.com/news/local/Teen-Accuses-Uber-Driver-of-Rape-183599831.html
Washington, D.C., USA	2/13/2012	A customer's burp allegedly sent the driver into anti-American, anti-gay rant. After customer stepped out of the car, the driver spat in his face and slapped him, the filed complaint claims.	http://www.washingtoncitypaper.com/blogs/citydesk/2013/03/08/uber-driver-allegedly-assaults-customer-for-burping/
Washington, D.C., USA	9/8/2013	A man named Erik Search claims that the driver of the Uber car he ordered on the night of Sept. 8, 2013 was behaving oddly, so he and his friends got out and walked away but were followed. The driver, Yohannes Deresse, then allegedly drew a knife and stabbed Search more than half-a-dozen times, causing major injuries. Uber is being sued for \$2 million.	http://dcinnostreetwise.co/2015/02/24/uber-is-being-sued-for-2m-over-an-alleged-stabbing-in-dc/
San Francisco, CA, USA	9/24/2014	An Uber driver is accused of sexually harassing three female passengers when they used the service to get home. When the women confronted the driver about his actions he stopped in the middle of the highway and started yelling at them. Uber suspended the driver's account pending an investigation.	http://abc7news.com/325011/
Washington, D.C., USA	7/19/2014	An Uber passenger passed out in the car and woke up to find the driver sexually assaulting her. The passenger was able to text her friend that she was in trouble, the friend then called the driver which scared him into dropping her off at a nearby hotel.	http://valleywag.gawker.com/another-uber-driver-stands-accused-of-sexually-assault-1612258968

Appendix D

PVAC Meeting Summary

October 1, 2015 □PVAC Hearing (Summary of Comments)

On October 1, 2015, the Public Vehicle Advisory Committee □PVAC□ held a public hearing to discuss Transportation Network Company Regulations. All relevant stakeholders and interested parties were encouraged to voice their concerns and recommendations for consideration in this report. The following is a summary of comments from the meeting:

A representative from All Star Taxi (250 drivers) said that the belief that the current regulation system in Mississauga is very good and that TNCs should be made to operate within the current system. He asked that the definitions of □Broker□ and □Driver□ be revised in the current by-laws to include TNCs so that they can be regulated under the current system. A motion to refer this idea to counsel was passed unanimously.

It was then clarified by the PVAC Chairperson that currently TNCs were considered to be brokers and that their operation without proper licenses is considered illegal and the City has been enforcing that by-law. However, the Chairperson explained that the problem is not with the laws, but with the resources given to his department to enforce the law. He explained that there are only nine officers on the road and they cannot effectively stop every TNC driver on the road with such limited resources. At the end of the meeting, it was noted that the city finds about 10-15 unlicensed drivers per day.

A representative from Uber recommended that counsel look at different cities and states that have already passed TNC laws for guidance. He said TNCs should not be treated the same as taxis because they have different business models; they don't allow street hailing and their drivers work less hours (less than 5-10 hours per week). He claimed that Uber gives some people an opportunity to earn extra income. The representative argued that Uber is expanding the transportation market, not taking a share of a fixed market and that their competition is not taxis but the personal automobile. The representative stated that there is no need for cameras in their vehicles for safety because the Uber driver does not accept street hails and that the driver and riders are identified on Uber's system.

Discussing commercial insurance, the representative explained that Uber has a \$5 million dollar per incident contingent insurance policy on its platform. He further explained that their drivers don't need commercial insurance since their cars are not used as many hours as taxis. Uber welcomes an insurance package that is more catered to TNC usage. The representative also said that Uber performs background checks, vehicle inspections, and has insurance which Uber welcomes to be codified into law. He explained that Uber is not licensed anywhere in Canada because Uber doesn't believe the current laws require it to be licensed. The representative defended its pricing, explaining that its prices are completely transparent, that prices are fixed and available on the app before each ride. He said the price is determined by supply and demand (surge pricing) and that hotels and airlines do the same thing. He recommended that regular taxis

should adopt flexible price systems like Uber's system. He said that there are 10-12,000 registered drivers with Uber in the Greater Toronto Area (GTA) and that more than 30% of them only drive 5 hours per week.

A committee member recommended that Uber should request the Province to take up the TNC matter. She explained that while she understands that TNCs are here to stay, the incumbent industry should not be abandoned and that the Province should assist with the transition by perhaps buying up all the old plates and retraining.

Another taxi industry representative spoke, questioning Uber's tax obligations. He showed a newspaper ad claiming that Uber drivers collectively have made \$50 million and asked if taxes were paid on those. (An earlier comment had been made by a PVAC committee member and confirmed by the Uber representative that since Uber drivers are considered independent contractors, they are only required by law to have an HST number if they make more than 30,000 dollars and that responsibility falls on the driver. On the other hand, licensed taxi drivers are required to have an HST number regardless of the amount of income they generate.) The taxi industry representative pointed out that when Uber started in Mississauga they only charged drivers 20% of each fare but that number was later increased to 25% which is more than what a normal brokerage charges. He recommended that four definitions need to be changed for the TNCs to be brought under the current framework; Broker, driver, vehicle and taxi.

The Chairperson of the Accessibility Advisory Committee made a brief statement requesting that the report include accessibility concerns.

A representative from Brant City Taxi also made a statement maintaining that the current taxis in Mississauga have the technology (smartphone apps), that TNCs are not offering a service that taxis don't provide, but, even more so, they offer services to everyone (non-smartphone holders, cash payers, and people with disabilities) which TNCs are not doing. However, TNCs ability to avoid taxes, commercial insurance and other regulations taxi companies have to abide by allows TNCs to set lower prices than the current taxi companies. Thus, taxi companies cannot compete fairly with TNCs.

Appendix E

Comments submitted in response to Request for Comments

Mississauga

6.1

From: Chris Schafer
Sent: Thursday, October 01, 2015 1:29 PM
To: Mississauga
Cc: Daus, Matthew
Subject: Uber: Mississauga
Attachments: Mississauga-Best Practices re TMAs (1).pdf

Dear Mr. Daus,

I am bringing this to your attention (see attached). It's a letter that was included as part of the agenda at today's PVAC meeting.

Please let me know if I can be of any further assistance with your review.

Sincerely,

Chris Schafer
Uber Public Policy Manager - Canada

www.uber.com



U B E R

6.1

August 27, 2015

Mr. Mickey Frost
Director, Enforcement
Transportation & Works Department
City of Mississauga
300 City Centre Drive
Mississauga, ON
L5B 3C1

Dear Mr. Frost,

RE: Best Practices in Dealing with Mobile Taxicab Mobile Applications (TMA) from other Cities

As you know, city staff has been directed to report on best practices in dealing with mobile taxicab applications from other cities at the September 22, 2015, meeting of the Public Vehicles Advisory Committee (PVAC). In anticipation of that report, I am writing to you in advance to provide the perspective of Uber Canada with respect to this pending report.

As you are aware, Uber is a global technology company with operations in 59 countries and over 330 cities around the world. In Canada, Uber is available in Edmonton, Toronto (the Greater Toronto Area (GTA) including Mississauga), Ottawa, South Western Ontario (Hamilton, Region of Waterloo, London, and Guelph), Montreal, Quebec City, and Halifax. Uber has hundreds of thousands of riders and over 13,000 driver partners in the GTA, a majority of whom drive on the Uber platform part-time.

As a technology company, Uber connects passengers and drivers without the need for a physical intermediary. Passengers use the Uber smartphone application (app) to request a ride on-demand from wherever they happen to be. Drivers, who choose to partner with Uber, use the Uber driver app to receive ride requests from nearby passengers.

In Mississauga, Uber offers a range of products including uberX, uberXL, and uberSELECT. UberX, our peer-to-peer ridesharing service priced at 40-50 percent less expensive than traditional taxi in Mississauga, is the focus of this written submission. UberXL is a larger format uberX vehicle capable of seating more than the traditional four passengers, while uberSELECT guarantees a higher end uberX vehicle such as a BMW, Mercedes, etc.

Across Canada, Uber has been actively engaged in meeting with provincial and municipal officials, both elected and bureaucratic, to share information about Uber and to discuss smart regulatory frameworks to govern ridesharing. To date, there is no Canadian jurisdiction in which Uber is banned. In fact, a number of jurisdictions in Canada are actively engaged in review of their taxi by-laws and ridesharing/Uber:

U B E R

- In Vancouver, a Motion was passed late last year to study “the benefits of ridesharing” and report back to Council. Uber and other traditional stakeholders have been actively engaged in stakeholder roundtable consultations on the future of the for-hire transportation sector in Vancouver.
- In Edmonton, it is anticipated that draft TNC by-laws will be presented to the Executive Committee and City Council this fall.
- In Toronto, city staff is preparing a report for consideration by the Licensing and Standards Committee and Council this September with respect to ridesharing/Uber.
- In Ottawa, city staff is engaged in a comprehensive taxi by-law review that will examine ridesharing/Uber this fall, with a new by-law anticipated by the end of 2015 to regulate TNCs such as Uber.
- At the Region of Waterloo, city staff introduced a first-of-its-kind draft by-law to regulate TNCs like Uber. This draft by-law will undergo successive revisions as the public and industry stakeholder consultation process unfolds; a process which includes Uber.

As is evident from the list above, several jurisdictions in Canada are actively considering regulation to address the existence of ridesharing/uberX since its inception in Canada, starting in Toronto in September 2014. Uber has always been supportive of smart adaptable regulations for ridesharing that ensures public safety and consumer interests remain protected.

Internationally, as ridesharing has matured, many jurisdictions have already drafted and passed ridesharing regulations. In fact, 50+ jurisdictions at the state and/or city level in the United States, including Mexico City and the Philippines globally, have adopted smart ridesharing regulations known as Transportation Network Company (TNC) regulations, separate and apart from traditional taxi and limo regulation.

For those jurisdictions interested in studying ridesharing in advance of adopting TNC style regulations and/or amending existing for-hire transportation by-laws, Temporary Operating Agreements (TOAs) have been signed between the TNC (Uber) and municipality to govern the operation of TNCs during this interim period, allowing cities to take the necessary time to study ridesharing before making decisions on an appropriate regulatory response. See the info-graphic below that outlines U.S. jurisdictions with ridesharing regulations and TOAs in place.

Given the recent Ontario Superior Court decision which dismissed the City of Toronto's application for injunctive relief against Uber (in addition to a similar decision from a lower court in Edmonton, Alberta), I understand that Mississauga enforcement staff will now review options to regulate Uber, which includes the engagement of consulting services for the regulation of TMAs like Uber, with a report due back to Council by the end of

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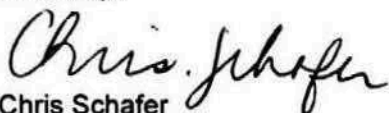
2015. I look forward to being a constructive participant as that process unfolds in Mississauga.

I would respectfully encourage the City of Mississauga to continue to encourage the Province of Ontario to adopt a smart regulatory framework for ridesharing at the provincial level so that all Ontarians can have consistent access to ridesharing across the province and benefit from the availability of innovative transportation alternatives and the job creation it brings.

At the same time, I would encourage the City of Mississauga to review and learn from the 50+ jurisdictions, including Austin, TX, Washington, DC, and the State of Illinois, in the United States that have already successfully adopted ridesharing regulations to govern TNC's such as Uber and in doing so, have ensured that citizens in those respective jurisdictions continue to have access to a safe, more affordable and more reliable transportation option.

A Leger poll released on August 25, 2015, found that 1 in 5 Greater Toronto Area (GTA) residents have used the Uber app and 4 in 5 Ontario residents believe Uber should continue to operate in the province of Ontario. By adopting smart regulatory responses to ridesharing, Mississauga will be well positioned to harness the economic potential of ridesharing to create jobs for local residents and create value for local consumers by providing them with enhanced transportation alternatives.

Sincerely,



Chris Schafer
Public Policy Manager
Uber Canada

cc: Mr. Daryl Bell
Ms. Karen Morden
Ms. Sacha Smith
Mayor Bonnie Crombie - Mayor
Councillor Jim Tovey
Councillor Karen Ras
Councillor Chris Fonseca
Councillor John Kovac
Councillor Carolyn Parrish
Councillor Ron Starr
Councillor Nando Iannicca
Councillor Matt Mahoney
Councillor Pat Saito
Councillor Sue McFadden
Councillor George Carlson

Nearly 1M people have signed petitions
supporting ridesharing in their cities.



RIDESHARING REGULATIONS

COLORADO 4.28.2014	HOUSTON 8.6.2014	LITTLE ROCK 11.18.2014	VANCOUVER 2.26.2015	NORTH DAKOTA 4.18.2015	TENNESSEE 5.20.2015
CHICAGO 5.28.2014	TULSA 8.28.2014	DALLAS 12.5.2014	KENTUCKY 3.19.2015	KANSAS CITY 4.23.2015	KANSAS 5.22.2015
BATON ROUGE 6.25.2014	CALIFORNIA 8.28.2014	NASHVILLE 12.16.2014	UTAH 4.1.2015	WISCONSIN 5.1.2015	BLOOMINGTON 5.26.2015
SEATTLE 7.14.2014	AUSTIN 10.16.2014	CHATTANOOGA 1.6.2015	ARKANSAS 4.6.2015	INDIANA 5.5.2015	NEBRASKA 5.27.2015
MINNEAPOLIS 7.18.2014	OKLAHOMA CITY 10.21.2014	SPRINGFIELD, IL 1.6.2015	IDAHO 4.7.2015	GEORGIA 5.6.2015	NEVADA 5.29.2015
COLUMBUS, OH 7.21.2014	DC 10.28.2014	ILLINOIS 1.12.2015	NEW ORLEANS 4.9.2015	OKLAHOMA 5.8.2015	
MILWAUKEE 7.22.2014	CINCINNATI 10.29.2014	VIRGINIA 2.17.2015	ARIZONA 4.10.2015	MARYLAND 5.12.2015	

TEMPORARY OPERATING AGREEMENTS

DETROIT MASSACHUSETTS PALM BEACH PENNSYLVANIA PORTLAND SOUTH CAROLINA
SPOKANE

Mississauga

6.1

From: Al Cormier
Sent: Friday, October 02, 2015 11:56 AM
To: Mississauga
Cc: Ron Starr; 'Carolyn Parrish'; mickey.frost@mississauga.ca
Subject: City of Mississauga study - Taxi Regulations

As a member of the City's Public Vehicle Advisory Committee, I thank you for the opportunity to comment on the study you are conducting for the City of Mississauga on its taxi regulations. We all know that the appearance of UBER on the scene is disrupting the taxi industry and caused this study. Your assignment, as I understand it, is to analyze the situation and advise the city on options for moving forward with regulatory reforms - if needed. I have the following comments to submit:

1. I am a citizen representative on the Committee and my comments are aimed at maintaining or improving mobility services for Mississauga's residents. I am cognizant of the fact that the 'taxi industry' needs to operate under a regulatory regime that is both fair and not too intrusive. The industry is well represented by other Committee members who never miss an opportunity to speak on their behalf.
2. According to media coverage, UBER seems to be well received by the general public and we therefore have to think of how UBER like services can co-exist with conventional taxi services. At the end of the day, serving consumers is the primary goal while preserving current institutions as much as possible.
3. Changes to Mississauga's regulations will have to be reasonable to ensure customer protection but not so punitive that it would purposely constraint the growth of TNC type services, which consumers want. Creating a 'level playing field' might well mean abandoning some of our existing taxi regulations such as setting fares and setting the max # of taxis.
4. UBER type services are only one of dozens of technology applications which over the years have benefitted the consumer but have partially or totally eclipsed existing industries. Examples are many (secretaries, postal services, travel agents, bank tellers, typographers etc...) We cannot stand in the way of progress for many to protect the status quo for a few.
5. I recognize that the existing taxi industry has worked hard for the current protection they are getting from local regulations and expect these regulations to be enforced. To some degree, these have also afforded some protection to the public. I have serious difficulty in seeing how once city can provide enough enforcement to successfully curtail all technology applications that might negatively impact on the current taxi business model in their community.
6. Ride Sharing by definition covers a wide range of services beyond competitive services to the taxi industry. Ride sharing promotion can effectively deliver several services that are not competing with taxis but which are needed. Examples are carpooling (which we need more of to reduce traffic congestion) and providing services in low density areas of the city that are not or cannot be served well by transit. Accordingly, any proposed regulatory changes to 'level the playing field' between TNCs and the conventional taxi industry will have to be carefully circumscribed to ensure they do not accidentally prevent the growth of ride sharing in areas where the city would indeed find it desirable as noted.
7. Taxi services for the disabled are in need of improvement. Any regulatory changes must not forget their needs.
8. In closing, I would urge you to think not only of new regulations or revisions to existing regulations but to also think of regulations that may have outlived their usefulness and could be removed. I am thinking of the # of taxis and fare levels in particular. By way of example, we do not set a limit on the number of restaurants in Mississauga nor do we set menu prices. We exercise enough controls for the consumer through health regulations and related rules.
9. In 2013, the International Association of Transportation Regulators published Model Taxi Regulations to deal with TNCs. On reading these regulations, I get the impression they attempt to pigeon new technologies in regulations designed for technologies before the advent of apps and smart phones. Since you are the President

of IATR – on a pro bono basis – and obviously supportive of these model regulations, can we expect a fair set of recommendations for Mississauga.

6.1

10. Finally, I am not accustomed to work with consultants that ‘donate their time’. How are you covering your costs?

Regards

Al Cormier

Mississauga

6.1

From: Karen Morden <Karen.Morden@mississauga.ca>
Sent: Monday, October 05, 2015 11:51 AM
To: Mickey Frost; Daryl Bell; Robert Genoway; Daus, Matthew; Mississauga
City of Mississauga - Request for Comments
industry request for comments.pdf

Cc:
Subject:
Attachments:

Importance: High

The City of Mississauga is requesting comments and input from all those associated with the Taxicab and Limousine Industry in Mississauga, with respect to the regulation of transportation network companies (TNCs).

Please see the attached, or below, for detailed information. Please distribute to your colleagues and post to make this available to those without access to email.

All written submissions are due on Friday, October 16, 2015. Please send your comments to:
mississauga@windelsmarx.com

If you have any questions or require further information, please don't hesitate to contact me for assistance.

Kind regards,

Karen Morden
Legislative Coordinator, PVAC



Karen Morden
Legislative Coordinator, Office of the City Clerk
T 905-615-3200 ext.5471
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[City of Mississauga](#) | Corporate Services Department,
Legislative Services Division

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Request for Comments

Background:

The City of Mississauga is seeking to analyze and assess the impact of transportation network companies (TNCs) on the City's for-hire transportation market, and to determine whether new regulations should be developed which specifically address regulation of TNCs, or whether the existing regulatory structure of public vehicle licensing by-laws is sufficient. 6.1

Comments are being solicited on the current and anticipated impact of TNCs on the taxi and limousine industries within the City. In addition to the public comments received at the Public Vehicle Advisory Committee meeting of October 1, 2015, **you are invited to submit written comments on or before the close of business on Friday, October 16, 2015. Written comments should be limited to the scope of the inquiry and sent to the following email address: mississauga@windelsmarx.com**

Please submit comments on the following:

1. Existing Laws & Regulatory Structure

Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?

2. Licensing Standards

Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? ☐ Or, if not, why not?

3. Facts and Data

What facts, data and studies, or information about the business models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or whether such entrants can be allowed to operate?

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Mississauga

6.1

From: Peter Pellier
Sent: Monday, October 05, 2015 2:51 PM
To: Mississauga
Subject: FW: UBER - A SQUARE PEG IN A ROUND HOLE

TO WHOM IT MAY CONCERN:

By way of introduction, I am a member of the Mississauga taxi industry. Please find enclosed deputation to the Mayor & members on the matter of accommodating Uber. I enclose it for your perusal.

Thank you.

PETER D. PELLIER

From: Peter Pellier
 To: mayor@mississauga.ca; jim.tovey@mississauga.ca; karen.ras@mississauga.ca;
 chris.fonseca@mississauga.ca; john.kovac@mississauga.ca; carolyn.parrish@mississauga.ca;
 ron.starr@mississauga.ca; nando.iannicca@mississauga.ca; matt.mahoney@mississauga.ca;
 pat.saito@mississauga.ca; sue.mcfadden@mississauga.ca; george.carlson@mississauga.ca;
 carmela.radice@mississauga.ca; karen.morden@mississauga.ca
 CC: mickey.frost@mississauga.ca; daryl.bell@mississauga.ca
 Subject: UBER - A SQUARE PEG IN A ROUND HOLE
 Date: Mon, 5 Oct 2015 14:39:47 -0400

THE MAYOR & MEMBERS OF COUNCIL,
 CITY OF MISSISSAUGA.

To accommodate Uber, or not to accommodate Uber, that is the question.

In due course, the PVAC will deliberate the recommendations of a consultant's report regarding so-called 'Technology Network Companies', and, in turn, recommend whether or not to regulate them under the Public Vehicle Licensing By-law. Ultimately, Council will render a final decision, the consequences of which will have far-reaching implications for both the people of Mississauga and members of the taxi industry.

Before proceeding, it is worth noting that the City has one of the best regulated taxi industries in Ontario, if not the entire country. No other jurisdiction can lay claim to a standing committee of Council, with citizen reps and industry

members, which has been operating continuously for more than 40 years.

6.1

Reliable taxi service is achieved, first and foremost, by strictly controlling the number of cabs. This enables those who provide the service to earn a reasonable living. Mississauga has carefully regulated the number of licensed cabs since September, 1970, when a freeze on additional plates was first introduced, and the Priority List created. Suffice to say, this policy has served the City exceedingly well.

Enter Uber.

Notwithstanding claims that it is not a taxi service - an assertion rooted in semantics rather than fact, Uber is illegally siphoning off business that is the purview of the City's taxi industry. In short, a regulatory system, in place for more than four decades, has been compromised by an interloper with no official standing in Mississauga.

Imagine the howls should Uber decide to operate a transit system within the City, all the while thumbing its corporate nose at regulations protecting Mississauga Transit. Would the City even remotely consider accommodating Uber in this instance? Hardly. What's good for the goose is good for the gander.

The grim reality for Mississauga's cabbies is inescapable. If Uber, and similar 'TNC's', are recognized as a separate entity in the By-law, and licensed to operate, the balance between the demand for service and the supply of cabs, assiduously monitored to these many years, effectively will be destroyed, laying waste the livelihoods of hundreds of cabbies who have played by the rules. All may be fair in love and war, but this is business, and, perforce, business needs to be closely regulated.

Invoking the wise words of George Santayana, philosopher, poet and humanist: 'Those who cannot learn from history are doomed to repeat it.' Deregulation of the taxi industry has failed miserably in every single city where it has been introduced. Make no mistake....accommodating Uber effectively would deregulate taxi service in Mississauga, rendering it all but impossible for anyone to earn a living. Greed and opportunism have a nasty habit of spoiling things for all parties concerned.

For those who cling to the misbegotten belief that more cabs equates to better service, think again. An oversupply of cabs/'TNCs' severely depresses individual incomes, in turn leaving operators with insufficient funds to maintain their vehicles. What follows is a sharp decline in the quality of service. Drivers, obliged to work an inordinate number of hours attempting to make ends meet, are prone to error. Friendly service devolves into surly service.

Uber would have you believe the taxi transportation pie is infinite in size. As with so many of Uber's claims,⁶¹ nothing could be further from the truth.

Rather than imperil an industry the City has wholeheartedly supported over time by creating a separate licensing category for 'TNCs', why not simply insist they play by existing rules, and use the services of licensed cabs.

At present, Mississauga licenses 668 standard cabs, 152 of which operate at Pearson International Airport, in accordance with the Licence Issuance Model. As well, 41 Accessible Taxis have been licensed. It would be politically expedient at best, and foolhardy at worst, to circumvent a process that has served the City so well, particularly when it involves a corporate bully with no regard for the consequences of its actions, and, when all is said and done, who chooses to play by its own rules.

Thank you.

PETER D. PELLIER,

Mississauga

6.1

From: MARK SEXSMITH
Sent: Thursday, October 08, 2015 8:11 AM
To: Mississauga
Cc: Ron Starr; Carolyn Parrish; mayorcrombie@mississauga.ca
Subject: TNC review
Attachments: TNC Consultant Letter October 6 2015.docx

Attention: Mr. Matt Daus:

Please find attached my presentation for the TNC report.

Best regards,

Mark Sexsmith

October 6/15

Matt Daus, Consultant
Wendelmarx
Mississauga@wendelmarx.com

Re: TNC's and the Mississauga For Hire Transportation Industry

Dear Sir:

My vision of the future of the for hire transportation is a system that is consistent with both the existence of the traditional broker dispatched taxi fleet already working in Mississauga and the advent of the TNC's working exclusively over the internet. I foresee a taxi/limo environment where the current fleet of municipally licensed taxis driven by municipally licensed drivers provides the public with service from hail/pickups at public places, computer dispatched orders from licensed traditional brokers, along with orders received over the internet from national and international TNC's.

Existing Laws & Regulatory Structure:

1. The current By Law 420-04, as amended, needs several changes. In the Definitions section of the By Law, we need to bring the definitions of broker and driver up to date to reflect changes in the technology of connecting customers with drivers. I have proposed to the PVAC that "Broker" means any Person or Corporation which carries on the business of facilitating in any fashion the provision of for hire transportation between any person and any vehicle not owned by that Person or Corporation. I have also proposed to the PVAC that "Driver" means any person who drives a Taxicab, Limousine, Airport Municipal Transportation Vehicle, or any other for hire motor vehicle, excluding public transport. It is vital that all players in the industry are working under the same By Law definitions.
2. All restrictions on drivers accepting orders from TNC's must be removed from the By Law. If we are to expect that TNC's must use only registered drivers and vehicles, then it is fair to assume that they should have access to the vehicle pool. The simple fact is that they would be providing existing operators with extra income. It is unlikely at this time that TNC's could attract vehicles that worked exclusively for them on a full time basis as they do not have the commercial, institutional, and governmental client base to sustain a full business model. However, this model would accommodate any change to this situation, allowing the TNC's to become full service brokers.
3. All TNC's must be registered with the City, and follow all rules and regulations pertinent to Brokers under the Bylaw, with the exception of maintaining an office in the City.
4. The City has a long standing issuance formula which has served the industry well in that the taxi operators can earn a reasonable income for their labour, and a reasonable return on their capital investment, while at the same time supplying the public with a reliable supply of taxi service. We have all seen the disaster that results from unlimited entry into the industry, as is becoming the case in Toronto. We do not want to replicate that administrative nightmare in the Mississauga industry. All new taxi permits should go to those people on the Priority List, as demand indicates necessary.
5. Brokers must be given the right to expand their business extra-territorially in regards to working within one Municipality-the TNC's have this capability, and it seems counterproductive to restrict traditional Brokers in this fashion. All restrictions in the By Law concerning this matter

should be examined with a view to allowing the existing traditional brokers to expand their businesses.

6. Wherever relevant, the enforcement of Highway Traffic Act violations must be strengthened. Either Municipal enforcement officers must be given greater authority to enforce these regulations, or the Police Departments must start to enforce the laws concerning licensing and insurance. Provincial regulations concerning for hire vehicles and drivers must be consistent with those of the Municipalities.
7. For hire fare pricing structures must be loosened so that brokers can compete with virtual brokers; the alternative is that virtual brokers must adhere to Municipal fare structures. All players must be working under the same fare structure.
8. The Province must be pro-active in the area of insurance regulations concerning the for hire transportation industry. No segment of the industry should enjoy a competitive advantage as a result of insurance requirements or regulations that preclude industry wide participation in blanket coverage, or special coverage for differentiated areas of our industry.

Licensing Standards:

It is absolutely essential that uniform licensing standards prevail across the for hire transportation industry. All drivers and vehicles must conform to Municipal standards for training, qualification, vehicle standards, insurance requirements, and be held to the same accountability standards.

All new entrants to the industry must adhere to these standards as a matter of public safety. The Province has delegated the responsibility for public safety in this industry to the Municipality; the By Law must apply to all operators, and the public should be able to travel with the assurance that these standards are in effect, and are being monitored by City Staff.

Of particular importance is the matter of vehicle standards. The City of Mississauga has, over the years, consistently raised the bar on vehicle age limitations and vehicle condition standards, both in terms of physical appearance and mechanical roadworthiness. These standards cannot be compromised by the entry of TNC's that do not do as thorough a job in monitoring vehicle standards, and which allow older vehicles to service the public.

Part time licensed taxi operators must undergo the full regimen of training mandated by the City-there is no condensed course for part timers. The same must apply to any one else entering the for hire business. The TNC's argument that their drivers are only part time, and therefore should not adhere to the same standards as full time taxi/limo drivers is completely without merit. Public safety warrants only competent, fully trained drivers.

Facts and Data:

Insurance: Taxis carry \$2,000,000.00 coverage and the Brokers backstop this with \$5,000,000.00 of supplementary coverage. This coverage ranges from \$5,000.00/year to over \$10,000.00/year. Accessible taxis are generally \$3,000.00 extra. This compares with the \$100-300/month that TNC drivers pay for their private insurance.

Vehicle Costs: Taxis, under the By Law, cannot be put on the road after their fourth year (i.e., the oldest car you can put on the road in 2016 is a 2012. A new vehicle for use as a taxi typically costs \$25,000.00+,

and the accessible can run to \$50,000.00. Compare this with the ten year limit on TNC vehicles, putting the cost for a second hand vehicle in the range of a few thousand dollars (or less). The typical TNC driver is using his private car for taxi service, and is not factoring in the depreciation involved in high mileage use. This gives a comparative pricing advantage to the TNC operator.

Regulatory Costs: The TNC driver does not face the driver training (and retraining) costs, or the yearly permit renewal expenses. The TNC driver does not fact the bi-yearly expenses of vehicle safety inspections.

Taxes: Taxis charge and remit to the various levels of government 13% HST. The TNC's fudge this, stating that it is up to the driver to determine whether they pay. In actual fact, this amount is rarely remitted by the TNC's, which gives an automatic 13% advantage on the fare structure. Additionally, it leaves the business user in the position of either not claiming the amount, or falsely claiming the amount, assuming that they are paying the HST as they do with taxi fares.

It is my opinion that the adoption of these measures would go a long way to ensuring reliable, secure service for the citizens of Mississauga, while providing the taxi industry with a stable operational platform.

Yours truly,

Mark Sexsmith, Sales Manager, All Star Taxi Inc.

Mississauga

6.1

From: Aneel Waqar
Sent: Tuesday, October 13, 2015 2:45 AM
To: Mississauga
Subject: TNC REGULATIONS.

Hello,

1.

The current by laws are adequate for the taxis and limousines but do not take into account these new entrants. The bylaws should be made to include the new entrants into the law, so that training, licensing & enforcement becomes possible.

2.

The driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should definitely apply to all new entrants as they are in the same business of transporting passengers from point A to point B, as current taxis and limousines and all of the above pertain to safety and well being of the passengers travelling in these vehicles.

3.

If the city of Mississauga implements the same bylaw standard that it has for taxis and limousines, only then should it allow to operate the TNCs.

The drivers should have licenses from the city of Mississauga after completing background checks and training classes.

The vehicle model year should comply with that of the taxis and limousines.

The vehicles should be insured upto \$2000,000 for transporting passengers, as the taxis are.

The TNC vehicles should have a identifiable sign or decal or roof light so that enforcement by inspectors becomes possible.

There should be a cap on the number of plates issued to TNCs just like there is one on taxis and limousines.

The TNCs must have accessible vehicles just as taxicab companies do.

The vehicles must also be equipped with cameras to ensure driver and passenger safety and prevent assaults as seen common in these vehicles.

The city should determine the prices TNCs can charge just like the city sets the meter rate for taxicabs.

There should be a level playing field for existing, law abiding taxicab drivers and the new entrants.

All parties should fall under some sort of a bylaw and pay the licensing fees, have insurance and pay the HST on all fares.

Ensuring public safety should be the utmost priority as well.

6.1

Thanks

SYED Asad WAQAR

Mississauga

6.1

From: Tejinder Sandhu
Sent: Tuesday, October 13, 2015 8:39 PM
To: Mississauga
Subject: Request for Comments Regarding New City Taxi By-Laws
Attachments: RequestforCommentsRegardingNewCityTaxiBy-Laws.docx

Good Evening,

My name is Tejinder Sandhu. I have been in the taxi industry for the last 25 years. I have attached my comments regarding the new city taxi by-laws.

Thank you for taking the time to review my submission.

Kind Regards,
Tejinder Sandhu

1. Existing Laws and Regulatory Structure

Existing by-laws, service model definitions, and procedures are good for existing taxi and limousine service; but for new entrants in the business must have same methods and procedures, and rules and regulations. New rules and by-laws must be made for those entrants; they must follow those rules. There should be a level playing field for all the for-hire businesses in Mississauga.

2. Licensing Standards

All the businesses doing transportation of people must have qualified drivers, have proper training, and have insurance for the safety of the public. All new entrants must have licensed drivers by the city of Mississauga. They must have commercial vehicle insurance as existing taxis and other commercial vehicles. Public safety is more important - every business in the city is licensed, nobody can do business in the city of Mississauga without license. So why do these new entrants want to do business without license? How far this new technology will go to do other businesses like driving school, tow trucks, food carts, and all the other businesses in the city if there are allowed to transport people without any license. Then they will start doing other business too without license. Then it will be the wild west in the city of Mississauga and the country.

3. Facts and Data

The new entrants in the business should be regulated as per city by-laws. The price should be same for all the transportation business. If they do not want to follow the laws of the city, the province, and the country - then they should not be allowed to operate. They must be banned for running the business in the city. The pricing should be done according to the existing formula. No one should be allowed to undercut the price. The price must be fixed by the city of Mississauga; not by some outside company. They must register for HST, have a valid driving license from the city of Mississauga, and have the appropriate commercial insurance coverage.

Mississauga

6.1

From: Rashpal Singh
Sent: Wednesday, October 14, 2015 9:55 PM
To: Mississauga
Subject: Regarding uber

We want to keep existing law and regulatory system and same existing licencing standard.

Rashpal Singh

Mississauga

6.1

From: Nader Khairallah
Sent: Thursday, October 15, 2015 12:04 PM
To: Mississauga
Subject: FW: Reply to Request For Comment on Behalf of Aeroport Taxi & Limousine
Attachments: Aeroport Taxi - Reply to Request for Comment.pdf

Attention Mr. Matt Deus

Please find attached Aeroport Taxi & Limousine's response to the City of Mississauga's request for comments regarding Taxi Bylaws & regulation of TNC companies.

If you have any questions or would like to discuss any of the material attached please do not hesitate to contact me.

Kind Regards,



Nader Khairallah
General Manager

nader@aeroporttaxi.com
Phone. 905-908-5000 ext 2222
Fax. 905-908-5027

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849 Westport Crescent
Mississauga, Ontario L5T 1E7
www.aeroporttaxi.com

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Response to Request for Comment

Re: TNC's and the Mississauga for Hire Transportation Industry

To: Matt Daus, Consultant
Wendelmarx
Mississauga@wendelmarx.com

Dear Sir:

1. **Existing Laws & Regulatory Structure** - Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?
-

The current regulatory structure in the City of Mississauga has proven to be more than sufficient and has provided customers years upon years of reliable service. It is not the by laws or regulations that are the issue, it is the fact that the new market entrants are operating outside of such regulations. The City Of Mississauga has historically had one of the most stable, fair and equitable taxi systems in Ontario. The existing by-laws provide consumer protection in terms of proper insurance coverages, criminal background checks, mechanical safety of the vehicles, security cameras (to protect both the public & drivers), easily identifiable vehicles and price protection from gauging. The City of Mississauga is one of the only municipalities where there is relative unity between taxicab drivers, owners, operators & brokerages. The city also has a very fair plate issuance criteria that ensures there is enough supply of vehicles to the general public but more importantly that drivers can earn a full-time living. The sensitive ratio of supply of vehicles vs. demand for service has a direct effect on the sustainability of the taxi industry and recently this ratio has been greatly disrupted by thousands of unlicensed vehicles operating in direct competition with the licensed vehicles.

Industry members and drivers have invested their life's work into the system the City created with the idea that when providing transportation for-hire either a taxicab or limousine license would be required. They invested in the idea that it would not be possible for someone to operate on such a large scale without licenses. The attraction behind owning such license being that the owner can take home that small piece of proverbial pie in order for the driver to cover their expenses and earn an honest day's

wage. The new market entrants have taken the stability out of the industry and have significantly damaged the faith in the system in which industry members have trusted in for years. The Mississauga taxicab industry is particularly vulnerable to the new market entrants as we are very much dependent on dispatched orders through brokerages. The City of Mississauga has a very minimal amount of street hail business available to drivers compared to cities like Toronto.

Enforcement of Current By Laws - Currently the laws are being strictly enforced on licensed operators, while the lawless are roaming free reaping all the benefits of having little to no overhead expenses. The underlying reason why the public are drawn to this service is the price, the reason they can afford to give a cheaper price is through ignoring all the rules that the licensed vehicles have to follow. We do not in anyway feel this is about technology. Our current bylaws should be re-written to encapsulate the new entrants and leave no shadow of doubt that they are operating an illegal taxicab service. An injunction for them to seize all operations of this illegal taxicab service in the City of Mississauga should be sought to strengthen the message that there are reasons we license businesses in Canada. The new market entrants should be fined to the maximum penalty each and every day they operate a taxicab brokerage without a license. Peel Police should also be enforcing the existing HIGHWAY TRAFFIC ACT § 39.1 - PICKING UP PASSENGER FOR COMPENSATION PROHIBITED WITHOUT LICENCE. Laws are blatantly being broken in front of Police & Licensing staff, and we in the taxi industry are curious as to when we became a society that does not enforce our laws.

2. **Licensing Standards** Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? – Or, if not, why not?
-

The bottom line is whether speaking of new market entrants or existing taxi companies both are providing ground transportation for compensation, the method by which an order is dispatched to a vehicle does not change the material service that is being offered. Taxicab bylaws were created for reasons of safety, fairness and consumer protection. All taxicab companies in Mississauga possess the same technologies that the unlicensed market entrants have. For instance with our Aeroport Taxi app customers have the capability of seeing the available vehicles on the map, watching their assigned vehicle drive to them and prepaying by credit card within the app. If a two-tier system were to be enacted it would eliminate all benefits of being a licensed Taxicab operator. Why

follow a long list of regulations that create overhead costs when there is a license available to provide the exact same service with much less overhead and red tape. In that scenario majority of operators would look to return all taxicabs permits and operate as TNC companies.

Why would anyone want to drive a vehicle with a list of restrictions when there is a cheaper alternative? If City Council were to choose to offer a different class of licenses to TNC companies it would be the equivalent of offering one specific Taxi company different licenses than all other Taxi companies. If in years past hypothetical Taxi Company “ABC” changed their dispatch method to Cell Phones rather than radio would they have the grounds to approach the City and demand different licenses and regulations?

Imagine if “ABC” Taxi Company demanded the following:

- That the meter rate should not apply to them. “ABC” should be able to charge what they want, whenever they want. In a snow-storm, time of high demand or crisis they should be able to charge their customers 5 times the regular price. Also “ABC” would like their rates not to be inclusive of HST.
- “ABC” would like to use different car types then the list provided to all other taxi companies. There also should be no vehicle age restrictions, any car that “ABC” deems fit should be able to be used. “ABC” would also like their vehicles to be self-inspected.
- When “ABC” need to hire a driver they should be able to just email their paperwork, watch a 5 minute YouTube video and be out on the road picking up passengers the next day. No need for their drivers to go to Taxi School for a week, write an exam and pay a licensing fee.
- “ABC” should not be forced to buy \$2 Million Dollar Commercial Insurance coverage full-time, just when their drivers are working. Or better yet would they would like to be allowed to endanger and mislead the public for an extended period of time before deciding to inquire about insurance coverage.
- “ABC” does not feel the need to have their vehicles identifiable to the public by means of a roof-sign, decals or license numbers. They would prefer an honour system where the city would trust that the registered vehicle is in fact the one the phone is being used in.

- “ABC” would also like to be able to bypass the existing licensing issuing system, and have exceptions be made for them to receive license immediately. They would like to completely disregard the years and years of hard work from drivers who are issued licenses from the priority list.

So in this scenario detailed above would it be justifiable to provide “ABC” Taxi with licenses? Or would that provide them a competitive advantage. Why treat one company differently when they provide the exact same service? Does the method by which you send a ride to a driver really change anything? Or at the end of the day aren’t we all just transporting passengers for compensation. Why change the existing laws that have worked for centuries to help a company that has deliberately ignored existing regulation and knowingly endangered the public? Uber virtually offers the public exactly what the Taxi apps all dispatch companies offer. The new market entrants such as Uber have the capabilities and platforms already established to use licensed vehicles through their UberBlack & UberTaxi. The only option that will allow licensed taxicabs to survive is forcing them to use only these models.

Proposed Changes to Current Bylaws:

Though we are not in any way in favour of a two tier system there are compromises that can be made for the New Market Entrants and the existing licensed operators to co-exist:

- a. License the new market entrants as Taxicab Brokers as defined through definition changes. As a licensed broker rides must be dispatched to only to existing City Licensed Vehicles including all regulations that go along with this.

The current By Law 420-04, as amended, needs several changes. In the Definitions section of the By Law, we need to bring the definitions of broker and driver up to date to reflect changes in the technology of connecting customers with drivers. There has been a motion put forward by the PVAC to define a “Broker” as any Person or Corporation which carries on the business of facilitating in any fashion the provision of for hire transportation between any person and any vehicle not owned by that Person or Corporation. Also that “Driver” means any person who drivers a Taxicab, Limousine, Airport Municipal Transportation Vehicle, or any other for hire motor vehicle, excluding public transport.

- b. Remove restrictions for licensed vehicles to work solely through one brokerage. Allow use of multiple dispatch services for licensed taxicabs.

- c. No Surges or Price Gauging - No matter which dispatch brokerage the licensed vehicle receives an order the rate charged shall only be the rate dictated by the city. In cases where an application is used, driver will manually enter the meter amount into the application at the end of the tip. This is currently the method used by the UberTaxi Service as well the method Hailo used operated while operating with licenced vehicles in the City of Toronto.
- d. Strictly enforce all requirements of current bylaws and increase fines and penalties regarding operating a taxicab without the required licence. Also support Provincial [Bill 53, Protecting Passenger Safety Act, 2015](#) to give police & municipal enforcement officers greater authority to lay charges, impound vehicles of unlicensed vehicles.
- e. If the eventual demand for vehicles increases, the City should continue to issue licenses through the existing plate issuance criteria and priority list. Studies have shown that there are more than enough taxis and limousines on the city streets, through the existing situation licensed operators are struggling.

There are tens of thousands of people and their families that are supported directly or indirectly by Taxi Industry, including: Thousands of Taxi Drivers, Vehicle Operators (whether multiple or individual), License Holders (who have or continue to work year after year in the industry), Auto Mechanics, Dispatch Companies (and their staff), Insurance Brokers, Car Dealers, Vehicle Equipment Installers and Telecommunication Companies. It would be unjust to jeopardize the livelihoods of all these hard working people to accommodate a Non-Canadian, Multi-Billion Dollar enterprise.

3. **Facts and Data** What facts, data and studies, or information about the business models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or whether such entrants can be allowed to operate.
-

a) Driving for Uber is not a sustainable full time job.

Through Uber's own admission their turn around on drivers is three months, Uber has also stated that 50% of their drivers work between 0-10 Hours per Week. The concept of UberX is to use part time non-professional drivers that drive on a casual basis. That concept if regulated will replace the jobs thousands of Full-Time law abiding citizens of Mississauga with part-timers trying to temporary supplement

their income. They can pitch the concept of “ridesharing” and “technology” but in reality it is nothing but an unregulated taxi service. There are no rides being shared these drivers are leaving their place of residence, heading city centres and roaming the streets to provide taxi services. They are not picking up people going in the same direction as them on their commute. We as an industry are in no way anti-competition, we have no problem with allowing the new Market Entrants into the fold, we just ask that the same rules that have applied to us for centuries be applied to new market entrants. When Uber entered the market using licensed vehicles through UberBlack and UberTaxi the taxicab and limousine industry were not overly concerned as they were using only city licensed vehicles. But to allow just any one to decide they want to be in the taxicab business and start operating is not just or fair. The barriers to entry should not be at a place where anyone can simply send an email and be out competing with existing operators the next day.

“That’s not a job’: Toronto councillor on Uber and the ‘suckers’ being recruited to drive

<http://www.nationalpost.com/m/wp/blog.html?b=news.nationalpost.com//toronto/thats-not-a-job-toronto-councillor-on-uber-and-the-suckers-being-recruited-to-drive>

b) Traffic Congestion

Through Uber’s own admission they have 16,000 Drivers in Toronto alone, one can only imagine how many drivers they have across the GTA. The addition of these drivers to the thousands of licensed taxicabs in the Greater Toronto Area on can only imagine the congestion this causing. Add to this the fact that the licensed vehicles now have to wait much longer for a fare, as well as work more hours which also contributes to the congestion. In New York City they went the route of along private vehicles to be licensed (with very minimal requirements) as TNCs. The most damaging part in terms of congestion was the fact that there was no Cap on the number of vehicles. Mayor Bill de Blasio had desperately attempted to put a cap on the number of vehicles to combat Congestion in the City but Uber responded by unleashed an ad campaign and an army of lobbyists, forcing the mayor to retreat.

Uber doubles number of drivers—just as Bill de Blasio feared

<http://www.crainsnewyork.com/article/20151006/BLOGS04/151009912/uber-doubles-number-of-drivers-just-as-de-blasio-feared>

New expert report reveals two-tier taxi industry risks include increased congestion and vehicle emissions, while costs saving can prove elusive

<http://www.newswire.ca/news-releases/new-expert-report-reveals-two-tier-taxi-industry-risks-include-increased-congestion-and-vehicle-emissions-while-costs-saving-can-prove-elusive-529905771.html>

Uber's Own Numbers Show It's Making Traffic Worse

<http://www.streetsblog.org/2015/07/22/ubers-own-data-reveals-it-slows-manhattan-traffic-9-percent/>

c) Public Transit Ridership Down 30%

Providing service at such a low cost creates an alternative to public transit. We in the City of Mississauga are spending millions on adding public transit infrastructure meanwhile at the current cost point provided. In recent years the focus in the City of Mississauga has been public transit, but we should ask ourselves what we need to do to protect the future of public transit. All these investments in transit will be at risk. What will happen when Uber decides to provide cheaper transit services on popular MiWay Routes? In recent months, Uber has been trialing a "smart routes" service in San Francisco that has been compared to a bus service in media reports. The service discourages transit use by attracting Uber customers to travel along specific routes like a bus, for a competitive price.

Poll suggests UberX is decreasing TTC and GO transit ridership

<http://www.newswire.ca/news-releases/poll-suggests-uberx-is-decreasing-ttc-and-go-transit-ridership-529475091.htm>

d) Decreased Canadian Tax Revenue - Uber does not pay corporate taxes in Canada

All licensed taxicab brokerages are Canadian owned and operated small business that employ local residents. These companies were built from the ground up by local residents. We all pay our fair share of corporate tax and spend our hard earned dollars in our local economy. The new market entrants have created a strategy that they are quite open about.

Uber and Airbnb confirm they send profit offshore

<http://www.smh.com.au/business/the-economy/uber-airbnb-reveal-they-send-profits-offshore-20151006-gk2v5z.html>

- e) Uber's strategy of intentionally flouting regulation as described by their CEO**
 Uber waits for as they call it Regulatory ambiguity, though his company enacts the exact same strategy as what they are criticizing Lyft for in the video below.

Uber CEO calls competitor service 'criminal'

<https://www.youtube.com/watch?v=5fOycXLp7Ik&feature=youtu.be>

- f) Creating Two Sets of Rules for the Same Service Is Unethical and Unfair**

Chicago's differing regulations of Uber vs taxis may violate equal protection, judge says

http://cookcountyrecord.com/stories/510639525-chicago-s-differing-regulations-of-uber-vs-taxis-may-violate-equal-protection-judge-says#sthash.LSVf529p.uxfs&st_refDomain=t.co&st_refQuery=/DKMz2J5aTU

- g) Uber drivers all over the world are doing non-app & street hail pickups**

Hundreds of Uber cars seized in major crackdown on illegal street pickups at city airports

<http://www.nydailynews.com/new-york/close-500-uber-cars-seized-illegal-pickup-crackdown-article-1.2260211>

- h) Governments all over the world have been successful in dealing with Uber**

Please see the article at the URL below.

"Unstoppability" of Uber not a compelling argument + A letter to Taxi Operators & Drivers

<http://us11.campaign-archive2.com/?u=7eef0d79657bcfaa29875872d&id=7ab1450814>

Mississauga

6.1

From: rav banwait
Sent: Thursday, October 15, 2015 6:12 PM
To: Mississauga
Subject: Response to Taxi Regulations
Attachments: city of mississauga. survey.docx

Dear Mr. Matt Deus,

Please find attached response to the City of Mississauga's request for comments regarding Taxi Bylaws & Regulation.

If you have any questions or require clarification, please contact me at anytime.

Sincerely,

Rav Banwait

To: Matt Daus, Consultant
mississauga@wendelmarx.com

1. Existing Laws & Regulatory Structure

The existing by-laws and regulatory structure have been the result of decades of experience. MINOR changes are always necessary to ensure the main purpose of these bylaws is not lost or ignored.

New technology or new methods of communication are not industry changing, and do not offer a free pass to allow ignorance of existing city bylaws and regulations.

Many great and powerful cities and nations across the globe have stood true to protect and uphold their city's bylaws and regulations (i.e. Vancouver, Nevada, Spain, Miami, France, and Thailand). These respected places did not bend or cave in to those who 'refused' to follow the City's own set bylaws.

These standards are in place for a reason. Let us hope we were not 'fooled' by these existing rules and regulations these past five decades.

2. Licensing Standards

Licensing Standards should absolutely apply to any new entrants (in any shape or form) entering the taxi/limo industry.

You cannot entertain new bylaws for the same service just based on a new method of communication.

The City of Mississauga controls and limits taxi vehicle licenses in operation (based on a formula) to ensure consistency, safety of passengers, discipline and a reasonable full time salary. If an industry is uncontrolled and becomes 'oversaturated', human willpower to earn a decent living may get ugly. That is human nature.

Not a favourable image for the City of Mississauga, especially to tourism and businesses.

3. Facts and Data

New entrants may operate according to EXISTING bylaws and regulations to ensure safety and fairness.

Allowing illegal services without proper permits, insurance, safety criteria, background checks etc. has and continues to destroy the legitimate businesses, who have respected the existing city bylaws for years.

Until new entrants are willing to follow existing bylaws and regulations of the City of Mississauga, they should be strictly prohibited from the City.

Please ensure each and every new entrant to any existing industry abides by the City of Mississauga's bylaws to ensure a 'level playing field'. Destroying an industry established over years and years of strict regulation cannot be replicated.

Next to God, you hold our trust and we believe you will do the right thing to protect our livelihood and ensure the City of Mississauga's existing bylaws and regulatory framework stands.

Joga S.Banwait

On Behalf of the Taxi Industry who earns its livelihood in the City of Mississauga

“Wrong does not cease to be wrong because the majority share in it.”

Leo Tolstoy

Mississauga

6.1

From: cstoor
Sent: Thursday, October 15, 2015 7:50 PM
To: Mississauga
Subject: City of Mississauga - Request for Comments

To whom it may concern,

If there is an increase in demand of transportation vehicles in the city of Mississauga, licenses similar to the ones that have been issued previously should be continued to be issued just at a faster rate. There is no reason for a new variation to be introduced into the transport industry. If such a reason were to be identified and thus it were required that TNCs be introduced into the industry, then it would be necessary that they have the same set of requirements as the existing taxicabs and limousines in order to ensure a fair working environment.

The anticipated TNCs should have to follow the existing rules, regulations and laws which the existing taxicab and limousine industry is required to adhere to in Mississauga. These would include all by-laws, procedures, enforcement methods, and resources. Furthermore, they must require identical licensing standards. As a result of doing so, the taxicab and limousine business would not be hindered in any way whatsoever that would make the anticipated TNCs more appealing to customers, thus reducing the amount of business available to taxicab and limousine operators.

Thank you for your time and consideration,

Charanjit Singh Toor

Mississauga

6.1

From: Karen Morden <Karen.Morden@mississauga.ca>
Sent: Friday, October 16, 2015 9:03 AM
To: Mississauga
Subject: FW: City of Mississauga - Request for Comments

FYI – from a Mississauga taxicab driver, who is also on PVAC.

From: Karam Punian
Sent: 2015/10/15 4:59 PM
To: Karen Morden
Subject: Re: City of Mississauga - Request for Comments

Plate issuing formula is good. Training period is too long. No place for uber. Staff is not friendly at all

On Monday, October 5, 2015, Karen Morden <Karen.Morden@mississauga.ca> wrote:

The City of Mississauga is requesting comments and input from all those associated with the Taxicab and Limousine Industry in Mississauga, with respect to the regulation of transportation network companies (TNCs).

Please see the attached, or below, for detailed information. Please distribute to your colleagues and post to make this available to those without access to email.

All written submissions are due on Friday, October 16, 2015. Please send your comments to: mississauga@windelsmarx.com

If you have any questions or require further information, please don't hesitate to contact me for assistance.

Kind regards,

Karen Morden

Legislative Coordinator, PVAC



Karen Morden

Legislative Coordinator, Office of the City Clerk

T 905-615-3200 ext.5471

karen.morden@mississauga.ca

[City of Mississauga](#) | Corporate Services Department,

Legislative Services Division

Please consider the environment before printing.

-

Request for Comments

Background:

The City of Mississauga is seeking to analyze and assess the impact of transportation network companies (TNCs) on the City's for-hire transportation market, and to determine whether new regulations should be developed which specifically address regulation of TNCs, or whether the existing regulatory structure of public vehicle licensing by-laws is sufficient.

Comments are being solicited on the current and anticipated impact of TNCs on the taxi and limousine industries within the City. In addition to the public comments received at the Public Vehicle Advisory Committee meeting of October 1, 2015, **you are invited to submit written comments on or before the close of business on Friday, October 16, 2015. Written comments should be limited to the scope of the inquiry and sent to the following email address: mississauga@windelsmarx.com**

Please submit comments on the following:

1. Existing Laws & Regulatory Structure

Are the existing by-laws, service model definitions and

procedures, as well as enforcement methods and resources,
adequate with respect to existing taxi and limousine service
providers as well as new technology market entrants?

6.1

2. **Licensing Standards**

Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? ☐ Or, if not, why not?

3. **Facts and Data**

What facts, data and studies, or information about the business
models, pricing and manner of operation of both existing taxi
and limousine providers as well as new technology entrants,
can you provide to aid this consultation, including how or
whether such entrants can be allowed to operate?

From: [Karen Morden](#)
To: [Karen Morden](#)
Subject: FWD: Motion for PVAC Meeting August 2105
Date: 2015/08/04 4:04:25 PM

From: MARK SEXSMITH
Sent: August 4, 2015 1:42 PM
To: Ron Starr
Cc: Stephanie Smith; Carolyn Parrish; Baljit Pandori; Al Cormier; Mickey Frost; Daryl Bell
Subject: Motion for PVAC Meeting August 12, 2105

Mr. Ron Starr, Chair
PVAC, City of Mississauga

Dear Mr. Chairman:

Please include discussion on the following amendment to By Law 420-04 on the agenda of the August 12, 2015 PVAC meeting.

The motion is:

In regard to By-Law 420-04, the following changes are requested to terms in the "Definitions and Interpretation" Section of the By-Law.

"Broker" means any Person or Corporation which carries on the business of facilitating in any fashion the provision of for hire transportation between any person and any vehicle not owned by that Person or Corporation"

"Driver" means any person who drives a Taxicab, Limousine, Airport Municipal Transportation Vehicle, Airport Public Transportation Vehicle, or any other for hire vehicle, excluding public transit

It is the industry's wish to afford Staff a greater degree of latitude in dealing with matters that pertain to regulating the actions of virtual for hire brokers, as well as those drivers who work with the dispatch systems these brokers utilize.

Yours truly,

Mark Sexsmith, All Star Taxi

From: Peter Pellier
Sent: 2015/08/16 12:33 PM
To: Ron Starr; Carolyn Parrish; Al Cormier; Baljit Pandori; Karen Morden; Mickey Frost; Daryl Bell
Cc: MAYOR; Jim Tovey; Karen Ras; Chris Fonseca; John Kovac; Nando Iannicca; Matt Mahoney; Pat Saito; Sue McFadden; George Carlson; Mark Sexsmith; ronnieb; sami; marialendvay; g_beswick; bestrip
Subject: UBER

THE CHAIR & MEMBERS,
PVAC.

Prior to launching its service in Mississauga, Uber made no attempt whatsoever to clarify or comply with regulatory requirements that applied to them. Instead, the company chose to ignore the law, and aggressively pursue business that, clearly, was the purview of the City's licensed cabs. What resulted was a playing field that was anything but level, seeing as Uber operators, in open defiance, exempted themselves from the financial burden faced by licensed drivers and owners. As a result, considerable financial damage has been inflicted on those who play by the rules.

At the April 12th PVAC meeting, an Uber official advised the Committee that the company is now willing to enter the regulatory fold. Though it was not stated, there is little doubt Uber's newfound enthusiasm to play ball is limited to those provisions that, in no way, impede the company's intended aims and objectives. In short, it will insist on the right to expand at will - a notion completely at odds with the limitation on plates that underpins the taxi industry, and has done so since September, 1970.

Two questions immediately come to mind. Why should the City undertake any attempt to accommodate Uber, given the company's utter disregard for the Public Vehicle Licensing By-law up to now? Secondly, how can Uber X possibly be accommodated, given the strict controls on the number of licensed cabs, in place for 45 years.

As for creating a new licence category to address so-called ridesharing services, such a move not only is antithetical to the Licence Issuance Model, but also, would further destabilize the local taxi industry. It goes without saying the City's responsibility in this matter is not restricted solely to the travelling public. Consideration must be accorded the many drivers and owners who have paid their licence fees over the years in good faith.

If Uber and similar operations wish to operate in Mississauga, let them do so either under a taxi broker's licence, or a limousine broker's licence, and govern themselves accordingly.

In the meantime, under no circumstances can they be allowed to operate at will, to the extreme detriment of local cabbies. The By-law needs to be rigorously enforced.

PETER D. PELLIER

Mississauga

6.1

From: Amandeep Singh
Sent: Friday, October 16, 2015 10:12 AM
To: Mississauga
Subject: Feedback on TNC regarding Uber

Hello

I would like to submit the following recommendations:

1. Uber drivers should follow the same standard of livery drivers. This is to ensure the driver education standards, automobile standards, safety standards meet the city's standards.
2. In addition, there should be a mandate on the Uber driver to be working as a full time Uber driver, a minimum of 40 hrs a week. This is to ensure that we don't have a situation where a city which currently has 1000 taxis, ends up reaching to the level of 20000 Uber drivers, excessively diluting the business and resulting in no driver (including Uber) being able to make a meaningful living by doing this job alone. It is the same principal why the administrations around the country don't issue unlimited taxi plates, allow builders to build as many houses as they want (until certain amounts are sold off) etc.
3. Uber drivers should collect HST just as livery and taxi drivers.
4. Since the local Taxi companies pay corporate taxes, Uber should also be mandated to pay corporate taxes on the revenues collected within Canada.

Alternatively, if Uber, the province, the City or an alternative entity can purchase away all the taxi plates, all taxi drivers can join Uber, however, to the demise of the taxi companies and the employment of the people they employ.

Thank you

Mississauga

6.1

From: Mangat Singh
Sent: Friday, October 16, 2015 10:56 AM
To: Mississauga

I would like to submit the following option:

1. Uber drivers should follow the same standard of livery drivers. This is to ensure the driver education standards, automobile standards, safety standards meet the city's standards.
2. In addition, there should be a mandate on the Uber driver to be working as a full time Uber driver, a minimum of 40 hrs a week. This is to ensure that we don't have a situation where a city which currently has 1000 taxis, ends up reaching to the level of 20000 Uber drivers, excessively diluting the business and resulting in no driver (including Uber) being able to make a meaningful living by doing this job alone.
3. Uber drivers should collect HST just as livery and taxi drivers.
4. Since the local Taxi companies pay corporate taxes, Uber should also be mandated to pay corporate taxes on the revenues collected within Canada.

Alternatively, if Uber, the province, the city or an alternative entity can purchase away all the taxi plates, all taxi drivers can join Uber, however, to the demise of the taxi companies and the employment of the people they employ.

Mississauga

6.1

From: Ranjit S. Dhesy
Sent: Friday, October 16, 2015 12:59 PM
To: Mississauga
Subject: Aerofleet TNCs Response
Attachments: TNC-2015.pdf

Hello,

attached is the response to TNCs from Aerofleet.

Ranjit Dhesy, Manager
Main: 905-678-7077, Direct: 905-361-0247
Email: ranjit@aerofleet.ca
Aerofleet Cab Services Ltd.



Response to Request for Comments

Attn: mississauga@windelsmarx.com

1. **Existing Laws & Regulatory Structure:** Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?

RESPONSE:

The existing by-laws, procedures, and enforcement methods are adequate for existing taxi and limousine market. However, it is not sufficient to deal with the new entrants due to unregulated business operation by these companies. This unregulated business operation should be shut down immediately. Only if it is an absolute necessity to allow these new entrants then provisions in the existing by-laws to accommodate new entrants must be applied and must apply to all taxis and limousines thus encourage fair competition.

2. **Licensing Standards:** Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? – Or, if not, why not?

RESPONSE:

These new entrants are getting unfair advantage by not requiring permits & licences, commercial insurance, commercial vehicles etc. Driver training and background checks are an issue with these drivers and these companies made a mockery of established authorities and people transportation industry by not following the rules. They must be regulated and made to go through the same procedures as taxis and limousines and run business as per licensing by-laws and regulations such as:

1. *Go through licensing requirement and have commercial vehicle driving licence.*
2. *Have commercial vehicle & Insurance.*
3. *Mandatory inspections.*

3. **Facts and Data:** What facts, data and studies, or information about the business models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or whether such entrants can be allowed to operate?

RESPONSE:

City of Mississauga must enforce the by-laws and shut down any unregulated operation in its boundaries. City of Mississauga must also control the requirements of number of commercial vehicles in operation required by demand and supply. Surplus of vehicles and drivers are beneficial neither to the existing industry nor to the new entrants. The plate issuance formula must be reviewed and updated and drivers on the priority list must be given preference. The pricing, manner of operations, vehicles standards, permits and licensing should all be monitored and regulated by the licensing authority. Fare rates must be regulated and unfair competition and no increase or decrease in fares in rush hours and slow time and unfair soliciting methods.

Sincerely,

Ranjit Dhesy, Manager

T: 905-678-7077, F: 905-206-1211

Email: ranjit@aerofleet.ca

Aerofleet Cab Services Ltd.

Mississauga

6.1

From: Ranjit S. Dhesy <ranjit@aerofleet.ca>
Sent: Friday, October 16, 2015 1:08 PM
To: Mississauga
Subject: Fwd: Aerofleet TNCs Response
Attachments: TNC-2015.pdf

Ranjit Dhesy, Manager
Main: 905-678-7077, Direct: 905-361-0247
Email: ranjit@aerofleet.ca
Aerofleet Cab Services Ltd.

----- Forwarded message -----

From: **Ranjit S. Dhesy** <ranjit@aerofleet.ca>
Date: 16 October 2015 at 12:58
Subject: Aerofleet TNCs Response
To: mississauga@windelsmarx.com

Hello,

attached is the response to TNCs from Aerofleet.

Ranjit Dhesy, Manager
Main: [905-678-7077](tel:905-678-7077), Direct: [905-361-0247](tel:905-361-0247)
Email: ranjit@aerofleet.ca
Aerofleet Cab Services Ltd.



Response to Request for Comments

Attn: mississauga@windelsmarx.com

1. **Existing Laws & Regulatory Structure:** Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?

RESPONSE:

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2. **Licensing Standards:** Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? – Or, if not, why not?

RESPONSE:

These new entrants are getting unfair advantage by not requiring permits & licences, commercial insurance, commercial vehicles etc. Driver training and background checks are an issue with these drivers and these companies made a mockery of established authorities and people transportation industry by not following the rules. They must be regulated and made to go through the same procedures as taxis and limousines and run business as per licensing by-laws and regulations such as:

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Sincerely,

Ranjit Dhesy, Manager

T: 905-678-7077, F: 905-206-1211

Email: ranjit@aerofleet.ca

Aerofleet Cab Services Ltd.

Mississauga

6.1

From: Karen Morden <Karen.Morden@mississauga.ca>
Sent: Friday, October 16, 2015 2:22 PM
To: Mississauga
Subject: FW: City of Mississauga - Request for Comments

For inclusion in the report for Mississauga.

From: Yad Singh
Sent: 2015/10/16 2:18 PM
To: Karen Morden
Subject: Re: City of Mississauga - Request for Comments

1. Existing Laws & Regulatory Structure

Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?

2. Licensing Standards

Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? ☐
 Or, if not, why not?

3. Facts and Data

What facts, data and studies, or information about the business models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or

whether such entrants can be allowed to operate?

6.1

"COMMENTS"

1. Definition : Following definition needs changes,

A, Taxi : Any vehicle with driver or driverless or remotely controlled through satellite, used for compensation.

B, Vehicle : Any movable platform in contact with land, water or rope way used for transporting humans.

C, Driver : Some one physically or remotely operating a vehicle.

D, Broker : An agency facilitating operations of human transportation through landlines or Internet by any electronic device.

F, Enforcement : Include Regional & Provincial Police

E. The enforcement needs to be given to the police.

F. Limousine service should be considered as a taxi service and not a separate entity.

G. Enforcements needs to be more stringent.

H. Taxi enforcement inspectors are sufficient if they operate in coordination with provincial and regional police.

2. Licensing standards needs to be applied to every agency dealing with transportation of humans for compensation.

Why ?

A. Standardization

B. Same rules for all, no double standards.

C. Safety of public.

D. Revenue to the city, (should not happen like Detroit)

F. Revenue to the provincial and federal govt.

G. Accountability towards public.

3. Facts & Data

Police and Thief can not operate hand in hand.

It is the responsibility of the municipality to protect its own by- Laws and govern efficiently. Leaving loose ends brings down the cities regulatory frame work.

If uber model persists 95% of the drivers will become part time operators or they will have to move on for other full time jobs.

At present people operating under uber are mostly on welfares. They work to generate extra cash illegally.

Full time operators are paying taxes for the people on govt. assistance and on the other side loosing their full time jobs because of the same people.

It's not the technology which is creating ripples but the cheap fares.

Such agencies affect public transit system too, which is run by public money.

The datas can only be received from individual agencies separately, but future can be predicted on the bases of present scenarios.

Fact is that income of taxi drivers has gone down by almost 30%.

I use to work 11 hours daily, now I am working 14 hours.

The cost of operations have gone up, Insurance has increased by 500 times.

If govt. doesn't work for this industry then it is hard to sustain the business.

These companies should be banned and city must change its bylaw definitions to ensure this type of nuisance does not reoccur.

6.1

Mississauga

6.1

From: Kirpal Toor
Sent: Friday, October 16, 2015 2:37 PM
To: Mississauga
Subject: City of Mississauga - Request for Comments

To whom it may concern,

The increase in demand for transportation in the city of Mississauga is a clear indicator of the need for more permits similar to the existing ones to be issued. Adding a third tier to an existing two tier system is futile. An increase of taxicab and/or limousine permits will suffice to resolve the issue. On that note, I would like to take the opportunity to compliment the existing priority system and its efficacy.

If the decision to add a third tier is made, then it is only logical that every single rule, regulation, law and standard that the existing taxicab and limousine permit holders adhere to, must be applied to the TNCs as well.

Thank you for your time and consideration,
Kirpal Singh Toor

Mississauga

6.1

From: Karen Morden <Karen.Morden@mississauga.ca>
Sent: Friday, October 16, 2015 3:05 PM
To: Mississauga
Subject: FW: City of Mississauga - Request for Comments
Attachments: A1Airlinefinal.pdf

For inclusion in the consultant's report.

**Karen Morden**

Legislative Coordinator, Office of the City Clerk
T 905-615-3200 ext.5471

karen.morden@mississauga.ca

[City of Mississauga](#) | Corporate Services Department,
Legislative Services Division

Please consider the environment before printing.

From: A1 Airline Taxi & Van Fleet
Sent: 2015/10/16 2:58 PM
To: Karen Morden;
Subject: Fwd: City of Mississauga - Request for Comments

Hi Karen

I have attached our response as per your request for TNC. If you have any question, please contact us back.

Thanks
Manjeet

Manager
A1 Airline Taxi

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Response to Request for Comment

Re: TNC's and the Mississauga for Hire Transportation Industry

To: Matt Daus, Consultant
Wendelmarx
Mississauga@wendelmarx.com

Dear Sir:

1. Existing Laws & Regulatory Structure - Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?

The current regulatory structure in the City of Mississauga has proven to be more than sufficient and has provided customers years upon years of reliable service. It is not the by laws or regulations that are the issue, it is the fact that the new market entrants are operating outside of such regulations. The City Of Mississauga has historically had one of the most stable, fair and equitable taxi systems in Ontario. The existing by-laws provide consumer protection in terms of proper insurance overages, criminal background checks, mechanical safety of the vehicles, security cameras (to protect both the public & drivers), easily identifiable vehicles and price protection from gauging. The City of Mississauga is one of the only municipalities where there is relative unity between taxicab drivers, owners, operators & brokerages. The city also has very fair plate issuance criteria that ensures there is enough supply of vehicles to the general public but more importantly that drivers can earn a full-time living. The sensitive ratio of supply of vehicles vs. demand for service has a direct effect on the sustainability of the taxi industry and recently this ratio has been greatly disrupted by thousands of unlicensed vehicles operating in direct competition with the licensed vehicles.

Industry members and drivers have invested their life's work into the system the City created with the idea that when providing transportation for-hire either a taxicab or limousine license would be required. They invested in the idea that it would not be possible for someone to operate on such a large scale without licenses. The attraction behind owning such license being that the owner can take home that small piece of proverbial pie in order for the driver to cover their expenses and earn an honest day's wage. The new market entrants have taken the stability out of the industry and have significantly damaged the faith in the system in which industry members have trusted in for years. The Mississauga taxicab industry is particularly vulnerable to the new market

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entrants as we are very much dependent on dispatched orders through brokerages. The City of Mississauga has a very minimal amount of street hail business available to drivers compared to cities like Toronto.

Enforcement of Current By Laws - Currently the laws are being strictly enforced on licensed operators, while the lawless are roaming free reaping all the benefits of having little to no overhead expenses. The underlying reason why the public are drawn to this service is the price, the reason they can afford to give a cheaper price is through ignoring all the rules that the licensed vehicles have to follow. We do not in anyway feel this is about technology. Our current bylaws should be re-written to encapsulate the new entrants and leave no shadow of doubt that they are operating an illegal taxicab service. An injunction for them to seize all operations of this illegal taxicab service in the City of Mississauga should be sought to strengthen the message that there are reasons we license businesses in Canada. The new market entrants should be fined to the maximum penalty each and every day they operate a taxicab brokerage without a license. Peel Police should also be enforcing the existing HIGHWAY TRAFFIC ACT § 39.1 - PICKING UP PASSENGER FOR COMPENSATION PROHIBITED WITHOUT LICENCE. Laws are blatantly being broken in front of Police & Licensing staff, and we in the taxi industry are curious as to when we became a society that does not enforce our laws.

2. Licensing Standards Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? – Or, if not, why not?

The bottom line is whether speaking of new market entrants or existing taxi companies both are providing ground transportation for compensation, the method by which an order is dispatched to a vehicle does not change the material service that is being offered. Taxicab bylaws were created for reasons of safety, fairness and consumer protection. All taxicab companies in Mississauga possess the same technologies that the unlicensed market entrants have.. If a two-tier system were to be enacted it would eliminate all benefits of being a licensed Taxicab operator.

Why follow a long list of regulations that create overhead costs when there is a license available to provide the exact same service with much less overhead and red tape. In that scenario majority of operators would look to return all taxicabs permits and operate as TNC companies.

Why would anyone want to drive a vehicle with a list of restrictions when there is a cheaper alternative? If City Council were to choose to offer a different class of licenses to TNC companies it would be the equivalent of offering one specific Taxi company different licenses than all other Taxi companies. If in years past hypothetical Taxi

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Company “ABC” changed their dispatch method to Cell Phones rather than radio would they have the grounds to approach the City and demand different licenses and regulations?

Imagine if “ABC” Taxi Company demanded the following:

1. That the meter rate should not apply to them. “ABC” should be able to charge what they want, whenever they want. In a snow-storm, time of high demand or crisis they should be able to charge their customers 5 times the regular price. Also “ABC” would like their rates not to be inclusive of HST.
2. “ABC” would like to use different car types then the list provided to all other taxi companies. There also should be no vehicle age restrictions, any car that “ABC” deems fit should be able to be used. “ABC” would also like their vehicles to be self-inspected.
3. When “ABC” needs to hire a driver they should be able to just email their paperwork, watch a 5 minute You Tube video and be out on the road picking up passengers the next day. No need for their drivers to go to Taxi School for a week, write an exam and pay a licensing fee.
4. “ABC” should not be forced to buy \$2 Million Dollar Commercial Insurance coverage full-time, just when their drivers are working. Or better yet would they would like to be allowed to endanger and mislead the public for an extended period of time before deciding to inquire about insurance coverage.
5. “ABC” does not feel the need to have their vehicles identifiable to the public by means of a roof-sign, decals or license numbers. They would prefer an honour system where the city would trust that the registered vehicle is in fact the one the phone is being used in.

“ABC” would also like to be able to bypass the existing licensing issuing system, and have exceptions be made for them to receive license immediately. They would like to completely disregard the years and years of hard work from drivers who are issued licenses from the priority list.

So in this scenario detailed above would it be justifiable to provide “ABC” Taxi with licenses? Or would that provide them a competitive advantage. Why treat one company differently when they provide the exact same service? Does the method by which you send a ride to a driver really change anything? Or at the end of the day aren’t we all just transporting passengers for compensation. Why change the existing laws that have worked for centuries to help a company that has deliberately ignored existing regulation and knowingly endangered the public? Uber virtually offers the public exactly what the Taxi apps all dispatch companies offer. The new market entrants such as Uber have the capabilities and platforms already established to use licensed vehicles through their UberBlack & UberTaxi. The only option that will allow licensed taxicabs to survive is forcing them to use only these models.

Proposed Changes to Current Bylaws: Though we are not in any way in favour of a

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two tier system there are compromises that can be made for the New Market Entrants and the existing licensed operators to co-exist:

a. License the new market entrants as Taxicab Brokers as defined through definition changes. As a licensed broker rides must be dispatched to only to existing City Licensed Vehicles including all regulations that go along with this. The current By Law 420-04, as amended, needs several changes. In the Definitions section of the By Law, we need to bring the definitions of broker and driver up to date to reflect changes in the technology of connecting customers with drivers. There has been a motion put forward by the PVAC to define a “Broker” as any Person or Corporation which carries on the business of facilitating in any fashion the provision of for hire transportation between any person and any vehicle not owned by that Person or Corporation. Also that “Driver” means any person who drives a Taxicab, Limousine, Airport Municipal Transportation Vehicle, or any other for hire motor vehicle, excluding public transport.

b. Remove restrictions for licensed vehicles to work solely through one brokerage. Allow use of multiple dispatch services for licensed taxicabs.

c. No Surges or Price Gauging - No matter which dispatch brokerage the licensed vehicle receives an order the rate charged shall only be the rate dictated by the city. In cases where an application is used, driver will manually enter the meter amount into the application at the end of the tip. This is currently the method used by the UberTaxi Service as well the method Hailo used operated while operating with licensed vehicles in the City of Toronto.

d. Strictly enforce all requirements of current bylaws and increase fines and penalties regarding operating a taxicab without the required Licence. Also support Provincial [Bill 53, Protecting Passenger Safety Act, 2015](#) to give police & municipal enforcement officer’s greater authority to lay charges, impound vehicles of unlicensed vehicles.

e. If the eventual demand for vehicles increases, the City should continue to issue licenses through the existing plate issuance criteria and priority list. Studies have shown that there are more than enough taxis and limousines on the city streets, through the existing situation licensed operators are struggling.

There are tens of thousands of people and their families that are supported directly or indirectly by Taxi Industry, including: Thousands of Taxi Drivers, Vehicle Operators (whether multiple or individual), License Holders (who have or continue to work year after year in the industry), Auto Mechanics, Dispatch Companies (and their staff), Insurance Brokers, Car Dealers, Vehicle Equipment Installers and Telecommunication Companies. It would be unjust to jeopardize the livelihoods of all these hard working people to accommodate a Non-Canadian, Multi-Billion Dollar enterprise.

3. Facts and Data What facts, data and studies, or information about the business

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models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or whether such entrants can be allowed to operate.

a) Driving for Uber is not a sustainable full time job.

Through Uber's own admission their turn around on drivers is three months, Uber has also stated that 50% of their drivers work between 0-10 Hours per Week. The concept of UberX is to use part time non-professional drivers that drive on a casual basis. That concept if regulated will replace the jobs thousands of Full-Time law abiding citizens of Mississauga with part-timers trying to temporary supplement their income. They can pitch the concept of "ridesharing" and "technology" but in reality it is nothing but an unregulated taxi service. There are no rides being shared these drivers are leaving their place of residence, heading city centres and roaming the streets to provide taxi services. They are not picking up people going in the same direction as them on their commute. We as an industry are in no way anti-competition, we have no problem with allowing the new Market Entrants into the fold, we just ask that the same rules that have applied to us for centuries be applied to new market entrants. When Uber entered the market using licensed vehicles through UberBlack and UberTaxi the taxicab and limousine industry were not overly concerned as they were using only city licensed vehicles. But to allow just any one to decide they want to be in the taxicab business and start operating is not just or fair. The barriers to entry should not be at a place where anyone can simply send an email and be out competing with existing operators the next day.

"That's not a job": Toronto councilors on Uber and the 'suckers' being recruited to drive
<http://www.nationalpost.com/m/wp/blog.html?b=news.nationalpost.com//toronto/thats-not-a-job-toronto-councillor-on-uber-and-the-suckers-being-recruited-to-drive>

b) Traffic Congestion Through Uber's own admission they have 16,000 Drivers in Toronto alone, one can only imagine how many drivers they have across the GTA. The addition of these drivers to the thousands of licensed taxicabs in the Greater Toronto Area on can only imagine the congestion this causing. Add to this the fact that the licensed vehicles now have to wait much longer for a fare, as well as work more hours which also contributes to the congestion. In New York City they went the route of along private vehicles to be licensed (with very minimal requirements) as TNCs. The most damaging part in terms of congestion was the fact that there was no Cap on the number of vehicles. Mayor Bill de Blasio had desperately attempted to put a cap on the number of vehicles to combat Congestion in the City but Uber responded by unleashed an ad campaign and an army of lobbyists, forcing the mayor to retreat.

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Uber doubles number of drivers—just as Bill de Blasio feared

<http://www.crainsnewyork.com/article/20151006/BLOGS04/151009912/uber-doubles-number-of-drivers-just-as-de-blasio-feared>

New expert report reveals two-tier taxi industry risks include increased congestion and vehicle emissions, while costs saving can prove elusive

<http://www.newswire.ca/news-releases/new-expert-report-reveals-two-tier-taxi-industry-risks-include-increased-congestion-and-vehicle-emissions-while-costs-saving-can-prove-elusive-529905771.html>

Uber's Own Numbers Show It's Making Traffic Worse

<http://www.streetsblog.org/2015/07/22/ubers-own-data-reveals-it-slows-manhattan-traffic-9-percent/>

c) Public Transit Rider ship Down 30% Providing service at such a low cost creates an alternative to public transit. We in the City of Mississauga are spending millions on adding public transit infrastructure meanwhile at the current cost point provided. In recent years the focus in the City of Mississauga has been public transit, but we should ask ourselves what we need to do to protect the future of public transit. All these investments in transit will be at risk. What will happen when Uber decides to provide cheaper transit services on popular MiWay Routes? In recent months, Uber has been trialing a "smart routes" service in San Francisco that has been compared to a bus service in media reports. The service discourages transit use by attracting Uber customers to travel along specific routes like a bus, for a competitive price.

Poll suggests UberX is decreasing TTC and GO transit rider ship <http://www.newswire.ca/news-releases/poll-suggests-uberx-is-decreasing-ttc-and-go-transit-ridership-529475091.htm>

d) Decreased Canadian Tax Revenue - Uber does not pay corporate taxes in Canada

All licensed taxicab brokerages are Canadian owned and operated small business that employ local residents. These companies were built from the ground up by local residents. We all pay our fair share of corporate tax and spend our hard earned dollars in our local economy. The new market entrants have created a strategy that they are quite open about. Uber and Airbnb confirm they send profit offshore <http://www.smh.com.au/business/the-economy/uber-airbnb-reveal-they-send-profits-offshore-20151006-gk2v5z.html>

e) Uber's strategy of intentionally flouting regulation as described by their CEO

Uber waits for as they call it Regulatory ambiguity, though his company enacts the exact same strategy as what they are criticizing Lyft for in the video below.

Uber CEO calls competitor service 'criminal'
<https://www.youtube.com/watch?v=5fOycXLp7Ik&feature=youtu.be>

f) Creating Two Sets of Rules for the Same Service Is Unethical and Unfair

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Chicago's differing regulations of Uber vs. taxis may violate equal protection, judge says
http://cookcountyrecord.com/stories/510639525-chicago-s-differing-regulations-of-uber-vs-taxis-may-violate-equal-protection-judge-says#sthash.LSVf529p.uxfs&st_refDomain=t.co&st_refQuery=/DKMz2J5aTU

g) Uber drivers all over the world are doing non-app & street hail pickups

Hundreds of Uber cars seized in major crackdown on illegal street pickups at city airports
<http://www.nydailynews.com/new-york/close-500-uber-cars-seized-illegal-pickup-crackdown-article-1.2260211>

h) Governments all over the world have been successful in dealing with Uber

Please see the article at the URL below.

"Unstop ability" of Uber not a compelling argument + A letter to Taxi Operators & Drivers <http://us11.campaign-archive2.com/?u=7eef0d79657bcfaa29875872d&id=7ab1450814>

Mississauga

6.1

From: Baljit Pandori
Sent: Friday, October 16, 2015 3:51 PM
To: Mississauga; Daryl.Bell@mississauga.ca
Cc: Ron.Starr@mississauga.ca; carolyn.parrish@mississauga.ca
Subject: request for Comment on Taxi Industry
Attachments: Bw Taxi Comments.PDF

Attention Mr. Matt Deus

Please find attached Blue and White Taxi response to the City of Mississauga's request for comments regarding Taxi Bylaws & regulation of TNC companies.

If you have any questions or would like to discuss any of the material attached please do not hesitate to contact me.

Regards,

Baljit Pandori

GENERAL MANAGER



Direct line : 905 271 5001

Mobile : 416 417 7724

Fax : 905 274 8939

Email : baljit@blueandwhitetaxi.ca

1. Existing Laws & Regulatory Structure

Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?

Blue and White Taxi Response

While the intent of the existing by-laws appear to protect industry stakeholders as well as the riding public, these by-laws do need to be updated to reflect the modern day era and existing and future technologies and advancements. A workshop of industry stakeholders should be conducted in order to receive input to help structure those new by-laws.

In meetings with Peel Region police recently, the police are unable to provide resources to enforce violations of the municipal by-laws. Furthermore, as it pertains to the provincial highway traffic laws, the police have admitted they do not have the resources nor the direction from their municipality to make the illegal entities a priority for policing and enforcement. Blue and White Taxi understands the Peel Region Police position however more Municipal Licensing Enforcement Officers should be added to target illegal entities, drivers and vehicles. In addition we believe Peel Region Police should be directed to increase enforcement of the highway traffic laws regarding illegal companies and drivers receiving compensation for transportation.

2. Licensing Standards

Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards, should be applied to new market entrants, and if so, why? – Or, if not, why not?

Blue and White Taxi Response

The current Licensing Standards have proven to be more than adequate for the Taxi and Limousine industry and as such should be the same for any other entity, vehicle or driver providing service to the citizens of Peel Region.

The current standards include Defensive Driving courses as part of the training modules for new drivers entering the industry. Criminal background checks protect the citizens from unwanted individuals and in light of all the most recent allegations of passenger assaults, we believe on board security cameras would not only be a must, but would also be more than welcomed by Transportation for Hire companies and drivers in order to protect them from criminal and legal prosecution. On board security cameras also protect the passengers and can only be accessed by the police.

3. Facts and Data

What facts, data and studies, or information about the business models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or whether such entrants can be allowed to operate?

Baljit Pandori

General Manager

Mississauga

6.1

From: rav banwait
Sent: Friday, October 16, 2015 4:27 PM
To: Mississauga
Subject: Fwd: Response to Taxi Regulations city
Attachments: of mississauga. survey.docx

Dear Mr. Matt Deus,

Please find attached response to the City of Mississauga's request for comments regarding Taxi Bylaws & Regulation.

If you have any questions or require clarification, please contact me at anytime.

Sincerely,

Rav Banwait

To: Matt Daus, Consultant
mississauga@wendelmarx.com

1. Existing Laws & Regulatory Structure

The existing by-laws and regulatory structure have been the result of decades of experience. MINOR changes are always necessary to ensure the main purpose of these bylaws is not lost or ignored.

New technology or new methods of communication are not industry changing, and do not offer a free pass to allow ignorance of existing city bylaws and regulations.

Many great and powerful cities and nations across the globe have stood true to protect and uphold their city's bylaws and regulations (i.e. Vancouver, Nevada, Spain, Miami, France, and Thailand). These respected places did not bend or cave in to those who 'refused' to follow the City's own set bylaws.

These standards are in place for a reason. Let us hope we were not 'fooled' by these existing rules and regulations these past five decades.

2. Licensing Standards

Licensing Standards should absolutely apply to any new entrants (in any shape or form) entering the taxi/limo industry.

You cannot entertain new bylaws for the same service just based on a new method of communication.

The City of Mississauga controls and limits taxi vehicle licenses in operation (based on a formula) to ensure consistency, safety of passengers, discipline and a reasonable full time salary. If an industry is uncontrolled and becomes 'oversaturated', human willpower to earn a decent living may get ugly. That is human nature.

Not a favourable image for the City of Mississauga, especially to tourism and businesses.

3. Facts and Data

New entrants may operate according to EXISTING bylaws and regulations to ensure safety and fairness.

Allowing illegal services without proper permits, insurance, safety criteria, background checks etc. has and continues to destroy the legitimate businesses, who have respected the existing city bylaws for years.

Until new entrants are willing to follow existing bylaws and regulations of the City of Mississauga, they should be strictly prohibited from the City.

Please ensure each and every new entrant to any existing industry abides by the City of Mississauga's bylaws to ensure a 'level playing field'. Destroying an industry established over years and years of strict regulation cannot be replicated.

Next to God, you hold our trust and we believe you will do the right thing to protect our livelihood and ensure the City of Mississauga's existing bylaws and regulatory framework stands.

Joga S.Banwait

On Behalf of the Taxi Industry who earns its livelihood in the City of Mississauga

“Wrong does not cease to be wrong because the majority share in it.”

Leo Tolstoy



MISSISSAUGA

**STUDY OF REGULATIONS FOR
TRANSPORTATION NETWORK
COMPANIES (TNCs)**

FINAL REPORT

**WINDELS
MARX** | Windels
Marx
Lane &
Mittendorf, LLP

February 2, 2016

The Study of Regulations for Transportation Network Companies was prepared by the Transportation Practice Group of Windels Marx Lane & Mittendorf, LLP in response to a public solicitation by the City of Mississauga awarded to the firm following a competitive procurement process. The overwhelming majority of services were contributed *Pro Bono*, including any and all services by Chair of the firm's Transportation Practice Group, Matthew W. Daus, Esq.

This report has been supplemented to include new material based on the direction given at the December 7, 2015 PVAC meeting, to update the report to address the following:

- Update the review and analysis of TNC laws, regulations, and litigation in various jurisdictions across Canada.
- Review and address Uber's response to the Study of Transportation Network Companies dated December 7, 2015.
- Provide a review and analysis of the Harmonized Sales Tax (HST)/(GST) issue as it relates to TNCs.

Newly included sections are designated in the Table of Contents as [NEW] and updated sections are designated as [UPDATED].



Matthew W. Daus, Esq.

Partner & Chair, Transportation Practice Group

Windels Marx Lane & Mittendorf, LLP

<http://www.windelsmarx.com/index.cfm>

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Executive Summary

The idea of using a smartphone application to request rides is a simple one. Companies, often known generically as Transportation Network Companies (TNCs), offer to the public an app that provides on-line booking of what some TNCs refer to as "ridesharing services." Under this arrangement, passengers request a ride from a private passenger vehicle driven by an oftentimes non-commercially licensed driver through the app. The driver of the vehicle is given the passenger's location through GPS. This app also provides a fare to the passenger and a system by which the driver and passengers can rate each other. A passenger's credit card information is saved within the app so that it can be used for future trips and to make future transactions more convenient because they are cashless. The TNCs often believe local regulations regulating for-hire vehicles do not apply to them, preferring to conduct their own background checks of drivers, and set their own insurance requirements and vehicle requirements.

This new approach to less regulated transportation services has been repeatedly referred to as a newly "innovative" business model, and has caused regulatory issues for municipalities all around the world, as they deliberate on how to address the issues of TNCs. Many jurisdictions believe that TNC operations fall under their for-hire vehicle licensing laws, however, TNCs often argue that they are not transportation companies, but are technology companies. One defining characteristic of TNCs is that they consider themselves disruptors. Their business model includes TNCs going into a jurisdiction and operating without regard for existing regulations. They will often continue to operate until challenged by local regulators or law enforcement officials.

When TNCs enter jurisdictions without proper licensing, many jurisdictions have answered by filing lawsuits, as Edmonton and Toronto have done, to block their operations. When TNCs have been blocked by these lawsuits, it sometimes compels them to work with local regulators to create a system in which the TNC model can operate, or to cease operations. Jurisdictions have addressed TNCs in a wide range of ways, from requiring them to follow laws applicable to all other TNCs, to creating a separate category of regulations for TNCs, to deregulation of the for-hire vehicle industry.

This report studies the entrance of TNCs into the City of Mississauga, reviews the existing regulations, discusses the current state of the market, the history of the smartphone app movement, international regulatory responses, and examines litigation involving TNCs. This report analyzes these factors and provides policy options and considerations to the City of Mississauga for addressing TNCs.

Section 1 of the report identifies the methodology used to write the report. A detailed comparative analysis was conducted of existing regulations to determine what standards may be transferrable from the incumbent taxicab industry and to identify multiple regulatory policy options that will ensure consistent regulations. Our methodological approach also encompassed

the analysis of primary data collected from various stakeholders and attendance at a Public Vehicle Advisory Committee meeting to solicit comments.

6.1

Section 2 of the report examines the existing regulatory structure and state of the market. Mississauga's By-law 420-04 regulates four types of for-hire vehicles: Taxicabs, Airport Public Transportation Vehicles, Airport Municipal Transportation Vehicles, and Limousines. The By-law also regulates drivers and owners of such vehicles and brokerages, which dispatch licensed vehicles. In addition to this report, the City of Mississauga recently retained other economic consultants to conduct a Taxi Plate Issuance Model Review, which concluded that although Mississauga has good taxicab service, with an average response time of 9.8 minutes and 90% of calls arriving within 15 minutes, there were some areas of poorer service near the airport; and also noted there is some room to slightly increase Mississauga's taxicab fleet. Although Mississauga Taxicabs are allowed to accept street hails, almost all of their rides are prearranged. There is concern that allowing TNCs to enter the market may have a devastating effect on driver income and taxi plate prices, as TNCs are dispatched through a smartphone app and would unfairly compete head-to-head with taxicabs.

Sections 3 and 4 examine the new entrants and technologies and analyze whether existing regulations apply to TNCs. TNCs first appeared in Mississauga in 2012 by recruiting drivers. By 2014, TNCs had begun operations without obtaining licenses that the City of Mississauga required for them to operate. Instead, TNCs vet their own drivers and use their own standards for the vehicles. TNC operations arguably fall under the existing by-law because they conduct business like the current taxicabs and limousines and only differ in their method of dispatching their vehicles. Yet, despite two meetings with City of Mississauga regulators to discuss the need to follow the law, TNCs commenced operations without obtaining any licenses.

Section 5 examines benchmarking and accepted practices across the world, including an overview of TNC laws and litigation involving TNCs. Municipalities across the world have been confronted with the same TNC issues facing Mississauga. Canadian cities such as Calgary, Alberta; Edmonton, Alberta; Toronto, Ontario; and Vancouver, British Columbia have been challenged to find a solution. In all of these cities, TNCs started to operate in the City without obtaining necessary licensing. Some of these cities filed lawsuits to stop the continued operation of the TNCs, while other cities are working on regulations to address their existence.

In the United States, the birthplace of TNCs, some municipalities, such as California and Maryland, have enacted new regulations to regulate TNCs. These new regulations create a separate category for TNCs with different standards, primarily with insurance and driver background checks. While in New York City, companies that are considered TNCs elsewhere, have had to comply with the existing regulations, although the local regulator recently adopted new rules that require the licensing of dispatch app providers that do not operate a base, or brokerage, as it is known in Mississauga. Europe may be the most aggressive in addressing TNCs, with many countries banning UberPop, which allowed people to use their personal vehicles to provide for-hire transportation.

The entry of TNCs into existing markets has spurred litigation in Canada, where the City of Edmonton and the City of Toronto have filed lawsuits attempting to stop Uber from operating in their cities. A Court granted the City of Calgary a temporary injunction on November 20, 2015, preventing all Uber drivers from operating in Calgary. The city claimed that Uber drivers were operating FHV's without necessary licenses and not following other regulatory requirements. The City will seek to have the injunction made permanent at a hearing on December 17, 2015. Across the world, TNCs' operations have also caused the filing of lawsuits alleging the violation of labor laws, privacy laws, environmental laws, criminal background check requirements, insurance coverage, constitutional laws, and disability discrimination.

Section 6 describes our efforts to solicit public comments. The City of Mississauga's Public Vehicle Advisory committee held a meeting on October 1, 2015, soliciting comments from stakeholders and the public. We also solicited public comments through a dedicated email address. The comments showed a range of views, including some who appreciated the new service and said they would like the TNC service to continue. Others, from the taxicab and limousine industry, stated that the new TNCs are hurting their businesses and provided unfair competition because TNCs were not subject to the same regulations, and are not required to pay certain fees and taxes. While some praised the City of Mississauga's current for-hire vehicle by-laws, others felt that the by-law needed to be amended, including making the fare structure more flexible.

Section 7 provides policy recommendations to the City of Mississauga. While considering these options, there are certain issues the City of Mississauga should consider, such as:

- Would TNCs be required to have camera systems and licensing identification on the vehicles?
- What is the TNCs' responsibility for providing wheelchair accessible service?
- How will the City pay to regulate and enforce TNC regulations?
- Will the TNCs be required to pay the Harmonized Sales Tax? (This is primarily a federal and provincial concern).
- Data collection and protection □ What should be required of the TNCs with regard to privacy and security of its data? Also, should Mississauga collect such data?
- How should the City of Mississauga set Taxicab fares?
- What type and how much insurance should be required of TNCs?
- What type of training should be required for TNC drivers and operators?

The following are policy options for consideration based upon a review of other jurisdictions and the current Mississauga regulatory system. The following options include: Capture Option, Capture Option (Modified), New Licensing Category Option (Equal Regulation), New Licensing Category Option (Unequal Regulation), Pilot Program Option, Complete Deregulation Option, and Provincial Regulation Option. The charts below set forth an explanation of each option, the pros and cons of each option, as well as the regulatory costs and jurisdictions where similar options have been or are being implemented.

CAPTURE OPTION	
Policy	<p>Capture TNCs under current regulations using amendments (taxis and limousines)</p> <ul style="list-style-type: none"> <input type="checkbox"/> TNCs would be regulated as taxi brokers and adhere to taxi and limousine rules. <input type="checkbox"/> Certain taxi and limousine rules (such as metered rates) could continue to apply, or the City could opt to make minor adjustments to the By-laws. <input type="checkbox"/> UberX is an illegal operation.
Pros	<ul style="list-style-type: none"> <input type="checkbox"/> Provide for consistent regulations between TNCs and brokers; <input type="checkbox"/> Addresses public safety concerns by maintaining the same licensing standards for insurance, background checks, driver training, and vehicle inspections; <input type="checkbox"/> Less costs involved in amending current regulations, than a new class of vehicles and laws; <input type="checkbox"/> Increased further availability of vehicles, to fill niche demands that exist in the taxi market, and further reduce wait times; <input type="checkbox"/> Allow drivers to move between the traditional FHV industry and TNCs, thus enhancing the labor pool and options for drivers; and <input type="checkbox"/> Does not allow open entry for TNCs to the taxi market and cause heightened environmental concerns.
Cons	<ul style="list-style-type: none"> <input type="checkbox"/> Additional enforcement, licensing, and inspection costs; <input type="checkbox"/> Potential to oversaturate the FHV market with too many FHV's, particularly for limousines, which can lead to environmental issues and taxi plate devaluation, as well as market failure; <input type="checkbox"/> Potential for insurance gaps with TNC drivers; <input type="checkbox"/> Data protection risks with mobile applications; <input type="checkbox"/> Costly and difficult to regulate unlicensed TNC operators through enforcement; <input type="checkbox"/> If officer enforcement is unsatisfactory, court injunctions and legal costs may be required; and <input type="checkbox"/> Taxi licensing fees may need to be increased to offset additional regulatory costs representing an additional burden on the taxi and limousine industries.
Costs	<ul style="list-style-type: none"> <input type="checkbox"/> Cost of implementing amendments to the regulations; <input type="checkbox"/> Cost to municipality to license TNCs; <input type="checkbox"/> Cost to license and test new drivers; <input type="checkbox"/> TNC vehicle inspection costs; and <input type="checkbox"/> Cost to regulate unlicensed operators including officer enforcement and legal costs for litigation, if required, could be high.
Jurisdictions	<ul style="list-style-type: none"> <input type="checkbox"/> New York, NY <input type="checkbox"/> London, UK

CAPTURE OPTION (MODIFIED)	
Policy	<p>Capture TNCs under current regulations using amendments (limousines)</p> <ul style="list-style-type: none"> <input type="checkbox"/> TNCs would be regulated as brokers and adhere to taxi and limousine rules; <input type="checkbox"/> Certain taxi and limousine rules, such as mandatory minimum fares, could continue to apply, or the City could opt to make minor changes to the By-laws. <input type="checkbox"/> UberX would operate as a special limousine category.
Pros	<ul style="list-style-type: none"> <input type="checkbox"/> Provide for consistent regulations between TNCs and brokers; <input type="checkbox"/> Addresses public safety concerns by maintaining high standards for insurance, background checks, driver training, and vehicle inspections; <input type="checkbox"/> Less costs involved in amending current regulations than a new class of vehicles and laws; <input type="checkbox"/> Increased availability of vehicles, to fill niche demands that exist in the taxi market, and further reduce wait times; <input type="checkbox"/> Allow drivers to move between the traditional FHV industry and TNCs, thus enhancing the labor pool and options for drivers; and <input type="checkbox"/> Does not allow open entry for TNCs to the taxi market.
Cons	<ul style="list-style-type: none"> <input type="checkbox"/> Additional enforcement, licensing, and inspection costs; <input type="checkbox"/> Potential to oversaturate the FHV market with too many FHVs, particularly for limousines, which can lead to environmental issues and taxi plate devaluation, as well as market failure; <input type="checkbox"/> Potential for insurance gaps with TNC drivers; <input type="checkbox"/> Data protection risks with mobile applications; <input type="checkbox"/> Costly and difficult to regulate unlicensed TNC operators through officer enforcement; <input type="checkbox"/> If officer enforcement is unsatisfactory, court injunction and litigation costs may be required; and <input type="checkbox"/> For-hire licensing fees may need to be increased to offset additional regulatory costs representing an additional burden on the taxi and limousine industry.
Costs	<ul style="list-style-type: none"> <input type="checkbox"/> Cost of implementing amendments to the regulations; <input type="checkbox"/> Cost to municipality to license TNCs; <input type="checkbox"/> Cost to license and test new drivers; <input type="checkbox"/> TNC vehicle inspection costs; and <input type="checkbox"/> Cost to regulate unlicensed operators including officer enforcement and legal costs for litigation, if required, could be high.

NEW LICENSING CATEGORY OPTION (EQUAL REGULATION)	
Policy	Introduce more stringently regulated separate category <input type="checkbox"/> TNCs would be considered TNC brokers, as part of a new license category; <input type="checkbox"/> Requirements would be equivalent to taxis and limousines; and <input type="checkbox"/> This option could include a licensing cap or growth standard, or an open licensing system for TNCs.
Pros	<input type="checkbox"/> Removes discrepancies between TNCs and the incumbent industry in licensing standards; <input type="checkbox"/> Public safety concerns are addressed in this option by maintaining consistent standards for insurance, background checks, driver training, and vehicle inspections; <input type="checkbox"/> Mitigates unfair competitive advantage that TNCs currently enjoy by foregoing licensing costs, including licensing fees, the opportunity cost of time spent on training, and the cost of meeting higher vehicle standards; and <input type="checkbox"/> The public is satisfied to have TNCs available to meet their needs as an option made safer by heavy regulation.
Cons	<input type="checkbox"/> Provides TNCs with an unfair competitive advantage in their freedom to set their own fare structure; <input type="checkbox"/> Allows open entry for TNCs, but not for taxis, which would potentially allow TNCs to flood the market, significantly decreasing the taxicab and for-hire market share, and individual driver potential earnings; and <input type="checkbox"/> Licensing TNC drivers and owners will incur significant regulatory costs for the municipality.
Costs	<input type="checkbox"/> The creation of a separate category with more stringent means the regulation burden and costs are increased on the municipality; <input type="checkbox"/> The municipality will potentially need to increase staff and accrue training costs to effectively implement the new licensing structure and accommodate the influx of new license applications for TNC drivers and owners to be processed; <input type="checkbox"/> Additional costs to train drivers and inspect the vehicles; and <input type="checkbox"/> Increase licensing fees to meet the needs of the growth of the market.
Jurisdictions	<input type="checkbox"/> Maryland <input type="checkbox"/> Houston, Texas

NEW LICENSING CATEGORY OPTION (UNEQUAL REGULATION)	
Policy	Introduce less stringently regulated separate category <input type="checkbox"/> Provides a basic, self-regulating licensing framework for TNCs to operate legally; <input type="checkbox"/> TNCs must register with the municipality but can issue their own driver permits, conduct their own background checks, and set their own vehicle standards; and <input type="checkbox"/> Subjects TNCs to increased licensing fees, and to municipal data collection, auditing, and fines/penalties for failure to properly self-regulate. <input type="checkbox"/> This option would include a licensing cap or growth standard, or an open licensing system for TNCs
Pros	<input type="checkbox"/> Self-regulation reallocates regulatory responsibility to parties other than the government, thus reducing some costs, but creating new costs as well.
Cons	<input type="checkbox"/> Self-regulation and the current processes conducted for background checks today by TNCs may not reach the level of accuracy that the taxi industry and other industries employ; <input type="checkbox"/> Insurance gaps may exist; <input type="checkbox"/> Less options for wheelchair users or disabled passengers; <input type="checkbox"/> Allowing open entry for TNCs but not for taxis, which would potentially make TNCs flood the FHV market, significantly decreases the taxicab and for-hire market share, and individual driver potential earnings; <input type="checkbox"/> Self-regulation requires resources to audit TNCs.
Costs	<input type="checkbox"/> The regulatory costs to the City of Mississauga would include the cost of audits of TNCs to ensure they are self-regulating; <input type="checkbox"/> There would be reduced costs for distributing permits or providing background checks for drivers; <input type="checkbox"/> Self-regulation can be more efficient for business, and these savings could be passed on to consumers; and <input type="checkbox"/> The cost of auditing TNCs may be offset by licensing fees.
Jurisdictions	<input type="checkbox"/> California <input type="checkbox"/> Washington, D.C.

PILOT PROGRAM OPTION	
Policy	Pilot program for TNCs <input type="checkbox"/> TNCs would be introduced to the City through a pilot program aimed at addressing service problems and gaps in the FHV and taxicab industries; and <input type="checkbox"/> The pilot would measure the introduction of TNCs to ensure entry leads to service improvements and does not cause widespread irreversible safety or environmental problems or market failure.
Pros	<input type="checkbox"/> Using a pilot program to regulate may help improve customer protections to ensure public safety without permanently establishing regulations that may not work; <input type="checkbox"/> The City can pick and choose programs that seem to be the most successful and has the option to easily extend programs as needed; <input type="checkbox"/> Removes the risk of long-term ineffective regulations; <input type="checkbox"/> Can fill gaps in niche markets, such as accessibility and other service gaps; <input type="checkbox"/> Can immediately meet demands in case of a shortage in service; <input type="checkbox"/> Can provide competitive advantages to current drivers, but mitigate against immediate driver income level losses; and <input type="checkbox"/> Can potentially lessen negative environmental impacts.
Cons	<input type="checkbox"/> Successful programs could be terminated through public opinion or lobbying; <input type="checkbox"/> Potentially successful programs might not have enough time to work out kinks and issues before being branded as a failure and discontinued; <input type="checkbox"/> There are costs involved in writing regulations, holding meetings with the industry and the public throughout the program; and <input type="checkbox"/> New regulations in pilot programs come with uncertainty in their application which can create market confusion and increase enforcement costs.
Cost	<input type="checkbox"/> While pilot programs certainly come with costs such as those to write and pass the regulations, enforce the new regulations, and assess the regulations at the end of the program, they are minimal compared with instituting permanent laws and enforcing those laws indefinitely.
Jurisdictions	<input type="checkbox"/> Portland, Oregon

COMPLETE DEREGULATION OPTION	
Policy	Complete deregulation of current By-laws <input type="checkbox"/> Deregulations would include lifting a cap on taxicab plates, removing required minimum and maximum fares, or by enabling taxicabs to operate in all service areas; and <input type="checkbox"/> Lifting all licensing requirements for all vehicles.
Pros	<input type="checkbox"/> Increased number of taxis available for hire; <input type="checkbox"/> Employment opportunities for prospective taxi drivers; and <input type="checkbox"/> Potential for service diversity and the emergence of a new service class;
Cons	<input type="checkbox"/> Oversupply of taxicabs and potential for market failure; <input type="checkbox"/> Traffic congestion and environmental impacts; <input type="checkbox"/> Danger of creating unprofessional and unsafe driver pool as a result of ease of entry; <input type="checkbox"/> Lack of certainty as to taxi fares and potential taxi price hikes; <input type="checkbox"/> Limited supply of taxi service to suburban and underserved communities; <input type="checkbox"/> Service refusal and disability discrimination as a result of lack of recourse measures for passengers; <input type="checkbox"/> Such deregulation has been unsuccessful in almost every other jurisdiction; and <input type="checkbox"/> Litigation costs in defending potential taxi industry lawsuits against the government.
Costs	<input type="checkbox"/> While the costs of licensing and enforcement may be eliminated, other externalities may result in costs for other governmental agencies and society impacts such as increased traffic, labor oversupply, reduced driver income, pollution, motor vehicle accidents, litigation, and more crime.
Jurisdictions	<input type="checkbox"/> Collier County, Florida <input type="checkbox"/> Gainesville, Florida <input type="checkbox"/> Sarasota, Florida

PROVINCIAL REGULATION OPTION	
Policy Recommendation	Rely on provincial government to pass province-wide regulations <input type="checkbox"/> The City would not pass any regulations, but will resort to the Ontario government to pass province-wide regulations; and <input type="checkbox"/> This option could include complete provincial regulation of licensing and economies, or just provincial licensing standards with fares and regulation reserved for the local level.
Pros	<input type="checkbox"/> Creates consistent regulations for TNCs across the province, and may help solve regional licensing discrepancies; <input type="checkbox"/> May receive more diverse comments when formulating regulations; <input type="checkbox"/> May lower regulatory costs to the City and to the industry; and <input type="checkbox"/> TNCs may not be able to operate if they must follow each municipality's unique laws.
Cons	<input type="checkbox"/> Removes traditional power of cities to regulate their for-hire vehicles; <input type="checkbox"/> Provincial regulations may not address unique circumstances in each City; <input type="checkbox"/> Regulations may provide unfunded mandates to cities.
Costs	<input type="checkbox"/> Decreased costs for municipalities and private transport industries may result; <input type="checkbox"/> If a less regulated approach is taken, municipalities may have increased externality costs (i.e., traffic, accidents, etc.).
Jurisdictions Adopted	<input type="checkbox"/> Vancouver, British Columbia

Pending Canadian TNC Regulatory Activity		
Jurisdiction	Description of Policy	Policy Option Category
Calgary	<p>□ In November of 2015, a judge granted a temporary injunction to stop Uber drivers from operating in Calgary.</p> <p>□ A Calgary report recommends their proposed ridesharing regulations include a Hybrid Open/Controlled Entry System which maintains a limit on the number of taxis plates, introduces a new category of FHV's, allows some flexibility in rate setting (but not for trips arranged by traditional dispatch or street hails), maintains the current accessibility requirements for all FHV's, and requires licensing and full commercial insurance.</p>	New Licensing Category (Equal Regulation)
Edmonton	<p>□ In January of 2015, the City of Edmonton filed for an injunction to stop Uber from operating, but it was denied by the local court.</p> <p>□ The City is working on amending the for-hire vehicle by-laws and suggests creating a new category of Private Transportation Providers (PTPs) licenses, requiring TNCs to get dispatch licenses, placing no cap on the number of PTPs, removing minimum fares for limos and PTPs but retaining the taxi fare structure, requiring commercial vehicle insurance, and maintaining the current number of accessible vehicle licenses, but creating a fund to convert/create more.</p>	New Licensing Category (Unequal Regulation)
Montreal & Province of Quebec	<p>□ The provincial government has called the uberX service illegal and Montreal's taxi bureau has ramped up its efforts to crack down.</p> <p>□ In December 2014, Uber Montreal executives met with the Quebec Transport Ministry, saying they want the company to be legally recognized in the province, however, regulations are still not in place.</p>	Provincial Regulation
Ottawa	<p>□ City staff engaged in a comprehensive taxi by-law review that recommends TNC reforms.</p> <p>□ The review offered three approaches which could be combined in different ways: (i) incorporate TNC concepts into the current taxi regime and allow reduced fares, (ii) establish new TNC licenses, and/ or (iii) remove the limit on the number of taxi license plates.</p>	Capture or New Licensing Category
Toronto	<p>□ In September of 2014, Uber launched in Toronto and the City immediately filed for an injunction, but lost the motion in the courts.</p> <p>□ On October 2, 2015, Toronto issued new amendments to by-laws that redefined "taxicab," "taxicab broker" and "limousine service company" to include TNCs, and is currently in the process of licensing.</p> <p>□ Under the current by-laws, uberX would still be illegal but Toronto is working on a fix with new regulations expected in the Spring of 2016.</p>	Capture Option (Temporary Designation-By-law Under Review)
Vancouver	<p>□ In November of 2012, Uber stopped operating when the B.C.'s Passenger Transportation Board determined it was operating as a limousine company but not complying with existing rules.</p> <p>□ A motion was passed late last year to study "the benefits of ridesharing" and report back to the City Council. Stakeholders have been actively engaged in roundtable consultations on the future of the FHV sector in Vancouver.</p> <p>□ As of November 2015, no resolution regarding TNCs was reached and the moratorium was extended by another 12 months, with the Vancouver City Council requesting the British Columbia province develop a province-wide policy.</p>	Provincial Regulation
Region of Waterloo	<p>□ City staff introduced a draft by-law to regulate TNCs and is considering revisions as the public and industry stakeholders participate in the consultation process.</p> <p>□ The by-law amendments would require TNC drivers to get taxi licenses, and equip their cars with GPS, closed circuit cameras, and commercial insurance of at least \$2 million.</p> <p>□ The new by-laws won't be effective in January 2016 as planned, due to the massive amount of public feedback that is still being reviewed.</p> <p>□ In November of 2015, the Waterloo Region Taxi Alliance filed for an injunction against Uber and is still pending in the courts.</p>	Capture Option
Windsor	<p>□ Uber began operating in Windsor in November of 2015 and Mayor Dilkens immediately called for new regulations.</p> <p>□ A report recently given to the City Council recommends hiring a consultant to help craft new by-laws, showing that they have yet to develop a comprehensive regulatory strategy for TNCs.</p> <p>□ The Mayor has said he wants to ensure TNC drivers have enough insurance and well maintained vehicles, as well as ensure that the new regulations are enforceable by police.</p>	N/A

1 Methodology

In order to identify regulatory and enforcement policy options to regulate TNCs, our methodological approach focused on reviewing public safety and regulatory mandated principles to identify the role of the City of Mississauga (or the "City") to (a) protect the public and (b) to promote innovation and market efficiencies by encouraging the participation of new market entrants in the for-hire transportation industry. In order to identify regulatory and enforcement policy options to revise and update the existing taxi and limousine regulations, we conducted a detailed comparative analysis of the existing regulations, to determine what standards may be transferrable from the incumbent taxicab industry to the TNC model, and to propose policy changes that will enable each sector to co-exist with a level playing field.

In general, our methodological approach encompassed the analysis of primary data collected from regulators, the incumbent industry, new market entrants, the riding public, and other sectors with a vested interest in the success of the for-hire industry as a whole. Data was collected with a purposeful sampling of stakeholders, during the public consultation periods. Furthermore, our analysis of regulation and enforcement-related issues relied on various reports and research on Transportation Network Company issues.

In conjunction with the City, we attended a Public Vehicle Advisory Committee on October 1, 2015, with stakeholders, to solicit public comments. Working with the City, we also published a request for comments where the public was invited to submit comments to Mississauga@windelsmarx.com on or before the close of business on October 16, 2015. We created a master list of issues raised at the public summits in order to undergo visioning exercises with the relevant City officials, to refine our outline of stakeholder objections and concerns to be addressed.

2 History and Background □ The Existing Paradigm and Framework

2.1 Overview of the Existing Regulatory System in Mississauga

The City of Mississauga is a lower-tier municipality belonging to the upper-tier municipality of the Region of Peel. The Municipal Act of 2001 (the "Act") gives the power to legislate by-laws for the municipality to its local (lower-tier) municipality council.¹ Under the Act, the City is given the power to create a system of licenses for businesses, and affords the City the authority to prohibit businesses without a license from operating, and to impose penalties for non-compliance.² The Act also specifically outlines the powers of the City to establish and provide for the collection of rates or fares for taxicabs and the ability to limit the number of taxicabs or any class of them.³ Pursuant to the Act, the City is only allowed to regulate activity within its geographical borders and may only regulate activity outside its borders by agreement with the relevant authority for the extra-territorial area.⁴

1 Ontario Municipal Act 2011 □Part I, Section 5 (1), (3) <http://www.ontario.ca/laws/statute/01m25>.

2 Ontario Municipal Act 2011 □Part IV, Section 151 <http://www.ontario.ca/laws/statute/01m25>.

3 *Id.*

4 Ontario Municipal Act 2011 □Part II, Section 19 (1) and (2) <http://www.ontario.ca/laws/statute/01m25>.

In the City of Mississauga, the Public Vehicle Advisory Committee (PVAC) is an advisory committee of the Council established to make recommendations to Council including input and advice on policy issues affecting the taxi industry.⁵ The PVAC meets on a bi-monthly basis (six times per year) and is comprised of Council members, industry representatives (drivers and owners), and citizens.⁶ The City's Transportation and Works Department enforces the for-hire vehicle regulations or by-laws.

2.2 Definitions of For-Hire Ground Transportation Sub-Modes and Services

There are four (4) different types of for-hire vehicles (FHV(s)) licensed by the City of Mississauga's Transportation and Works Department: Taxicabs, Airport Public Transportation Vehicles (APTVs), Airport Municipal Transportation Vehicles (AMTVs), and Limousines. Each mode of transportation is distinctly defined by the City of Mississauga in their by-laws regarding Public Vehicle Licensing (By-Law Number 420-04) and distinguishable based on the licensing requirements imposed on the respective drivers and vehicle owners.

Driver and Owner are defined by By-Law 420-04 as follows:

Driver means any person who drives a Taxicab, Limousine, Airport Municipal Transportation Vehicle or Airport Public Transportation Vehicle.⁷

Owner means the Person licensed under this By-law as the Owner of a Taxicab, Limousine, Airport Municipal Transportation Vehicle or Airport Public Transportation Vehicle.⁸

The different vehicles are defined as follows:

Airport Municipal Transportation Vehicle is a vehicle which has not been altered by more than thirty (30) centimeters from the original manufacturers' length dimensions, is equipped with four (4) passenger accessible doors and a seating capacity of no less than four (4) passengers and not more than six (6) passengers, has attached to it an illuminated Roof Light and identifying numbers attached to the side fenders and does not have a Taxicab Meter, and is used exclusively for the prearranged conveyance of Passengers or goods for hire or reward from any point in the City to Lester B. Pearson International Airport, collecting or making only one Fare or charge per Trip.⁹

Airport Public Transportation Vehicle includes an accessible Airport Public Transportation Vehicle and means a Vehicle that has not been altered from the manufacturer's original length dimensions, is equipped with four (4) Passenger accessible doors with a seating capacity exclusive of the driver for not less than three (3) Passengers and not more than five (5) Passengers, and does not have a Taxicab Meter, and is used exclusively for the pre-arranged

⁵ Terms of reference for Public Vehicle Advisory Committee.

⁶ *Id.*

⁷ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Section 1
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

⁸ *Id.*

⁹ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04 , Section 1
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

conveyance of passengers or goods for hire or reward from any point in the City to Lester B. Pearson International Airport, collecting or making only one Fare or charge per Trip.¹⁰

6.1

Taxicab includes an Accessible Taxicab, Special Accessible Taxicab or a Standard Taxicab which has not been altered greater than thirty centimeters (30 cm/one foot) from the original manufacturer's length dimensions, and is equipped with four (4) passenger accessible doors and a seating capacity of not less than four (4) Passengers and not more than seven (7) Passengers and, is equipped with a Taxicab Meter, and is used for the transportation of Passengers and/or goods for hire or reward, one Fare or charge only being collected or made for the Trip.¹¹

Limousines include two classes of vehicles. A Class A Limousine is any Motor Vehicle not equipped with a taximeter, with seating capacity for fifteen (15) passengers or less, including the Driver. This definition consists of Vehicles which are recognized by the automobile industry as "luxury" vehicles that are manufactured with an extended wheel base, or have been extended from its original design and includes vehicles that have been uniquely modified so as to provide "luxury" limousine service, such as buses and Sport Utility Vehicles (SUVs). It does not include the following vehicles: station wagons, panel trucks, and vans. The Vehicle is operated by a uniformed driver for and on behalf of any person for the transportation of goods and/or Passengers for gain or reward.¹²

A Class B Limousine is any Motor Vehicle not equipped with a Taxicab Meter, with the seating capacity for not less than five (5) passengers and not more than eight (8) passengers including the driver. The vehicle is operated by a uniformed driver for and on behalf of any person for transportation of goods and/or Passengers for gain or reward. This definition consists of Vehicles which are recognized by the automobile industry as "Luxury Vehicles" that are not manufactured with an extended wheel base, and have not been extended from its original design. A "luxury" Sport Utility Vehicle ("SUV") may be included in the definition, but a station wagon, panel truck, bus and a van are not included.¹³

The by-law also defines "Broker" as any Person who carries on the business of accepting Orders for, or dispatching in any manner to, Vehicles licensed under this by-law, that are not owned by the Person.¹⁴ Section 2 of the by-law expressly states that no person can own, operate or act as a broker for an APTV, AMTV, Taxicab or Limousine without the licenses outlined in the By-Law.

2.3 Licensing Standards and Requirements

Under the Public Vehicle Licensing By-Law, the driver, the vehicle owner, and the broker must meet specific requirements to receive a license to operate in the City of Mississauga. The Mobile Licensing Enforcement Section in the Enforcement Division of the City of Mississauga administers all licensing for FHV's in Mississauga.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Section 1

http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

¹⁴ *Id.*

AMTV Driver's Licenses and APTV Driver's Licenses have the same requirements. Both AMTV and APTV driver candidates are required to submit proof of age, and eligibility to work in Canada to the Licensing Section. The applicants are also required to provide the following:

- a valid Airport Driver's Card issued by the Greater Toronto Airport's Authority (GTAA);
- a valid Ontario Driver's license (Class G or better) which is in good standing according to the records of the Ministry of Transportation and Communications;
- a certificate of Criminal Conviction data search issued by the Peel police department; and
- a medical report from a physician stating the applicant is fit and able to operate a motor vehicle.

The applicants must also demonstrate a proficiency in English to the Canadian language Benchmarks Assessment Standard for listening/speaking, or provide a valid Ontario secondary school graduation diploma or its equivalent as determined satisfactory by the License Manager. Lastly, the applicants must successfully complete a Defensive Driving Course, a Sensitivity Training Course, and a Robbery Prevention Course.¹⁵

Owners of AMTVs and APTVs also must be licensed in order for the vehicle to be operated for-hire. An AMTV owner is required to hold a valid Airport Permit issued by the GTAA as well as an AMTV driver's license issued by the City of Mississauga. For vehicle approval, the owner must provide the Licensing Section with a copy of the current Provincial Permit for the Vehicle issued by the Ontario Ministry of Transportation in the Owner's name, a copy of the Owner's license, a copy of the current Motor Vehicle Liability Insurance Card endorsed to show the Vehicle being registered and either an Ontario Ministry of Transportation and Communication Vehicle Inspection report showing that the Vehicle has passed inspection within the previous sixty (60) days or a Safety Standard Certificate issued under the Highway Traffic Act, R.S.O. 1990, C. H.8, as amended, within the previous sixty (60) days. Lastly, the owner must submit the Vehicle to be registered for inspection and approval by the Licensing section. The Vehicle must be in compliance with section 14 of schedule 3 of the Public Vehicle Licensing By-Law Number 420-04 for approval. The By-law allows forty (40) AMTV Owner's Licenses to be issued for the City of Mississauga.¹⁶

An APTV Owner must also attain an APTV Owner's license from the Licensing section. To apply, APTV Owner must present an Airport Permit issued by the GTAA. In addition, for vehicle approval, the owner must provide the Licensing Section with a copy of the current Provincial Permit for the Vehicle issued by the Ontario Ministry of Transportation in the Owner's name, as well as a copy of the Owner's license, and a copy of the current Motor Vehicle Liability Insurance Card endorsed to show the Vehicle being registered. Lastly, the owner must either provide an Ontario Ministry of Transportation and Communication Vehicle Inspection report showing that the Vehicle has passed inspection within the previous sixty (60) days or a Safety Standard Certificate issued under the Highway Traffic Act, R.S.O. 1990, C. H.8, as

¹⁵ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedules 3 and 4

http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

¹⁶ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 3

http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

amended, within the previous sixty (60) days or submit the Vehicle to be registered for inspection and approval by the Licensing Section. The by-law allows two hundred and ninety (290) APTV and six (6) Accessible APTV Owner's Licenses to be issued for the City of Mississauga.¹⁷

Taxicab Driver and Owner Requirements

Taxicab Driver license applicants are required to submit proof of age, and eligibility to work in Canada, to the Licensing Section. The applicants are also required to provide a valid Ontario Driver's license (Class G or better) which is in good standing according to the records of the Ministry of Transportation and Communications, a certificate of Criminal Conviction data search issued by the Peel Regional police department and a medical report from a physician stating the applicant is fit and able to operate a motor vehicle. The applicants must demonstrate a proficiency in English to the Canadian language Benchmarks Assessment Standard for listening/speaking competencies of Benchmark 7, or provide a valid Ontario secondary school graduation diploma or its equivalent as determined satisfactory by the License Manager. The applicants must also successfully complete a Defensive Driving Course, a Sensitivity Training Course and a Taxicab Driving Course. Additionally, the applicant must have his photograph taken by the Mobile Licensing Enforcement Section and pass a written test set by the License Manager relating to the provisions of the Public Vehicle Licensing By-laws, the geography of the City, the use of a street guide and the location of specific sites such as hospitals and public transportation terminals.¹⁸

A Taxicab Owner Licensing applicant must be a licensed Taxicab driver if a natural person or, if a corporation, have the individual person holding the shares carrying at least fifty-one percent (51%) of the voting rights attached to all shares of the corporation, be a licensed taxicab driver. In addition, for vehicle approval, the owner must provide the Licensing Section with a copy of the current Provincial Permit for the Vehicle issued by the Ontario Ministry of Transportation in the Owner's name, as well as a copy of the Owner's license, a copy of the current Motor Vehicle Liability Insurance Card endorsed to show the Vehicle being registered, and either an Ontario Ministry of Transportation and Communication Vehicle Inspection report showing that the Vehicle has passed inspection within the previous sixty (60) days, or a Safety Standard Certificate issued under the Highway Traffic Act, R.S.O. 1990, C.H.8, as amended, within the previous sixty (60) days.

Lastly, the owner must submit the Vehicle to be registered for inspection and approval by the Licensing section. The Vehicle must be in compliance with section 41 of schedule 8 of the Public Vehicle Licensing By-Law Number 420-04 for approval. Most notably, a taxicab vehicle must be equipped with a taximeter that is adjusted in accordance with the rates prescribed by Schedule 9 of the Public Vehicle Licensing By-Law Number 420-04 and a security camera in accordance to the specifications set out by Schedule 15 of the Public Vehicle Licensing By-Law Number 420-04. No taxicab is allowed to be more than three (3) model years old if being registered for the first time, or more than seven (7) model years old for any subsequent registration. The Public Vehicle Licensing By-laws limits the number of taxicab owner licenses

¹⁷ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 4

http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

¹⁸ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 8

http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

to seven hundred and eight (708). The total number of taxicab owner licenses issued at any given time is established by the Plate Issuance Formula set out in Schedule 13 of the Public Vehicle Licensing By-Law Number 420-04. The By-laws also place a limit on the number of taxicab Owner licenses to be held by one person to twelve (12) licenses.¹⁹

Limousine Driver and Owner Requirements

Limousine Driver License candidates are required to submit proof of age and eligibility to work in Canada to the Licensing Section. The applicants are also required to provide a valid Ontario Driver's license (Class G or better) which is in good standing according to the records of the Ministry of Transportation and Communications, a certificate of Criminal Conviction data search issued by the Peel Police Department, and a medical report from a physician stating the applicant is fit and able to operate a motor vehicle. The applicants must demonstrate a proficiency in English to the Canadian language Benchmarks Assessment Standard for listening/speaking competencies of Benchmark 7, or provide a valid Ontario secondary school graduation diploma or its equivalent as determined satisfactory by the License Manager. Lastly, the applicants must successfully complete a Defensive Driving Course and a Sensitivity Training Course.²⁰

Limousine Owner license applicants must submit, file, and maintain an Ontario business registration or submit and file a copy of their Articles of Incorporation. They must also file with the Licensing Section documentation to the satisfaction of the License Manager of potential and viable Limousine business for at least 35 hours per week in the City. An applicant for a Class B owner's license must hold at least one Limousine Class A license for every Limousine Class B owner's license he/she applies for. Additionally, Limousine Owner license applicants are required to file with the Licensing Section a schedule of all hourly tariff rates to be charged. Rates are to have a minimum of two (2) hour duration at a charge of not less than fifty dollars (\$50.00) for the first hour and thirty (\$30.00) dollars for each additional hour for a Limousine Class A. The same minimum rates apply for a Limousine Class B license, but there is no two hour minimum duration requirement. In addition, for vehicle approval, the owner must provide the Licensing Section with a copy of the current Provincial Permit for the vehicle issued by the Ontario Ministry of Transportation in the Owner's name as well as a copy of the Owner's license, a copy of the current Motor Vehicle Liability Insurance Card endorsed to show the vehicle being registered, and either an Ontario Ministry of Transportation and Communication Vehicle Inspection report showing that the vehicle passed inspection within the previous sixty days or a Safety Standard Certificate issued under the Highway Traffic Act, R.S.O. 1990, C.H.8, as amended, within the previous sixty days, or a City of Toronto Vehicle Inspection Report accompanied by a City of Toronto Livery Cab Fitness Report showing that the Vehicle has been accepted within the previous sixty (60) days. Lastly, the owner must submit the Vehicle to be registered for inspection and approval by the Licensing section.²¹

There is a separate broker's license that must be acquired for each of the four categories of public vehicles. Brokers must maintain an office within the City from which the Brokerage is

¹⁹ *Id.*

²⁰ City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 6
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

²¹ *Id.*

operated. Taxicabs, Limousines, APTVs and AMTVs are only allowed to be affiliated with one brokerage at a time.²²

6.1

Criminal and Drivers Records Amendments

Recently, the City of Mississauga enacted a by-law²³ that amended the for-hire vehicle by-law governing criminal and driving record checks. The by-law amended the criminal records checks and driver abstract checks for limousine and taxicab drivers to require:

- Submission to the License Manager of a criminal record search within 60 days of the application issued by the Peel Regional Police, or other police service in Ontario; and
- A driver's abstract.

No applicant will be issued a new license or renew an existing license if the License Manager determines that the applicant:

- Received any criminal conviction within five years of the date of application or renewal;
- Received a criminal conviction for any offense listed in Schedule 15 of the by-law;²⁴
- Has a drivers' license that contains more than six demerit points or their equivalent from outside the Province of Ontario; or
- Has received an individual Highway Traffic Act conviction which resulted in at least four demerit points, or its equivalent from outside the Province of Ontario, being added to the applicant's driver's abstract.

The license manager may issue a conditional license if the applicant provides documentation showing that he or she has a current application to the Parole Board of Canada for a record suspension in accordance with the Criminal Records Act.

2.4 The State of the Market²⁵

The City of Mississauga retained Hara Associates to conduct a Taxi Plate Issuance Model Review (the "Study"). The analysis focused on the 708 taxis that Mississauga currently licenses. Of the 708 licensed taxis, 40 are wheelchair accessible. This does not include the 336 for-hire vehicles, of which six are accessible, currently licensed to serve the airport exclusively. Part of the Hara Study analyzed whether Mississauga's taxi fleet efficiently serves its population. In an efficient system, passengers will not have to wait an excessive amount of time for a taxi and drivers will not have to wait an excessive amount of time between fares.

The Study noted that taxi demand is not always a constant. There will be times, such as the moment that a bar or restaurant closes, or during inclement weather, when demand spikes and there are not enough taxis available, even though The City may otherwise have an adequate

22 City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 5
http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf

23 Bylaw number 0259-2015, enacted and passed on October 14, 2015.

24 Among some of the offenses are promoting or committing terrorism, sexual offenses against minors, murder, assault, robbery and extortion, arson and trafficking in controlled substances.

25 Unless otherwise noted, information for this section is from the "City of Mississauga, Taxi Plate Issuance Model Review" by Hara Associates Incorporated, dated October 7, 2015.

supply of taxis. The Study also determined whether Mississauga's taxi fleet can meet demand during an average peak period omitting extremes.

6.1

The Study found that there are external factors that affect the balance of supply and demand for taxis. For instance, taxis that serve the airport may affect supply and demand because the airport has rules that sometimes allow outside taxis to serve the airports, reducing the supply in the City. Also, Transhelp, the public transit service serving people with disabilities in Mississauga, uses both accessible and non-accessible taxis to serve its passengers, making some taxis unavailable to the general public.

Among some other findings of the Study were that Mississauga has 8.9 taxis per 10,000 people, which is near the high end of its peers. For comparison, Toronto has 18.5 taxis per 10,000 people, but the high Toronto number is skewed because of the high density of people and an incentive program, now discontinued, that greatly expanded the number of taxi licenses available. Another peer city, Burlington, only has 3.3 taxis per 10,000 people, which can be partially explained by the higher percentage of car ownership.

The Study also found that there has been substantial growth at the airport, with passenger volume increasing by 34.8% over the last 11 years (2004 to 2014). Although Pearson Airport's activity is driven by the entire region, it has a disproportionate impact on Mississauga taxis because of the business generated by travelers who stay in Mississauga.

Operating under the premise that most people expect a taxi to arrive within 15 minutes of the request, the Study □using data from cooperating brokers □showed that Mississauga has good dispatching response times. Modern dispatching systems include GPS positioning and indicate when the meter is activated. The data from cooperating brokers was combined and anonymized to get a larger picture of dispatch response times. The data showed that the average response time for a taxi is 9.8 minutes, with 90.01% of calls answered within 15 minutes.

Looking at a period with high demand (Friday afternoons), the Study found the average waiting time peaks at 11.9 minutes at 5 pm. Even at this peak time, 83% of dispatches are answered within 15 minutes. Although the overall response time is good, the standard is not consistent across all geographic areas. The Study found that areas in the Northeast, near the airport, tended to have weaker dispatch performances, with a 12.5 minute average and only 75% less than 15 minutes on a weekday morning between 8 am and 9 am. Results were similar in the afternoon, with a 13 minute average and only 77% arriving within 15 minutes on a weekday between 4 pm to 6 pm.

This Study concluded that, in general, Mississauga has good taxi service, with an average response time of 9.8 minutes and 90% of calls arriving within 15 minutes. Even during the busiest times, taxis still arrive within 15 minutes 80% of the time. There are, however, some areas of the City, near the airport, where less than 80% of calls arrive within 15 minutes. The Study further concluded that while Mississauga's taxi fleet is adequate, there is some room to slightly increase the taxi fleet size to address weaker dispatch times near the airport.

Although taxis are allowed to pick up street hails, almost all of their business in Mississauga is performed through dispatches. TNCs also dispatch their vehicles, although they may do it with different technology. This suggests that any model that allows TNCs to enter the market in large numbers will have a negative effect on taxis, reducing their business and the value of their taxi plates. Even in a jurisdiction like New York City, where TNCs are required to follow existing regulations for for-hire vehicles, although these regulations are not as strict as those regulations for taxis, and taxis are the only vehicles authorized to accept street hails in the Manhattan central business district, the number of riders has dropped²⁶ and the taxi medallion values have fallen.²⁷ In the United States, Uber drivers earn 47% more than taxi drivers and fares per medallion in New York City, with its strong street hail market, have dropped 10%.²⁸ In a city like Mississauga, the entry of a large number of unregulated TNC vehicles may have a more devastating effect.

2.6 Accessibility

The Accessibility for Ontarians with Disabilities Act (the "AODA") was enacted in 2005. The AODA outlines the duties of municipalities with regard to accessible taxicabs. Among some of its requirements are that municipalities consult with their Accessibility Advisory Committees to establish the proportion of on-demand accessible taxicabs required in the community and set a plan for progress to meeting the proportion goal. The AODA requires each municipality to have an Accessibility Advisory Committee to ensure that accessibility needs are a priority for the municipality. The AODA requires that municipalities ensure that owners and operators of taxicabs do not charge a higher fare or an additional fee for persons with disabilities than to the fare charged for persons without disabilities for the same trip, and that they do not charge a fee for the storage of mobility aids or mobility assistive devices. It also requires municipalities to ensure that taxicabs place vehicle registration and identification information on the rear bumper of the taxicab, and for vehicle registration and identification information to be available in an accessible format to passengers with disabilities.

The City of Mississauga's current by-laws allot two accessible taxi licenses for every brokerage that has a minimum of twenty-five (25) licensed Mississauga Taxicab Owner's affiliate with the brokerage²⁹. Additional accessible taxi licenses are available if the broker provides a business plan showing how the broker would put more service into place. As a result only 40 accessible taxi plates have been issued by the City of Mississauga.³⁰ The Hara Associates Study, through consultations with stakeholders and the Accessibility Advisory Committee, found that the current accessible taxi service in Mississauga is failing to meet the needs of the public and does not adequately address the mandates of the AODA.³¹

26 <http://www.amny.com/transit/nyc-yellow-cab-trips-on-the-decline-uber-to-blame-1.10627001>.

27 <http://nymag.com/daily/intelligencer/2015/11/yellow-cabs-file-suit-against-city.html#>.

28 <http://seekingalpha.com/article/3607036-the-impact-on-medallion-financial-of-uber-driver-pay>.

29 City of Mississauga Public Vehicle Licensing By-Laws Number 420-04, Schedule 7

http://www7.mississauga.ca/documents/bylaws/Public_Vehicle_Licensing_.pdf.

30 "City of Mississauga, Taxi Plate Issuance Model Review," Hara Associates, October 7, 2015.

31 *Id.*

The City of Mississauga has a unique relationship with the Lester B. Pearson Airport. The airport is geographically located in the City, but it is the largest international airport in Canada and serves the entire surrounding region, including being the primary airport serving Toronto. The Municipal Act of 2001 gives the upper tier municipality, in this case the Region of Peel, the authority to license and govern taxicabs and other for hire vehicles that pick-up and drop-off passengers at the airport.³² The airport is governed by the Greater Toronto Airport Authority (GTAA). The GTAA has its own regulations, licenses and permits for the FHV's that service the airport. However, since the airport is located within the geographical boundaries of Mississauga, the City may also license for-hire vehicles that operate between the airport and within the City. As a result, a taxicab or limousine picking up or dropping off passengers at the airport with the origin or the destination of the trip being in the City of Mississauga, has to be licensed by both the GTAA and the Licensing Section of the City. The GTAA requires any Taxicab to obtain an Airport Taxicab Permit (ATP) for the owner of the vehicle and allows up to four drivers to apply for an Approved Driver Certificate (ADC) for each vehicle. If an airport Taxicab will pick-up or drop-off within the City of Mississauga, the driver then needs to obtain all the necessary licenses to operate as an AMTV (as explained above).

Uber has an agreement with the GTAA that allows it to operate as an approved pre-arranged vehicle company at the airport. Only UberBLACK is allowed to operate at the Airport according to this agreement, and Uber must pay a required pre-arranged fee per trip (as all other pre-arranged service providers must pay).³³ According to Uber, it does not offer the UberBLACK service in Mississauga. Since the Municipal Act prohibits the City of Mississauga's regulation of taxicabs operating between an airport and an external municipality, Uber's agreement with the GTAA allows it to operate only if the trip is between the airport and a drop-off or pick-up location outside of Mississauga. An argument can be made that UberBLACK uses vehicles that are more akin to limousines, in which case, taxicab regulations may not apply. However, if the trip is between the airport and somewhere within Mississauga, then Uber is operating illegally because it does not have the necessary requirements set by the City.

3 New Entrants & Technologies³⁴

The introduction of new transportation network companies ("TNC(s)") purporting to provide "ridesharing" services launched in the Summer of 2012 after their initial introduction to many U.S. cities as mere "technology providers" offering for-hire transportation services. Such companies offer smartphone applications ("app(s)"), which provide on-demand online booking for transportation services. Passengers may request a ride through the app from a type of commercially-licensed or a private passenger vehicle driven by either a commercially or non-commercially licensed driver, which then communicates the passenger's location to drivers via GPS. TNCs also communicate to the passenger an estimated fare. Many TNCs also have a rating system that allows for drivers and passengers to rate each other after the trip is completed.

³² Ontario Municipal Act 2011 <http://www.ontario.ca/laws/statute/01m25>.

³³

http://torontopearson.com/uploadedFiles/Pearson/Content/About_Pearson/Community_Relations/Committees/Taxi_and_Limo_Committee/CCTL_Minutes_20141022.pdf.

³⁴ The information from this section is from responses to questions that the City of Mississauga posed to Uber.

Passengers' credit card information is saved by the app so that they may be identified for future trips. TNCs claim to conduct background checks of all drivers with whom they engage to provide transportation services and they classify drivers as independent contractors, rather than employees. A percentage of the fare charged for each trip goes to the driver, as well as gratuities, and the remaining balance goes to the TNC.

Since Uber is operating without licenses from the City and is vetting its own drivers, driving a for-hire vehicle has become easier than ever for many people who normally would not drive a for-hire vehicle. Uber is turning for-hire driving into a part-time occupation where students and other people with extra time can earn money by providing rides to other people. Uber vehicles also are provided in several categories, as described below, giving passengers more choice in their for-hire vehicles. By adding Uber vehicles to the fleet of vehicles serving Mississauga, the waiting times for a dispatch may drop. But, in Mississauga, as described in the Hara Study, there is already an adequate taxi fleet where dispatched taxis arrive within 15 minutes approximately 80% of the time, except in some areas near the airport.

3.1 History of Entry

Uber first appeared in Mississauga in 2012, recruiting drivers for its new service. Shortly after its appearance, City officials explained to Uber that the City by-laws do not allow it to operate since Uber is recruiting taxi drivers, taxis must be linked with one brokerage at a time and Uber is not a licensed brokerage. Uber disagreed with the City's interpretation, stating that the by-laws did not apply to it because it is a technology company. According to Uber, it began operating in Mississauga on July 1, 2014. In August of 2014, City officials went to Uber again to discuss the by-laws, but Uber ignored them and launched uberX in September of 2014.

3.2 Business Models and Services Offered by Uber

3.2.1 Rate Structure & Dynamic Pricing

The following is the rates structure for the various types of service offered by Uber:

- UberX: \$2.50 base fare, \$0.18/minute, \$0.80/KM, plus a \$1.50 safe ride fee (\$4 minimum fare);
- UberXL: \$5 base fare, \$0.35/minute, \$1.55/KM, plus \$1.50 safe ride fee (\$6.50 minimum fare);
- UberSELECT: \$5 base fare, \$0.35/minute, \$1.80/KM, plus \$1.50 safe ride fee (\$10 minimum fare).

Uber uses surge pricing, also known as dynamic pricing, in Mississauga. Dynamic pricing goes into effect when demand outpaces supply, causing a shortage of drivers. Uber justifies dynamic pricing by arguing it brings more cars into service by offering drivers higher compensation. When dynamic pricing is in effect, riders are notified prior to placing their request to confirm they have accepted the multiple on the fare. When there is a multiplier of 2X or more, the rider must also confirm the multiple before accepting the ride.

3.2.2 Services

Uber offers uberX, UberXL and UberSELECT in Mississauga. UberX is the low cost peer-to-peer service. Uber XL is also peer-to-peer, but uses larger vehicles with at least 6 seats as opposed to a standard uberX, which has 4 passenger seats. UberSELECT is peer-to-peer, but uses high end vehicle models from Tesla, Mercedes Benz and BMW.

According to Uber, it currently has approximately 2,400 active drivers who reside within Mississauga. A majority of uberX drivers work less than 10 hours a week on the Uber platform.

3.2.3 Wheelchair Accessible Compliance

Wheelchair accessible vehicles are currently not available on the Uber app in Mississauga. In Toronto, Uber provides wheelchair accessible vehicles through UberACCESS, where it partners with accessible taxicab drivers. Uber users in Toronto can request a wheelchair accessible taxi with hydraulic lifts or ramps.

3.2.4 Licensing Standards

Uber, despite being directed twice by City officials that its operations violated City by-laws, continues to operate in violation of City by-laws, instead using internal company procedures to recruit drivers and approve vehicles for service.

In order to become an Uber driver in Canada, an applicant must create an account at www.uber.com and review a 15-minute video outlining how Uber works. Drivers complete a profile by uploading copies of their driver's license, proof of work eligibility, vehicle registration, and proof of insurance. The upload requires the expiration dates of each document. The documents are reviewed by a Chicago-based team, with direction from a Toronto-based operations manager. The documents must meet the following requirements:

- Driver's license
 - Full G or equivalent
 - Not expired
 - Minimum one year driving history
- Proof of work status
 - Federal document (SIN card, Canadian Passport, work permit, etc.)
 - Not expired
- Vehicle registration
 - Valid in Ontario
 - Not expired
 - Car must be a 2005 or later four-door model
 - License plate must be on the vehicle associated with the partner's profile
- Vehicle insurance
 - Valid in Ontario
 - Not expired
 - Name on insurance document must match name of prospective partner
 - License plate(s) must match registration documents

The potential driver must undergo a background check offered by a third-party background screening company, ISB Canada Inc., or First Advantage Canada, Inc. The background checks have two components, a criminal background check and a driver's abstract. The vendor obtains informed consent from the potential driver and two pieces of identification or verification of identity through electronic ID verification. The vendor sends the applicant's consent form, with name and date of birth and two pieces of acceptable identification, to a local police service to conduct a □CPIC□search.

A CPIC search involves screening the applicant's name and date of birth against the Royal Canadian Mounted Police National Repository of Criminal Records for any criminal conviction, including any conviction under the Criminal Code of Canada or the Controlled Drugs and Substances Act; and reviewing the CPIC database for any cases involving the applicant that are before the courts and for any charges against the applicant that have been withdrawn that involve serious offences as defined by the Police Services. An applicant will fail the enhanced criminal check if the local police service search of the RCMP records finds records with the names(s) and date of birth of the applicant.

The driver's abstract reviews the applicant's driving record over the past three years. Upon receiving the applicant's consent, the background check vendor runs the driver's license thorough a database of driving records of the Ontario Ministry of Transportation. An applicant will fail if his or her driving record reveals one of more of the following:

- Any conviction for impaired driving;
- Any other major driving infraction, such as leaving the scene of an accident or speeding more than 30 km/hour over the speed limit; or
- More than two minor driving infractions, such as speeding less than 30 km/hour over the speed limit, driving while using a handheld device, or failure to wear a seatbelt.

The background check vendor prepares a report to Uber Canada with the results of the background check. The applicant must pass the criminal background check and driver's abstract in order to pass the background check. To ensure continued compliance, according to Uber, its managers conduct audits to ensure all documents are up to date and accounts are automatically deactivated when a document expires.

Uber requires uberX vehicles to be no more than 10 years old and they must be four-door vehicle models. Vehicles are also subject to a mandatory 26-point vehicle inspection by certified auto mechanics in the Province of Ontario.

3.3 Public Opinion of New Entrants

Earlier this year, Toronto City Council directed the Executive Director of Municipal Licensing and Standards, to review the operations of Uber and technologies like it, including the interests of the public in the technologies and their impacts on the current taxicab industry.³⁵ A mix of focus groups and in-depth interviews were conducted. When asked to explain their satisfaction with Uber services, the vast majority of users provided a positive comment, indicating overall satisfaction.³⁶ The most common mentions are for the affordable/cheaper cost, the ease of use or a positive driver experience.³⁷ A number of people were also most satisfied with the convenience and friendly drivers.³⁸ Very few provided a negative comment when discussing their satisfaction with Uber, of which the most common were for unsafe driving.³⁹

35 Information from this section is from Uber, Taxi and Limousine Perceptions and Attitude (2015), the study conducted by Ipsos Public Affairs, at the request of the Toronto City Council.

36 *Id.*

37 *Id.*

38 *Id.*

39 *Id.*

When asked, 80% of residents were most likely to agree that taxi service requires a taxi license to operate legally.⁴⁰ 60% of residents agreed that since Uber services are less regulated, they can provide service for a lower cost.⁴¹ 60% of residents also agreed that having Uber in the market offers the type of competition in taxi and limo services that Toronto needs.⁴² Just over half of residents felt that even though there is regulation on taxi and limousine services in Toronto, it has not created a service that is better for consumers than what Uber offers.⁴³

3.4 Benefits of Transportation Network Companies

There are a number of benefits to allowing TNCs to operate in the City. TNCs allow drivers to use their personal vehicles to generate income by providing rides to the public. A driver only learns the passenger's destination when the tallying of the fare starts, and thus, this addresses the problem of taxi service refusal when traveling to undesirable parts of town.⁴⁴ Users like the conveniences offered by smartphone apps, including being able to hail a car from any location and have a car ready within minutes⁴⁵; they like being able to see on a map where the closest vehicle is, and of being able to pay seamlessly by a stored credit card.⁴⁶ Unprofessional drivers are weeded out because passengers rate the driver's performance, and a consistently low rating will force a driver out of UBER or its competitors. Users also like the idea of participating in the "sharing economy." Fares are lower than for municipally licensed cabs because TNC drivers do not pay the costs of meeting regulations for consumer and driver safety that licensed vehicles must pay.⁴⁷ Insurance in particular is an issue, since TNC drivers, who rely solely on inadequate personal driver insurance, pay approximately \$1,000 per month less for insurance.⁴⁸

4 Application of Existing Paradigm and Licensing Structure to New Entrants

4.1 Comparison of New Entrant's Local Business Model to Existing Regulations □Do the Existing Regulations Apply or Not?

Arguably, Uber should be regulated under the existing Mississauga Public Vehicle Licensing By-law. Mississauga Public Vehicle By-Law Number 420-04 licenses seven categories related to for-hire vehicles:

- Owners and operators of Airport Municipal Transportation Vehicles
- Owners and operators of Airport Public Transportation Vehicles
- Brokers
- Owners and operators of limousines

40 *Id.*

41 *Id.*

42 *Id.*

43 *Id.*

44 <http://www.investopedia.com/articles/investing/110614/taxi-industry-pros-cons-uber-and-other-ehail-apps.asp>.

45 *Id.*

46 Information for this paragraph is from the Draft Taxi Plate Issuance Model Review by Hara Associates Incorporated, 1-2, dated October 7, 2015.

47 *Id.*

48 *Id.*

- Owners or operators of Accessible Airport Public Transportation Vehicles
- Owners or operators of Special Accessible Taxicabs or
- Owners or operators of Taxis

6.1

Broker is defined as "any Person who carries on the business of accepting Orders for, or dispatching in any manner to, Vehicles licensed under this by-law, that are not owned by the person." Uber connects drivers, using their personal vehicles, to riders through its app. The rider is charged a fare as determined by Uber's formula and a percentage is retained by Uber for accepting the order for a ride and then dispatching to a driver. Uber dispatches to vehicles that may be considered taxis or limousines as defined in the by-law.

Uber, through its app, accepts orders for vehicles that should be licensed as limousines under the By-law. Uber does not own its own vehicles, thus Uber is acting as a livery cab brokerage or a taxicab brokerage under the by-law. Uber argues that the existing by-law does not apply because it is a technology company, its drivers use their personal cars and they only drive part-time, with a majority driving less than 10 hours per week. However, under the By-law, the means used by a company to dispatch a vehicle does not change the nature of what the company does. In fact, the by-law defines dispatch to mean "the communication of an Order or information *in any manner* between a Broker and a Driver." (Emphasis added) As discussed, the by-law also provides specifically that a broker dispatches vehicles that are not owned by such broker. The By-law also does not contain any exemptions for drivers who work less than full time.

4.2 Identification of Non-Compliance or Loopholes

Uber is currently operating without any licenses from the City of Mississauga. As discussed, under the by-law, Uber should have a broker's license and its drivers should possess a taxicab or limousine license.

5 Benchmarking & Best or Accepted Practices

As many jurisdictions struggled to understand the operations of transportation apps, the following legal issues were identified as areas where existing regulations were in tension with purportedly new "innovation"

- I. *Prearrangement or Electronic Street Hail?* There are jurisdictions that only allow for taxicabs to be "hailed" by the passengers. Today, some apps allow users to request for-hire vehicles on demand. Although this may seem attractive to the riding public, such apps may potentially run afoul of industry regulations, since many communities have yet to answer whether on-demand service is an "electronic street hail" or prearranged service.
- II. *Safety Concerns.* Most apps are technology start-ups and many are not associated with a specific livery or taxicab business license. If apps continue to operate without regulations or are under-regulated, the public may be riding in vehicles that do not meet the vehicle license requirements or have a driver who has satisfied the licensing requirements for the community.

- III. *Use of "Taxi" or "Taxicab" in the App Name.* Some municipalities restrict the use of the term "taxi" or "cab" to prevent consumer confusion and enforce the distinctions as to how taxicabs operate. In one instance, an app was required to remove "cab" from its name because the app functioned to dispatch livery vehicles, and those vehicles did not meet what the public expects from a "cab."
- IV. *Illegal Service Refusals.* Many jurisdictions have local laws that expressly prohibit a licensed transportation service from refusing potential fares. Apps may allow a driver to accept or decline potential dispatches. In addition to the possible violation of driver rules, possible discrimination against consumers may occur by such actions.
- V. *"Fair" Fares.* Fare regulations can have two purposes: 1) consumer protection, and 2) the ability to easily distinguish different types of transportation services. Numerous cities will require the fares to be published and filed with a local agency. Yet, some apps operate by charging passengers at the end of the trip. The consumer has no assurance as to the final fare, or whether the charge is "fair."
- VI. *Is it a taximeter?* Generally, taxicabs must have a taximeter, and only taxicabs may charge fares based on distance and time. Taximeter specifications are regulated in the United States by the National Institute of Standards and Technology "NIST" and various state agencies. Among the requirements, the taximeters are calibrated, sealed, and inspected. Some apps may use their own technology, including GPS, to calculate the fare based on time, mileage and demand, which does not meet taximeter standards, and may or may not be consistent with the fare charged to each passenger using the same application, or passengers using any other application.

5.1 International History and Overview of Smartphone App Movement

5.1.1 Canada

Calgary, Alberta⁴⁹

TNCs

In October 2013, Uber tried to launch UberBLACK as a promotion but was quickly stopped by the City because they violated by-laws by partnering with a local licensed broker who had rented unlicensed vehicles from Hertz, and used unlicensed drivers to provide for-hire service. uberX launched on October 15, 2015, with the claim that the launch was "to allow the City to try out their services" while the City Council was developing the regulations to govern them. Calgary currently has six (6) enforcement officers as taxi inspectors, but undercover plain clothes officers and Calgary police are also tasked with helping enforce transportation regulations. On November 20, 2015 a judge granted a temporary injunction to stop Uber drivers from operating in Calgary. As a result, Uber was forced to suspend its operations in the City. Until the City's concerns regarding safety, insurance and regulatory requirements are addressed; City lawyers will seek a permanent injunction at a hearing scheduled for December 17, 2015.⁵⁰

Regulations

The Calgary City Council writes the by-laws governing for-hire vehicles, with recommendations made by advisory committees. Calgary does not have a taxi commission. The current for-hire vehicle by-laws regulate two categories; taxis and limousines. Calgary issues

49 Information for this section is from an interview with the Calgary regulators on October 19, 2015.

50 <http://calgaryherald.com/news/local-news/court-grants-temporary-injunction-to-stop-uber-drivers-in-calgary>.

licenses for vehicles, drivers and brokers of taxis and limousines. Taxis in Calgary have the exclusive right to be hailed on the street, but may also be prearranged. Fifty percent of taxi rides in Calgary are through street hails while the other fifty percent of taxi rides are prearranged through brokers.

Uber challenged the current by-laws for minimum hourly rates for limousines, which are currently at \$84.60/hour and to remove the minimum waiting requirement, which is currently 30 minutes. There is a proposed bill with these amendments which has not yet been passed. Calgary is currently working on updating its by-laws with regard to TNCs. The City is developing a new framework that was discussed at the October 30, 2015 Advisory Committee meeting, and was discussed by Calgary City Council on November 16, 2015. An extension was granted and full bylaws must be prepared for review by February 22, 2016. Calgary has taken the lead on its by-laws from Edmonton's proposed bill.

The proposal for Calgary's new by-laws would introduce a new category of "Private Vehicle for Hire" for the TNCs. The City would issue separate vehicle and driver licenses for these private vehicles for hire. Under the proposal, Private Vehicles for Hire will not be allowed to perform street hails and will need to undergo an annual inspection and will include vehicle age restrictions. Drivers will have to submit to a background check by the City and must carry a Class 4 driver's license from the province. The proposed framework places no cap on the number of licenses to be issued for the private vehicles for hire. Calgary does not plan to restrict surge pricing for private hire vehicles, but will maintain a minimum rate. Current taxi regulations control entry and have maximum rates for taxis.

Calgary is facing a challenge with insurance requirements for TNCs because insurance companies explicitly preclude drivers from using their cars to transport for compensation under their personal insurance. Therefore, anyone using private vehicles with personal insurance for work with a TNC will not be covered by the insurance. As a result, Calgary's proposal requires full commercial insurance for the private vehicles for hire. Uber has partnered with Intact, a Canadian insurance company, to create a new insurance product that would be suited for TNC usage.

Among some of the other issues being debated is if Calgary will require private vehicles for hire to have cameras, as is required for taxis. There is an argument that since private vehicles for hire will not be allowed to accept street hails, then they will not need cameras. Calgary is also proposing to not allow TNCs to place any kind of logo or identifying marker on the cars or trade dress for the drivers to curb illegal street-hailing.

The proposal also would license app operators as dispatchers subject to approval by the City in order to have accountability. The dispatcher license would have an accessibility requirement that requires the same level of service as all other taxi brokers, which is the ability to provide accessible transportation within 15 minutes, 77% of the time. It is believed that TNCs will probably contract with local companies with accessible vehicles to meet this requirement. The proposal also requires app operators to keep trip data reporting requirements for private hire vehicles.

The existing for-hire vehicle industry has responded that the by-laws have to be strictly enforced. Brokers are now making a shift from fighting against TNCs to figuring out how to compete with them.

TNCs

Uber started operations in Edmonton in September 2014, advertising for vehicles and drivers to join their platform in Edmonton, and quickly launched their services. On December 18, 2014, Uber started to provide free rides to customers. On December 27, 2014 Uber started charging for rides. This caught the attention of the City of Edmonton, which on January 20, 2015, filed for an injunction to stop Uber from operating, but it was denied by the local court.

Regulations

After losing in court, the City's Executive Committee, which is comprised of the Mayor and three Councilors, began working on amending the for-hire vehicle by-laws to regulate the new entrants to the market. On September 9, 2015, the Executive Committee released its new Vehicle for Hire By-law draft. The Executive Committee held meetings with six different stakeholder groups and issued a survey on their website for feedback. The Executive Committee then held a public meeting in which 89 people spoke, after which the Executive Committee sent the draft by-laws to the City Council without recommendations. Taxi drivers protested the bill.

The existing by-laws only provide for three categories of for-hire vehicles; taxis (and accessible taxis), limousines and shuttles. The draft bill creates a new category of Private Transportation Providers (PTPs) licenses, distinct from taxis and limos. Drivers of PTPs, however, will be required to have a taxi driver's license and commercial vehicle insurance, or a policy that meets insurance requirements of the Province for commercial vehicles. The TNCs will need to apply for a dispatcher license in order to operate in Edmonton. The new by-laws also remove fare minimums for limousines (currently, the minimum is \$75), place no minimum fare on PTPs, do not restrict surge pricing and places no cap on the number of PTPs. The current taxi fare structure and caps will remain in place.

On November 17, 2015, the City Council reviewed the bill and sent it back to the Executive Committee with some amendments and areas to investigate in 2016. The proposed amendments were:

- Create a distinct license class with appropriate fees for Transportation Network Companies (TNC);
- Provide a driver's license fee in a nominal amount for Private Transportation Provider (PTP) drivers who are affiliated with TNCs;
- Propose ways to deter PTPs from refusing pickups;
- Maintain the current number of accessible vehicle licenses; and
- Create a new fund with contributions from TNCs to support future conversion of existing vehicle licenses to accessible vehicle licenses, and/or create additional accessible vehicle licenses.⁵²

The areas to investigate were a self-regulation model for PTPs, fare structure for the industry and ways to administer the accessible vehicle fund.⁵³

⁵¹ Information for this section is from an interview with the City of Edmonton regulators on October 19, 2015.

⁵² http://www.edmonton.ca/bylaws_licences/licences_permits/vehicle-for-hire-by-law.aspx

⁵³ *Id.*

In addition, there is a proposal to require PTPs to place a placard identifying the company and perhaps a car number in the windshield while operating as a PTP. The stated reason to support the use of the placard is that it may be removed while using the vehicle for private use.

Toronto, Ontario⁵⁴

TNCs

Uber began operating in Toronto in 2012 with UberBLACK and UberTaxi. Uber used vehicles that were licensed by the City as taxis and limousines, but Uber was not licensed as a broker so it was not compliant with Toronto's By-laws. In September of 2014, Uber launched uberX in Toronto. The City immediately responded by filing for an injunction, but lost the motion in the courts. Toronto also issued consumer alerts to warn the public about security and insurance issues in using Uber. The judge used a narrow interpretation of the by-laws in which he declared TNCs were not a part of the by-laws.

Regulations

Under Toronto's by-laws, taxis are allowed to perform street hails and prearranged trips. Taxis are not required to use credit card machines, but about 80% do utilize them. Taxis are required to have cameras and taximeters. Limousines must be booked a minimum of 20 minutes in advance, and have a minimum fare of \$70 per hour for a minimum of two (2) hours. Limousines are not allowed to use meters. Both taxicab and limousine drivers are required to conduct a background check and submit their driver abstract. Taxicab drivers are also required to partake in a 17 day driving course while Limousine drivers only need to complete a 5 day driving course.

On October 2, 2015, Toronto issued new amendments to by-laws that redefined □taxicab, □taxicab broker□and □limousine service company□to include TNCs. The amendments make clear that dispatchers are only allowed to work with licensed taxicab drivers and owners and reduced the initial fare to \$3.25 from \$4.25.⁵⁵ The City then asked Uber to register as a taxicab broker. The City is currently in the process of licensing Uber as a taxicab broker. However, under the current by-laws, uberX would still be illegal. Toronto is working on new regulations expected in the Spring of 2016 that would include uberX. Currently, uberX is seen as non-compliant and is not permitted by the law to operate. Thus far, Toronto's by-law enforcement officers and police officers have issued 204 violations against 102 drivers.

Insurance requirements are a provincial matter, set by the Ministry of Finance of Ontario. The Financial Services Commission of Ontario (FSCO) licenses insurance companies. Currently Intact Financial Corporation and Uber are working together to obtain the three-time-slot insurance approved by the Province for uberX drivers.

⁵⁴ Information for this section is from an interview with the City of Toronto regulators on October 27, 2015.

⁵⁵ <http://www.toronto.ca/legdocs/bylaws/2015/law1047.pdf>.

Quebec

TNCs

Uber launched in Montreal, the largest city in the Province of Quebec in early 2014, and in the remainder of Quebec earlier this year.⁵⁶ According to the company, approximately 300,000 Uber requests are made via smartphone in Montreal each month.⁵⁷ A ride is ordered on the Uber platform in Montreal once every nine seconds.⁵⁸ Sixty-eight percent of uberX rides in Montreal are one-way, which means that an alternative means of transportation is used for the return trip.⁵⁹ Twenty eight percent of uberX rides in Montreal start or end near a Metro station □ usually between the user's home and a station.⁶⁰ Fifty percent of Uber's driver-partners work fewer than 10 hours a week and 70% work fewer than twenty hours a week.⁶¹ Uber says the average hourly income earned by uberX driver-partners in Montreal is \$22.40.⁶²

Since its introduction, the mobile app has been met with staunch criticism. Mayor Denis Coderre and the Quebec government have called the uberX service illegal.⁶³ Taxi drivers in the city have held protests against uberX, arguing it has an unfair advantage and is compromising their ability to make a living.⁶⁴ Montreal's taxi bureau has been ramping up its efforts to crack down on the popular ride-sharing service, which allows drivers without taxi licenses to offer rides in the city.⁶⁵ More than 400 vehicles have been seized in Montreal since the beginning of the year.⁶⁶ About 100 uberX cars were seized in October 2015 alone.⁶⁷

Regulations

In December 2014, Uber Montreal executives met with the Quebec Transport Ministry, saying they want the company to be legally recognized in the province.⁶⁸ Regulations, however, are still not in place. Jean-Nicolas Guillemette, Uber's general manager for Quebec, said the company hopes to work alongside the taxi industry, but he doesn't think his drivers should need to pay for taxi licenses because Uber is a different product.⁶⁹ He said he would like to work within a legal framework and is happy to sit down with Transport Minister Robert Poëti again to make that happen.⁷⁰

56 <http://www.cbc.ca/news/canada/montreal/uber-montreal-requests-to-be-regulated-in-quebec-1.2875639>.

57 <http://www.cbc.ca/news/canada/montreal/montreal-uberx-crackdown-1.3307144>.

58 <http://montrealgazette.com/news/local-news/uber-says-it-offers-a-ride-every-nine-seconds-in-montreal>.

59 <http://www.cbc.ca/news/canada/montreal/montreal-uberx-crackdown-1.3307144>.

60 *Id.*

61 *Id.*

62 *Id.*

63 *Id.*

64 *Id.*

65 *Id.*

66 *Id.*

67 *Id.*

68 <http://www.cbc.ca/news/canada/montreal/uber-montreal-requests-to-be-regulated-in-quebec-1.2875639>

69 <http://montrealgazette.com/news/local-news/uber-says-it-offers-a-ride-every-nine-seconds-in-montreal>.

70 *Id.*

TNCs

Uber started operating in Vancouver in July 2012.⁷¹ It stopped its operations in November 2012 when the British Columbia's Passenger Transportation Board determined that it was operating as a limousine company but was not complying with existing rules for limousine companies, such as charging a minimum of \$75 per ride.⁷² Starting in October 2014, the Vancouver City Council created a temporary moratorium on taxicabs to conduct a study on expanding taxicab service with environmental, safety, and service considerations.⁷³ In addition to the study, the City of Vancouver held several sessions since April 2015, up until October 2015, to allow industry stakeholders to submit testimony on how to regulate TNCs, with Professor Glenn Sigurdson mediating. Chief License Inspector Andreea Toma produced a report in October 2015, recommending amendments to existing Taxi regulations and for local governments to work with TNCs to allow them to operate. As of November 2015, no resolution regarding TNCs was reached and the moratorium was extended by another 12 months.⁷⁴

Regulations

As of November 2015, the regulations that were recommended by the Chief License Inspector were not agreed upon and the Vancouver City Council requested the British Columbia province to develop a province-wide policy.⁷⁵

5.1.2 United States⁷⁶*California Model*

California is not only the birthplace of TNCs, but it has served as somewhat of an incubator for technology companies providing transportation services.⁷⁷ In December 2012, in an effort to address the many safety and regulatory concerns arising from the business operations of Lyft, SideCar, Uber, and other similar app companies, the California Public Utilities Commission (the "CPUC") issued an order to initiate a "quasi-legislative" rulemaking proceeding ("OIR") to consider amending existing regulations and/or promulgating new regulations which relate to passenger carriers, ridesharing, and what the CPUC termed "new online-enabled transportation services," and later referred to as "transportation network companies."⁷⁸ The CPUC officially recognized TNCs, and coined the term itself, in September 2013 when it adopted State regulations governing "an organization whether a company, partnership, sole proprietor, or other form, that provides transportation services for compensation using an online-enabled application (app) or platform to connect passengers with drivers using their personal vehicles."⁷⁹ The CPUC justified its regulations by classifying TNCs as charter-

71 <https://www.biv.com/article/2015/10/uber-signals-second-bid-enter-vancouver-market/>.

72 <http://www.vancourier.com/news/uber-eager-to-bring-rideshare-service-to-vancouver-1.2070658>

73 <http://former.vancouver.ca/ctyclerk/ccclerk/20151020/documents/rr3presentation.pdf>.

74 <http://www.metronews.ca/news/vancouver/2015/11/01/vancouver-refuses-to-expand-taxi-service.html>.

75 *Id.*

76 For a full chart on the different TNC regulations applied in U.S. jurisdictions see **Appendix A**.

77 Policy Analysis Report regarding Impact of Transportation Network Companies in San Francisco to Supervisor Mar, City and County of San Francisco Board of Supervisors, dated June 9, 2014.

78 http://www.cpuc.ca.gov/PUC/transportation/Passengers/CarrierInvestigations/CPUC_Proposes_to_Evaluate_Ridesharing_Services_Via_New_Proceeding.htm.

79 See California Public Utilities Commission Decision entered September 19, 2013. Rulemaking No. 12-12-011.

party carriers. Charter party carriers provide pre-arranged services for a fee and are subject to regulation by the CPUC.

6.1

The California regulatory scheme carves out a special category for TNCs within the existing category of charter-party carriers (limousines and sedans) under the existing CPUC rules, and requires a company or individual wishing to provide transportation, or facilitate the transportation of passengers, to choose to apply for either a charter-party carrier license or a TNC license.⁸⁰ The CPUC views □the primary distinction between a TNC and other Transportation Charter Parties (TCPs) is that a TNC connects riders to drivers who drive their personal vehicle, not a vehicle such as a limousine purchased primarily for a commercial purpose.□⁸¹

Although the CPUC outlined insurance requirements for TNCs when it first passed its regulations, in September 2013, the California State Legislature passed an assembly bill requiring TNCs to provide primary commercial insurance coverage for drivers and passengers during TNC services.⁸² TNC insurance must be primary and in the amount of \$1 million for death, personal injury and property damage. As further outlined, *infra*, the state created a system of insurance coverage based on three periods of TNC services. The \$1 million requirement is in effect from the moment a participating driver accepts a ride request on the app until the driver completes the transaction. TNC insurance coverage must also provide for uninsured motorist coverage and underinsured motorist coverage in the amount of \$1 million from the moment a passenger enters the vehicle of a participating driver until the passenger exits the vehicle.

The above insurance requirements, which became effective July 2015, may be maintained by the driver, the TNC itself, or a combination of the driver and TNC. Where the insurance is maintained by the driver, the TNC must verify that the policy is maintained by the driver and is specifically written to cover the driver's use of a vehicle in connection with a TNC app. TNCs must also make their certificates of insurance public and the CPUC will publish each on its website.⁸³

In addition to the insurance requirements, a TNC must also:

- I. Conduct national criminal background checks on all of its driver-applicants using the applicant's social security number;
- II. Establish a driver training program to be filed with the CPUC;
- III. Maintain a zero-tolerance policy on drugs and alcohol;
- IV. Register in the Department of Motor Vehicle (DMV) Pull Notice program, which allows a transportation company to monitor driver's license records of employees/affiliated workers;
- V. Conduct a 19-point car inspection of TNC-affiliated vehicles to be performed by the TNC or an authorized third party facility licensed by the California Bureau of Automotive Repair;
- VI. Require a one-year driving history from TNC drivers, where drivers must be at least 21 years of age and have a CA driver's license;
- VII. Submit verified reports to the CPUC's Safety and Enforcement Division (□SED□) detailing (a) the number and percentage of TNC customers who

⁸⁰ It should be noted that the CPUC's press release regarding its decision, available at docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K132/77132276.PDF.

⁸¹ Decision at p. 23.

⁸² See CA Assembly Bill 2293.

⁸³ *Id.* at p. 26 fn.39.

requested accessible vehicles, and how often the TNC was able to comply with such requests (b) the number of rides that were requested, but not accepted by TNC drivers within each zip code where the TNC operates; (c) detailing the number of drivers that were found to have committed a violation and/or suspended; (d) total number of accidents and details thereof; and

- VIII. Endeavor to provide equal access to all consumers and submit a plan to inform the CPUC of how they plan to avoid creating a divide between able and disabled communities.⁸⁴

Further, TNCs are prohibited from operating at any airport without obtaining authorization by the airport authority involved and must remit 0.033% of the TNC's California revenues to the CPUC on a quarterly basis as part of overall fees.

The above-standards mirror many of the existing standards imposed by the CPUC on other charter-party carriers, although they are significantly more liberal than the regulations imposed on taxicabs, which are regulated on a local/city-level in California.

Maryland Model

In April 2015, the state of Maryland passed a statewide TNC bill that, like the California model, created a category of TNCs under the existing category for common carrier for-hire transportation in the state. "Transportation Network Company" is defined as a company that has been issued a permit by the Maryland Public Service Commission ("PSC") and operates in the State using a digital network to connect passengers to transportation network operators or transportation network partners for transportation network services. A "Transportation Network Operator," "Transportation Network Partner," or "Transportation Network Driver" is defined as an individual (i) licensed or authorized by the PSC to provide TNC services; (ii) receiving through a TNC's digital network a connection to transport a passenger between two points in exchange for a fee paid to the TNC; and (iii) using a motor vehicle that is owned, leased or otherwise authorized for use by the individual and approved for use by the TNC.

"Transportation Network Services" is defined as the activities of an operator during three periods:

- Period one "when the operator is logged in and ready to accept a prearranged ride request made through a TNC's digital network;
- Period two "when the operator accepts a ride prearranged request from a passenger through a TNC's digital network and is traveling to pick up such passenger; and
- Period three "when the operator is transporting the passenger and ending after the passenger departs the vehicle.

Also similar to California, the Maryland regulations created insurance standards for TNC operations; TNC operator licensing and insurance standards; TNC driver requirements; imposed certain assessments on TNCs be determined by the Maryland Insurance Administration and the state for-hire transportation regulatory body "the Public Service Commission or "PSC." The

⁸⁴ The plans must also discuss how TNCs intend to provide incentives to individuals with accessible vehicles to become TNC drivers and how they will ensure accessibility accommodations for their apps and websites. The Decision also requires, *inter alia*, a timeline for modifying apps so that they allow passengers to indicate their access needs and a timeline for modifying apps and TNC websites so that they meet accessibility standards.

PSC is also tasked with preparing several reports, including an analysis of whether there is adequate TNC insurance and recommendations on how to make traditional FHVs, such as taxis and limousines, competitive. With respect to accessibility, the state law creates a Transportation Network Assessment Fund, which would be used to fund transportation-related projects.

The Maryland law is distinguishable from the California law with respect to the driver vetting requirements for TNC drivers. Under the Maryland TNC law, the PSC may issue a temporary TNC operator's license if the applicant completes the application, including a driving record check and a national criminal history record check conducted by the National Association of Professional Background Screeners, or a comparable entity approved by the PSC. The criminal records check would include (i) a multi-state multijurisdictional criminal records database search or a search of a similar database with validation; (ii) a search of the sex offender and crimes against minors registry; and (iii) a search of the U.S. Department of Justice's National Sex Offender Public Website.

All searches are performed by a state-approved third party, rather than the TNC. The PSC may issue a permanent TNC operator's license if the applicant submits a satisfactory supplemental fingerprint-based criminal background check. However, applicants do not need to comply with the fingerprinting requirement until after April 1, 2016 if the operator provides details about the background check process performed on the TNC operator applicant. A TNC may request a waiver of the fingerprinting requirement if the PSC determines such company's process is as comprehensive and accurate as a fingerprint-based check. The PSC will make a determination within 3 months of receiving the waiver request whether to grant it, deny it or approve an alternative process. The exemption is also available to limousine and sedan operators in Maryland, but not taxicab operators.

New York City Model

New York City requires TNCs to be licensed or operate with licensed drivers, vehicles and businesses. It has a robust on-demand transportation system that includes several classes of for-hire vehicles: (1) taxicabs, which are motor vehicles carrying passengers for hire in the city, designed to carry a maximum of five passengers and which are the only vehicles authorized to accept street hails in Manhattan's Central Business District and nearby airports; (2) liveries, also known as community cars, that provide for-hire vehicle services to the public through prearrangement and mostly accept cash payments; (3) black cars which generally serve corporate clients on a prearranged basis and are mostly paid by credit card or company account; and (4) luxury limousines, which serve the public on a prearranged flat rate, time or mileage. New York State law, in 2012, created a new class of Street Hail Liveries which are allowed to pick up street hails in certain areas outside of Manhattan's Central Business District and at the airports.

On May 3, 2011, Uber announced its entry into the New York City market.⁸⁵ As in other jurisdictions, Uber's business model raised some issues and concerns about whether it was operating within the bounds of existing laws. In response to complaints that Uber was contacting for-hire vehicle owners and drivers directly, the TLC issued Industry Notices to clarify how smartphone applications should operate under the existing rules. TLC issued the first industry notice #11-15 on July 1, 2011.⁸⁶ In response to inquiries, TLC issued another more

⁸⁵ <http://blog.uber.com/2011/05/03/uber-nyc-launches-service/>.

⁸⁶ http://www.nyc.gov/html/tlc/downloads/pdf/industry_notice_11_15.pdf. The notice acknowledged the growing use of smartphone apps to request and dispatch for-hire vehicle trips, but advised that the use must be in compliance

comprehensive Industry Notice #11-16 on July 18, 2011.⁸⁷ In addition to clarifying when a smartphone application would need a base station license, the Notice warned that bases using smartphone apps must ensure they do not violate laws governing TLC or TLC rules.⁸⁸ The TLC advised bases that because they are the licensed entity, they would be held accountable for the breach of any laws or rules. The notice also stated that a smartphone app that provides for-hire transportation directly and not through a base, is itself required to hold a TLC base license.

To ensure compliance, the TLC, when it becomes aware of a smartphone app that may be acting outside the rules, will request the app provider to submit: (1) a list of licensed bases that the smartphone app works with, including effective dates; (2) an attestation that it is not dispatching to any non-affiliated bases; and (3) copies of the agreements.⁸⁹ The TLC stated it will presume those smartphone apps that do not comply with its request are violating rules prohibiting unlicensed base stations.⁹⁰ The notice also stated the TLC may request trip sheet information from smartphone apps, and if it does not obtain such cooperation, it may decide to license smartphone apps directly.⁹¹

With the proliferation of app-based dispatching, on February 12, 2015, the New York City Taxi and Limousine Commission (TLC) held a fact-finding hearing on licensing dispatch apps.⁹² Uber, Lyft and other stakeholders testified and the TLC, using the information it obtained from this hearing, drafted a series of new rules to address the use of for-hire vehicle dispatch apps. The proposed rules distinguish between a dispatch app used by a base and those apps that are sold, leased or otherwise made available to a TLC-licensed base.⁹³ The rules create different regulatory structures for the two types of dispatch apps.

The TLC heard public testimony on the proposed rules on May 28, 2015, but did not hold a vote. Stakeholders from all segments of the industry testified, including elected officials, base owners, technology advocacy groups, taxi associations, a taxi riders' advocacy group and Uber

with TLC rules. The notice advised that for-hire vehicle owners and drivers must obtain the approval of their bases (their existing dispatching company) before contracting directly with a smartphone app provider. The notice further explained that it violated TLC rules if a for-hire vehicle owner or driver was accepting dispatches through a smartphone app that is not authorized by his or her base. The notice also warned taxi drivers that they are prohibited from using smartphone apps and could only pick-up passengers that hail them.

87 http://www.nyc.gov/html/tlc/downloads/pdf/industry_notice_11_16.pdf. This notice clarifies when a smartphone app is required to have a for-hire base vehicle license as required by local law and rules, and to remind licensees of rules that apply when a licensed base contracts with a smartphone app. The notice states that any smartphone app that functions solely as a referral, reservation or advertising service for a licensed base, will not need to be licensed.

88 Among some of the requirements that bases must comply with are; no base using a smartphone app can advertise using the term "taxi," taxicab," "cab," "hack" or "coach," TLC Rules §59B-25(b); bases must file their smartphone app fares with TLC if those fares are different than their existing rates, *Id.* at §59B-21(a); bases must ensure that trip sheets of trips dispatched through a smartphone app are maintained and available for at least six months after the trip, *Id.* at §59B-19(b)(2); bases must be able to handle customer complaints, including through a smartphone app, *Id.* at §59B-17(a); and bases must ensure they are dispatching calls within the hours of operation filed with TLC, *Id.* at §59B-21(b).

89 http://www.nyc.gov/html/tlc/downloads/pdf/industry_notice_11_16.pdf.

90 TLC Rule §59B-11.

91 http://www.nyc.gov/html/tlc/downloads/pdf/industry_notice_11_16.pdf.

92 http://www.nyc.gov/html/tlc/downloads/pdf/fhv_app_rules_hearing_notice.pdf.

93 http://www.nyc.gov/html/tlc/downloads/pdf/proposed_rules_fhv_app_cert.pdf.

drivers. Showing how divisive this issue can be, the testimony from the elected officials ranged from opposition to the proposed rules, to not taking a position, to supporting them. Generally, the technology advocacy groups, Uber and Lyft testified against the proposed rules stating that they placed too many restrictions on the applications and would hamper innovation. Some groups also stated that TLC should be regulating for-hire vehicles and not technology.

Many of the for-hire and taxi industry groups testified in support of the rules, with some stating that the rules did not go far enough in regulating dispatch apps. The representative for a taxi riders' advocacy group also testified in support of the rules, stating that they improve transparency for the passengers. A few representatives from the taxi industry and base owners did testify against the rules because they do not believe they went far enough to create a level playing field, and would not prevent an app from communicating directly with a driver, eliminating a base's role in ensuring customer safety.

After making some amendments to the rules based upon testimony from its May 28th meeting, the TLC unanimously adopted the new rules on June 22, 2015. Under the newly adopted rules, Dispatch Service Provider is defined as an entity licensed by the TLC to provide Dispatch Services for licensed FHV Bases. Dispatch Service is defined as dispatching, reserving, or referring trips to drivers on behalf of TLC-licensed bases through a publicly available, passenger-facing booking tool.⁹⁴ E-Dispatch is a dispatch arranged through a licensed Dispatch Service Provider. Dispatch is a request made from a base station to a TLC-licensed driver, directing the driver to provide transportation to a passenger who has previously arranged for such transportation.

Some of the key provisions in the rules that apply to FHV Dispatch Apps include the following:⁹⁵

- Smartphone app licensees may be an individual or business and must demonstrate they are fit to hold a license;
- Applicants must hold all rights or licenses to all intellectual property associated with the dispatch app;
- The TLC must approve all dispatch apps;
- Privacy and security policies must be put into place;
- A working customer service phone number or email address must be provided;
- Providers must notify the TLC if it modifies its dispatch app;
- Proof of Insurance □ Professional liability insurance at a minimum of \$1,000,000 per claim must be in place if professional services will be provided;
- A \$5,000 bond to ensure compliance with all laws and rules and payment of fines must be posted;
- A fee of \$1,000 for each license for a term of three years or less will be charged;

94 Under the rules, dispatch Service does not include a base dispatching through a Passenger-facing booking tool that uses the same public-facing name in its branding, operations, promotions, or advertisements as the trade, business, or operating name the Base has on file with the TLC. Dispatch Service does not include a Base dispatching or managing its fleet under the trade, business, or operating name the Base has on file with the TLC using commercial dispatching software.

http://www.nyc.gov/html/tlc/downloads/pdf/proposed_rules_final_fhv_dispatch.pdf.

95 *Id.*

- The DSP must notify the TLC of any material changes and any suspension or revocation of needed licenses;
- The DSP must notify the TLC of any security breaches if notice is required under State or Federal law;
- Security □DSPs must meet applicable Payment Card Industry (PCI) standards⁹⁶ and its security standards must be filed with the TLC;
- The app must be able to collect and transmit trip data to TLC; and
- DSPs must provide a wheelchair accessible option that meets □equivalent service□ requirements under the Americans with Disabilities Act.

The rules went into effect on July 29, 2015.

Seattle Model

On March 17, 2014, the Seattle City Council passed Council Bill Number 118036 (the □Bill□), an ordinance which legalized TNCs and established a 2-year pilot program for such TNCs and affiliated drivers and vehicles (the □Pilot Program□), including specific operational requirements for applicable parties. As a general matter, the Bill opens with a few generalities about the new law, including (i) the fact that □while `active on a TNC dispatch system,'⁹⁷ TNC drivers are for-hire drivers operating for-hire vehicles,□⁹⁸ (ii) the fact that upon 30-days written notice of his/her intent to do so, including such reasons for same, the director may issue up to a 180 day suspension of the issuance of TNC endorsements or TNC licenses □upon finding that the continued issuance of TNC vehicle endorsements or TNC licenses threatens public safety or raises substantial consumer protection concerns,□⁹⁹ (iii) a reporting requirement that within every 60 days (through June 30, 2016), the director shall report to the chair of the Taxi, For-Hire and Limousines Regulations Committee of the Council on the response, behavior and experience of the different segments of the for-hire market,¹⁰⁰ and (iv) the direction that the director is to seek the legislative authority of the Council to adjust or remove the cap on the number of TNC endorsed vehicles if he/she finds that it is in the public's interest to have such cap adjusted or removed.¹⁰¹ There are 48 provisions of the Bill, beginning with the legislative findings and declarations in Section 1, followed with 44 sections of amendments to existing sections and the incorporation of new sections to the Seattle Municipal Code and several miscellaneous sections.

The Bill incorporates TNCs, their drivers and vehicles into the regulatory apparatus in Seattle and, at the very least, establishes operating requirements that, for the most part, parallel the regulations of the taxicab and for-hire industry in Seattle. Although the Bill intends to bring TNCs into the full purview of the regulations in Seattle, it remains to be seen how this Bill will impact the TNCs currently operating in Seattle. The Seattle Council has addressed requirements

96 https://www.pcisecuritystandards.org/security_standards/index.php.

97 Section 6.310.110 of the Seattle Municipal Code defines □active on the TNC dispatch system□to include when the driver is logged onto the transportation network company application dispatch system showing that the driver is available to pick up passengers, when a passenger is in the vehicle, when TNC records show that the vehicle is dispatches, when the driver has accepted a dispatch and is en route to provide transportation services to a passenger.

98 Section 6.310.100(A) of the Seattle Municipal Code.

99 Section 6.310.100(B) of the Seattle Municipal Code.

100 Section 6.310.100(C) of the Seattle Municipal Code.

101 Section 6.310.100(D) of the Seattle Municipal Code

for licenses, annual renewals and investigations into a driver's background, appropriate insurance, and penalties for noncompliance. There are several provisions that likely resulted from negotiations among the platforms, such as cruising for for-hire vehicles and no misdemeanors on a driver's first violation.

In September 2013, the results of the Council's taxi, for-hire and limousine service demand study were released, and demonstrated that the City of Seattle was responsive to application dispatch application technology. However, the demand study also revealed that many of the current application dispatch technology used in Seattle were unlicensed companies using unlicensed vehicles and unlicensed drivers, which is a clear public safety concern. The Council further determined that because these TNCs are for-profit companies, drivers are recruited with promises to be paid, drivers intend to be paid, and passengers are in fact paying for the services rendered. The TNCs were operating illegally. As such, the Council introduced the first rendering of the Bill, proposing the Pilot Program to test regulations setting forth minimum operating requirements for such TNCs, transportation network company drivers ("TNDs") and those vehicles used by TNDs operating under TNCs ("TNVs"). Further details of the Pilot Program are set forth below.

The Bill directs the Department of Finance and Administrative Services to assess the benefits and negative unintended consequences of the Pilot Program.¹⁰² Such review included the review and assessment of the following: (a) the taxi industry trips and revenue, (b) the percentage of taxi industry trips that dispatched through a TNC, (c) the response times for any companies in the dispatch market (TNCs and traditional taxis, for-hire and limousine service), (d) the location of rejected rides by companies in the dispatch market, (e) the financial burdens of drivers across the various platforms, (f) data about driver experience and driver migration across the platforms, (g) collisions, (h) driver violations, (i) rates, (j) customer satisfaction rates and complaints. In the event no further action is taken by the Council, the Pilot Program will automatically continue.¹⁰³

The Bill not only authorizes the issuance of 100 additional taxicab licenses per year for the years 2014 and 2015, but it directs the director to so issue such licenses.¹⁰⁴ To be eligible for the new taxicab licenses, the applicant must either (i) have no ownership interest whatsoever in a licensed for-hire vehicle or taxicab license or (ii) relinquish any such rights prior to and as a condition of the issuance of the new license.¹⁰⁵ Other than complying with the "minimum operating requirements," the Bill does not discuss further details or limitations of the Pilot Program.

5.1.3 Europe

European nations have been the most aggressive in challenging the proliferation of Uber. Germany, Italy, Belgium, France, Spain, Portugal, and the Netherlands have all in some way

¹⁰² Section 45 of the Seattle City Council Bill Number 118036

¹⁰³ Section 47 of the Seattle City Council Bill Number 118036

¹⁰⁴ Section 6.310.500(E) of the Seattle Municipal Code

¹⁰⁵ Section 6.310.327(E) of the Seattle Municipal Code; "relinquish" includes, among other things, the transfer of such interest to another who does not currently have an interest.

banned UberPop from operating in their respective nations.¹⁰⁶ uberPop was a service provided by Uber where anyone with a car could become a driver, similar to uberX in North America. Uber continues to operate their other services in most of these European countries where they claim to only use private hire or licensed taxi drivers. Spain banned all Uber activities in December of 2014 and even blocked access to the Uber website within the nation.¹⁰⁷

In France, police raided Uber's offices and arrested two high ranking officials, who are currently standing trial on six charges for allegedly running an illegal taxi service and violating data privacy laws.¹⁰⁸ If they are found guilty, they face hefty fines and possible jail time. In the Netherlands, police also raided Uber's offices in Amsterdam after Uber ignored the ban on UberPop and continued offering the service despite fines adding up to 450,000 Euros.¹⁰⁹ The subject has now been brought up to the European Court of Justice to decide whether Uber is a transportation or technology company. Uber argues that if the Court finds that it is, as they claim a technology company, then the bans on its services in the European countries violate EU treaties on competition.¹¹⁰ The Court is set to issue a decision on November 26, 2015.¹¹¹

5.2 Transportation Network Company (TNC) Laws

5.2.1 Overview of TNC Laws & Differing Regulatory Approach

TNCs have created regulatory challenges for many municipalities across Canada, the United States and the world particularly because they self-identify themselves as technology companies that merely connect riders with people willing to provide rides in their own vehicles, rather than as transportation companies. There have generally been three models for the regulation of TNCs: (1) a few municipalities have required them to obtain the same licensing, insurance and otherwise meet the regulatory requirements as other for-hire vehicles (the New York City Model); (2) some have created special laws for TNCs (the California/Maryland Model); and (3) some have allowed them to operate unfettered.

5.2.2 Litigation Affecting TNC Laws and Business Model

Canadian Litigation

Since TNC are relatively new to the Canadian market, there have not been many legal cases involving TNCs. The City of Toronto and the City of Edmonton both separately tried to file injunctions to stop Uber from operating in their cities. In *City of Edmonton v. Uber Canada*, the city of Edmonton argued that Uber Canada is a taxi broker requiring a license and Uber's model for arranging rides violated Edmonton's by-laws. Uber Canada argued that Edmonton

106 <http://www.whosdrivingyou.org/wp-content/uploads/2015/10/UberLyft-AWorldwideOverviewofRegulatoryLegalActionsupdatedasofOctober152015.pdf>.

107 <http://www.bbc.com/news/business-30395093>; <http://skift.com/2015/04/30/why-ubers-one-size-fits-all-approach-didnt-work-in-spain/>.

108 <http://money.cnn.com/2015/09/30/news/companies/uber-in-trouble-london-paris-amsterdam/>.

109 <http://www.reuters.com/article/2015/09/29/us-uber-netherlands-idUSKCN0RT12920150929#vvaouRV8RLh89w88.97>.

110 <http://www.wsj.com/articles/case-against-uber-referred-to-europes-top-court-1437402253>.

111 <http://www.politico.eu/article/uber-new-europe-strategy-obama-campaign-guru-david-plouffe/>.

named the wrong party in the lawsuit, it does not provide dispatch services within the meaning of the relevant by-laws, it does not employ or control the drivers, and that the court should not enjoin a party to comply with a vague by-law. The court denied the injunction, holding that the City of Edmonton did not demonstrate that Uber Canada was in a clear and continuous breach of the by-laws in question as the by-laws were ambiguous. Additionally, the court found that Edmonton failed to name the drivers or other entities involved as parties to the lawsuit and that the relief it seeks would affect their interests as well. For those reasons, the court found that Edmonton failed to meet its burden to prove a *prima facie* clear and continuing breach of the by-laws and therefore denied its application for an interlocutory injunction.¹¹²

Similarly, in the *City of Toronto v. Uber Canada*, the city of Toronto argued that Uber Canada is operating a taxicab brokerage and limousine service company in the city and seeks a permanent injunction to stop them from doing business in the city. The court in this case found that because Uber Canada is only minimally involved in the business transaction of hailing a ride, i.e. they lack any role in "accepting" requests, they do not fall under the City's definition of taxicab, taxicab broker, or limousine service company, and as such, are not required to apply for a license pursuant to the City's Code. Furthermore, the court dismissed the motion for a permanent injunction and allocated the costs payable to the respondents.¹¹³

On the other hand, in *City of Calgary v. Trevor Arthur John Gold, et. al*, a temporary injunction was granted on November 20, 2015, preventing all Uber drivers from operating in Calgary. The basis for the city's claim was that none of the respondents, all Uber drivers, have applied for a Taxi Plate License, Accessible Taxi Plate License, or Limousine Plate License for their personal motor vehicles and are therefore in contravention of the Livery Transport By-law.¹¹⁴ The city also argued that the respondents failed to provide proof of vehicle insurance, vehicle inspection certificates, and safety equipment/security cameras, as required by law. The injunction was intended to remain in place until December 17, 2015, at which time, the city planned to seek to have the injunction made permanent until private for-hire vehicles operating with the Uber application meet safety, insurance, and regulatory requirements.

Additionally, two class action lawsuits have been filed but not yet certified against Uber Canada. The first class action was filed in Toronto on behalf of taxi and limousine drivers, owners and bases. The action seeks \$410 million dollars in compensation for the diversion of revenue created by Uber drivers operating illegally in Ontario.¹¹⁵ The second class action lawsuit was filed in Quebec on behalf of 11,000 traditional taxi drivers claiming that Uber does not follow regulations.¹¹⁶

¹¹² City of Edmonton v. Uber Canada Inc, 2015 ABQB 214.

¹¹³ City of Toronto v. Uber Canada Inc. et al., 2015 ONSC 3575.

¹¹⁴ City of Calgary v. Trevor Arthur John Gold, et. al., 1501-12242.

¹¹⁵ <http://www.theglobeandmail.com/news/national/ontario-taxi-files-400-million-class-action-suit-against-uber-canada/article25643753/>.

¹¹⁶ http://www.huffingtonpost.ca/2015/02/04/uber-montreal-lawsuit-cars-seized_n_6614538.html.

U.S. Litigation¹¹⁷

The United States is the birthplace of TNCs and so almost all of the litigation involving TNCs is in the United States. This section discusses many of these cases and the legal issues involved. Although some of the legal arguments raised may not have an equivalent concept in Canadian jurisprudence, this section helps to highlight some of the legal issues that may arise from the operation of TNCs.

The advent of TNCs has raised several public safety and consumer protection issues that are currently being litigated in lawsuits across the United States as well as around the world. There is a panoply of claims, although many of the overarching theories of these claims overlap. Indeed, cases involving TNCs are varied and include the following: (i) Equal Protection and Mandamus challenges; (ii) labor law violations and worker misclassification claims; (iii) privacy and data; (iv) environmental issues and closed v. open markets (caps); (v) criminal background checks; (vi) insurance; and (vii) disability discrimination;

Equal Protection and Mandamus Challenges

The Equal Protection Clause of the 14th Amendment of the U.S. Constitution, as well as similar clauses in many state constitutions, prohibits states from denying any person within its jurisdiction the equal protection of the laws.¹¹⁸ Taxi industry stakeholders have filed lawsuits against regulators alleging that their treatment of TNCs, which they argue provide the same for-hire vehicle services as taxicabs and limousines, violate equal protection provisions because taxicabs and limousines are subject to stricter laws and regulations.

Labor Law Violations

Drivers have initiated legal action against TNCs for labor law violations particularly with respect to wage and hour issues. In many of these cases, drivers are seeking damages in the form of wages and/or overtime that went unpaid due to their misclassification as independent contractors rather than employees and/or unpaid gratuities that were pocketed by the TNCs rather than the drivers.

Privacy and Data

In the past year, press reports suggest that some TNCs have misused and possibly exploited private passenger data. In March 2015, a former Uber driver based in Portland, Oregon filed a lawsuit against Uber alleging that the company failed to secure and safeguard its drivers' personally identifiable information, including names, drivers licenses numbers and other personal information, and failed to provide timely and adequate notice to Plaintiff and other class members that their private information had been stolen, in violation of California state law.¹¹⁹ Plaintiffs seek an injunction, equitable relief in the form of compelling Uber to adopt appropriate policies and methods to respect its data collection, storage and data safety, restitution and the

¹¹⁷ For a more detailed list of U.S. Litigation against TNCs see Appendix B.

¹¹⁸ See U.S. Const. Amend. XIV.

¹¹⁹ *Antman v. Uber*, Case No. 3:15-cv-01175-JCS (N.D. Ca).

payment of actual damages. Uber responded by filing its own lawsuit against an unknown third party it alleges committed the privacy breach.¹²⁰

Environmental Issues & Closed vs. Open Markets (Caps)

When new laws that greatly affect an entire industry are passed, most local laws require that the government conduct some sort of study or analysis to determine the environmental impact of such laws. An example of one such law is the California Environmental Quality Act (the "CEQA"), although many cities and states have similar procedural requirements that a government agency must adhere to with respect to rulemaking.

Similarly, in New York State, the State Environmental Quality Review Act ("SEQRA") requires a full environmental review prior to "agency" resolutions that may affect the environment, such as the major transportation policy effected here, and no agency may approve the action until it has complied with SEQRA. Plaintiffs in California and New York have filed lawsuits alleging that the regulatory agencies did not follow these environmental review laws before allowing TNCs to operate, which they have alleged adversely affects the environment.

Criminal Background Checks

Over the last few years, discussion has been sparked regarding the accuracy, reliability, and adequacy of the public safety requirements that are imposed on TNC providers. Much of the debate has centered on whether the breadth and scope of driver vetting requirements imposed on TNC drivers are comparable to those vetting requirements that have been established for traditional for-hire vehicle providers. This discussion is compounded by the fact that in several jurisdictions TNC background checks are often self-imposed and not regulated by any government entity, which has many consumer rights advocates and law enforcement officials questioning whether TNCs are doing enough to protect the riding public.

The consequences of less than thorough background checks can be seen in the many examples of TNC drivers attacking passengers all over the globe. An Uber driver in China has been accused of robbing a female passenger at knife point and then raping her.¹²¹ In Chicago, Illinois, a driver exposed himself to a passenger shortly before his prior criminal record was exposed.¹²² Another driver in London left a passenger a voicemail threatening to cut her neck.¹²³ A woman in New Delhi, India, says she was raped by an Uber driver, and is suing the company for failing to properly check the background of the accused driver.¹²⁴

Canada has not been immune to such incidents due to weak background checks. In Toronto an Uber driver, Fareborz Karandish, was sought by police for allegedly sexually assaulting a 21 year old female passenger in the vehicle.¹²⁵ In another case in Toronto, the police

¹²⁰ *Uber v. John Doe*, case no. Case3:15-cv-00908 (N.D. Ca).

¹²¹ <https://www.techinasia.com/uber-nightmare-chinese-woman-robbed-sexually-assaulted-threehour-ordeal/>.

¹²² <http://abc7chicago.com/news/uber-driver-removed-from-platform-after-failed-background-check-/808080/>.

¹²³ <http://www.buzzfeed.com/alanwhite/an-uber-driver-appears-to-have-left-a-voicemail-threatening>.

¹²⁴ <http://money.cnn.com/2015/08/20/technology/uber-safety-lawsuit/>.

¹²⁵ <http://www.torontosun.com/2015/09/25/uber-driver-wanted-for-june-sex-assault>.

charged Uber Driver, Amritpal Singh, with sexual assault and forcible confinement after a passenger claimed he sexually assaulted her in the car outside her destination.¹²⁶ Lastly, a Mississauga Uber driver was charged by York Police with sexual assault. He allegedly told a female passenger that she could either pay with money or by other means, when she exited the car he got out and sexually assaulted her.¹²⁷ The Appendix C annexed hereto includes a list of other incidents all over the world in which TNC drivers have been accused of attacking their passengers.

In September 2014, the San Francisco (["SF"]) and Los Angeles (["LA"]) district attorneys (["DAs"] or ["prosecutors"]) commenced an investigation of Uber, Lyft and Sidecar alleging that the TNCs were misleading customers by claiming their background checks of drivers screen out anyone who has committed driving violations, including DUIs, as well as sexual assault and other criminal offenses, which the DAs alleged is ["patently untrue."]¹²⁸

Insurance

Generally, a standard personal auto policy will not provide coverage for ridesharing. A standard personal auto insurance policy stops providing coverage from the moment a driver logs into a TNC ridesharing app to the moment the customer has exited the car and the transaction is closed. Recognizing this coverage gap, lawmakers have been working to enact legislation that specifies what insurance coverage is needed to operate legally from ["app-on to app-off."]

The chart below generally outlines the insurance coverage model currently being provided to drivers by TNCs during different phases of a network trip. In the United States additional coverage is, or should be, provided by TNCs, as required by state and local laws. There are no laws in Canada requiring supplemental insurance for TNCs; however, according to Uber, it provides an additional \$5,000,000 in contingent insurance for its rides. We understand from our independent research with Canadian regulators that Uber is working on an insurance policy based upon the phases of a TNC ride, as it does in the United States.

Phase	Current TNC Coverage
1. Driver is logged into the TNC application but the driver has not yet accepted a ride request. (A "match" has not been made).	Contingent liability coverage if personal auto coverage is declined/not available.

¹²⁶ <http://www.cp24.com/news/uber-driver-accused-of-sexual-assault-in-police-custody-1.2607295>.

¹²⁷ <http://www.theglobeandmail.com/news/toronto/uber-driver-charged-with-sexual-assault-on-female-passenger-in-vaughan-ont/article24519289/>.

¹²⁸ *Id.*

2. A "match" has been made but there is no passenger occupying the vehicle.	Primary liability and Uninsured Motorist /Underinsured Motorist Coverage (UM/UIM) coverage at a higher limit. Contingent comprehensive/collision coverage based on certain circumstances.
3. A passenger is in the vehicle and until the passenger safely exits the vehicle.	Same coverage as Phase 2. ¹²⁹

Personal auto policy is designed to cover only the personal use of a private-passenger vehicle, not the commercial use of a vehicle, and the fact that money is exchanged for the rideshare company's services transforms the transportation into a commercial/for-hire enterprise requiring appropriate commercial insurance coverage. In fact, regular, private car insurance or van insurance will be invalidated if you carry a paying customer.¹³⁰

The insurance industry appears to still be grappling with considerations such as who will ultimately be responsible when a loss occurs, when that responsibility commences and the extent of coverage provided by these TNCs. These risks have resulted in a number of jurisdictions issuing consumer alerts to make consumers (drivers and passengers alike) aware of the potential hidden insurance risks of TNCs. In Canada, the Provinces of Ontario and Alberta's insurance regulators both issued consumer alerts:

- The Financial Services Commission of Ontario issued a cautionary notice that standard automobile insurance excludes coverage when a vehicle is being used for paying passengers or as a taxicab and passengers would probably not be protected against damages, losses and liabilities.¹³¹
- An advisory notice was issued by Alberta's Superintendent of Insurance on ride sharing services and the insurance risk they currently pose to Albertans. It claimed that after reviewing Uber's insurance policies they found that they were inadequate. The notice also said that Uber's supplementary insurance does not provide the necessary coverage in Alberta. Passengers of TNCs without proper commercial insurance are at risk of not having access to automobile insurance protection, including accident benefits or any compensation for injuries they may suffer in the event of a collision.¹³²

Disability Discrimination

TNCs are also being brought to court for allegedly discriminating against passengers on the basis of disability in violation of the U.S. Americans with Disabilities Act. At least one federal case exists in which disabled passengers and disability rights activists are suing a TNC

¹²⁹ <http://newsroom.uber.com/2014/02/insurance-for-uberx-with-ridesharing/>.

¹³⁰ <http://www.gocompare.com/taxi-insurance/uber-and-other-ride-sharing-apps/>.

¹³¹ <http://www.fscs.gov.on.ca/en/auto/Pages/ridesharing-info.aspx>.

¹³² <http://alberta.ca/release.cfm?xID=383502BD794B4-A4A5-8BA8-DD523635E34F0FD8>

for refusing to provide service to individuals with disabilities, refusing to have accessible vehicles, and refusing to assist with the stowing of mobility devices.

6 Public Comments - PVAC Meeting Testimony and Written Comments

In order to receive stakeholder input to inform this report, the Public Vehicle Advisory Committee (PVAC) held a meeting¹³³ on October 1, 2015, to discuss Transportation Network Company Regulations. All relevant stakeholders and interested parties were encouraged to voice their concerns and recommendations for consideration in this report. Furthermore stakeholders were encouraged to submit their written comments directly to Windels Marx through a designated e-mail by October 16, 2015.¹³⁴ Stakeholders were instructed to provide their input on FHV regulations in place in the City of Mississauga.

The PVAC meeting and submitted written comments show a range of views regarding the entrance and regulation of TNCs in Mississauga. Some comments discuss the public's appreciation of TNC services and that polls show they would like for the services to continue. They also point to the job creation benefits of TNCs and the positive effects of carpooling services provided by TNCs. On the other hand, the vast majority of the comments were from incumbent industry members explaining that the introduction of TNCs in the market has hurt them as a result of unfair competition. Most comments argue that TNCs currently benefit from not following the by-laws that Taxis and Limousines follow, which greatly decreases their overhead allowing them to charge lower prices at a larger profit margin. Under the by-laws, Taxis and Limousines must be licensed, which incurs licensing and registration fees, inspection fees, driver courses, commercial insurance and paying HST, which TNCs do not pay. In addition, the by-laws provide for more stringent vehicle standard requirements for licensing that TNCs do not abide by, further decreasing the cost on the drivers. Lastly, the licensed taxi fare structure is set by the City of Mississauga and cannot be altered according to demand as TNCs fares are altered (surge pricing), which further provides an unfair competitive edge to TNCs.

Overwhelmingly, the incumbent industry comments showed high approval of the current by-laws, some stating that they are the *Best in Canada* and that they provide high standards for safety and fairness as a result of years of development. Most commentators felt that the by-laws should not be changed and that if TNCs will be allowed to operate, they must be licensed as brokers and fully comply with existing by-laws. Many believed that the definitions of "broker" and "driver" should be revised in the by-laws to broaden their scope so that there is no doubt about their applicability to TNCs (despite the enforcement office's declaration that the current definitions do apply to TNCs). Many of the commenters also called for stricter enforcement of the by-laws, for the police to be included in the enforcement measures, and to increase fines and penalties on offenders (illegal TNC operations).

Some comments discussed the fare structure under the by-laws with regard to TNCs. They asked that either the fare structure set by the municipality become more flexible or be

133 For a summary of comments from the October 1st PVAC meeting see **Appendix D**.

134 All submitted comments can be read in **Appendix E**.

deregulated completely. Others asked for the municipality to force TNCs to follow the same fare structure.

A few comments also addressed the licensing cap set on taxicabs. The commenters felt that the cap should be either removed or increased to allow for more entrants to the market. However, they requested that any new licenses issued should be given to drivers on the priority list first.

A few of the comments also requested that Uber be sent a cease and desist order or that there be a complete ban in the City.

PVAC Meeting on December 7, 2015

The City of Mississauga solicited public comments on the policy options for the regulations of transportation network companies outlined below as well as in Appendix 1 of the report from the Commissioner of Transportation and Works, dated November 25, 2015 and entitled, "Consultant's review of Policy Alternatives for Regulation of Transportation Network Companies," which was considered at the Public Vehicles Advisory Committee (PVAC) on Monday, December 7, 2015.

7 Policy Options for By-Law Enforcement and/or Revisions

Regulating TNCs is a very complex and highly politicized issue. Regulators sometimes try to balance service delivery and promote fair competition by creating a level playing field with the incumbent for-hire vehicle industry, consumer and driver safety concerns versus consumer demand and preferences for TNC services. In deciding this balance, different jurisdictions around the world as discussed in this report have responded with a wide range of solutions. Below are some of the ways that jurisdictions from around the world have addressed TNCs:

Option 1: Capture TNCs Under Current Regulations Using Amendments

Under the Municipal Act of 2001 (the "Act"), the City was given the power to create a system of licenses for businesses, and affords the City the authority to prohibit businesses without a license from operating and to impose penalties for non-compliance. The Act also specifically outlines the powers of the City to establish and provide for the collection of rates or fares for taxicabs and the ability to limit the number of taxicabs or any class of them. Under the Act, the City of Mississauga can choose to allow TNCs to operate provided that TNCs follow the by-law regulating for-hire vehicles ("FHV(s)").

Currently, there are four (4) different types of for-hire vehicles licensed by the City of Mississauga's Transportation and Works Department: Taxicabs, Airport Public Transportation Vehicles ("APTVs"), Airport Municipal Transportation Vehicles ("AMTVs") and Limousines. Each mode of transportation is distinctly defined by the City of Mississauga in their by-laws regarding Public Vehicle Licensing (By-Law Number 420-04) and distinguishable based on the licensing requirements imposed on the respective drivers and vehicle owners.

For TNCs to operate under the current by-laws, they need be clearly included in the current by-laws definitions. The most efficient way of capturing TNCs under the current regulations would be to amend the definitions of either taxis or limousines as well as the definition of what a broker is to ensure TNC operations fall under the city's regulatory umbrella.

Capture Option (Taxis or Limousines)

One option is to amend the current regulations to allow TNC vehicles to be classified as taxis. Unfortunately, a difficulty in implementing this option is that there is currently a cap on the number of Taxi owners' licenses so any current TNC driver who wishes to become licensed as a taxi driver would be barred from entering the market. Recently, the Hara Taxi Plate Issuance Model Review has shown that while Mississauga's current taxi supply is adequate, there is room for a minor increase in fleet size; specifically around airports during the weekday rush and late-night on weekends. Increasing the cap must be done with caution as taxi plate values could be negatively impacted if the market is flooded with new drivers. In addition to a slight increase in the number of taxis, it is recommended that the City also change its by-laws to allow taxi drivers to work for more than one broker at a time. These amendments would give more flexibility and control to drivers and require TNCs to only work with those licensed as taxi drivers, if a closed market is maintained. Additionally, because the definition of taxis in Mississauga requires numerous features that do not exist in most TNC vehicles, such as fully operational security cameras, taximeters and the mandated rate formula, additional amendments expanding the regulations may need to be made to incorporate these types of vehicles under the taxi definition. Otherwise, enforcement efforts would need to increase to ensure complete compliance with the current By-laws. For example, the City could choose to amend and expand the definition of taximeters to include TNC mobile applications, or the city could require all TNC vehicles have an approved taximeter installed and strengthen enforcement mechanisms to ensure compliance.

The other option is to amend existing regulation to classify TNC vehicles as limousines. In order for TNC vehicles to realistically operate as limousines, certain amendments would need to be implemented to make that realistically viable. For example, very few people would choose a TNC vehicle over a taxi or traditional limousine if they had to pay the mandatory rates that limousines currently operate under. Current by-laws state that limousines have a minimum fare of \$50 for the first hour and \$30 for every subsequent hour. A Limousine Class A is also required to be hired for no less than 2 hours. TNCs typically use their own formulas for establishing fares and they are normally lower than the cost of a limousine. Requiring TNCs to use the current limousine rate structure would reduce the consumer appeal of TNCs and have potential to dramatically reduce ridership. Moreover, because TNCs currently do not use a taximeter to calculate fares or the standard limousine rates that exist in Mississauga, for passengers taking the same route, depending on the TNC providing the service and the demand at the time of the ride, fares can drastically vary. TNCs also often use surge pricing which increases the rates during periods of high demand. When implementing the amendments to regulate TNCs limousines, the City must consider how to integrate the already existing aspects of TNC vehicles into the definition of limousine while amending the regulations to standardize and moderate rates. The current rates for limousines are not compatible with the current TNC

model, and if the city decided to capture TNC vehicles under the City's limousine regulations, enforcement efforts would also need to increase, at least during the initial period of transition to ensure compliance with the new amendments. One additional amendment the City may consider if implementing this regulatory regime is placing a cap on the total number of limousines in Mississauga. This will reduce the risk of oversaturating the market and help to prevent supply from outpacing demand and negatively impacting the entire FHV market in Mississauga.

Capture Option (Modified)

While Option 1 recognizes TNCs as basically taxis or limousines that can be incorporated under the existing By-laws with a few tweaks to address their slightly different business model, this option would create a special limousine license for TNCs. Arguably, TNCs in the City operate more similarly to limousines than taxicabs. Like limousines, they do not have taxi meters, they are not allowed to accept street hails and they set their own fares. However, under the existing By-laws, limousines must have minimum fares and minimum engagement times, which is not part of the TNC business model. TNCs also use dynamic pricing, which should be regulated to prevent gouging of prices when the special TNC limousines would be in the greatest demand. By creating this special category, the City of Mississauga may also consider capping the number of these special vehicles. Currently, there is no cap on limousines, but because these special TNC limousines will compete heavily against taxicabs and traditional limousines, a cap would be advisable to prevent an oversaturation of the FHV market and ensure taxicab drivers would pursue an occupation that is economically viable.

Lastly, if the City chooses to capture TNCs under the existing taxi or limousine regulations, TNCs would then be required to apply for a broker's license. Once obtained, a TNC broker could work only with licensed drivers and owners of taxis and/or limousines. Any services provided by drivers using personal vehicles (not licensed as taxis or limousines) such as those currently operating under uberX would be strictly illegal as is the case in New York City, London and most of Europe. Also note that taxis and limousines are only allowed to partner with one broker at a time. For a TNC to then acquire taxi or limousine driver partners, the drivers and owners must disassociate with their current broker and associate with the licensed TNC or accept only new licensees, if new licenses are allowed.

- ***Pros:***

There are numerous benefits that come from instituting a regulatory scheme such as this. First of all, allowing TNCs to operate under the current regulatory structure would ensure consistent regulations for current FHVs and brokers competing with TNCs. Public safety concerns are also addressed in this option by maintaining high standards for insurance, background checks, driver trainings and vehicle standards. Also, it would be less costly to amend current regulations than to create a new class of vehicles and laws governing them. Instituting this method to regulate TNCs would also increase availability of vehicles, fill niche demands that exist in the taxi market, and reduce wait times. This regulatory regime could also, if the City so chooses, restrict open entry into the market and maintain consumer protections and market stability as well as reduce environmental concerns. And lastly, these regulations would allow drivers the flexibility to move between the traditional FHV industry and TNCs, thus enhancing the labor pool and options for drivers.

- **Cons:**

While there are numerous benefits to capturing TNCs under the existing regulations, it would inevitably result in additional enforcement, licensing, and inspection costs. It is costly and difficult to regulate unlicensed TNC operators through officer enforcement and if officer enforcement is unsatisfactory, a court injunction may be required. It would also run the risk of potentially oversaturating the FHV market with too many FHVs, particularly limousines, if open entry is allowed for TNCs (no caps on number of licenses). This leads to environmental concerns that come when adding more vehicles to the road, and economic concerns, such as market failure, which arise with the potential of devaluing taxi plates. Under any circumstances, when TNCs are introduced to a market, there is always the potential for insurance gaps with TNC drivers anytime they are involved in an accident. And lastly, data protection is always a risk with mobile applications. The two top concerns should be ensuring client data security as well as accessibility to trip data information by law enforcement and others. Lastly, taxi licensing fees may need to be increased to offset additional regulatory costs representing an additional burden on the taxi and limousine industries.

- **Regulatory Costs: High**

The regulatory costs of capturing TNCs under the existing regulations would be high. This includes the cost of implementing amendments to the regulations, the cost to the municipality to license TNCs, the cost to license and test new drivers, TNC vehicle inspection costs, and enforcement costs to regulate them in the field. The City would also have to absorb the cost to enforce new regulations among TNCs, which could be challenging particularly if open entry is not allowed for TNCs. If enforcement is unsatisfactory a court injunction may be required and legal costs would be needed for litigation.

- **Jurisdictions which have adopted a similar regulatory scheme (for capture of taxis and limousines):**

- New York City
- London
- Toronto (Temporary Designation □By-law Currently Under Review)
- Region of Waterloo

Option 2: New Licensing Category (Equal Regulation)

Another option the City of Mississauga can choose is to create a new category of regulations for TNCs that is more compatible with the TNC business model but maintain heavily regulated licensing standards equal to the standards set for taxis and limousines. In this case, TNCs would have to obtain the newly created TNC broker, TNC driver and TNC owner licenses. The requirements for licensing should be equivalent to taxis and limousines in terms of insurance, background checks, driver trainings, and vehicle standards. This option could include a licensing cap or growth standard, or an open licensing system to allow TNCs entry to the market in order to allow for a large pool of drivers since most of their drivers are part time workers averaging a few hours per week. Additionally, the City would not regulate TNC fare structure allowing TNCs total control over their pricing schemes, including surge pricing.

- ***Pros:***

Regulating TNCs as a more separate FHV category removes the discrepancy between TNCs and the incumbent industry in licensing standards. As a result, public safety concerns are addressed in this option by maintaining high standards for insurance, background checks, driver trainings and vehicle standards. Furthermore it mitigates the unfair competitive advantage TNCs currently have by foregoing licensing costs including licensing fees and the opportunity cost of time spent on training and the cost of meeting the higher vehicle standards. Lastly, it may satisfy the public to have TNCs available to meet their needs in a safer environment.

- ***Cons:***

Negatively, this regulatory approach gives TNCs an unfair competitive advantage in their freedom to set their own fare structure. Allowing open entry for TNCs but not for taxis would potentially have TNCs flood the FHV market, significantly decreasing the taxi market share, individual driver potential earnings, and taxi plate values. Furthermore, this option has serious negative implications for the taxi industry, particularly complicated by the fact that there is no hail market in Mississauga. Licensing TNC drivers and owners will have significant regulatory costs for the City, which may be offset by new fees for TNC licensing.

- ***Regulatory Costs: High***

This option has high regulatory costs. The creation of a separate category with high regulation means the regulation burden is increased on the City. The City will potentially have to increase staff and accrue training cost to effectively implement the new licensing structure and accommodate the influx of new license applications for TNC drivers and owners to be processed. Additionally, there are costs for training the drivers and inspecting the vehicles. The City might need to increase licensing fees to meet the needs of the growth of the market. On the other hand, TNCs would be operating legally under this option.

- ***Jurisdictions which have adopted a similar regulatory scheme:***

- Maryland
- Houston
- Calgary

Option 3: New Licensing Category (Unequal Regulation)

The City of Mississauga can choose to allow TNCs to operate more freely by introducing a new category of regulations for TNCs that are not as strict as regulations governing Taxis and Limousines. These new TNC regulations would provide a basic, self-regulating framework for TNCs to operate legally - determining their own driver fitness licensing standards, exclusively making the decision on whom to license or not to license, and without any government oversight. Alternatively, this option could include a licensing cap or growth standard if the City wants to control the total number of FHVs allowed on the streets. Regardless, under this option TNCs must register with the municipality but can issue their own driver permits, conduct their own background checks, and set their own vehicle standards. This applies to the initial

background check process and also to any automated and/or continuous checks, which ensures that there is no subsequent criminal activity after the applicant is approved to drive.

- ***Pros:***

Self-regulation reallocates regulatory responsibility to parties other than the government. One characteristic of success that emerges quite clearly is the importance of being able to exert sufficient control to ensure compliance with whatever rules are developed.¹³⁵ For self-regulatory bodies to control their members, sanctions—including the ultimate punishment of expulsion—must be costlier than the benefits of misbehavior.¹³⁶ In some ways, this underscores the value of including the platforms themselves as enforcers of the self-regulatory solution. For example, Uber and Lyft have tremendous potential enforcement capabilities as regulatory entities: they control the channels for demand for their drivers, and as digital platforms, disconnecting a driver involves minimal transaction costs for the companies. Rulemaking, monitoring, enforcement and remediation processes can also be faster using self-regulation rather than government regulation, which means that consumers are protected sooner.

- ***Cons:***

Self-regulation and the current processes conducted for background checks today by the TNCs simply do not reach the level of accuracy of the taxi industry and other industries that are trusted with public safety, and trusted to maintain best practices. Absent approval to use a channeling agency, these private companies do not have the same access as government or law enforcement agencies. Regardless of whether the driver is an employee or an independent contractor (or whether the driver is working one hour per month or 40 hours per week), any person engaged to drive the riding public should meet the best standard to ensure public safety. TNC insurance requirements may also not be as comprehensive, creating a potential insurance gap if there is an incident. TNCs, unless mandated to do so by regulations, may not provide adequate options for people with disabilities. Finally, allowing open entry may flood the market with TNCs, which would hurt drivers' incomes.

- ***Regulatory Costs: Moderate***

The regulatory costs to the city of Mississauga would be moderate, as the regulatory responsibility would be reallocated from the government to the individual TNC. There would not be a need for enforcement resources to distribute permits or provide background checks for drivers. In addition, as TNCs would be legalized. Furthermore, self-regulation can be more efficient for business, and these savings are passed on to consumers. However, increased costs would be incurred by the City to conduct regular audits of the TNCs to ensure they are in fact self-regulating. The cost of these audits may be offset by TNC licensing fees.

- ***Jurisdictions which have adopted this regulatory scheme:***

- California
- Washington, D.C.
- Edmonton (Proposed)

¹³⁵ <https://lawreview.uchicago.edu/page/self-regulation-and-innovation-peer-peer-sharing-economy>.

¹³⁶ *Id.*

Option 4: Complete Deregulation Option

The City of Mississauga can also adopt the deregulation model that was implemented in several jurisdictions all over the world starting in the 1980's and 1990's. Ireland, Japan, New Zealand, Sweden, and South Korea all introduced some level of deregulation to their taxi industries by removing entry restrictions, lifting the cap on taxicab vehicle numbers, by abolishing minimum and maximum fare, by enabling taxicabs to operate in all service areas without geographical restrictions previously imposed, and by limiting taxicab driver licensing requirements.¹³⁷ Deregulation in these jurisdictions has been followed by a massive increase in the number of taxicabs, a much wider range of taxi services that exploited different market segments and offer a wider geographic coverage. Many more driving jobs have been opened up, although this is widely believed to have been accompanied by reduced incomes and longer hours. Moreover, it had been reported that little entrepreneurial flair has been observed in cities that have deregulated, and service provision in less dense markets such as suburbs and rural areas did not always improve.¹³⁸

In the United States, over 20 jurisdictions followed the U.S. Congress decision to deregulate wholly or partly, a number of industries, including airlines, motor carriers, railroads, and interstate bus companies in the 1980's, started deregulating their taxi and for-hire vehicle industry. The rationale for deregulating these industries, including the taxi industry impinged upon the ideological movement which loathed government entry and price controls as manifestly causing waste and inefficiency, while denying consumers the range of price and service options they desire. The deregulation ideological movement in the taxi industry heavily relied on the conceptual free market to respond to any inefficiency, such as vehicle quality, taxi fare volatility, and service coverage area, and correct these inefficiencies through a demand-supply driven market correction mechanism.

Thus, in the 1980's, more than 20 cities, most located in the Sunbelt, moved from a traditional regulatory structure to one of two forms of deregulated market entry: (1) open entry (13 cities); and (2) minimum standards (5 cities). Three other cities deregulated fares, but maintained controls over market entry. The open entry system, which is a total deregulation of the industry, permitted almost anyone with a vehicle and driver's license to obtain a taxi permit and provide transportation service. However, regulatory agencies would still check and confirm the existence of the proper insurance coverage and that the driver has passed criminal background check. The cities that opted to keep minimum standards permitted taxis to operate without limiting their number based on a demand driven licensing issuance structure. As such, as long as taxi operators met certain standards, such as minimum number of vehicles, radio dispatch capability, 24 hours service, and vehicle age limit, the industry operated with no further regulatory requirements.

¹³⁷ <http://www.taxi-l.org/kang0898.htm#c5>.

¹³⁸ Frankena, Mark. W. and Paul A Pautler. 1984. An Economic Analysis of Taxicab Regulation. Federal Trade Commission, Washington, D.C.

However, the experience with taxicab deregulation was so profoundly unsatisfactory that virtually every city that embraced it has since abandoned it in favor of resumed economic regulation. A study by Price Waterhouse of these cities which deregulated their taxi industry concluded that:

- Although the supply of taxi services expanded dramatically, only marginal service improvements were experienced by consumers.
- Prices rose in every instance. Paradoxically, the influx of new entrants did not invoke the price competition typically experienced in other newly-deregulated industries.
- Service quality declined. Trip refusals, a decline in vehicle age and condition, and aggressive passenger solicitation associated with an over-supply of taxis are characteristic of a worsening in service quality following deregulation.

As such, even though the deregulation model is one option for the City of Mississauga, the experience of other cities that implemented this model and their decision to revert back to some level of regulation as a result of the markets failure to correct the inefficiencies that arise following the absence of a regulator, indicates that this should be one of the lesser strategies the City may adopt to provide a quality taxi service to its residences and visitors. Moreover, the Florida cities that completely deregulated their for-hire vehicle industry to accommodate companies such as Uber and Lyft indicates that the deregulation method that is being exercised has lower standards of accountability and passenger safety consideration than the open entry system that was introduced in the 1980's. For example, as a result of the Collier County, Florida decisions to deregulate the for-hire industry, county's ordinance is officially taken off the books and both taxi companies and new market entrants will no longer have to buy commercial insurance and their drivers won't have to pass criminal background checks. Moreover, Collier County will no longer issue licenses to taxi or limo companies, essentially permitting anyone with a driver's license to be able to operate a for-hire vehicle in Collier County.

- ***Pros:***

Deregulation does offer some appealing benefits. For example, deregulation often results in an increased number of taxis available for hire, initially expands employment opportunities for prospective taxi drivers, and improves potential for service diversity and the emergence of new service class.

- ***Cons:***

Unfortunately, the tradeoffs for deregulating are almost always not worth the benefits. Deregulation leads to an oversupply of taxicabs, traffic congestion, and the resulting environmental impacts. There is also a danger of creating bad driver pool as a result of ease of entry into the FHV industry. Deregulation leads to a lack of certainty as to taxi fare and the potential of taxi price hike or instability. There have been many cases where deregulation leads to a limited supply of taxi service to suburban and poor neighborhoods and service refusals and discrimination as a result of lack of recourse measures for passengers.

- ***Regulatory Costs:***

Although this option would eliminate the costs of licensing and enforcement, other costs, there may be costs to other government agencies to ensure general laws against the new TNCs. There may also be societal costs that come with deregulation such as increased traffic, labor

oversupply, reduced incomes, pollution, motor vehicle accidents, litigation, and increased crime.

- ***Jurisdictions which have adopted this regulatory scheme:***
 - Collier County, Florida
 - Gainesville, Florida
 - Sarasota, Florida

Option 5: Pilot Program: Using New Entrants to Solve Regulatory Problems and Improve Service

The City of Mississauga could elect to amend their regulations to implement a pilot program designed to address problems which currently exist in their FHV industry, as well as improve service within the City. In instituting a pilot program, similar to what New York City has enacted, the City could elect to capture TNCs under current regulations or to introduce TNCs as a separate and new heavily regulated class of vehicles. The pilot would measure the introduction of TNCs to ensure entry leads to service improvements and does not cause widespread irreversible safety or environmental problems, or market failure. In any case, the pilot program would serve the purpose of improving the City's FHV industry while promoting more sound market conditions. The pilot program should be used to address the lack of wheelchair accessible vehicles as well as shortage of taxis that exists in the northeast area of the City around the airport. The program could allow TNCs to enter this market but only if they are equipped with wheelchair accessibility features and then only serve a certain geographic area. The regulation establishing this TNC approved geographic zone should include an exception that allows TNC vehicles to do passenger pick-ups outside of the TNC zone if they are responding to the requests of customers with disabilities. The City may also consider adding environmentally conscious requirements, such as the use of electric vehicles or other clean air fuels, to ensure the influx of new FHVs does not contribute to a negative environmental impact. Additionally, using pilot program gives the City the added luxury of flexibility. At the end of the pilot program the City has the opportunity to analyze what policies worked, which did not, and what can be altered to improve service and/or reduce costs.

- ***Pros:***

Using a pilot program to regulate may help improve consumer protections and ensure public safety without permanently establishing any regulations that may not work. The City will have the option of abandoning any policies with negative effects or outcomes. The City can pick and choose which programs or combinations of programs they think will be most successful and have the option of easily extending programs that work. It may be easier and more palatable to pass temporary regulations and then extend them once members of the public and the FHV industry see them successfully in action. Also, the use of pilot programs removes the risk of long-term wasteful regulations. The program described above will provide greater numbers of accessible vehicles, help meet demands where there are other service gaps, provide competitive protections to current drivers, and potentially lessen negative environmental impact by the FHV industry.

- ***Cons:***

While pilot programs are largely beneficial in instituting new programs, they do have a few negatives aspects. There is a risk that successful programs are not extended because of public opinion or lobbying efforts. There is also a risk that what would become a successful program does not get the time it needs to work out the kinks and gets branded as a failure and discontinued. There is also the costs involved in writing the regulations, holding meetings with industry figures and the public to discuss, and having to reconvene at the prescribe end to the pilot program and go through a similar process in determining what the future holds for each policy. Also, new regulations such as those in pilot programs come with uncertainty in their application which can create market confusion and increased enforcement costs or conversely a total lack of enforcement.

- ***Regulatory Costs: Low***

While pilot programs certainly come with costs such as those to write and pass the regulations, enforce the new regulations, and assess the regulations at the end of the program, they are minimal compared with instituting permanent laws and enforcing those laws indefinitely.

Option 6: Provincial Regulation

The last option open to the City of Mississauga is to request that the Province of Ontario enact a law for TNCs throughout the entire province. There is currently a bill (Bill 131, Opportunity in the Sharing Economy Act, 2015) that is under consideration by the Ontario Legislative Assembly and has passed its second reading. This bill authorizes municipalities to regulate TNCs but prohibits a complete ban. The bill provides for licensing by the Province if the municipality in which they operate does not have its own regulations. This bill is similar to the one passed in the State of Illinois which loosely regulates TNCs for the entire state but does not preempt cities, such as Chicago, from creating further regulations.

- ***Pros:***

Instead of having a patchwork of regulations by cities, this creates more consistent regulations for TNCs across the province. TNCs may not be able to operate if they have to follow each City's own completely unique laws regulating TNCs. The regulations may be crafted based upon more diverse viewpoints because you will get more comments from the entire province. It should also have lower or no regulatory costs to City.

- ***Cons:***

Regulating for-hire vehicles has traditionally been one of the powers of a City. This would take that power away and give it to the province, which might not have the experience to craft regulations to address unique circumstances in each City. There is also the danger of the new regulations creating new unfunded mandates for the City.

- ***Regulatory Costs: Low***

Provincial regulation could decrease costs for municipalities and private transport industries may result. If a less regulated approach is taken, municipalities may have increased externality costs (i.e., traffic, accidents, etc.).

- ***Jurisdictions which have adopted this regulatory scheme:***

- Vancouver (Proposed)
- Montreal and Province of Quebec

Additional Considerations

In choosing any type of regulatory system, there are some issues involving TNCs that should be addressed:

Camera/Car identification

An argument has been made that TNCs identify the driver and passenger on their platform so they therefore do not need cameras. In addition to identification, cameras may also help to record what happened in the vehicle if there is a dispute. Cameras can also be helpful to resolve disputes where some TNC drivers may illegally pickup street hails or make their own arrangements to pick up a passenger outside of the platform.

There is a question as to whether a TNC should be required to have some kind of identifying marker on their vehicles such as a special plate or logo. This would clearly identify them to the public and for police enforcement. Some jurisdictions have required TNC cars to have a non-permanent identifier, such as a magnetic sign when they are on-duty to help the public and their riders to identify them. Such markings may help prevent riders from accidentally going into a vehicle they did not request.

Accessibility

Mississauga currently is not meeting its AODA requirements for accessible for hire vehicle service. There are not enough accessible taxis to meet the needs of disabled people in the city. The Hara Associates Study recommends that Mississauga set a target for 21% of taxis to be accessible for there to be on-demand service available at all times in order to meet the AODA requirements.¹³⁹ As Mississauga is working to meet the AODA requirements with its Accessibility Advisory Committee, it should also consider how it would apply the requirements to TNCs. An option that has been considered by other jurisdictions is to require TNCs to provide accessible services within a specific time frame from the time the request is made. TNCs are given the option of contracting out accessible service but it would be their responsibility to ultimately provide the service through their platforms. If a TNC does not want to provide wheelchair accessible service, Mississauga may also want to consider imposing a surcharge on

139 [City of Mississauga, Taxi Plate Issuance Model Review, [Hara Associates, October 7, 2015.

TNC rides to help pay the owners and drivers of wheelchair accessible vehicles for the higher costs of operating such vehicles.

Enforcement

The City of Mississauga needs to consider the costs of enforcement against TNCs. Currently, there is a complement of nine (9) enforcement officers in Mobile Licensing Enforcement that regulate taxi, limousines, tow trucks and other public vehicles. For more effective enforcement more resources are required. Additional resources can be funded by increased fines, which would also act as an effective deterrent, and increased licensing fees, particularly on TNCs. Increased licensing fees on the existing for hire industry may be seen as a burden, on an industry already struggling with a new competitive challenge.

HST

A major discrepancy between the current licensed for-hire vehicles and the TNCs operating in Mississauga is that the TNCs do not require their drivers to pay the Harmonized Sales Tax (HST). It is left up to the drivers to pay the HST and they are only required by law to pay the tax if they make over \$30,000 per year. Since there is no oversight on the TNCs and the drivers, there is a window of opportunity for tax evasion. Taxis and Limousines on the other hand are required to pay HST regardless of how much they earn setting an unfair competitive advantage to the TNCs. However, since HST is set by the federal and provincial governing bodies, this matter needs to be addressed by them.

Data Collection

The potential unlawful tracking of passengers and consumer data collection along with lapses in privacy safeguards is troubling. If TNCs are engaging in the collection, use and monitoring of data which is not pursuant to a legitimate business or regulatory purpose, with personal details and customer information so readily available that an intern or a job applicant (or possibly a hacker) could get their hands on it, there is a potential privacy and security issue. Thus, to the extent privacy measures are currently in place for technology used in taxicabs and/or limousines, TNCs should be held to the same standard.

TNCs may have privacy policies in place which are sufficient to protect the riding public. As such, it is recommended that the City of Mississauga conduct an audit/investigation of TNC privacy policies to determine whether they protect against the inappropriate use of data, and prevent privacy or security breaches from taking place. Safeguards to be kept in mind during the City's investigation include (1) imposing restrictions on access to data internally at TNCs and to private third parties without express permission from passengers as to the specific entity or purpose for which such data will be used; (2) security safeguards to ensure that hackers cannot access such TNC data, which are imposed and monitored by regulators; and (3) a requirement, as exists in San Francisco and New York City, as well as in various Australian states and elsewhere, for the companies doing business with TNCs or TNCs themselves to submit electronic trip sheet data while on-duty (pick-up, drop-off and fare box data at a minimum) so that regulators can ensure compliance with various laws, and analyze industry economics with a solid factual basis.

It is completely within the power and authority of the City to require, as a condition to the licensure of TNCs, that privacy protections are put in place. Such requirements have been developed and imposed in local jurisdictions (i.e., New York City T-PEP regulations).¹⁴⁰ By way of example, in New York City, working closely with the New York Civil Liberties Union (NYCLU), regulations were enacted that required the vendors which were authorized to install the taxicab technology systems (the credit card machines, screens, monitors and GPS systems (referred to as TPEP system)) in NYC yellow taxicabs, to adhere to strict security and privacy protocols to protect the public from credit card fraud, identity theft, and other unlawful hacking of such data.¹⁴¹ For example, TLC Rules require that TPEP providers establish an information security policy, prior to developing a system design, which must be disseminated to its employees and relevant third parties, and which is reviewed and updated at least annually.¹⁴² Further, data categorized as private or confidential must not be transitioned to removable media without TLC approval.¹⁴³

Further, the amount of data available to the City could be limited to all that is necessary to maintain consumer safety and TNC oversight. For example, the NYC TLC is entitled to only a limited amount of data: which includes the data relative to taxicab pick-up and drop-offs, as well as certain GPS location information. The TLC does not typically obtain (and is generally shielded from reviewing) breadcrumb data, or the GPS pings of the taxicab and its location throughout the route in between pick-up and passenger drop-off. This is precisely the type of information - the tracking of a passenger trip - that Uber was alleged to have been monitoring as part of its "God View." The TLC typically obtains very important T-PEP data on the number of rides, the taxi fare information, and other general information that include "blips or dots on a screen" -- with no particular identity of passengers or individual taxicab drivers or medallions (unless requested for a specific legitimate regulatory purpose as part of a TLC or other government investigation). Off-duty locations of taxicabs are completely off-limits to the TLC as a privacy safeguard the TLC agreed to with the NYCLU that was embodied in the T-PEP vendor agreements and the TLC rules. The TLC collects general ridership data to achieve various objectives, not the least of which is to verify that taxicabs are servicing all neighborhoods in the city, and to determine the actual earnings of taxicab drivers and medallion owners in order to make sound fact-based decisions in enacting fare increases as opposed to the prior guesswork involved in manual trip sheet surveys and other primitive regulatory methods. The TLC will only receive further breadcrumb data from the T-PEP system if it is specifically requested for a targeted and disclosed purpose (i.e., lost property; stolen cab, etc.). Further, the TLC will only release more detailed data to law enforcement if served with a subpoena.

Calculating Fares

The most important goal of regulating taxi fares is to ensure that drivers have a reasonable income where they can sustain themselves. With the TNCs that employ surge pricing, also known as dynamic pricing, many stakeholders in the existing taxi industry feel they

¹⁴⁰ See e.g., <http://www.buzzfeed.com/bensmith/uber-executive-suggests-digging-up-dirt-on-journalists>.

¹⁴¹ See Chapter 76 of the NYC TLC Rules and Regulations

¹⁴² See NYC TLC Rule 76-03(a).

¹⁴³ See NYC TLC Rule 76-03(u)(3).

are at a disadvantage because they are not able to adjust their fares according to supply and demand principles. Many in the industry fear raising the fare too high because they also do not want to “price taxis out of the market.”¹⁴⁴

As discussed in the Hara Study, one of the fairest ways to set taxicab fares is through the use of a Taxi Cost Index (TCI) that measures the cost of operating a taxicab and assigns a weight to them. Using a TCI instead of the Consumer Price Index (CPI) has the advantage of giving sufficient weight to costs associated with operating a taxicab and can be easily updated and applied. Among the disadvantages is it will preserve the same profit margin without regard to whether it was too high or too low, and that it requires updating when the weight of various items changes.

Most TNCs use their own formulas to create their fares. Most TNCs also use “dynamic pricing,” also known as “surge pricing.” TNCs argue this helps to ensure an adequate supply of vehicles by incentivizing drivers with higher pay when there is a shortage of vehicles. One TNC will generally surge price up to 8X the normal fare, but has experimented with 50X the normal fare.¹⁴⁵ While “surge pricing” may bring more vehicles on the road, there are fears that the times when “surge pricing” usually take effect are the times when someone may desperately need transportation, such as during inclement weather or on a holiday. Some have accused the TNCs of price gouging and the New York City Council has drafted legislation that would cap “surge pricing” at no more than 2X the normal fare.¹⁴⁶ If the City allows TNCs to set their own fares, we recommend a cap to prevent excessive fares.

Minimum Insurance Requirements for TNCs

With regard to insurance requirements, to ensure that the public is protected, Mississauga should have in place extensive rules requiring all TNC vehicles to have adequate insurance. We therefore recommend that the city follow the New York Model when instituting its insurance policies in its regulations. In NYC, app-based vehicles and drivers have the same insurance as all other taxicabs and for-hire vehicles and further legislation is not required to meet the needs of the public for safety and insurance. If there is an incident in a for-hire vehicle, the TLC has extensive rules requiring all for-hire vehicles to have adequate insurance.¹⁴⁷ Under TLC rules, taxis, livery and black cars must have liability coverage for \$100,000 per person, \$300,000 per occurrence, and \$200,000 in no-fault or personal injury protection coverage to cover medical expenses and lost earnings. Luxury Limousines must have liability coverage for \$500,000 per person, \$1,000,000 per occurrence, and \$200,000 in personal injury protection. This coverage is required at all times (24 hours per day and 7 hours per week), and vehicle owners are required to notify TLC of any changes in insurance coverage.

App-based dispatch companies like Uber and Lyft must dispatch vehicles that maintain

144 “City of Mississauga, Taxi Plate Issuance Model Review,” Hara Associates, October 7, 2015.

145 <http://www.businessinsider.com/ubers-highest-surge-price-ever-may-be-50x-2014-11>.

146 <http://legistar.council.nyc.gov/LegislationDetail.aspx?ID=2073899&GUID=0C1C4C28-9D46-4021-BAA6-EAC0D95D5F09&Options=ID|Text|&Search=int.+556>.

147 The chart above generally outlines the insurance coverage model currently being provided to drivers by TNCs during different phases of a network trip.

insurance coverage in order to operate in New York City. This is not required in jurisdictions that have promulgated TNC laws that have questionable and less coverage available on the primary level, than for taxicabs and limousines providing the same exact for-hire service as TNCs. The TLC also has strict commercial insurance requirements for its licensed vehicles that must be in effect at all times.¹⁴⁸ This requirement for 24/7 insurance eliminates any potential gaps in coverage or disputes over coverage.

Many rideshare companies have been operating in states taking advantage of perceived loopholes in local laws to circumvent common sense regulations that protect the public, drivers and others. Although they purport to provide ridesharing services, the business model of these companies is in direct violation of any traditional definition or understanding of true ridesharing. Ridesharing is the term used to describe grouping travelers into common trips by car or van through carpooling or vanpooling.¹⁴⁹ At its outset, ridesharing did not, and was not intended to result in financial gain for the driver.¹⁵⁰ The purpose of ridesharing was based on common origin and/or destinations between passengers.¹⁵¹ The fact that money is exchanged for the rideshare company's services transforms the transportation into a commercial/for-hire enterprise requiring appropriate commercial insurance coverage.

We have been monitoring the actions related to these rideshare companies and raise concerns with regard to the insurance coverage for these companies. The issue of inadequate insurance coverage is a serious one jeopardizing public safety, which could also undermine the public's confidence in all segments of the for-hire vehicle industry. As discussed above, the Personal Insurance Federation of California (PIFC) was the first insurance trade association to make a public statement addressing the issue of coverage when it comes to rideshare app companies and the transportation services they offer.

Moreover, the California Department of Insurance's (CDI) conducted an investigative hearing on rideshare companies which resulted in the California Insurance Commissioner writing a letter, dated April 7, 2014, to the CPUC offering recommendations for more stringent insurance requirements.¹⁵² In the letter, the Insurance Commissioner notes that the CDI finds that personal automobile insurers never planned or intended to underwrite for the risks presented by individuals driving their personal vehicles for commercial purposes, which did not exist, when the current policies were written. As such, insurers did not incorporate for-hire use when developing their rates, and the risk exposure to the personal automobile insurance pool that is presented by ridesharing app services may increase personal automobile insurance rates. The Insurance Commissioner also stated, "The fact that some exclusions in personal automobile insurance policies may not be clear on this point should not be misinterpreted as an agreement to cover this new TNC risk."

At least eleven states (California, Connecticut, Kansas, Maryland, Michigan, Minnesota,

¹⁴⁸ TLC Rule §59A-12.

¹⁴⁹ Transport Reviews, Vol. 32, No. 1, 93-112, January 2012, "Ridesharing in North America: Past, Present and Future" by Nelson D. Chan and Susan A. Shaheen.

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

¹⁵² <http://www.insurance.ca.gov/video/0030VideoHearings/upload/CDI-CPUC20140407.pdf>.

Nebraska, New Mexico, Ohio, Rhode Island and Tennessee) have issued insurance gap warnings regarding ridesharing. Some examples of the alerts issued by insurance regulators over the past several months include the following:

- In February 2014, the California Department of Insurance issued a Notice to drivers for Transportation Network Companies (TNCs) to be aware of potential gaps in insurance coverage. Although TNCs approved by the California Public Utilities Commission are required to maintain \$1 million in liability insurance, TNCs are not required to have medical payments coverage, comprehensive, collision, uninsured/underinsured motorist (UM/UIM) coverage or other optional coverages. This means that the TNC's liability policy does not have to provide coverage for: 1) bodily injury to the TNC driver; 2) damages to the TNC driver's car, or 3) bodily injury or physical damage caused by an uninsured or underinsured motorist. In addition, the Notice advised that insurance companies might deny coverage to TNC drivers that are driving passengers for payment of more than a share-the-expense car pool fee based on the above exclusion or similar exclusions.¹⁵³
- On March 12, 2014, Tennessee Commerce and Insurance Commissioner, Julie Mix McPeak, issued a warning of potential auto insurance gaps for individuals working as drivers for TNCs such as Lyft, uberX, and Sidecar. The Department wants Tennesseans to know that most standard auto insurance policies contain exclusions for livery or driving for hire, said McPeak. These gaps can leave individuals in insurance limbo without the coverage needed to protect their vehicle and passengers in the event of an accident.¹⁵⁴
- On April 16, 2014, Ohio Lt. Governor and Insurance Director Mary Taylor issued a warning that most personal auto insurance policies don't cover commercial use of a vehicle. Taylor advised would-be rideshare drivers to review their policies with an agent, broker or insurance company. Ohioans considering these types of services should weigh all factors including any coverage gaps that may exist, Taylor said. While the driver may have insurance, his or her policy may or may not provide all the coverage needed should an accident occur.¹⁵⁵
- On April 30, 2014, the Rhode Island Department of Business Regulation, Insurance Division, issued Consumer Alert 2014-4 to highlight potential insurance implications for Rhode Island residents participating in for hire transportation services. The Alert states that there are potential coverage gaps since most standard personal auto policies contain exclusions for livery which essentially means driving for hire.¹⁵⁶

¹⁵³ <http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/TransNetwkDrvr.cfm>.

¹⁵⁴ <https://news.tn.gov/node/12367>.

¹⁵⁵ <http://www.insurance.ohio.gov/Newsroom/Pages/04162014TransportationNetworkingCompanies.aspx>.

¹⁵⁶ <http://www.dbr.state.ri.us/documents/divisions/insurance/consumers/ConsumerAlert2014-4.pdf>.

Driver/Operator Training Requirements

The driver and operator training requirement in Mississauga are thorough. Taxicab and limousine driver applicants are required to submit proof of age, and eligibility to work in Canada, provide a valid Ontario Driver's license (Class G or better) in good standing, a certificate of Criminal Conviction, and a medical report from a physician stating the applicant is fit and able to operate a motor vehicle. In addition, applicants must demonstrate a proficiency in English, complete a Defensive Driving Course, a Sensitivity Training Course (which includes training to assist passengers who are disabled, elderly or otherwise in need of assistance), a Taxicab Driving Course, and pass a written test including the local by-laws, the geography and popular sites in the City, and the use of a street guide. Additionally, some jurisdictions require more than a certificate of criminal conviction and insist on a more complete vetting process including a driver history and criminal background check, while other jurisdictions also require the fingerprints of their FHV operators. Mississauga should analyze the full array of driver vetting and training options if and when they make changes to their current requirements.

Environmental Concerns and Clean Air Fuels

Anytime a program which puts additional cars on the road is being implemented, environmental impact should be considered. The City of Mississauga should contemplate the number of additional vehicles their plan would conceivably add to the streets and potentially implement standards to create a net zero environmental impact. This could be done by imposing the use clean air fuel vehicles or other environmentally conscious standards such as minimum Litres per 100 Kilometers standards for traditional fossil fuel vehicles.

Fare Flexibility

One aspect of the current regulations that some consider too onerous is the minimum fare requirements. Whereas some cities take the approach that the rate showing on the meter is a maximum allowable fare, and the majority of cities consider meter rates to be fixed (the maximum and the minimum), Mississauga does not allow drivers to charge less than the price showing on the meter.¹⁵⁷ At least one Toronto taxi company and some industry stakeholders have suggested and requested that drivers be permitted to charge less than the metered rate. The regulations could be amended to allow drivers to charge a flat fee or discounted rates. If this approach is taken, safeguards should also be implemented to prevent drivers from abusing this newfound fare flexibility. One way to ensure passengers are not being overcharged is to require the meters to run during every trip, regardless of whether a flat or discounted fare is being charged; this way the passenger always knows whether or not they are paying a reduced rate or being overcharged. While greater flexibility for drivers and the prospect of lower fares for riders appears beneficial to all parties involved, this change would not be without risk. Companies and drivers could attempt to undercut each other's pricing and reduce profitability. This could lead to cost cutting in crucial areas such as vehicle maintenance and potentially increase enforcement costs.

¹⁵⁷ Unless otherwise noted, information for this paragraph is from the Draft Taxi Plate Issuance Model Review by Hara Associates Incorporated, 6-2, dated October 7, 2015.

Taxi Cap Formula

Mississauga currently has one of the most complex formulas for determining when to issue additional taxi plates.¹⁵⁸ The formula uses weighted growth factor models consisting of twenty-two growth factors divided into five categories and each assigned its own weight. Perhaps not surprisingly, this complex formula covers five pages of the Public Vehicle Licensing By-law (Schedule 13). The simplest, and most common, plate issuance formula is a per capital formula, which calls for a 1% increase in the number of licenses issued for every 1% increase in the City's population with annual adjustments. The Hara Associates Taxi Plate Issuance Model Review recommends Mississauga implement a new formula that combines the 1% increase in taxi plates issued for every 1% growth in population, plus a .07% increase in taxi plates issued for every 1% growth in passenger traffic at Pearson International Airport. They also recommend the number be periodically increased based on the number of taxis and accessible taxis required by TransHelp contracts. This would help ensure the number of taxis in Mississauga remains stable in relation to tourists and visitors, the local population, and the demand for accessible taxis.

Competition Bureau White Paper¹⁵⁹

The Competition Bureau issued a white paper entitled "Modernizing Regulation in The Canadian Taxi Industry" in November of 2015. The paper addresses the appearance of TNCs in Canada and the effect it has had on the for-hire vehicle industry, providing guidelines for regulators. The Competition Bureau points out that TNCs may benefit consumers in creating competition with the incumbent industry in terms of price, availability, waiting times, convenience and quality of service. The white paper encourages regulators to enact regulations that nurture this competition. However, the Competition Bureau also recognizes that regulators have legitimate concerns to enact new legislation and cautions against overregulation for both TNCs and Taxis. The Bureau recommends the creation of a level playing field between TNCs and the incumbent industry so that neither is given an unfair competitive advantage due to unnecessary overregulation. The Competition Bureau recommends that municipalities ensure the same regulations apply to TNCs and taxis equally when it comes to public safety, consumer protection (insurance and background checks), quality of service, licensing, and training requirements. The paper also calls for the removal of limits on street hails (allowing street hails for both TNCs and taxis), price controls (allowing all industry participants to set their fares independently and flexibly), and entry restrictions (allow for open entry for the quantity of vehicles for all industry participants). In sum, the Bureau advocates for regulators to strive for a balance between enhancing competition in the industry for the benefit of the consumer, while also safeguarding against market failures where they might occur with regard to public safety, consumer protection, and accessible needs.

¹⁵⁸ Unless otherwise noted, information for this paragraph is from the Draft Taxi Plate Issuance Model Review by Hara Associates Incorporated, dated October 7, 2015.

¹⁵⁹ <http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/04007.html>.

8 Canadian Transportation Network Company Litigation & Regulatory Activity

This section of the report summarizes the latest updates on litigation, regulatory activity, and other matters regarding Transportation Network Companies (TNCs) across various cities in Canada.

Calgary, Alberta

Litigation

In *City of Calgary v. Trevor Arthur John Gold, et. al*, a temporary injunction was granted on November 20, 2015, preventing all Uber drivers from operating in Calgary. The basis for the City of Calgary's claim was that none of the respondents (all Uber drivers) have applied for a Taxi Plate License, Accessible Taxi Plate License, or Limousine Plate License for their personal motor vehicles and are therefore in contravention of the Livery Transport By-law.¹⁶⁰ The City also argued that the respondents failed to provide proof of vehicle insurance, vehicle inspection certificates, and safety equipment/security cameras as required by law. The injunction was set to remain in place until December 17, 2015, at which time, the city planned to seek to have the injunction made permanent until private for-hire vehicles operating with the Uber application meet safety, insurance, and regulatory requirements. On Friday December 11, 2015, Uber agreed to suspend its operations in Calgary and Calgary's city government announced it will no longer pursue a permanent court injunction while they collaborate to develop a new regulatory framework.¹⁶¹

Regulatory Activity¹⁶²

In October 2013, Uber tried to launch UberBLACK as a promotion in Calgary but was quickly stopped by the City because Uber violated By-laws by partnering with a local licensed broker who had rented unlicensed vehicles from Hertz and used unlicensed drivers to provide for-hire service. UberX launched on October 15, 2015, with the claim that the launch was "to allow the City to try out their services" while the City Council is developing the regulations to govern Uber. Calgary currently has six (6) enforcement officers as taxi inspectors, but undercover plain clothes officers and Calgary police are also tasked with helping enforce

¹⁶⁰ *City of Calgary v. Trevor Arthur John Gold, et. al.*, 1501-12242.

¹⁶¹ <http://calgaryherald.com/news/local-news/uber-and-calgary-call-a-truce>.

¹⁶² Information for this section is from an interview with the Calgary regulators on October 19, 2015.

transportation regulations. Covert sting operations have so far caught more than 50 Uber drivers illegally offering fares.¹⁶³

Where other cities like Toronto and Edmonton targeted their legal arguments on the company itself and failed, Calgary focused on the drivers.¹⁶⁴ As a result, Uber was forced to suspend its operations in the City. On November 20, 2015, a judge granted a temporary injunction to stop Uber drivers from operating in Calgary. At the next hearing on December 17, 2015, the City was planning to seek a permanent injunction until its concerns regarding safety, insurance, and regulatory requirements are addressed through new regulations. But on Friday December 11, 2015, Uber agreed to suspend its operations in Calgary and the City government announced it will no longer pursue a permanent court injunction while Calgary and Uber collaborate to develop a new regulatory framework. Ramit Kar, Uber's general manager for Alberta, said the company and its drivers would suspend operations in Calgary while working with the City to adopt "smart" ridesharing regulations.¹⁶⁵ Mayor Naheed Nenshi told reporters that he supports innovations and improvements to Calgary's taxi system, but added that all market entrants must adhere to the By-law and insurance requirements to ensure safety and reliability.¹⁶⁶

In Calgary, the City Council writes the By-laws governing for-hire vehicles, with recommendations made by advisory committees. Calgary does not have a taxi commission. The current for-hire vehicle By-laws regulate two categories: taxis and limousines. Calgary issues licenses for vehicles, drivers, and brokers of taxis and limousines. Taxis in Calgary have the exclusive right to be hailed on the street, but may also be prearranged. Fifty percent (50%) of taxi rides in Calgary are made through street hails while the other fifty percent (50%) of taxi rides are prearranged through brokers.

Uber challenged the current By-laws for minimum hourly rates for limousines, which are currently set at \$84.60/hour and to remove the minimum waiting requirement, which is currently 30 minutes. There is a proposed bill with these amendments which has not yet been passed. Calgary is currently working on updating its By-laws with regard to TNCs. The City is developing a new framework that was discussed at the October 30, 2015 Advisory Committee meeting, and was discussed by the Calgary City Council on November 16, 2015. An extension was granted and full By-laws must be prepared for review by February 22, 2016. Calgary has taken the lead on its By-laws based on Edmonton's proposed bill.

The proposal for Calgary's new By-laws would introduce a new category of "Private Vehicle for Hire" for TNCs and recommends a hybrid Open/Controlled entry system. The City would issue separate vehicle and driver licenses for these private vehicles for hire. Under the proposal, private vehicles for-hire will not be allowed to perform street hails and will need to undergo an annual inspection and vehicles will be subject to vehicle age restrictions. Drivers will have to submit to a background check by the City and must carry a Class 4 driver's license from the Province. The proposed framework places no cap on the number of licenses to be issued for the private vehicles for hire. Calgary will not restrict surge pricing for vehicles, but will maintain

¹⁶³ <http://calgaryherald.com/news/local-news/uber-and-calgary-call-a-truce>.

¹⁶⁴ *Id.*

¹⁶⁵ *Id.*

¹⁶⁶ *Id.*

a minimum rate. Current taxi regulations control entry and have maximum rates for taxis. However, cabbies would have to charge a regulated rate for all street hails or fares ordered through a dispatch center. The City Council recently said it is looking to include surge pricing protections in the By-law for Calgarians.¹⁶⁷ While Andre Chabot, Ward 10 Councillor, says it ultimately boils down to "buyer-beware," he agreed that the rate of 8.9 times the regular fare charged to a St. Albert customer on New Year's Eve was excessive.¹⁶⁸ He went on to say, "I think there should be some upper limits placed on how much of a surcharge should be in place; maybe five times the regular rate."¹⁶⁹ Chabot stressed the importance that the new livery By-law include surge pricing protections to ensure passengers are not unreasonably charged higher rates if their ride is prolonged by an unforeseen incident, such as a traffic jam or accident.¹⁷⁰

One of the major challenges regarding TNCs in Calgary concerns insurance requirements. Alberta's superintendent of insurance warned the type of insurance Uber drivers need did not exist in the province and urged the industry to introduce such policies soon.¹⁷¹ Local insurance companies explicitly preclude drivers from using their cars to transport for compensation under personal insurance policies.¹⁷² Uber has recently partnered with Intact, a Canadian insurance company, to create a new insurance coverage which is suited for usage by TNCs and maintains that it carries a \$5-million supplementary insurance policy to cover its drivers and passengers.¹⁷³ In January 2016, Aviva Canada announced that they had created an insurance policy for TNC vehicles that are driven less than 20 hours per week, to be rolled out in February. The policy is an endorsement that would be added to a driver's personal policy to cover the gap in insurance when the vehicle is being used commercially. The policy is yet to be approved by the Superintendent of Financial Services.¹⁷⁴

The proposal would also require TNC app operators to become licensed as dispatchers, subject to approval by the City, and also implement accessibility requirements.¹⁷⁵ The dispatcher license would establish a new level of accountability and require TNCs to provide the same level of service required of taxi brokers, which is defined as the ability to provide accessible transportation within 15 minutes, 77% of the time.¹⁷⁶ It is believed that TNCs will probably contract with local companies with accessible vehicles to meet this requirement.¹⁷⁷

Under the new proposal, approved smartphone apps must confirm the identity of the driver and passenger, offer an estimated fare, and allow the customer to reject the ride if he or she is not comfortable with the rate. The proposal also requires TNC app operators to follow the trip data reporting requirements for private hire vehicles.¹⁷⁸ Calgary is also considering

167 <http://calgary.ctvnews.ca/city-continuing-to-work-on-draft-bylaw-for-uber-1.2725471>.

168 *Id.*

169 *Id.*

170 <http://calgaryherald.com/news/local-news/city-bylaw-must-ensure-taxi-uber-passengers-dont-get-burned-by-surge-pricing-say-calgary-councillors>.

171 <http://calgaryherald.com/news/local-news/uber-and-calgary-call-a-truce>.

172 *Id.*

173 *Id.*

174 <http://business.financialpost.com/news/transportation/aviva-canada-says-ride-sharing-insurance-coming-in-february>

175 *Id.*

176 *Id.*

177 *Id.*

178 *Id.*

restricting TNCs from placing any kind of logo or identifying marker on the cars or trade dress for the drivers in order to curb illegal street-hailing.¹⁷⁹ Other issues being debated concern whether Calgary will require private vehicles for hire to have cameras, as is required for taxis.¹⁸⁰ Some argue that because private vehicles for hire will not be allowed to accept street hails, their vehicles will not need cameras.

The existing for-hire vehicle industry is concerned about enforcement and has stressed that the By-laws must be strictly enforced. Taxi brokers are now beginning to shift from solely concentrating on fighting against TNCs to figuring out how to compete with them.¹⁸¹

Edmonton, Alberta

Litigation

Since TNCs are relatively new to the Canadian market, there have not been many legal cases involving TNCs. The City of Toronto and the City of Edmonton both separately tried to file injunctions to stop Uber from operating in their cities. In *City of Edmonton v. Uber Canada*, the City of Edmonton argued that Uber Canada is a taxi broker requiring a license and Uber's model for arranging rides violated Edmonton's By-laws. Uber Canada argued that Edmonton named the wrong party in the lawsuit, that it does not provide dispatch services within the meaning of the relevant By-laws that, it does not employ or control the drivers, and that the court should not enjoin a party to comply with a vague By-law. The court denied the injunction, holding that the City of Edmonton did not demonstrate that Uber Canada was in a clear and continuous breach of the By-laws in question as the By-laws were ambiguous. Additionally, the court found that Edmonton failed to name the drivers or other entities involved as parties to the lawsuit and that the relief it seeks would affect their interests as well. For those reasons, the court found that Edmonton failed to meet its burden to prove a *prima facie* clear and continuing breach of the By-laws and therefore denied its application for an interlocutory injunction.¹⁸²

Regulatory Activity¹⁸³

Uber started operations in Edmonton in September of 2014, advertising for vehicles and drivers to join its platform, and quickly launched its services. On December 18, 2014, Uber started to provide free rides to customers. On December 27, 2014 Uber started charging for rides. This caught the attention of the City of Edmonton, which on January 20, 2015, filed for an injunction to stop Uber from operating, which was denied by the local court.

After losing in court, the City's Executive Committee, which is comprised of the Mayor and three Councillors, began working on amending the for-hire vehicle By-laws to regulate the new entrants to the market. On September 9, 2015, the Executive Committee released its new

¹⁷⁹ *Id.*

¹⁸⁰ *Id.*

¹⁸¹ *Id.*

¹⁸² *City of Edmonton v. Uber Canada Inc.*, 2015 ABQB 214.

¹⁸³ Information for this section is from an interview with the City of Edmonton regulators on October 19, 2015.

Vehicle for Hire By-law draft. The Executive Committee held meetings with six different stakeholder groups and issued a survey on its website for feedback. The Executive Committee then held a public meeting in which 89 people spoke, after which the Executive Committee sent the draft By-laws to the City Council without recommendations. Taxi drivers protested the bill.

On November 17, 2015, the City Council reviewed the bill and sent it back to the Executive Committee with some amendments and areas to investigate in 2016.¹⁸⁴ The proposed amendments were:

- Create a distinct license class with appropriate fees for Transportation Network Companies (TNC);
- Reconsider the fee structure for TNCs;
- Provide a driver's license fee in a nominal amount for Private Transportation Provider (PTP) drivers who are affiliated with TNCs;
- Propose ways to deter PTPs from refusing pickups;
- Maintain the current number of accessible vehicle licenses; and
- Create a new fund with contributions from TNCs to support future conversion of existing vehicle licenses to accessible vehicle licenses, and/or create additional accessible vehicle licenses.¹⁸⁵

The existing By-laws only provide for three (3) categories of for-hire vehicles; taxis (and accessible taxis), limousines, and shuttles. The draft bill creates a new category of Private Transportation Provider (PTP) licenses, distinct from taxis and limos. Drivers of PTPs, however, will be required to have a taxi driver's license and commercial vehicle insurance, or a policy that meets insurance requirements of the Province for commercial vehicles. The TNCs will need to apply for a dispatcher license in order to operate in Edmonton. The draft By-laws also remove fare minimums for limousines (currently, the minimum fare is \$75), place no minimum fare on PTPs, do not restrict surge pricing, and place no cap on the number of PTPs. The current taxi fare structure and caps will remain in place. The City Council also voted not to force driver training requirements on the taxi industry or TNCs.¹⁸⁶ The new By-law would increase fines for driving without a taxi license to \$5,000 from the current fine of \$1,000, and provide By-law officers with the authority to demand to examine insurance papers when they pull over a driver on the road.¹⁸⁷ In addition, there is a proposal to require PTPs to place a placard identifying the company and perhaps a car number in the windshield while operating as a PTP, which may be removed while using the vehicle for private use.¹⁸⁸

Uber spokesperson Jean-Christophe de Le Rue said without changes to the By-law draft, the company will not be able to function in Edmonton.¹⁸⁹ He acknowledged there is still

184 <http://edmontonjournal.com/news/local-news/edmonton-readies-for-a-crack-down-but-keeps-uber-afloat-for-the-holiday-season>.

185 http://www.edmonton.ca/bylaws/licences/licences_permits/vehicle-for-hire-by-law.aspx.

186 <http://edmontonjournal.com/news/local-news/edmonton-readies-for-a-crack-down-but-keeps-uber-afloat-for-the-holiday-season>.

187 *Id.*

188 *Id.*

189 <http://www.cbc.ca/news/canada/edmonton/uber-spurns-by-law-that-would-legalize-ride-hailing-in-edmonton-1.3316959>.

disagreement over proposed fees, including \$920 for a two-year vehicle license and \$100 for a two-year driver's license.¹⁹⁰ He said that Uber has told the City it will cover most fees for its 3,000 drivers, most of whom work part-time, but the fees in the current By-law draft would, according to Uber, cost the company millions and potentially force Uber out of Edmonton.¹⁹¹

The provincial government has assembled a cross-ministry committee to study the possibility of adjusting the rules for companies like Uber and the By-law comes back before the Edmonton City Council on January 26, 2016.¹⁹²

On January 4, 2016, the City Council asked potential customers to weigh in on how to determine Uber's fares through a survey.¹⁹³ This survey was prompted when a man was shocked to discover he was charged \$1,114.71 for an Uber ride on New Year's Eve. The survey says, "We have heard from the taxi industry that this model is unfair and does not allow them to compete with companies like Uber. Therefore, the City is considering several fare options." The feedback will be presented to city council during its January 26th meeting when Councillors intend to fine-tune the By-law to legalize and regulate Uber.¹⁹⁴

On January 21, 2016, the City released further amendments to the draft "Vehicle for Hire Bylaw" that are supported by the Administration and will be reviewed by the City Council on January 26.¹⁹⁵ This revised draft includes significant adjustments to the fee structure and also adjusts the date on which this bill would come into force from December 1, 2015 to June 1, 2016. Some of the most significant fee structure amendments include the implementation of an alternate fee model for commercial PTP dispatchers, which includes an annual license fee of \$50,000 plus a per ride fee of \$0.06 per trip in lieu of individual vehicle and driver licenses, and includes an Accessibility Surcharge for PTP vehicles (if not providing accessible services). Another amendment supported by the Administration would require the implementation of a "hybrid" fare model that would require taxis to charge the current rates for any trip arising from a street hail or a taxi stand but allows any vehicle, including taxis, to charge any fare, as long as the trip is pre-arranged with the customer. This "hybrid" model will allow PTPs to charge any fare at any time as they are restricted from accepting street hails or using taxi stands. Other amendments of note that are supported by the Administration include removing the requirement to display the dispatch license number and vehicle license number, and will retain the requirement to include the dispatcher's name and contact info. This provision will also require an exterior vehicle marking (such as a corporate logo) identifying the dispatching company, which is subject to approval by the City Manager. Lastly, the administration supports adding two additional City Managers to prescribe criteria and help implement the new regulatory structure. A number of other amendments are also suggested but have not received support by the administration.

190 <http://edmontonjournal.com/news/local-news/uber-slams-edmontons-revised-vehicle-for-hire-by-law>.

191 <http://edmontonjournal.com/news/local-news/edmonton-readies-for-a-crack-down-but-keeps-uber-a-float-for-the-holiday-season>.

192 *Id.*

193 <http://www.cbc.ca/news/canada/edmonton/city-asks-for-public-feedback-on-how-to-determine-uber-fares-1.3389057>.

194 *Id.*

195 <http://sirepub.edmonton.ca/sirepub/agdocs.aspx?doctype=agenda&itemid=50531>.

Montreal, Quebec

Regulatory Activity

Uber launched in Montreal, the largest city in the Province of Quebec, in October of 2014, and in the remainder of Quebec earlier this year.¹⁹⁶ According to the company, approximately 300,000 Uber requests are made via smartphone in Montreal each month.¹⁹⁷ A ride is ordered on the Uber platform in Montreal once every nine seconds.¹⁹⁸ Sixty-eight percent (68%) of UberX rides in Montreal are one-way¹⁹⁹ and twenty-eight percent (28%) of uberX rides in Montreal start or end near a Metro station — usually between the user's home and a station.²⁰⁰ Fifty percent (50%) of Uber's driver-partners work fewer than 10 hours a week and seventy percent (70%) work fewer than twenty hours a week.²⁰¹ Uber says the average hourly income earned by uberX driver-partners in Montreal is \$22.40.²⁰²

Since its introduction, the Uber mobile app has been met with staunch criticism. Mayor Denis Coderre and both the Montreal and Quebec governments have called the uberX service illegal.²⁰³ Nonetheless, Uber continues to operate and taxi drivers in the city have held protests against uberX, arguing it has an unfair advantage and is compromising their ability to make a living.²⁰⁴ Montreal's Taxi Bureau has been ramping up its efforts to crack down on the popular TNC service and, as a result, more than 400 vehicles have been seized in Montreal since the beginning of 2015, with 100 uberX cars seized in October 2015 alone.²⁰⁵ Revenue Quebec also raided the city's Uber offices in May in search of evidence that Uber is violating the provincial tax code.²⁰⁶

In December 2014, Uber Montreal executives met with the Quebec Transport Ministry, saying they want the company to be legally recognized in the province.²⁰⁷ Regulations, however, are still not in place. Jean-Nicolas Guillemette, Uber's general manager for Quebec,

196 <http://www.cbc.ca/news/canada/montreal/uber-montreal-requests-to-be-regulated-in-quebec-1.2875639>.

197 <http://www.cbc.ca/news/canada/montreal/montreal-uberx-crackdown-1.3307144>.

198 <http://montrealgazette.com/news/local-news/uber-says-it-offers-a-ride-every-nine-seconds-in-montreal>.

199 <http://www.cbc.ca/news/canada/montreal/montreal-uberx-crackdown-1.3307144>.

200 *Id.*

201 *Id.*

202 *Id.*

203 *Id.*

204 *Id.*

205 *Id.*

206 <http://news.nationalpost.com/news/canada/summer-of-uber-everything-you-need-to-know-about-the-upstart-ride-sharing-service>.

207 <http://www.cbc.ca/news/canada/montreal/uber-montreal-requests-to-be-regulated-in-quebec-1.2875639>.

said the company hopes to work alongside the taxi industry, but he does not think his drivers should need to pay for taxi licenses because Uber is a different product.²⁰⁸ He said he would like to work within a legal framework and is happy to sit down with Transport Minister Robert Poëti again to make that happen.²⁰⁹

Ottawa, Ontario

Regulatory Activity

Uber launched in Ottawa in October of 2014, and months of significant protests from Ottawa cab drivers followed. In July of 2015, Ottawa Police decided to enhance enforcement of the Highway Traffic Act, allowing for fines from \$300 to \$20,000 for drivers operating without permits.²¹⁰ To aid enforcement efforts, City employees began booking Uber rides with fake profiles in order to catch and fine TNC drivers. As of November 18, 2015, the City had filed 168 charges against 75 Uber drivers and 65 of those drivers pleaded guilty to operating illegal or unlicensed cabs, resulting in fines of \$47,000.²¹¹

The City of Ottawa contracted with KPMG in August, 2015 to conduct a study into the local taxi and limousine industry. The City was also seeking public input via the City of Ottawa's website and the final report on the taxi and limousine industry was due to the City of Ottawa before the end of 2015, so new regulations could be decided upon in 2016.²¹² The comprehensive taxi By-law review was released in November of 2015 and recommended numerous TNC reforms, including four non-mutually exclusive approaches:²¹³

- (i) Incorporate TNC concepts into the current taxi regime concepts of driver rating and allow greater competition and reduced fares;
- (ii) Establish new TNC licenses category for app-based service models, such as Uber, to operate in Ottawa;
- (iii) Remove the limit on the number of taxi license plates,^{214,215} and/or
- (iv) Provide incentives to drivers to operate accessible vehicles in areas where consumers are underserved.

The report prepared for the City of Ottawa also found Uber fares were about 36% lower than a taxi fare, while the wait time for an Uber ride averaged 3.7 minutes compared

208 <http://montrealgazette.com/news/local-news/uber-says-it-offers-a-ride-every-nine-seconds-in-montreal>.

209 *Id.*

210 <http://news.nationalpost.com/news/canada/summer-of-uber-everything-you-need-to-know-about-the-upstart-ride-sharing-service>.

211 <http://ottawacitizen.com/news/local-news/competition-bureau-wants-level-playing-field-for-taxi-industry>.

212 <http://www.cbc.ca/news/canada/ottawa/taxi-review-offers-city-of-ottawa-advice-on-dealing-with-uber-1.3324983>.

213 <http://www.ottawasun.com/2015/08/13/ottawa-mayor-jim-watson-wants-review-of-taxi-bylaw-to-speed-up>.

214 <http://www.metronews.ca/news/ottawa/2015/11/19/kpmg-releases-policy-advice-for-ottawa-to-deal-with-uber.html>.

215 <http://www.cbc.ca/news/canada/ottawa/taxi-review-offers-city-of-ottawa-advice-on-dealing-with-uber-1.3324983>.

with between five (5) and ten (10) minutes for a licensed cab.²¹⁶ Currently, there are 1,186 licensed cabs in Ottawa and some estimate upwards of 500 Uber drivers. Ottawa taxi drivers have complained that their incomes have fallen as much as 30 percent (30%) since Uber's arrival in the City.²¹⁷ Taxi rates in Ottawa include an automatic \$3.45 "drop fee" for every ride and charge roughly \$2 per kilometer after that.²¹⁸

Ontario, Canada

Litigation

A class-action lawsuit, *Konjevic v. Uber Technologies, Inc., Uber Canada Inc., Uber B.V. and Raiser Operations*, has been filed behalf of cab and limousine owners and drivers in Ontario. The suit was filed with the Ontario Superior Court by a Toronto taxi owner. The plaintiff, Dominik Konjevic, is seeking \$400 million in compensatory damages, \$10 million in punitive damages and an injunction prohibiting uberX from continuing to operate in the province.²¹⁹ The lawsuit alleges that uberX and uberXL are in violation of the portion of the Highway Traffic Act that governs taxi and limo businesses in Ontario.²²⁰ It also alleges that the defendants were unjustly enriched when they collected a portion of the uberX and uberXL fares which were in contravention of Ontario's Highway Traffic Act that deals with transporting passengers for compensation.²²¹ The suit is said to be on behalf of all Ontario taxicab owners, drivers, and brokers, as well as limousine owners, drivers and licensed service companies.²²²

Regulatory Activity

Canada's Competition Bureau released a white paper in late November of 2015 called *Modernizing Regulation in the Canadian Taxi Industry*.²²³ The report says competition is essential to keep fares low and customer satisfaction high and calls for a "level playing field" for taxis and TNCs. The Competition Bureau supports efforts to regulate TNC applications instead of prohibiting them, noting that with the right balance of competition and regulation, passengers can expect the industry to ensure safe, competitive, and innovative transportation options in the future.²²⁴ However, the Competition Bureau also recognizes that regulators have legitimate concerns to enact new legislation and cautions against overregulation for both TNCs and Taxis. The Bureau advocates for regulators to strive for a balance between enhancing competition in the industry for the benefit of the consumer, while also safeguarding against market failures where they might occur with regard to accessibility, public safety, and consumer protection.

²¹⁶ *Id.*

²¹⁷ *Id.*

²¹⁸ *Id.*

²¹⁹ <http://www.theglobeandmail.com/news/national/ontario-taxi-files-400-million-class-action-suit-against-uber-canada/article25643753/>.

²²⁰ <http://www.cbc.ca/news/canada/toronto/uber-faces-class-action-lawsuit-filed-on-behalf-of-ontario-taxi-drivers-1.3165465>.

²²¹ *Id.*

²²² <http://bc.ctvnews.ca/vancouver-taxi-companies-file-lawsuit-against-uber-1.2086891>.

²²³ <http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/04007.html>.

²²⁴ <http://www.canadianunderwriter.ca/news/canadas-competition-bureau-calls-on-regulators-to-modernize-taxi-industry-regulations/1003916842/?&er=NA>.

Additionally, two private members' bills have passed second reading at Queen's Park which could impact how TNCs are regulated.²²⁵ Ottawa South MPP John Fraser has proposed increasing penalties for drivers who carry a passenger for a fee without a license and MPP Tim Hudak proposed legalizing the sharing economy more broadly, including TNCs, but also AirBNB and other similar entities.²²⁶

Canada's taxi industry also launched a new app on December 14, 2015 called "The Ride" which offers passengers a new way to connect with local taxicabs, and all public transit and car-sharing companies across Canada.²²⁷ Unlike Uber, it will add a \$1 or \$2 charge from your wireless provider if a ride is e-hailed via the app.²²⁸

Toronto, Ontario

Litigation

In *City of Toronto v. Uber Canada*, the City of Toronto argued that Uber Canada is operating a taxicab brokerage and limousine service company in the City and seeks a permanent injunction to stop Uber from doing business in the City. The court in this case found that because Uber Canada is only minimally involved in the business transaction of hailing a ride, i.e. it lacks any role in "accepting" requests, Uber does not fall under the City's definition of taxicab, taxicab broker, or limousine service company, and as such, is not required to apply for a license pursuant to the City's Code. As a result, the court dismissed a 2014 motion for a permanent injunction and allocated the costs payable to the respondents.²²⁹ However, on October 2, 2015, the City By-laws were amended to remedy that deficiency, updating the City's existing taxi and limousine rules to apply to Uber "meaning that the company needs a brokerage license,"²³⁰ which it does not have. Even so, Uber continues to operate.

An injunction granted in Calgary (discussed above) has spurred the Toronto Taxi Alliance ("TTA") to pursue an injunction against Uber in Toronto. Citing Calgary as an example, the TTA delivered a letter to Mayor John Tory on November 25, 2015, requesting the application of an injunction prohibiting the TNC from operating in the city.^{231,232} The TTA says that Uber has refused to stop its illegal operation, calling it a flagrant and blatant disregard for the law and says it places Torontonians at risk.²³³ "With winter upon us, and worsening driving conditions, these untrained uberX drivers will be operating cars that are not regularly inspected

225 <http://www.cbc.ca/news/canada/ottawa/taxi-review-offers-city-of-ottawa-advice-on-dealing-with-uber-1.3324983>.

226 *Id.*

227 <http://www.newswire.ca/news-releases/the-ride-launches-the-first-all-in-one-taxi-and-transit-app-561784651.html>.

228 <http://www.mississauga.com/news-story/6193128-tory-says-impractical-to-shut-down-uber/>.

229 *City of Toronto v. Uber Canada Inc. et al.*, 2015 ONSC 3575.

230 <http://www.theglobeandmail.com/news/toronto/uber-to-continue-outside-the-law-in-toronto/article26628483/>.

231 <http://torontotaxialliance.com/>.

232 <http://www.640toronto.com/2015/11/25/94043/>.

233 *Id.*

and may not have safety features such as winter tires (as all taxis are required to have). There is increased risk for an accident to take place when weather conditions deteriorate. □²³⁴

*Regulatory Activity*²³⁵

Uber began operating in Toronto in 2012 with UberBLACK and UberTaxi. Uber used vehicles that were licensed by the City as taxis and limousines, but Uber was not licensed as a broker so it was not compliant with Toronto's By-laws. In September of 2014, Uber launched uberX in Toronto. The City immediately responded by filing for an injunction, but lost the motion in the courts. The Judge cited a narrow interpretation of the By-laws in which he declared TNCs were not a part of the By-laws. The City of Toronto has also issued consumer alerts to warn the public about security and insurance issues in using Uber.

Under Toronto's By-laws, taxis are allowed to perform street hails and prearranged trips. Taxis are not required to use credit card machines, but about 80% do utilize them. Taxis are required to have cameras and taximeters. Limousines must be booked a minimum of twenty (20) minutes in advance, and have a minimum fare of \$70 per hour for a minimum of two (2) hours. Limousines are not allowed to use meters. Both taxicab and limousine drivers are required to conduct a background check and submit the driver abstracts. Taxicab drivers are also required to partake in a seventeen (17) day driving course while Limousine drivers only need to complete a five (5) day driving course. Insurance requirements are a provincial matter which is set by the Ministry of Finance of Ontario and currently Intact Financial Corporation and Uber are working together to obtain insurance approved by the province for uberX drivers (as discussed above).²³⁶

On October 2, 2015, Toronto issued new amendments to By-laws that redefined □taxicab, □taxicab broker, □and □limousine service company□ to include TNCs. The amendments make clear that dispatchers are only allowed to work with licensed taxicab drivers and owners and reduced the initial fare to \$3.25 from \$4.25.²³⁷ The City then asked Uber to register as a taxicab broker and is currently in the process of licensing Uber as a taxicab broker. However, under the current By-laws, uberX would still be illegal. Uber has been able to circumvent the City's laws by claiming that uberX is a communication service, not a cab company. Currently, Uber X is seen as non-compliant and is not permitted by the law to operate.²³⁸ Thus far, Toronto's By-law enforcement officers and police officers have issued 204 violations against 102 drivers. Because TNC drivers have not paid the fees associated with Toronto's local regulations, Uber charges significantly less per ride than traditional cabs. The City's Municipal Licensing Committee is in the process of coming up with a □regulatory framework□ for all ground transportation, including uberX. The new framework, expected in the Spring of 2016, will ensure Uber will be required to apply as a taxi brokerage, and pay an annual fee.

234 <http://torontotaxialliance.com/>.

235 Information for this section is from an interview with the City of Toronto regulators on October 27, 2015.

236 <http://www.canadianunderwriter.ca/news/toronto-taxi-alliance-calls-upon-toronto-to-apply-for-injunction-against-uberx/1003916052/?&er=NA>.

237 <http://www.toronto.ca/legdocs/bylaws/2015/law1047.pdf>.

238 <http://toronto.ctvnews.ca/anti-uber-protest-wraps-up-as-police-chief-agrees-to-meet-with-taxi-representatives-1.2693115>.

In the meantime, Uber launched another service called uberHOP in Toronto on December 15, 2015.²³⁹ UberHop will function as a rush-hour, carpool option which links some of Toronto's busiest neighborhoods to the downtown business district for a flat \$5 fee.²⁴⁰ Uber has over 300,000 users and 15,000 drivers in Toronto, and Mayor John Tory said it would not be practical to try to force the company to cease operations until new regulations are enacted.²⁴¹ With the recent announcement of the High Occupancy Toll (HOT) lanes in Ontario, many anticipate an increased demand for these services in the future.²⁴² HOT lanes are typically high occupancy vehicle (HOV) lanes open to carpools of two or more, vanpools, and buses toll-free as well as solo drivers who choose to pay a toll.²⁴³ Toll rates can be adjusted to ensure traffic in the HOT lane is free flowing even when the regular lanes are congested. In Ontario, vehicles with two or more occupants (and with green license plates) will be free to use the HOT lanes while single drivers will have to buy a permit to use the HOT lanes.²⁴⁴ The pilot project will begin in summer 2016 on a 16.5 kilometre stretch of the QEW between Trafalgar Road in Oakville to Guelph Line in Burlington.²⁴⁵ A limited number of single driver permits will be made available at the start of the pilot, which could last up to four years and result in an expansion of HOT lanes.

Moreover, Uber is now quadrupling the operating hours of its UberEats delivery service in Toronto and is rolling out a much wider menu selection from local businesses.²⁴⁶ Uber launched a stand-alone UberEats app exclusively in Toronto on Wednesday, December 8, 2015, which offers full menus from more than 100 restaurants in the Toronto area. Customers will be able to tap into Uber's short list of menu items for delivery in less than 10 minutes, which Uber calls "instant delivery," or order food from the longer menu which will be prepared at the time of the order and generally arrive in less than 45 minutes.²⁴⁷ The hours of delivery will be expanded from 10 a.m. until 10 p.m., seven days a week, rather than its previous operating hours of 11 a.m. through 2 p.m. Uber has also been expanding into other areas in some U.S. cities including UberRush, which ships packages and other goods; UberKittens, which transports kittens available for adoption; and UberHEALTH, which provides flu vaccinations.

Earlier this year, Beck Taxi and Royal Taxi, two Toronto taxi services, upgraded their smartphone apps to be comparable with Uber's services, including credit card payments, GPS tracking of vehicles, and advance ordering.²⁴⁸ Additionally, Royal partnered with a French startup called eCab, which is a taxi app that works and appears much like Uber, and offers premium levels of service at additional costs.²⁴⁹ But according to the information from eCab, there are no surge prices based on events or availability. So, while Uber may still prove the

239 <http://www.mississauga.com/news-story/6193128-tory-says-impractical-to-shut-down-uber/>.

240 *Id.*

241 *Id.*

242 http://www.blogto.com/city/2015/12/new_uber_apps_could_be_more_trouble_for_toronto_taxis/.

243 https://en.wikipedia.org/wiki/High-occupancy_toll_lane.

244 http://www.blogto.com/city/2015/12/high_occupancy_toll_lanes_coming_to_toronto/.

245 *Id.*

246 <http://www.montrealgazette.com/business/uber+raises+stakes+aggressively+expands+toronto+food+delivery+service/11576415/story.html>.

247 <http://www.montrealgazette.com/business/uber+raises+stakes+aggressively+expands+toronto+food+delivery+service/11576415/story.html>.

248 <http://www.citynews.ca/2015/12/07/toronto-taxis-improving-apps-service-to-compete-with-uber/>.

249 *Id.*

cheaper choice on quiet days, using eCab may be more cost-effective on busy nights. eCab reportedly plans to launch in four other Canadian cities in 2016 – Edmonton, Calgary, Ottawa and Montreal – and highlights the benefits of using the app for traditional cabs, rather than TNCs, since taxicabs are licensed, insured and regularly inspected. Canada's taxi industry also launched a new app on December 14, 2015 called "The Ride" which offers passengers a new way to connect with local taxi cabs. Unlike Uber, it will add a \$1 or \$2 charge from your wireless provider.²⁵⁰

Moreover, a 12-hour anti-Uber protest that caused major traffic delays in downtown Toronto took place on Wednesday, December 9, 2015 when Toronto Police Chief Mark Saunders agreed to meet with representatives from the taxi industry.²⁵¹ Taxi drivers had gathered at four locations in Toronto and drove slowly, blocking major Toronto highways and roads, before congregating in front of City Hall and Queen's Park.²⁵² The taxi drivers released a statement stating that the demonstration was aimed at urging city officials to "enforce the existing laws regarding Uber, including uberX." Chief Saunders told reporters there is little the City or the police can do until new laws are passed as the Highway Traffic Act doesn't allow Toronto police officers to work under cover to apprehend unlicensed taxis.²⁵³ On December 29, 2015, Toronto Mayor John Tory wrote an open letter to Gary Crawford, Toronto's budget chief, expressing that the City's taxi license holders are "in a particularly unique and challenging position," and seeking a small break on their licensing fees until Toronto's new ground transport regulations are ready.²⁵⁴ License fees for cabs rise in January, but the mayor suggested Crawford freeze them at 2015 levels to provide "modest relief" until new regulations for both taxis and TNC drivers go before Toronto Council later this winter.²⁵⁵ Mayor Tory added that he expects fees under the new regulations will cost taxi drivers and owners less.²⁵⁶

Lastly, on January 22, 2016, Uber announced it had received its taxi brokerage license after applying in May.²⁵⁷ According to the city's rules, any dispatch company connecting riders to unlicensed cabs could be fined \$50,000, with an additional \$25,000 levied against each company director. Tracey Cook, the head of the city's municipal licensing and standards division, said Uber will only be breaking those rules if it dispatches an unlicensed car to someone who requested a licensed taxi through UberTaxi. Dispatching anyone to uberX remains illegal as Toronto has yet to update its By-laws prohibiting the service. The City continues to enforce the current laws against Uber and uberX drivers while licensing staff work on new regulations which are expected to be put forward in April of 2016.

Vancouver, British Columbia

250 <http://www.mississauga.com/news-story/6193128-tory-says-impractical-to-shut-down-uber/>.

251 <http://toronto.ctvnews.ca/anti-uber-protest-wraps-up-as-police-chief-agrees-to-meet-with-taxi-representatives-1.2693115>.

252 *Id.*

253 *Id.*

254 <http://www.insidetoronto.com/news-story/6212142-toronto-taxi-owners-drivers-to-get-break-on-licensing-fees/>.

255 *Id.*

256 *Id.*

257 <http://www.thestar.com/news/gta/2016/01/22/uber-gets-a-taxi-brokerage-license.html>.

Litigation

On November 4, 2015, the Vancouver Taxi Association (VTA) filed a lawsuit against Uber, arguing Uber will have an unfair edge if it launches “without jumping through the same regulatory hoops” cab companies do.²⁵⁸ The association is also seeking an injunction barring Uber from operating “for any period of time outside of the law,” according to a press release.²⁵⁹ Uber is not currently operating in Vancouver, but rumors have swirled about a pending surprise launch, and the company put up postings for management jobs in the months prior to the lawsuit being filed.²⁶⁰ Uber responded to the lawsuit by accusing the VTA of guarding its own interests, and not those of the consumers.

Regulatory Activity

Uber started operating in Vancouver in July 2012.²⁶¹ It stopped its operations in November 2012 when the British Columbia's Passenger Transportation Board determined that it was operating as a limousine company but was not complying with existing rules for limousine companies, such as charging a minimum of \$75 per ride.²⁶² Starting in October 2014, the Vancouver City Council created a temporary moratorium on taxicabs to conduct a study on expanding taxicab service with environmental, safety, and service considerations.²⁶³ In addition to the study, the City of Vancouver held several sessions from April 2015, to October 2015, to allow industry stakeholders to submit testimony on how to regulate TNCs, with Professor Glenn Sigurdson mediating. Chief License Inspector Andreea Toma produced a report in October 2015, recommending amendments to existing Taxi regulations and for local governments to work with TNCs to allow them to operate. As of November 2015, no resolution regarding TNCs was reached and the moratorium was extended by another 12 months.²⁶⁴ The regulations that were recommended by the Chief License Inspector were not agreed upon and the Vancouver City Council requested the British Columbia province to develop a province-wide policy.²⁶⁵ Uber cannot operate in B.C. until it gets approval from both the provincial Passenger Transportation Board and obtain a permit from the City of Vancouver.

Region of Waterloo, Ontario

Litigation

In November of 2015, the Waterloo Region Taxi Alliance (WRTA) filed for an injunction against Uber. WRTA president Bill Chester said drivers feel the region has not enforced its current taxi By-law, which renders Uber illegal.²⁶⁶ According to the taxi alliance,

²⁵⁸ *Id.*

²⁵⁹ *Id.*

²⁶⁰ *Id.*

²⁶¹ <https://www.biv.com/article/2015/10/uber-signals-second-bid-enter-vancouver-market/>.

²⁶² <http://www.vancourier.com/news/uber-eager-to-bring-rideshare-service-to-vancouver-1.2070658>.

²⁶³ <http://former.vancouver.ca/ctyclerk/cclerk/20151020/documents/r3presentation.pdf>.

²⁶⁴ <http://www.metronews.ca/news/vancouver/2015/11/01/vancouver-refuses-to-expand-taxi-service.html>.

²⁶⁵ *Id.*

²⁶⁶ <http://www.therecord.com/news-story/6140001-local-taxi-alliance-seeks-injunction-against-uber/>.

the conflict with Uber escalated when Uber drivers were apparently using taxi stands, which is not permitted.²⁶⁷ Several penalties can be issued for violating the region's taxi By-law, including \$165 for driving without a taxi license.²⁶⁸ Multiple convictions could lead to a fine of up to \$25,000. There have been 68 infractions by Uber drivers for operating in violation of the taxi By-law and only six charges confirmed.²⁶⁹

In addition to asking for an injunction, the alliance also wants the region to issue a public safety warning that says Uber cars and other illegal taxis are dangerous.²⁷⁰ The local taxi industry has been lobbying against Uber since the app launched in July, 2015.²⁷¹ The Region of Waterloo regulates the taxi industry and a new vehicle-for-hire By-law to be approved in 2016 is expected to make Uber legal, provided drivers adhere to several safety regulations.²⁷² The request for injunction is still pending.

Regulatory Activity

In August, Kitchener-Waterloo became the first city in Ontario to propose a TNC By-law.²⁷³ The draft By-law was introduced to regulate TNCs and the City is currently considering revisions as the public and industry stakeholders participate in the consultation process.²⁷⁴ The By-law amendments would require TNC drivers to obtain taxi licenses, and equip their cars with GPS and closed circuit cameras, complete sexual assault prevention training, and obtain commercial insurance with a policy value of at least \$2 million.^{275,276} TNC vehicles will not be required to have a meter installed, but also will not be authorized to hail rides.²⁷⁷ The new By-laws will not become effective in January 2016, as planned, for a variety of reasons. The City received a tremendous amount of public feedback that is still being reviewed²⁷⁸ and the City decided to continue its review for a couple of months to also evaluate how other governments address regulating TNCs.²⁷⁹ Additionally, the City wants to see if there would be any movement on Bill 131, which would establish a regulatory framework for TNCs at the provincial level.²⁸⁰ The bill passed first and second reading in October, 2015.

²⁶⁷ *Id.*

²⁶⁸ *Id.*

²⁶⁹ <http://www.therecord.com/news-story/6165139-no-new-uber-rules-yet-waterloo-region-puts-off-new-taxi-bylaw-to-summer/>.

²⁷⁰ *Id.*

²⁷¹ *Id.*

²⁷² *Id.*

²⁷³ <http://www.cbc.ca/news/business/uber-versus-the-world-1.3252096>.

²⁷⁴ *Id.*

²⁷⁵ *Id.*

²⁷⁶ <http://www.waterloochronicle.ca/news-story/5947284-waterloo-uber-driver-shares-his-experience-with-ride-sharing-service/>.

²⁷⁷ *Id.*

²⁷⁸ <http://www.therecord.com/news-story/6062659-new-uber-rules-taxi-bylaw-overhaul-stalled-as-waterloo-region-hears-from-public/>.

²⁷⁹ <http://www.therecord.com/news-story/6165139-no-new-uber-rules-yet-waterloo-region-puts-off-new-taxi-bylaw-to-summer/>.

²⁸⁰ *Id.*

Windsor, Ontario

Regulatory Activity

According to Windsor's licensing department, the City has 218 licensed taxi plates, (which cost \$400 per year), 494 drivers (who pay \$110 per year for a taxi license), and four brokers.²⁸¹

Uber officially began operating its uberX service in Windsor in November of 2015, shortly after Mayor Drew Dilkens said he would welcome the company's presence in the city.²⁸² Immediately following the start of these services, Mayor Dilkens called for new regulations. Windsor is in the process of hiring a consultant to review its taxi By-law and determine how it may be amended to accommodate the entry of TNCs into the local marketplace.²⁸³ The Mayor has said his priorities are ensuring TNC drivers have adequate insurance, well-maintained vehicles, and ensure that the new regulations are enforceable by the local authorities.²⁸⁴

He noted that enforcement is currently difficult because Uber cars are not marked and have no central dispatch. Therefore, enforcement must be done as a type of sting operation.²⁸⁵ An enforcement officer must request service from Uber, and then issue summonses to drivers who arrive for the pick-up. Once a name and credit card number registered with Uber is flagged as being used by an enforcement officer, Uber no longer responds to those ride requests.²⁸⁶ Regardless of the difficulty, Mayor Dilkens recently said Windsor City By-law officers and police are continuing with a "coordinated enforcement initiative" that will catch Uber drivers in action.²⁸⁷ Sgt. Matthew D' Asti of the Windsor Police Service said the traffic division has been working with Windsor By-law officers to develop a way to effectively proceed with the enforcement.²⁸⁸

John Toth, vice-president of Unifor Local 195 which represents Vets drivers, said taxi drivers are required to use a meter, install a camera, carry at least \$2 million commercial insurance, pay annual licence fees, pass a test, and much more—all of which is not required of Uber drivers.²⁸⁹ Additionally, Uber drivers have not been forced to purchase taxi plates, which is often the highest cost faced by taxi drivers.²⁹⁰ While a one-time license purchase costs \$1,500, the City only issues plates with requisite population increases, so drivers buy the plates on the open market, which they claim average between \$50,000 to \$80,000 per taxi plate.²⁹¹ Taxi

281 <http://www.cbc.ca/news/canada/windsor/uber-leads-to-windsor-council-hiring-bylaw-consultant-1.3322348>.

282 <http://windsorstar.com/news/local-news/uber-starts-in-windsor-sparking-excitement-and-anger>.

283 *Id.*

284 *Id.*

285 <http://windsorstar.com/news/local-news/council-looks-to-nail-down-new-rules-for-uber-ride-sharing>.

286 *Id.*

287 <http://news.nationalpost.com/news/canada/windsor-set-to-crack-down-on-uber-drivers-in-large-scale-sting-operation-mayor-says>.

288 *Id.*

289 <http://www.cbc.ca/news/canada/windsor/uber-leads-to-windsor-council-hiring-bylaw-consultant-1.3322348>.

290 *Id.*

291 <http://www.cbc.ca/news/canada/windsor/uber-leads-to-windsor-council-hiring-bylaw-consultant-1.3322348>.

drivers also fear the introduction of numerous new TNC vehicles on the local roads will significantly devalue the plates they own.²⁹²

Halifax, Nova Scotia

Regulatory Activity

Uber launched its black car service in Halifax in June of 2014 and has so far been able to avoid controversy. Uber has not launched any other variety of Uber service in Halifax and Brendan Elliot, the senior communications advisor at Halifax Regional Municipality, has stated "They are using already-licensed limousine drivers, so from our perspective " they've done nothing to raise any red flags."²⁹³

9 GST/ HST

Most goods and services in Canada are subject to the Goods and Services Tax ("GST"). In Ontario, as well as some other provinces, the federal GST is combined with the provincial sales tax to form one Harmonized Sales Tax ("HST"). Currently, in Ontario the HST rate is 13%, with 5% for the federal portion and 8% for the provincial portion. Few goods and services are exempt from HST or have a 0% HST rate. A person or entity is exempt from HST if it has small supplier status. Small supplier status is maintained as long as a person, partnership or corporation has gross sales that are less than \$30,000 per any four consecutive quarters, or in any one quarter. Once the \$30,000 threshold is passed within one quarter or a fiscal year, small supplier status is lost, and they must register with the Canadian Revenue Agency ("CRA") and begin paying HST.

Taxis and limousines are not permitted by the CRA to claim small supplier status and are required to register for GST/HST from when they first start providing their services and must remit the tax for each fare. The CRA defines a Taxi business as "a business of transporting passengers by taxi for fares that are regulated by federal or provincial laws."²⁹⁴ Some provinces give the authority to regulate taxi fares to local municipalities; in this case, they are still considered to be provincially regulated by the CRA, and therefore the HST applies. The Province of Ontario allows for municipalities to set their own taxi fares. Consequently, Mississauga sets its own taxi fare schedule of which HST is included. Limousines, even though they do not have meters, are considered taxis by the CRA since the government regulates their fares.

Transportation Network Companies ("TNCs") currently operate outside the law in Ontario as they are in contradiction of municipal and provincial laws by transporting passengers for hire without proper licensing. However, as registered businesses in Canada, TNCs are still liable to pay HST for the services they provide. Under the CRA's definition, TNCs would not be considered taxis or limousines because the government does not regulate their fares. Therefore,

²⁹² *Id.*

²⁹³ <http://news.nationalpost.com/news/canada/summer-of-uber-everything-you-need-to-know-about-the-upstart-ride-sharing-service>.

²⁹⁴ http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/txlmsn/menu-eng.html#P351_1226.

the standard HST applies to TNC services if they earn more than \$30,000 per quarter or per fiscal year. TNCs such as Uber provide a platform for passengers to connect with drivers in order to coordinate transportation from a place of origin to a desired location. The TNC also facilitates electronic payment for the transaction. Uber does not allow for cash payments; only electronic payments are accepted, and drivers are not capable of altering the fare charged to the passengers. Uber sets the fare for each ride provided by its contracted drivers, collects a percentage of the fare, and then deposits the remainder of the fare to the driver's bank account.

A representative from the City of Mississauga asked Uber Canada's Public Policy Manager, Chris Shafer, the following question:

□Does Uber pay HST/GST on the portion of each fare that Uber receives in Canada?□

Chris Shafer replied with the following answer:

□Electronic transactions, managed by digital companies like Uber, can transform transparency and traceability for authorities and individuals in what have historically been cash-in-hand industries and still is for the taxi industry. Uber only accepts cashless forms of payment such as credit cards and debit through PayPal.

As a registered Canadian business, Uber Canada honours its obligation to pay applicable tax as any other Canadian business would operating in Canada. In addition, Uber Canada employs Canadians in our offices across the country and its Canadian employees pay income tax on their earnings in Canada to the Canada Revenue Agency (CRA) annually. Likewise, the thousands of drivers we partner with, like other Canadians earning income in Canada, are expected to file their income tax return with the CRA annually.

With respect to the GST (or the HST where applicable in Canada), it is a sales tax that is customarily charged to the purchaser of a service (passenger in an Uber driver partner vehicle) and remitted to the government by the service provider (Uber driver partner). Uber Canada takes into account GST and factors it into the price of fares, to enable driver partner-friendly economics.

Whether or not an independent contractor (in this case the Uber driver partner) is remitting GST depends on their own personal income. Uber Canada explains to our Uber driver partners that any taxes due on trips are the responsibility of the partner to remit based on their own personal income situation and has a partnership with H&R Block to assist driver partners with filing their taxes appropriately. However, like other contractors in various sectors of the Canadian economy, it is ultimately the Uber driver partner's responsibility to comply with relevant CRA tax related obligations (Note the \$30,000 threshold level for remittance of GST/HST for independent contractors as per the CRA). □²⁹⁵

295 Chris Schafer (email communication, December 17, 2015).

The above response raises several questions, as Uber did not directly answer the question that was originally asked. Uber's response explains that it has factored HST into the fares charged to each passenger, which must be the case since the business model does not leave room for the driver to charge the passenger any additional fees to the fare collected by Uber. Uber's response also shows that it leaves the sales tax burden on the drivers. Since Uber does not in the above response, or in any statement released by Uber, state that it does in fact pay HST on the portion of the fare they collect, there is no proof that Uber remits HST for the rides it facilitates through its platform.

As a follow up question for further clarity the City of Mississauga representative asked the following:

□Is Uber paying itself a commission of each fare in Canada based on the total fare by factoring in the HST/GST?

Or, does Uber receive payment of each fare from the base fare before HST/GST is included in the total fare charged?

For Example:

Base fare = \$88.5

HST/GST (13%) = \$11.5

Total Fare Factoring in HST/GST = \$100

In sum, does Uber receive payment from the base fare (\$88.5) or from the total fare which factors in HST/GST (\$100)? □

Mr. Schafer responded with the following:

□The service fee is calculated off the total gross fare (i.e. \$100 in your example).□²⁹⁶

Therefore, Uber receives the full payment through its digital network and then pays itself first, and subsequently pays the drivers the remainder. Uber receives the entire fare (\$100 in the example) and then pays the driver his/her portion. The driver is then required to pay the HST/GST rate on the total fare (13% of \$100) when he/she only received a portion of the fare after Uber collects their own portion. Essentially, the drivers are required to pay the full tax while Uber benefits from taking its percentage from an increased fare (because the fare was increased to factor in the HST/GST) and does not pay HST/GST on Uber's percentage.

Uber may argue that it does not provide services in Canada, that they are merely the platform based in the United States, to connect the drivers and the passengers and to facilitate the transaction. If that argument stands, then Uber is still liable to remit HST for the services it provides drivers in Canada via the platform. In the United Kingdom, Uber has even experimented with calling the drivers - □Customers□ stating that drivers are paying Uber to allow them to use the platform.²⁹⁷ In Mr. Schafer's own words, the portion of the fare that Uber collects is called a □service fee,□therefore Uber admits that it is providing a service for which it

²⁹⁶ Chris Schafer (email communication, December 22, 2015).

²⁹⁷ <http://www.theguardian.com/technology/2015/nov/16/uber-worlds-biggest-ride-sharing-company-no-drivers>.

receives payment. Whether Uber's drivers are "Partners" or "Customers," it appears that Uber may have an obligation to pay HST to the CRA for the portion of each fare received from Uber passengers.

Moreover, in Uber's response cited above, Mr. Schafer states "Uber Canada takes into account GST and factors it into the price of fares, to enable driver partner-friendly economics." Even though Uber claims that HST is calculated into each fare charged to its customers, Uber does not present this to the customers in the fare estimates on its website²⁹⁸ or within the mobile application, nor is it itemized on the receipts received after each transaction. This may raise an issue of transparency between the customers and the service provider. Additionally, the claim that it enables "driver-partner-friendly economics" is puzzling. Since drivers are not provided the breakdown of taxes-to-income for each fare, they must calculate how much HST they have to remit for each fare themselves. Consequently, drivers may be left with the burden of having to pay more than their share of HST, without any help from the TNC to calculate said share, or any mechanism of oversight to ensure that they are in fact remitting HST.

Furthermore, drivers as independent contractors are only liable to collect HST if their own personal income reaches more than \$30,000. Since the majority of Uber driver partners work less than 10 hours per week, most of them may never need to remit HST to the CRA. If the HST (as Uber contends) is calculated in the fare but then Uber does not directly pay it to the CRA, and neither does the driver because he has not reached the \$30,000 threshold, then there is a risk passengers are being overcharged to include a tax that is never remitted to the CRA.

All the aforementioned nuances and complexities of the TNCs relationship with the HST highlight a need for clear government regulation and action to clarify TNCs tax liability requirements.

²⁹⁸ <https://www.uber.com/cities/toronto>.

Appendix A
Compilation of TNC Regulations

TNC REGULATIONS CHART

6.1

LOCATION	DRIVER VETTING	VEHICLE LICENSING & INSPECTIONS	INSURANCE	LICENSING FEES	MISCELLANEOUS
Austin, TX Enacted: 9/25/14 Effective: 10/6/14	The TNC Agreement requires that TNC driver must hold valid driver's license, proof of registration and current automobile insurance, and may not drive for more than 12 consecutive hours; TNC Agreement requires TNC driver to submit to annual national criminal background and driver history checks.	The TNC Agreement requires TNC driver to use a vehicle that is in compliance with Texas' vehicle quality requirements for private vehicles, no further details are specified in TNC Agreement.	The TNC Agreement requires commercial liability insurance with single limit of \$1 million when the driver accepts a trip request via digital network and ending when rider departs the vehicle, and City is named as additional insured with commitment from the insurer that the policy will not be terminated or cancelled without 30 days' notice.	No fees are specified in TNC Agreement	Pursuant to Ordinance No. 20140925-077, the City of Austin provided operation requirements for TNCs, and the City Manager for Austin was directed to enter into agreements ("TNC Agreement") with TNCs to allow their operation, create a penalty, and amend the City Code Chapter 13-2 to increase certain penalties. Taxes: TNC Agreement requires the TNC to pay surcharge of \$0.10 for all rides originating in the City, and surcharge will be used to support TNC riders who require ADA accommodations. Accessibility: TNC Agreement requires TNC to reasonably accommodate service animals, or identify an alternative transportation arrangement for the rider and service animal.

<p>Baton Rouge, LA</p> <p><u>Section 10:600-606 (Ord. No. 15722, § 1, 6-25-14),</u></p> <p>Enacted: 6/25/14 and the section regarding TNC requirements was amended on 9/24/14</p>	<p>TNCs are charged with registering drivers as Transportation Network Operators. TNCs are required to conduct a criminal background check and driving record check for each applicant. Sec.</p>	<p>TNCs must register vehicles used to provide transportation network services and inspect or have a 3rd party conduct a safety and general appearance inspection of the motor vehicle before an operator may use it to provide transportation network services</p>	<p>TNCs must maintain commercial liability insurance policy that provides:</p> <ul style="list-style-type: none"> a. One million per incident when the operator is driving on a trip b. Uninsured/underinsured motorist coverage of at least one million per incident c. Contingent comprehensive and collision coverage of at least \$50,000 for physical damage to a transportation network operator vehicle during the course of providing services d. Additional bodily injury coverage of at least \$50,000 per person and at least \$100,000 per accident and at least \$25,000 for property damage per accident when the operator is available for service, but not providing service <p>*Does not specify whether it has to be primary</p>	<p>No licenses required, but the Transportation network companies must pay a registration fee of \$250 annually and \$75 for every vehicle it registers.</p>	<p>6.1</p>
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<p>Chicago, IL</p> <p><u>Section 9-115 of the Chicago Municipal Code</u></p> <p>Effective: 9/2/14</p>	<p>Drivers must (i) be in possession of a valid driver's license; (ii) be 21 years of age or older; (iii) not have any convictions within 12 months of seeking the license of reckless driving, hit and run, more than two moving violations, or license suspension or revocation; (iv) have no guilty findings within five years for felonies, DUIs, crimes of moral turpitude, and sale or possession of controlled substances.</p> <p>- Class A companies (logged in driver averages of less than 20 hours per week): City approval of their policies for background checks and driver training. Zero drug tolerance.</p> <p>- Class B companies (logged in driver averages of more than 20 hours per week) : Background checks and drug tests performed by the city of Chicago. The companies will need to obtain city approval for their driver training process.</p>	<p>All TNCs must be licensed.</p> <p>- Class A companies: City approval of the policy for vehicle inspections required.</p> <p>- Class B companies: Annual third party, 21-point inspection of all vehicles required. Vehicles in this class have an age limit of six years and must pass annual inspections by the city to operate up to 8 years.</p>	<p>TNCs must carry \$1 M in commercial auto liability insurance with a combined single limit for bodily injury and property damage of \$1M per occurrence from the time TNC driver has accepted a ride until the completion of the ride, as well as commercial general liability insurance with limits of at least \$1 M per occurrence for bodily injury, personal injury and property damage. The City of Chicago must be named on the policy as an additional insured.</p>	<p>- Class A companies - \$10,000. - Class B companies - \$25,000.</p>	<p>6.1</p>
<p>Cincinnati, OH</p> <p>Enacted: 10/29/14, Effective: 12/1/14</p>	<p>1) Driver licensing: same requirements proposed for TNC drivers, as currently imposed on taxi drivers; 2) Background checks: criminal background checks proposed for all TNC drivers.</p>	<p>Third-party vehicle inspections and decals proposed for TNC vehicle;</p>	<p>TNC must maintain \$1M in combined single limit liability third party coverage per occurrence for death, bodily injury and property damage beginning from when driver accepts ride request and continuing until passengers exit vehicle, and this policy shall act as primary coverage for driver, driver's vehicle and the passengers of the driver's vehicle for the duration of this period.</p>	<p>Corporate licensing fee of \$10,000 proposed for TNCs.</p>	<p>Taxes: No additional tax currently proposed under new ordinances. Accessibility: No details provided on reasonable accommodations.</p>

<p>Columbus, OH</p> <p>Enacted: 7/23/14</p>	<p>1) Driver licensing: obtain a transportation network driver's license and abide by driver standards;</p> <p>2) Background checks: TNC driver must submit to criminal background fingerprint check and a driver abstract; and be in good standing with the City's Income Tax Division.</p>	<p>The vehicle must not have been significantly modified from factory specifications (such as "stretch" vehicles), and have the following minimum requirements: (i) three doors; (iii) a working light within passenger compartment; (iv) manufacturer installed safety belts; (v) not require movement of a seat to gain access; (vi) not be older than ten years at time of inspection; and (vii) TNC vehicle subject to third party mechanical inspection, prior to initial licensing and any renewal, and will include an annual inspection form to be completed by the TNC and an inspection by an ASE certified mechanic.</p>	<p>The TNC must carry commercial liability policy with \$1 million coverage and policy shall act as primary and drop down. If the TNC driver maintains collision coverage on his/her personal motor vehicle insurance policy, the TNC shall match the TNC drivers level of collision coverage (not to exceed \$50,000 per incident). A contingent liability insurance policy must provide coverage for each associated driver and vehicle while available for hire.</p>	<p>Annual TNC fee of \$15,000; and as required for other vehicles for-hire, including, \$10 decal fee following vehicle inspection.</p>	<p>Taxes: No additional tax imposed under new ordinances. Accessibility: Must provide passenger ability to contact driver to determine whether vehicle can accommodate persons with disabilities.</p>
<p>Dayton, OH</p> <p>Enacted: 1/2015</p>	<p>Drivers must be registered with the city and have a city tag (though the tag does not need to be displayed), as per R.C.G.O. 115.303.</p>	<p>All public passenger vehicles must meet the standards prescribed and equipment requirements in MCO 100-51.5. Failure to appear for inspection: The Department of Public Works shall immediately suspend the vehicle permit when a vehicle owner does not submit the vehicle for inspection on the date and time given for the inspection to occur. MCO 100-51-6-d-1. No new or renewal public passenger permits for taxicabs shall be issued for any motor vehicles of model years greater than 10 years old at the time of application.</p>	<p>The Ordinance does not address insurance requirements for TNCs. Taxicab operators must carry \$1,000,000 for bodily injury and property damage.</p> <p>The Ordinance not available online at this time.</p>	<p>Annual TNC fee of \$8,500 as per R.C.G.O. 115.301 – 115.303.</p>	<p>Must provide name/ driver identification numbers to passenger if asked; must also provide receipt if requested; may not decline service to disabled passengers or passengers with service animals; trip records required (in format approved by police department); drivers must respond to service request within 30 minutes.</p>

<p>Dallas, TX</p> <p>TNC Regulations, Ordinance added a new Chapter 47A to the Dallas City Code; passed on December 10, 2014; effective date as of April 30, 2015</p>	<p>Driver licensing: must obtain a driver permit, by submitting driver application form and abide by regulations.</p> <p>Background checks: official copy of criminal history and all other states applicant resided in for preceding 5 years, or submit to FB Identify History Summary Check; and driving record from Texas and all other states applicant resided in for preceding 3 years.</p>	<p>N/A</p>	<p>Insurance policy requirements, include, having a policy that is acceptable to the City, names the City and its employees as additional insureds, and is listed as an authorized auto liability lines carrier on the Texas Department of Insurance's List of Authorized Insurance Companies or a surplus lines insurer listed on the Texas Department of Insurance's list of Eligible Surplus Lines Insurance Companies. In addition, the policy must include, inter alia, the following provisions:</p> <p>(a) Insurance required under this article must:</p> <p>(1) include a cancellation provision with 30 days' written notice to the director, and the City, before canceling (for a reason other than non-payment) or making a material change to the insurance policy, or not fewer than 10 days' notice before cancelling for non-payment,</p> <p>(2) cover all transportation-for-hire vehicles during all times that the vehicles are operating in furtherance of the operating authority's business, whether the vehicles are owned, non-owned, hired, rented, or leased by the operating authority, and whether the vehicles are or are not listed on a schedule of vehicles provided to the insurance company, and</p> <p>(3) include a provision requiring the insurance company to pay every covered claim on a first-dollar basis.</p> <p>(b) Proof of any and all applicable liability insurance policies in the vehicle while in service;</p> <p>(c) The operating authority may not be self-insured; and</p> <p>(d) File insurance policy required by this article with the City within 45 days of the issuance of the initial operating authority permit, and thereafter within 45 days of the expiration or termination of a previously issued policy.</p> <p>Pursuant to § 47A-2.5.2, the insurance liability coverage must at a minimum, provide as follows:</p> <p>(1) From the time a driver indicates that the vehicle is available to accept a ride request, but before the driver has accepted a ride request, the vehicle and driver must be covered by contingent primary liability coverage for injury and property damage arising out of or caused by the operation of the vehicle in the amount of \$50,000 per person, \$100,000 per occurrence for bodily injury and \$25,000 in property damage; and</p> <p>(2) From the time a driver accepts a ride request, either by being physically hailed or dispatched, to the time the passenger exits the vehicle, the vehicle and driver must be covered by primary commercial automobile liability coverage with a combined single limit of liability for injury and property damage arising out of or caused by the operation of the vehicle in the following amounts:</p> <p>a. For vehicles with a manufacturer's rated seating capacity of 1-8 passengers, \$500,000; and</p> <p>b. For vehicles with a manufacturer's rated seating capacity of 9 or more passengers, \$1,000,000.</p>	<p>Licensing fees: \$1,000 fee, together with application fee of \$410.</p> <p>Taxes: no additional tax imposed under new ordinances</p>	<p>Accessibility: when a wheelchair accessible vehicle is requested, the operating authority must provide an accessible vehicle, or cause one to be provided, without unreasonable delay. In addition, no additional fees or higher rate may be imposed for providing accessible service.</p> <p>6.1</p>
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<p>Houston, TX</p> <p>Enacted: 8/6/14</p>	<p>1) Driver licensing: obtain a vehicle for hire permit, submit a drug test, a customer service training course and a physical examination; 2) Background checks: Driver must undergo a fingerprint-based FBI background check, and a warrant check.</p>	<p>“Vehicle for hire” was amended to include TNCs and such vehicles must be inspected by the City and are subject to specific age and mileage requirements.</p>	<p>TNCs are required to provide (i) a commercial automobile liability insurance, with a combined single limit of \$1 million per accident, covering liability resulting from any occurrence arising out of or caused by the operation of a transportation network vehicle for incidents involving a driver from the time a driver is matched with and accepts a trip request through the transportation network until the completion of the trip including the drop-off of passenger(s) at their final destination, regardless of whether the driver maintains personal insurance adequate to cover any portion of the claim and regardless of whether a driver is logged onto the transportation network company’s internet-enabled application or digital platform at any point following acceptance of the trip request; and (ii) Commercial automobile liability insurance in no less than the minimum coverage amounts specified in the Texas Motor Vehicle Safety Responsibility Act, as now enforced or hereinafter amended during the time that a driver for a transportation network company is logged in and available to provide services, but not actively engaged in providing the service.</p>	<p>Same fees associated with vehicle for-hire permittees.</p>	<p>Taxes: Two per cent (2%) fee on gross sales currently imposed on taxi drivers. Accessibility: The City Council has mandated a minimum number of accessible vehicles pursuant to Ordinance 2014-754, §8 that by the first anniversary of its effective date, not less than three (3%) percent of the Houston for-hire fleet and all new entrants, incl. TNCs, must consist of “ramp or lift-equipped wheelchair accessible vehicle or vehicles constructed and designed....or equipped to provide vehicle for hire transportation services to persons with disabilities who require the use of a wheelchair as a means of movement or ability to move from one place to another.”</p> <p>6.1</p>
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Lansing, MI Partnership Agreement b/t the city of East Lansing and articles of incorporation for the Greater Lansing Taxi Authority entered into on 9/22/2014	No TNC license required, but drivers must possess a valid driver's license, proof of registration, maintain current automobile liability insurance and be at least 21 years old. TNC must, prior to permitting a person to be a driver, and annually thereafter, obtain a criminal history report and driver history report.	A TNC or a 3 rd party must conduct safety inspection annually and submit documentation within 21 days of the inspection to the Greater Lansing Taxicab Authority ("Authority"). No license required from the Authority.	Drivers must meet requirements of Michigan No-Fault Insurance. TNCs must meet Michigan business auto liability insurance requirements and maintain a business automobile excess liability insurance policy, covering all vehicles operated by drivers for the TNC, with a minimum combined single limit of \$1 million dollars for each occurrence of bodily injury and property damaged or accidents while a driver is in transit or during a trip. The Authority shall be named an additional insured on the TNC's policy.	No license required, but the TNCs must register with the Authority and pay a registration fee to be determined.	East Lansing and Lansing voted in September to create a Greater Lansing Taxi Authority ("Authority") to regulate TNCs. This information is from the Articles of Incorporation for the Authority. The Authority has not adopted rules yet.
Minneapolis, MN Minneapolis Transportation Network Companies (TNC) Ordinance Updated July 2014	Same background-check requirements for transportation network company drivers as taxi drivers, upon approval, drivers will be endorsed under TNC license.	Transportation network company license required- vehicles will be inspected and must meet the same requirements as taxicabs; upon approval, vehicles will be endorsed under TNC license.	TNCs are required to maintain at least \$1 million of commercial liability coverage per occurrence, covering vehicles while they are "active." TNC or driver maintains minimum liability limits \$50k/\$100k/\$30k while the driver is logged into a TNCs digital network but not engaged in a prearranged ride. https://www.municode.com/library/#/mn/minneapolis/codes	\$35,000 flat annual transportation network company license fee.	Consistent, distinctive signage required while vehicle is active on the TNC dispatch system.
Milwaukee, WI Enacted 7/22/14, Effective 9/1/2014	A public passenger vehicle driver's license required.	No public passenger vehicle may operate for hire upon the streets of the city without first obtaining a permit from the Common Council.	Minimum required policy limits are \$50k/\$100k/\$10k during all periods. Uninsured motorist coverage with limits comparable to the respective liability limits for the vehicle are also required during all periods. https://milwaukee.legistar.com/	\$75 fee for public passenger vehicle license.	Passengers must accept the fixed fare agreement prior to the entry of the passenger into the vehicle.

<p>Orlando, FL</p> <p>TNC regulations, Ordinance No. 2014-64, Section 55.02 of Chapter 55 of the Code of City of Orlando; passed on 12/15/2014</p>	<p>Anyone providing vehicle for-hire services must have a Vehicle Permit: the permit issued which grants the privilege to operate one Vehicle for-Hire within the jurisdictional limits of Orlando. Drivers providing for-hire services on behalf of the Vehicle Permit Holder must have a Driver Permit—must be 18 years of age; sworn affidavit that applicant has not been convicted within the past five (5) years, nor have any charges pending against him or her for DWI, reckless driving, any felony, any crime involving the sale of a controlled substance; the Florida RICO Act; exposure of sexual organs or prostitution.</p>	<p>Livery vehicles accepting fares through a TNC must display the name of that TNC on passenger side or in the rear windshield of the vehicle. Vehicle must be inspected by an inspection facility and receive certification that the vehicle has been inspected by an Automotive Service Excellence mechanic and meets safety and equipment standards.</p>	<p>The Vehicle Permit-Holder shall possess a liability and property damage insurance policy issued by an insurance company or surety company who is authorized to do business in Florida, or who has a current license under federal law as a risk retention group for purposes of insurance. The coverage for each vehicle equipped to carry six (6) or fewer passengers, including the driver, shall be issued, at a minimum, in the amounts required pursuant to section 324.031, Florida Statutes (\$10,000/20,000/10,000 or \$30,000).</p> <p>The coverage for each vehicle equipped to carry seven (7) or more passengers, including the driver, shall be issued in the amount of \$1M combined, single incident, or its equivalent.</p> <p>The insurance policy shall list the City of Orlando as an additional insured with all notices of any kind; and must contain, at a minimum, a thirty (30) day written notice period prior to the effective date of termination, cancellation, reduction of coverage, renewal or non-renewal. All vehicle permits issued to a Vehicle Permit-Holder shall be covered under one master policy held by that permit-Holder.</p>	<p>\$250 for initial Vehicle Permit; \$200 for annual renewals and additional permits</p>	<p>Livery vehicles accepting fares from or through a TNC must display the electronic version of any current fare to any vehicle for hire administrator officer or Orlando police officer who so requests and TNC must allow records. Violations of the permitting requirements could result in vehicle impoundment and permit suspension or revocation. *Another note about insurance: The Vehicle Permit-Holder may also self-insure if the Vehicle Permit-Holder is certified for financial responsibility as a self-insurer, and is current in standing with the Insurance Commissioner of the State of Florida; (b) the retention of exposure by the Vehicle Permit-Holder is no greater than allowed by Florida Statute; and (c) the Excess policies, at a minimum, satisfy the policy limits listed above.</p>
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<p>Oklahoma City, OK Ord. No. 25002, § 9, 10-21-14</p>	<p>As part of application for TNV permit, proof of the following must be submitted: TNC must conduct approval process including: (1) providing proof of his personal automobile liability insurance policy; (2) conducting a driving record check from either the Oklahoma Department of Public Safety, or an Oklahoma tag agency or an accredited background company, which includes Oklahoma driving records. If the applicant has resided within other states for the previous three years, the driving record check must be done for all other states such that a complete driving record for the immediate past three years is provided; (3) conducting a criminal record background check by either the Oklahoma State Bureau of Investigation or an accredited background agency, the latter must include Oklahoma State Bureau of Investigation background information. The OSBI background information shall include a check of the sex offender registry, violent offender registry, and the criminal background; and (4) conducting the vehicle inspection requirements set forth in this article.</p>	<p>All vehicles shall be inspected by the TNV inspector prior to providing TNV services; vehicles older than 3 years or with more than \$150,000 must be inspected by an ASE Master Certified Technician.</p>	<ul style="list-style-type: none"> • Single limit coverage required for each accident or occurrence during period 2 & 3: <ul style="list-style-type: none"> o \$100,000 involving six or fewer seating capacity o \$750,000 involving seven to nine seating capacity o \$1,000,000 for seating capacity for ten • During periods 2 & 3 the TNC is required to provide coverage with minimum limits of (\$50k/\$100k/\$25k). <p>Amended by Ordinance 25,002</p> <p>https://www.municode.com/library/#!/ok/oklahoma_city/code/s/</p>	<p>Licensing fee of \$302/year for the business license/certificate;</p>	<p>TNCs must apply for a business license/certificate of public convenience. Must provide a list at the end of each month of vehicles permanently taken out of service. Must maintain records of all service. Smoking is prohibited in vehicle while operating as a TNV; a driver may refuse service to anyone smoking. May not refuse service to anyone with a disability or service animal. TNVs are restricted from accepting street hails. It shall be unlawful for a TNV to park or stand within an open stand for taxis or an open stand for carriages. Trip sheet required; most direct route required.</p>
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Salt Lake City, UT

Enacted 11/18/14

All drivers required to obtain a vehicle operator's badge. The badge costs \$65 for drivers. Thirty dollars of that is used to process a driver's fingerprints as part of an FBI background check. The badge is renewed every two years, and there is no charge for renewing it.

All ground transportation companies must undergo the same vehicle inspections. City vehicle inspections are based on vehicles meeting the appearance standards required by ordinance. Vehicles that meet or exceed the standards receive an inspection seal and an automated vehicle inspection tag.

TNCs are required to carry the same liability insurance limits as other ground transportation companies (taxis and limousines). There is some debate remaining about when this coverage should begin and end.

Insurance coverage levels set by determining the highest limits set by the Federal Motor Carrier Safety Administration, Utah Department of Transportation or U.S. Department of Transportation. The required limits at the time ordinance was passed, was \$1.5 million per occurrence.

<http://slcdocs.com/council/agendas/2014agendas/November/Nov25/112514A7D3.pdf>

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<p>San Antonio, TX</p> <p>Ordinance No. 2014-12-11-1002, amending and inserting new provisions under Chapter 33 of the Code of the City of San Antonio; passed on 12/11/2012; effective date as of 3/1/2015</p>	<p>Driver licensing: is a US citizen, or has legal papers to show legal right to engage in employment, is over 18 years of age, and possesses a valid Texas driver's license for class of vehicle to be operated, possesses an active Department of Defense ID and a current and valid driver's license from another state, or is a student and possesses a valid driver's licenses issued by any state or US territory; passes a drug test; completes defense driving test; and provides personal automobile policy in the minimum amount required by law.</p> <p>Background checks: must furnish release for the City to release criminal history information to the TNC, but it does not require fingerprint checks under the new ordinance.</p>	<p>Vehicle licensing and inspections: Prior to operation, and annually by A.S.E. certified mechanic in accordance with established inspection guidelines and standard of the City.</p>	<p>For all periods when a driver is logged into a TNC's application or digital platform, or is otherwise engaged in transportation network operations, including, but not limited to, when waiting for a dispatch, en route to pick up a passenger, and while providing transportation to a passenger, and insurance shall be maintained by the TNC, the driver, through a policy specifically designed to cover for a TNC, or a combination of both, including the following specific requirements:</p> <p>(i) General liability insurance and automobile liability insurance, insuring the general public against any loss or damage that may result to any person or property from the operation of the vehicles covered by the permit and securing payment through this policy of any final judgment or settlement of any claim against the applicant, its drivers and employees of the TNC resulting from any occurrence arising out of or caused by the operation of a transportation network vehicle.</p> <p>(ii) The insurance policy requested in this section shall be available to cover claims as specified in this section regardless of whether a driver maintains insurance adequate to cover any portion of the claim and shall be maintained and available for viewing on the TNC's internet enabled application and website.</p> <p>(iii) TNC shall at all times maintain the following minimum insurance coverage</p> <p>a. During the period that a driver is logged-onto TNC's application as a driver, or is otherwise engaged in transportation network operations, but has not accepted a ride and is not providing transportation to a passenger, primary coverage in the amounts of not less than: death and bodily injury coverage of \$50,000 per person; death and bodily injury coverage of \$100,000 per accident; and property damage coverage of \$25,000 per accident. There shall also be excess coverage in an amount of not less than \$200,000 per occurrence for death, bodily injury and property damage; and</p> <p>b. During the period from the time a driver accepts a trip request through to completion of the trip, primary insurance in an amount of not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage. In addition, the policy must provide not less than \$1,000,000 in uninsured/underinsured motorist coverage, and comprehensive and collision protection up to the actual value of the transportation network vehicle, up to an amount of \$50,000.</p> <p>(iv) This requirement may be satisfied by a surplus lines insurance policy that is issued by a company licensed in the United States and registered with the Texas Department of Insurance, which has a minimum A.M. Best rating of A-.</p>	<p>Licensing fees: Driver permit (\$15); Renewal of driver permit (\$15); TNC application (\$110); Citywide vehicle operating permit, per year/per vehicle, (\$160); Re-inspection (\$28); Inspection re-scheduling (\$28).</p> <p>Taxes: no additional tax imposed under new ordinances</p>	<p>Accessibility: TNC Agreement requires, inter alia, TNC to accommodate service animals, prohibit additional charges for provision of service; the driver to assist in stowing mobility devices; or refuse transportation of persons of rider capable of using service.</p>
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<p>Seattle, WA</p> <p>TNC regulations implementing Agreement b/t Mayor, TNCs and Industry Enacted: 7/14/2014 retroactively effective as of May 2014</p>	<p>Driver Licensing—TNC drivers shall have in the driver's possession a valid Washington State driver's license, a valid for-hire driver's license, and documentation that they are affiliated with a licensed TNC at any time the TNC driver is active on the TNC dispatch system.</p> <p>Background Check—TNC must review criminal background checks on every TNC driver and maintain records thereof. Drivers convicted of any traffic and/or criminal offense directly bearing on the driver's fitness including but not limited to theft, fraud, robbery, burglary, assault, sex crimes, alcohol, drugs, or prostitution shall not be permitted to provide TNC services. TNCs must also review driving records of TNC drivers and maintain records thereof. Drivers with convictions for any alcohol or drug related offense, reckless driving, hit and run, or driving with a suspended or revoked license shall not be permitted to provide TNC services.</p>	<p>A TNC vehicle must obtain an endorsement which is not valid and effective until and unless the driver obtains a for-hire driver's license under the law. Endorsements are valid for one year and must be renewed annually.</p> <p>TNC vehicles are required to undergo an annual 19-point inspection by a third party vendor approved by the Director</p> <p>TNC vehicles shall not be rebuilt or significantly modified from factory specifications. TNCs shall maintain vehicle inspection records.</p>	<p>TNCs must provide evidence that each vehicle has insurance in an amount no less than required by RCW 46.72.050 and underinsured motorist coverage indicating a minimum coverage of \$100,000 per person, and \$300,000 per accident, at any time while active on the TNC dispatch system.</p> <p>TNC insurance is only primary & exclusive in the event of failure of the driver to maintain personal auto insurance covering commercial activity.</p> <p>Such insurance shall name the City of Seattle as an additional insured, provide that the insurer will notify the City in writing of any cancellation and/or non-renewal at least 30 days before that cancellation and/or non-renewal takes effect, and not include self-insured retention, nonstandard deductibles, aggregate limits, territorial restrictions, named driver requirements or exclusions, or any other provisions that limit insurance coverage. RCW 46.72.050 requires: \$100K for any recovery for death or personal injury by one person/\$300K for all persons killed or receiving personal injury by reason of one act of negligence/\$25K for damage to property of any person other than the assured</p>	<p>Licensing and Regulation fee is paid for through a "per-trip fee" of \$0.35 (County) or \$0.10 (City of Seattle) based on where the ride begins.</p> <p>The total TNC industry fees shall not exceed \$525,000 in year one</p>	<p>Ordinance number 124526. Accessibility: TNCs must impose a ten-cent per ride surcharge to go towards the City's 6.1 accessibility fund. TNCs must provide passengers requesting accessibility service with contact information for an accessible taxi dispatch.</p>
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<p>Tulsa, OK Ordinance 23189, Enacted 8/18/14</p>	<p>The TNC certificate holder must have conducted a local and national criminal background check that shall include the Multi-State/Juris Criminal Records Locator or other similar commercial nationwide database with validation (primary source search) and the National Sex Offender Registry database on each potential driver before the driver is given access to the TNC's digital platform. A match on the national sex offender registry or a conviction that appears on a criminal background check within the past seven (7) years for crimes of violence, sexual abuse, felony robbery, or felony fraud, shall automatically and permanently disqualify an individual from acting as a driver for any Transportation Network Company. The holder must have a driving history record conducted on each potential driver before the driver is given access to the TNC's digital platform. A conviction that appears on a driving history check within the past seven (7) years for aggravated reckless driving, driving under the influence of drugs or alcohol, hit and run, attempting to evade the police, or the use of a motor vehicle to commit a crime, or a conviction that appears on a driving history check in the previous three (3) years for driving with a suspended or revoked license, shall automatically disqualify an individual from acting as a driver for a TNC.</p>	<p>Every vehicle operating under this chapter shall be periodically inspected by the holder/licensee at such intervals as shall ensure the continued maintenance of safe operating conditions. Upon such inspection, if it is found that the vehicle does not meet safe operating requirements, the holder/licensee shall cause the vehicle to be removed from service until such time as the vehicle has complied with safe operating standards.</p>	<p>The driver of the TNC must maintain minimum liability limits of \$25k/\$50k/\$25k.</p> <p>TNC must have a \$1 million per incident excess policy as well as step in to pay losses not covered by the driver's personal auto coverage.</p> <p>https://library.municode.com/index.aspx?clientId=14783&stateID=36&statename=Oklahoma</p> <p>Ordinance No. 23189</p>		<p>An annual certificate fee shall be assessed for each transportation network company. The certificate fee shall be assessed ^{6.1} annually for the period from May 1 through April 30 of the following year. The fee shall be in accordance with the following schedule: The annual fee is based on the number of drivers authorized to provide vehicle services through the Holder's digital platform</p> <p>If 10 or fewer \$300.00</p> <p>If 11 – 40 \$600.00</p> <p>If 41-70 \$900.00</p> <p>If more than 70 - \$1200.00. A person shall not operate a transportation network company within the City unless he has been issued a current and valid TNC certificate. Rates and charges shall be posted in the licensee's digital platform or the internet at all times in a place clearly visible to the person requesting the service, prior to the TNV service being booked. Receipts must be furnished upon request; driver's name must be furnished upon request. Most direct route required.</p>
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STATES ONLY (& DC)

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Washington, D.C. Innovation Act Passed City Council 10/27/2014	The TNC shall conduct, or have a third party (accredited by the National Association of Professional Background Screeners), conduct a local and national criminal background and driving record check driver-applicants going back 7 years.	TNCs must conduct, or have a third party conduct, a safety inspection of the motor vehicle that a transportation network operator will use before the motor vehicle may be used to provide transportation network services.	TNCs must maintain a primary commercial policy of at least \$1,000,000 per incident for accidents that applies at all times driver is engaged in a "prearranged ride." There are lower minimums when app is on, but no match made: \$50K/\$100K per accident/\$25K for property damage (not primary). Mayor shall assess requirements after 1 year.	The TNC must submit to the District of Columbia Taxicab Commission proof that the company is licensed to do business in the District.	Accessibility: Company that provides digital dispatch shall ensure company's website & apps are accessible; train drivers on how to properly interact with persons w/ disabilities Companies to provide report by 2016 proposing how they plan to increase accessible service. No trip refusals and accessibility report due 2016. The Bill was introduced as the "Transportation Network Services Innovation Act of 2014", but the DC Council passed the legislation as the "Vehicle-for-hire Innovation Amendment Act of 2014". No references to worker's compensation.
State of Arizona House Bill 2135, amending sections of the Arizona revised statutes Enacted on 4/2/15; Insurance provisions effective 2/29/2016	The TNC shall conduct or have a third party conduct a local and national criminal background check that includes multijurisdictional criminal records locator or similar, validated commercial nationwide database and a national sex offender registry. TNC shall not permit an individual to act as a driver on its network who had more than three moving violations in the prior three year period, or one major violation in the prior three year period; has been convicted, within the past seven years of DUI, fraud, sexual offenses, use of a motor vehicle to commit a felony.	The vehicle shall have a seating capacity not exceeding 8 passengers, including the driver & authorized by a TNC; must display TNC trade dress, which also shall be filed with the department. Vehicles must also pass state vehicle safety and emissions standards and undergo annual brake and tire inspection by a third party.	An Insurer may issue an endorsement to a private passenger policy that expressly provides coverage for the provision of TNC services. Before 3/1/16, TNC driver shall maintain insurance that meets at least the requirements of section 28-4009. TNC coverage should be in the amount of \$25K/\$50K/\$20K. From 2/29/16, TNC or TNC driver or both shall provide primary coverage in the amount of \$25K/\$50K/\$20K. While a TNC driver is engaged in a trip, a TNC driver or TNC or both must provide primary commercial coverage in a minimum amount of \$250K and commercial uninsured motorist coverage in a minimum amount of \$250K. While TNC driver is logged on but not engaged, primary coverage in the amount of \$25K/\$50K/\$20K.	The department shall charge and collect an application fee as determined by the director.	A TNC that has a permit may not be required to pay a transaction tax or similar tax.

<p>State of Arkansas</p> <p>Senate Bill 800</p> <p>Enacted: 4/4/15</p> <p>(does not limit the Arkansas State Highway 25 and Transportation Department, the Department of Arkansas State Police, the 26 Attorney General, other state agencies, law enforcement, and local 27 governments within this state from enforcing state and federal laws or 28 regulations of general applicability that apply to transportation network 29 companies and transportation network company drivers.)</p>	<p>Applicants must provide address, age, driver's license, driving history, motor vehicle registration, motor vehicle liability insurance coverage. TNC must conduct, or have a third party conduct, national criminal background check for each applicant, including search of National Sex Offender Registry. TNC shall not permit an individual to act as a driver on its network who: has more than three moving violations or has had one major violation within the previous three years; convicted within the past seven years of DUI, fraud, sexual offense, use of motor vehicle to commit felony or a crime involving property damage, theft, acts of violence, or acts of terror; is a match in the National Sex Offender Registry database; does not possess valid driver's license; does not possess proof of registration for the vehicle(s) to be used; does not possess proof of insurance, is not at least 19 years of age.</p>	<p>A Vehicle inspection must be conducted within 90 days of beginning service by a mechanic certified by the National Institute for Automotive Service Excellence.</p>	<p>While a TNCs driver is logged into the network, but is not providing TNC services, the TNC must maintain motor vehicle liability insurance coverage that meets the minimum coverage requirements under § 27-22-104(b), providing coverage beginning with the first dollar of a claim in the event the TNC driver's own motor vehicle liability insurance policy excludes coverage or does not provide the minimum coverage required.</p> <p>While a TNC driver is providing services, the TNC shall provide primary motor vehicle liability insurance that expressly recognizes the transportation network company driver's provision of TNC services or other for-hire vehicle services; and must provide primary motor vehicle liability insurance of at least \$1mil. for death, personal injury, and property damage</p>	<p>Annual Permit Fee = \$15,000 to the Arkansas Public Service Commission</p>	<p>Street hails and cash trips are prohibited.</p> <p>6.1</p>
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<p>State of California</p> <p>Assembly Bill 2293</p> <p>Enacted: 9/17/14</p> <p>The California Legislature does not intend, and nothing in this article shall be construed, to prohibit the Public Utilities Commission from exercising its rulemaking authority in a manner consistent with this article, or to prohibit enforcement activities related to transportation network companies.</p> <p>Notwithstanding Section 11580.9 of the Insurance Code, or any other law affecting whether one or more policies of insurance that may apply with respect to an occurrence is primary or excess, this article determines the obligations under insurance policies issued to transportation network companies and, if applicable, drivers using a vehicle in connection with a TNC's online-enabled application or platform.</p>	<p>The TNC must conduct national criminal background checks & driving history. TNC drivers must possess a valid California driver's license, be at least 21 years of age, and must provide at least one year of driving history before providing TNC services. TNCs must conduct criminal background checks for each applicant before the applicant may become a driver. The background check must be a national criminal background check, including the national sex offender database, and be based on the applicant's name and social security number. Convictions within seven years for violent crimes, DUI, fraud, use of a motor vehicle to commit a felony, sexual offenses, acts of terror, or crimes involving property damage or theft will bar applicants from becoming TNC drivers.</p>	<p>Prior to operating, and annually thereafter, vehicles used to provide TNC services must pass a 19-point inspection, including foot and emergency brakes; steering; windshield; rear window and other glass; windshield wipers; headlights; taillights; turn indicator lights; stop lights; front seat adjustment mechanism; doors; horn; speedometer; bumpers; muffler and exhaust; tires; rear view mirrors; and safety belts.</p>	<p>Assembly Bill requires TNCs to provide commercial insurance once the driver activates the app. TNC services are defined with three periods. Period One is: App open – waiting for a match. Period Two is: Match accepted – but passenger not yet picked up (i.e. driver is on his/her way to pick up the passenger). Period Three is: Passenger in the vehicle and until the passenger safely exists vehicle.</p> <p>A minimum of at least \$1 million primary commercial insurance is required for Periods 2 & 3.</p> <p>A minimum of at least \$100,000 for one person, \$300,000 for more than one person, and \$50,000 for property damage of excess commercial insurance is required for Period 1.</p> <p>This insurance requirements can be met in one of two ways; 1) the TNC itself can maintain insurance on its own or 2) a combination of a TNC policy and a driver policy that is specifically written for the purpose of covering TNC services, or portion thereof.</p>	<p>The fee for filing a new application or refilling a previously denied or expired application for a TNC Permit is \$1,000. The permit is valid for three years.</p> <p>The fee to renew an existing TNC Permit is \$100.</p>	<p>Ordinance: CPUC Decision 13-09-045. Accessibility: TNCs must “endeavor to provide equal access to all consumers.”^{6,1} Public hearings scheduled in September and October to discuss how TNCs are serving the disabled community.</p>
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State of Colorado Senate Bill 14-125 Effective: 6/5/14; Temporary rules consistent with Bill effective on 7/8/14	TNC drivers must pass a criminal background and driving history check. Drivers will also be required to obtain a criminal history check every five years.	TNCs must conduct, or have a certified mechanic, conduct safety inspections on a vehicle before it is approved for use as a TNC vehicle. The vehicle must then have periodic inspections, at intervals of at least one inspection per year conducted thereafter.	TNCs must maintain liability insurance providing a minimum of \$1M coverage that applies all times a driver is logged onto the app. At minimum, contingent liability insurance must provide liability coverage if the driver's insurer for personal automobile insurance validly denies coverage under the terms of the driver's personal policy or the driver is otherwise uninsured. TNCs must disclose to passengers and drivers that personal policies may not provide coverage for these commercial transactions.	No licenses required, but TNCs must pay an annual permit fee of \$111,250.00 to the Commission, which may adjust the annual permit fee by rule.	Accessibility: TNC "shall provide services to the public in a nondiscriminatory manner, regardless of...disability, or other 6.1 potentially discriminatory factor that could prevent customers from accessing transportation." TNC cannot impose additional charges for providing services to persons with physical or mental disabilities.If a ride requires the use of mobility equipment, a driver shall store the mobility equipment in the vehicle during a prearranged ride. Senate Bill 14-125. No reference to worker's compensation.
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<p>State of Georgia</p> <p>House Bill 225</p> <p>Effective: 7/1/15</p> <p>House Bill 190 (Insurance Requirements) Effective: 1/1/2016</p> <p>Counties and municipalities which have adopted and have valid ordinances as of 43 July 1, 2014, requiring taxicabs to have certificates of public necessity and convenience or 44 medallions to operate within each such county or municipality may continue to require 45 such certificates or medallions. Except as otherwise provided in this subsection, no county 46 or municipality shall enact, adopt, or enforce any ordinance or regulation which requires 47 taxicabs to have certificates of public necessity and convenience or medallions to operate 48 within such county or municipality.</p>	<p>Drivers must have for-hire license endorsement and liability insurance coverage in the required amounts; have a current private background check certificate; must be at least 18 years old; possess valid driver's license; not have been convicted, on probation or parole, or served time on a sentence for a period of seven years prior to the date of the application for any felony or any other crime of moral turpitude.</p> <p>Applicants are subject to electronic fingerprinting; Subject to search of a multistate, multijurisdictional criminal records locator or similar nation-wide based search; search of national sex offender registry data base; review of driving history report;</p> <p>No certificate shall be issued to person who has more than three moving violations, or one major traffic violation, in prior three year period; has been convicted in the past 7 years of driving under the influence of drugs/alcohol, fraud, sexual offense, use of vehicle to commit felony, crime involving property damage or theft, crime involving violence or terror.</p>	<p>No</p>	<p>During the time a driver is logged onto the TNC network and available to accept ride request until the driver is logged off: TNC must maintain a minimum of \$100K for bodily injuries to or death of all persons in any one accident with a maximum of \$50K for bodily injuries to or death of one person and \$50K for loss of or damage to property of others;</p> <p>During the time a driver accepts a ride request until the driver completes the transaction, or the ride is complete (whichever is later), the TNC must provide a min. of \$1mil for death, personal injury, and property damage per occurrence and provides uninsured and underinsured motorist coverage of at least \$1mil per incident.</p>	<p>An annual fee not to exceed \$100</p> <p>Annual fee for master license:</p> <p>(A) For 1 to 5 for-hire vehicles: \$1,500.00</p> <p>(B) For 6 to 59 for-hire vehicles \$12,050.00</p> <p>(C) For 60 to 100 for-hire vehicles : \$25,000.00</p> <p>(D) For 101 to 150 for-hire vehicles: \$40,000.00</p> <p>(E) For 151 to 200 for-hire vehicles: \$56,000.00</p> <p>(F) For 201 to 250 for-hire vehicles: \$75,000.00</p> <p>(G) For 251 to 300 for-hire vehicles: \$90,000.00</p> <p>(H) For 301 to 350 for-hire vehicles: \$105,000.00</p> <p>(I) For 351 to 500 for-hire vehicles: \$150,000.00</p> <p>(J) For 501 to 1,000 for-hire vehicles: \$300,000.00</p> <p>K) For 1,001 and greater for-hire vehicles: \$300,000.00</p> <p>plus \$25,000.00 for each 100 vehicles</p>	<p>6.1</p>
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<p>State of Idaho</p> <p>Title 49, Idaho Code, Ch. 37</p> <p>Notwithstanding any other provision of law, TNCs and TNC drivers are governed exclusively by this chapter. No municipality or other local entity may impose a tax on, or require a license for, a TNC, a TNC driver, or a vehicle used by a TNC driver where such tax or licenses relates to providing TNC services, or subject a TNC to the municipality or other local entity's rate, entry, operational or other requirements.</p>	<p>Driver-applicants submit an application to the TNC; TNC must conduct or have a third party conduct a local and national criminal background check for each applicant which shall include - multistate/multi jurisdictional criminal records locator or other similar commercial nationwide database with validation (primary source search); and national sex offender registry database; obtain and review a driving history research report for such individual. TNC shall not permit an individual to act as a driver on its network who had more than three moving violations in the prior three year period, or one major violation in the prior three year period; has been convicted, within the past seven years of DUI, fraud, sexual offenses, use of a motor vehicle to commit a felony, acts of violence or terror.</p>	<p>Vehicle registration not required.</p>	<p>TNC and TNC drivers shall comply with all applicable requirements for insurance imposed by Idaho statutes pertaining to automobile liability insurance in Title 49 and Title 41 of the Idaho Code.</p>	<p>No TNC license required.</p>	<p>6.1</p>
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<p>State of Illinois</p> <p>Senate Bill 2774</p> <p>Enacted 1/12/15 with an effective date of 6/1/15</p>	<p>Drivers must submit applications to TNC containing: address, age, driver's license, motor vehicle registration, automobile liability insurance, driving history research report. Drivers subject to criminal background checks. TNC cannot permit individuals to act as TNC drivers if individual: had more than 3 moving violations in the prior 3 year period; has been convicted within the last 7 years of driving under the influence, fraud, sexual offenses, use of a motor vehicle to commit a felony a crime involving property damage, or theft, acts of violence or terror; is a match in the National Sex Offenders Registry Database; does not possess a valid driver's license; does not possess proof of registration for the motor vehicle used to provide TNC services; does not possess proof of automobile liability insurance; is under 19 years of age.</p>	<p>None</p>	<p>The following automobile liability insurance requirements shall apply from the moment a participating TNC driver logs onto the TNC's digital network or software application until the TNC driver accepts a request to transport a passenger, and from the moment the TNC driver completes the transaction on the digital network or software application or the ride is complete, whichever is later, until the TNC driver either accepts another ride request on the digital network or software application or logs off the digital network software application: Automobile liability insurance shall be in the amount of at least \$50,000 for death and personal injury per person, \$100,000 for death and personal injury per incident, and \$25,000 for property damage. Contingent automobile liability insurance in these amounts.</p> <p>The following automobile liability insurance requirements shall apply from the moment a TNC driver accepts a ride request on the TNC's digital network or software application until the TNC driver completes the transaction on the digital network or software application or until the ride is complete, whichever is later: Automobile liability insurance shall be primary and in the amount of \$1,000,000 for death, personal injury, and property damage. Uninsured motorist coverage and underinsured motorist coverage in the amount of \$50,000 from the moment a passenger enters the vehicle of a participating TNC driver until the passenger exits the vehicle.</p>	<p>No fees are specified.</p>	<p>Drivers provide name/driver identification numbers to passenger if asked; must also provide receipt if requested; may not decline service to disabled passengers or passengers with service animals; trip records required (in format approved by police department); drivers must respond to service request within 30 minutes.</p>
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State of Indiana House Bill 1278 Enacted 5/5/15	A TNC may not allow a driver on the TNC network who has received judgments for: more than three moving traffic violations or at least one violation involving reckless driving or driving on suspended or revoked license in preceding three years; or who has been convicted of a felony or misdemeanor involving: resisting law enforcement; dishonesty; injury to a person; operating while intoxicated; operation a vehicle in a dangerous manner; operating with a suspended/revoked license in the preceding 7 years; applicant may not be a match in the national sex offender registry; under 19 years old.	A TNC must require that personal vehicles used to provide prearranged rides comply with all applicable laws and regulations concerning vehicle equipment.	A TNC must maintain primary motor vehicle insurance which covers the driver while he/she is logged into the TNC's network (\$50K per death/bodily injury; \$100K per incident for death/bodily injury; and \$25K per incident for property damage); or engaged in a prearranged ride (at least \$1mil per death/bodily injury/property damage.	No fees are specified.	6.1
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<p>State of Kansas</p> <p>Senate Bill No. 117</p> <p>Enacted 3/24/15</p> <p>Notwithstanding any other provision of law, TNCs and TNC drivers are governed exclusively by this act and any rules promulgated by the commission consistent with this act. No municipality or other local entity may impose a tax on, or require a license for, a TNC, a TNC driver, or a personal vehicle used by a driver where such tax or licenses relate to providing prearranged rides, or subject a TNC to the municipality's or other local entity's rate, entry, operational or other requirements.</p>	<p>Driver must submit an application to the TNC, which includes info regarding the applicant's address, age, driver's license, driving history, motor vehicle registration, automobile liability insurance; conduct or have a third party conduct a local and national criminal background check for each applicant that shall include: multi-state/multi-jurisdiction criminal records locator or other similar commercial nationwide database with validation (primary source search); and national sex offender registry database; obtain and review a driving history research report for such individual. TNC shall not permit an individual to act as a driver on its network who had more than three moving violations in the prior three year period, or one major violation in the prior three year period; has been convicted, within the past seven years of DUI, fraud, sexual offenses, use of a motor vehicle to commit a felony, acts of violence or terror.</p>	<p>Personal vehicle must meet equipment requirements applicable to private personal vehicles under Art. 17 of chapter 8 of the Kansas Statutes Annotated.</p>	<p>On July 1, 2015, a TNC driver or TNC on the driver's behalf shall maintain primary automobile insurance that covers the driver while the driver is logged on to the TNC's digital network, while the driver is engaged in a prearranged ride, or while the driver otherwise uses a vehicle to transport passengers for compensation as follows: (i) while driver is logged on to the app, available for service but not yet engaged - primary auto liability insurance of at least \$50K/\$100K/\$25; (ii) while driver is engaged in a prearranged ride - primary auto liability insurance that provides at least \$1M for death, bodily injury and property damage. Coverage requirements may be satisfied by insurance maintained by the TNC, the driver or any combination of the two. Coverage under the TNC insurance policy shall not be dependent on a personal automobile insurer first denying a claim nor shall a personal auto policy be required to first deny a claim.</p>	<p>Annual TNC permit fee of \$5,000 to the state corporation commission</p>	<p>Accessibility: If TNC cannot arrange wheelchair accessible service, it shall direct the rider to an alternate provider of wheelchair accessible service if available. Privacy: A TNC cannot disclose a rider's personally identifiable info to a third party unless the rider consents.</p>
<p>State of Kentucky</p> <p>Senate Bill 153</p> <p>Enacted March 19, 2015</p>					

State of Maine

Legislative Bill 1379

Enacted June 30, 2015

Beginning October 1, 2015, a TNC driver or a TNC on the driver's behalf shall maintain primary automobile liability insurance that recognizes that the driver is a TNC driver or otherwise uses a vehicle to transport passengers for compensation and that covers the driver in accordance with the legislation.

Minimum primary auto liability insurance while the driver is logged on to the digital network but not engaged in a prearranged ride in amounts no less than, but the greater of:

- a. \$50,000 per person for death and bodily injury; \$100,000 per incident for death and bodily injury; \$25,000 for property damage; or
- b. The minimum amounts of coverage required under state law.

Minimum primary auto liability insurance while driver is engaged in prearranged rides in amounts no less than, but the greater of:

- a. \$1,000,000 for death, bodily injury, and property damage;
- b. The minimum amounts of coverage required under state law.

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<p>State of Maryland</p> <p>Senate Bill 868</p> <p>Enacted 4/13/15</p> <p>Regulates TNC auto insurance and financial responsibility and specifying certain plan of maintenance requirements.</p>	<p>PSC may issue a temporary TNC operator's license if the applicant completes the application including a driving record check and a national criminal history records check conducted by the National Association of Professional Background Screeners or a comparable entity approved by the PSC. The criminal records check would include:</p> <ul style="list-style-type: none"> o A multi-state multijurisdictional criminal records database search or a search of a similar database with validation o A search of the sex offender and crimes against minors registry; and o A search of the U.S. Department of Justice's National Sex Offender Public Website; <ul style="list-style-type: none"> • The PSC may issue a permanent TNC operator's license if they submit a satisfactory supplemental fingerprint-based criminal background check, Applicants do not have to comply with the fingerprinting requirement until after April 1, 2016 if they provide details about the background check process they used. A TNC may request a waiver of the fingerprinting requirement and the PSC will determine whether such company's process is as comprehensive and accurate as a fingerprint-based check and make a determination within 3 months of receiving the waiver request whether to grant it, deny it or approve an alternative process 	<p>Vehicles must register with Maryland Public Service Commission</p>	<p>TNCs and/or an operator to maintain primary insurance that:</p> <p>Recognizes operator is a TNC operator or otherwise uses a motor vehicle to transport passengers for hire; and</p> <p>Covers the operator while he or she is providing TNC services</p> <p>Require the following coverage when the operator is actually providing TNC services:</p> <p>Security of at least</p> <ul style="list-style-type: none"> \$ Bodily injury of \$50,000 and \$100,000 for two or more people \$ Property damage of up to \$25,000 \$ Uninsured motorist insurance and personal injury protection as required under the Maryland Insurance law <p>o Coverage may be maintained by an operator, a TNC or a combination of both</p> <p>Where insurance is provided by both the TNC operator and TNC, the operator's insurance is primary. "Transportation Network Services" to means the activities of an operator during</p> <p>Period one – when the operator is logged in and ready to accept a prearranged ride request made through a TNC's digital network</p> <p>Period two – when the operator accepts a ride prearranged request from a passenger through a TNC's digital network and is traveling to pick up such passenger; and</p> <p>Period three – when the operator is transporting the passenger and ending after the passenger departs the vehicle</p>	<p>Not specified</p>	<p>TNCs, limousine companies and sedan companies can apply for a waiver from fingerprint based background checks, but there are no such provisions for taxicab companies</p> <p>This bill would exempt almost all of the records collected from TNCs, including insurance, criminal background and assessment information from disclosure</p> <p>This bill would require the preparation of several reports, including an analysis of whether there is adequate TNC insurance and recommendations on how to make traditional FHV's, such as taxis and limousines competitive.</p> <p>This bill would also create a Transportation Network Assessment Fund, which would be used to fund transportation-related projects. We should monitor this to see how this fund is being used.</p>
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State of Minnesota Senate Bill 1679 Enacted August 1, 2015	None specified.	None specified.	<p>While the TNC driver is logged on to the network but not engaged in a prearranged ride, the following coverage is required:</p> <ol style="list-style-type: none"> 1. Primary coverage of not less than \$50,000 due to death or bodily injury to one person in any accident; 2. \$100,000 due to death or bodily injury to two or more persons in any accident 3. \$30,000 for injury or destruction of property of others. <p>The following coverage is required while the TNC driver is engaged in a prearranged ride:</p> <ol style="list-style-type: none"> 1. Not less than \$1,500,000 for death, injury, or destruction of property. <p>Coverage can be satisfied by:</p> <ol style="list-style-type: none"> 1. Auto insurance maintained by the TNC driver; 2. Auto insurance maintained by the TNC 3. Combination of TNC or driver 		6.1
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State of Montana Senate Bill 396 Enacted 5/8/15 Notwithstanding any other provision of law, transportation network carrier services are exclusively governed by this chapter and rules promulgated by the commission consistent with this chapter.	None specified	None specified	A TNC must maintain primary motor vehicle insurance which covers the driver while he/she is logged into the TNC's network (\$50K per death/bodily injury; \$100K per incident for death/bodily injury; and \$25K per incident for property damage); or engaged in a prearranged ride (at least \$1mil per death/bodily injury/property damage.	None specified.	6.1
State of Nebraska Legislative Bill 629 Enacted 5/28/15	A TNC must obtain a national criminal history information check on all potential drivers. Fingerprinting is not required. TNCs may not permit drivers who: have had at least four moving traffic violations or at least one major moving violation in the past three years; have been convicted of driving under the influence in the past seven years; has been convicted of any offense involving fraud, use of motor vehicle to commit felony; crime involving property damage; theft; violence/ acts of terrorism	A TNC or certified mechanic shall perform initial safety inspection on each personal vehicle prior to approval for use as a personal vehicle. Driver shall obtain such inspections annually thereafter.	Insurance must be maintained by either the driver or the TNC TNC insurance during the engaged stage and during the passengers on board state: <ol style="list-style-type: none"> 1. Primary liability coverage in the amount of at least \$1mil for death, personal injury, and property damage; 2. Uninsured and underinsured motorist coverage for both the driver and passengers During the time a driver is logged into the TNC network, the TNC insurance shall be primary and in the amount of \$25K for death and personal injury per person; \$50K for death and personal injury per occurrence; \$25 for property damage.	A TNC can choose to pay annual fee of \$25,000 or not to exceed \$80 for each personal vehicle operated by TNC driver.	

<p>State of Nevada</p> <p>Assembly Bill 176</p> <p>Enacted 5/28/15</p> <p>Except as otherwise provided in subsection 2, the provisions of this chapter do not exempt any person from any law governing the operation of a motor vehicle upon the highways of this State.</p>	<p>At the time of application and not less than once every 3 years thereafter, TNC must conduct or contract with a third party to conduct an investigation of the criminal history of the applicant, including:</p> <p>Review of criminal records from each state; search of sex offender registry in each state; no conviction of three or more violations of motor vehicle laws in the last 3 years; no conviction of violation of federal, state, or local law prohibiting driving while under the influence of liquor or drugs in the last 7 years; no conviction of any act of terrorism, violence, sex offense, fraud, damage to property or use of vehicle in the commission of felony in the last 7 years.</p>	<p>Annual inspection of each motor vehicle operated by a driver.</p> <p>The inspection must include, without limitation, an inspection of the foot and emergency brakes, steering, windshield, rear window, other glass, windshield wipers, headlights, tail lights, turn indicator lights, braking lights, front seat adjustment mechanism, doors, horn, speedometer, bumpers, muffler, exhaust, tires, rear view mirrors and safety belts of the vehicle which ensures the proper functioning of each component.</p>	<p>A TNC must provide, while driver is providing TNC services, coverage of at least \$1.5mil for bodily injury or death of one or more persons and injury to or destruction of property of others in any one accident; at least \$50K for bodily injury or death of one or more persons which occurs while the driver is logged into the network or app, and available to receive requests, but not otherwise providing services.</p>	<p>No fee specified.</p>	<p>6.1</p>
<p>State of New Mexico</p> <p>Adopted April 22, 2015 by the Public Regulations Commission</p>	<p>None specified.</p>	<p>Annual inspection form completed by a qualified inspector within the preceding twelve (12) months that shows that each motor vehicle proposed to be operated by the applicant meets the safety requirements of the federal motor carrier safety regulations</p>	<p>At a minimum, a TNC's insurance policy evidenced by the Form E shall provide coverage when a driver has turned on the online-enabled app or platform. The TNC's insurance policy shall be the primary insurance policy for coverage of incidents that occur when a driver has turned on the online-enabled app or platform.</p>		

<p>State of North Dakota</p> <p>House Bill 1144</p> <p>Enacted 4/23/15</p> <p>Notwithstanding any other provision of law, TNCs and TNC drivers are governed exclusively by this chapter and chapter 26.1 - 40.1 and any rules adopted consistent with this chapter and by the insurance commissioner under section 1 of this Act. A political subdivision may not impose a tax on, or require a license for, a TNC or a TNC driver or subject a TNC to the political subdivision's rate, entry, operational, or other requirements. A political subdivision may prohibit a TNC from operating without a state permit within the jurisdiction of the political subdivision.</p>	<p>TNC must conduct or have third party conduct local and national criminal background checks, including: multistate and multijurisdictional criminal records; national sex offender registry database; driving history research report.</p> <p>TNC may not hire any driver who has had more than three moving violations or one major moving violation in the prior three years; who has been convicted, within the past 7 years, of driving under the influence of drugs/alcohol; fraud; sexual offense; use of motor vehicle to commit a felony; crime involving property damage, theft, act of violence or act of terror, or who is a match on the national sex offender registry database.</p>	<p>None specified.</p>	<p>TNC coverage, when driver has accepted a ride until driver completes the transaction or the ride (whichever is later): liability insurance is primary and in the amount of \$1mil. for death, bodily injury and property damage (maintained by either the TNC or by the driver or both).</p> <p>Insurance coverage, while app is on with no passengers in the vehicle: primary liability coverage of at least \$150K per person and \$100K per incident for death and bodily injury, and at least \$25K for property damage.</p>	<p>No fees specified.</p>	<p>6.1</p>
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<p>State of Oklahoma</p> <p>Enrolled House Bill 1614</p> <p>Effective 7/1/15</p> <p>Notwithstanding any other provision of law, the regulation, licensing or permitting of TNCs for the provisions of prearranged rides is within the exclusive jurisdiction of the Oklahoma Corporation Commission as set forth in the Oklahoma Transportation Network Company Services Act and any rules promulgated by the Commission consistent with the act. No political subdivision of the state may impose a tax on, or require a license for, a TNC or a TNC driver for the provision of prearranged rides or subject a TNC to the political subdivision's rate requirement, entry requirement, operational requirement or other requirements.</p>	<p>Applicant must be subject to local and national criminal background check including Multi-State/Multi-Jurisdictional criminal records locator and the National Sex Offender Registry; driving history research report.</p> <p>Applicant cannot become driver if he/she has had more than three moving violations or one major violation in the past three years; has been convicted within the past 7 years of driving under the influence of drugs/alcohol, fraud, sexual offense, use of motor vehicle to commit a felony, a crime involving property damage, theft, acts of violence, or acts of terror; cannot be a match on the National Sex Offender Registry database; must possess a valid driver license, and proof of motor vehicle registration, must be at least 19 years old.</p> <p>TNC shall implement a procedure for periodic information updates for each TNC driver for the criminal background and driving record information.</p>	<p>A TNC shall implement a procedure for periodic information updates for each driver's vehicle.</p> <p>TNC shall require that the vehicles meet the equipment standards of private motor vehicles under Section 12-101 of Title 47 of the Oklahoma Statutes.</p>	<p>While driver is logged onto the TNC's network, insurance required: primary automobile liability insurance of at least \$50K for death and bodily injury per person, \$100K for death and bodily injury per incident, and \$25K for property damage</p> <p>While TNC driver is engaged in prearranged ride: primary automobile liability insurance that provides at least \$1mil. for death, bodily injury, and property damage.</p> <p>– may be satisfied by either the driver or TNC or a combination.</p>	<p>Annual Permit Fee: \$5,000.00</p>	<p>6.1</p>
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<p>State of South Carolina</p> <p>Senate Bill 3525</p> <p>Transportation Network Company Act</p> <p>Amends Code of Laws of South Carolina by adding Article 16 to Chapter 23, Title 58 of the 1976 Code.</p>	<p>A TNC must obtain background and qualification information from driver applicants before approval to provide TNC services. Qualification information includes:</p> <p>A valid driver's license issued by the DMV; 21 years or older; copy of driver's ten year driving record; local and national criminal background check (conducted by TNC or third party); multistate and multijurisdictional criminal records locator (or similar nationwide database); national sex offender registry database search; proof of liability insurance.</p> <p>Driver qualification documentation must be maintained for three years.</p> <p>An applicant may not become a driver if the applicant is registered or required to register as a sec offender, has been convicted within the last ten years of driving under the influence of drugs or alcohol, fraud, use of vehicle to commit felony, felony involving property damage, theft and crimes defined as violent</p>	<p>Annual safety inspection of the vehicle performed by certified mechanic. The inspection must include inspection of foot brakes, emergency brakes, steering mechanism, windshield, rear window, windshield wipers, tail lights, turn indicator lights, stop lights, front seat adjustment mechanism, door capability to open, close, lock, unlock; horn, speedometer, bumpers, muffler and exhaust, tire condition, interior/exterior rearview mirrors, and safety belts.</p>	<p>A TNC or its driver must maintain primary auto insurance while the driver is logged on to the network or while the driver is engaged in a prearranged ride.</p> <p>While the driver is logged onto the network but not engaged in a prearranged ride, primary auto liability insurance of at least \$50,000 for death and bodily injury per person; at least \$100,000 for death and bodily injury per incident, and at least \$50,000 for property damage must be maintained; Uninsured motorist coverage</p> <p>While the driver is engaged in a prearranged ride, the following is required: Primary auto liability insurance that provides at least \$1,000,000 for death, bodily injury, and property damage Uninsured motorist coverage as provided by state law.</p>	<p>The Office of Regulatory Staff may assess each TNC an annual fee in an amount necessary to permit the Office of Regulatory Staff to carry out the requirements of Article 16 of Chapter 23, Title 58 of the 1976 Code.</p>	<p>6.1</p>
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<p>State of Tennessee</p> <p>House Bill 992</p> <p>Effective 7/1/15</p> <p>Companion Senate Bill 907</p> <p>TNCs are governed exclusively by this part. A TNC is not subject to any regulations passed by a municipality or other governmental entity governing private passenger for-hire vehicles pursuant to § 7-51-1003 and is not subject to the authority of the department of safety to regulate passenger operations pursuant to part 1 or part 2 of this chapter.</p>	<p>A TNC must conduct, or have third party conduct, a local and national criminal background check on any potential driver including a multi-state criminal records locator and national sex offender registry search; must obtain motor vehicle records for any potential driver.</p> <p>A TNC may not permit drivers who have been convicted of more than three moving violations or one major violation in the last 3 years, or who has been convicted, within 7 years, of driving under the influence of drugs/alcohol, fraud, sexual offense, use of motor vehicle to commit felony, crime involving property damage, theft, crime involving acts of violence, or acts of terror.; or applicants who are a match in the national sex offender registry, does not possess a valid license/registration, proof of automobile liability insurance, or who is not at least 19 years old.</p>	<p>None specified.</p>	<p>During the time driver is logged into the TNC network, insurance required: automobile liability insurance that meets at least the minimum coverage requirements set out in §55-12-102(12)(A)(i)(b).</p> <p>While driver is providing services: primary automobile liability insurance of at least \$1mil. for death, personal bodily injury, and property damage.</p>	<p>None specified</p>	<p>A TNC shall adopt a policy prohibiting solicitation or acceptance of cash payments from riders; drivers shall not solicit or accept cash payments from riders; any payment for services shall be made only electronically using the TNC's digital network or app.</p>
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<p>State of Utah</p> <p>Senate Bill 294</p> <p>Except as provided in Subsection (2), this chapter supersedes any regulation of a municipality, county, or local government regarding a transportation network company, a transportation network driver, or transportation network services. This chapter does not supersede a municipal, county, or local government regulation regarding a transportation network driver providing transportation network services at an airport.</p>	<p>Apply with TNC, criminal background check by the TNC or TNC designee and obtain and review report that list the individual's driving history. TNC shall not permit an individual to act as a driver on its network who had more than three moving violations in the prior three year period, or one major violation in the prior three year period; has been convicted, within the past seven years of DUI, fraud, sexual offenses, use of a motor vehicle to commit a felony, acts of violence or terror.</p>	<p>Safety and inspection as required in Sec. 53-8-205; equipment standards described in Sec. 41-6a-1601 and emission requirements adopted by a county.</p>	<p>TNC or TNC driver shall maintain insurance that covers, on a primary basis, a driver's use of a vehicle during a prearranged ride in an amount of \$1M. During "waiting periods", TNC or TNC driver shall maintain primary insurance in the amount of \$50K/\$100K/\$30K.</p>	<p>Registration fee in an amount to be determined by the Division of Consumer Protection</p>	<p>A driver pays a fee to a TNC in exchange for connection to potential passenger from TNC. Accessibility: If TNC cannot arrange wheelchair accessible service, it shall direct the rider to an alternate provider of wheelchair accessible service if available. Explicit preemption language included in bill Sec. 13-51-109 but grants airports their own authority to pass separate requirements.</p>
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<p>State of Virginia</p> <p>Senate Bill 1025</p> <p>Enacted 2/17/2015</p> <p>Except as otherwise provided in this chapter, every transportation network company, TNC partner, and TNC partner vehicle shall be subject to exclusive control, supervision, and regulation by the Department, but enforcement of statutes and Department regulations shall be not only by the Department but also by any other law-enforcement officer. Nothing in this section shall be construed as authorizing the adoption of local ordinances providing for local regulation of transportation network companies, TNC partners, or TNC partner vehicles.</p>	<p>The bill requires TNCs to ensure that all drivers are 21 years old and properly licensed to drive. They must conduct background checks on all drivers including conducting a national criminal background check, drug and alcohol check, obtaining a driving history report, and status on the state and national sex offender registries.</p>	<p>A TNC partner vehicles must be titled and registered personal vehicles; have a maximum seating capacity of no more than seven persons, excluding the driver. They must be registered with the DMV for TNC use and display TNC and DMV identification markers. The bill also requires TNC partners to have valid Virginia safety inspection and carry proof of that inspection in the vehicle.</p>	<p><u>Until January 1, 2016:</u> TNC insurance shall maintain a minimum vehicle liability coverage for death, bodily injury, and property damage in the amount of and the minimum amount of \$1 million; TNC insurance shall provide uninsured motorist coverage and underinsured motorist coverage to be applied from the moment a passenger enters a TNC partner vehicle until the passenger exits the vehicle. The minimum amount of uninsured motorist coverage and underinsured motorist coverage for death, bodily injury, and property damage is \$1 million; TNC insurance shall provide secondary motor vehicle liability coverage of at least \$125,000 per person and \$250,000 per incident for death and bodily injury and at least \$50,000 for property damage. <u>On and after January 1, 2016:</u> TNC insurance shall provide primary motor vehicle liability coverage of at least \$50,000 per person and \$100,000 per incident for death and bodily injury and at least \$25,000 for property damage.</p>	<p>An Initial TNC license fee of \$100,000 and an annual license renewal fee of \$60,000.</p>	<p>TNC must provide a credential to the driver and disclose information about the TNC partner and TNC policies to passengers.^{6.1} The DMC may conduct periodic reviews of TNCs to confirm compliance and authorizes fees to cover DMV's costs administering the program.</p>
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AIRPORT INFO

6.1

AIRPORT	AGREEMENT
NASHVILLE	Agreement was reached with Uber and Lyft to allow operations at Nashville International Airport. According to reports, Uber and Lyft are required to obtain a permit, pay user fees and be clearly identified.
SAN FRANCISCO	Agreement was reached with Uber, Lyft and Side Car to allow operations at SFO. According to reports, Uber, Lyft and Sidecar are subject to the same regulations and requirements for all permittees at SFO.

Appendix B

Compilation of all litigation against TNCs in the United States

LITIGATION CHART of U.S. CASES

6.1

Case Name	Court and Case No.	Subject Matter/Claims
National Federation of the Blind v. Uber Tech, Inc., et al.	Case No. 3:14-cv-04086-NC (N.D. Ca)	Violations of ADA/Disability discrimination
Solana v. Uber Tech., Inc., et al.	Case No. 21207509 (Circuit Court of the 11th Judicial Circuit, Miami Dade County, Florida)	Negligence
Albuquerque Cab Company Inc., et al. v. Uber Tech., Inc., et al.	D-202-CV-201405912	Unfair Competition
New Mexico Public Regulation Commission v. Lyft, Inc.,	D-101-CV-201401737 (New Mexico State Court)	Enforcement of PRC's cease and desist order
Child Doe, et al. v. Uber Tech., et al.	Civil Action No. CL15-2215 (Circuit Court for the City of Virginia Beach)	Sexual Assault/Kidnapping
McCandliss, et al. v. Uber Tech., Inc., et al.	Case no. 1:14-cv-03275 (N.D. GA)	Unfair Competition
Philliben, et al. v. Uber Tech., Inc., et al.	Case No. 3:2014cv05615 (N.D. CA)	Fraud
Davis, et al. v. Miami-Dade County, et al.	Case No. 2015-2645-CA-01 (11th Judicial Court of Florida)	Antitrust
Borja, et al. v. Uber Tech., Inc. and Lyft.	Case No. 1:15-cv-20040 (S.D. FL)	Labor Issue
Antman v. Uber Tech., Inc.	Case No. 3:15-cv-01175 (N.D. Ca)	Fraud/Privacy Breach
Ryan Lawrence v. Uber Technologies, Inc.	CGC-13-535949 (California Sup. Ct., County of San Francisco)	Negligence
Jiang Liu, et al. v. Uber Technologies, Inc [Tentative Settlement Reached]	CGC-14-536979 (California Sup. Ct., County of San Francisco)	Negligence/Wrongful Death
United Independent Taxi Drivers Inc., et al v. Uber Tech., Inc, et al.	BC51387 (California Sup. Ct., County of San Francisco)	Negligence
Herrera, et al. v. Uber Tech., Inc., et al.,	CGC-13-536211 (California Sup. Ct., County of San Francisco)	Negligence
Fahrbach v. Uber Tech., Inc.	CGC-13-533103 (California Sup. Ct., County of San Francisco)	Negligence
Goncharov, et al. v. Uber Tech., Inc.	CGC-12-526017 (California Sup. Ct., County of San Francisco)	Economic Interference
Landmark American Insurance Company v. Uber Tech., Inc., [Settled]	1:2013-cv-02109 (ND IL, Eastern Division)	Insurance Issue
O'Connor, et al. v. Uber Tech., Inc.	2013-cv-03826 (N.D. CA)	Worker misclassification
Lavitman v. Uber Tech., Inc	Civil Action No. 12-449 (Suffolk County Superior Court)	Unjust Enrichment
Dundar v. Uber Tech., Inc.,	Case No. 653400-2013 (Supreme Court of New York, New York County)	Promissory Estoppel
Boston Cab Dispatch Inc., et al. v. Uber Tech., Inc	Civil Action No. 13-10769-NMG (Massachusetts District)	Misrepresentation & Unfair Competition (Lanham Act) via illegal fares
Yellow Group, LLC, et al v. Uber Tech., Inc., [Voluntarily Dismissed]	Case No. 12-cv-7967 (N.D. IL, Eastern Division)	Misrepresentation & Unfair Competition (Lanham Act) via false advertising
Greater Houston Transportation Company, et al. v. Uber Tech., Inc and Lyft, Inc.,	Civil Action No. 14-941 (S.D. Texas, Houston Division)	Misrepresentation & Unfair Competition /Ridesharing vs For-Hire
Western Washington Taxicab Operators Association v. Uber Tech., Inc.	Case No. 14-2-08259-2 (Washington Superior Court)	Misrepresentation
Noorpavar v. Uber Tech., Inc.,	Case No. 2:14-cv-01771-JAK-JCG (C.D. CA)	Violation of Telephone Consumer Protection Act
Manzo Miguel, et al. v. Uber Tech., Inc.,	Case No. 1:2013cv-02407 (Circuit Court Cook County, IL)	Unfair Competition
Ehret, et al v. Uber Tech., Inc.	No. 12-CH36714 (Circuit Court Cook County, IL)	Defraud
Ramos, et al. v. Uber Tech., Inc., and Lyft Inc.	Case No. 5:14-cv-00502-XR (W.D. TX, San Antonio Division)	Violations of ADA/Disability discrimination
United Independent Taxi Drivers Inc., et al. v. Uber Tech., Inc. and Lyft, Inc.	Case No. BC513879 (California Superior Court, Los Angeles)	Economic Interference
City of Columbus v. Uber Tech., Inc.	No. 2014 EVH 60125 (Franklin County Municipal Court, Environmental Division)	Violation of City Regulations/Injunctive Relief
Greenwich Taxi, Inc., et al. v. Uber Tech., Inc. and Lyft	Case No. 3:14-cv-733 (District of Connecticut)	Misrepresentation/Unfair Trade Practices
The Yellow Cab Company, et al. v. Uber Tech., Inc., et al.	1:2012cv07967 (N.D. IL)	Unfair Competition
Cotter v. Lyft	Case No. 3:13-cv-04065-YGR (N.D. Ca)	Worker misclassification
LA Taxi Cooperative, Inc., et al. v. Uber Tech., Inc.	Case No. 3:15-cv-01257-MEJ (N.D. Ca)	False advertising (background checks of drivers)
The People of the State of California v. Uber Tech., Inc., et al.	Case No. CGC 14-543120 (Ca Sup. Ct., County of San Francisco)	False advertising/consumer protection
Ghazi v. Uber Tech., Inc., et al.	CGC-15-545532 (Ca Sup. Ct., City and County of San Francisco)	Unlawful Competition
Uber Tech., v. Berwick	CGC-150546378 (Sup Ct San Francisco)	Appeal of Labor Commissioner's decision re worker misclassification
City of Madison, W.I. v. Uber Tech., Inc.	3:2015cv00101 (Wisconsin Western District Court, Dane County)	Violation of City Regulations
Checker Cab Philadelphia, Inc. et al v. Uber Tech., Inc., et al. [Decision on March 3, 2015]	Civil Action No. 14-7265 (E.D., PA)	False Advertising/Unfair competition
Taxicab Paratransit Association of California v. Public Utilities Commission of the State of California	Case No. C076432 (California Court of Appeal, Third Appellate District)	Violation of equal protection rights under U.S. and CA constitutions
Taxicab Paratransit Association of California v. Public Utilities Commission of the State of California	Case No. S218427 (California Supreme Court, Los Angeles)	Environmental Issues
Illinois Transportation Trade Association et al., v. City of Chicago	Case No. 1:14-cv-00827 (N.D. IL)	Violation of the Takings Clause (5th Amendment) and Equal Protection (14th Amendment) of the U.S. Constitution
Black Car Assistance Corp., et al. v. the City of New York [Dismissed and closed.]	Case No. 100327/2013 (New York Supreme Court, New York County)	Violation of City Regulations
Uber Tech., Inc. v. John Doe	NO. C 15-00908 LB. (N.D. Ca)	Computer Fraud

Appendix C

Compilation of all TNC Incidents

JURISDICTION	DATE	INCIDENT	Source
Alexandria, VA, USA	7/20/2014	Police charged Uber Driver, Reshad Chakari, with second degree sexual abuse after a passenger accused him of assaulting her when she fell asleep during her cab ride home.	http://www.nbcwashington.com/news/local/Police-Make-Arrest-After-Woman-Accuses-Uber-Driver-of-Assault-268755481.html
Arlington, VA, USA	7/12/2015	An Uber driver was charged with misdemeanor sexual battery after allegedly groping a female passenger.	http://wjla.com/news/crime/uber-driver-charged-with-sexual-battery-after-allegedly-groping-passenger
Atlanta, GA, USA	9/7/2014	An Uber driver allegedly pulled a gun on a valet parking attendant and threatened to kill him. The employee asked the Uber driver to move forward to park in a designated space, at which time an altercation ensued. Subsequently, the Uber driver pulled out a gun and pointed it at the employee and told him he was going to kill him.	http://www.wsbtv.com/news/news/local/police-uber-driver-pulled-gun-threatened-kill-vale/nhHxc/
Avalon, NJ, USA	6/3/2015	An Uber driver got in the back seat with the passenger and started touching himself inappropriately and making inappropriate remarks to the female passenger. The passenger caught the whole thing on tape. The driver was removed from the Uber platform.	http://gothamist.com/2015/06/03/video_creepy_uber_driver_fondles_hi.php
Avon, OH, USA	8/16/2015	An Uber driver is accused of sexually assaulting a passenger before dropping her off at her housing development. The passenger was too scared to go home and called 911 while hiding in the bushes by the housing development's pool house.	http://www.cleveland.com/avon/index.ssf/2015/09/avon_police_to_pursue_sexual_a.html

Boston, MA, USA	12/6/2014	An ex-Uber driver Alejandro Done, 46, plead guilty to kidnapping, aggravated rape and assault and battery. He was sentenced to serve 10-12 years in prison. He had picked up a woman on Dec. 6 on Tremont Street in Boston and raped her in Cambridge. He has also been connected to 5 other assault cases. Although he was not a driver for Uber at the time of the rape, he had passed Uber's criminal record checks while he was working for them.	http://www.wcvb.com/news/uber-driver-charged-with-rape-eyed-in-2-other-assaults/30291782 http://www.dailymail.co.uk/news/article-3277241/Ex-Uber-driver-pleads-guilty-Boston-rape-gets-prison.html
Boston, MA, USA	2/8/2015	An Uber driver was charged with indecent assault and battery against a passenger. A female passenger said the driver touched her indecently several times on her ride home.	http://www.bostonglobe.com/metro/2015/02/09/boston-uber-driver-charged-with-indecent-assault-and-battery-boston-police-say/k9eKsX2q95hA9bdM13lorJ/story.html
Charleston, SC, USA	8/9/2015	A middle school teacher moonlighting as an Uber driver was charged with kidnapping and first-degree criminal sexual conduct after sexually assaulting a passenger and kicking her out of the car on the highway. The passenger was then hit by another car. The driver admitted his crimes to the police.	http://www.abcnews4.com/story/29760841/records-jerry-zucker-6th-grade-teacher-arrested-for-criminal-sexual-conduct
Chengdu, China	8/26/2015	An Uber driver was charged with robbery and rape after he pulled a knife on a female customer demanding all her money and then proceeding to rape her and take photographs of her exposed. He dropped her off 3 hours later and threatened her with the photos not to report the crime.	https://www.techinasia.com/uber-nightmare-chinese-woman-robbed-sexually-assaulted-threehour-ordeal/
Chicago, IL, USA	3/8/2014	A driver for Uber faced battery charges for allegedly fondling a passenger.	http://www.nbcchicago.com/news/local/Former-Uber-Driver-Charged-With-Fondling-Passenger-254799501.html

Chicago, IL, USA	7/31/2014	Uber driver, Adnan Nafasat, overpowered and choked his 21-year-old male victim after asking him to sit in the front of his personal car because the back seats were dirty. Police charged the driver with criminal sexual assault, unlawful restraint and kidnapping.	http://www.nbcchicago.com/news/local/uber-driver-charged-288586431.html
Chicago, IL, USA	11/16/2014	A woman told police her Uber driver asked her to sit in the front seat because he was unfamiliar with the area. The driver began assaulting the woman and she blacked out. She woke up to find herself being raped by the driver in an unfamiliar apartment after which he drove her home.	http://www.chicagotribune.com/news/local/breaking/chicago-investigating-uber-driver-20141209-story.html
Chicago, IL, USA	6/6/2015	An Uber Driver was arrested and charged with disorderly conduct, after allegedly exposing and touching himself to a female passenger. He was later found to have had several driving and criminal offences on his record that showed a crack in the Uber background checks.	http://www.sjr.com/article/20150612/NEWS/150619807 http://abc7chicago.com/news/uber-driver-removed-from-platform-after-failed-background-check-/808080/
Columbus, OH, USA	8/29/2015	Monica L. Serrott was run over by the rear wheel of an Uber vehicle and was pronounced dead on the scene. The cause of the accident was not determined and no charges were filed.	http://www.dispatch.com/content/stories/local/2015/08/28/woman-dies-after-struck-by-vehicle-on-north-side.html
Dallas, TX, USA	7/25/2015	Talal Ali Chammout, an Uber Driver, with a criminal record for possession of dozens of guns was arrested for raping a female passenger. He allegedly followed her into her house knocked her out and raped her. The victim is now suing Uber, the driver and his limousine company seeking more than a \$1 million in compensation for medical expenses and mental and physical damages.	http://thescoopblog.dallasnews.com/2015/08/dallas-woman-sues-uber-after-accusing-driver-of-sexual-assault.html/

Delhi, India	5/30/2015	A sexual harassment case was filed against an Uber driver after he tried to forcibly kiss a female passenger.	http://www.huffingtonpost.in/2015/06/01/uber-molest-girl-delhi_n_7482914.html
Delhi, India	6/28/2015	An Uber driver was arrested for molesting a US tourist passenger.	http://www.deccanherald.com/150731/nation-crime/article/us-tourist-alleges-molestation-uber-driver-delhi
Delhi, India	12/7/2014	Uber Driver, Shiv Kumar Yadav, was arrested for allegedly sexually assaulting and beating a female passenger. He was found guilty on November 3, 2015 and sentenced to life in prison. Delhi's Transportation department banned Uber from operating in the city after this incident but they later resumed operations.	http://www.cnet.com/news/uber-banned-from-india-capital-after-alleged-rape-incident/ http://money.cnn.com/2015/11/03/news/uber-india-rape-sentence/
Denver, CO, USA	3/31/2015	After dropping off a passenger at the airport, Gerald Montgomery, an Uber Driver, went back to the passenger's home in an attempt to rob it but was surprised by her roommate being home. The driver was taken into police custody and deactivated by Uber pending the investigation.	http://www.people.com/article/uber-driver-arrested-attempted-burglary
Gold Coast, Australia	9/4/2015	Uber Driver yelled at his passenger mid-ride to get out of the cab and then dragged her out of the car himself and proceeded to drive over her leg. The passenger was taken to the hospital with a suspected broken leg and blood clot. Police are investigating the crime and Uber deactivated the driver's account on the platform.	http://www.dailymail.co.uk/news/article-3224535/Gold-Coast-woman-suffers-broken-leg-blood-clot-run-Uber-driver.html
Houston, TX, USA	1/26/2015	An Uber driver was arrested for sexual assault after allegedly taking an intoxicated passenger back to his home and raping her. The driver had previously served 14 years in jail for a drug related crime, which would have disqualified him as a driver by the state law.	http://www.houstonpress.com/news/updated-what-we-know-so-far-about-the-local-uber-driver-accused-of-raping-a-passenger-6715846

Kolkata, India	7/8/2015	An Uber driver was caught masturbating while a 25-year old female passenger was in the car. He was arrested by police and Uber deactivated his account.	http://time.com/3967215/uber-india-driver-arrested-kolkata-masturbating/
London, UK	3/1/2014	An Uber Driver allegedly asked female passenger if she wanted him to perform oral sex on her, offering to pull over on a side street to do so. He was removed as a driver from the platform and the passenger was refunded for the trip.	http://metro.co.uk/2014/12/11/uber-driver-sacked-for-asking-london-passenger-to-perform-oral-sex-4982897/
London, UK	5/17/2015	An Uber Driver pulled over halfway through a passenger's journey from Kensington to Islington demanding that the passenger gets out of the car and told her "I hope you get raped" after the passenger had commented that he was taking a longer route. The passenger pleaded to be driven to her destination which ended up taking twice as long as it should have. After complaining to Uber she was reimbursed for the fare and the driver was de-activated from the platform.	http://www.london24.com/news/crime/i_hope_you_get_raped_uber_driver_tells_woman_1_4077895
London, UK	6/28/2015	After an Uber client cancelled her reservation she received a voicemail from the Uber driver verbally assaulting her and threatening to cut her neck. Uber was notified, the driver was suspended pending investigation and the police were notified.	http://www.dailymail.co.uk/news/article-3156053/Lecturer-left-terrified-Uber-driver-threatened-slit-throat-chilling-voicemail-left-cancelled-taxi.html
London, UK	7/2/2015	Florian Pedemanaud, an Uber passenger, says that he was in a car accident that resulted in the car bursting into flames due to an Uber Driver's reckless driving. They were on the highway on their way to Heathrow Airport. Uber refunded his fare and deactivated the driver but claims no liability for the accident since the driver is an "independent contractor".	http://www.standard.co.uk/news/london/uber-crash-victim-offered-35-refund-after-minicab-crashes-on-m4-and-bursts-into-flames-10370220.html

London, UK	10/8/2015	Uber Customer, Susan Ismaeel, claims that an Uber driver twice tried to drive off while she had not completed her entrance into the car resulting in a gash to her head and scrapes and bruises on her legs.	http://www.mirror.co.uk/news/uk-news/uber-customer-taken-hospital-after-6594474
Los Angeles, CA, USA	4/25/2015	A USC student alleges she was raped by an Uber Driver after he drove her home from a party.	http://www.nbclosangeles.com/news/local/USC-Student-Accuses-Uber-Driver-Rape-302111731.html
Los Angeles, CA, USA	10/14/2014	A Los Angeles Uber customer decided to leave a party for home early via UberX. Instead of taking her home, the driver took her on a nightmare ride to an abandoned lot, 20 miles away from her destination. The driver then locked the doors and would not let her out which prompted the passenger to scream for help, only then did the driver take her home. Uber first responded to the passenger's claim by apologizing for the inefficient route and partially refunding the fare. A day later they refunded the rest of the fare.	http://valleywag.gawker.com/uber-calls-womans-20-mile-nightmare-abduction-an-ineff-1645819700
Los Angeles, CA, USA	2/1/2015	A Los Angeles Uber driver wasn't working early Sunday morning, but he allegedly pulled over to pick up a passenger anyway and then sexually assaulted her.	http://www.bizjournals.com/losangeles/news/2015/02/03/off-duty-l-a-uber-driver-accused-of-sexual-assault.html
Los Angeles, CA, USA	6/2/2014	An Uber driver was arrested for kidnapping for the purpose of sexual assault after a woman woke up in a motel room with him following a night of drinking.	http://abc7.com/news/uber-driver-takes-drunk-woman-to-motel-arrested/91780/
Los Angeles, CA, USA	6/3/2015	Woman claims Uber driver verbally assaulted her, dragged her out of the car, and left her on the street after she told him he was driving the wrong way on a one-way street. Uber refused to release the driver's full name for the police report but said that they had deactivated the driver from the platform and refunded the passenger's \$4 cancellation fee.	http://laist.com/2015/06/04/uber_driver_behaving_badly.php

Madison, WI, USA	4/25/2015	An Uber driver is accused of inappropriately touching a female passenger and commenting that he would take her to a different destination than the one requested. Only after the passenger continued to demand to be let out of the vehicle did he let her go. Uber would not release the driver's information to the police without a warrant or subpoena.	http://www.nbc15.com/home/headlines/Police-Woman-inappropriately-touched-by-Uber-driver-301479391.html
Melbourne, Australia	1/1/2015	An Uber driver was arrested for indecently assaulting a 19-year-old female passenger on New Year's Day.	http://www.heraldsun.com.au/news/law-order/uber-driver-arrested-over-alleged-sex-assault-in-melbourne/news-story/200c9101a4f31ec7218507d7bd6b6d4a
Mississauga, Canada	5/17/2015	A Mississauga Uber driver was charged by York Police with sexual assault. He allegedly told a female passenger that she could either pay with money or by other means, when she exited the car he got out and sexually assaulted her.	http://www.theglobeandmail.com/news/toronto/uber-driver-charged-with-sexual-assault-on-female-passenger-in-vaughan-ont/article24519289/
New York City, NY, USA	9/1/2014	After The Daily Beast writer Olivia Nizzi reached her destination on an Uber ride, the Uber driver asked her if she had been near Lincoln Center a few hours earlier. She said she hadn't, since she didn't remember walking past there. Then he took out his iPad. "Really?" he asked. "Because you look like this girl." He turned the iPad around to face the back seat. To her surprise, she saw a full-length, close-up picture of herself, wearing the workout clothes she'd had on an hour previously. The Uber driver asked her if she wanted him to send her the picture. The driver continued to harass her via email, contacting her employer and her friends through Facebook after getting her full name from the driver's own Uber app.	http://www.thedailybeast.com/articles/2014/03/28/uber-s-biggest-problem-isn-t-surge-pricing-what-if-it-s-sexual-harassment-by-drivers.html

New York, NY, USA	4/30/2015	An Uber driver is accused of assaulting a female passenger after she fell asleep in the car. She woke up to find him caressing her face and trying to kiss her. She ran out of the car and eventually filed a report with the police. Uber deactivated the driver from the platform.	http://newyork.cbslocal.com/2015/04/30/uber-driver-assault-allegation/
Oklahoma City, OK, USA	12/1/2014	An Oklahoma City real estate broker claims in a lawsuit that he needs dental surgery after a late-night ride through the ridesharing service, Uber, ended with a punch in the face in the parking lot of an Arby's restaurant.	http://newsok.com/oklahoma-city-uber-passenger-sues-after-scuffle-with-driver/article/4879999/?page=1
Orlando, FL, USA	9/19/2014	Ramy Botros, an Uber Driver, was arrested and charged with battery after a passenger said he had groped her breast and driven around aimlessly before dropping her off at her destination.	https://www.washingtonpost.com/news/tonpost/wp/2014/09/25/uber-driver-arrested-for-groping-a-woman-because-she-was-asking-for-that/
Paris, France	1/17/2015	An Uber driver was arrested and charged with sexual assault on a female passenger after he would not let her out of the vehicle ordering her to perform oral sex.	http://www.theverge.com/2015/3/25/8287519/uber-driver-arrested-sexual-assault-paris
Philadelphia, PA, USA	7/17/2014	An Uber driver got out of his car and started banging on Lorraine Delp's car and spit on her window. When she got out of the car to confront him, she claims that he physical assaulted her resulting in a broken nose and her earring being pushed into the skin of her neck. The driver was arrested for assault and reckless endangerment. Lorraine Delp has filed a civil law suit against Uber and the driver for the assault.	http://www.nydailynews.com/news/crime/philly-uber-driver-beat-model-traffic-jam-lawsuit-article-1.2054316

Philadelphia, PA, USA	2/6/2015	A police report was filed claiming an Uber driver raped a female passenger and then continued to drive around for two hours before letting her go. Uber claims it was not informed of the incident by police and therefore it took them a month to deactivate the driver.	http://time.com/3757398/uber-rape-philadelphia/
Roselle Park, NJ, USA	8/22/2015	An Uber driver raped a female customer when she invited him into her home with a female friend after driving them around all evening. He was arrested by police for the sexual assault and removed by Uber from their platform.	http://www.nydailynews.com/news/national/uber-driver-25-accused-raping-woman-nj-apartment-article-1.2340882
San Diego, CA, USA	9/5/2015	After a female passenger vomited in a Lyft car, the driver told her there is a 200\$ cleaning fee or 100\$ if she pays it in cash. When she went into her house to get the cash, the driver followed her in, groped her and demanded sexual favors and in exchange he would waive the cleaning fee. The passenger was able to get the Lyft driver to leave and is now suing him and Lyft for the incident. The passenger seeks punitive damages for sexual battery, civil rights violations, gender violence and negligence. Her lawyer argues that Lyft charges \$1.50 as a "trust and safety fee" but fails to take the necessary safety measures.	http://www.sandiegouniontribune.com/news/2015/oct/30/lyft-lawsuit/
San Francisco, CA, USA	12/31/2013	Six year-old Sophia Liu was hit and killed by a vehicle driven by Uber driver Syed Muzaffar, who was logged into the Uber app at the time. Muzaffar had a reckless driving record from almost 10 years prior. Attorneys for Uber argue that the company was not liable for the death because the driver was an independent contractor.	http://www.sfgate.com/bayarea/article/Uber-denies-fault-in-S-F-crash-that-killed-girl-5458290.php

San Francisco, CA, USA	11/24/2014	Daveea Whitmire was charged with two misdemeanor battery counts, one of which stems from a fight with a passenger he picked up through UberX. Whitmire has a felony conviction from 2009 for selling marijuana, a felony charge from 2012 for selling cocaine and is currently on probation for a battery charge. Uber insisted that the driver had passed its standard background checks.	http://www.forbes.com/sites/ellenhuet/2014/06/03/uber-driver-with-felony-conviction-charged-with-battery-for-allegedly-hitting-passenger/
San Francisco, CA, USA	10/15/2015	An Uber Driver threatened to kill and rape a passenger over the phone when he couldn't find her at the pick up location. He called several times verbally assaulting her. Uber contacted the passenger to apologize after she spread news of her encounter on social media. The San Francisco Police department is conducting a criminal investigation on the driver.	http://gawker.com/san-francisco-uber-driver-fired-after-allegedly-threate-1737356150
San Francisco, CA, USA	9/23/2014	Roberto Chicas, a 35-year-old San Francisco bartender, climbed into an UberX car around 2 a.m. and expected to get home safely. Instead, he landed in the hospital after his driver allegedly bashed in his face with a hammer after a dispute over the route.	http://www.forbes.com/sites/ellenhuet/2014/09/30/uber-driver-hammer-attack-liability/
Seattle, WA, USA	5/30/2015	When a Lyft passenger forgot her phone in the car, she called it and the driver answered demanding sex in exchange for the phone. He then came to her house and when she reached for the phone inside the car he drove off dragging her slightly causing her multiple abrasions and lacerations.	http://www.geekwire.com/2015/lyft-driver-in-seattle-allegedly-drags-customer-behind-car-after-demanding-sex/
Sydney, Australia	10/17/2015	An Uber driver was arrested by police for sexually assaulting a British tourist after offering her a ride off the street. The ride was not booked through the platform. Police have CCTV footage capturing the driver purchasing condoms before the assault.	http://www.businessinsider.com.au/a-ride-sharing-driver-has-been-arrested-for-rape-in-sydney-2015-10

Toronto, Canada	6/20/2015	Fareborz Karandish, an Uber driver, is sought by police for allegedly sexually assaulting a 21 year old female passenger in the vehicle.	http://www.torontosun.com/2015/09/25/uber-driver-wanted-for-june-sex-assault
Toronto, Canada	9/15/2015	Toronto police have charged Uber Driver, Amritpal Singh, with sexual assault and forcible confinement after a passenger claimed he sexually assaulted her in the car outside her destination.	http://www.cp24.com/news/uber-driver-accused-of-sexual-assault-in-police-custody-1.2607295
Virginia Beach, VA, USA	11/7/2014	A 13-year old girl had been using Uber to get back and forth from school when she kept getting the same driver who would make inappropriate comments to her despite her giving him low ratings on the app. After several of these uncomfortable rides with the same driver, the girl's mother says the driver reached back and touched her daughter inappropriately asking if her mom was home. The mother is now suing Uber and the driver for \$2 million in compensatory damages and \$350,000 in punitive damages on claims of assault, battery, intentional infliction of emotional distress, negligence, and negligence hiring and retention.	http://www.courthousenews.com/2015/06/16/mom-says-uber-driver-molested-her-daughter.htm
Washington, D.C., USA	7/8/2014	Ryan Simonetti, CEO of New York-based Convene, and two colleagues claim to have been kidnapped, after they summoned an Uber Car. Simonetti said that as they approached their Uber car, they spotted a D.C. taxi inspector talking to the driver. But after they got in the car, the driver started driving and running red lights for about 10 minutes, while being followed by the Taxi Inspector.	http://www.washingtonpost.com/blogs/dr-gridlock/wp/2014/07/09/man-visiting-d-c-says-uber-driver-took-him-on-wild-ride/

Washington, D.C., USA	12/10/2012	A teenage girl was returning home after a late night. The Uber driver pulled into her driveway and after she got out, he waved her back and she complied. That's when he allegedly struck her on the head and raped her. The family has a surveillance camera that shows the driver carrying the girl back to the house.	http://www.nbcwashington.com/news/local/Teen-Accuses-Uber-Driver-of-Rape-183599831.html
Washington, D.C., USA	2/13/2012	A customer's burp allegedly sent the driver into anti-American, anti-gay rant. After customer stepped out of the car, the driver spat in his face and slapped him, the filed complaint claims.	http://www.washingtoncitypaper.com/blogs/citydesk/2013/03/08/uber-driver-allegedly-assaults-customer-for-burping/
Washington, D.C., USA	9/8/2013	A man named Erik Search claims that the driver of the Uber car he ordered on the night of Sept. 8, 2013 was behaving oddly, so he and his friends got out and walked away but were followed. The driver, Yohannes Deresse, then allegedly drew a knife and stabbed Search more than half-a-dozen times, causing major injuries. Uber is being sued for \$2 million.	http://dcinnostreetwise.co/2015/02/24/uber-is-being-sued-for-2m-over-an-alleged-stabbing-in-dc/
San Francisco, CA, USA	9/24/2014	An Uber driver is accused of sexually harassing three female passengers when they used the service to get home. When the women confronted the driver about his actions he stopped in the middle of the highway and started yelling at them. Uber suspended the driver's account pending an investigation.	http://abc7news.com/325011/
Washington, D.C., USA	7/19/2014	An Uber passenger passed out in the car and woke up to find the driver sexually assaulting her. The passenger was able to text her friend that she was in trouble, the friend then called the driver which scared him into dropping her off at a nearby hotel.	http://valleywag.gawker.com/another-uber-driver-stands-accused-of-sexually-assault-1612258968

Appendix D
PVAC Meeting Summary

October 1, 2015 □PVAC Hearing (Summary of Comments)

On October 1, 2015, the Public Vehicle Advisory Committee “PVAC” held a public hearing to discuss Transportation Network Company Regulations. All relevant stakeholders and interested parties were encouraged to voice their concerns and recommendations for consideration in this report. The following is a summary of comments from the meeting:

A representative from All Star Taxi (250 drivers) said that the belief that the current regulation system in Mississauga is very good and that TNCs should be made to operate within the current system. He asked that the definitions of “Broker” and “Driver” be revised in the current by-laws to include TNCs so that they can be regulated under the current system. A motion to refer this idea to counsel was passed unanimously.

It was then clarified by the PVAC Chairperson that currently TNCs were considered to be brokers and that their operation without proper licenses is considered illegal and the City has been enforcing that by-law. However, the Chairperson explained that the problem is not with the laws, but with the resources given to his department to enforce the law. He explained that there are only nine officers on the road and they cannot effectively stop every TNC driver on the road with such limited resources. At the end of the meeting, it was noted that the city finds about 10-15 unlicensed drivers per day.

A representative from Uber recommended that counsel look at different cities and states that have already passed TNC laws for guidance. He said TNCs should not be treated the same as taxis because they have different business models; they don’t allow street hailing and their drivers work less hours (less than 5-10 hours per week). He claimed that Uber gives some people an opportunity to earn extra income. The representative argued that Uber is expanding the transportation market, not taking a share of a fixed market and that their competition is not taxis but the personal automobile. The representative stated that there is no need for cameras in their vehicles for safety because the Uber driver does not accept street hails and that the driver and riders are identified on Uber’s system.

Discussing commercial insurance, the representative explained that Uber has a \$5 million dollar per incident contingent insurance policy on its platform. He further explained that their drivers don’t need commercial insurance since their cars are not used as many hours as taxis. Uber welcomes an insurance package that is more catered to TNC usage. The representative also said that Uber performs background checks, vehicle inspections, and has insurance which Uber welcomes to be codified into law. He explained that Uber is not licensed anywhere in Canada because Uber doesn’t believe the current laws require it to be licensed. The representative defended its pricing, explaining that its prices are completely transparent, that prices are fixed and available on the app before each ride. He said the price is determined by supply and demand (surge pricing) and that hotels and airlines do the same thing. He recommended that regular taxis

should adopt flexible price systems like Uber's system. He said that there are 10-12,000 registered drivers with Uber in the Greater Toronto Area (GTA) and that more than 30% of them only drive 5 hours per week.

A committee member recommended that Uber should request the Province to take up the TNC matter. She explained that while she understands that TNCs are here to stay, the incumbent industry should not be abandoned and that the Province should assist with the transition by perhaps buying up all the old plates and retraining.

Another taxi industry representative spoke, questioning Uber's tax obligations. He showed a newspaper ad claiming that Uber drivers collectively have made \$50 million and asked if taxes were paid on those. (An earlier comment had been made by a PVAC committee member and confirmed by the Uber representative that since Uber drivers are considered independent contractors, they are only required by law to have an HST number if they make more than 30,000 dollars and that responsibility falls on the driver. On the other hand, licensed taxi drivers are required to have an HST number regardless of the amount of income they generate.) The taxi industry representative pointed out that when Uber started in Mississauga they only charged drivers 20% of each fare but that number was later increased to 25% which is more than what a normal brokerage charges. He recommended that four definitions need to be changed for the TNCs to be brought under the current framework; Broker, driver, vehicle and taxi.

The Chairperson of the Accessibility Advisory Committee made a brief statement requesting that the report include accessibility concerns.

A representative from BramCity Taxi also made a statement maintaining that the current taxis in Mississauga have the technology (smartphone apps), that TNCs are not offering a service that taxis don't provide, but, even more so, they offer services to everyone (non-smartphone holders, cash payers, and people with disabilities) which TNCs are not doing. However, TNCs ability to avoid taxes, commercial insurance and other regulations taxi companies have to abide by allows TNCs to set lower prices than the current taxi companies. Thus, taxi companies cannot compete fairly with TNCs.

Appendix E

Comments by Stakeholders Submitted to Windels Marx
in Preparation for the Study

From: Chris Schafer <chris.schafer@uber.com>
Sent: Thursday, October 01, 2015 1:29 PM
To: Mississauga
Cc: Daus, Matthew
Subject: Uber: Mississauga
Attachments: Mississauga-Best Practices re TMAs (1).pdf

Dear Mr. Daus,

I am bringing this to your attention (see attached). It's a letter that was included as part of the agenda at today's PVAC meeting.

Please let me know if I can be of any further assistance with your review.

Sincerely,

Chris Schafer
Uber Public Policy Manager - Canada
chris.schafer@uber.com | +1 (647) 389-8052
www.uber.com



August 27, 2015

Mr. Mickey Frost
Director, Enforcement
Transportation & Works Department
City of Mississauga
300 City Centre Drive
Mississauga, ON
L5B 3C1

Dear Mr. Frost,

RE: Best Practices in Dealing with Mobile Taxicab Mobile Applications (TMA) from other Cities

As you know, city staff has been directed to report on best practices in dealing with mobile taxicab applications from other cities at the September 22, 2015, meeting of the Public Vehicles Advisory Committee (PVAC). In anticipation of that report, I am writing to you in advance to provide the perspective of Uber Canada with respect to this pending report.

As you are aware, Uber is a global technology company with operations in 59 countries and over 330 cities around the world. In Canada, Uber is available in Edmonton, Toronto (the Greater Toronto Area (GTA) including Mississauga), Ottawa, South Western Ontario (Hamilton, Region of Waterloo, London, and Guelph), Montreal, Quebec City, and Halifax. Uber has hundreds of thousands of riders and over 13,000 driver partners in the GTA, a majority of whom drive on the Uber platform part-time.

As a technology company, Uber connects passengers and drivers without the need for a physical intermediary. Passengers use the Uber smartphone application (app) to request a ride on-demand from wherever they happen to be. Drivers, who choose to partner with Uber, use the Uber driver app to receive ride requests from nearby passengers.

In Mississauga, Uber offers a range of products including uberX, uberXL, and uberSELECT. UberX, our peer-to-peer ridesharing service priced at 40-50 percent less expensive than traditional taxi in Mississauga, is the focus of this written submission. UberXL is a larger format uberX vehicle capable of seating more than the traditional four passengers, while uberSELECT guarantees a higher end uberX vehicle such as a BMW, Mercedes, etc.

Across Canada, Uber has been actively engaged in meeting with provincial and municipal officials, both elected and bureaucratic, to share information about Uber and to discuss smart regulatory frameworks to govern ridesharing. To date, there is no Canadian jurisdiction in which Uber is banned. In fact, a number of jurisdictions in Canada are actively engaged in review of their taxi by-laws and ridesharing/Uber:

U B E R

- In Vancouver, a Motion was passed late last year to study “the benefits of ridesharing” and report back to Council. Uber and other traditional stakeholders have been actively engaged in stakeholder roundtable consultations on the future of the for-hire transportation sector in Vancouver.
- In Edmonton, it is anticipated that draft TNC by-laws will be presented to the Executive Committee and City Council this fall.
- In Toronto, city staff is preparing a report for consideration by the Licensing and Standards Committee and Council this September with respect to ridesharing/Uber.
- In Ottawa, city staff is engaged in a comprehensive taxi by-law review that will examine ridesharing/Uber this fall, with a new by-law anticipated by the end of 2015 to regulate TNCs such as Uber.
- At the Region of Waterloo, city staff introduced a first-of-its-kind draft by-law to regulate TNCs like Uber. This draft by-law will undergo successive revisions as the public and industry stakeholder consultation process unfolds; a process which includes Uber.

As is evident from the list above, several jurisdictions in Canada are actively considering regulation to address the existence of ridesharing/uberX since its inception in Canada, starting in Toronto in September 2014. Uber has always been supportive of smart adaptable regulations for ridesharing that ensures public safety and consumer interests remain protected.

Internationally, as ridesharing has matured, many jurisdictions have already drafted and passed ridesharing regulations. In fact, 50+ jurisdictions at the state and/or city level in the United States, including Mexico City and the Philippines globally, have adopted smart ridesharing regulations known as Transportation Network Company (TNC) regulations, separate and apart from traditional taxi and limo regulation.

For those jurisdictions interested in studying ridesharing in advance of adopting TNC style regulations and/or amending existing for-hire transportation by-laws, Temporary Operating Agreements (TOAs) have been signed between the TNC (Uber) and municipality to govern the operation of TNCs during this interim period, allowing cities to take the necessary time to study ridesharing before making decisions on an appropriate regulatory response. See the info-graphic below that outlines U.S. jurisdictions with ridesharing regulations and TOAs in place.

Given the recent Ontario Superior Court decision which dismissed the City of Toronto's application for injunctive relief against Uber (in addition to a similar decision from a lower court in Edmonton, Alberta), I understand that Mississauga enforcement staff will now review options to regulate Uber, which includes the engagement of consulting services for the regulation of TMAs like Uber, with a report due back to Council by the end of

U B E R

2015. I look forward to being a constructive participant as that process unfolds in Mississauga.

I would respectfully encourage the City of Mississauga to continue to encourage the Province of Ontario to adopt a smart regulatory framework for ridesharing at the provincial level so that all Ontarians can have consistent access to ridesharing across the province and benefit from the availability of innovative transportation alternatives and the job creation it brings.

At the same time, I would encourage the City of Mississauga to review and learn from the 50+ jurisdictions, including Austin, TX, Washington, DC, and the State of Illinois, in the United States that have already successfully adopted ridesharing regulations to govern TNC's such as Uber and in doing so, have ensured that citizens in those respective jurisdictions continue to have access to a safe, more affordable and more reliable transportation option.

A Leger poll released on August 25, 2015, found that 1 in 5 Greater Toronto Area (GTA) residents have used the Uber app and 4 in 5 Ontario residents believe Uber should continue to operate in the province of Ontario. By adopting smart regulatory responses to ridesharing, Mississauga will be well positioned to harness the economic potential of ridesharing to create jobs for local residents and create value for local consumers by providing them with enhanced transportation alternatives.

Sincerely,

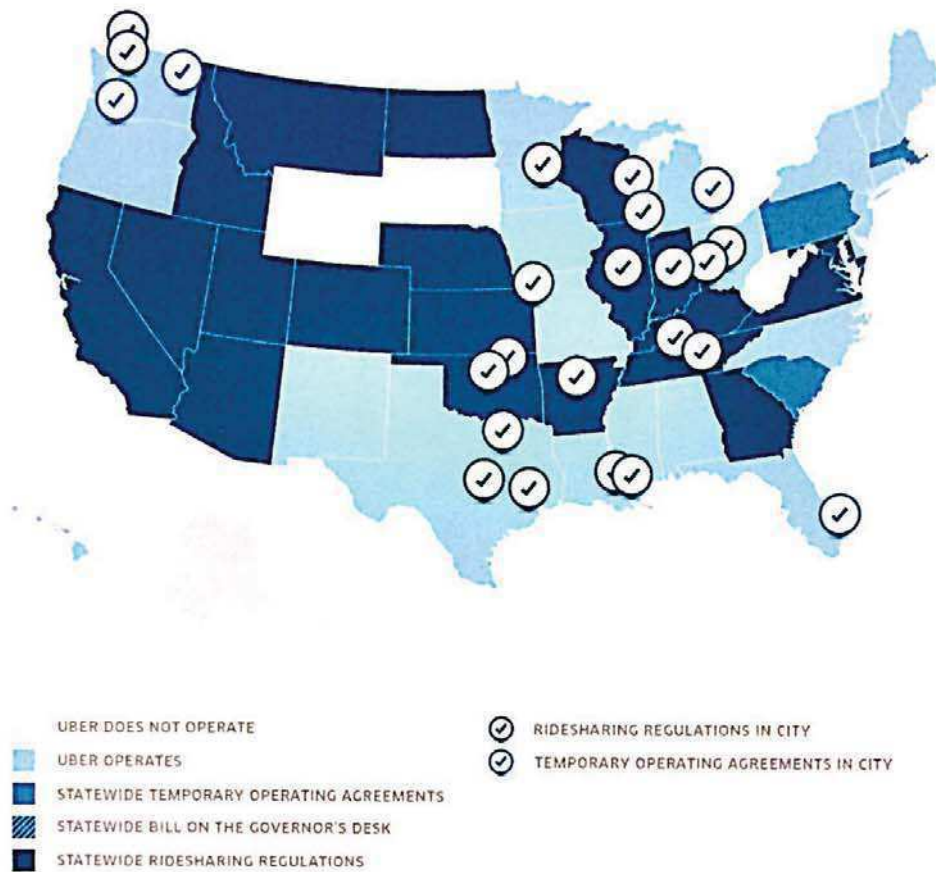


Chris Schafer
Public Policy Manager
Uber Canada

cc: Mr. Daryl Bell
Ms. Karen Morden
Ms. Sacha Smith
Mayor Bonnie Crombie - Mayor
Councillor Jim Tovey
Councillor Karen Ras
Councillor Chris Fonseca
Councillor John Kovac
Councillor Carolyn Parrish
Councillor Ron Starr
Councillor Nando Iannicca
Councillor Matt Mahoney
Councillor Pat Saito
Councillor Sue McFadden
Councillor George Carlson

Nearly 1M people have signed petitions supporting ridesharing in their cities.

6.1



RIDESHARING REGULATIONS

COLORADO 4.28.2014	HOUSTON 8.6.2014	LITTLE ROCK 11.18.2014	VANCOUVER 2.26.2015	NORTH DAKOTA 4.18.2015	TENNESSEE 5.20.2015
CHICAGO 5.28.2014	TULSA 8.28.2014	DALLAS 12.5.2014	KENTUCKY 3.19.2015	KANSAS CITY 4.23.2015	KANSAS 5.22.2015
BATON ROUGE 6.25.2014	CALIFORNIA 8.28.2014	NASHVILLE 12.16.2014	UTAH 4.1.2015	WISCONSIN 5.1.2015	BLOOMINGTON 5.26.2015
SEATTLE 7.14.2014	AUSTIN 10.16.2014	CHATTANOOGA 1.6.2015	ARKANSAS 4.6.2015	INDIANA 5.5.2015	NEBRASKA 5.27.2015
MINNEAPOLIS 7.18.2014	OKLAHOMA CITY 10.21.2014	SPRINGFIELD, IL 1.6.2015	IDAHO 4.7.2015	GEORGIA 5.6.2015	NEVADA 5.29.2015
COLUMBUS, OH 7.21.2014	DC 10.28.2014	ILLINOIS 1.12.2015	NEW ORLEANS 4.9.2015	OKLAHOMA 5.8.2015	
MILWAUKEE 7.22.2014	CINCINNATI 10.29.2014	VIRGINIA 2.17.2015	ARIZONA 4.10.2015	MARYLAND 5.12.2015	

TEMPORARY OPERATING AGREEMENTS

DETROIT MASSACHUSETTS PALM BEACH PENNSYLVANIA PORTLAND SOUTH CAROLINA
SPOKANE

From: Al Cormier
Sent: Friday, October 02, 2015 11:56 AM
To: Mississauga
Cc: Ron Starr; 'Carolyn Parrish'; mickey.frost@mississauga.ca
Subject: City of Mississauga study - Taxi Regulations

As a member of the City's Public Vehicle Advisory Committee, I thank you for the opportunity to comment on the study you are conducting for the City of Mississauga on its taxi regulations. We all know that the appearance of UBER on the scene is disrupting the taxi industry and caused this study. Your assignment, as I understand it, is to analyze the situation and advise the city on options for moving forward with regulatory reforms - if needed. I have the following comments to submit:

1. I am a citizen representative on the Committee and my comments are aimed at maintaining or improving mobility services for Mississauga's residents. I am cognizant of the fact that the 'taxi industry' needs to operate under a regulatory regime that is both fair and not too intrusive. The industry is well represented by other Committee members who never miss an opportunity to speak on their behalf.
2. According to media coverage, UBER seems to be well received by the general public and we therefore have to think of how UBER like services can co-exist with conventional taxi services. At the end of the day, serving consumers is the primary goal while preserving current institutions as much as possible.
3. Changes to Mississauga's regulations will have to be reasonable to ensure customer protection but not so punitive that it would purposely constraint the growth of TNC type services, which consumers want. Creating a 'level playing field' might well mean abandoning some of our existing taxi regulations such as setting fares and setting the max # of taxis.
4. UBER type services are only one of dozens of technology applications which over the years have benefitted the consumer but have partially or totally eclipsed existing industries. Examples are many (secretaries, postal services, travel agents, bank tellers, typographers etc...) We cannot stand in the way of progress for many to protect the status quo for a few.
5. I recognize that the existing taxi industry has worked hard for the current protection they are getting from local regulations and expect these regulations to be enforced. To some degree, these have also afforded some protection to the public. I have serious difficulty in seeing how once city can provide enough enforcement to successfully curtail all technology applications that might negatively impact on the current taxi business model in their community.
6. Ride Sharing by definition covers a wide range of services beyond competitive services to the taxi industry. Ride sharing promotion can effectively deliver several services that are not competing with taxis but which are needed. Examples are carpooling (which we need more of to reduce traffic congestion) and providing services in low density areas of the city that are not or cannot be served well by transit. Accordingly, any proposed regulatory changes to 'level the playing field' between TNCs and the conventional taxi industry will have to be carefully circumscribed to ensure they do not accidentally prevent the growth of ride sharing in areas where the city would indeed find it desirable as noted.
7. Taxi services for the disabled are in need of improvement. Any regulatory changes must not forget their needs.
8. In closing, I would urge you to think not only of new regulations or revisions to existing regulations but to also think of regulations that may have outlived their usefulness and could be removed. I am thinking of the # of taxis and fare levels in particular. By way of example, we do not set a limit on the number of restaurants in Mississauga nor do we set menu prices. We exercise enough controls for the consumer through health regulations and related rules.
9. In 2013, the International Association of Transportation Regulators published Model Taxi Regulations to deal with TNCs. On reading these regulations, I get the impression they attempt to pigeon new technologies in regulations designed for technologies before the advent of apps and smart phones. Since you are the President

of IATR – on a pro bono basis – and obviously supportive of these model regulations, can we expect a fair set of recommendations for Mississauga. 6.1

10. Finally, I am not accustomed to work with consultants that ‘donate their time’. How are you covering your costs?

Regards

Al Cormier

From: Karen Morden <Karen.Morden@mississauga.ca>
Sent: Monday, October 05, 2015 11:51 AM
To: info@airlinelimo.com; anneruddy aaroport@rogers.com; management@pearsonvision.com; cvitolo@airlinelimo.com; info@a1airlinetaxi.ca; ranjit@aerofleet.ca; sales@airliftlimo.com; baljit@blueandwhitetaxi.ca; Baljit Pandori (bpbwtaxi@bellnet.ca); manager@ablackcab.com; info@aeroporttaxi.com; service@allstartaxi.ca; marksexsmith; mississaugataxi@gmail.com; Al Cormier ; nirmal; Joshua Zahavy hsssethi Carolyn Parrish; Ron Starr; vikesh_kohli; raj; karam punian; Peter Pellier ; yad singh; sami@aeroporttaxi.com; Carol-Ann Chafe; Mickey Frost; Daryl Bell; Robert Genoway; Daus, Matthew; Mississauga

Cc:

Subject: City of Mississauga - Request for Comments industry request for comments.pdf

Attachments:

Importance: High

The City of Mississauga is requesting comments and input from all those associated with the Taxicab and Limousine Industry in Mississauga, with respect to the regulation of transportation network companies (TNCs).

Please see the attached, or below, for detailed information. Please distribute to your colleagues and post to make this available to those without access to email.

All written submissions are due on Friday, October 16, 2015. Please send your comments to: mississauga@windelsmarx.com

If you have any questions or require further information, please don't hesitate to contact me for assistance.

Kind regards,

Karen Morden
Legislative Coordinator, PVAC



Karen Morden
Legislative Coordinator, Office of the City Clerk
T 905-615-3200 ext.5471
karen.morden@mississauga.ca

[City of Mississauga](#) | Corporate Services Department,
Legislative Services Division

Please consider the environment before printing.

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Request for Comments

Background:

The City of Mississauga is seeking to analyze and assess the impact of transportation network companies (TNCs) on the City's for-hire transportation market, and to determine whether new regulations should be developed which specifically address regulation of TNCs, or whether the existing regulatory structure of public vehicle licensing by-laws is sufficient. 6.1

Comments are being solicited on the current and anticipated impact of TNCs on the taxi and limousine industries within the City. In addition to the public comments received at the Public Vehicle Advisory Committee meeting of October 1, 2015, **you are invited to submit written comments on or before the close of business on Friday, October 16, 2015. Written comments should be limited to the scope of the inquiry and sent to the following email address: mississauga@windelsmarx.com**

Please submit comments on the following:

1. Existing Laws & Regulatory Structure

Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?

2. Licensing Standards

Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? – Or, if not, why not?

3. Facts and Data

What facts, data and studies, or information about the business models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or whether such entrants can be allowed to operate?

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What facts, data and studies, or information about the business models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or whether such entrants can be allowed to operate?

From: Peter Pellier
Sent: Monday, October 05, 2015 2:51 PM
To: Mississauga
Subject: FW: UBER - A SQUARE PEG IN A ROUND HOLE

TO WHOM IT MAY CONCERN:

By way of introduction, I am a member of the Mississauga taxi industry. Please find enclosed deputation to the Mayor & members on the matter of accommodating Uber. I enclose it for your perusal.

Thank you.

PETER D. PELLIER

From: peter_d_pellier
To: mayor@mississauga.ca; jim.tovey@mississauga.ca; karen.ras@mississauga.ca;
chris.fonseca@mississauga.ca; john.kovac@mississauga.ca; carolyn.parrish@mississauga.ca;
ron.starr@mississauga.ca; nando.iannicca@mississauga.ca; matt.mahoney@mississauga.ca;
pat.saito@mississauga.ca; sue.mcfadden@mississauga.ca; george.carlson@mississauga.ca;
carmela.radice@mississauga.ca; karen.morden@mississauga.ca
CC: alcormier; bpandori; marksexsmith; ronnieb; sami@aeropoorttaxi.com; marialendvay; g_beswick;
bestrip@bell.net; mickey.frost@mississauga.ca; daryl.bell@mississauga.ca
Subject: UBER - A SQUARE PEG IN A ROUND HOLE
Date: Mon, 5 Oct 2015 14:39:47 -0400

THE MAYOR & MEMBERS OF COUNCIL,
CITY OF MISSISSAUGA.

To accommodate Uber, or not to accommodate Uber, that is the question.

In due course, the PVAC will deliberate the recommendations of a consultant's report regarding so-called 'Technology Network Companies', and, in turn, recommend whether or not to regulate them under the Public Vehicle Licensing By-law. Ultimately, Council will render a final decision, the consequences of which will have far-reaching implications for both the people of Mississauga and members of the taxi industry.

Before proceeding, it is worth noting that the City has one of the best regulated taxi industries in Ontario, if not the entire country. No other jurisdiction can lay claim to a standing committee of Council, with citizen reps and industry

members, which has been operating continuously for more than 40 years.

6.1

Reliable taxi service is achieved, first and foremost, by strictly controlling the number of cabs. This enables those who provide the service to earn a reasonable living. Mississauga has carefully regulated the number of licensed cabs since September, 1970, when a freeze on additional plates was first introduced, and the Priority List created. Suffice to say, this policy has served the City exceedingly well.

Enter Uber.

Notwithstanding claims that it is not a taxi service - an assertion rooted in semantics rather than fact, Uber is illegally siphoning off business that is the purview of the City's taxi industry. In short, a regulatory system, in place for more than four decades, has been compromised by an interloper with no official standing in Mississauga.

Imagine the howls should Uber decide to operate a transit system within the City, all the while thumbing its corporate nose at regulations protecting Mississauga Transit. Would the City even remotely consider accommodating Uber in this instance? Hardly. What's good for the goose is good for the gander.

The grim reality for Mississauga's cabbies is inescapable. If Uber, and similar 'TNC's', are recognized as a separate entity in the By-law, and licensed to operate, the balance between the demand for service and the supply of cabs, assiduously monitored for these many years, effectively will be destroyed, laying waste the livelihoods of hundreds of cabbies who have played by the rules. All may be fair in love and war, but this is business, and, perforce, business needs to be closely regulated.

Invoking the wise words of George Santayana, philosopher, poet and humanist: 'Those who cannot learn from history are doomed to repeat it.' Deregulation of the taxi industry has failed miserably in every single city where it has been introduced. Make no mistake....accommodating Uber effectively would deregulate taxi service in Mississauga, rendering it all but impossible for anyone to earn a living. Greed and opportunism have a nasty habit of spoiling things for all parties concerned.

For those who cling to the misbegotten belief that more cabs equates to better service, think again. An oversupply of cabs/'TNCs' severely depresses individual incomes, in turn leaving operators with insufficient funds to maintain their vehicles. What follows is a sharp decline in the quality of service. Drivers, obliged to work an inordinate number of hours attempting to make ends meet, are prone to error. Friendly service devolves into surly service.

Uber would have you believe the taxi transportation pie is infinite in size. As with so many of Uber's claims,⁶¹ nothing could be further from the truth.

Rather than imperil an industry the City has wholeheartedly supported over time by creating a separate licensing category for 'TNCs', why not simply insist they play by existing rules, and use the services of licensed cabs.

At present, Mississauga licenses 668 standard cabs, 152 of which operate at Pearson International Airport, in accordance with the Licence Issuance Model. As well, 41 Accessible Taxis have been licensed. It would be politically expedient at best, and foolhardy at worst, to circumvent a process that has served the City so well, particularly when it involves a corporate bully with no regard for the consequences of its actions, and, when all is said and done, who chooses to play by its own rules.

Thank you.

PETER D. PELLIER

From: MARK SEXSMITH
Sent: Thursday, October 08, 2015 8:11 AM
To: Mississauga
Cc: Ron Starr; Carolyn Parrish; mayorcrombie@mississauga.ca
Subject: TNC review
Attachments: TNC Consultant Letter October 6 2015.docx

Attention: Mr. Matt Daus:

Please find attached my presentation for the TNC report.

Best regards,

Mark Sexsmith

October 6/15

Matt Daus, Consultant
 Wendelmarx
Mississauga@wendelmarx.com

Re: TNC's and the Mississauga For Hire Transportation Industry

Dear Sir:

My vision of the future of the for hire transportation is a system that is consistent with both the existence of the traditional broker dispatched taxi fleet already working in Mississauga and the advent of the TNC's working exclusively over the internet. I foresee a taxi/limo environment where the current fleet of municipally licensed taxis driven by municipally licensed drivers provides the public with service from hail/pickups at public places, computer dispatched orders from licensed traditional brokers, along with orders received over the internet from national and international TNC's.

Existing Laws & Regulatory Structure:

1. The current By Law 420-04, as amended, needs several changes. In the Definitions section of the By Law, we need to bring the definitions of broker and driver up to date to reflect changes in the technology of connecting customers with drivers. I have proposed to the PVAC that "Broker" means any Person or Corporation which carries on the business of facilitating in any fashion the provision of for hire transportation between any person and any vehicle not owned by that Person or Corporation. I have also proposed to the PVAC that "Driver" means any person who drives a Taxicab, Limousine, Airport Municipal Transportation Vehicle, or any other for hire motor vehicle, excluding public transport. It is vital that all players in the industry are working under the same By Law definitions.
2. All restrictions on drivers accepting orders from TNC's must be removed from the By Law. If we are to expect that TNC's must use only registered drivers and vehicles, then it is fair to assume that they should have access to the vehicle pool. The simple fact is that they would be providing existing operators with extra income. It is unlikely at this time that TNC's could attract vehicles that worked exclusively for them on a full time basis as they do not have the commercial, institutional, and governmental client base to sustain a full business model. However, this model would accommodate any change to this situation, allowing the TNC's to become full service brokers.
3. All TNC's must be registered with the City, and follow all rules and regulations pertinent to Brokers under the Bylaw, with the exception of maintaining an office in the City.
4. The City has a long standing issuance formula which has served the industry well in that the taxi operators can earn a reasonable income for their labour, and a reasonable return on their capital investment, while at the same time supplying the public with a reliable supply of taxi service. We have all seen the disaster that results from unlimited entry into the industry, as is becoming the case in Toronto. We do not want to replicate that administrative nightmare in the Mississauga industry. All new taxi permits should go to those people on the Priority List, as demand indicates necessary.
5. Brokers must be given the right to expand their business extra-territorially in regards to working within one Municipality-the TNC's have this capability, and it seems counterproductive to restrict traditional Brokers in this fashion. All restrictions in the By Law concerning this matter

should be examined with a view to allowing the existing traditional brokers to expand their businesses.

6. Wherever relevant, the enforcement of Highway Traffic Act violations must be strengthened. Either Municipal enforcement officers must be given greater authority to enforce these regulations, or the Police Departments must start to enforce the laws concerning licensing and insurance. Provincial regulations concerning for hire vehicles and drivers must be consistent with those of the Municipalities.
7. For hire fare pricing structures must be loosened so that brokers can compete with virtual brokers; the alternative is that virtual brokers must adhere to Municipal fare structures. All players must be working under the same fare structure.
8. The Province must be pro-active in the area of insurance regulations concerning the for hire transportation industry. No segment of the industry should enjoy a competitive advantage as a result of insurance requirements or regulations that preclude industry wide participation in blanket coverage, or special coverage for differentiated areas of our industry.

Licensing Standards:

It is absolutely essential that uniform licensing standards prevail across the for hire transportation industry. All drivers and vehicles must conform to Municipal standards for training, qualification, vehicle standards, insurance requirements, and be held to the same accountability standards.

All new entrants to the industry must adhere to these standards as a matter of public safety. The Province has delegated the responsibility for public safety in this industry to the Municipality; the By Law must apply to all operators, and the public should be able to travel with the assurance that these standards are in effect, and are being monitored by City Staff.

Of particular importance is the matter of vehicle standards. The City of Mississauga has, over the years, consistently raised the bar on vehicle age limitations and vehicle condition standards, both in terms of physical appearance and mechanical roadworthiness. These standards cannot be compromised by the entry of TNC's that do not do as thorough a job in monitoring vehicle standards, and which allow older vehicles to service the public.

Part time licensed taxi operators must undergo the full regimen of training mandated by the City-there is no condensed course for part timers. The same must apply to any one else entering the for hire business. The TNC's argument that their drivers are only part time, and therefore should not adhere to the same standards as full time taxi/limo drivers is completely without merit. Public safety warrants only competent, fully trained drivers.

Facts and Data:

Insurance: Taxis carry \$2,000,000.00 coverage and the Brokers backstop this with \$5,000,000.00 of supplementary coverage. This coverage ranges from \$5,000.00/year to over \$10,000.00/year. Accessible taxis are generally \$3,000.00 extra. This compares with the \$100-300/month that TNC drivers pay for their private insurance.

Vehicle Costs: Taxis, under the By Law, cannot be put on the road after their fourth year (i.e., the oldest car you can put on the road in 2016 is a 2012. A new vehicle for use as a taxi typically costs \$25,000.00+,

and the accessible can run to \$50,000.00. Compare this with the ten year limit on TNC vehicles, putting the cost for a second hand vehicle in the range of a few thousand dollars (or less). The typical TNC driver is using his private car for taxi service, and is not factoring in the depreciation involved in high mileage use. This gives a comparative pricing advantage to the TNC operator.

Regulatory Costs: The TNC driver does not face the driver training (and retraining) costs, or the yearly permit renewal expenses. The TNC driver does not fact the bi-yearly expenses of vehicle safety inspections.

Taxes: Taxis charge and remit to the various levels of government 13% HST. The TNC's fudge this, stating that it is up to the driver to determine whether they pay. In actual fact, this amount is rarely remitted by the TNC's, which gives an automatic 13% advantage on the fare structure. Additionally, it leaves the business user in the position of either not claiming the amount, or falsely claiming the amount, assuming that they are paying the HST as they do with taxi fares.

It is my opinion that the adoption of these measures would go a long way to ensuring reliable, secure service for the citizens of Mississauga, while providing the taxi industry with a stable operational platform.

Yours truly,

Mark Sexsmith, Sales Manager, All Star Taxi Inc.
5159 Tomken Road, Mississauga, ON, L4P 1P1
(416) 618-6931

From: Aneel Waqar
Sent: Tuesday, October 13, 2015 2:45 AM
To: Mississauga
Subject: TNC REGULATIONS.

Hello,

1.

The current by laws are adequate for the taxis and limousines but do not take into account these new entrants. The bylaws should be made to include the new entrants into the law, so that training, licensing & enforcement becomes possible.

2.

The driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should definitely apply to all new entrants as they are in the same business of transporting passengers from point A to point B, as current taxis and limousines and all of the above pertain to safety and well being of the passengers travelling in these vehicles.

3.

If the city of Mississauga implements the same bylaw standard that it has for taxis and limousines, only then should it allow to operate the TNCs.

The drivers should have licenses from the city of Mississauga after completing background checks and training classes.

The vehicle model year should comply with that of the taxis and limousines.

The vehicles should be insured upto \$2000,000 for transporting passengers, as the taxis are.

The TNC vehicles should have a identifiable sign or decal or roof light so that enforcement by inspectors becomes possible.

There should be a cap on the number of plates issued to TNCs just like there is one on taxis and limousines.

The TNCs must have accessible vehicles just as taxicab companies do.

The vehicles must also be equipped with cameras to ensure driver and passenger safety and prevent assaults as seen common in these vehicles.

The city should determine the prices TNCs can charge just like the city sets the meter rate for taxicabs.

There should be a level playing field for existing, law abiding taxicab drivers and the new entrants.

All parties should fall under some sort of a bylaw and pay the licensing fees, have insurance and pay the HST on all fares.

Ensuring public safety should be the utmost priority as well.

6.1

Thanks

SYED Asad WAQAR

From: Tejinder Sandhu
Sent: Tuesday, October 13, 2015 8:39 PM
To: Mississauga
Subject: Request for Comments Regarding New City Taxi By-Laws
Attachments: RequestforCommentsRegardingNewCityTaxiBy-Laws.docx

Good Evening,

My name is Tejinder Sandhu. I have been in the taxi industry for the last 25 years. I have attached my comments regarding the new city taxi by-laws.

Thank you for taking the time to review my submission.

Kind Regards,
Tejinder Sandhu

1. Existing Laws and Regulatory Structure

Existing by-laws, service model definitions, and procedures are good for existing taxi and limousine service; but for new entrants in the business must have same methods and procedures, and rules and regulations. New rules and by-laws must be made for those entrants; they must follow those rules. There should be a level playing field for all the for-hire businesses in Mississauga.

2. Licensing Standards

All the businesses doing transportation of people must have qualified drivers, have proper training, and have insurance for the safety of the public. All new entrants must have licensed drivers by the city of Mississauga. They must have commercial vehicle insurance as existing taxis and other commercial vehicles. Public safety is more important - every business in the city is licensed, nobody can do business in the city of Mississauga without license. So why do these new entrants want to do business without license? How far this new technology will go to do other businesses like driving school, tow trucks, food carts, and all the other businesses in the city if there are allowed to transport people without any license. Then they will start doing other business too without license. Then it will be the wild west in the city of Mississauga and the country.

3. Facts and Data

The new entrants in the business should be regulated as per city by-laws. The price should be same for all the transportation business. If they do not want to follow the laws of the city, the province, and the country - then they should not be allowed to operate. They must be banned for running the business in the city. The pricing should be done according to the existing formula. No one should be allowed to undercut the price. The price must be fixed by the city of Mississauga; not by some outside company. They must register for HST, have a valid driving license from the city of Mississauga, and have the appropriate commercial insurance coverage.

From: Rashpal Singh
Sent: Wednesday, October 14, 2015 9:55 PM
To: Mississauga
Subject: Regarding uber

We want to keep existing law and regulatory system and same existing licencing standard.

Rashpal Singh

From: Nader Khairallah
Sent: Thursday, October 15, 2015 12:04 PM
To: Mississauga
Subject: FW: Reply to Request For Comment on Behalf of Aeroport Taxi & Limousine
Attachments: Aeroport Taxi - Reply to Request for Comment.pdf

Attention Mr. Matt Deus

Please find attached Aeroport Taxi & Limousine's response to the City of Mississauga's request for comments regarding Taxi Bylaws & regulation of TNC companies.

If you have any questions or would like to discuss any of the material attached please do not hesitate to contact me.

Kind Regards,



Nader Khairallah
General Manager

nader@aeroporttaxi.com
Phone. 905-908-5000 ext 2222
Fax. 905-908-5027

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849 Westport Crescent
Mississauga, Ontario L5T 1E7
www.aeroporttaxi.com

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Response to Request for Comment

Re: TNC's and the Mississauga for Hire Transportation Industry

To: Matt Daus, Consultant
Wendelmarx
Mississauga@wendelmarx.com

Dear Sir:

1. **Existing Laws & Regulatory Structure** - Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?
-

The current regulatory structure in the City of Mississauga has proven to be more than sufficient and has provided customers years upon years of reliable service. It is not the by laws or regulations that are the issue, it is the fact that the new market entrants are operating outside of such regulations. The City Of Mississauga has historically had one of the most stable, fair and equitable taxi systems in Ontario. The existing by-laws provide consumer protection in terms of proper insurance coverages, criminal background checks, mechanical safety of the vehicles, security cameras (to protect both the public & drivers), easily identifiable vehicles and price protection from gauging. The City of Mississauga is one of the only municipalities where there is relative unity between taxicab drivers, owners, operators & brokerages. The city also has a very fair plate issuance criteria that ensures there is enough supply of vehicles to the general public but more importantly that drivers can earn a full-time living. The sensitive ratio of supply of vehicles vs. demand for service has a direct effect on the sustainability of the taxi industry and recently this ratio has been greatly disrupted by thousands of unlicensed vehicles operating in direct competition with the licensed vehicles.

Industry members and drivers have invested their life's work into the system the City created with the idea that when providing transportation for-hire either a taxicab or limousine license would be required. They invested in the idea that it would not be possible for someone to operate on such a large scale without licenses. The attraction behind owning such license being that the owner can take home that small piece of proverbial pie in order for the driver to cover their expenses and earn an honest day's

wage. The new market entrants have taken the stability out of the industry and have significantly damaged the faith in the system in which industry members have trusted in for years. The Mississauga taxicab industry is particularly vulnerable to the new market entrants as we are very much dependent on dispatched orders through brokerages. The City of Mississauga has a very minimal amount of street hail business available to drivers compared to cities like Toronto.

Enforcement of Current By Laws - Currently the laws are being strictly enforced on licensed operators, while the lawless are roaming free reaping all the benefits of having little to no overhead expenses. The underlying reason why the public are drawn to this service is the price, the reason they can afford to give a cheaper price is through ignoring all the rules that the licensed vehicles have to follow. We do not in anyway feel this is about technology. Our current bylaws should be re-written to encapsulate the new entrants and leave no shadow of doubt that they are operating an illegal taxicab service. An injunction for them to seize all operations of this illegal taxicab service in the City of Mississauga should be sought to strengthen the message that there are reasons we license businesses in Canada. The new market entrants should be fined to the maximum penalty each and every day they operate a taxicab brokerage without a license. Peel Police should also be enforcing the existing HIGHWAY TRAFFIC ACT § 39.1 - PICKING UP PASSENGER FOR COMPENSATION PROHIBITED WITHOUT LICENCE. Laws are blatantly being broken in front of Police & Licensing staff, and we in the taxi industry are curious as to when we became a society that does not enforce our laws.

2. **Licensing Standards** Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? – Or, if not, why not?
-

The bottom line is whether speaking of new market entrants or existing taxi companies both are providing ground transportation for compensation, the method by which an order is dispatched to a vehicle does not change the material service that is being offered. Taxicab bylaws were created for reasons of safety, fairness and consumer protection. All taxicab companies in Mississauga possess the same technologies that the unlicensed market entrants have. For instance with our Aeroport Taxi app customers have the capability of seeing the available vehicles on the map, watching their assigned vehicle drive to them and prepaying by credit card within the app. If a two-tier system were to be enacted it would eliminate all benefits of being a licensed Taxicab operator. Why

follow a long list of regulations that create overhead costs when there is a license available to provide the exact same service with much less overhead and red tape. In that scenario majority of operators would look to return all taxicabs permits and operate as TNC companies.

Why would anyone want to drive a vehicle with a list of restrictions when there is a cheaper alternative? If City Council were to choose to offer a different class of licenses to TNC companies it would be the equivalent of offering one specific Taxi company different licenses than all other Taxi companies. If in years past hypothetical Taxi Company “ABC” changed their dispatch method to Cell Phones rather than radio would they have the grounds to approach the City and demand different licenses and regulations?

Imagine if “ABC” Taxi Company demanded the following:

- That the meter rate should not apply to them. “ABC” should be able to charge what they want, whenever they want. In a snow-storm, time of high demand or crisis they should be able to charge their customers 5 times the regular price. Also “ABC” would like their rates not to be inclusive of HST.
- “ABC” would like to use different car types then the list provided to all other taxi companies. There also should be no vehicle age restrictions, any car that “ABC” deems fit should be able to be used. “ABC” would also like their vehicles to be self-inspected.
- When “ABC” need to hire a driver they should be able to just email their paperwork, watch a 5 minute YouTube video and be out on the road picking up passengers the next day. No need for their drivers to go to Taxi School for a week, write an exam and pay a licensing fee.
- “ABC” should not be forced to buy \$2 Million Dollar Commercial Insurance coverage full-time, just when their drivers are working. Or better yet would they would like to be allowed to endanger and mislead the public for an extended period of time before deciding to inquire about insurance coverage.
- “ABC” does not feel the need to have their vehicles identifiable to the public by means of a roof-sign, decals or license numbers. They would prefer an honour system where the city would trust that the registered vehicle is in fact the one the phone is being used in.

- “ABC” would also like to be able to bypass the existing licensing issuing system, and have exceptions be made for them to receive license immediately. They would like to completely disregard the years and years of hard work from drivers who are issued licenses from the priority list.

So in this scenario detailed above would it be justifiable to provide “ABC” Taxi with licenses? Or would that provide them a competitive advantage. Why treat one company differently when they provide the exact same service? Does the method by which you send a ride to a driver really change anything? Or at the end of the day aren’t we all just transporting passengers for compensation. Why change the existing laws that have worked for centuries to help a company that has deliberately ignored existing regulation and knowingly endangered the public? Uber virtually offers the public exactly what the Taxi apps all dispatch companies offer. The new market entrants such as Uber have the capabilities and platforms already established to use licensed vehicles through their UberBlack & UberTaxi. The only option that will allow licensed taxicabs to survive is forcing them to use only these models.

Proposed Changes to Current Bylaws:

Though we are not in any way in favour of a two tier system there are compromises that can be made for the New Market Entrants and the existing licensed operators to co-exist:

- a. License the new market entrants as Taxicab Brokers as defined through definition changes. As a licensed broker rides must be dispatched to only to existing City Licensed Vehicles including all regulations that go along with this.

The current By Law 420-04, as amended, needs several changes. In the Definitions section of the By Law, we need to bring the definitions of broker and driver up to date to reflect changes in the technology of connecting customers with drivers. There has been a motion put forward by the PVAC to define a “Broker” as any Person or Corporation which carries on the business of facilitating in any fashion the provision of for hire transportation between any person and any vehicle not owned by that Person or Corporation. Also that “Driver” means any person who drivers a Taxicab, Limousine, Airport Municipal Transportation Vehicle, or any other for hire motor vehicle, excluding public transport.

- b. Remove restrictions for licensed vehicles to work solely through one brokerage. Allow use of multiple dispatch services for licensed taxicabs.

- c. No Surges or Price Gauging - No matter which dispatch brokerage the licensed vehicle receives an order the rate charged shall only be the rate dictated by the city. In cases where an application is used, driver will manually enter the meter amount into the application at the end of the tip. This is currently the method used by the UberTaxi Service as well the method Hailo used operated while operating with licenced vehicles in the City of Toronto.
- d. Strictly enforce all requirements of current bylaws and increase fines and penalties regarding operating a taxicab without the required licence. Also support Provincial [Bill 53, Protecting Passenger Safety Act, 2015](#) to give police & municipal enforcement officers greater authority to lay charges, impound vehicles of unlicensed vehicles.
- e. If the eventual demand for vehicles increases, the City should continue to issue licenses through the existing plate issuance criteria and priority list. Studies have shown that there are more than enough taxis and limousines on the city streets, through the existing situation licensed operators are struggling.

There are tens of thousands of people and their families that are supported directly or indirectly by Taxi Industry, including: Thousands of Taxi Drivers, Vehicle Operators (whether multiple or individual), License Holders (who have or continue to work year after year in the industry), Auto Mechanics, Dispatch Companies (and their staff), Insurance Brokers, Car Dealers, Vehicle Equipment Installers and Telecommunication Companies. It would be unjust to jeopardize the livelihoods of all these hard working people to accommodate a Non-Canadian, Multi-Billion Dollar enterprise.

3. **Facts and Data** What facts, data and studies, or information about the business models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or whether such entrants can be allowed to operate.
-

a) Driving for Uber is not a sustainable full time job.

Through Uber's own admission their turn around on drivers is three months, Uber has also stated that 50% of their drivers work between 0-10 Hours per Week. The concept of UberX is to use part time non-professional drivers that drive on a casual basis. That concept if regulated will replace the jobs thousands of Full-Time law abiding citizens of Mississauga with part-timers trying to temporary supplement

their income. They can pitch the concept of “ridesharing” and “technology” but in reality it is nothing but an unregulated taxi service. There are no rides being shared these drivers are leaving their place of residence, heading city centres and roaming the streets to provide taxi services. They are not picking up people going in the same direction as them on their commute. We as an industry are in no way anti-competition, we have no problem with allowing the new Market Entrants into the fold, we just ask that the same rules that have applied to us for centuries be applied to new market entrants. When Uber entered the market using licensed vehicles through UberBlack and UberTaxi the taxicab and limousine industry were not overly concerned as they were using only city licensed vehicles. But to allow just any one to decide they want to be in the taxicab business and start operating is not just or fair. The barriers to entry should not be at a place where anyone can simply send an email and be out competing with existing operators the next day.

“That’s not a job’: Toronto councillor on Uber and the ‘suckers’ being recruited to drive

<http://www.nationalpost.com/m/wp/blog.html?b=news.nationalpost.com//toronto/thats-not-a-job-toronto-councillor-on-uber-and-the-suckers-being-recruited-to-drive>

b) Traffic Congestion

Through Uber’s own admission they have 16,000 Drivers in Toronto alone, one can only imagine how many drivers they have across the GTA. The addition of these drivers to the thousands of licensed taxicabs in the Greater Toronto Area on can only imagine the congestion this causing. Add to this the fact that the licensed vehicles now have to wait much longer for a fare, as well as work more hours which also contributes to the congestion. In New York City they went the route of along private vehicles to be licensed (with very minimal requirements) as TNCs. The most damaging part in terms of congestion was the fact that there was no Cap on the number of vehicles. Mayor Bill de Blasio had desperately attempted to put a cap on the number of vehicles to combat Congestion in the City but Uber responded by unleashed an ad campaign and an army of lobbyists, forcing the mayor to retreat.

Uber doubles number of drivers—just as Bill de Blasio feared

<http://www.crainsnewyork.com/article/20151006/BLOGS04/151009912/uber-doubles-number-of-drivers-just-as-de-blasio-feared>

New expert report reveals two-tier taxi industry risks include increased congestion and vehicle emissions, while costs saving can prove elusive
<http://www.newswire.ca/news-releases/new-expert-report-reveals-two-tier-taxi-industry-risks-include-increased-congestion-and-vehicle-emissions-while-costs-saving-can-prove-elusive-529905771.html>

Uber's Own Numbers Show It's Making Traffic Worse
<http://www.streetsblog.org/2015/07/22/ubers-own-data-reveals-it-slows-manhattan-traffic-9-percent/>

c) Public Transit Ridership Down 30%

Providing service at such a low cost creates an alternative to public transit. We in the City of Mississauga are spending millions on adding public transit infrastructure meanwhile at the current cost point provided. In recent years the focus in the City of Mississauga has been public transit, but we should ask ourselves what we need to do to protect the future of public transit. All these investments in transit will be at risk. What will happen when Uber decides to provide cheaper transit services on popular MiWay Routes? In recent months, Uber has been trialing a "smart routes" service in San Francisco that has been compared to a bus service in media reports. The service discourages transit use by attracting Uber customers to travel along specific routes like a bus, for a competitive price.

Poll suggests UberX is decreasing TTC and GO transit ridership
<http://www.newswire.ca/news-releases/poll-suggests-uberx-is-decreasing-ttc-and-go-transit-ridership-529475091.htm>

d) Decreased Canadian Tax Revenue - Uber does not pay corporate taxes in Canada

All licensed taxicab brokerages are Canadian owned and operated small business that employ local residents. These companies were built from the ground up by local residents. We all pay our fair share of corporate tax and spend our hard earned dollars in our local economy. The new market entrants have created a strategy that they are quite open about.

Uber and Airbnb confirm they send profit offshore
<http://www.smh.com.au/business/the-economy/uber-airbnb-reveal-they-send-profits-offshore-20151006-gk2v5z.html>

- e) Uber's strategy of intentionally flouting regulation as described by their CEO**
 Uber waits for as they call it Regulatory ambiguity, though his company enacts the exact same strategy as what they are criticizing Lyft for in the video below.

Uber CEO calls competitor service 'criminal'

<https://www.youtube.com/watch?v=5fOycXLp7Ik&feature=youtu.be>

- f) Creating Two Sets of Rules for the Same Service Is Unethical and Unfair**

Chicago's differing regulations of Uber vs taxis may violate equal protection, judge says

http://cookcountyrecord.com/stories/510639525-chicago-s-differing-regulations-of-uber-vs-taxis-may-violate-equal-protection-judge-says#sthash.LSVf529p.uxfs&st_refDomain=t.co&st_refQuery=/DKMz2J5aTU

- g) Uber drivers all over the world are doing non-app & street hail pickups**

Hundreds of Uber cars seized in major crackdown on illegal street pickups at city airports

<http://www.nydailynews.com/new-york/close-500-uber-cars-seized-illegal-pickup-crackdown-article-1.2260211>

- h) Governments all over the world have been successful in dealing with Uber**

Please see the article at the URL below.

"Unstoppability" of Uber not a compelling argument + A letter to Taxi Operators & Drivers

<http://us11.campaign-archive2.com/?u=7eef0d79657bcfaa29875872d&id=7ab1450814>

From: rav banwait
Sent: Thursday, October 15, 2015 6:12 PM
To: Mississauga
Subject: Response to Taxi Regulations
Attachments: city of mississauga. survey.docx

Dear Mr. Matt Deus,

Please find attached response to the City of Mississauga's request for comments regarding Taxi Bylaws & Regulation.

If you have any questions or require clarification, please contact me at anytime.

Sincerely,

Rav Banwait

1. Existing Laws & Regulatory Structure

The existing by-laws and regulatory structure have been the result of decades of experience. MINOR changes are always necessary to ensure the main purpose of these bylaws is not lost or ignored.

New technology or new methods of communication are not industry changing, and do not offer a free pass to allow ignorance of existing city bylaws and regulations.

Many great and powerful cities and nations across the globe have stood true to protect and uphold their city's bylaws and regulations (i.e. Vancouver, Nevada, Spain, Miami, France, and Thailand). These respected places did not bend or cave in to those who 'refused' to follow the City's own set bylaws.

These standards are in place for a reason. Let us hope we were not 'fooled' by these existing rules and regulations these past five decades.

2. Licensing Standards

Licensing Standards should absolutely apply to any new entrants (in any shape or form) entering the taxi/limo industry.

You cannot entertain new bylaws for the same service just based on a new method of communication.

The City of Mississauga controls and limits taxi vehicle licenses in operation (based on a formula) to ensure consistency, safety of passengers, discipline and a reasonable full time salary. If an industry is uncontrolled and becomes 'oversaturated', human willpower to earn a decent living may get ugly. That is human nature.

Not a favourable image for the City of Mississauga, especially to tourism and businesses.

3. Facts and Data

New entrants may operate according to EXISTING bylaws and regulations to ensure safety and fairness.

Allowing illegal services without proper permits, insurance, safety criteria, background checks etc. has and continues to destroy the legitimate businesses, who have respected the existing city bylaws for years.

Until new entrants are willing to follow existing bylaws and regulations of the City of Mississauga, they should be strictly prohibited from the City.

Please ensure each and every new entrant to any existing industry abides by the City of Mississauga's bylaws to ensure a 'level playing field'. Destroying an industry established over years and years of strict regulation cannot be replicated.

Next to God, you hold our trust and we believe you will do the right thing to protect our livelihood and ensure the City of Mississauga's existing bylaws and regulatory framework stands.

Joga S.Banwait

On Behalf of the Taxi Industry who earns its livelihood in the City of Mississauga

“Wrong does not cease to be wrong because the majority share in it.”
Leo Tolstoy

From: cstor62
Sent: Thursday, October 15, 2015 7:50 PM
To: Mississauga
Subject: City of Mississauga - Request for Comments

To whom it may concern,

If there is an increase in demand of transportation vehicles in the city of Mississauga, licenses similar to the ones that have been issued previously should be continued to be issued just at a faster rate. There is no reason for a new variation to be introduced into the transport industry. If such a reason were to be identified and thus it were required that TNCs be introduced into the industry, then it would be necessary that they have the same set of requirements as the existing taxicabs and limousines in order to ensure a fair working environment.

The anticipated TNCs should have to follow the existing rules, regulations and laws which the existing taxicab and limousine industry is required to adhere to in Mississauga. These would include all by-laws, procedures, enforcement methods, and resources. Furthermore, they must require identical licensing standards. As a result of doing so, the taxicab and limousine business would not be hindered in any way whatsoever that would make the anticipated TNCs more appealing to customers, thus reducing the amount of business available to taxicab and limousine operators.

Thank you for your time and consideration,

Charanjit Singh Toor

From: Karen Morden <Karen.Morden@mississauga.ca>
Sent: Friday, October 16, 2015 9:03 AM
To: Mississauga
Subject: FW: City of Mississauga - Request for Comments

FYI – from a Mississauga taxicab driver, who is also on PVAC.

From: Karam Punian
Sent: 2015/10/15 4:59 PM
To: Karen Morden
Subject: Re: City of Mississauga - Request for Comments

Plate issuing formula is good. Training period is too long. No place for uber. Staff is not friendly at all

On Monday, October 5, 2015, Karen Morden <Karen.Morden@mississauga.ca> wrote:

The City of Mississauga is requesting comments and input from all those associated with the Taxicab and Limousine Industry in Mississauga, with respect to the regulation of transportation network companies (TNCs).

Please see the attached, or below, for detailed information. Please distribute to your colleagues and post to make this available to those without access to email.

All written submissions are due on Friday, October 16, 2015. Please send your comments to: mississauga@windelsmarx.com

If you have any questions or require further information, please don't hesitate to contact me for assistance.

Kind regards,

Karen Morden

Legislative Coordinator, PVAC

Karen Morden

Legislative Coordinator, Office of the City Clerk

T 905-615-3200 ext.5471

karen.morden@mississauga.ca

[City of Mississauga](#) | Corporate Services Department,

Legislative Services Division

Please consider the environment before printing.

-

Request for Comments

Background:

The City of Mississauga is seeking to analyze and assess the impact of transportation network companies (TNCs) on the City's for-hire transportation market, and to determine whether new regulations should be developed which specifically address regulation of TNCs, or whether the existing regulatory structure of public vehicle licensing by-laws is sufficient.

Comments are being solicited on the current and anticipated impact of TNCs on the taxi and limousine industries within the City. In addition to the public comments received at the Public Vehicle Advisory Committee meeting of October 1, 2015, **you are invited to submit written comments on or before the close of business on Friday, October 16, 2015. Written comments should be limited to the scope of the inquiry and sent to the following email address: mississauga@windelsmarx.com**

Please submit comments on the following:

1. Existing Laws & Regulatory Structure

Are the existing by-laws, service model definitions and

procedures, as well as enforcement methods and resources,
adequate with respect to existing taxi and limousine service
providers as well as new technology market entrants?

6.1

2. Licensing Standards

Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? – Or, if not, why not?

3. Facts and Data

What facts, data and studies, or information about the business
models, pricing and manner of operation of both existing taxi
and limousine providers as well as new technology entrants,
can you provide to aid this consultation, including how or
whether such entrants can be allowed to operate?

From: [Karen Morden](#)
To: [Karen Morden](#)
Subject: FWD: Motion for PVAC Meeting August 2105
Date: 2015/08/04 4:04:25 PM

From: MARK SEXSMITH
Sent: August 4, 2015 1:42 PM
To: Ron Starr
Cc: Stephanie Smith; Carolyn Parrish; Baljit Pandori; Al Cormier; Mickey Frost; Daryl Bell
Subject: Motion for PVAC Meeting August 12, 2105

Mr. Ron Starr, Chair
PVAC, City of Mississauga

Dear Mr. Chairman:

Please include discussion on the following amendment to By Law 420-04 on the agenda of the August 12, 2015 PVAC meeting.

The motion is:

In regard to By-Law 420-04, the following changes are requested to terms in the "Definitions and Interpretation" Section of the By-Law.

"Broker" means any Person or Corporation which carries on the business of facilitating in any fashion the provision of for hire transportation between any person and any vehicle not owned by that Person or Corporation"

"Driver" means any person who drives a Taxicab, Limousine, Airport Municipal Transportation Vehicle, Airport Public Transportation Vehicle, or any other for hire vehicle, excluding public transit

It is the industry's wish to afford Staff a greater degree of latitude in dealing with matters that pertain to regulating the actions of virtual for hire brokers, as well as those drivers who work with the dispatch systems these brokers utilize.

Yours truly,

Mark Sexsmith, All Star Taxi

From: Peter Pellier

Sent: 2015/08/16 12:33 PM

To: Ron Starr; Carolyn Parrish; Al Cormier; Baljit Pandori; Karen Morden; Mickey Frost; Daryl Bell

Cc: MAYOR; Jim Tovey; Karen Ras; Chris Fonseca; John Kovac; Nando Iannicca; Matt Mahoney; Pat Saito; Sue McFadden; George Carlson; Mark Sexsmith; ronnieb; sami; marialendvay; g_beswick; bestrip

Subject: UBER

THE CHAIR & MEMBERS,
PVAC.

Prior to launching its service in Mississauga, Uber made no attempt whatsoever to clarify or comply with regulatory requirements that applied to them. Instead, the company chose to ignore the law, and aggressively pursue business that, clearly, was the purview of the City's licensed cabs. What resulted was a playing field that was anything but level, seeing as Uber operators, in open defiance, exempted themselves from the financial burden faced by licensed drivers and owners. As a result, considerable financial damage has been inflicted on those who play by the rules.

At the April 12th PVAC meeting, an Uber official advised the Committee that the company is now willing to enter the regulatory fold. Though it was not stated, there is little doubt Uber's newfound enthusiasm to play ball is limited to those provisions that, in no way, impede the company's intended aims and objectives. In short, it will insist on the right to expand at will - a notion completely at odds with the limitation on plates that underpins the taxi industry, and has done so since September, 1970.

Two questions immediately come to mind. Why should the City undertake any attempt to accommodate Uber, given the company's utter disregard for the Public Vehicle Licensing By-law up to now? Secondly, how can Uber X possibly be accommodated, given the strict controls on the number of licensed cabs, in place for 45 years.

As for creating a new licence category to address so-called ridesharing services, such a move not only is antithetical to the Licence Issuance Model, but also, would further destabilize the local taxi industry. It goes without saying the City's responsibility in this matter is not restricted solely to the travelling public. Consideration must be accorded the many drivers and owners who have paid their licence fees over the years in good faith.

If Uber and similar operations wish to operate in Mississauga, let them do so either under a taxi broker's licence, or a limousine broker's licence, and govern themselves accordingly.

In the meantime, under no circumstances can they be allowed to operate at will, to the extreme detriment of local cabbies. The By-law needs to be rigorously enforced.

PETER D. PELLIER

From: Amandeep Singh
Sent: Friday, October 16, 2015 10:12 AM
To: Mississauga
Subject: Feedback on TNC regarding Uber

Hello

I would like to submit the following recommendations:

1. Uber drivers should follow the same standard of livery drivers. This is to ensure the driver education standards, automobile standards, safety standards meet the city's standards.
2. In addition, there should be a mandate on the Uber driver to be working as a full time Uber driver, a minimum of 40 hrs a week. This is to ensure that we don't have a situation where a city which currently has 1000 taxis, ends up reaching to the level of 20000 Uber drivers, excessively diluting the business and resulting in no driver (including Uber) being able to make a meaningful living by doing this job alone. It is the same principal why the administrations around the country don't issue unlimited taxi plates, allow builders to build as many houses as they want (until certain amounts are sold off) etc.
3. Uber drivers should collect HST just as livery and taxi drivers.
4. Since the local Taxi companies pay corporate taxes, Uber should also be mandated to pay corporate taxes on the revenues collected within Canada.

Alternatively, if Uber, the province, the City or an alternative entity can purchase away all the taxi plates, all taxi drivers can join Uber, however, to the demise of the taxi companies and the employment of the people they employ.

Thank you

From: Mangat Singh
Sent: Friday, October 16, 2015 10:56 AM
To: Mississauga

I would like to submit the following option:

1. Uber drivers should follow the same standard of livery drivers. This is to ensure the driver education standards, automobile standards, safety standards meet the city's standards.
2. In addition, there should be a mandate on the Uber driver to be working as a full time Uber driver, a minimum of 40 hrs a week. This is to ensure that we don't have a situation where a city which currently has 1000 taxis, ends up reaching to the level of 20000 Uber drivers, excessively diluting the business and resulting in no driver (including Uber) being able to make a meaningful living by doing this job alone.
3. Uber drivers should collect HST just as livery and taxi drivers.
4. Since the local Taxi companies pay corporate taxes, Uber should also be mandated to pay corporate taxes on the revenues collected within Canada.

Alternatively, if Uber, the province, the city or an alternative entity can purchase away all the taxi plates, all taxi drivers can join Uber, however, to the demise of the taxi companies and the employment of the people they employ.

From: Ranjit S. Dhesy <ranjit@aerofleet.ca>
Sent: Friday, October 16, 2015 12:59 PM
To: Mississauga
Subject: Aerofleet TNCs Response
Attachments: TNC-2015.pdf

Hello,

attached is the response to TNCs from Aerofleet.

Ranjit Dhesy, Manager
Main: 905-678-7077, Direct: 905-361-0247
Email: ranjit@aerofleet.ca
Aerofleet Cab Services Ltd.

Response to Request for Comments

Attn: mississauga@windelsmarx.com

1. **Existing Laws & Regulatory Structure:** Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?

RESPONSE:

The existing by-laws, procedures, and enforcement methods are adequate for existing taxi and limousine market. However, it is not sufficient to deal with the new entrants due to unregulated business operation by these companies. This unregulated business operation should be shut down immediately. Only if it is an absolute necessity to allow these new entrants then provisions in the existing by-laws to accommodate new entrants must be applied and must apply to all taxis and limousines thus encourage fair competition.

2. **Licensing Standards:** Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? – Or, if not, why not?

RESPONSE:

These new entrants are getting unfair advantage by not requiring permits & licences, commercial insurance, commercial vehicles etc. Driver training and background checks are an issue with these drivers and these companies made a mockery of established authorities and people transportation industry by not following the rules. They must be regulated and made to go through the same procedures as taxis and limousines and run business as per licensing by-laws and regulations such as:

- 1. Go through licensing requirement and have commercial vehicle driving licence.*
- 2. Have commercial vehicle & Insurance.*
- 3. Mandatory inspections.*

3. **Facts and Data:** What facts, data and studies, or information about the business models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or whether such entrants can be allowed to operate?

RESPONSE:

City of Mississauga must enforce the by-laws and shut down any unregulated operation in its boundaries. City of Mississauga must also control the requirements of number of commercial vehicles in operation required by demand and supply. Surplus of vehicles and drivers are beneficial neither to the existing industry nor to the new entrants. The plate issuance formula must be reviewed and updated and drivers on the priority list must be given preference. The pricing, manner of operations, vehicles standards, permits and licensing should all be monitored and regulated by the licensing authority. Fare rates must be regulated and unfair competition and no increase or decrease in fares in rush hours and slow time and unfair soliciting methods.

Sincerely,

Ranjit Dhesy, Manager

T: 905-678-7077, F: 905-206-1211

Email: ranjit@aerofleet.ca

Aerofleet Cab Services Ltd.

From: Karen Morden <Karen.Morden@mississauga.ca>
Sent: Friday, October 16, 2015 2:22 PM
To: Mississauga
Subject: FW: City of Mississauga - Request for Comments

For inclusion in the report for Mississauga.

From: Yad Singh
Sent: 2015/10/16 2:18 PM
To: Karen Morden
Subject: Re: City of Mississauga - Request for Comments

1. Existing Laws & Regulatory Structure

Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?

2. Licensing Standards

Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? – Or, if not, why not?

3. Facts and Data

What facts, data and studies, or information about the business models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or

"COMMENTS"

1. Definition : Following definition needs changes,

A, Taxi : Any vehicle with driver or driverless or remotely controlled through satellite, used for compensation.

B, Vehicle : Any movable platform in contact with land, water or rope way used for transporting humans.

C, Driver : Some one physically or remotely operating a vehicle.

D, Broker : An agency facilitating operations of human transportation through landlines or Internet by any electronic device.

F, Enforcement : Include Regional & Provincial Police

E. The enforcement needs to be given to the police.

F. Limousine service should be considered as a taxi service and not a separate entity.

G. Enforcements needs to be more stringent.

H. Taxi enforcement inspectors are sufficient if they operate in coordination with provincial and regional police.

2. Licensing standards needs to be applied to every agency dealing with transportation of humans for compensation.

Why ?

A. Standardization

B. Same rules for all, no double standards.

C. Safety of public.

D. Revenue to the city, (should not happen like Detroit)

F. Revenue to the provincial and federal govt.

G. Accountability towards public.

3. Facts & Data

Police and Thief can not operate hand in hand.

It is the responsibility of the municipality to protect its own by- Laws and govern efficiently. Leaving loose ends brings down the cities regulatory frame work.

If uber model persists 95% of the drivers will become part time operators or they will have to move on for other full time jobs.

At present people operating under uber are mostly on welfares. They work to generate extra cash illegally.

Full time operators are paying taxes for the people on govt. assistance and on the other side loosing their full time jobs because of the same people.

It's not the technology which is creating ripples but the cheap fares.

Such agencies affect public transit system too, which is run by public money.

The datas can only be received from individual agencies separately, but future can be predicted on the bases of present scenarios.

Fact is that income of taxi drivers has gone down by almost 30%.

I use to work 11 hours daily, now I am working 14 hours.

The cost of operations have gone up, Insurance has increased by 500 times.

If govt. doesn't work for this industry then it is hard to sustain the business.

These companies should be banned and city must change its bylaw definitions to ensure this type of nuisance does not reoccur. 6.1

From: Kirpal Toor
Sent: Friday, October 16, 2015 2:37 PM
To: Mississauga
Subject: City of Mississauga - Request for Comments

To whom it may concern,

The increase in demand for transportation in the city of Mississauga is a clear indicator of the need for more permits similar to the existing ones to be issued. Adding a third tier to an existing two tier system is futile. An increase of taxicab and/or limousine permits will suffice to resolve the issue. On that note, I would like to take the opportunity to compliment the existing priority system and its efficacy.

If the decision to add a third tier is made, then it is only logical that every single rule, regulation, law and standard that the existing taxicab and limousine permit holders adhere to, must be applied to the TNCs as well.

Thank you for your time and consideration,
Kirpal Singh Toor

From: Karen Morden <Karen.Morden@mississauga.ca>
Sent: Friday, October 16, 2015 3:05 PM
To: Mississauga
Subject: FW: City of Mississauga - Request for Comments
Attachments: A1Airlinefinal.pdf

For inclusion in the consultant's report.



Karen Morden

Legislative Coordinator, Office of the City Clerk
T 905-615-3200 ext.5471

karen.morden@mississauga.ca

[City of Mississauga](#) | Corporate Services Department,
Legislative Services Division

Please consider the environment before printing.

From: A1 Airline Taxi & Van Fleet [<mailto:info@a1airlinetaxi.ca>]
Sent: 2015/10/16 2:58 PM
To: Karen Morden; krishbanwait
Subject: Fwd: City of Mississauga - Request for Comments

Hi Karen

I have attached our response as per your request for TNC. If you have any question, please contact us back.

Thanks
Manjeet

Manager
A1 Airline Taxi

A-1 Airline Taxi & Van Fleet Services
(2233435 Ontario Ltd)
5225 Orbitor Dr #18
Mississauga ON L4W 4Y8
info@a1airlinetaxi.ca

Ph. #: 905-629-4700,
416 756 1516,
1-800-884-5860
Fax #: 905-629-1618
www.a1airlinetaxi.ca

6.1

Response to Request for Comment

Re: TNC's and the Mississauga for Hire Transportation Industry

To: Matt Daus, Consultant
Wendelmarx
Mississauga@wendelmarx.com

Dear Sir:

1. Existing Laws & Regulatory Structure - Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?

The current regulatory structure in the City of Mississauga has proven to be more than sufficient and has provided customers years upon years of reliable service. It is not the by laws or regulations that are the issue, it is the fact that the new market entrants are operating outside of such regulations. The City Of Mississauga has historically had one of the most stable, fair and equitable taxi systems in Ontario. The existing by-laws provide consumer protection in terms of proper insurance overages, criminal background checks, mechanical safety of the vehicles, security cameras (to protect both the public & drivers), easily identifiable vehicles and price protection from gauging. The City of Mississauga is one of the only municipalities where there is relative unity between taxicab drivers, owners, operators & brokerages. The city also has very fair plate issuance criteria that ensures there is enough supply of vehicles to the general public but more importantly that drivers can earn a full-time living. The sensitive ratio of supply of vehicles vs. demand for service has a direct effect on the sustainability of the taxi industry and recently this ratio has been greatly disrupted by thousands of unlicensed vehicles operating in direct competition with the licensed vehicles.

Industry members and drivers have invested their life's work into the system the City created with the idea that when providing transportation for-hire either a taxicab or limousine license would be required. They invested in the idea that it would not be possible for someone to operate on such a large scale without licenses. The attraction behind owning such license being that the owner can take home that small piece of proverbial pie in order for the driver to cover their expenses and earn an honest day's wage. The new market entrants have taken the stability out of the industry and have significantly damaged the faith in the system in which industry members have trusted in for years. The Mississauga taxicab industry is particularly vulnerable to the new market

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1-800-884-5860
Fax #: 905-629-1618
www.a1airlinetaxi.ca

6.1

entrants as we are very much dependent on dispatched orders through brokerages. The City of Mississauga has a very minimal amount of street hail business available to drivers compared to cities like Toronto.

Enforcement of Current By Laws - Currently the laws are being strictly enforced on licensed operators, while the lawless are roaming free reaping all the benefits of having little to no overhead expenses. The underlying reason why the public are drawn to this service is the price, the reason they can afford to give a cheaper price is through ignoring all the rules that the licensed vehicles have to follow. We do not in anyway feel this is about technology. Our current bylaws should be re-written to encapsulate the new entrants and leave no shadow of doubt that they are operating an illegal taxicab service. An injunction for them to seize all operations of this illegal taxicab service in the City of Mississauga should be sought to strengthen the message that there are reasons we license businesses in Canada. The new market entrants should be fined to the maximum penalty each and every day they operate a taxicab brokerage without a license. Peel Police should also be enforcing the existing HIGHWAY TRAFFIC ACT § 39.1 - PICKING UP PASSENGER FOR COMPENSATION PROHIBITED WITHOUT LICENCE. Laws are blatantly being broken in front of Police & Licensing staff, and we in the taxi industry are curious as to when we became a society that does not enforce our laws.

2. Licensing Standards Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards should be applied to new market entrants, and if so, why? – Or, if not, why not?

The bottom line is whether speaking of new market entrants or existing taxi companies both are providing ground transportation for compensation, the method by which an order is dispatched to a vehicle does not change the material service that is being offered. Taxicab bylaws were created for reasons of safety, fairness and consumer protection. All taxicab companies in Mississauga possess the same technologies that the unlicensed market entrants have.. If a two-tier system were to be enacted it would eliminate all benefits of being a licensed Taxicab operator.

Why follow a long list of regulations that create overhead costs when there is a license available to provide the exact same service with much less overhead and red tape. In that scenario majority of operators would look to return all taxicabs permits and operate as TNC companies.

Why would anyone want to drive a vehicle with a list of restrictions when there is a cheaper alternative? If City Council were to choose to offer a different class of licenses to TNC companies it would be the equivalent of offering one specific Taxi company different licenses than all other Taxi companies. If in years past hypothetical Taxi

Company “ABC” changed their dispatch method to Cell Phones rather than radio would they have the grounds to approach the City and demand different licenses and regulations?

Imagine if “ABC” Taxi Company demanded the following:

1. That the meter rate should not apply to them. “ABC” should be able to charge what they want, whenever they want. In a snow-storm, time of high demand or crisis they should be able to charge their customers 5 times the regular price. Also “ABC” would like their rates not to be inclusive of HST.
2. “ABC” would like to use different car types then the list provided to all other taxi companies. There also should be no vehicle age restrictions, any car that “ABC” deems fit should be able to be used. “ABC” would also like their vehicles to be self-inspected.
3. When “ABC” needs to hire a driver they should be able to just email their paperwork, watch a 5 minute You Tube video and be out on the road picking up passengers the next day. No need for their drivers to go to Taxi School for a week, write an exam and pay a licensing fee.
4. “ABC” should not be forced to buy \$2 Million Dollar Commercial Insurance coverage full-time, just when their drivers are working. Or better yet would they would like to be allowed to endanger and mislead the public for an extended period of time before deciding to inquire about insurance coverage.
5. “ABC” does not feel the need to have their vehicles identifiable to the public by means of a roof-sign, decals or license numbers. They would prefer an honour system where the city would trust that the registered vehicle is in fact the one the phone is being used in.

“ABC” would also like to be able to bypass the existing licensing issuing system, and have exceptions be made for them to receive license immediately. They would like to completely disregard the years and years of hard work from drivers who are issued licenses from the priority list.

So in this scenario detailed above would it be justifiable to provide “ABC” Taxi with licenses? Or would that provide them a competitive advantage. Why treat one company differently when they provide the exact same service? Does the method by which you send a ride to a driver really change anything? Or at the end of the day aren’t we all just transporting passengers for compensation. Why change the existing laws that have worked for centuries to help a company that has deliberately ignored existing regulation and knowingly endangered the public? Uber virtually offers the public exactly what the Taxi apps all dispatch companies offer. The new market entrants such as Uber have the capabilities and platforms already established to use licensed vehicles through their UberBlack & UberTaxi. The only option that will allow licensed taxicabs to survive is forcing them to use only these models.

Proposed Changes to Current Bylaws: Though we are not in any way in favour of a

two tier system there are compromises that can be made for the New Market Entrants and the existing licensed operators to co-exist:

a. License the new market entrants as Taxicab Brokers as defined through definition changes. As a licensed broker rides must be dispatched to only to existing City Licensed Vehicles including all regulations that go along with this. The current By Law 420-04, as amended, needs several changes. In the Definitions section of the By Law, we need to bring the definitions of broker and driver up to date to reflect changes in the technology of connecting customers with drivers. There has been a motion put forward by the PVAC to define a “Broker” as any Person or Corporation which carries on the business of facilitating in any fashion the provision of for hire transportation between any person and any vehicle not owned by that Person or Corporation. Also that “Driver” means any person who drives a Taxicab, Limousine, Airport Municipal Transportation Vehicle, or any other for hire motor vehicle, excluding public transport.

b. Remove restrictions for licensed vehicles to work solely through one brokerage. Allow use of multiple dispatch services for licensed taxicabs.

c. No Surges or Price Gauging - No matter which dispatch brokerage the licensed vehicle receives an order the rate charged shall only be the rate dictated by the city. In cases where an application is used, driver will manually enter the meter amount into the application at the end of the tip. This is currently the method used by the UberTaxi Service as well the method Hailo used operated while operating with licensed vehicles in the City of Toronto.

d. Strictly enforce all requirements of current bylaws and increase fines and penalties regarding operating a taxicab without the required Licence. Also support Provincial [Bill 53, Protecting Passenger Safety Act, 2015](#) to give police & municipal enforcement officer’s greater authority to lay charges, impound vehicles of unlicensed vehicles.

e. If the eventual demand for vehicles increases, the City should continue to issue licenses through the existing plate issuance criteria and priority list. Studies have shown that there are more than enough taxis and limousines on the city streets, through the existing situation licensed operators are struggling.

There are tens of thousands of people and their families that are supported directly or indirectly by Taxi Industry, including: Thousands of Taxi Drivers, Vehicle Operators (whether multiple or individual), License Holders (who have or continue to work year after year in the industry), Auto Mechanics, Dispatch Companies (and their staff), Insurance Brokers, Car Dealers, Vehicle Equipment Installers and Telecommunication Companies. It would be unjust to jeopardize the livelihoods of all these hard working people to accommodate a Non-Canadian, Multi-Billion Dollar enterprise.

3. Facts and Data What facts, data and studies, or information about the business

A-1 Airline Taxi & Van Fleet Services
(2233435 Ontario Ltd)
5225 Orbitor Dr #18
Mississauga ON L4W 4Y8
info@a1airlinetaxi.ca

Ph. #: 905-629-4700,
416 756 1516,
1-800-884-5860
Fax #: 905-629-1618
www.a1airlinetaxi.ca

6.1

models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or whether such entrants can be allowed to operate.

a) Driving for Uber is not a sustainable full time job.

Through Uber's own admission their turn around on drivers is three months, Uber has also stated that 50% of their drivers work between 0-10 Hours per Week. The concept of UberX is to use part time non-professional drivers that drive on a casual basis. That concept if regulated will replace the jobs thousands of Full-Time law abiding citizens of Mississauga with part-timers trying to temporary supplement their income. They can pitch the concept of "ridesharing" and "technology" but in reality it is nothing but an unregulated taxi service. There are no rides being shared these drivers are leaving their place of residence, heading city centres and roaming the streets to provide taxi services. They are not picking up people going in the same direction as them on their commute. We as an industry are in no way anti-competition, we have no problem with allowing the new Market Entrants into the fold, we just ask that the same rules that have applied to us for centuries be applied to new market entrants. When Uber entered the market using licensed vehicles through UberBlack and UberTaxi the taxicab and limousine industry were not overly concerned as they were using only city licensed vehicles. But to allow just any one to decide they want to be in the taxicab business and start operating is not just or fair. The barriers to entry should not be at a place where anyone can simply send an email and be out competing with existing operators the next day.

"That's not a job": Toronto councilors on Uber and the 'suckers' being recruited to drive
<http://www.nationalpost.com/m/wp/blog.html?b=news.nationalpost.com//toronto/thats-not-a-job-toronto-councillor-on-uber-and-the-suckers-being-recruited-to-drive>

b) Traffic Congestion Through Uber's own admission they have 16,000 Drivers in Toronto alone, one can only imagine how many drivers they have across the GTA. The addition of these drivers to the thousands of licensed taxicabs in the Greater Toronto Area on can only imagine the congestion this causing. Add to this the fact that the licensed vehicles now have to wait much longer for a fare, as well as work more hours which also contributes to the congestion. In New York City they went the route of along private vehicles to be licensed (with very minimal requirements) as TNCs. The most damaging part in terms of congestion was the fact that there was no Cap on the number of vehicles. Mayor Bill de Blasio had desperately attempted to put a cap on the number of vehicles to combat Congestion in the City but Uber responded by unleashed an ad campaign and an army of lobbyists, forcing the mayor to retreat.

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6.1

Uber doubles number of drivers—just as Bill de Blasio feared

<http://www.crainsnewyork.com/article/20151006/BLOGS04/151009912/uber-doubles-number-of-drivers-just-as-de-blasio-feared>

New expert report reveals two-tier taxi industry risks include increased congestion and vehicle emissions, while costs saving can prove elusive

<http://www.newswire.ca/news-releases/new-expert-report-reveals-two-tier-taxi-industry-risks-include-increased-congestion-and-vehicle-emissions-while-costs-saving-can-prove-elusive-529905771.html>

Uber's Own Numbers Show It's Making Traffic Worse

<http://www.streetsblog.org/2015/07/22/ubers-own-data-reveals-it-slows-manhattan-traffic-9-percent/>

c) Public Transit Rider ship Down 30% Providing service at such a low cost creates an alternative to public transit. We in the City of Mississauga are spending millions on adding public transit infrastructure meanwhile at the current cost point provided. In recent years the focus in the City of Mississauga has been public transit, but we should ask ourselves what we need to do to protect the future of public transit. All these investments in transit will be at risk. What will happen when Uber decides to provide cheaper transit services on popular MiWay Routes? In recent months, Uber has been trialing a "smart routes" service in San Francisco that has been compared to a bus service in media reports. The service discourages transit use by attracting Uber customers to travel along specific routes like a bus, for a competitive price.

Poll suggests UberX is decreasing TTC and GO transit rider ship <http://www.newswire.ca/news-releases/poll-suggests-uberx-is-decreasing-ttc-and-go-transit-ridership-529475091.htm>

d) Decreased Canadian Tax Revenue - Uber does not pay corporate taxes in Canada

All licensed taxicab brokerages are Canadian owned and operated small business that employ local residents. These companies were built from the ground up by local residents. We all pay our fair share of corporate tax and spend our hard earned dollars in our local economy. The new market entrants have created a strategy that they are quite open about. Uber and Airbnb confirm they send profit offshore <http://www.smh.com.au/business/the-economy/uber-airbnb-reveal-they-send-profits-offshore-20151006-gk2v5z.html>

e) Uber's strategy of intentionally flouting regulation as described by their CEO

Uber waits for as they call it Regulatory ambiguity, though his company enacts the exact same strategy as what they are criticizing Lyft for in the video below.

Uber CEO calls competitor service 'criminal'
<https://www.youtube.com/watch?v=5fOycXLp7Ik&feature=youtu.be>

f) Creating Two Sets of Rules for the Same Service Is Unethical and Unfair

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www.a1airlinetaxi.ca

6.1

Chicago's differing regulations of Uber vs. taxis may violate equal protection, judge says
http://cookcountyrecord.com/stories/510639525-chicago-s-differing-regulations-of-uber-vs-taxis-may-violate-equal-protection-judge-says#sthash.LSVf529p.uXfs&st_refDomain=t.co&st_refQuery=/DKMz2J5aTU

g) Uber drivers all over the world are doing non-app & street hail pickups

Hundreds of Uber cars seized in major crackdown on illegal street pickups at city airports
<http://www.nydailynews.com/new-york/close-500-uber-cars-seized-illegal-pickup-crackdown-article-1.2260211>

h) Governments all over the world have been successful in dealing with Uber

Please see the article at the URL below.

"Unstop ability" of Uber not a compelling argument + A letter to Taxi Operators & Drivers <http://us11.campaign-archive2.com/?u=7eef0d79657bcfaa29875872d&id=7ab1450814>

From: Baljit Pandori <baljit@blueandwhitetaxi.ca>
Sent: Friday, October 16, 2015 3:51 PM
To: Mississauga; Daryl.Bell@mississauga.ca
Cc: Ron.Starr@mississauga.ca; carolyn.parrish@mississauga.ca
Subject: request for Comment on Taxi Industry
Attachments: Bw Taxi Comments.PDF

Attention Mr. Matt Deus

Please find attached Blue and White Taxi response to the City of Mississauga's request for comments regarding Taxi Bylaws & regulation of TNC companies.

If you have any questions or would like to discuss any of the material attached please do not hesitate to contact me.

Regards,

Baljit Pandori

GENERAL MANAGER



Direct line : 905 271 5001

Mobile : 416 417 7724

Fax : 905 274 8939

Email : baljit@blueandwhitetaxi.ca

1. Existing Laws & Regulatory Structure

Are the existing by-laws, service model definitions and procedures, as well as enforcement methods and resources, adequate with respect to existing taxi and limousine service providers as well as new technology market entrants?

Blue and White Taxi Response

While the intent of the existing by-laws appear to protect industry stakeholders as well as the riding public, these by-laws do need to be updated to reflect the modern day era and existing and future technologies and advancements. A workshop of industry stakeholders should be conducted in order to receive input to help structure those new by-laws.

In meetings with Peel Region police recently, the police are unable to provide resources to enforce violations of the municipal by-laws. Furthermore, as it pertains to the provincial highway traffic laws, the police have admitted they do not have the resources nor the direction from their municipality to make the illegal entities a priority for policing and enforcement. Blue and White Taxi understands the Peel Region Police position however more Municipal Licensing Enforcement Officers should be added to target illegal entities, drivers and vehicles. In addition we believe Peel Region Police should be directed to increase enforcement of the highway traffic laws regarding illegal companies and drivers receiving compensation for transportation.

2. Licensing Standards

Identify whether the driver qualification and training standards; vehicle condition, safety, inspection and insurance standards; penalties and levels of enforcement; transportation business provider accountability and customer service standards, should be applied to new market entrants, and if so, why? – Or, if not, why not?

Blue and White Taxi Response

The current Licensing Standards have proven to be more than adequate for the Taxi and Limousine industry and as such should be the same for any other entity, vehicle or driver providing service to the citizens of Peel Region.

The current standards include Defensive Driving courses as part of the training modules for new drivers entering the industry. Criminal background checks protect the citizens from unwanted individuals and in light of all the most recent allegations of passenger assaults, we believe on board security cameras would not only be a must, but would also be more than welcomed by Transportation for Hire companies and drivers in order to protect them from criminal and legal prosecution. On board security cameras also protect the passengers and can only be accessed by the police.

3. Facts and Data

What facts, data and studies, or information about the business models, pricing and manner of operation of both existing taxi and limousine providers as well as new technology entrants, can you provide to aid this consultation, including how or whether such entrants can be allowed to operate?

Baljit Pandori

General Manager

From: rav banwait
Sent: Friday, October 16, 2015 4:27 PM
To: Mississauga
Subject: Fwd: Response to Taxi Regulations city
Attachments: of mississauga. survey.docx

Dear Mr. Matt Deus,

Please find attached response to the City of Mississauga's request for comments regarding Taxi Bylaws & Regulation.

If you have any questions or require clarification, please contact me at anytime.

Sincerely,

Rav Banwait

1. Existing Laws & Regulatory Structure

The existing by-laws and regulatory structure have been the result of decades of experience. MINOR changes are always necessary to ensure the main purpose of these bylaws is not lost or ignored.

New technology or new methods of communication are not industry changing, and do not offer a free pass to allow ignorance of existing city bylaws and regulations.

Many great and powerful cities and nations across the globe have stood true to protect and uphold their city's bylaws and regulations (i.e. Vancouver, Nevada, Spain, Miami, France, and Thailand). These respected places did not bend or cave in to those who 'refused' to follow the City's own set bylaws.

These standards are in place for a reason. Let us hope we were not 'fooled' by these existing rules and regulations these past five decades.

2. Licensing Standards

Licensing Standards should absolutely apply to any new entrants (in any shape or form) entering the taxi/limo industry.

You cannot entertain new bylaws for the same service just based on a new method of communication.

The City of Mississauga controls and limits taxi vehicle licenses in operation (based on a formula) to ensure consistency, safety of passengers, discipline and a reasonable full time salary. If an industry is uncontrolled and becomes 'oversaturated', human willpower to earn a decent living may get ugly. That is human nature.

Not a favourable image for the City of Mississauga, especially to tourism and businesses.

3. Facts and Data

New entrants may operate according to EXISTING bylaws and regulations to ensure safety and fairness.

Allowing illegal services without proper permits, insurance, safety criteria, background checks etc. has and continues to destroy the legitimate businesses, who have respected the existing city bylaws for years.

Until new entrants are willing to follow existing bylaws and regulations of the City of Mississauga, they should be strictly prohibited from the City.

Please ensure each and every new entrant to any existing industry abides by the City of Mississauga's bylaws to ensure a 'level playing field'. Destroying an industry established over years and years of strict regulation cannot be replicated.

Next to God, you hold our trust and we believe you will do the right thing to protect our livelihood and ensure the City of Mississauga's existing bylaws and regulatory framework stands.

Joga S.Banwait

On Behalf of the Taxi Industry who earns its livelihood in the City of Mississauga

“Wrong does not cease to be wrong because the majority share in it.”
Leo Tolstoy

Appendix F

Uber's Comments in Response to the Study's Initial Draft

(NEW)

December 7, 2015

SENT VIA E-MAIL: karen.morden@mississauga.ca

Ms. Karen Morden
Legislative Coordinator, Office of the City Clerk
City of Mississauga
300 City Centre Drive
Mississauga, ON
L5B 3C1

Dear Ms. Morden,

RE: WINDELS MARX: STUDY OF REGULATIONS FOR TRANSPORTATION NETWORK COMPANIES ("TNCs")

I am writing to you in reply to proposals outlined in the Windels Marx report entitled, "Study of Regulations for Transportation Network Companies ("TNCs")" written by Mr. Matthew Daus as part of the City of Mississauga's review of policy alternatives for the regulation of Transportation Network Companies. Uber Canada takes this opportunity to provide written feedback on this report.

In 2013, the International Association of Transportation Regulators (IATR) published Model Taxi Regulations to address TNCs. A reading of these model taxi regulations clearly demonstrates an attempt to force "square pegs into round holes" by attempting to squeeze new technologies into older regulations designed before the availability and widespread adoption of smartphones and apps. It is respectfully submitted that as Mr. Matthew Daus is President of IATR, and can be presumed to be supportive of these model regulations, it could raise the question of bias in the findings of this report.

I would encourage the Mississauga Public Vehicles Advisory Committee (PVAC) and Mississauga City Councillors to also review [Ottawa's Taxicab and Limousine Regulation and Service Review](#), in addition to [Toronto's Ground Transportation Review: Taxis, Limos and Uber](#), both of which have produced lengthy reports, public polling on a range of issues including customer service in the industry, and formalized stakeholder consultations with the ground transportation industry and broader public.

With respect to the policy alternatives outlined in the paper, Uber Canada supports:

- Option 3: New Licensing Category (Unequal Regulation) - Uber takes issue with the characterization of a new licensing category for TNC's as "unequal regulation", when the City of Mississauga already has 4 distinct categories of for-hire vehicles with different licensing requirements under its current bylaw.
- Option 5: Pilot Program: Using New Entrants to Solve Regulatory Problems and Improve Service
- Option 6: Provincial Regulation

The “Study of Regs for TNCs” sections below include select quoted excerpts from the Daus report itself, followed by our “UBER RESPONSE”.

STUDY OF REGS FOR TNCs	Page 4: “When TNCs enter jurisdictions without proper licensing, many jurisdictions have answered by filing lawsuits, as Edmonton and Toronto have done, to block their operations. When TNCs have been blocked by these lawsuits, it sometimes compels them to work with local regulators to create a system in which the TNC model can operate, or to cease operations”.
UBER RESPONSE	<p>As public policy manager with Uber Canada, I have been engaged with City Councillors, City regulators/licensing officials, and other public servants in municipalities across Canada, including Mississauga. I have met with many Mississauga Councillors on City Council, including the Mayor, in addition to having attended several meetings of PVAC, in addition to a number of items of written correspondence I have provided to PVAC on a number of subjects related to Uber since 2014.</p> <p>Both City-initiated injunction attempts against Uber Canada in Toronto and Edmonton were unsuccessful. Edmonton has a draft bylaw to regulate TNCs that is being considered by Council with likely adoption in 2016, and Toronto is bringing back TNC regulation in the Spring of 2016, after City Council voted to regulate Uber by a wide margin in September 2015, rather than continue to attempt to ban it.</p>

STUDY OF REGS FOR TNCs	Page 16: “There are four (4) different types of for-hire vehicles (“FHV(s)”) licensed by the City of Mississauga’s Transportation and Works Department: Taxicabs, Airport Public Transportation Vehicles (“APTVs”), Airport Municipal Transportation Vehicles (“AMTVs”) and Limousines. <u>Each mode of transportation is distinctly defined by the City of Mississauga in their by-laws regarding Public Vehicles Licensing (By-Law Number 420-04) and distinguishable based on the licensing requirements imposed on the respective drivers and vehicle owners”.</u> (emphasis added).”
UBER RESPONSE	<p>It is important to note here (see underlined portions above) that Mississauga’s current Public Vehicles Licensing By-Law Number 420-04 already defines distinct types of for-hire vehicles under its bylaw and distinguishes them based on different licensing requirements. As such, there is precedent under the current bylaw for treating separate categories of for-hire vehicles differently, taking into account the unique characteristics/business models of each for-hire vehicle.</p> <p>UberX, the peer-to-peer ridesharing option available on the Uber platform, does not accept street hails or occupy traditional taxi stands.</p>

	This, in addition to other aspects unique to the ridesharing business model, necessitates a different regulatory approach as is already provided for in Mississauga's current Public Vehicles Licensing By-Law.
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STUDY OF REGS FOR TNCs	<p>Page 21: "Recently the City of Mississauga enacted a by-law that amended the for-hire vehicle by-law governing criminal and driving record checks. The by-law amended the criminal records checks and driver abstract checks for limousine and taxicab drivers to require:</p> <ul style="list-style-type: none"> • Submission to the License Manager of a criminal record search within 60 days of the application issued by the Peel Regional Police, or other police service in Ontario; and • A driver's abstract."
UBER RESPONSE	<p>Before an Uber driver partner gains access to the Uber platform as a driver, Uber requires (and always has required) a federal criminal record background check and motor vehicle reference check, among other checks such as a vehicle inspection by a certified mechanic. Any criminal conviction results in ineligibility to be an Uber driver partner.</p> <p>The Driver's Abstract involves a search of the Applicant's driving record over the past three years. Uber's background check vendor (i.e. First Advantage and ISB Canada) runs the Applicant's driver's license number through a database of driving records that is accessible through the public website of the Ontario Ministry of Transportation, Service Ontario. The results of that search show the Applicant's driving record over the past three years, including any suspensions or convictions under the Highway Traffic Act.</p> <p>An Applicant will fail the Driver's Abstract component of the background check if his or her driving record over the past three years reveals one or more of the following:</p> <ul style="list-style-type: none"> (a) any conviction for impaired driving; (b) any other major driving infraction (e.g. failure to remain at the scene of an accident, speeding 30km/hour or more over the speed limit, etc.); or, (c) more than two minor driving infractions (e.g. speeding less than 30km/hour over the speed limit, driving while using a handheld device, failure to wear a seatbelt). <p>Accordingly, the Applicant must have no major infractions and no more than two minor infractions in order to pass the Driver's Abstract component of Uber's background check.</p>

STUDY OF REGS FOR TNCs	Page 22: "Operating under the premise that most people expect a taxi to arrive within 15 minutes of the request, the Study--using data from cooperating brokers--showed that Mississauga has good dispatching response times...The data showed that the average response time for a taxi is 9.8 minutes, with 90.01% of calls answered within 15 minutes".
UBER RESPONSE	<p>Under older regulatory regimes whereby consumers looking for ground transportation had to choose between limited options (taxi, limo and public transit), no doubt consumers had come to expect a taxi to arrive within 15 minutes or longer. Without knowing anything different, this was the accepted state of affairs. Consumers may not have been satisfied with the wait time, but there was little they could do about it in a regulated state of affairs that limited competition.</p> <p>With the advent of ridesharing, Uber has wait times that average 4.8 minutes in Mississauga (as of July-August 2015). On more current review, that average wait time may now be even lower. Customers may have come to expect a taxi to take 15 minutes to arrive in Mississauga, but given a choice, customers prefer the reliability of lower wait times.</p>

STUDY OF REGS FOR TNCs	Pg. 23: "This suggests that any model that allows TNCs to enter the market in large numbers will have a negative effect on taxis, reducing their business and value of their taxi plates".
UBER RESPONSE	<p>Operating under fixed assumptions of current regulatory models that limit competition, regulators often suggest that there is only a fixed number of rides in a given city. With shifting demographics, growing urban lifestyles, driving behaviours, and technology enabled offerings like ridesharing, that statement could not be further from the new reality. Helping citizens connect with and explore their city is not a zero-sum game. Uber is in fact growing the pie by offering a safe, but principally more reliable and more affordable transportation option.</p> <p>Opponents say Uber is cheaper for a host of inaccurate reasons. To understand how the Uber platform can offer a lower fare to the end user, it is important to understand the makeup of taxi driver economics that have been perpetuated by the current regulatory system for taxi.</p> <p>Taxi drivers suffer under the current regulatory system. Taxi drivers pay substantial daily or weekly leasing fees (not including maintenance or dispatch fees, among other costs) before ever hitting the road. It's no wonder that taxi drivers have to work 12 hours a day, 6-7 days a week, just to cover their operating expenses while often making less than minimum wage.</p>

	<p>In addition, there are taxi industry “middleman” such as agents and garages/fleet operators, all of whom extract a portion of the significant profits the current system generates for the few middlemen and licence holders at the top. At the same time, the significant majority on the front lines are made worse off. Taxi drivers have to drive long hours just to break even. On top of this, the traveling public pays high taxi fares that always go up in cost but never down.</p> <p>On the other hand, the Uber platform introduces an unparalleled level of flexibility, allowing drivers to choose their own hours. The technology that’s behind the Uber platform is introducing way more efficiency than ever before while flexible pricing allows Uber to lower base fares from time to time while ensuring that partner earnings are equal or greater than before. You may ask how is it possible that uberX riders can pay less (when base fares are lowered in a market) while at the same time driver partners can earn more money?</p> <p>The answer is that uberX driver partners benefit from the liquidity or availability of both more riders and more drivers. Over time in a particular market, having a large marketplace of both riders and drivers means that drivers are typically much closer to a rider requesting a ride than at an earlier point in time in that particular market. This makes pickup times shorter. Since driving with a rider in the car is the only time that a driver is earning fares, the more time drivers spend with riders, the more they can earn per hour. Riders benefit from lower fares but also by having quicker pick up times. In other words, a bigger marketplace for ridesharing overtime is a win for both riders and drivers. As uberX continues to grow in a particular market, one can expect these beneficial effects to only get stronger over time.</p>
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STUDY OF REGS FOR TNCs	Page 25: “Uber is turning for-hire driving into a part-time occupation where students and other people with extra time can earn money by providing rides to other people.
UBER RESPONSE	<p>Ridesharing is an ad hoc commercial pursuit with uberX driver partners offering a shared ride on a schedule of their choosing. While there are full-time uberX driver partners on the Uber platform, most Uber driver partners drive on the Uber platform for less than 10 hours a week. In many ways, Uber for these driver partners is not a full-time or part-time opportunity, but an opportunity to earn a few extra thousands of dollars a year to pay for a family vacation, save for a mortgage down payment, retirement, etc.</p> <p>In addition, for a Mississauga resident that may have lost his or her job, Uber is an opportunity for them (subject to requisite safety and</p>

	<p>background checks) to continue to provide for themselves and their families financially, with a flexible earning opportunity while they look for a new part-time or full-time job.</p> <p>If the technology that is available today, namely GPS and Internet built into modern smartphones that allows persons to connect with and share a ride with another person on scade in real-time, had been available a century ago when current taxi regulations were first introduced, the regulatory framework for taxi and limo would not look like it does today. The traditional regulatory framework for taxi and limo is a vestige of a former era. Trying to contemplate future possible regulatory states for the for-hire transportation industry, through the lens of what current taxi regulatory frameworks produce, will serve to yield limited insights and options.</p>
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STUDY OF REGS FOR TNCs	<p>Page 26: "In Toronto, Uber provides wheelchair accessible vehicles through UberACCESS, where it partners with accessible taxicab drivers. Uber users in Toronto can request a wheelchair accessible taxi with hydraulic lifts or ramps".</p>
UBER RESPONSE	<p>The Uber app works with the accessibility features built into modern smartphones that provide accessibility features (lights and sounds) for those Uber users who have visibility or hearing impairment issues.</p> <p>In Toronto, residents also have the ability to select UberWAV (formally known as uberACCESS) on the Uber platform. UberWAV connects riders with licensed para-transit drivers and curb-to-curb service in vehicles that are equipped with hydraulic ramps or lifts. This means that riders requiring an extra hand have access to the same on-demand transportation technology--at the same price--that hundreds of thousands of Uber riders already enjoy.</p> <p>We are looking to expand accessibility options in cities across Ontario, including a future product offering known as uberASSIST. uberASSIST is an uberX option that is designed to provide additional assistance to seniors and people with disabilities that do not require a vehicle with a hydraulic lift/ramp. Uber driver partners are specifically trained (i.e. by Open Doors Organization in Chicago for example) to assist riders into vehicles and can accommodate folding wheelchairs, walkers, etc. Think of it as door-to-door service rather than curb-to-curb service.</p>

	<p>Uber recently partnered with Ms. Jutta Treviranus at OCAD's Inclusive Design Institute to co-host a Cross-Disability Transportation Forum. Uber has always considered user-centric design a priority and this Forum was an opportunity for community stakeholders to come together to discuss issues around accessible transportation in Toronto. Representatives from Wheel-Trans, Metrolinx, and the City of Toronto, among others, were present. Uber also sponsored a "Hackathon" at OCAD to give an opportunity to citizens in Toronto to work on solving accessible transportation issues through technology.</p>
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STUDY OF REGS FOR TNCs	Page 28: "3.3 Public Opinion of New Entrants"
UBER RESPONSE	<p>While this section of the report outlines findings from the City of Toronto's review of Uber, which found high satisfaction with Uber services in the City, it's not comprehensive of the available public polling on the subject:</p> <ul style="list-style-type: none"> • Two-thirds of Toronto residents approve of Uber (Forum Research, November 2014). • Only 6% of the Ontario population wants to see Uber banned (Vision Critical, June 17-18, 2015) • 76% of Torontonians support having the City of Toronto develop by-laws to allow the uberX ridesharing service in Toronto (Nanos Research, September 26-27, 2015). • Only 1 in 5 Ontarians believe Uber should be banned from operating in Ontario (Leger, August 3-6, 2015). <p>In addition, PVAC may wish to review Ottawa's Taxicab and Limousine Regulation and Service Review and specifically their "Customer Service" paper which reviews differences in the customer experience between taxi and Uber.</p> <p>The Ottawa "Customer Service" research found "resoundingly higher customer service and customer experience ratings for Uber over Taxi". According to the research paper, "Focus group participants also rate Uber more favourably on numerous other customer experience attributes including but not limited to; shorter wait times, faster travel times, driver courtesy and professionalism, vehicle comfort and cleanliness, safety and security".</p>

STUDY OF REGS FOR TNCs	Page 29: "Insurance in particular is an issue, since TNC drivers, who rely solely on inadequate personal driver insurance, pay approximately \$1,000 per month less for insurance".
UBER RESPONSE	<p>Every ride on the uberX platform is backed by \$5M of contingent coverage for bodily injury and property damage to third parties. This means that if, in the event of an accident, a ridesharing partner's own personal insurance does not apply for any reason, passengers, pedestrians, other drivers, and the community at large can rest assured knowing that ridesharing partners remain covered by a robust first-class policy. This coverage exceeds the standard requirement for taxi and limo insurance in Canada and is backed by an insurance company rated A (Excellent) by A.M. Best.</p> <p>Uber recently announced a relationship with Intact Financial, Canada's largest home, auto and business insurer. We have been working closely with Intact Financial to develop a new and innovative insurance plan for ridesharing in Canada that we hope will come to market soon.</p> <p>Intact Financial is working with insurance regulators and different levels of government in the provinces where ridesharing currently exists (Ontario, Alberta and Québec) to create an insurance product in collaboration with stakeholders that satisfies the requirements of both insurance and transportation regulators.</p>

STUDY OF REGS FOR TNCs	Page 30: "V. <i>"Fair" Fares</i> . Fare regulations can have two purposes: 1) consumer protection, and 2) the ability to easily distinguish different types of transportation services. Numerous cities will require the fares to be published and filed with a local agency. Yet, some apps operate by charging passengers at the end of the trip. The consumer has not assurance as to the final fare, or whether the charge is "fair".
UBER RESPONSE	On the Uber platform, dynamic or "surge" pricing is triggered by demand for rides exceeding the available supply of drivers willing to provide one. Remember, uberX drivers are not regular taxi drivers on 12-hour shifts every day of the week. They are individuals who after criminal background checks and mechanical vehicle inspections, among other mandated checks, may only drive a few hours a day, week, or month on the uberX platform. Dynamic pricing (the opportunity to earn more money) incentivizes these drivers who may decide to do something else with their time, to get behind the wheel and provide flexible supply at peak demand periods. Prices are always transparent for the riding public and require confirmation before a rider can request a ride.

The Uber platform was created to ensure the reliability of a ride:

- Uber users can obtain “fare estimates” in app prior to requesting a ride. The Uber app will GPS their current location and a user can input where they are going, and obtain a fare estimate, within a \$3 range.
- Dynamic pricing utilizes an algorithm that helps bring the demand of riders and supply of driver partners on the road into line by incentivizing drivers to come onto the Uber platform.
- As soon as demand falls or supply increases, prices quickly go back to normal.
- What is important to note is that when the pricing shifts, users are alerted repeatedly and must confirm acknowledgement of the pricing before requesting a trip, thus giving the user the choice whether to proceed.
- Users can also set up alerts for when surge is no longer in effect, allowing them to request a trip at as soon as supply and demand are in line.
- Ultimately, we think it’s better for a user to open the app, see surge pricing in place and have a choice about whether to proceed than to open the app and see that there are no cars available. Surge pricing helps ensure that reliability of choice.

Is dynamic pricing fair to consumers?

- Dynamic pricing is communicated repeatedly to a user – and requires confirmation – before the user can request the trip.
- Dynamic pricing helps bring demand and supply into line, when necessary by incentivizing more drivers to come onto the platform.
- Once demand falls or supply increases sufficiently, prices quickly go back to normal.
- Ultimately, it’s about choice - users have a choice about whether to proceed or wait until pricing quickly goes back to normal.

See our [blog post](#) and this [Uber video](#) and [Globe and Mail](#) article for more information.

A [real world example](#) is illustrative of dynamic or surge pricing. In June 2015, the Toronto Transit Commission (TTC) experienced a complete shutdown of all subway service.

Without Uber’s dynamic pricing model, our experience and data demonstrate that Torontonians would not have been able to find an

	<p>available ride via the Uber platform. But as a result of Uber's pricing system, Uber was able to bring out 77% more drivers that morning compared to average Mondays in May – meaning thousands more people could get to where they needed to go.</p> <p>It's important to point out that the average uberTAXI fare that morning via Uber (remember uberTAXI does not have dynamic pricing and prices fares at the taxi metered rate) was \$20.10. The average uberX fare (with dynamic pricing) that morning was \$16.50. So, while dynamic pricing was active, most Torontonians were still getting around for less than what they would pay for a traditional cab, with a pickup time of less than 5 minutes – despite the situation.</p>
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STUDY OF REGS FOR TNCs	<p>Page 31: 5.1 International History and Overview of Smartphone App Movement - 5.1.1. Canada - Calgary, Alberta</p> <p>"Brokers are now making a shift from fighting against TNCs to figuring out how to compete with them".</p>
UBER RESPONSE	<p>It is respectfully submitted that the report by Mr. Matthew Daus misses the most crucial aspect of the TNC related reforms being discussed in Calgary currently. In this regard, the section on regulations in Calgary ignores the most substantive element of how regulations are being revised in Calgary so that taxis can more effectively compete in a changing ground transportation industry. Regulatory developments in Calgary can serve to inform regulatory discussion in jurisdictions across Canada, including Mississauga.</p> <p>Common place under TNC regulation in the United States, and under proposed regulation of ridesharing in Edmonton, Calgary and the Region of Waterloo in Canada to date, fares charged by a TNC such as Uber would not be regulated. Taxi has raised "level playing field" objections to this as traditional taxi regulation forces taxi to charge a set fare.</p> <p>However, instead of "leveling the playing field" up by forcing TNCs to charge the same fixed rate fare as taxi which harms consumer interests, taxi rides booked through a smartphone app could also be unregulated, with a requirement for in advance customer information and consent through a smartphone app. This option was also presented in the "Policy Options" paper prepared as part of Ottawa's Taxicab and Limousine Regulation and Service Review.</p> <p>The City of Calgary (City Staff and Council) has endorsed this approach. The approach would leave taxi to the exclusive jurisdiction of taxi, but</p>

	<p>also enable taxi to be more like a TNC. According to the Calgary staff report:</p> <p>“Rate flexibility means that taxi and limousine companies would be free to set their own rates, but only if they utilize a City approved smartphone application that confirms the driver and passenger identification including the City of Calgary livery licence number for the driver and offers a trip cost calculation with a consumer option to accept or reject the trip. However, trips arranged by traditional dispatch or commenced by street hail would be required to charge the regulated rate. Private for Hire Vehicles would also be free to set their own rates if a City approved app with the above feature is used. PFHVs would not be permitted to accept street hail or to use traditional dispatch.”</p> <p>Traditional pricing regulation around the taxi model of street hails and taxi stand pick-ups make sense. Given that a passenger takes the first taxi to come along or the next taxi in a taxi stand, there would be an incentive for price gouging if fares were not fixed.</p> <p>However, with technology, passengers can now compare prices in-app between different ground transportation service providers, all in real time. Given that Uber does not accept street hails or occupy taxi stands, the price is always known to the Uber customer in advance in real time in the app.</p>
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STUDY OF REGS FOR TNCs	<p>Page 35: 5.1 International History and Overview of Smartphone App Movement - 5.1.1. Canada - Quebec</p> <p>“Mayor Denis Coderre and the Quebec government have called the UberX service illegal”.</p>
UBER RESPONSE	<p>Missing from this section of the report is that the Premier of Quebec in response to a Liberal Party of Quebec Youth Wing Motion that was adopted calling on Quebec to pass laws regulating the “new practices” stemming from a “new sharing economy”, stated that ridesharing services from the likes of Uber were “a good idea” and that he was open to “legalizing” ridesharing services in the province. See this article for more information.</p>

STUDY OF REGS FOR TNCs	<p>Page 39: New York City Model</p>
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<p>UBER RESPONSE</p>	<p>There are a number of items reported about the NYC Model that need to be clarified:</p> <ul style="list-style-type: none"> • There are technically not TNC's under the NYC Model. There are no TNC regulations in NYC. However, functionally, with the DSP regulations, there is a TNC equivalent. • With Uber, the distinction between liveries that provide for-hire vehicle service to the public through prearrangement and black cars which generally serve corporate clients on a prearranged basis, has mostly been erased. Both categories are subject to different requirements (i.e. taxes, parking requirements, and price transparency). • In May 2011, when Uber announced its entry into NYC, it is reported by Daus that the Uber business model raised issues and concerns about whether it was operating within the bounds of existing law. This is not true since, at least to the TLC at the time who now works for Uber, there was nothing in the regulations that prohibited the Uber model. • The Daus report notes that in response to complaints that Uber was contacting for-hire vehicle owners and drivers directly, the TLC issued Industry Notices to clarify how smartphone applications should operate under existing rules. This is not accurate, as this was in response to confusion and not complaints against Uber, according to the then TLC, who now works for Uber. • The Daus report notes that to ensure compliance, the TLC, when it becomes aware of a smartphone app that may be acting outside the rules, it will request the app provider to submit a host of information outlined in the report. For the record, Uber complied with this request from the TLC and was not found to be violating any rules.
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<p>STUDY OF REGS FOR TNCs</p>	<p>Page 45: Re <i>City of Toronto v. Uber Canada</i>, "The court in this case found that because Uber Canada is only minimally involved in the business transaction of hailing a ride, i.e. they lack any role in "accepting" requests, they do not fall under the City's definition of taxicab, taxicab broker, or limousine service company, and as such, are not required to apply for a license pursuant to the City's Code".</p>
<p>UBER RESPONSE</p>	<p>It should also be noted that at page 13 of the judicial decision in <i>City of Toronto v. Uber Canada</i>, the judge noted that, "Questions of what policy choices the City should make or how the regulatory environment ought to respond to mobile communications technology changes are political ones". As such, lawsuits and injunctions are blunt legal instruments, and issues of ground transportation regulatory reform are best handled in the political realm rather than the judicial realm.</p>

STUDY OF REGS FOR TNCs	<p>Page 47: <i>Criminal Background Checks</i></p> <p>"The consequences of less than thorough background checks can be seen in the many examples of TNC drivers attacking passengers all over the globe...Canada has not been immune to such incidents due to weak background checks".</p>
UBER RESPONSE	<p>Before an Uber driver partner gains access to the Uber platform as a driver, Uber requires (and always has required) a federal criminal record background check and motor vehicle reference check, among other checks such as a vehicle inspection by a certified mechanic. Any criminal conviction results in ineligibility to be an Uber driver partner.</p> <p>On the other hand, Mississauga just recently on October 14, 2015, enacted and passed Bylaw number 0259-2015 to require, among other things, a driver's abstract (i.e. motor vehicle reference check). As such, it would appear that Uber's background check has been stronger than what has been required by the City of Mississauga.</p> <p>Uber's background check has two components :a Premium Criminal Record Check (CPIC check) and a Driver's Abstract.</p> <p>A CPIC search involves:</p> <ul style="list-style-type: none"> • screening the Applicant's name and date of birth against the RCMP National Repository of Criminal Records for any criminal conviction, including any conviction under the <i>Criminal Code</i> or the <i>Controlled Drugs and Substances Act</i>; and, • reviewing the CPIC database for any cases involving the Applicant that are before the courts and for any charges against the Applicant that have been withdrawn that involve serious offences, as defined by the Police Services. <p>The local Police Service provides the vendor (Uber) with the results of the CPIC search:</p> <ul style="list-style-type: none"> • An Applicant will fail the enhanced criminal check if the local police service cannot confirm that a search of the RCMP National Repository of Criminal Records offender records did not identify any records with the name(s) and date of birth of the applicant. <p>The Driver's Abstract involves a search of the Applicant's driving record over the past three years. Uber's background check vendor (i.e. First Advantage and ISB Canada) runs the Applicant's driver's license number through a database of driving records that is accessible through</p>

	<p>the public website of the Ontario Ministry of Transportation, Service Ontario. The results of that search show the Applicant's driving record over the past three years, including any suspensions or convictions under the <i>Highway Traffic Act</i>.</p> <p>An Applicant will fail the Driver's Abstract component of the background check if his or her driving record over the past three years reveals one or more of the following:</p> <p>(a) any conviction for impaired driving; (b) any other major driving infraction (e.g. failure to remain at the scene of an accident, speeding 30km/hour or more over the speed limit, etc.); or, (c) more than two minor driving infractions (e.g. speeding less than 30km/hour over the speed limit, driving while using a handheld device, failure to wear a seatbelt).</p> <p>Accordingly, the Applicant must have no major infractions and no more than two minor infractions in order to pass the Driver's Abstract component of Uber's background check.</p>
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STUDY OF REGS FOR TNCs	<p>Page 48: "The Appendix C annexed hereto includes a list of other incidents all over the world in which TNC drivers have been accused of attacking their passengers".</p>
UBER RESPONSE	<p>While any criminal allegation and/or conviction on a TNC platform is undesirable and extremely unfortunate, one could easily draw up a list of the numerous allegations and convictions of a variety of crimes perpetrated by taxi drivers.</p> <p>For example, an investigation by the Toronto Star in February 2013 revealed that hundreds of taxi drivers identified by the City as a possible danger to the public (taxi drivers with convictions for assault, sexual assault, uttering death threats, dangerous driving, etc.), were striking deals with the taxi licensing tribunal to enable them to continue to pick up passengers on Toronto streets. If they were Uber drivers, they would <u>not</u> be driving on the Uber platform.</p> <p>Uber works hard to create layers of security that go beyond a background check and motor vehicle reference check.</p> <p>Additional safety features on the Uber platform:</p> <p>Nobody's a stranger</p>

	<ul style="list-style-type: none"> • Uber is a two-way street. Driver partners will see the rider's name before they get in and rider's will see the driver's name, photo, and vehicle information. After a trip, riders are still able to contact the driver in case an item was left behind in the car. <p>You're always on the map</p> <ul style="list-style-type: none"> • While guarding for privacy, Uber collects information about each trip, so if anything goes wrong, we can easily determine when and where it happened and make this information available to police and law enforcement when necessary. <p>Risk-free transactions</p> <ul style="list-style-type: none"> • Uber is cashless so driver partners never have to worry about driving with cash in their car, and are assured payment for every trip. <p>Anonymous feedback</p> <ul style="list-style-type: none"> • After every trip, driver partners and riders provide anonymous feedback (5 star ranking system and written feedback option) about the ride. Uber constantly monitors feedback to help drivers improve the Uber experience they deliver, and because riders know they are being ranked as well, they behave better while in transit. • When transactions on the uberX platform are cashless and no cash is carried by an uberX driver partner, in addition to anonymous street hails not being permitted on the Uber platform (Uber knows who every rider is requesting a ride on the Uber platform through the smartphone app), the incentive for in-vehicle crime declines dramatically. <p>SafetyNet</p> <ul style="list-style-type: none"> • SafetyNet is an enhanced version of the 'Share My ETA' feature. The 'Share My ETA' feature enables riders to share the details of their Uber trips with family and friends directly from the Uber app. Riders can select contacts, who will receive a link where they can see the first name and vehicle information of the driver, as well as their map location in real-time.
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	<ul style="list-style-type: none"> • With Share My ETA, a rider manually selects a contact from their Contacts list, with whom they wanted to share their trip. SafetyNet simplifies the process for sharing a trip, including with a group of people. It allows a rider to set contacts in advance, so that sharing their trip becomes a two-touch process. • Now, with SafetyNet, the rider no longer needs to have an SMS plan to send status to friends and family. Uber sends the link from an uber server, which allows the feature to roll out to virtually all riders on our platform regardless of any limitations on their phone plan.
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STUDY OF REGS FOR TNCs	Page 48: "We understand from our independent research with Canadian regulators that Uber is working on an insurance policy based upon the phases of a TNC ride, as it does in the United States".
UBER RESPONSE	<p>No need to do any independent research, it is publicly available.</p> <p>Uber recently announced a relationship with Intact Financial, Canada's largest home, auto and business insurer. We have been working closely with Intact Financial to develop a new and innovative insurance plan for ridesharing in Canada that we hope will come to market soon.</p> <p>Intact Financial is working with insurance regulators and different levels of government in the provinces where ridesharing currently exists (Ontario, Alberta and Québec) to create an insurance product in collaboration with stakeholders that satisfies the requirements of both insurance and transportation regulators.</p> <p>Until the Intact ridesharing insurance product is approved, every ride on the uberX platform is backed by contingent coverage for bodily injury and property damage to third parties. This means that if, in the event of an accident, a ridesharing partner's own personal insurance does not apply for any reason, passengers, pedestrians, other drivers, and the community at large can rest assured knowing that ridesharing partners remain covered by a robust first-class policy. This coverage exceeds the standard requirement for taxi and limo insurance in Canada and is backed by an insurance company rated A (Excellent) by A.M. Best.</p> <p>In the United States, in March 2015, Uber announced that a TNC Insurance Compromise Model Bill had been developed by some of the leading auto insurance companies and TNCs that helps set consistent and modern insurance regulation for TNC services. At the time, the Model Bill to establish ridesharing specific insurance language was supported by: Allstate, American Insurance Association, Farmers</p>

	Insurance, Lyft, National Association of Mutual Insurance Companies, Property Casualty Insurers Association of America, State Farm, Uber Technologies, and USAA.
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STUDY OF REGS FOR TNCs	Page 50: "Most comments argue that TNCs currently benefit from not following the by-laws that Taxi and Limousines follow, which greatly decreases their overhead allowing them to charge lower prices at a larger profit margin".
UBER RESPONSE	<p>Across Canadian markets that have ridesharing, otherwise known as uberX on the Uber platform, the taxi industry not only continues to exist, but it continues to do well. In Toronto, taxicab company Beck has stated publicly that 2014 was their best year ever, and that April 2015 was record setting. In Ottawa, Chief Executive of taxi operator Coventry Connections, Mr. Hanif Patni, is on record stating that business in 2014 was up over business the prior year. On March 25th, 2015, President of the Edmonton taxi association said that Uber had no impact on their business, yet on April 20th, claimed that drivers couldn't get by. How can taxi companies, associations, and unions, say they're hurting more than ever before yet tout record setting months and years for business?</p> <p>Opponents say Uber is cheaper for a host of inaccurate reasons. To understand how the Uber platform can offer a lower fare to the end user, it is important to understand the makeup of taxi driver economics that have been perpetuated by the current regulatory system for taxi.</p> <p>Taxi drivers suffer under the current regulatory system. Taxi drivers pay substantial daily or weekly leasing fees (not including maintenance or dispatch fees, among other costs) before ever hitting the road. It's no wonder that taxi drivers have to work 12 hours a day, 6-7 days a week, just to cover their operating expenses while often making less than minimum wage.</p> <p>In addition, there are taxi industry "middleman" such as agents and garages/fleet operators, all of whom extract a portion of the significant profits the current system generates for the few middlemen and licence holders at the top. At the same time, the significant majority on the front lines are made worse off. Taxi drivers have to drive long hours just to break even. On top of this, the traveling public pays high taxi fares that always go up in cost but never down.</p> <p>This is reflected in recent comments by former Hamilton taxi driver and founding President of the Ontario Taxi Workers Union when he stated that, "The front man, the driver was not taking enough money home. It</p>

	<p>was the middleman, the owner, the broker. Sometime I worked I could not even make a lease. I had to pay the gas from my own pocket”.</p> <p>On the other hand, the Uber platform introduces an unparalleled level of flexibility, allowing drivers to choose their own hours. The technology that’s behind the Uber platform is introducing way more efficiency than ever before while flexible pricing allows Uber to lower base fares from time to time while ensuring that partner earnings are equal or greater than before. You may ask how is it possible that uberX riders can pay less (when base fares are lowered in a market) while at the same time driver partners can earn more money?</p> <p>The answer is that uberX driver partners benefit from the liquidity or availability of both more riders and more drivers. Over time in a particular market, having a large marketplace of both riders and drivers means that drivers are typically much closer to a rider requesting a ride than at an earlier point in time in that particular market. This makes pickup times shorter. Since driving with a rider in the car is the only time that a driver is earning fares, the more time drivers spend with riders, the more they can earn per hour. Riders benefit from lower fares but also by having quicker pick up times. In other words, a bigger marketplace for ridesharing overtime is a win for both riders and drivers. As uberX continues to grow in a particular market, one can expect these beneficial effects to only get stronger over time.</p>
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STUDY OF REGS FOR TNCs	<p>Page 52-53: Option 1: Capture TNCs Under Current Regulations Using Amendments Capture Option (Taxis and Limousines)</p> <p>“One option is to amend the current regulations to allow TNC vehicles to be classified as taxis...The other option is to amend existing regulation to classify TNC vehicles as limousines...One additional amendment the City may consider if implementing this regulatory regime is placing a cap on the total number of limousines in Mississauga”.</p>
UBER RESPONSE	<p>Uber Canada does not support this Option. As the Daus report notes, under this Option, TNCs “would be barred from entering the market” and with respect to limousines, the report notes, “For example, very few people would choose a TNC vehicle over a taxi or traditional limousine if they had to pay the mandatory rates that limousines currently operate under”.</p> <p>Ridesharing is an ad hoc commercial pursuit with uberX driver partners offering a shared ride on a schedule of their choosing. Most Uber driver</p>

	<p>partners drive on the Uber platform for less than 10 hours a week. In many ways, Uber for these driver partners is not a full-time or part-time opportunity, but an opportunity to earn a few extra thousands of dollars a year to pay for a family vacation, save for a mortgage down payment, retirement, etc.</p> <p>In addition, uberX doesn't accept street hails or occupy traditional taxi stands. With the prevalence of the Internet today, ridesharing customers using an smartphone app to request a ride, are able to compare prices and the quality of customer service offered by a range of ridesharing companies, more easily than ever before. This justifies a lighter regulatory touch on such things as pricing and supply, but of course not on safety which is always paramount.</p> <p>Without new TNC regulations, Uber is unable to expand the market for for-hire transportation and make it more accessible to more Ontario residents. Uber is not pushing the existing taxi companies out of the market and colonizing it for itself, Uber is in fact expanding it by tapping into dormant demand for transportation related services that traditional taxi regulation, drafted in the pre-internet and pre-smartphone era, has stifled due to expensive fares and poor customer service which are hallmarks of monopolies and oligopolies that exist at the behest of traditional taxi regulatory frameworks.</p> <p>Uber demonstrates time and time again that it is possible to grow a transportation market and it's done by finding ways to satisfy customers. The ways in which the traditional taxi market has been regulated, such as limiting the number of people who were allowed to offer the service, has meant high taxi fares and poor customer service, and undesirable outcomes for taxi drivers themselves in terms of low take home pay and long work hours. Traditional taxi regulations have costs both in terms of things we see such as the undesirable outcomes noted above, and the things we don't see, such as trips that don't happen as a result of traditional taxi regulation.</p> <p>Uber is eager to be regulated by smart regulations that govern the ridesharing sphere, whereby Mississauga residents looking for a ride can use a smartphone app to connect with a driver looking to provide a ride with their own personal automobile. Such regulation, often known as Transportation Network Company (TNC) regulation, exists in over 60 jurisdictions in the U.S. at the state and city level. TNC regulation</p>
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	co-exists as parallel regulation to that of traditional taxi and limo regulations.
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STUDY OF REGS FOR TNCs	<p>Page 53: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments Capture Option (Modified)</p> <p>“...this option would create a special limousine license for TNCs...TNCs also use dynamic pricing, which should be regulated to prevent gouging of prices when the special TNC limousines would be in the greatest demand”.</p>
UBER RESPONSE	<p>It should be noted that there are differences with the NYC model that the Daus report includes under this option as an example and what Daus states under this section with respect to how Uber would operate. Daus notes that the City of Mississauga could consider capping the number of these special vehicles and that TNC’s dynamic pricing model would need to be regulated. Price caps and supply caps are not part of the NYC model that Uber operates under in NYC.</p> <p>While other sections have more thoroughly detailed why price and supply caps make for bad public policy, a summary is provided below:</p> <ul style="list-style-type: none"> • Flexible supply best meets consumer demand (No supply caps) <ul style="list-style-type: none"> ○ Cities and residents should enjoy transportation alternatives that are reliable at all times of day in all communities. ○ Traditionally underserved communities get greater access to reliable and affordable transportation. For example, in a mature market like Chicago, four in ten trips begin or end in what the city has deemed to be traditionally underserved neighbourhoods. ○ Uber teams track major events and peak demand periods to proactively encourage partners to be on the platform to serve riders. • Flexible pricing that is transparent in app is fair (No price caps) <ul style="list-style-type: none"> ○ TNC must disclose fare calculation method in app and provide passengers with applicable rates being charged and option to receive estimated fare before entering TNC driver vehicle.

	<ul style="list-style-type: none"> ○ The Uber app provides pricing details and has an “estimate your fare” feature which provides full transparency for pricing before taking a trip. ○ Dynamic pricing incentivizes partners to drive during demand peaks. ○ When pricing does shift due to increased demand, riders are alerted repeatedly and must confirm acknowledgement of the pricing before requesting a trip, or they can wait and be alerted when pricing reverts. ○ Flexible pricing allows Uber to also cut prices from time to time. Driver partners can earn more money because they benefit from availability of both more riders and drivers. Riders benefit from lower fares and quicker pick-up times, but drivers benefit from being much closer to riders requesting rides. Since driving with a rider in the car is the only time that a driver earns fares, more time spent with a rider in the car, the more they can earn per hour.
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STUDY OF REGS FOR TNCs	<p>Page 54: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments Option 2: New Licensing Category (Equal Regulation)</p> <p>“The requirements for licensing should be equivalent to taxis and limousines in terms of insurance, background checks, driving trainings, and vehicle standards...Negatively, this regulatory approach gives TNC’s an unfair competitive advantage in their freedom to set their own fare structure. Allowing open entry for TNC’s but not for Taxis, would potentially have TNC’s flood the FHV market, significantly decreasing the Taxi market share, individual driver potential earnings, and taxi plate values”.</p>
UBER RESPONSE	<p>Uber Canada does not support this Option. While Uber is supportive of thorough background checks and vehicle inspections, blindly imposing equivalent standards across a range of issues such as driver training, among others, that do not go to the heart of public safety and consumer protection, simply does not make sense given the different nature of taxi as compared to ridesharing.</p> <p>With respect to the example of driver training, Uber Canada would encourage PVAC and Mississauga to examine Ottawa’s Taxicab and Limousine Regulation and Service Review and specifically their “Customer Service” paper which reviews differences in the customer experience between taxi and Uber.</p>

	<p>As Ottawa's Policy Options paper notes, "Customer service concerns have been raised by users of the traditional taxi service, while customer service provided by Uber drivers has been reported as generally being very good. This raises a question as the effectiveness of the course relative to other mechanisms, such as driver rating".</p> <p>Uber Canada agrees. Service quality is an important factor for the success of any business. However, there are many different ways to achieve that objective. The city does not mandate customer service training for restaurants, hotels or banks. Those industries compete on multiple factors including customer service.</p> <p>Uber is extremely proud that it provides a very high level of customer service in cities like Mississauga. A key reason for this success is that every trip on the Uber platform, the driver and rider are rated on a 5 star ranking system. Written feedback is encouraged and very often given, and for every rating three stars or lower it is required. This feedback loop encourages drivers to treat customers with care. Feedback received is monitored and responded to by Uber 24 hours a day and drivers receive anonymized feedback from Uber each week based on customer feedback in order to help them improve the customer service they offer. As such, Uber offers continuous customer service feedback and learning.</p> <p>Research firm Core Strategies who conducted the focus groups in September 2015 for the City of Ottawa's taxi bylaw review, reported that Uber scored higher than taxi for car cleanliness, comfort and driver courtesy. Uber driver partners were found to be more caring, professional, and engaged than taxi drivers.</p> <p>Mandating existing taxi training courses for TNCs does not make sense when existing taxi training courses produce inferior customer service results. However, to "level the playing field", the regulatory burden on taxi in the form of traditional taxi driver in class training can be reduced whereby taxi introduces similar in-app ranking and feedback mechanisms that are used to improve customer service on a very regular basis.</p>
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STUDY OF REGS FOR TNCs	Page 55: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments Option 3: New Licensing Category (Unequal Regulation)
UBER RESPONSE	Uber Canada supports this Option. However, Uber takes issue with its characterization as "unequal regulation". It is respectfully submitted that

	<p>the term “unequal regulation” unfairly characterizes information that doesn’t support the preferred policy outcomes of Mr. Daus.</p> <p>The current Mississauga bylaw already provides for differences among 4 different types of for-hire vehicles with each mode of transportation being distinctly defined and distinguishable based on licensing requirements. As such, there is precedent for treating different categories of ground transportation differently.</p> <p>65+ jurisdictions and growing, at the state and/or city level in the United States, have adopted Transportation Network Company (TNC) regulation to regulate ridesharing companies like Uber and Lyft.</p> <p>TNC regulation typically includes:</p> <ul style="list-style-type: none"> • Licensing: TNC (Uber) is licensed and not individual drivers • Fares: Fares are not regulated, so different companies can set their fares for different services. Fares are always transparent in-app • Insurance: TNC (Uber) maintains insurance with minimum liability specified by City • Driver Background Checks: TNC requires drivers undergo background checks. Results of checks are made available to City to ensure compliance • Training: TNC establishes driver training program and makes it available to City • Accessibility: TNC includes option for accessible vehicle (e.g. UberWAV) and if accessible vehicle not available, TNC to direct passenger to alternate service provider of accessible service • Record Collection and Data Reporting: TNC provides City regular reporting of data • Driver Requirements: TNC drivers do not street hail or occupy taxi stands • Vehicle Inspections: TNC ensures drivers are using vehicles that are inspected regularly by a licensed facility and TNC keeps documentation of inspection reports and makes them available to City to ensure compliance <p>An audit-based regulatory model is the standard for regulating TNCs, such as Uber and Lyft, across jurisdictions in the United States. Unlike the Daus Report which suggests that Option 3 re New Licensing Category (Unequal Regulation) is “without any government oversight”, this is not the case with auditing under the TNC model in place in U.S. jurisdictions. Regulators prefer it because a TNC’s electronic systems</p>
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	<p>enhance safety and provide cities with a more effective and efficient model of regulation.</p> <p>Only driver-partners whose documents have been fully vetted are able to login to the Uber driver partner app and provide ridesharing services through the TNC's network. In addition, the moment their account is deactivated by the TNC, they no longer have access to offer or provide service. By contrast, the news reported that an Ottawa taxi driver was recently pulled over by a bylaw officer. While being given a citation it was discovered that the driver's paper taxi license had expired three months earlier. That is not possible with a TNC such as Uber. Automatic triggers restrict driver partners from the digital network when documents (such as a driver's licence) expire.</p> <p>In addition, through the rating system, every ride is a check on safety and quality. City staff in various cities have sometimes raised the concern of TNC driver partners "sharing access to the app" or an unauthorized person providing service. Ironically, this is a much greater risk with traditional paper based licensing systems cities are currently using. Before every Uber trip begins, the rider is given the name and picture of the driver partner picking them up (in addition to other vehicle related information). They are able to visually verify the identity of the driver partner before stepping into the vehicle. As such every trip via Uber, or other established TNCs, is also a check on the driver's identity. With a paper-based, city-controlled, licensing system, the rider has no way to visually identify the driver's identity before entering the vehicle, and they are unlikely to provide feedback if they have a concern.</p> <p>Finally, cities have preferred an audit-based regulatory model due to its efficiency. An audit-based model empowers cities while avoiding the cost and complexity of creating real-time registries or registering individual drivers--activities that do not enhance safety or compliance. Audit-based systems allow cities to effectively keep pace with the growth of TNCs. In addition, different TNCs likely store the required documentation via different means. Creating a real-time registry that links to various companies' databases would be costly and complicated, with significant privacy and business trade-secret concerns. All levels of government have faced challenges when creating new registries (recall the final cost of the federal long-gun registry). Moreover, the goals of such a registry - enhanced safety through real-time compliance - are easily achieved via audits and street enforcement.</p> <p>While Uber and its ridesharing competitors are of benefit to both drivers (more flexible work schedule and better economic return) and riders (greater convenience and customer service) over the traditional taxi industry model, Uber is seen as competition to established taxi</p>
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	<p>companies and licence holders who resist innovation and the entry of competition. Instead of spending their financial resources on creating wealth, they spend it on contesting wealth by rent-seeking. The current taxi regulatory framework has stifled innovation and competition for decades.</p> <p>In cities across Canada, traditional taxi regulations restrict entry by requiring a license to operate a taxi. This limits the supply of available taxis in a city. While taxis are an integral component of the urban transportation network of any city, and will remain so into the future, the main effect of such supply restriction, is that prices remain high, among other undesirable policy outcomes. Another result of capped supply of taxi licences, is that the price of licences or their value on the secondary market, has increased dramatically as compared to the cost of obtaining the original licence from the city and any annual licensing fee paid to the city.</p> <p>The returns to taxi licence plate holders have been exceedingly generous. This economic windfall has not trickled down to non-licence holder drivers, with those drivers faring poorly economically working 12-hour shifts 6 to 7 days a week. The ultimate winners of the current regulatory licensing regime are taxi licence holders, not customers or taxi drivers.</p> <p>The layers of red tape that fail to enhance public safety or advance consumer protection add cost and needless complexity for taxi drivers and riders. It's no wonder taxi drivers work 12 hour days, six to seven days a week, just to cover their expenses while often earning less than minimum wage. The travelling public is also disadvantaged, paying high taxi fares while all-too-often receiving poor customer service.</p> <p>Regulating Uber is an opportunity to re-examine the regulations governing the taxi and limo industries and make necessary changes to reduce the regulatory burden on them and help them be more competitive in a changing ground transportation industry. Doing so means taxi drivers and the public benefit. For example, the City of Toronto is actively examining ways to lower the regulatory burden on the taxi industry while adopting smart regulations for ridesharing, and recently amended taxi regulation to lower the "drop rate" or base fare from \$4.25 to \$3.25 to enable taxi to be more competitive vis-a-vis Uber and a changing ground transportation industry.</p> <p>Common place under TNC regulation in the United States, and under proposed regulation of ridesharing in Edmonton, Calgary and the Region of Waterloo in Canada to date, fares charged by a TNC such as Uber would not be regulated. Taxi has raised "level playing field" objections to this as traditional taxi regulation forces taxi to charge a set fare.</p>
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	<p>However, instead of “leveling the playing field” up by forcing TNCs to charge the same fixed rate fare as taxi which harms consumer interests, taxi rides booked through a smartphone app could also be unregulated, with a requirement for in advance customer information and consent through a smartphone app. This option was also presented in the “Policy Options” paper prepared as part of Ottawa’s Taxicab and Limousine Regulation and Service Review.</p> <p>The City of Calgary (City Staff and Council) has endorsed this approach. The approach would leave taxi to the exclusive jurisdiction of taxi, but also enable taxi to be more like a TNC. According to the Calgary staff report:</p> <p>“Rate flexibility means that taxi and limousine companies would be free to set their own rates, but only if they utilize a City approved smartphone application that confirms the driver and passenger identification including the City of Calgary livery licence number for the driver and offers a trip cost calculation with a consumer option to accept or reject the trip. However, trips arranged by traditional dispatch or commenced by street hail would be required to charge the regulated rate. Private for Hire Vehicles would also be free to set their own rates if a City approved app with the above feature is used. PFHVs would not be permitted to accept street hail or to use traditional dispatch.”</p> <p>Traditional pricing regulation around the taxi model of street hails and taxi stand pick-ups make sense. Given that a passenger takes the first taxi to come along or the next taxi in a taxi stand, there would be an incentive for price gouging if fares were not fixed.</p> <p>However, with technology, passengers can now compare prices in-app between different ground transportation service providers, all in real time. Given that Uber does not accept street hails or occupy taxi stands, the price is always known to the Uber customer in advance in real time in the app.</p>
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STUDY OF REGS FOR TNCs	<p>Page 56: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments Option 4: Complete Deregulation Option</p> <p>“However, the experience with taxicab deregulation was so profoundly unsatisfactory that virtually every city that embraced it has since abandoned it in favor of resumed economic regulation. A study by Price Waterhouse of these cities which deregulated their taxi industry concluded that:</p>
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	<ul style="list-style-type: none"> • Although the supply of taxi services expanded dramatically, only marginal service improvements were experienced by consumers. • Prices rose in every instance. Paradoxically, the influx of new entrants did not invoke the price competition typically experienced in other newly-deregulated industries.”
UBER RESPONSE	<p>As previously noted, with respect to taxi deregulation in the 1970s, such reform efforts were from a time that was prior to the ubiquity of smartphones, the Internet, or the emergence of ride-share enabling technologies. The introduction of ridesharing actually results in the opposite along many dimensions of what is suggested (lower driver incomes, less investment, etc.).</p> <p>With the prevalence of the Internet today, Uber customers using a smartphone app to request a ride, are able to compare prices and the quality of customer service offered by a range of companies, more easily than ever before, in addition to ranking customer service at the end of each trip which can result in drivers being removed from ridesharing platforms if they do not routinely offer good customer service. This was not the case in the 1970s or for academics that studied the issue prior to the last 5 years or so, which explains why in the absence of information and being able to compare prices and quality of service between taxi companies, prices rose and quality of service declined. However, open entry for companies like Uber has meant improved transportation availability and lower rates. The ability of consumers in the Internet era to more readily access information and share it (both positive and negative), means that companies like Uber have to continually strive to improve customer service or risk losing customers to competitors.</p> <p>Traditional pricing regulation around the taxi model of street hails and taxi stand pick-ups make sense. Given that a passenger takes the first taxi to come along or the next taxi in a taxi stand, there would be an incentive for price gouging if fares were not fixed, which is what was experienced during historical times of price deregulation in the taxi industry decades before the advent of smartphone apps and modern technology.</p> <p>However, with technology, passengers can now compare prices in-app between different ground transportation service providers, all in real time. Given that Uber does not accept street hails or occupy taxi stands, the price is always known to the Uber customer in advance in real time in the app. As such, there is less incentive today to gouge riders as there was under traditional taxi models when passengers take the next taxi to come along, only to find under price deregulation in the 1970s, the price of a taxi ride suddenly increased dramatically. Passengers had no way of knowing the price in advance in the 1970s and they had to take the</p>

	<p>taxi they were street hailing as they did not know when the next one would come along. Thus, it is unfair to compare historical deregulation outcomes from the 1970s to the ridesharing industry today given the fundamentally different natures of the taxi industry compared to the ridesharing industry.</p>
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STUDY OF REGS FOR TNCs	<p>Page 59: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments</p> <p>Option 5: Pilot Program: Using New Entrants to Solve Regulatory Problems and Improve Service</p>
UBER RESPONSE	<p>Uber Canada supports this Option. In addition, a number of jurisdictions in the United States have operated under temporary/interim operating agreements that allow ridesharing to exist under contractual agreement with the jurisdiction while it is studied further. Such jurisdictions include: Detroit, Spokane, Anchorage, and Virginia.</p> <p>Moreover, in their recent report entitled, "Policymaking for the Sharing Economy: Beyond Whack-A-Mole", the Mowat Centre recommended the following:</p> <p>"Another option for governments includes the use of temporary regulatory waivers or exemptions. This approach allows sharing economy enterprises to keep operating while regulators gather real-world experience to inform regulation that makes sense given market dynamics. New York City adopted this approach by introducing a one- year trial for e-hailing taxi apps.⁵⁹ Likewise, Pennsylvania and Detroit have recognized the experimental nature of these services with temporary two year approvals."</p>

STUDY OF REGS FOR TNCs	<p>Page 60: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments</p> <p>Option 6: Provincial Regulation</p>
UBER RESPONSE	<p>Uber Canada supports this Option and Bill 131, Opportunity in the Sharing Economy Act, 2015. The Bill aims to establish a modern province-wide framework for ridesharing, among other aspects of the sharing economy. In essence, the Bill would "provincialize" the issue ensuring that ridesharing operates across Ontario under province wide regulatory jurisdiction. This Option would leave taxi and limo under existing municipal regulation and jurisdiction, while effectively bringing ridesharing under provincial regulation.</p>

STUDY OF REGS FOR TNCs	<p>Page 61: Additional Considerations Camera/Car identification</p> <p>“Such markings may help prevent riders from accidentally going into a vehicle they did not request”.</p>
UBER RESPONSE	<p>Security cameras and emergency flashing lights are necessary for taxis because of the nature of taxis business model. Whether someone calls a broker, street hails, or gets a taxi at a taxi stand, the passenger remains anonymous to the taxi brokerage and driver. When passengers are anonymous and drivers carry cash, security cameras, shields, and emergency flashing lights are necessary.</p> <p>With uberX, no one on the Uber platform, passengers included, are anonymous. Uber knows who every driver is through criminal background checks, and who every passenger is through credit card verification in-app.</p> <p>The Ottawa Policy Options paper also notes that Limousines are not currently required to have in-vehicle cameras because, like TNCs, the limousine model is based on pre-arrangement between two parties that must identify themselves. The paper notes that, “...there have not been any incidents which would suggest cameras should be a requirement under the amended regulation”. The City of Calgary in its proposed TNC regulation is not making it a requirement that TNCs like Uber have security cameras in ridesharing vehicles for these reasons.</p> <p>In addition, uberX is also a cashless platform which means drivers do not need to carry cash in-vehicle, every trip is GPS monitored, and each trip is subject to in-app feedback mechanisms (that include the ability to provide written feedback after each trip) that is monitored and responded to in real-time by Uber.</p> <p>In a large majority of markets in which ridesharing/Uber is regulated in the U.S., decals or vehicle identification is not required. It is often not required due to the fact that an Uber passenger already receives the picture of the driver, name of the driver, make and model of the vehicle and driver plate licence number when making a request for a ride on the Uber platform. Making a decal or identifier mandatory on Uber vehicles presents the possibility that drivers not affiliated with Uber (in addition to be subject to the background check and vehicle inspection requirements of the Uber platform) may try to use a decal to street hail passengers similar to ways in which “bandit” cabs currently street hail passengers.</p>

STUDY OF REGS FOR TNCs	<p>Page 62: Additional Considerations HST</p> <p>“Since there is no oversight on the TNCs and the drivers there is a great window for tax evasion. Taxis and Limousines on the other hand are required to pay HST regardless of how much they earn setting an unfair competitive advantage to the TNCs”.</p>
UBER RESPONSE	<p>Electronic transactions, managed by digital companies like Uber, can transform transparency and traceability for authorities and individuals in what have historically been cash-in-hand industries and still is for the taxi industry. Uber only accepts cashless forms of payment such as credit cards and debit through PayPal.</p> <p>As a registered Canadian business, Uber Canada honours its obligation to pay applicable tax as any other Canadian business would operating in Canada. In addition, Uber Canada employs Canadians in our offices across the country and its Canadian employees pay income tax on their earnings in Canada to the Canada Revenue Agency (CRA) annually. Likewise, the thousands of drivers we partner with, like other Canadians earning income in Canada, are expected to file their income tax return with the CRA annually.</p> <p>With respect to the GST (or the HST where applicable in Canada), it is a sales tax that is customarily charged to the purchaser of a service (passenger in an Uber driver partner vehicle) and remitted to the government by the service provider (Uber driver partner). Uber Canada takes into account GST and factors it into the price of fares, to enable driver partner-friendly economics.</p> <p>Whether or not an independent contractor (in this case the Uber driver partner) is remitting GST depends on their own personal income. Uber Canada explains to our Uber driver partners that any taxes due on trips are the responsibility of the partner to remit based on their own personal income situation and has a partnership with H&R Block to assist driver partners with filing their taxes appropriately. However, like other contractors in various sectors of the Canadian economy, it is ultimately the Uber driver partner’s responsibility to comply with relevant CRA tax related obligations.</p>

STUDY OF REGS FOR TNCs	<p>Page 62: Additional Considerations Data Collection</p>
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	<p>"TNCs may have privacy policies in place which are sufficient to protect the riding public".</p>
<p>UBER RESPONSE</p>	<p>Privacy is important to Uber and our driver partners and riders. Uber's "User Privacy Statement" is available to review online.</p> <p>In late 2014, Uber subject it's privacy practices to external independent review. The review was led by Harriet Pearson, who is widely acknowledged as one of the foremost experts on data privacy. Ms. Pearson and her team spent 6 weeks reviewing documents and interviewing members of Uber's executive team and leaders across the entire company. The review was comprehensive and found that overall the Uber Privacy Program is strong: "Uber has dedicated significantly more resources to privacy than we have observed of other companies of its age, sector, and size".</p> <p>Ms. Katherine Tassi is Managing Counsel of Data Privacy at Uber Technologies. Prior to joining Uber, Tassi spent 4 years at Facebook as the Head of Data Protection and the Associate General Counsel in charge of the global data protection program. She spent 8 years serving in the Washington State Attorney General's Office as an Assistant Attorney General prosecuting consumer protection violations and working on high-tech litigation.</p>

<p>STUDY OF REGS FOR TNCs</p>	<p>Page 62: Additional Considerations Calculating Fares</p> <p>"Some have accused the TNCs of price gouging and the New York City Council has drafted legislation that would cap "surge pricing" at no more than 2X the normal fare. If the City allows TNCs to set their own fares, we recommend a cap to prevent excessive fares".</p>
<p>UBER RESPONSE</p>	<p>When demand (ride requests) outstrips supply (available drivers/cars), dynamic or surge pricing kicks in on the Uber platform to help bring more cars on the road. Our driver partners are people too, and as such have alternatives to being online on an evening, weekend or holiday--they are not traditional taxi drivers driving 12 hour shift every day. Their response to increased earning potential allows more trips to be completed, and more people to get where they need to go safely and efficiently.</p> <p>Any time dynamic pricing is in effect, riders are notified prior to placing their request to confirm that they have accepted the current multiple on the fare. If are rider isn't pressed for time and doesn't mind waiting until dynamic pricing is over, Uber's app will notify them that prices have</p>

	<p>come back down. This lets riders spend a little more time wherever they are and still ensures they can get home safe.</p> <p>Dynamic pricing is only applicable on UberBLACK (Uber's partnership with municipally licensed limo drivers and vehicles) and uberX ridesharing products. Given that uberX is already priced significantly lower than traditional taxi service, even when dynamic pricing occurs, most fares are still lower than traditional metered taxi fares.</p> <p>To date no U.S. jurisdiction has implemented price caps on Uber. The draft Edmonton and Region of Waterloo TNC bylaws do not contemplate price caps. Where caps on pricing have been put in place in U.S. jurisdictions on surge pricing on TNC apps, it is for times of emergency. See below for examples:</p> <p>Austin</p> <ul style="list-style-type: none"> • Surge pricing cannot be implemented during a period of "abnormal market disruption." This is defined as: "any change in the ground transportation market, whether actual or imminently threatened, resulting from stress of weather, convulsion of nature, failure or shortage of electric power or other source of energy, strike, civil disorder, war, military action, national or local emergency, or other cause of an abnormal disruption of the market which results in the declaration of a state of emergency by the governor" <p>Washington, DC</p> <ul style="list-style-type: none"> • During a state of emergency, the surge multiplier may only be as high as the next multiplier down from the highest three multiples seen on separate days over the past 60 days. <p>Chattanooga</p> <ul style="list-style-type: none"> • Surge pricing is prohibited during times of "abnormal market disruption." This covers any circumstance where a state of emergency is declared by the Mayor, County Mayor, Governor, or President. <p>Uber has a partnership with the Red Cross re surge and states of emergency:</p> <ul style="list-style-type: none"> • During disasters and relevant states of emergency, Uber is committed to donating its commissions on surge trips to the American Red Cross. That means that for trips with elevated pricing, 20% of the total fare will be donated to the American Red Cross' disaster relief efforts.
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STUDY OF REGS FOR TNCs	<p>Page 62: Additional Considerations Minimum Insurance Requirements for TNCs</p> <p>“We therefore recommend that the city follow the New York Model when instituting its insurance policies in its regulations. In NYC, app-based vehicles and drivers have the same insurance as all other taxicabs and for-hire vehicles and further legislation is not required to meet the needs of the public for safety and insurance”.</p>
UBER RESPONSE	<p>If the ridesharing industry can produce new more affordable ridesharing specific insurance products, as Uber and the U.S. insurance industry has already done and as Intact Financial is proposing to do in Canada, than why should this be discouraged by regulation?</p> <p>For example, in January 2015, Metromile and Uber announced an innovative partnership to provide variably-priced, pay-per-mile auto insurance for drivers who use Uber's rideshare platform. The two companies have jointly developed the first technology solution that enables pay-per- mile, personal insurance coverage.</p>

STUDY OF REGS FOR TNCs	<p>Page 67: Additional Considerations Driver/Operator Training Requirements</p> <p>“Mississauga should analyze the full array of driver vetting and training options if and when they make changes to their current requirements”.</p>
UBER RESPONSE	<p>Uber Canada would encourage PVAC and Mississauga to examine Ottawa's Taxicab and Limousine Regulation and Service Review and specifically their “Customer Service” paper which reviews differences in the customer experience between taxi and Uber.</p> <p>As Ottawa's Policy Options paper notes, “Customer service concerns have been raised by users of the traditional taxi service, while customer service provided by Uber drivers has been reported as generally being very good. This raises a question as the effectiveness of the course relative to other mechanisms, such as driver rating”.</p> <p>Uber Canada agrees. Service quality is an important factor for the success of any business. However, there are many different ways to achieve that objective. The city does not mandate customer service training for restaurants, hotels or banks. Those industries compete on multiple factors including customer service.</p> <p>Uber is extremely proud that it provides a very high level of customer service in cities like Mississauga. A key reason for this success is that</p>

	<p>every trip on the Uber platform, the driver and rider are rated on a 5 star ranking system. Written feedback is encouraged and very often given, and for every rating three stars or lower it is required. This feedback loop encourages drivers to treat customers with care. Feedback received is monitored and responded to by Uber 24 hours a day and drivers receive anonymized feedback from Uber each week based on customer feedback in order to help them improve the customer service they offer. As such, Uber offers continuous customer service feedback and learning.</p> <p>Research firm Core Strategies who conducted the focus groups in September 2015 for the City of Ottawa's taxi bylaw review, reported that Uber scored higher than taxi for car cleanliness, comfort and driver courtesy. Uber driver partners were found to be more caring, professional, and engaged than taxi drivers.</p> <p>Mandating existing taxi training courses for TNCs does not make sense when existing taxi training courses produce inferior customer service results.</p>
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STUDY OF REGS FOR TNCs	<p>Page 67: Additional Considerations Environmental Concerns and Clean Air Fuels</p> <p>"Anytime a program which puts additional cars on the road is being implemented, environmental impact should be considered".</p>
UBER RESPONSE	<p>Flexible supply and dynamic pricing on the Uber platform enables drivers to come on the road when they are needed which increases operational efficiency and productivity in contrast to having an increased number of taxis on the road at all times increasing congestion.</p> <p>Ride-sharing alternatives actually help to relieve congestion. UberPool, like carpooling when you share a ride and split the costs, has profound implications. On average uberX is already 30% to 50% cheaper than traditional taxi and becomes upwards of 80% cheaper with UberPool. This allows Uber to become cost-competitive with owning a car. Technological innovations like UberPool which were not possible pre-smartphone can achieve real results in terms of reducing the number of cars on the road, congestion in cities, pollution, and parking challenges by helping people live car-free or car-light lifestyles.</p>

STUDY OF REGS FOR TNCs	<p>Page 67: Additional Considerations Fare Flexibility</p> <p>“At least one Toronto taxi company and some industry stakeholders have suggested and requested that drivers be permitted to charge less than the metered rate. The regulations could be amended to allow drivers to charge a flat fee or discounted rates. If this approach is taken, safeguards should also be implemented to prevent drivers from abusing this newfound fare flexibility...Companies and drivers could attempt to undercut each other’s pricing and reduce profitability”.</p>
UBER RESPONSE	<p>Without new TNC regulations, Uber is unable to expand the market for for-hire transportation and make it more accessible to more Ottawa residents. Uber is not pushing the existing taxi companies out of the market and colonizing it for itself, Uber is in fact expanding it by tapping into dormant demand for transportation related services that traditional taxi regulation, drafted in the pre-internet and pre-smartphone era, has stifled due to expensive fares and poor customer service which are hallmarks of monopolies and oligopolies that exist at the behest of traditional taxi regulatory frameworks.</p> <p>With respect to taxi deregulation in the 1970s, such reform efforts were from a time that was prior to the ubiquity of smartphones, the Internet, or the emergence of ride-share enabling technologies. The introduction of Uber actually results in the opposite along many dimensions of what is suggested (lower driver incomes, less investment, etc.):</p> <ul style="list-style-type: none"> • With the prevalence of the Internet today, Uber customers using a smartphone app to request a ride, are able to compare prices and the quality of customer service offered by a range of companies, more easily than ever before. This was not the case in the 1970s or for academics that studied the issue prior to the last 5 years or so, which explains why in the absence of information and being able to compare prices and quality of service between taxi companies, prices rose and quality of service declined. However, open entry for companies like Uber has meant improved transportation availability and lower rates. The ability of consumers in the Internet era to more readily access information and share it (both positive and negative), means that companies like Uber have to continually strive to improve customer service or risk losing customers to competitors. • In cities, where Uber has introduced uberX, rates for riders have decreased. UberX is about 30-50% cheaper than a taxi, depending on the city in Canada. With uberX’s affordability, even

	<p>more users can rely on a safe and reliable ride. At the same time, as long as demand keeps growing, and Uber has seen no sign that it won't in the markets it has entered, that means there are more riders, and that means drivers will be doing more trips per hour. The more efficient a driver is, the more money they earn.</p> <ul style="list-style-type: none"> • High customer service levels are a core value of the Uber platform. Collecting feedback is an important part of ensuring a high quality experience for Uber riders and partners alike. That's why riders are encouraged to anonymously rate and provide comments about their experience at the end of every trip and drivers can do the same. This feedback is continuously monitored to improve customer service and experience.
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Appendix G

Response to Uber Comments

(NEW)

Response to Uber Comments regarding "Study of Regulations for TNCs"

In response to the Study of Regulations for TNCs produced for the City of Mississauga (or the "Study"), Uber released a 36-page document commenting on the policy alternatives discussed, as well as other aspects of the Study.

As the title suggests, the Study of Regulations For TNCs provided a detailed analysis of the current issues facing the FHV industry, discusses how other jurisdictions have approached the issue, and provides a series of regulatory policy options—some of which are contrary to the approaches suggested by the IATR—from which the City of Mississauga can choose to chart its own regulatory course. While Uber encourages the City of Mississauga to review TNC reports from Ottawa and Toronto which suggest policies that Uber supports, the Study provided a wide range of policy options, in addition to stakeholder comments, and an analysis of how numerous other jurisdictions in Canada and the United States are addressing changes in the FHV industry. With respect to the policy alternatives suggested in the Study of Regulations for TNCs, Uber Canada supports half of the options the Study outlines including (i) Option 3: New Licensing Category (Unequal Regulation), (ii) Option 5: Pilot Program: Using New Entrants to Solve Regulatory Problems and Improve Service, and (iii) Option 6: Provincial Regulation.

The sections below include select topics and quoted excerpts from the "Uber Response" to the Study of Regulations of TNCs, followed by our reply and analysis of the issue:

TNC Litigation in Canada

Uber

Response: Both City-initiated injunction attempts against Uber Canada in Toronto and Edmonton were unsuccessful. Edmonton has a draft bylaw to regulate TNCs that is being considered by Council with likely adoption in 2016, and Toronto is bringing back TNC regulation in the Spring of 2016, after City Council voted to regulate Uber by a wide margin in September 2015, rather than continue to attempt to ban it. (Page 2)
Lawsuits and injunctions are blunt legal instruments, and issues of ground transportation regulatory reform are best handled in the political realm rather than the judicial realm. (Page12)

The lawsuits brought against Uber in Edmonton and Toronto failed for a variety of reasons but that does not imply that Uber's operations there are without issues. The court held that the City of Edmonton did not demonstrate that Uber Canada was in a clear and continuous breach of the By-laws in question as the By-laws were ambiguous and, therefore, denied the injunction. Additionally, the court found that Edmonton failed to name the drivers or other entities involved as parties to the lawsuit, and that the relief it seeks would affect their interests as well. For those reasons, the court found that Edmonton failed to meet its burden to prove a *prima facie* clear and continuing breach of the By-laws and therefore denied its application for an interlocutory injunction.¹

In *City of Toronto v. Uber Canada*, the court found that because Uber Canada is only minimally involved in the business transaction of hailing a ride, i.e. they lack any role in "accepting" requests, it does not fall under the City's definition of taxicab, taxicab broker, or

¹ City of Edmonton v. Uber Canada Inc. 2015 ABQB 214.

limousine service company, and as such, is not required to apply for a license pursuant to the City's Code. As a result, the court dismissed a 2014 motion for a permanent injunction and allocated the costs payable to the respondents.² However, on October 2, 2015 the City By-laws were amended to remedy that deficiency, updating the City's existing taxi and limousine rules to apply to Uber – meaning that the company must have a brokerage license,³ which it does not have, even though Uber continues to operate.

In *City of Calgary v. Trevor Arthur John Gold, et. al*, a temporary injunction was granted on November 20, 2015, preventing all Uber drivers from operating in Calgary. The basis for the City's claim was that none of the respondents, all Uber drivers, have applied for a Taxi Plate License, Accessible Taxi Plate License, or Limousine Plate License for their personal motor vehicles and are therefore in contravention of the Livery Transport By-law.⁴ The city also argued that the respondents failed to provide proof of vehicle insurance, vehicle inspection certificates, and safety equipment/security cameras – as required by law. On Friday December 11, 2015, Uber agreed to suspend its operations in Calgary and Calgary's government announced it will no longer pursue a permanent court injunction while they collaborate to develop a new regulatory framework.⁵

The success of the injunction in Calgary has spurred the Toronto Taxi Alliance (TTA) to pursue an injunction against Uber in Toronto. Citing Calgary as an example, the TTA delivered a letter to Mayor John Tory on November 25, 2015, requesting the application of an injunction prohibiting the TNC from operating in the city.^{6, 7} The TTA argues that Uber has refused to stop its illegal operation, calling it a flagrant and blatant disregard for the law and says it places Torontonians at risk.⁸ While the regulatory reforms are being handled in the political realm, when actors trample the rights of others, it is the job of the courts to maintain justice by protecting and upholding rights as well. In certain instances, the only way to protect one's interests against a party who refuses to cooperate or play by the rules may be to file suit, however, it is the choice of government officials to use any and all options and rights available to them, whether legislative, executive, or judicial.

Different Types of FHV's

Uber

Response: There is precedent under the current bylaw for treating separate categories of for-hire vehicles differently, taking into account the unique characteristics/business models of each for-hire vehicle. uberX, the peer-to-peer ridesharing option available on the Uber platform, does not accept street hails or occupy traditional taxi stands. This, in addition to other aspects unique to the ridesharing business model, necessitates a different regulatory approach as is already provided for in Mississauga's current Public Vehicles Licensing By-Law. (Page 2-3)

² *City of Toronto v. Uber Canada Inc. et al.*, 2015 ONSC 3575.

³ <http://www.tehglobeandmail.com/news/Toronto/uber-to-continue-outside-the-law-in-toronto/article26628483/>.

⁴ *City of Calgary v. Trevor Arthur John Gold, et. al.*, 1501-12242.

⁵ <http://calgaryherald.com/news/local-news/uber-and-calgary-call-a-truce>.

⁶ <http://torontotaxalliance.com/>.

⁷ <http://www.640toronto.com/2015/11/25/94043/>.

⁸ *Id.*

The Study recognizes and supports all jurisdictions' right to draft FHV regulations to best fit the specific needs of their jurisdictions. But, in doing so, there is a preference that the regulations implemented are designed to ensure fairness in the overall FHV industry. As Uber points out, some jurisdictions have decided to create a separate category of regulations which apply specifically to TNCs. Other places, such as New York City, have decided to incorporate TNCs under existing regulations, even though a variety of separate categories of for-hire vehicles existed at the time, including (1) taxicabs, which are motor vehicles carrying passengers for hire in the city, designed to carry a maximum of five passengers and which are the only vehicles authorized to accept street hails in Manhattan's Central Business District and nearby airports; (2) liveries, also known as community cars, that provide for-hire vehicle services to the public through prearrangement and mostly accept cash payments; (3) black cars which generally serve corporate clients on a prearranged basis and are mostly paid by credit card or company account; and (4) luxury limousines, which serve the public on a prearranged flat rate, time or mileage. Also, New York State, in 2012, created a new class of Street Hail Liveries which are allowed to pick up street hails in certain areas outside of Manhattan's Central Business District and at the airports.

Instead of creating an additional category of vehicles, NYC amended portions of its rules to create what is known as Dispatch Service Providers. This allowed TNCs to become licensed to dispatch for-hire vehicles but requires all drivers to continue to be licensed under one of the categories discussed above and follow all applicable rules. While NYC still faces issues with TNCs, a major concern being congestion, the implementation of the new regulations have been considered largely successful, showing that regulation of the ridesharing business model does not necessitate a completely different regulatory approach.

Criminal Background & Driving Record Checks

Uber

Response: Uber's background check has two components: a Premium Criminal Record Check (CPIC check) and a Driver's Abstract... As such, it would appear that Uber's background check has been stronger than what has been required by the City of Mississauga. (Page 3, 13-14)

Recently, the City of Mississauga enacted a By-law that amended the for-hire vehicle By-law governing criminal and driving record checks and its current form appears very similar to Uber's stated policy. The By-law amended the criminal records checks and driver abstract checks for limousine and taxicab drivers to require:

- i. Submission to the License Manager of a criminal record search within 60 days of the application issued by the Peel Regional Police, or other police service in Ontario; and
- ii. A driver's abstract.

No applicant will be issued a new license or renew an existing license if the License Manager determines that the applicant:

- ☐ Received any criminal conviction within five years of the date of application or renewal;
- ☐ Received a criminal conviction for any offense listed in Schedule 15 of the By-law;⁹
- ☐ Has a drivers' license that contains more than six demerit points or their equivalent from outside the Province of Ontario; or
- ☐ Has received an individual Highway Traffic Act conviction which resulted in at least four demerit points, or its equivalent from outside the Province of Ontario, being added to the applicant's driver's abstract.

A major difference between Uber's current practices and Mississauga's background checks for taxis and limousines is that, taxis and limousines background checks are submitted to the Licensing Manager while Uber's background check records are maintained internally. TNC background check records should be kept with the Licensing Department to ensure transparency in compliance and for ease of access for law enforcement.

The consequences of less than thorough background checks can be seen in the many examples of TNC drivers attacking passengers all over the globe. Canada has not been immune to such incidents due to weak background checks. In Toronto, an Uber driver, Fareborz Karandish, was sought by police for allegedly sexually assaulting a 21-year old female passenger in the vehicle.¹⁰ In another case in Toronto, the police charged Uber Driver Amritpal Singh with sexual assault and forcible confinement after a passenger claimed he sexually assaulted her in the car outside her destination.¹¹ Lastly, a Mississauga Uber driver was charged by York Police with sexual assault. He allegedly told a female passenger that she could either pay with money or by other means. When she exited the car, he exited the vehicle and sexually assaulted her.¹² The Appendix C annexed to the study includes a list of other incidents all over the world in which TNC drivers have been accused of attacking their passengers.

Because safety is of the utmost importance, regulators strive to implement the most thorough background check procedures available. One of the many options, which is used in numerous jurisdictions throughout the U.S. to strengthen background check procedures, is to require for-hire vehicle drivers undergo a fingerprint-based background check. Mississauga may analyze the full array of driver vetting and training options if and when they make changes to their current requirements.

⁹ Among some of the offenses are promoting or committing terrorism, sexual offenses against minors, murder, assault, robbery and extortion, arson and trafficking in controlled substances.

¹⁰ <http://www.torontosun.com/2015/09/25/uber-drier-wanted-for-june-sex-assault>.

¹¹ <http://www.cp24.com/news/uber-driver-accused-of-sexual-assault-in-police-custody-1.2607295>.

¹² <http://www.theglobeandmail.com/news/toronto/uber-driver/charged-with-sexual-assault-on-femail-assenger-in-vaughan-ont/article24519289/>.

Dispatch Response Times

Uber

Response: Under older regulatory regimes whereby consumers had to choose between limited options (taxi, limo and public transit), no doubt consumers had come to expect a taxi to arrive within 15 minutes or longer. With the advent of ridesharing, Uber has wait times that average 4.8 minutes in Mississauga (as of July-August 2015)..[and] may now be even lower. Customers may have come to expect a taxi to take 15 minutes to arrive in Mississauga, but given a choice, customers prefer the reliability of lower wait times. (Page 4)

Data shows that the City of Mississauga has good dispatching response times when compared with the expectation that a requested vehicle would arrive within a 15-minute period. This does not mean that people expect taxis to take a full 15 minutes to arrive, rather it indicates that a taxi arriving within 15 minutes of the request is a reasonable wait period. The average response time for a taxi is 9.8 minutes and 90.01% of calls answered within a 15-minute period. This indicates that consumers have not come to expect a taxi to take 15 minutes or more as Uber suggests.

In addition, while users enjoy the concept of lower wait times in isolation, they may not enjoy them as much when informed of the use of surge pricing or increased level of risk sometimes associated with using TNCs. Also, Uber claims that much of its data is proprietary and may only publicly release data that portrays them in a positive light. Therefore, the public cannot be certain of the accuracy of Uber's claims about its wait times. Lastly, over decades the public has come to expect a short period of time between when requesting a vehicle for-hire and the vehicle arrival. This social expectation could change over time, but currently many people may not consider the difference between a 5 minute wait and a 10 minute wait-period to be significant.

Capping the Number of TNCs

Uber

Response: Operating under fixed assumptions of current regulatory models that limit competition, regulators often suggest that there is only a fixed number of rides in a given city. Helping citizens connect with and explore their city is not a zero-sum game. Uber is in fact growing the pie by offering a safe, but principally more reliable and more affordable transportation option. (Page 4)

While other sections have more thoroughly detailed why supply caps make for bad public policy, a summary is provided below:

- Flexible supply best meets consumer demand (No supply caps)
 - o Cities and residents should enjoy transportation alternatives that are reliable at all times of day in all communities.
 - o Traditionally underserved communities get greater access to reliable and affordable transportation. For example, in a mature market like Chicago, four in ten trips begin or end in what the city has deemed to be traditionally underserved neighborhoods.
 - o Uber teams track major events and peak demand periods to proactively encourage partners to be on the platform to serve riders. (Page 20-21)

Another result of capped supply of taxi licences, is that the price of licences or their value on the secondary market, has increased dramatically as compared to the cost of obtaining the original licence from the city and any annual licensing fee paid to the city. The returns to taxi licence plate holders have been exceedingly generous. (Page 25)

Although taxis in Mississauga are allowed to pick up street hails, almost all of their business is exclusively performed through dispatches. TNCs also dispatch their vehicles, meaning that they are in direct competition with taxis for passengers. This suggests that any model which allows TNCs to enter the market in large numbers will have a negative effect on taxis, reducing their business and the value of their taxi plates. Even in a jurisdiction like New York City, where TNCs are required to follow existing regulations for for-hire vehicles, although these regulations are not as strict as those regulations for taxis and taxis are the only vehicles authorized to accept street hails in the Manhattan central business district, the number of riders has dropped¹³ and taxi medallion values have fallen.¹⁴ In the United States, Uber drivers earn 47% more than taxi drivers and in strong street hail market of New York City, fares per medallion have dropped 10%.¹⁵ In a city like Mississauga, the entry of a large number of unregulated TNC vehicles may have a more devastating effect. Mayor Boris Johnson of London has stated that the current growth in the number of FHV's is unsustainable and has proposed instituting a cap.¹⁶

As to Uber's mention of the value of taxi plates, it may be a positive sign when the value of a personal asset connected to the FHV is increasing, as such growth may be the result of a healthy market. Uber criticizes the returns for plate holders as a "exceedingly generous" and that those profits have not "trickled-down" to license holders, with drivers working long shifts for little money. Similar claims could be levied against Uber for not incurring business costs associated with regulations in certain municipalities via non-compliance with licensing laws.

Driver Economics

Uber

Response: To understand how the Uber platform can offer a lower fare to the end user, it is important to understand the makeup of taxi driver economics that have been perpetuated by the current regulatory system for taxi. Taxi drivers suffer under the current regulatory system. Taxi drivers pay substantial daily or weekly leasing fees (not including maintenance or dispatch fees, among other costs) before ever hitting the road. It's no wonder that taxi drivers have to work 12 hours a day, 6-7 days a week, just to cover their operating expenses while often making less than minimum wage. In addition, there are taxi industry "middleman" such as agents and garages/fleet operators, all of whom extract a portion of the significant profits the current system generates for the few middlemen and license holders at the top. (Page 5)

While Uber sees fit to criticize the taxi industry for allegedly burdening their drivers with so many costs that they are effectively making less than minimum wage, the same allegations are

¹³ <http://www.amny.com/transit/nyc-yellow-cab-trips-on-the-decline-uber-to-blame-1.10627001>.

¹⁴ <http://nymag.com/daily/intelligencer/2015/11/yellow-cabs-file-suit-against-city.html#>.

¹⁵ <http://seekingalpha.com/article/3607036-the-impact-on-medallion-financial-of-uber-driven-pay>.

¹⁶ <http://www.consultancy.uk/news/2689/nyc-hires-mckinsey-to-assess-uber-impact-on-traffic>.

being made by Uber drivers against Uber. Uber driver may save significant money on insurance fees and licensing fees compared to traditional FHV drivers, and is therefore able to charge lower fares. Uber drivers in London have been gathering to discuss the various problems they face, including falling pay, a lack of response from Uber to problems with difficult passengers, and a constant fear of being blocked from the system, especially after an unwarranted customer complaint.¹⁷ While some want to unionize and others want to organize a strike, it is clear that some drivers are unhappy with their treatment by Uber.¹⁸

Jo Bertram, Uber's regional director for the UK, Ireland and Nordic countries, said drivers were, "definitely earning well above the living wage in London and well above the minimum wage." Two London Uber drivers have reported that they earned less than the minimum wage, which is £6.50 an hour. One said he worked 90 hours a week for the equivalent of £6.44 an hour after Uber's commission and costs, and another driver worked a 65-hour week and netted £6.30 an hour, both of which are below the minimum wage. Despite the fact that drivers for Uber face struggles, Jo Bertram insisted, "We absolutely care about the driver," and "They are the engine of our business." Recent lawsuits indicate, Uber is facing questions on how to improve the conditions for their own drivers.¹⁹

In addition, Uber is alleged to take a significant portion (anywhere from 20%-25%) commission on each fare earned by drivers. Although the requirements are not identical to traditional FHVs, Uber continues to take its commission while requiring many of the same things of its drivers, such as insurance. Also, Uber drivers may be required to pay the entirety of the Canadian HST/GST, while Uber as a company may pay nothing while directly benefitting from increased the fares that include the tax. This may be perceived as unfair to drivers and is discussed at length in the section of the study dedicated to analyze HST/GST related issues.

Lastly, if Uber's growth leads to an oversaturation of the market so that the supply of driver's far outpaces demand, there may be widespread negative consequences. Evidence of Uber's market dominance can be seen in the fact that Sidecar, Uber's third largest competitor, recently stopped its services, which leaves Lyft as the major competitor in terms of market share.²⁰

Driver Hours

Uber

Response: While there are full-time uberX driver partners on the Uber platform, most Uber driver partners drive on the Uber platform for less than 10 hours a week. In many ways, Uber for these driver partners is not a full-time or part-time opportunity, but an opportunity to earn a few extra thousands of dollars a year to pay for a family vacation, save for a mortgage down payment, retirement, etc. In addition "Uber is an opportunity for them (subject to requisite safety and background checks) to continue to provide for themselves and their families financially, with a flexible earning opportunity while they look for a new part-time or full-time job. The traditional

¹⁷ <http://www.theguardian.com/technology/2015/jun/12/uber-drivers-threaten-rebellion-against-the-40bn-company>

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ <http://newsdaily.com/2015/12/sidecar-to-cess-ride-and-delivery-services-at-end-of-this-year/>.

regulatory framework for taxi and limo is a vestige of a former era. Trying to contemplate future possible regulatory states for the for-hire transportation industry, through the lens of what current taxi regulatory frameworks produce, will serve to yield limited insights and options. (Page 5-6)

Many driver comments indicate that they view the current Uber model as a threat to the viability of driving a FHV as full-time employment. They allege that Uber is turning for-hire driving into a part-time occupation where students and other people with extra time can earn money by giving rides to other people as opposed to a full-time position providing a living wage from which drivers can support their families.

Uber drivers are also very concerned about having continued access to the platform for a variety of reasons. They worry about being locked out of the system, and therefore their way of earning a living, because of a couple of customers having a bad day and who give poor ratings. They are also concerned about having their access restricted because they attempt to unionize, and/or speak out against the company. Some drivers in California have even expressed hesitation in opting out of a new mandatory arbitration clause for fear of having access restricted and being unable to work.²¹

While there are positive aspects of being able to find flexible work with Uber when out of work or in between jobs, there are also benefits in having a fleet of full time professional drivers. Professional drivers often must pass examinations proving intimate knowledge of local routes, rules, and how to deal with unusual situations such as having disruptive passengers, helping a disabled or elderly passenger, or getting into a car accident.

Please note that the regulatory options outlined in the Study go beyond the current and traditional taxi regulatory framework and include options such as the pilot program which specifically calls for using new market entrants to address deficiencies in the current for-hire industry. TNCs function through newly developed technology and that technology may allow the for-hire industry to expand upon its prior capabilities. With this in mind, the list of regulatory options, in this report includes a pilot program designed to utilize the unique functions of TNC platforms.

Accessibility

Uber

Response: In Toronto, residents also have the ability to select UberWAV (formally known as uberACCESS) on the Uber platform. UberWAV connects riders with licensed para-transit drivers and curb-to-curb service in vehicles that are equipped with hydraulic ramps or lifts. This means that riders requiring an extra hand have access to the same on-demand transportation technology--at the same price--that hundreds of thousands of Uber riders already enjoy. We are looking to expand accessibility options in cities across Ontario, including a future product offering known as uberASSIST. uberASSIST is an uberX option that is designed to provide additional assistance to seniors and people with disabilities that do not require a vehicle with a hydraulic lift/ramp. Uber driver partners are specifically

²¹ <http://www.govtech.com/applications/Uber-Bans-Drivers-From-Class-Action-Lawsuit-Participation.html>

trained (i.e. by Open Doors Organization in Chicago for example) to assist riders into vehicles and can accommodate folding wheelchairs, walkers, etc. Think of it as door-to-door service rather than curb-to-curb service. (Page 6)

Although Uber launched uberASSIST in July of 2015 in Toronto, as a transportation service for passengers with disability needs, it has not yet introduced the product in Mississauga. Additionally, Uber in Toronto has garnered considerable criticism for still failing to provide wheelchair-accessible service to those who need it. The majority of Uber drivers use vehicles that are not wheelchair accessible, such as a Toyota Prius.²² As a result, Uber cannot accommodate passengers with non-folding wheelchairs.

Further, there are questions concerning the characterization of the uberASSIST service as door-to-door service rather than curb-to-curb. The program's description does not mention helping seniors or people with disabilities to the vehicle from their origin to the vehicle and from the vehicle to the passenger's ultimate destination. UberASSIST merely states that drivers will be trained to assist riders into vehicles and are able accommodate folding wheelchairs, walkers, and scooters.²³ While uberASSIST is an important first step in providing services to the elderly and disabled, there is much more that needs to be done to expand accessible service amongst TNCs.

In nearly every U.S. jurisdiction which has passed TNC legislation, politicians have deferred on the issue of accessibility by either: (a) not addressing whether TNCs should meet any accessibility standards at all; (b) requiring that TNCs impose a surcharge and/or otherwise contribute to an accessibility fund to be used by the jurisdiction in the future to fund/incentivize the provision of accessible services; or (c) charging the TNCs with the task of studying the accessibility demand for their services for a designated period of time and/or setting a future date for rule-makers to reconvene on how to address the issue. No real, tangible benchmarks have been established. Canada and its cities may be able to lead the way in establishing a thorough and effective accessibility policy.

Public Opinion Polling

Uber

Response: While the report outlines findings from the City of Toronto's review of Uber, which found high satisfaction with Uber services in the City, it's not comprehensive of the available public polling on the subject:

- Two-thirds of Toronto residents approve of Uber (Forum Research, November 2014).
- Only 6% of the Ontario population wants to see Uber banned (Vision Critical, June 17-18, 2015).
- 76% of Torontonians support having the City of Toronto develop by-laws to allow the uberX ridesharing service in Toronto (Nanos Research, September 26-27, 2015).
- Only 1 in 5 Ontarians believe Uber should be banned from operating in Ontario (Leger, August 3-6, 2015).

PVAC may wish to review Ottawa's Taxicab and Limousine Regulation and Service Review and specifically their "Customer Service" paper which found "resoundingly higher customer service and customer experience ratings for Uber over Taxi". According

²² <http://www.businessinsider.com/uber-launches-uberassist-help-disabled-people-london-2015-10?r=UK&IR=T>.

²³ <http://newsroom.uber.com/la/introducing-uberassist-la/>.

to the research paper, "Focus group participants also rate Uber more favourably on numerous other customer experience attributes including but not limited to; shorter wait times, faster travel times, driver courtesy and professionalism, vehicle comfort and cleanliness, safety and security." (Page 7)

While the Study does not promote banning Uber, it would be remiss to not point out that the above poll numbers greatly vary when asking the public if Uber should be banned. While only 6% of the Ontario population supported a ban on Uber in late June of 2015, a poll taken in early August indicated 20% of Ontarians believe Uber should be banned,²⁴ which is a significant increase in a short period of time. Uber also is still a relatively new entity about which the public is generally/somewhat ill informed. Poll numbers indicating what percentage of the public has used Uber would be helpful in providing context to the current polling.

In addition, if the participants of these polls were asked to describe their level of knowledge of Uber's business model and the related issues such as background check requirements, insurance requirements, licensing requirements, surge pricing, etc., it would provide much needed context when trying to determine the experience of participants in these public opinion polls. As the public becomes more aware of the potential market disruption, and liability and safety risks involved in using TNCs, it would not be out of the ordinary to see public opinion shift. Furthermore, 76% of Torontonians support developing and implementing regulations that would allow uberX to operate legally. The purpose of the Study of Regulations for TNCs was to assist the City of Mississauga in making informed decisions during the process of reviewing its FHV regulations in the consideration of TNCs.

Price Caps

Uber

Response: Common place under TNC regulation in the United States, and under proposed regulation of ridesharing in Edmonton, Calgary and the Region of Waterloo in Canada to date, fares charged by a TNC such as Uber would not be regulated. Taxi has raised "level playing field" objections to this as traditional taxi regulation forces taxi to charge a set fare. However, instead of "leveling the playing field" by forcing TNCs to charge the same fixed rate fare as taxi which harms consumer interests, taxi rides booked through a smartphone app could also be unregulated, with a requirement for in advance customer information and consent through a smartphone app. (Page 10)

However, trips arranged by traditional dispatch or commenced by street hail would be required to charge the regulated rate. Private for Hire Vehicles would also be free to set their own rates if a City approved app with the above feature is used. PFHVs would not be permitted to accept street hail or to use traditional dispatch."

Traditional pricing regulation around the taxi model of street hails and taxi stand pick-ups make sense. Given that a passenger takes the first taxi to come along or the next taxi in a taxi stand, there would be an incentive for price gouging if fares were not fixed. (Page 11)

Flexible pricing allows Uber to also cut prices from time to time. Driver partners can earn more money because they benefit from availability of both more riders and drivers. Riders benefit from lower fares and quicker pick-up times, but drivers benefit from being much

²⁴ Only 1 in 5 Ontarians believe Uber should be banned from operating in Ontario (Leger, August 3-6, 2015).

closer to riders requesting rides. Since driving with a rider in the car is the only time that a driver earns fares, more time spent with a rider in the car, the more they can earn per hour. (Page 20-21)

Throughout its response document, Uber argues that flexible pricing and surge pricing is better for both consumers and drivers, but supports an approach which leaves taxis and limousine drivers who make pickups through traditional dispatch to remain locked into the traditional fare structure. Implementing a flexible fare policy may require deregulating the current fare structure in Mississauga. While this may help taxis more effectively compete with TNCs, deregulation can have severe consequences, including a "race to the bottom" or a potential collapse of the FHV market. Furthermore, if Uber believes that flexible pricing is better, some may argue that the company should support it in all circumstances and be consistent.

Why is it objectionable to include price caps, particularly to prevent price gouging during times of greatest need? Uber discusses the risk of "price gouging" at taxi stands if the fares were not regulated, yet calls its price increases during times of peak demand, "dynamic pricing." There have been numerous reports of Uber passengers that have unknowingly or surprisingly been charged as high as six or seven times the standard rates, and received bills for multiple hundreds of dollars for relatively short trips. It appears that during these periods of dramatic price increases, surge pricing easily fits the definition of "price gouging." As discussed in greater detail below, surge pricing may not be entirely necessary to encourage drivers to open the app and begin driving. The prospect of having a steady supply of prospective passengers requesting rides should encourage additional drivers to work.

Surge Pricing

Uber

Response: On the Uber platform, dynamic or "surge" pricing is triggered by demand for rides exceeding the available supply of drivers willing to provide one. Dynamic pricing (the opportunity to earn more money) incentivizes these drivers who may decide to do something else with their time, to get behind the wheel and provide flexible supply at peak demand periods. Prices are always transparent for the riding public and require confirmation before a rider can request a ride. The Uber platform was created to ensure the reliability of a ride:

- Dynamic pricing utilizes an algorithm that helps bring the demand of riders and supply of driver partners on the road into line by incentivizing drivers to come onto the Uber platform.
- As soon as demand falls or supply increases, prices quickly go back to normal.
- Ultimately, we think it's better for a user to open the app, see surge pricing in place and have a choice about whether to proceed than to open the app and see that there are no cars available. Surge pricing helps ensure that reliability of choice.

Is dynamic pricing fair to consumers?

- Dynamic pricing helps bring demand and supply into line, when necessary by incentivizing more drivers to come onto the platform.
- Once demand falls or supply increases sufficiently, prices quickly go back to normal.

A real world example is illustrative of dynamic or surge pricing. In June 2015, the Toronto Transit Commission (TTC) experienced a complete shutdown of all subway service. Without Uber's dynamic pricing model, our experience and data demonstrate that Torontonians would not have been able to find an available ride via the Uber platform. (Page 8-9)

Where caps on pricing have been put in place in U.S. jurisdictions on surge pricing on TNC apps, it is for times of emergency. See below for examples:

Austin:

□ Surge pricing cannot be implemented during a period of "abnormal market disruption." This is defined as: "any change in the ground transportation market, whether actual or imminently threatened, resulting from stress of weather, convulsion of nature, failure or shortage of electric power or other source of energy, strike, civil disorder, war, military action, national or local emergency, or other cause of an abnormal disruption of the market which results in the declaration of a state of emergency by the governor."

Washington, DC:

□ During a state of emergency, the surge multiplier may only be as high as the next multiplier down from the highest three multiples seen on separate days over the past 60 days. (Page 32)

As Uber points out, drivers only earn wages during the period in which they have passengers in their vehicle, which indicates that periods of greater demand may incentivize drivers to drive. Drivers will have greater opportunities to quickly find new passengers shortly after drop-offs. This alone is an incentive for more drivers to be on the roads at times of high demand without surge pricing. Moreover, eliminating surge pricing may result in an increased number of people demanding the service, which may benefit drivers who want to minimize time in their vehicles without passengers when they are not earning money. While time in between passengers is uncompensated time for drivers, Uber will earn roughly 20-25% of all the fares in a day, regardless of how much lost time the driver incurs.

Further, in reference to the complete shutdown of the Toronto subway service, the number of drivers may have increased because they knew there was a large amount of subway users who now needed an alternative means of transportation. In other words, surge pricing may not be necessary to incentivize drivers to drive if demand increases, and the mere prospect of numerous people in need may compel drivers looking for work to start driving and meet the increased demand.

One important piece of information that Uber does not provide is the frequency with which demand affects prices. While Uber mentions that the surge prices are □quickly□reduced when demand falls or supply sufficiently increases, it does not specify exactly how long it takes. If surge pricing is not timely reduced, passengers may be forced to pay premium prices for periods of □high demand□ when, in reality, there are an adequate number of Uber drivers available to meet the demand at the time. During the period of public comments at the PVAC meeting on December 7, 2015, a taxi driver suggested that Uber's surge pricing lasts many hours beyond the time of increased demand. So while certain passengers are forced to pay higher rates during □surge□ periods, the majority of passengers pay below market fares because of all the costs saved by Uber when failing to comply with certain costly regulations, such as licensing fees or minimum insurance requirements.

Furthermore, Uber says that it is ultimately up to the users to decide if they want to request a ride, or to wait until prices go back to normal. This statement does not address the possibility that people may not have a choice. In many cases, people forego mass transit and request a vehicle because they need to be somewhere quickly. Waiting until price surging has ended before requesting a ride may entirely defeat the purpose of that quick on-demand ride.

Lastly, where surge pricing is allowed, one may view implementation of policies similar to the one in Austin, Texas. This policy broadly prohibits the use of surge pricing during times of "abnormal market disruption," but also defines what constitutes such disruptions in order to remove much of the ambiguity. A state of emergency is declared by a government in order to concentrate resources to help respond to the emergency and ensure the safety of the public during this time. Instituting policies which allow private companies, such as TNCs, to increase their rates and profits during a period of emergency may subject policymakers to criticism by the riding public.

Illegal Operation of TNCs

Uber

Response: Missing from this section of the report (which states, "Mayor Denis Coderre and the Quebec government have called the uberX service illegal.") is that the Premier of Quebec in response to a Liberal Party of Quebec Youth Wing Motion that was adopted calling on Quebec to pass laws regulating the "new practices" stemming from a "new sharing economy", stated that ridesharing services from the likes of Uber were "a good idea" and that he was open to "legalizing" ridesharing services in the province. See this article for more information. (Page 11)

While the Premier of Quebec has endorsed TNC services as a good idea and has expressed his openness to legalizing the service, the fact remains that uberX is currently illegal in many jurisdictions, including the Province and City of Quebec, and yet continues to operate outside the bounds of the law.²⁵ Even in cities that have a legal framework in place that captures TNCs under their regulatory umbrella, questions remain regarding how to enforce the regulations in an effective and inexpensive way. For example, NYC seized 496 vehicles registered to Uber in a 45-day period in the spring of 2015 for conducting passenger pickups through street hailing, which is illegal under the NYC regulatory model.²⁶ Even though New York City has implemented regulations allowing Uber to legally operate, Uber skirted the law and refused to cease operations that are unmistakably illegal. This type of action forces cities to not only spend on developing and reforming their regulations, but also requires an ongoing costly and significant enforcement effort.

The City of Mississauga has clearly expressed that uberX services are illegal under the City's current By-law and have even increased enforcement efforts, yet Uber continues to operate. There are currently over 200 charges against uberX drivers before the Mississauga courts, with over 30 summonses issued in November of 2015 alone.

New York City Model

Uber

Response: It is reported by Daus that the Uber business model raised issues and concerns about whether it was operating within the bounds of existing law. This is not true since, at least

²⁵ <http://www.cbc.ca/news/canada/montreal/quebec-taxis-uber-disagreement-1.3390852>.

²⁶ <http://nypost.com/2015/06/16/hundreds-of-uber-cars-seized-for-illegal-pickups/>.

to the TLC at the time who now works for Uber, there was nothing in the regulations that prohibited the Uber model. The Daus report notes that in response to complaints that Uber was contacting for-hire vehicle owners and drivers directly, the TLC issued Industry Notices to clarify how smartphone applications should operate under existing rules. This is not accurate, as this was in response to confusion and not complaints against Uber, according to the then TLC, who now works for Uber. (Page 11-12)

Uber argues that there was nothing in the TLC regulations that prohibited Uber from operating. However, the NYC TLC rules prohibited for-hire vehicle owners and drivers from contracting directly with a smartphone app developer, without the approval and involvement of licensed bases. In addition, drivers were not permitted to accept dispatches via smartphone apps that were not authorized by the base that they were affiliated with. The TLC also forbids taxi drivers from using electronic devices while driving and prohibited any unjustified refusal of fares. Uber's model was in direct violation of these TLC regulations as it was originally introduced in New York, and the company obtained the required licenses under the existing laws and regulation to comply.

TNC Driver Incidents & TNC Safety Measures

Uber

- Response:** While any criminal allegation and/or conviction on a TNC platform is undesirable and extremely unfortunate, one could easily draw up a list of the numerous allegations and convictions of a variety of crimes perpetrated by taxi drivers. Uber works hard to create layers of security that go beyond a background check and motor vehicle reference check. Additional safety features on the Uber platform:
- Uber is a two-way street
 - o Driver partners will see the rider's name before they get in and rider's will see the driver's name, photo, and vehicle information. After a trip, riders are still able to contact the driver in case an item was left behind in the car.
 - You're always on the map
 - o While guarding for privacy, Uber collects information about each trip, so if anything goes wrong, we can easily determine when and where it happened and make this information available to police and law enforcement when necessary.
 - Risk-free transactions
 - o Uber is cashless so driver partners never have to worry about driving with cash in their car, and are assured payment for every trip.
 - Anonymous feedback
 - o After every trip, driver partners and riders provide anonymous feedback (5 star ranking system and written feedback option) about the ride. Uber constantly monitors feedback to help drivers improve the Uber experience they deliver, and because riders know they are being ranked as well, they behave better while in transit.
 - o When transactions on the uberX platform are cashless and no cash is carried by an uberX driver partner, in addition to anonymous street hails not being permitted on the Uber platform (Uber knows who every rider is requesting a ride on the Uber platform through the smartphone app), the incentive for in-vehicle crime declines dramatically.
 - Safety Net
 - o SafetyNet is an enhanced version of the 'Share My ETA' feature. The 'Share My ETA' feature enables riders to share the details of their Uber trips with family and friends directly from the Uber app. Riders can select contacts, who will

receive a link where they can see the first name and vehicle information of the driver, as well as their map location in real-time.

- o With Share My ETA, a rider manually selects a contact from their Contacts list, with whom they wanted to share their trip. SafetyNet simplifies the process for sharing a trip, including with a group of people. It allows a rider to set contacts in advance, so that sharing their trip becomes a two-touch process.

- o Now, with SafetyNet, the rider no longer needs to have an SMS plan to send status to friends and family. Uber sends the link from an uber server, which allows the feature to roll out to virtually all riders on our platform regardless of any limitations on their phone plan. (Page 14-16)

□Uber is a two way street□ Taxi and limousine drivers in Mississauga are registered with the local government, and many of the legal issues related to their business model have been comprehensively discussed and determined by regulators. Conversely, TNC drivers currently do not submit documentation to a government agency and legal liability relating to TNC incidents has yet to be thoroughly addressed. Because there are numerous legal issues with uncertainty involving TNCs, the risk of being caught up in a lengthy litigation and having to bear the cost associated with such proceedings increases the level of risk.

□You're always on the map□ GPS tracking of each ride has its benefits but it has also been used adversely. In the past, media reports and lawsuits have alleged that some TNCs may be unlawfully storing and tracking passenger data, and may not have the safeguards in place to protect such sensitive information. See below section on Data Collection.

In addition, Uber is alleged to have not always cooperated with law enforcement in a timely fashion. In California, a passenger alleged that her driver verbally assaulted her and then pushed her out of the vehicle. Uber would not release the driver's information to the police until they had completed their own internal investigation.²⁷ In Wisconsin, an Uber driver was accused of inappropriately touching a female passenger and commenting that he would take her to a different destination than the one requested. Only after the passenger continued to demand to be let out of the vehicle did the driver let her go. Uber would not release the driver's information to the police without a warrant or subpoena.²⁸

□Risk free transactions□ While the lack of cash transactions in vehicles might reduce the incentive for in-vehicle crime, the policy to reject cash as a form of payment has negative consequences. One of the effects is to further alienate the poorest areas of the community from transportation availability. Even though Uber considers itself a low-cost alternative to taxis, people in low-income communities oftentimes operate exclusively in cash because of the difficulties in obtaining a credit card or debit card, and therefore, may be unable to access Uber's services. Some may argue that rejecting cash payments effectively discriminates against those in society who are not fortunate enough to have access to electronic banking. Low-income people are the ones most likely to not have bank accounts, according to FDIC data. Among households with annual incomes of less than \$15,000 a year, 28% have no bank account and another 22% have less than a full range of services.²⁹ Uber has already developed alternative methods for those who wish to request a ride with Uber but do not have access to a smartphone, including

²⁷ http://laist.com/2015/06/04/uber_driver_behaving_badly.php.

²⁸ <http://www.nbc15.com/home/headlines/Police-Woman-inappropriately-touched-by-uber-driver-301479391.html>.

²⁹ <http://business.time.com/2012/11/20/why-so-many-americans-dont-have-bank-accounts/>.

TextBER (which allows text requests for vehicles) and Uber Mobile (which allows requests through a computer). Many people in low income communities have access to prepaid cell phones or free computer and internet access from their local libraries or other public buildings, and would likely appreciate an opportunity to use a service that touts itself as a low-cost alternative. This is particularly true when many jurisdictions throughout the United States have faced issues relating to a lack of for-hire service in certain low-income areas.

Safety Net Data security, as explained above, is critical because Uber is retaining significant personal data on its servers and is prepared to send a link containing personal data, including any passengers' current locations to outside parties.

TNCs Impact on Taxi Industry in Canada

Uber

Response: Across Canadian markets that have ridesharing, otherwise known as uberX on the Uber platform, the taxi industry not only continues to exist, but it continues to do well. In Toronto, taxicab company Beck has stated publicly that 2014 was their best year ever, and that April 2015 was record setting. In Ottawa, Chief Executive of taxi operator Coventry Connections, Mr. Hanif Patni, is on record stating that business in 2014 was up over business the prior year. On March 25th, 2015, President of the Edmonton taxi association said that Uber had no impact on their business, yet on April 20th, claimed that drivers couldn't get by. How can taxi companies, associations, and unions, say they're hurting more than ever before yet tout record setting months and years for business?

Taxi drivers suffer under the current regulatory system. Taxi drivers pay substantial daily or weekly leasing fees (not including maintenance or dispatch fees, among other costs) before ever hitting the road. It's no wonder that taxi drivers have to work 12 hours a day, 6-7 days a week, just to cover their operating expenses while often making less than minimum wage. In addition, there are taxi industry "middlemen" such as agents and garages/fleet operators, all of whom extract a portion of the significant profits the current system generates for the few middlemen and license holders at the top.

This is reflected in recent comments by former Hamilton taxi driver and Founding President of the Ontario Taxi Workers Union when he stated that, "The front man, the driver was not taking enough money home. It was the middleman, the owner, the broker. Sometime I worked I could not even make a lease. I had to pay the gas from my own pocket". On the other hand, the Uber platform introduces an unparalleled level of flexibility, allowing drivers to choose their own hours. (Page 17)

Even though there is anecdotal evidence that certain companies did well in 2015 despite the growth of Uber in their jurisdictions, there is overwhelming anecdotal evidence to the contrary as well. The comments submitted by taxi drivers to inform the writing of this study show that they perceive a significant adverse effect on their livelihoods caused by the entrance of TNCs to the market. In addition, the on-going protests and hunger strikes in Toronto by taxi-drivers also highlight the negative impact on driver livelihood.

While Uber argues that taxi drivers cannot compete because of "middlemen" and overhead charges, Uber drivers are struggling because Uber is the "middleman" in their transactions with passengers and is taking a very large cut of a low fare. Uber receives 20-25% of each fare according to Uber Canada, after which, the driver still has to remit 13% of the fare

for HST to the Canadian Revenue Agency. Uber drivers also must pay gas and car maintenance fees out of pocket. Consequently, some Uber drivers in California and the UK are demanding to be treated like employees to receive benefits such as gas, maintenance expenses, paid vacations and minimum wage protections.³⁰ On the other hand, one of the costs taxi drivers are faced with include insurance premiums, while Uber Canada drivers continue to use private auto insurance that may not be valid when they operate their cars for private hire – essentially illegally driving without insurance.

Option 1: Capture Option (Taxis & Limousines)

Uber

Response: Uber Canada does not support this Option (1). Without new TNC regulations, Uber is unable to expand the market for for-hire transportation and make it more accessible to more Ontario residents. Uber is not pushing the existing taxi companies out of the market and colonizing it for itself, Uber is in fact expanding it by tapping into dormant demand for transportation related services that traditional taxi regulation, drafted in the pre-internet and pre-smartphone era, has stifled due to expensive fares and poor customer service which are hallmarks of monopolies and oligopolies that exist at the behest of traditional taxi regulatory frameworks –
 Uber demonstrates time and time again that it is possible to grow a transportation market and it is done by finding ways to satisfy customers. The ways in which the traditional taxi market has been regulated, such as limiting the number of people who were allowed to offer the service, has meant high taxi fares and poor customer service, and undesirable outcomes for taxi drivers themselves in terms of low take home pay and long work hours. Uber is eager to be regulated by smart regulations that govern the ridesharing sphere, whereby Mississauga residents looking for a ride can use a smartphone app to connect with a driver looking to provide a ride with their own personal automobile. Such regulation, often known as Transportation Network Company (TNC) regulation, exists in over 60 jurisdictions in the U.S. at the state and city level. TNC regulation co-exists as parallel regulation to that of traditional taxi and limo regulations. (Page 18-20)

Uber is currently operating in many Ontario cities without new regulations in place, yet in the above statement, Uber claims that without new regulation it will be unable to expand the for-hire transportation industry. In the City of Mississauga, Uber is continuing to operate its uberX service even though the City has made it known that it is enforcing the current By-law, under which Uber is not allowed. The City of Mississauga currently has over 200 charges in the courts against uberX drivers (with 30 charges added in November, 2015), but Uber allegedly continues to operate.³¹

While Uber's goal of –expanding the market– may be admirable, there have been many markets across the U.S. that Uber has entirely abandoned after the jurisdiction passed new TNC regulations that Uber did not like. One example is in San Antonio, Texas, where Uber operated before regulations passed which required drivers to undergo a fingerprint-based background check.³² Six months later, San Antonio relented and the City Council agreed to allow Uber and Lyft to operate, and only required drivers to undergo the companies' typical background checks.

³⁰ <http://www.theguardian.com/technology/2015/nov/16/uber-worlds-biggest-ride-sharing-company-no-drivers>.

³¹ Information obtained from the PVAC meeting on December 7, 2015.

³² <http://www.mysanantonio.com/news/local/article/uber-returning-to-San-Antonio-immediately-6568842.php>.

The City added the option that drivers could undergo a fingerprint-based check and then indicate on their driver profiles that they have completed the additional government screening. Most recently, the City of Austin passed new TNC regulations requiring a fingerprint-based background check and Uber spokesperson Debbie Hancock responded by saying, in part, “Mayor Adler and Council Members said they wanted a solution that would keep Uber in Austin, but this law will not do that.”³³ She continues, “We hope the Mayor and City Council listen to their constituents and prevent hundreds of thousands of Austinites from losing flexible earning opportunities and safe rides.”

Uber implies that traditional taxi regulatory frameworks have resulted in monopolistic and oligarchic symptoms in the FHV industry, yet Uber is the largest transportation network company in the world, and its market dominance appears unparalleled, both historically and currently.

Market regulations do not imply high fares, but instead may help maintain market stability and competitive balance throughout the industry. While some jurisdictions have more onerous regulations than others, it may not be fair to say traditional FHV regulations imply higher prices, low take-home pay, and poor customer service.

Lastly, we agree that TNC regulations can co-exist as parallel for-hire regulations, but jurisdictions have elected to structure their laws in a variety of different ways. The Study provided six potential regulatory schemes, some of which are parallel, and some of which incorporate TNC regulations into current FHV regulatory schemes. It is up to the City of Mississauga to determine which model, or combination, best suits its needs, and to implement the regulations accordingly.

Option 1: Capture Option (Modified)

Uber

Response: It should be noted that there are differences with the NYC model that the Daus report includes under this option as an example and what Daus states under this section with respect to how Uber would operate. Daus notes that the City of Mississauga could consider capping the number of these special vehicles and that TNC’s dynamic pricing model would need to be regulated. Price caps and supply caps are not part of the NYC model that Uber operates under in NYC. (Page 20-21)

While price caps and supply caps are not included in NYC’s regulatory scheme, the Study recognizes deficiencies and problems that may currently exist under the NYC model and elsewhere. It is for each individual jurisdiction to decide whether to and to what extent supply caps should be studied and implemented. There is currently pending legislation in NYC that would cap surge pricing.

³³ <http://www.twcnews.com/tx/austin/news/2015/12/17/rideshare-compromise-negotiations-continue-late-into-the-evening.html>.

Option 2: New Licensing Category (Equal Regulation)

Uber

Response: Uber Canada does not support this Option. While Uber is supportive of thorough background checks and vehicle inspections, blindly imposing equivalent standards across a range of issues such as driver training, among others, that do not go to the heart of public safety and consumer protection, simply does not make sense given the different nature of taxi as compared to ridesharing. (Page 21-22)

Uber vehicles are performing the same general function as taxis and limousines, (transportation for-hire) and therefore should be held to meet a standard criterion of acceptable service. Traditional regulations have been carefully developed over decades to provide driver, consumer, and market protections and new technology does not diminish or negate the need for such protections. In fact, new technology such as Uber has created ways of entering traditional industries that dramatically affect fundamental market dynamics. This oftentimes requires regulations be maintained or strengthened in order to prevent market failures, and ensure driver and consumer protections which have been meticulously developed. The reference in this comment is vague and unclear as to which regulations do not go to the "heart of public safety and consumer protection."

Option 3: New Licensing Category (Unequal Regulation)

Uber

Response: Uber Canada supports this Option. However, Uber takes issue with its characterization as "unequal regulation". It is respectfully submitted that the term "unequal regulation" unfairly characterizes information that doesn't support the preferred policy outcomes of Mr. Daus. The current Mississauga bylaw already provides for differences among 4 different types of for-hire vehicles with each mode of transportation being distinctly defined and distinguishable based on licensing requirements. As such, there is precedent for treating different categories of ground transportation differently. An audit-based regulatory model is the standard for regulating TNCs, such as Uber and Lyft, across jurisdictions in the United States. Unlike the Daus Report which suggests that Option 3 re New Licensing Category (Unequal Regulation) is "without any government oversight", this is not the case with auditing under the TNC model in place in U.S. jurisdictions. Regulators prefer it because a TNC's electronic systems enhance safety and provide cities with a more effective and efficient model of regulation. Only driver-partners whose documents have been fully vetted are able to login to the Uber driver partner app and provide ridesharing services through the TNC's network. In addition, the moment their account is deactivated by the TNC, they no longer have access to offer or provide service. Moreover, the goal of enhanced safety through real-time compliance- is easily achieved via audits and street enforcement. (Page 22-26)

With regard to Option 3, Uber specifically takes issue with the characterization of a new licensing category for TNCs as "unequal regulation," when the City of Mississauga already has four distinct categories of for-hire vehicles under its current By-law. The fact is, all four of Mississauga's current FHV categories are regulated by the government, while Option 3 specifically suggests a "self-regulating framework for TNCs to operate legally" . without any government oversight, indicating that this regulatory scheme is "unequal regulation" when compared with the oversight imposed on the traditional FHV industry. In other words, "unequal regulation" is a way of saying "differing standards." There is precedent for different categories

of for-hire regulations and that is precisely why a variety of options were included in the study as to how to regulate TNCs.

Semi-self-regulatory models, like the trucking industry in the U.S., require companies to apply their own oversight, such as conducting medical certifications or restricting the number of hours driven. With the trucking industry, the Federal Motor Carrier Safety Administration ensures that companies are following the regulations by using audit functions and fines as enforcement mechanisms. Under the self-regulatory model, companies will be required to self-regulate, but the government is granted the authority to perform audits of company records to verify compliance and institute steep fines when not in compliance. Self-regulation requires fines and penalties to be set at a proper level to incentivize compliance rather than allow the cost of doing business by paying the fines to be less than the costs to comply. Under this model, which exists in numerous jurisdictions, TNCs will be required to pay much more in licensing fees to the municipality than taxis or limousines. This may create a financial obstacle to small taxi and limousine companies that wish to become TNCs.

With regard to restricting fraudulent or unauthorized rides, Uber does not have the ability to stop a driver logged into the Uber app from picking up a street hail and getting paid cash. Additionally, there have been reports of drivers putting an Uber logo in their personal vehicles and picking up street hailing passengers in areas of known high demand. For example, NYC seized 496 vehicles registered to Uber in a 45-day period in the spring of 2015.³⁴ In Mississauga, there are currently over 200 charges before the courts against uberX drivers, with over 30 additional summonses in November of 2015.³⁵ While Uber touts its ability to deactivate a driver's account immediately after it receives notification that his or her license has expired, a lack of insurance does not seem to restrict all Uber drivers in the United Kingdom. It has been reported that, to save money, drivers have been canceling their insurance after approval by Uber and then continuing to provide for-hire transportation. One person even applied with a completely fabricated insurance policy, which was then approved by Uber.³⁶

While Uber wants to avoid the costs that come with regulation, some costs may be needed to ensure proper accountability and safety measures are implemented and followed. If Uber believes that the need for new TNC regulations presents an opportunity to make changes to current the for-hire model, then some believe it should constructively participate in reforms, rather than ignore existing By-laws, encourage differing and often lower standards, promote almost exclusive self-regulation, and "strong-arm" jurisdictions like San Antonio, Texas and numerous other jurisdictions that have implemented regulations with which it disagreed.

Option 4: Complete Deregulation Option

Uber

Response: As previously noted, with respect to taxi deregulation in the 1970s, such reform efforts were from a time that was prior to the ubiquity of smartphones, the Internet, or the emergence of ride-share enabling technologies. The introduction of ridesharing actually

³⁴ <http://nypost.com/2015/06/16/hundreds-of-uber-cars-seized-for-illegal-pickups/>.

³⁵ Information obtained from the PVAC meeting on December 7, 2015.

³⁶ <http://www.theguardian.com/technology/2015/jun/12/uber-whistleblower-exposes-breach-driver-approval-process>.

results in the opposite along many dimensions of what is suggested (lower driver incomes, less investment, etc.). With the prevalence of the Internet today, Uber customers using a smartphone app to request a ride, are able to compare prices and the quality of customer service offered by a range of companies, more easily than ever before, in addition to ranking customer service at the end of each trip which can result in drivers being removed from ridesharing platforms if they do not routinely offer good customer service. This was not the case in the 1970s or for academics that studied the issue prior to the last 5 years or so, which explains why in the absence of information and being able to compare prices and quality of service between taxi companies, prices rose and quality of service declined. However, open entry for companies like Uber has meant improved transportation availability and lower rates. The ability of consumers in the Internet era to more readily access information and share it (both positive and negative), means that companies like Uber have to continually strive to improve customer service or risk losing customers to competitors□ .. Thus, it is unfair to compare historical deregulation outcomes from the 1970s to the ridesharing industry today given the fundamentally different natures of the taxi industry compared to the ridesharing industry. (Page 26-28)

Although, new technology allows for consumers to compare prices, if Uber is allowed to continue to enter markets unregulated, it may continue to overtake the industry with its pricing scheme, likely removing much of the competition and leaving few price options to compare. An Uber monopoly of the industry would allow it to raise prices unilaterally without fear of competition and no care for standards. Furthermore, a lack of regulation may also lead to a limited supply of taxi service to suburban and poor neighborhoods, and service refusals and discrimination as a result of lack of recourse measures for passengers.

Option 5: Pilot Program

Uber

Response: Uber Canada supports this Option. In addition, a number of jurisdictions in the United States have operated under temporary/interim operating agreements that allow ridesharing to exist under contractual agreement with the jurisdiction while it is studied further. Such jurisdictions include: Detroit, Spokane, Anchorage, and Virginia. (Page 28)

The purpose of pilot programs is to gather enough information to be able to create educated regulations that will allow TNC services to best operate in any particular jurisdiction. The City of Mississauga should undertake serious due diligence in exploring options that will encourage innovation and provide new and desired services to taxi passengers. The pilot program should be solely for purposes of assisting the City in learning about the feasibility of TNC apps, but participation in the pilot program should not signal authorization to operate beyond the guidelines of whatever program is in place. The program should include commencement and termination dates, and the City of Mississauga should be cautious not to allow participation in a pilot program (or a temporary waiver or exemption) to function as a means of allowing TNCs to operate indefinitely. Moreover, the program may require candidates to submit an acceptance test plan demonstrating that its app and related services comply with the technical standards and service level requirements set forth by the City. The program could allow TNCs to enter this market, but only if they are equipped with wheelchair accessibility features. Candidates must also be required to submit certification of security testing of their app, in addition to proof of primary insurance, to determine compliance with the standards set forth by the City.

Option 6: Provincial Regulation

Uber

Response: Uber Canada supports this Option and Bill 131, Opportunity in the Sharing Economy Act, 2015. The Bill aims to establish a modern province-wide framework for ridesharing, among other aspects of the sharing economy. In essence, the Bill would "provincialize" the issue ensuring that ridesharing operates across Ontario under province wide regulatory jurisdiction. This Option would leave taxi and limo under existing municipal regulation and jurisdiction, while effectively bringing ridesharing under provincial regulation. (Page 28)

The City of Mississauga's and the Provincial efforts are attempts to pass smart, fair, and equitable regulations. As previously mentioned, Bill 131 would establish a regulatory framework for TNCs at the provincial level. According to the bill's sponsor, MP Tim Hudak, the bill creates a modern, streamlined, province-wide framework to allow the municipal licensing of transportation network vehicles, home sharing and parking sharing.³⁷ The bill provides for licensing by the Province if the municipality in which it operates does not have its own regulations. Concerns remain about whether the bill, and in turn, the Province, provides adequate insurance coverage for those who offer services through uberX's transportation platform.³⁸ For instance, in Ontario, like in many jurisdictions, there are personal use and commercial use auto policies. The distinction between policy classifications addresses the different intended uses and associated risks. A specific exclusion, which may lead to a denial of a coverage and cancellation of a personal auto policy, is the use of a personal vehicle to carry passengers for commercial purposes. The intended use of a vehicle and risk determines the type of policy issued as well as the premium. As otherwise addressed in the Study, insurance policies that would satisfy transportation regulators and local requirements should also be explored.

There are also concerns that this "one-size-fits-all" approach may not necessarily work in Mississauga. The provincial regulations do not take into account the distinguishing characteristics of the taxi market in this City, including that Mississauga has 8.9 taxis per 10,000 people, which is near the high end of its peers. For comparison, Toronto has 18.5 taxis per 10,000 people, but the high Toronto number is skewed because of the high density of people and an incentive program, now discontinued, that greatly expanded the number of taxi licenses available. Another peer city, Burlington, only has 3.3 taxis per 10,000 people, which can be partially explained by the higher percentage of car ownership. In addition, although Mississauga Taxicabs are allowed to accept street hails, almost all of their rides are prearranged. There is concern that allowing TNCs to enter the market may have a devastating effect on driver income and taxi plate prices, as TNCs are dispatched through a smartphone app and may unfairly compete head-to-head with taxicabs.

³⁷ <http://www.millerthomson.com/en/blog/ontario-insurance-litigation-blog/2015-archives/does-uber-insure-all-of-us-uber-users-buyer>.

³⁸ *Id.*

Camera/Car Identification

Uber

Response: Security cameras and emergency flashing lights are necessary for taxis because of the nature of taxis business model. Whether someone calls a broker, street hails, or gets a taxi at a taxi stand, the passenger remains anonymous to the taxi brokerage and driver. When passengers are anonymous and drivers carry cash, security cameras, shields, and emergency flashing lights are necessary. with uberX, no one on the Uber platform, passengers included, are anonymous. Uber knows who every driver is through criminal background checks, and who every passenger is through credit card verification in-app. The Ottawa Policy Options paper also notes that Limousines are not currently required to have in-vehicle cameras because, like TNCs, the limousine model is based on pre-arrangement between two parties that must identify themselves. The paper notes that, "□ there have not been any incidents which would suggest cameras should be a requirement under the amended regulation". The City of Calgary in its proposed TNC regulation is not making it a requirement that TNCs like Uber have security cameras in ridesharing vehicles for these reasons. (Page 29)

Uber argues that security cameras are not necessary in Uber vehicles because of the reduced level of anonymity, both with regard to the drivers and with the passengers. However, this argument fails to consider that criminal behavior may occur during Uber transports, despite the parties identifying themselves at the onset of a ride. The transportation industry is prone to violent attacks, whether those attacks are against the driver or against the passenger, and security cameras help deter premeditated criminal behavior. Security cameras may not offer an additional deterrent, but they actually record the crimes so that evidence can be used to prosecute any transgressions.

HST

Uber

Response: As a registered Canadian business, Uber Canada honours its obligation to pay applicable tax as any other Canadian business would operating in Canada. In addition, Uber Canada employs Canadians in our offices across the country and its Canadian employees pay income tax on their earnings in Canada to the Canada Revenue Agency (CRA) annually. Likewise, the thousands of drivers we partner with, like other Canadians earning income in Canada, are expected to file their income tax return with the CRA annually.

With respect to the GST (or the HST where applicable in Canada), it is a sales tax that is customarily charged to the purchaser of a service (passenger in an Uber driver partner vehicle) and remitted to the government by the service provider (Uber driver partner). Uber Canada takes into account GST and factors it into the price of fares, to enable driver partner-friendly economics.

Whether or not an independent contractor (in this case the Uber driver partner) is remitting GST depends on their own personal income. Uber Canada explains to our Uber driver partners that any taxes due on trips are the responsibility of the partner to remit based on their own personal income situation and has a partnership with H&R Block to assist driver partners with filing their taxes appropriately. However, like other contractors in various sectors of the Canadian economy, it is ultimately the Uber driver partner's responsibility to comply with relevant CRA tax related obligations. (Page 30)

Measures should be taken to ensure that everyone is required to pay taxes and adhere to the same set of taxation rules. Please refer to the previously discussed analysis of the HST/GST issue for a detailed summary.

In response to our study, Uber states that HST/GST "is a sales tax that is customarily charged to the purchaser of a service (*passenger in an Uber driver partner vehicle*) and remitted to the government by the service provider (*Uber driver partner*).³⁹ Uber has experimented with referring to their drivers in the United Kingdom as "customers," because they are paying a commission to Uber for its services, namely the use of its platform.³⁹ Therefore, if drivers are "customers" of Uber's service in Canada, Uber's statement regarding HST/GST could be adjusted to accurately read, HST/GST "is a sales tax that is customarily charged to the purchaser of a service (Uber driver partner/customer) and remitted to the government by the service provider (Uber Technologies, Inc.)." Uber has not affirmatively stated that it pays HST/GST taxes on its commission. The entire tax burden may be left to drivers who must pay the tax from the portion of their fares remitted after Uber takes its share. This ambiguity raises concerns about TNC compliance with HST/GST taxes.

Data Collection

Uber

Response: Privacy is important to Uber and our driver partners and riders. Uber's "User Privacy Statement" is available to review online. In late 2014, Uber subject its privacy practices to external independent review. The review was led by Harriet Pearson, who is widely acknowledged as one of the foremost experts on data privacy. Ms. Pearson and her team spent 6 weeks reviewing documents and interviewing members of Uber's executive team and leaders across the entire company. The review was comprehensive and found that overall the Uber Privacy Program is strong: "Uber has dedicated significantly more resources to privacy than we have observed of other companies of its age, sector, and size". (Page 30-31)

Concerns regarding data protection have received increased attention worldwide as technology has further permeated every aspect of our daily lives. The use of apps offered by TNCs is no exception. In the past year, media reports and lawsuits have alleged that some TNCs may be unlawfully storing and tracking passenger data, and may not have the safeguards in place to protect such sensitive information.

In November 2014, an Uber senior executive suggested that his company could spend \$1 million on "digging up dirt" about unfavorable reporters and threatened the misuse of passenger data in this regard. A day later, a senior editor at San Francisco Magazine wrote that she was warned by sources at Uber that execs could be spying on her via her Uber usage. The editor was cautious to say that she did not know whether her information was accessed or whether her sources were just being overzealous in warning her, but the general sense is that accessing users' private data is fairly easy at Uber, and that "the company stokes paranoia in its employees about talking to the press." Uber has a function that it refers to as "God View," which allows employees to track the whereabouts of any user who has ordered a car.

In March 2015, a former Uber driver in the U.S. filed a lawsuit against Uber alleging that the company failed to secure and safeguard its drivers' personally identifiable information,

³⁹ <http://www.theguardian.com/technology/2015/nov/16/uber-worlds-biggest-ride-sharing-company-no-drivers>.

including names, drivers licenses numbers and other personal information, and failed to provide timely and adequate notice to Plaintiff and other class members that their private information had been stolen, in violation of California state law. The class action, *Antman v. Uber*, alleges that in or around May 2014, unknown persons utilized an Uber "security key" to download files from Uber's computer system containing its drivers' personal information. Uber did not disclose this breach until February 27, 2015. Plaintiffs are seeking an injunction and equitable relief in the form of compelling Uber to utilize appropriate policies and methods to respect its data collection, storage and data safety, restitution, and the payment of actual damages.

In response to the class action, Uber itself filed a John Doe lawsuit February 27, 2015, against the unknown third party who committed the privacy breach in the lawsuit *Uber v. John Doe*, case no. Case3:15-cv-00908 (N.D. Ca), in order to investigate the security breach, and to obtain court ordered subpoenas to assist in same. Uber's investigation found that the intruder had gained access to a company database by using a security key that an Uber employee had accidentally posted on a public GitHub page in March 2014. GitHub is a website that programmers often use to swap bits of code while building software. To mask his or her identity, the intruder used Anonine, a Swedish service that lets users browse the Internet anonymously, according to statements by Uber attorneys in court records. Anonine says it does not maintain user records. In October 2015, the Wall Street Journal reported that investigators looking into the 2014 data breach and theft of drivers' records from Uber found indications implicating an executive at rival ride-hailing app Lyft Inc., according to people familiar with the matter.

In March 2015, the U.S. website Motherboard reported that "thousands" of Uber account details were available for purchase for as little as \$1 each on the anonymous "dark web." Sellers can obtain access to large databases of personal details - either from the dark web or the internet - and then test them across various websites to see if the same login details may be used for other online companies. A cyber security expert at University College London indicated that it is still extremely common for people to use the same password on numerous websites. Because of this use of a "standard" password, a database of usernames, email addresses and passwords is not as valuable as individual website accounts - such as for Uber. Users complained about being charged for various fraudulent taxi rides. One London resident was charged £3,000 for 142 supposed journeys - about 10 per day - over the course of two weeks. Other "phantom" trips have supposedly taken place in different cities, or even countries.

Although Uber denies that its servers were hacked, stolen Uber logins and passwords are being sold on the AlphaBay Market dark web marketplace. These stolen credentials allow buyers to use other people's Uber accounts to book rides for themselves charging the original owner of the account. Uber rejects that they were the source of the stolen logins and suggests that users should not use the same login credentials across multiple sites.

The potentially unlawful tracking of passengers and consumer data collection along with lapses in privacy safeguards is troubling. If TNCs are engaging in the collection, use, and monitoring of data which is not pursuant to a legitimate business or regulatory purpose, with personal details and customer information so readily available that an intern or a job applicant

(or possibly a hacker) could get their hands on it, there is certainly great concern for potential privacy and security violations.

Insurance

Uber

Response: Uber recently announced a relationship with Intact Financial, Canada's largest home, auto and business insurer. We have been working closely with Intact Financial to develop a new and innovative insurance plan for ridesharing in Canada that we hope will come to market soon. Intact Financial is working with insurance regulators and different levels of government in the provinces where ridesharing currently exists (Ontario, Alberta and Quebec) to create an insurance product in collaboration with stakeholders that satisfies the requirements of both insurance and transportation regulators. Until the Intact ridesharing insurance product is approved, every ride on the uberX platform is backed by \$5M of contingent coverage for bodily injury and property damage to third parties. This means that if, in the event of an accident, a ridesharing partner's own personal insurance does not apply for any reason, passengers, pedestrians, other drivers, and the community at large can rest assured knowing that ridesharing partners remain covered by a robust first-class policy. This coverage exceeds the standard requirement for taxi and limo insurance in Canada and is backed by an insurance company rated A (Excellent) by A.M. Best. (Page 8, 16-17)

If the ridesharing industry can produce new more affordable ridesharing specific insurance products, as Uber and the U.S. insurance industry has already done and as Intact Financial is proposing to do in Canada, than why should this be discouraged by regulation?

For example, in January 2015, Metromile and Uber announced an innovative partnership to provide variably-priced, pay-per-mile auto insurance for drivers who use Uber's rideshare platform. The two companies have jointly developed the first technology solution that enables pay-per-mile, personal insurance coverage. (Page 33)

While it is important for regulations to always leave room for growth and improvement as new technology develops, it is also important for existing regulations to be able to protect those who may be negatively affected by new technology as it becomes integrated into society. An insurance policy could be developed that would satisfy transportation regulators and local requirements for all transport providers, not just TNCs. Nevertheless, until these revised regulations are developed and widely implemented, many drivers continue to use personal automobile insurance policies which are approved by the TNC. Not only do personal automobile insurance policies often not provide protections for commercial activity (which would leave an insurance gap), many insurance providers may void the policy if they discover that the vehicle is being used for commercial use, leaving the vehicle completely uninsured. Given its practices over the past few years, Uber has been questioned about adequate insurance coverage. First, Uber permits drivers to perform the jobs of dedicated commercial car service providers while possessing only personal insurance,⁴⁰ while dedicated commercial car service providers are subject to commercial insurance requirements. Second, Uber has only improved its insurance requirements after discovering that this practice was inadequate for its drivers, from accident

⁴⁰ <https://www.policygenius.com/blog/insurance-secret-uber-doesnt-want-know/>.

victims receiving no coverage from personal insurance policies,⁴¹ to drivers losing their personal insurance policies after being revealed to work as Uber drivers.⁴²

Furthermore, questions remain concerning some of Uber's current and recent insurance improvement practices. It is not clear if, for example, Uber's claim of \$5 million in backstop insurance coverage for each of its rides covers accidents that are not caused by corporate neglect.⁴³ In August of 2015, a former uberX driver, Taqfiq Alam, brought a lawsuit against Uber for \$1 million in damages and lost income, after a June accident left him severely injured. Alam's car was hit by another driver who ran a red light and because his policy did not provide commercial protection, his insurance company denied the claim and Uber has yet to provide any back-up coverage.⁴⁴ Alam thought his insurance policy was sufficient and was told that Uber would provide a back-up policy of \$5 million or so, but was never required to sign any assurances.⁴⁵ Alam now suffers from chronic pain, has lost his vehicle, and has incurred major debts as a result of this ordeal and he wants other drivers to be aware of these issues.⁴⁶ Uber has ignored all requests by the City of Mississauga to release any documents to show proof of the existence of the backstop insurance policy in Canada or the specifics of the policy.

Some pertinent details of Uber's new ridesharing-specific insurance products, such as its partnerships with Metromile and Impact Financial, are not yet fully known. While it is understandable for Intact Financial to conceal the details of its partnership with Uber while it is pending regulatory approval,⁴⁷ the Study supports the City of Mississauga as it does not allow drivers to operate vehicles uninsured for the vague promise of a new insurance product that may prove inadequate. TNC insurance in the United States has raised issues of potential gaps for disputes between the driver's personal insurance policy and the TNC insurance. For example, if a driver turns off the app after driving someone to return to a more desirable location or to go home, and then has an accident, the personal insurance policy carrier can claim that it was a continuance of the commercial activity that the driver was engaging in earlier, and may refuse to cover the claim. Rather than allowing Uber to dictate its own insurance requirements without full disclosure of its terms and conditions, the City of Mississauga may choose to maintain insurance requirements that have already been determined to cover all damages incurred from an for-hire vehicle-related accident, whether the driver is in route to a pickup or in route to a passenger's destination. If the City pursues adoption of another product, the same TNC product should be offered to taxicabs and limousines, unless there is a good public reason for not doing so. No justifications as to why such policies only to TNCs has been offered.

⁴¹ <http://www.insurancejournal.com/news/national/2014/03/14/323329.htm>

⁴² <http://www.forbes.com/sites/ellenhuett/2014/12/18/uber-lyft-driver-insurance/>.

⁴³ <http://www.insidetoronto.com/news-story/5768294-uber-drivers-not-properly-insured-toronto-news-conference-told/>

⁴⁴ <http://globalnews.ca/news/2172234/uberx-driver-says-he-will-take-legal-action-after-major-crash-in-toronto/>.

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ <http://business.financialpost.com/news/transportation/uber-partners-with-intact-financial-to-offer-first-ride-sharing-insurance-policy>.

Driver/Operator Training Requirements

Uber

Response: With respect to the example of driver training, Uber Canada would encourage PVAC and Mississauga to examine Ottawa's Taxicab and Limousine Regulation and Service Review and specifically their "Customer Service" paper which reviews differences in the customer experience between taxi and Uber. As Ottawa's Policy Options paper notes, "Customer service concerns have been raised by users of the traditional taxi service, while customer service provided by Uber drivers has been reported as generally being very good. This raises a question as the effectiveness of the course relative to other mechanisms, such as driver rating". Uber Canada agrees. Service quality is an important factor for the success of any business. However, there are many different ways to achieve that objective. The city does not mandate customer service training for restaurants, hotels or banks. Those industries compete on multiple factors including customer service. Research firm Core Strategies who conducted the focus groups in September 2015 for the City of Ottawa's taxi bylaw review, reported that Uber scored higher than taxi for car cleanliness, comfort and driver courtesy. Uber driver partners were found to be more caring, professional, and engaged than taxi drivers. Mandating existing taxi training courses for TNCs does not make sense when existing taxi training courses produce inferior customer service results. However, to "level the playing field", the regulatory burden on taxi in the form of traditional taxi driver in class training can be reduced where by taxi introduces similar in-app ranking and feedback mechanisms that are used to improve customer service on a very regular basis. (Page 21-22)

Mandating existing taxi training courses for TNCs does not make sense when existing taxi training courses produce inferior customer service results. (Page 33-34)

Driver training includes more than customer service training. It would also include training for defensive driving and driver sensitivity, as well as special training on how to accommodate people with disability needs. Instead of working to fight new safety standards or relax current regulations, TNCs and the incumbent industry could be working together to support higher standards to improve the FHV industry and public opinion. While the cities typically do not mandate customer service training for restaurants, hotels, or banks, they do set health and safety standards that are constantly audited by responsible government officials. Furthermore, driving a motor vehicle requires government licensure and doing so for-hire typically requires further government regulations to ensure protections for all. Mandates for customer service training exist to improve the driver pool. Allowing for self-regulation in this area risks cutting costs at the expense of safety and quality service. Inevitably, companies will attempt to find their niche in the market, and in order to compete, some will reduce standards to cut costs. This could lower the bar for the entire industry and potentially result in increased risks to passengers, drivers, and members of the public.

Although Uber scored higher than taxis with regard to vehicle cleanliness, comfort and driver courtesy in a recent focus group, it is important to understand other reasons that may be the cause for this trend. Taxis are mandated to be driven a certain number of hours in many jurisdictions and typically are on the road for significantly longer amounts of time than TNC vehicles. Reportedly, more than 50% of TNC drivers drive less than 10 hours per week, resulting in significantly less wear and tear. In addition, taxis are often driven by those leasing the vehicle

whereas TNC drivers typically drive their own personal vehicles. This provides additional personal incentives for TNC drivers to maintain cleaner and more comfortable vehicles.

Environmental Concerns and Congestion

Uber

Response: Flexible supply and dynamic pricing on the Uber platform enables drivers to come on the road when they are needed which increases operational efficiency and productivity in contrast to having an increased number of taxis on the road at all times increasing congestion. Ride-sharing alternatives actually help to relieve congestion. UberPool, like carpooling when you share a ride and split the costs, has profound implications. On average uberX is already 30% to 50% cheaper than traditional taxi and becomes upwards of 80% cheaper with UberPool. This allows Uber to become cost-competitive with owning a car. Technological innovations like UberPool which were not possible pre-smartphone can achieve real results in terms of reducing the number of cars on the road, congestion in cities, pollution, and parking challenges by helping people live car-free or car-light lifestyles. (Page 34)

Flexible supply and dynamic pricing may enable drivers to get on the road when they are needed. However, Uber fails to address the fact that this model also may allow cars to remain on roads at peak times when traffic and congestion are highest.

An Uber spreadsheet showed that in New York City, between 7 a.m. and 7 p.m., there was an average of 1,904 Uber cars on the road below 59th Street in Manhattan.⁴⁸ Transportation analyst Charles Komanoff estimates that having this many cars in the City's core at once could reduce average travel speeds up to 12 percent.⁴⁹ Traffic congestion is also a major factor of air pollution.⁵⁰ Another example may be seen in Seattle, where more than 10,000 TNC trips on the Uber platform drop off passengers at Seattle-Tacoma International Airport every week, and are left to drive 14 miles back to Seattle or 25 miles back to Tacoma with an empty car.⁵¹ This amounts to millions of miles in the last year and costs hundreds of thousands of dollars in gas and wear and tear on vehicles and roads.⁵²

All over the globe, Uber has added substantially to the number of for-hire vehicles on the street throughout the day, possibly resulting in negative environmental impacts that must be addressed by regulators in each of the jurisdictions where TNC are operating.

⁴⁸ <http://www.streetsblog.org/2015/07/22/ubers-own-data-reveals-it-slows-manhattan-traffic-9-percent/>.

⁴⁹ *Id.*

⁵⁰ <http://www.capitalnewyork.com/article/city-hall/2015/09/8577153/uber-fight-city-hall-overshadows-congestion-hearing>.

⁵¹ <http://www.geekwire.com/2015/uber-says-its-tired-of-waiting-calls-on-port-of-seattle-to-allow-airport-pickups-immediately/>.

⁵² *Id.*

From: Karen Morden
To: info@airlinelimo.com; [REDACTED] [aaopon\[REDACTED\]management@pearsonvision.com](mailto:aaopon[REDACTED]management@pearsonvision.com);
info@a1airlinetaxi.ca; [REDACTED] aerofleet.ca; sales@airliftlimo.com; [REDACTED] blueandwhitetaxi.ca;
manager@ablackcab.com; info@aeroporttaxi.com; service@allstartaxi.ca; [REDACTED]
[mississaugatax\[REDACTED\]](mailto:mississaugatax[REDACTED]) tncregs.comments
Cc: Mickey Frost; Daryl Bell; Robert Genoway; Ron Starr; Carolyn Parrish
Subject: City of Mississauga - Please Provide Comments
Date: 2015/12/09 12:16:55 PM
Attachments: [image001.png](#)
Importance: High

To Members of the Taxicab/Limousine Industry:

The City of Mississauga wants your comments on the policy options for the regulation of transportation network companies, as outlined in Appendix 1 of the report from the Commissioner of Transportation and Works, dated November 25, 2015 and entitled, "Consultant's Review of Policy Alternatives for the Regulation of Transportation Network Companies".

The report can be found on the [December 7, 2015 Public Vehicle Advisory Committee Agenda](#) .

Please email your comments to mailto:tncregs.comments@mississauga.ca by December 25, 2015.

Please distribute to your colleagues and post to make this available to those without access to email.

-

Regards,



Karen Morden

Legislative Coordinator, Office of the City Clerk
 T 905-615-3200 ext.5471
karen.morden@mississauga.ca

[City of Mississauga](#) | Corporate Services Department,
 Legislative Services Division

Please consider the environment before printing.

From: [REDACTED]
To: [tncregs comments](#)
Subject: requested comments
Date: 2015/12/28 10:36:43 AM
Attachments: [city of mississauga. survey.docx](#)

Hello,

In regards to the comments requested about uber, I forward the attached document on behalf of the taxi industry.

[REDACTED]

tncregs.comments@mississauga.ca

1. Existing Laws & Regulatory Structure

The existing by-laws and regulatory structure have been the result of decades of experience. MINOR changes are always necessary to ensure the main purpose of these bylaws is not lost or ignored.

New technology or new methods of communication are not industry changing, and do not offer a free pass to allow ignorance of existing city bylaws and regulations.

Many great and powerful cities and nations across the globe have stood true to protect and uphold their city's bylaws and regulations (i.e. Vancouver, Nevada, Spain, Miami, France, and Thailand). These respected places did not bend or cave in to those who 'refused' to follow the City's own set bylaws.

These standards are in place for a reason. Let us hope we were not 'fooled' by these existing rules and regulations these past five decades.

2. Licensing Standards

Licensing Standards should absolutely apply to any new entrants (in any shape or form) entering the taxi/limo industry.

You cannot entertain new bylaws for the same service just based on a new method of communication.

The City of Mississauga controls and limits taxi vehicle licenses in operation (based on a formula) to ensure consistency, safety of passengers, discipline and a reasonable full time salary. If an industry is uncontrolled and becomes 'oversaturated', human willpower to earn a decent living may get ugly. That is human nature.

Not a favourable image for the City of Mississauga, especially to tourism and businesses.

3. Facts and Data

New entrants may operate according to EXISTING bylaws and regulations to ensure safety and fairness.

Allowing illegal services without proper permits, insurance, safety criteria, background checks etc. has and continues to destroy the legitimate businesses, who have respected the existing city bylaws for years.

Until new entrants are willing to follow existing bylaws and regulations of the City of Mississauga, they should be strictly prohibited from the City.

Please ensure each and every new entrant to any existing industry abides by the City of Mississauga's bylaws to ensure a 'level playing field'. Destroying an industry established over years and years of strict regulation cannot be replicated.

Next to God, you hold our trust and we believe you will do the right thing to protect our livelihood and ensure the City of Mississauga's existing bylaws and regulatory framework stands.



On Behalf of the Taxi Industry who earns its livelihood in the City of Mississauga

“Wrong does not cease to be wrong because the majority share in it.”

Leo Tolstoy

From: [REDACTED]
To: [tncregs comments](#) [REDACTED]
Subject: Uber Type Companies - opinion
Date: 2015/12/16 12:38:29 PM

To whom it may concern,

The following is an opinionated summary:

What does "Uber" really mean for our current day society and what does it represent.

In my opinion, "Uber" style companies have figured out a way to by-pass our by-laws and regulations while at the same time evading responsibility and taxes.

Uber style companies have entered into our market and through various loop holes they have been able to forgo any regulation. For example, thousands of taxi's operate world wide and in each case individual taxi's are required to pay commercial insurance. Uber on the other hand has 1 (one) inadequate policy which is supposed to cover all drivers and passengers. It would be just as simple for each taxi brokerage to do the same ie. one policy to cover the whole fleet (yet this is a non-existent illegal function at the moment).

Moreover, taxi apps are designed to follow the rules which were put in place over several years by a democratically elected council. For example, each municipality has set up a system that only it's own taxi's can pick up fares within it's borders (unlike Uber). This system was put in place to ensure that coverage is always available at all times in all jurisdictions. Also, rules to govern accessibility were put in place to ensure that anyone could have access to a taxi in the future. Uber wants no part of being regulated in order to facilitate the transfer of those with disabilities (how would these type of things be enforced?) Will regular regulated taxi's be expected to cover this part of the business? Will government subsidize these added costs? Uber claims that council should follow its lead. Will this be the future of our government? Will government bow to the wishes of wealthy conglomerates?

Taxi's in our jurisdiction are required to collect HST and drivers are required to register with CRA. Uber is able to avoid this scenario by saying that most of it's drivers are part time drivers making less than 30 thousand per year. Can this claim actually be verified and has it? In addition, taxi brokerages are required to complete their Corporate income tax as well as each individual acting as an independent contractor must do same. Uber pays \$0 Corporate tax in Canada and it's drivers?? Also, taxi companies reinvest their profits in the local economy since most, if not all, owners live in Canada. Uber on the other hand, takes it's profits overseas and invests \$0 back into our local economy. Finally, Uber pays \$0 fees to the Municipalities which it works in, lowering the tax base for Municipalities, Provinces and the Canada as a whole.

So far we have seen that Uber cannot and will not be regulated. They have begun to expand into Uber food, Uber pool or hop (bus type service), Uber all..... Questions remain: Can and will they be regulated? How will they be taxed so that our tax base does not disintegrate as more of these type of companies jump on the bandwagon? Will this increase of unregulated vehicles on our roads really help with the congestion or make it worse?

In essence, Uber has found a way to operate with essentially no cost. Of course, services can be offered at lower rates. It is not fair and it is not legal. Anyone knows that offering illegal services will be less expensive than safer legal services or products. Opening the door to Uber type companies opens the door for others to follow. Uber beer and wine, cigarettes, gambling, food, and others. Where will it end??

Sincerely,

[REDACTED]
[REDACTED]

From: [REDACTED]
To: [tncregs comments](#)
Subject: Response to Windels Marx Lane and Mittendorf Report
Date: 2015/12/14 12:44:59 PM
Attachments: [Comments on Wendel Report.pdf](#)

Please find attached my comments as requested.

Best regards

[REDACTED]

To: Karen Morden, Clerk's Department tncregs.comments@mississauga.ca

From: All Star Taxi Services Inc.
5159 Tomken Rd., Mississauga, ON, L4W 1P1

Re: Requested feedback on the Windels Marx Land and Mittendorf Report on TNC's

We would like to make the following observations on the various scenarios discussed in the Report.

1. Capture Option: This is our preferred approach. Under this proposal, we could envision changes to the By Law in regard to the exclusivity of dispatch requirements for individual taxis. Ideally, each taxi operator would accept fares from any broker that worked with the Mississauga Mobile Licensing Department. This option allows for the least amount of disruption in the regulations concerning the provision of the quantity of taxis that is currently in place, offering the industry and the public a balanced supply of vehicles. This option also guarantees fare structures that enable the public to experience fare stability. This model also stabilizes the value of taxi plates.
2. Capture Option (Modified): While leaving the taxi industry itself unchanged in a new model of transportation options for the public, this option basically mirrors the current situation, where there are an unlimited number of non-taxi vehicles operating in competition with existing services. It is highly unlikely that any of the TNC's would opt for a system where they were tied into the limousine fare structure. Since this option sidesteps any major impact on the taxi industry under the current fare structure, the main impact would be a further dilution of the limousine industry. The phrase "Special limousine category", however, suggests the possibility of a separate fare structure (lower than regular limos), which would again bring it directly into competition with existing taxis. Even in the event that these vehicles would have to meet the strict driver licensing, vehicle condition rules, and insurance regulations that currently are in place for taxis and limos, the lack of control over the overall quantity of vehicles would make

the number of FHV's (for hire vehicles) way too high to enable the average operator to make a living.

3. New Licensing Category Option (Equal Regulation): Any talk of a licensing cap for a new category of FHV instantly renders the current provision of FHV's under the existing issuance model irrelevant. Mississauga has exactly the number of FHV's that is consistent with a balance of supply and demand-no more are required. And any talk of an open entry system completely negates the rationale for maintaining the current plate issuance model. Taxi plate owner/operators might continue to operate under the current municipal plate regimen (all other parameters being equal), but anyone renting a plate (unless the rental rate declines to near \$0.00, or to whatever the City was charging for a TNC plate) would move over to the TNC fleet. However, with an unlimited number of vehicles on the road, few operators would end up working full time, and the system would descend into the unregulated chaos that has been the case worldwide after the deregulation of the industry.
4. New Licensing Category (Unequal regulation): As in the Open Entry option of item (3) above, whether or not there is an issuance cap, the ensuing dilution of the supply of FHV's would spell the end of the taxi system as currently exists. Additionally, this option would present an administrative nightmare for the City, as there would always be only second hand information made available for the City, and the continual emergence of new TNC's would present the same problems that are currently being experienced by Mobile Licensing.
5. Pilot Program Option: This option once again ignores the fact that it is virtually impossible for the City to monitor the number of vehicles, either in any specific TNC, or in the total number of TNC's that chose to operate in the City. How does the City determine the number of TNC licenses that will be given to each and every new TNC entrant. The paradox here, of course, is that it would mirror the current situation, where there are legally licensed FHV's as well as an indeterminate number of non-registered operators. The choice remains-a regulated number of FHV's, or an open market.
6. Complete Deregulation Option: This option does not merit debate. No first world city has ever had success with this model, and only if the City accepted that third world levels of FHV service are acceptable for the citizens of Mississauga should this option be considered.

7. Provincial Regulation Option: There may be some aspects of Provincial licensing of drivers and vehicles that bear consideration. Certainly, the Province needs to step in to straighten out the FHV insurance situation. Furthermore, province-wide minimum standards for driver training and vehicle provisions would ensure the marketplace that there are province-wide minimum standards of service quality. What this option would not ensure is a balance of supply and demand in each community. With a provincial taxi plate, operators would naturally migrate to areas of highest demand, ensuring that there would be pockets of under service. The danger here, also, is having drivers that are not working in a community that they are familiar with. Currently, smaller communities with cheaper taxi insurance enjoy lower fares, and this would be lost with a provincial taxi plate. And restrictions would still be in place for servicing Federal airports such as Pearson. The whole range of local considerations of service would probably mitigate against a provincial bureaucracy controlling all aspects of taxi service across the province. That being said, local control of supply demand of provincially certified drivers is worthy of consideration. What this whole area of discussion ignores is the TNC factor, where some companies move in and ignore all government regulations, and operate as part of the underground economy. And the other major area of consideration, the value of existing taxi plates in jurisdictions where they have a commercial value, is going to make this option a questionable alternative.

The emergence of a variety of players across the whole spectrum of e-commerce enterprises has forced governments and industry regulators to confront a completely revamped spectrum of regulatory possibilities. Nuts and bolts, bricks and mortar, and cable and transmission companies alike are faced with an onslaught of 21st century e-entrepreneurs that cross borders, operating beyond the scope of these businesses' past experiences. This parallel universe of commerce promises to offer future populations and businesses a brave new world of interconnectivity, productivity and prosperity. Along the way, governments, traditional industries and various vested interests will reach accommodations with these new entities, or fade away into insignificance or irrelevance.

The challenge for the Mississauga taxi/limo industry is to re-invent itself in a way that encompasses the positive aspects of the new technology, but at the same time providing all (or most) of the consumer safeguards that were the original rationale for the regulatory regimen that we now operate under. The basic notion of a demand for individuals to get from “A” to “B” will not change, but merely the mechanism. If the Mississauga taxi industry is going to partake of that demand in the future, we must move from being reactive to change to being proactive.

The so called elephant in the room in all of this discussion is the matter of the valuation of taxi plates, and their impact on fares, driver income and the investments of the plate owners. The municipality established this franchise network, acknowledging transfers and valuation, partially in an attempt to provide driver retirement income and to reflect the efforts of the various industry participants to create enterprises of value. Plate valuation continues to be a factor in fare determination as set out by the City. The quandary is how or whether to move away from this system in a orderly fashion, or to walk away from the issue entirely through any form of deregulation. Both avenues involve costs, but any outcome that subverts the current valuation of these assets moves the cost onto the backs of those individuals that have, in accepting the limitations proscribed by the municipality’s management of the asset, put their trust in the fairness of the system’s performance.

Option 1 offers the industry the best chance of providing the balance that has been the cornerstone of our industry’s prosperity. As an adjunct to municipal bus service, we provide the service gap between that and the luxury limo market. Any dilution or deregulation of a service that has been fine tuned over the past forty years would be a disservice to the travelling public of Mississauga.

From: [REDACTED]
To: [tncregs comments](#)
Subject: Taxi
Date: 2015/12/07 3:04:15 PM

We love our taxi industry please stop the illegal activity of uber offering there services not following the city by laws and insurance. We as a city don't need this kind of a criminal activity. Thank you

Love and peace

[REDACTED]

From: [REDACTED]
To: [Mickey Frost](#)
Subject: RE: Comments on the Daus Report
Date: 2016/01/05 1:05:44 PM
Attachments: [REDACTED].[comments 2015 12 09.pdf](#)
[image001.png](#)

Thanks for checking Mickey. Here are the comments I had submitted last month.

Best wishes.

[REDACTED]

Tel: [REDACTED]

Email: [REDACTED]

From: Mickey.Frost@mississauga.ca
To: [REDACTED]
Subject: Comments on the Daus Report
Date: Tue, 5 Jan 2016 16:45:56 +0000

[REDACTED]

I checked the email account for comments on the Daus report and did not see any comments from you. Please confirm you have no comments or submit them directly to me.

Thank you,



Mickey Frost, HBA, CPA, CGA, MPA
Director, Enforcement
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[City of Mississauga](#) | Transportation and Works Department
Enforcement Division

COMMENTS ON THE HAUS STUDY REPORT - [REDACTED] – 2015 12 09

1. You know my feelings on this issue. As a citizen representative on the committee, I have to think of consumers first and taxi industry second. I think that to some extent, this report has it the other way around. I am saying this for a few reasons.
2. Even if Uber and the likes had not surfaced, the existing taxi regulations would be in need of revision as they do not reflect the principles of competitive markets. This is confirmed by Canada's Competition Bureau.
3. Any set of regulations that allows situations like A plates being taken away by a broker from a very active and busy independent owner-operator are in need of revision.
4. The criteria used to evaluate the 6 options do not include customer impact or the opinions of the customers. I recognize that the report mentions the matters of insurance, vehicle inspection and driver training as important items to keep and these are of course important to customers.
5. On page 28 of the report summarizes public opinion surveys on Uber services and reports a high degree of satisfaction with Uber like services. Consumers state the highly regulated taxi services has not produce the service characteristics they need. We must pay attention to these consumer opinions without being negligent in ensuring they have safe, convenient and affordable services.
6. The report chronicles sexual assaults in Uber operations and does not compare these to the taxi industry where similar assaults do occur.
7. Any changes to the regulations should recognize that those who have invested heavily in the taxi business under current regulations have every right to protect their investments or to seek compensation for declining assets.
8. I am seriously concerned that Mississauga cannot control Uber alone. The problem is international and efforts at enforcing our by-law may bear some fruit but probably not make much of a dent in Uber's activities. It is important to note that Uber users are technology savvy individuals and if they cannot access Uber today, they will access another similar service tomorrow.
9. The report seems to be based on the premise that the status quo works quite well. I think this is a false start as evidenced by the public opinion surveys noted earlier and by the Competition Bureau report.
10. At this stage, I would support the following options in order of priority.
 - Option 7 - Provincial regulations
 - Option 5 – Pilot program
 - Option 4 – New licence category – unequal regulation
11. At the end of the day, PVAC has a huge job in dealing with the recommendations from this and the Hara report. We have to try and reach some consensus. The formation of a sub-committee to deal with both of the reports would be my recommendation.


From: [Chris Schafer](#)
To: [tncregs comments](#)
Cc: [Daus, Matthew](#); [Mickey Frost](#); [Daryl Bell](#)
Subject: Uber: Submission
Date: 2015/12/08 11:52:22 AM
Attachments: [MississaugaResponsetoTNCReport.pdf](#)

To Whom it May Concern,

Please find attached the response on behalf of Uber Canada to the Windels Marx: Study of Regulations for Transportation Network Companies ("TNCs").

If Mr. Daus plans to amend his initial report, would it be possible to clearly flag which changes and/or additions are made to the report? This would facilitate ease of review of any changes/additions/deletions to the report, in addition to further comment from Uber Canada based on those changes/additions to the report.

Sincerely,

Chris Schafer
Uber Public Policy Manager - Canada
chris.schafer@uber.com | 
www.uber.com

December 7, 2015

SENT VIA E-MAIL: karen.morden@mississauga.ca

Ms. Karen Morden
Legislative Coordinator, Office of the City Clerk
City of Mississauga
300 City Centre Drive
Mississauga, ON
L5B 3C1

Dear Ms. Morden,

RE: WINDELS MARX: STUDY OF REGULATIONS FOR TRANSPORTATION NETWORK COMPANIES ("TNCs")

I am writing to you in reply to proposals outlined in the Windels Marx report entitled, "Study of Regulations for Transportation Network Companies ("TNCs")" written by Mr. Matthew Daus as part of the City of Mississauga's review of policy alternatives for the regulation of Transportation Network Companies. Uber Canada takes this opportunity to provide written feedback on this report.

In 2013, the International Association of Transportation Regulators (IATR) published Model Taxi Regulations to address TNCs. A reading of these model taxi regulations clearly demonstrates an attempt to force "square pegs into round holes" by attempting to squeeze new technologies into older regulations designed before the availability and widespread adoption of smartphones and apps. It is respectfully submitted that as Mr. Matthew Daus is President of IATR, and can be presumed to be supportive of these model regulations, it could raise the question of bias in the findings of this report.

I would encourage the Mississauga Public Vehicles Advisory Committee (PVAC) and Mississauga City Councillors to also review [Ottawa's Taxicab and Limousine Regulation and Service Review](#), in addition to [Toronto's Ground Transportation Review: Taxis, Limos and Uber](#), both of which have produced lengthy reports, public polling on a range of issues including customer service in the industry, and formalized stakeholder consultations with the ground transportation industry and broader public.

With respect to the policy alternatives outlined in the paper, Uber Canada supports:

- Option 3: New Licensing Category (Unequal Regulation) - Uber takes issue with the characterization of a new licensing category for TNC's as "unequal regulation", when the City of Mississauga already has 4 distinct categories of for-hire vehicles with different licensing requirements under its current bylaw.
- Option 5: Pilot Program: Using New Entrants to Solve Regulatory Problems and Improve Service
- Option 6: Provincial Regulation

The “Study of Regs for TNCs” sections below include select quoted excerpts from the Daus report itself, followed by our “UBER RESPONSE”.

STUDY OF REGS FOR TNCs	Page 4: “When TNCs enter jurisdictions without proper licensing, many jurisdictions have answered by filing lawsuits, as Edmonton and Toronto have done, to block their operations. When TNCs have been blocked by these lawsuits, it sometimes compels them to work with local regulators to create a system in which the TNC model can operate, or to cease operations”.
UBER RESPONSE	<p>As public policy manager with Uber Canada, I have been engaged with City Councillors, City regulators/licensing officials, and other public servants in municipalities across Canada, including Mississauga. I have met with many Mississauga Councillors on City Council, including the Mayor, in addition to having attended several meetings of PVAC, in addition to a number of items of written correspondence I have provided to PVAC on a number of subjects related to Uber since 2014.</p> <p>Both City-initiated injunction attempts against Uber Canada in Toronto and Edmonton were unsuccessful. Edmonton has a draft bylaw to regulate TNCs that is being considered by Council with likely adoption in 2016, and Toronto is bringing back TNC regulation in the Spring of 2016, after City Council voted to regulate Uber by a wide margin in September 2015, rather than continue to attempt to ban it.</p>

STUDY OF REGS FOR TNCs	Page 16: “There are four (4) different types of for-hire vehicles (“FHV(s)”) licensed by the City of Mississauga’s Transportation and Works Department: Taxicabs, Airport Public Transportation Vehicles (“APTVs”), Airport Municipal Transportation Vehicles (“AMTVs”) and Limousines. <u>Each mode of transportation is distinctly defined by the City of Mississauga in their by-laws regarding Public Vehicles Licensing (By-Law Number 420-04) and distinguishable based on the licensing requirements imposed on the respective drivers and vehicle owners”.</u> (emphasis added).”
UBER RESPONSE	<p>It is important to note here (see underlined portions above) that Mississauga’s current Public Vehicles Licensing By-Law Number 420-04 already defines distinct types of for-hire vehicles under its bylaw and distinguishes them based on different licensing requirements. As such, there is precedent under the current bylaw for treating separate categories of for-hire vehicles differently, taking into account the unique characteristics/business models of each for-hire vehicle.</p> <p>UberX, the peer-to-peer ridesharing option available on the Uber platform, does not accept street hails or occupy traditional taxi stands.</p>

	This, in addition to other aspects unique to the ridesharing business model, necessitates a different regulatory approach as is already provided for in Mississauga's current Public Vehicles Licensing By-Law.
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STUDY OF REGS FOR TNCs	<p>Page 21: "Recently the City of Mississauga enacted a by-law that amended the for-hire vehicle by-law governing criminal and driving record checks. The by-law amended the criminal records checks and driver abstract checks for limousine and taxicab drivers to require:</p> <ul style="list-style-type: none"> • Submission to the License Manager of a criminal record search within 60 days of the application issued by the Peel Regional Police, or other police service in Ontario; and • A driver's abstract."
UBER RESPONSE	<p>Before an Uber driver partner gains access to the Uber platform as a driver, Uber requires (and always has required) a federal criminal record background check and motor vehicle reference check, among other checks such as a vehicle inspection by a certified mechanic. Any criminal conviction results in ineligibility to be an Uber driver partner.</p> <p>The Driver's Abstract involves a search of the Applicant's driving record over the past three years. Uber's background check vendor (i.e. First Advantage and ISB Canada) runs the Applicant's driver's license number through a database of driving records that is accessible through the public website of the Ontario Ministry of Transportation, Service Ontario. The results of that search show the Applicant's driving record over the past three years, including any suspensions or convictions under the Highway Traffic Act.</p> <p>An Applicant will fail the Driver's Abstract component of the background check if his or her driving record over the past three years reveals one or more of the following:</p> <ul style="list-style-type: none"> (a) any conviction for impaired driving; (b) any other major driving infraction (e.g. failure to remain at the scene of an accident, speeding 30km/hour or more over the speed limit, etc.); or, (c) more than two minor driving infractions (e.g. speeding less than 30km/hour over the speed limit, driving while using a handheld device, failure to wear a seatbelt). <p>Accordingly, the Applicant must have no major infractions and no more than two minor infractions in order to pass the Driver's Abstract component of Uber's background check.</p>

STUDY OF REGS FOR TNCs	Page 22: "Operating under the premise that most people expect a taxi to arrive within 15 minutes of the request, the Study--using data from cooperating brokers--showed that Mississauga has good dispatching response times...The data showed that the average response time for a taxi is 9.8 minutes, with 90.01% of calls answered within 15 minutes".
UBER RESPONSE	<p>Under older regulatory regimes whereby consumers looking for ground transportation had to choose between limited options (taxi, limo and public transit), no doubt consumers had come to expect a taxi to arrive within 15 minutes or longer. Without knowing anything different, this was the accepted state of affairs. Consumers may not have been satisfied with the wait time, but there was little they could do about it in a regulated state of affairs that limited competition.</p> <p>With the advent of ridesharing, Uber has wait times that average 4.8 minutes in Mississauga (as of July-August 2015). On more current review, that average wait time may now be even lower. Customers may have come to expect a taxi to take 15 minutes to arrive in Mississauga, but given a choice, customers prefer the reliability of lower wait times.</p>

STUDY OF REGS FOR TNCs	Pg. 23: "This suggests that any model that allows TNCs to enter the market in large numbers will have a negative effect on taxis, reducing their business and value of their taxi plates".
UBER RESPONSE	<p>Operating under fixed assumptions of current regulatory models that limit competition, regulators often suggest that there is only a fixed number of rides in a given city. With shifting demographics, growing urban lifestyles, driving behaviours, and technology enabled offerings like ridesharing, that statement could not be further from the new reality. Helping citizens connect with and explore their city is not a zero-sum game. Uber is in fact growing the pie by offering a safe, but principally more reliable and more affordable transportation option.</p> <p>Opponents say Uber is cheaper for a host of inaccurate reasons. To understand how the Uber platform can offer a lower fare to the end user, it is important to understand the makeup of taxi driver economics that have been perpetuated by the current regulatory system for taxi.</p> <p>Taxi drivers suffer under the current regulatory system. Taxi drivers pay substantial daily or weekly leasing fees (not including maintenance or dispatch fees, among other costs) before ever hitting the road. It's no wonder that taxi drivers have to work 12 hours a day, 6-7 days a week, just to cover their operating expenses while often making less than minimum wage.</p>

	<p>In addition, there are taxi industry “middleman” such as agents and garages/fleet operators, all of whom extract a portion of the significant profits the current system generates for the few middlemen and licence holders at the top. At the same time, the significant majority on the front lines are made worse off. Taxi drivers have to drive long hours just to break even. On top of this, the traveling public pays high taxi fares that always go up in cost but never down.</p> <p>On the other hand, the Uber platform introduces an unparalleled level of flexibility, allowing drivers to choose their own hours. The technology that’s behind the Uber platform is introducing way more efficiency than ever before while flexible pricing allows Uber to lower base fares from time to time while ensuring that partner earnings are equal or greater than before. You may ask how is it possible that uberX riders can pay less (when base fares are lowered in a market) while at the same time driver partners can earn more money?</p> <p>The answer is that uberX driver partners benefit from the liquidity or availability of both more riders and more drivers. Over time in a particular market, having a large marketplace of both riders and drivers means that drivers are typically much closer to a rider requesting a ride than at an earlier point in time in that particular market. This makes pickup times shorter. Since driving with a rider in the car is the only time that a driver is earning fares, the more time drivers spend with riders, the more they can earn per hour. Riders benefit from lower fares but also by having quicker pick up times. In other words, a bigger marketplace for ridesharing overtime is a win for both riders and drivers. As uberX continues to grow in a particular market, one can expect these beneficial effects to only get stronger over time.</p>
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STUDY OF REGS FOR TNCs	Page 25: “Uber is turning for-hire driving into a part-time occupation where students and other people with extra time can earn money by providing rides to other people.
UBER RESPONSE	<p>Ridesharing is an ad hoc commercial pursuit with uberX driver partners offering a shared ride on a schedule of their choosing. While there are full-time uberX driver partners on the Uber platform, most Uber driver partners drive on the Uber platform for less than 10 hours a week. In many ways, Uber for these driver partners is not a full-time or part-time opportunity, but an opportunity to earn a few extra thousands of dollars a year to pay for a family vacation, save for a mortgage down payment, retirement, etc.</p> <p>In addition, for a Mississauga resident that may have lost his or her job, Uber is an opportunity for them (subject to requisite safety and</p>

	<p>background checks) to continue to provide for themselves and their families financially, with a flexible earning opportunity while they look for a new part-time or full-time job.</p> <p>If the technology that is available today, namely GPS and Internet built into modern smartphones that allows persons to connect with and share a ride with another person on scade in real-time, had been available a century ago when current taxi regulations were first introduced, the regulatory framework for taxi and limo would not look like it does today. The traditional regulatory framework for taxi and limo is a vestige of a former era. Trying to contemplate future possible regulatory states for the for-hire transportation industry, through the lens of what current taxi regulatory frameworks produce, will serve to yield limited insights and options.</p>
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STUDY OF REGS FOR TNCs	<p>Page 26: "In Toronto, Uber provides wheelchair accessible vehicles through UberACCESS, where it partners with accessible taxicab drivers. Uber users in Toronto can request a wheelchair accessible taxi with hydraulic lifts or ramps".</p>
UBER RESPONSE	<p>The Uber app works with the accessibility features built into modern smartphones that provide accessibility features (lights and sounds) for those Uber users who have visibility or hearing impairment issues.</p> <p>In Toronto, residents also have the ability to select UberWAV (formally known as uberACCESS) on the Uber platform. UberWAV connects riders with licensed para-transit drivers and curb-to-curb service in vehicles that are equipped with hydraulic ramps or lifts. This means that riders requiring an extra hand have access to the same on-demand transportation technology--at the same price--that hundreds of thousands of Uber riders already enjoy.</p> <p>We are looking to expand accessibility options in cities across Ontario, including a future product offering known as uberASSIST. uberASSIST is an uberX option that is designed to provide additional assistance to seniors and people with disabilities that do not require a vehicle with a hydraulic lift/ramp. Uber driver partners are specifically trained (i.e. by Open Doors Organization in Chicago for example) to assist riders into vehicles and can accommodate folding wheelchairs, walkers, etc. Think of it as door-to-door service rather than curb-to-curb service.</p>

	<p>Uber recently partnered with Ms. Jutta Treviranus at OCAD's Inclusive Design Institute to co-host a Cross-Disability Transportation Forum. Uber has always considered user-centric design a priority and this Forum was an opportunity for community stakeholders to come together to discuss issues around accessible transportation in Toronto. Representatives from Wheel-Trans, Metrolinx, and the City of Toronto, among others, were present. Uber also sponsored a "Hackathon" at OCAD to give an opportunity to citizens in Toronto to work on solving accessible transportation issues through technology.</p>
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STUDY OF REGS FOR TNCs	Page 28: "3.3 Public Opinion of New Entrants"
UBER RESPONSE	<p>While this section of the report outlines findings from the City of Toronto's review of Uber, which found high satisfaction with Uber services in the City, it's not comprehensive of the available public polling on the subject:</p> <ul style="list-style-type: none"> • Two-thirds of Toronto residents approve of Uber (Forum Research, November 2014). • Only 6% of the Ontario population wants to see Uber banned (Vision Critical, June 17-18, 2015) • 76% of Torontonians support having the City of Toronto develop by-laws to allow the uberX ridesharing service in Toronto (Nanos Research, September 26-27, 2015). • Only 1 in 5 Ontarians believe Uber should be banned from operating in Ontario (Leger, August 3-6, 2015). <p>In addition, PVAC may wish to review Ottawa's Taxicab and Limousine Regulation and Service Review and specifically their "Customer Service" paper which reviews differences in the customer experience between taxi and Uber.</p> <p>The Ottawa "Customer Service" research found "resoundingly higher customer service and customer experience ratings for Uber over Taxi". According to the research paper, "Focus group participants also rate Uber more favourably on numerous other customer experience attributes including but not limited to; shorter wait times, faster travel times, driver courtesy and professionalism, vehicle comfort and cleanliness, safety and security".</p>

STUDY OF REGS FOR TNCs	Page 29: "Insurance in particular is an issue, since TNC drivers, who rely solely on inadequate personal driver insurance, pay approximately \$1,000 per month less for insurance".
UBER RESPONSE	<p>Every ride on the uberX platform is backed by \$5M of contingent coverage for bodily injury and property damage to third parties. This means that if, in the event of an accident, a ridesharing partner's own personal insurance does not apply for any reason, passengers, pedestrians, other drivers, and the community at large can rest assured knowing that ridesharing partners remain covered by a robust first-class policy. This coverage exceeds the standard requirement for taxi and limo insurance in Canada and is backed by an insurance company rated A (Excellent) by A.M. Best.</p> <p>Uber recently announced a relationship with Intact Financial, Canada's largest home, auto and business insurer. We have been working closely with Intact Financial to develop a new and innovative insurance plan for ridesharing in Canada that we hope will come to market soon.</p> <p>Intact Financial is working with insurance regulators and different levels of government in the provinces where ridesharing currently exists (Ontario, Alberta and Québec) to create an insurance product in collaboration with stakeholders that satisfies the requirements of both insurance and transportation regulators.</p>

STUDY OF REGS FOR TNCs	Page 30: "V. <i>"Fair" Fares</i> . Fare regulations can have two purposes: 1) consumer protection, and 2) the ability to easily distinguish different types of transportation services. Numerous cities will require the fares to be published and filed with a local agency. Yet, some apps operate by charging passengers at the end of the trip. The consumer has not assurance as to the final fare, or whether the charge is "fair".
UBER RESPONSE	On the Uber platform, dynamic or "surge" pricing is triggered by demand for rides exceeding the available supply of drivers willing to provide one. Remember, uberX drivers are not regular taxi drivers on 12-hour shifts every day of the week. They are individuals who after criminal background checks and mechanical vehicle inspections, among other mandated checks, may only drive a few hours a day, week, or month on the uberX platform. Dynamic pricing (the opportunity to earn more money) incentivizes these drivers who may decide to do something else with their time, to get behind the wheel and provide flexible supply at peak demand periods. Prices are always transparent for the riding public and require confirmation before a rider can request a ride.

The Uber platform was created to ensure the reliability of a ride:

- Uber users can obtain “fare estimates” in app prior to requesting a ride. The Uber app will GPS their current location and a user can input where they are going, and obtain a fare estimate, within a \$3 range.
- Dynamic pricing utilizes an algorithm that helps bring the demand of riders and supply of driver partners on the road into line by incentivizing drivers to come onto the Uber platform.
- As soon as demand falls or supply increases, prices quickly go back to normal.
- What is important to note is that when the pricing shifts, users are alerted repeatedly and must confirm acknowledgement of the pricing before requesting a trip, thus giving the user the choice whether to proceed.
- Users can also set up alerts for when surge is no longer in effect, allowing them to request a trip at as soon as supply and demand are in line.
- Ultimately, we think it’s better for a user to open the app, see surge pricing in place and have a choice about whether to proceed than to open the app and see that there are no cars available. Surge pricing helps ensure that reliability of choice.

Is dynamic pricing fair to consumers?

- Dynamic pricing is communicated repeatedly to a user – and requires confirmation – before the user can request the trip.
- Dynamic pricing helps bring demand and supply into line, when necessary by incentivizing more drivers to come onto the platform.
- Once demand falls or supply increases sufficiently, prices quickly go back to normal.
- Ultimately, it’s about choice - users have a choice about whether to proceed or wait until pricing quickly goes back to normal.

See our [blog post](#) and this [Uber video](#) and [Globe and Mail](#) article for more information.

A [real world example](#) is illustrative of dynamic or surge pricing. In June 2015, the Toronto Transit Commission (TTC) experienced a complete shutdown of all subway service.

Without Uber’s dynamic pricing model, our experience and data demonstrate that Torontonians would not have been able to find an

	<p>available ride via the Uber platform. But as a result of Uber's pricing system, Uber was able to bring out 77% more drivers that morning compared to average Mondays in May – meaning thousands more people could get to where they needed to go.</p> <p>It's important to point out that the average uberTAXI fare that morning via Uber (remember uberTAXI does not have dynamic pricing and prices fares at the taxi metered rate) was \$20.10. The average uberX fare (with dynamic pricing) that morning was \$16.50. So, while dynamic pricing was active, most Torontonians were still getting around for less than what they would pay for a traditional cab, with a pickup time of less than 5 minutes – despite the situation.</p>
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STUDY OF REGS FOR TNCs	<p>Page 31: 5.1 International History and Overview of Smartphone App Movement - 5.1.1. Canada - Calgary, Alberta</p> <p>"Brokers are now making a shift from fighting against TNCs to figuring out how to compete with them".</p>
UBER RESPONSE	<p>It is respectfully submitted that the report by Mr. Matthew Daus misses the most crucial aspect of the TNC related reforms being discussed in Calgary currently. In this regard, the section on regulations in Calgary ignores the most substantive element of how regulations are being revised in Calgary so that taxis can more effectively compete in a changing ground transportation industry. Regulatory developments in Calgary can serve to inform regulatory discussion in jurisdictions across Canada, including Mississauga.</p> <p>Common place under TNC regulation in the United States, and under proposed regulation of ridesharing in Edmonton, Calgary and the Region of Waterloo in Canada to date, fares charged by a TNC such as Uber would not be regulated. Taxi has raised "level playing field" objections to this as traditional taxi regulation forces taxi to charge a set fare.</p> <p>However, instead of "leveling the playing field" up by forcing TNCs to charge the same fixed rate fare as taxi which harms consumer interests, taxi rides booked through a smartphone app could also be unregulated, with a requirement for in advance customer information and consent through a smartphone app. This option was also presented in the "Policy Options" paper prepared as part of Ottawa's Taxicab and Limousine Regulation and Service Review.</p> <p>The City of Calgary (City Staff and Council) has endorsed this approach. The approach would leave taxi to the exclusive jurisdiction of taxi, but</p>

	<p>also enable taxi to be more like a TNC. According to the Calgary staff report:</p> <p>“Rate flexibility means that taxi and limousine companies would be free to set their own rates, but only if they utilize a City approved smartphone application that confirms the driver and passenger identification including the City of Calgary livery licence number for the driver and offers a trip cost calculation with a consumer option to accept or reject the trip. However, trips arranged by traditional dispatch or commenced by street hail would be required to charge the regulated rate. Private for Hire Vehicles would also be free to set their own rates if a City approved app with the above feature is used. PFHVs would not be permitted to accept street hail or to use traditional dispatch.”</p> <p>Traditional pricing regulation around the taxi model of street hails and taxi stand pick-ups make sense. Given that a passenger takes the first taxi to come along or the next taxi in a taxi stand, there would be an incentive for price gouging if fares were not fixed.</p> <p>However, with technology, passengers can now compare prices in-app between different ground transportation service providers, all in real time. Given that Uber does not accept street hails or occupy taxi stands, the price is always known to the Uber customer in advance in real time in the app.</p>
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STUDY OF REGS FOR TNCs	<p>Page 35: 5.1 International History and Overview of Smartphone App Movement - 5.1.1. Canada - Quebec</p> <p>“Mayor Denis Coderre and the Quebec government have called the UberX service illegal”.</p>
UBER RESPONSE	<p>Missing from this section of the report is that the Premier of Quebec in response to a Liberal Party of Quebec Youth Wing Motion that was adopted calling on Quebec to pass laws regulating the “new practices” stemming from a “new sharing economy”, stated that ridesharing services from the likes of Uber were “a good idea” and that he was open to “legalizing” ridesharing services in the province. See this article for more information.</p>

STUDY OF REGS FOR TNCs	<p>Page 39: New York City Model</p>
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<p>UBER RESPONSE</p>	<p>There are a number of items reported about the NYC Model that need to be clarified:</p> <ul style="list-style-type: none"> • There are technically not TNC's under the NYC Model. There are no TNC regulations in NYC. However, functionally, with the DSP regulations, there is a TNC equivalent. • With Uber, the distinction between liveries that provide for-hire vehicle service to the public through prearrangement and black cars which generally serve corporate clients on a prearranged basis, has mostly been erased. Both categories are subject to different requirements (i.e. taxes, parking requirements, and price transparency). • In May 2011, when Uber announced its entry into NYC, it is reported by Daus that the Uber business model raised issues and concerns about whether it was operating within the bounds of existing law. This is not true since, at least to the TLC at the time who now works for Uber, there was nothing in the regulations that prohibited the Uber model. • The Daus report notes that in response to complaints that Uber was contacting for-hire vehicle owners and drivers directly, the TLC issued Industry Notices to clarify how smartphone applications should operate under existing rules. This is not accurate, as this was in response to confusion and not complaints against Uber, according to the then TLC, who now works for Uber. • The Daus report notes that to ensure compliance, the TLC, when it becomes aware of a smartphone app that may be acting outside the rules, it will request the app provider to submit a host of information outlined in the report. For the record, Uber complied with this request from the TLC and was not found to be violating any rules.
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<p>STUDY OF REGS FOR TNCs</p>	<p>Page 45: Re <i>City of Toronto v. Uber Canada</i>, "The court in this case found that because Uber Canada is only minimally involved in the business transaction of hailing a ride, i.e. they lack any role in "accepting" requests, they do not fall under the City's definition of taxicab, taxicab broker, or limousine service company, and as such, are not required to apply for a license pursuant to the City's Code".</p>
<p>UBER RESPONSE</p>	<p>It should also be noted that at page 13 of the judicial decision in <i>City of Toronto v. Uber Canada</i>, the judge noted that, "Questions of what policy choices the City should make or how the regulatory environment ought to respond to mobile communications technology changes are political ones". As such, lawsuits and injunctions are blunt legal instruments, and issues of ground transportation regulatory reform are best handled in the political realm rather than the judicial realm.</p>

STUDY OF REGS FOR TNCs	<p>Page 47: <i>Criminal Background Checks</i></p> <p>"The consequences of less than thorough background checks can be seen in the many examples of TNC drivers attacking passengers all over the globe...Canada has not been immune to such incidents due to weak background checks".</p>
UBER RESPONSE	<p>Before an Uber driver partner gains access to the Uber platform as a driver, Uber requires (and always has required) a federal criminal record background check and motor vehicle reference check, among other checks such as a vehicle inspection by a certified mechanic. Any criminal conviction results in ineligibility to be an Uber driver partner.</p> <p>On the other hand, Mississauga just recently on October 14, 2015, enacted and passed Bylaw number 0259-2015 to require, among other things, a driver's abstract (i.e. motor vehicle reference check). As such, it would appear that Uber's background check has been stronger than what has been required by the City of Mississauga.</p> <p>Uber's background check has two components :a Premium Criminal Record Check (CPIC check) and a Driver's Abstract.</p> <p>A CPIC search involves:</p> <ul style="list-style-type: none"> • screening the Applicant's name and date of birth against the RCMP National Repository of Criminal Records for any criminal conviction, including any conviction under the <i>Criminal Code</i> or the <i>Controlled Drugs and Substances Act</i>; and, • reviewing the CPIC database for any cases involving the Applicant that are before the courts and for any charges against the Applicant that have been withdrawn that involve serious offences, as defined by the Police Services. <p>The local Police Service provides the vendor (Uber) with the results of the CPIC search:</p> <ul style="list-style-type: none"> • An Applicant will fail the enhanced criminal check if the local police service cannot confirm that a search of the RCMP National Repository of Criminal Records offender records did not identify any records with the name(s) and date of birth of the applicant. <p>The Driver's Abstract involves a search of the Applicant's driving record over the past three years. Uber's background check vendor (i.e. First Advantage and ISB Canada) runs the Applicant's driver's license number through a database of driving records that is accessible through</p>

	<p>the public website of the Ontario Ministry of Transportation, Service Ontario. The results of that search show the Applicant's driving record over the past three years, including any suspensions or convictions under the <i>Highway Traffic Act</i>.</p> <p>An Applicant will fail the Driver's Abstract component of the background check if his or her driving record over the past three years reveals one or more of the following:</p> <p>(a) any conviction for impaired driving; (b) any other major driving infraction (e.g. failure to remain at the scene of an accident, speeding 30km/hour or more over the speed limit, etc.); or, (c) more than two minor driving infractions (e.g. speeding less than 30km/hour over the speed limit, driving while using a handheld device, failure to wear a seatbelt).</p> <p>Accordingly, the Applicant must have no major infractions and no more than two minor infractions in order to pass the Driver's Abstract component of Uber's background check.</p>
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STUDY OF REGS FOR TNCs	<p>Page 48: "The Appendix C annexed hereto includes a list of other incidents all over the world in which TNC drivers have been accused of attacking their passengers".</p>
UBER RESPONSE	<p>While any criminal allegation and/or conviction on a TNC platform is undesirable and extremely unfortunate, one could easily draw up a list of the numerous allegations and convictions of a variety of crimes perpetrated by taxi drivers.</p> <p>For example, an investigation by the Toronto Star in February 2013 revealed that hundreds of taxi drivers identified by the City as a possible danger to the public (taxi drivers with convictions for assault, sexual assault, uttering death threats, dangerous driving, etc.), were striking deals with the taxi licensing tribunal to enable them to continue to pick up passengers on Toronto streets. If they were Uber drivers, they would <u>not</u> be driving on the Uber platform.</p> <p>Uber works hard to create layers of security that go beyond a background check and motor vehicle reference check.</p> <p>Additional safety features on the Uber platform:</p> <p>Nobody's a stranger</p>

	<ul style="list-style-type: none"> • Uber is a two-way street. Driver partners will see the rider's name before they get in and rider's will see the driver's name, photo, and vehicle information. After a trip, riders are still able to contact the driver in case an item was left behind in the car. <p>You're always on the map</p> <ul style="list-style-type: none"> • While guarding for privacy, Uber collects information about each trip, so if anything goes wrong, we can easily determine when and where it happened and make this information available to police and law enforcement when necessary. <p>Risk-free transactions</p> <ul style="list-style-type: none"> • Uber is cashless so driver partners never have to worry about driving with cash in their car, and are assured payment for every trip. <p>Anonymous feedback</p> <ul style="list-style-type: none"> • After every trip, driver partners and riders provide anonymous feedback (5 star ranking system and written feedback option) about the ride. Uber constantly monitors feedback to help drivers improve the Uber experience they deliver, and because riders know they are being ranked as well, they behave better while in transit. • When transactions on the uberX platform are cashless and no cash is carried by an uberX driver partner, in addition to anonymous street hails not being permitted on the Uber platform (Uber knows who every rider is requesting a ride on the Uber platform through the smartphone app), the incentive for in-vehicle crime declines dramatically. <p>SafetyNet</p> <ul style="list-style-type: none"> • SafetyNet is an enhanced version of the 'Share My ETA' feature. The 'Share My ETA' feature enables riders to share the details of their Uber trips with family and friends directly from the Uber app. Riders can select contacts, who will receive a link where they can see the first name and vehicle information of the driver, as well as their map location in real-time.
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	<ul style="list-style-type: none"> • With Share My ETA, a rider manually selects a contact from their Contacts list, with whom they wanted to share their trip. SafetyNet simplifies the process for sharing a trip, including with a group of people. It allows a rider to set contacts in advance, so that sharing their trip becomes a two-touch process. • Now, with SafetyNet, the rider no longer needs to have an SMS plan to send status to friends and family. Uber sends the link from an uber server, which allows the feature to roll out to virtually all riders on our platform regardless of any limitations on their phone plan.
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STUDY OF REGS FOR TNCs	Page 48: "We understand from our independent research with Canadian regulators that Uber is working on an insurance policy based upon the phases of a TNC ride, as it does in the United States".
UBER RESPONSE	<p>No need to do any independent research, it is publicly available.</p> <p>Uber recently announced a relationship with Intact Financial, Canada's largest home, auto and business insurer. We have been working closely with Intact Financial to develop a new and innovative insurance plan for ridesharing in Canada that we hope will come to market soon.</p> <p>Intact Financial is working with insurance regulators and different levels of government in the provinces where ridesharing currently exists (Ontario, Alberta and Québec) to create an insurance product in collaboration with stakeholders that satisfies the requirements of both insurance and transportation regulators.</p> <p>Until the Intact ridesharing insurance product is approved, every ride on the uberX platform is backed by contingent coverage for bodily injury and property damage to third parties. This means that if, in the event of an accident, a ridesharing partner's own personal insurance does not apply for any reason, passengers, pedestrians, other drivers, and the community at large can rest assured knowing that ridesharing partners remain covered by a robust first-class policy. This coverage exceeds the standard requirement for taxi and limo insurance in Canada and is backed by an insurance company rated A (Excellent) by A.M. Best.</p> <p>In the United States, in March 2015, Uber announced that a TNC Insurance Compromise Model Bill had been developed by some of the leading auto insurance companies and TNCs that helps set consistent and modern insurance regulation for TNC services. At the time, the Model Bill to establish ridesharing specific insurance language was supported by: Allstate, American Insurance Association, Farmers</p>

	Insurance, Lyft, National Association of Mutual Insurance Companies, Property Casualty Insurers Association of America, State Farm, Uber Technologies, and USAA.
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STUDY OF REGS FOR TNCs	Page 50: "Most comments argue that TNCs currently benefit from not following the by-laws that Taxi and Limousines follow, which greatly decreases their overhead allowing them to charge lower prices at a larger profit margin".
UBER RESPONSE	<p>Across Canadian markets that have ridesharing, otherwise known as uberX on the Uber platform, the taxi industry not only continues to exist, but it continues to do well. In Toronto, taxicab company Beck has stated publicly that 2014 was their best year ever, and that April 2015 was record setting. In Ottawa, Chief Executive of taxi operator Coventry Connections, Mr. Hanif Patni, is on record stating that business in 2014 was up over business the prior year. On March 25th, 2015, President of the Edmonton taxi association said that Uber had no impact on their business, yet on April 20th, claimed that drivers couldn't get by. How can taxi companies, associations, and unions, say they're hurting more than ever before yet tout record setting months and years for business?</p> <p>Opponents say Uber is cheaper for a host of inaccurate reasons. To understand how the Uber platform can offer a lower fare to the end user, it is important to understand the makeup of taxi driver economics that have been perpetuated by the current regulatory system for taxi.</p> <p>Taxi drivers suffer under the current regulatory system. Taxi drivers pay substantial daily or weekly leasing fees (not including maintenance or dispatch fees, among other costs) before ever hitting the road. It's no wonder that taxi drivers have to work 12 hours a day, 6-7 days a week, just to cover their operating expenses while often making less than minimum wage.</p> <p>In addition, there are taxi industry "middleman" such as agents and garages/fleet operators, all of whom extract a portion of the significant profits the current system generates for the few middlemen and licence holders at the top. At the same time, the significant majority on the front lines are made worse off. Taxi drivers have to drive long hours just to break even. On top of this, the traveling public pays high taxi fares that always go up in cost but never down.</p> <p>This is reflected in recent comments by former Hamilton taxi driver and founding President of the Ontario Taxi Workers Union when he stated that, "The front man, the driver was not taking enough money home. It</p>

	<p>was the middleman, the owner, the broker. Sometime I worked I could not even make a lease. I had to pay the gas from my own pocket”.</p> <p>On the other hand, the Uber platform introduces an unparalleled level of flexibility, allowing drivers to choose their own hours. The technology that’s behind the Uber platform is introducing way more efficiency than ever before while flexible pricing allows Uber to lower base fares from time to time while ensuring that partner earnings are equal or greater than before. You may ask how is it possible that uberX riders can pay less (when base fares are lowered in a market) while at the same time driver partners can earn more money?</p> <p>The answer is that uberX driver partners benefit from the liquidity or availability of both more riders and more drivers. Over time in a particular market, having a large marketplace of both riders and drivers means that drivers are typically much closer to a rider requesting a ride than at an earlier point in time in that particular market. This makes pickup times shorter. Since driving with a rider in the car is the only time that a driver is earning fares, the more time drivers spend with riders, the more they can earn per hour. Riders benefit from lower fares but also by having quicker pick up times. In other words, a bigger marketplace for ridesharing overtime is a win for both riders and drivers. As uberX continues to grow in a particular market, one can expect these beneficial effects to only get stronger over time.</p>
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STUDY OF REGS FOR TNCs	<p>Page 52-53: Option 1: Capture TNCs Under Current Regulations Using Amendments Capture Option (Taxis and Limousines)</p> <p>“One option is to amend the current regulations to allow TNC vehicles to be classified as taxis...The other option is to amend existing regulation to classify TNC vehicles as limousines...One additional amendment the City may consider if implementing this regulatory regime is placing a cap on the total number of limousines in Mississauga”.</p>
UBER RESPONSE	<p>Uber Canada does not support this Option. As the Daus report notes, under this Option, TNCs “would be barred from entering the market” and with respect to limousines, the report notes, “For example, very few people would choose a TNC vehicle over a taxi or traditional limousine if they had to pay the mandatory rates that limousines currently operate under”.</p> <p>Ridesharing is an ad hoc commercial pursuit with uberX driver partners offering a shared ride on a schedule of their choosing. Most Uber driver</p>

	<p>partners drive on the Uber platform for less than 10 hours a week. In many ways, Uber for these driver partners is not a full-time or part-time opportunity, but an opportunity to earn a few extra thousands of dollars a year to pay for a family vacation, save for a mortgage down payment, retirement, etc.</p> <p>In addition, uberX doesn't accept street hails or occupy traditional taxi stands. With the prevalence of the Internet today, ridesharing customers using an smartphone app to request a ride, are able to compare prices and the quality of customer service offered by a range of ridesharing companies, more easily than ever before. This justifies a lighter regulatory touch on such things as pricing and supply, but of course not on safety which is always paramount.</p> <p>Without new TNC regulations, Uber is unable to expand the market for for-hire transportation and make it more accessible to more Ontario residents. Uber is not pushing the existing taxi companies out of the market and colonizing it for itself, Uber is in fact expanding it by tapping into dormant demand for transportation related services that traditional taxi regulation, drafted in the pre-internet and pre-smartphone era, has stifled due to expensive fares and poor customer service which are hallmarks of monopolies and oligopolies that exist at the behest of traditional taxi regulatory frameworks.</p> <p>Uber demonstrates time and time again that it is possible to grow a transportation market and it's done by finding ways to satisfy customers. The ways in which the traditional taxi market has been regulated, such as limiting the number of people who were allowed to offer the service, has meant high taxi fares and poor customer service, and undesirable outcomes for taxi drivers themselves in terms of low take home pay and long work hours. Traditional taxi regulations have costs both in terms of things we see such as the undesirable outcomes noted above, and the things we don't see, such as trips that don't happen as a result of traditional taxi regulation.</p> <p>Uber is eager to be regulated by smart regulations that govern the ridesharing sphere, whereby Mississauga residents looking for a ride can use a smartphone app to connect with a driver looking to provide a ride with their own personal automobile. Such regulation, often known as Transportation Network Company (TNC) regulation, exists in over 60 jurisdictions in the U.S. at the state and city level. TNC regulation</p>
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	co-exists as parallel regulation to that of traditional taxi and limo regulations.
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STUDY OF REGS FOR TNCs	<p>Page 53: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments Capture Option (Modified)</p> <p>“...this option would create a special limousine license for TNCs...TNCs also use dynamic pricing, which should be regulated to prevent gouging of prices when the special TNC limousines would be in the greatest demand”.</p>
UBER RESPONSE	<p>It should be noted that there are differences with the NYC model that the Daus report includes under this option as an example and what Daus states under this section with respect to how Uber would operate. Daus notes that the City of Mississauga could consider capping the number of these special vehicles and that TNC’s dynamic pricing model would need to be regulated. Price caps and supply caps are not part of the NYC model that Uber operates under in NYC.</p> <p>While other sections have more thoroughly detailed why price and supply caps make for bad public policy, a summary is provided below:</p> <ul style="list-style-type: none"> • Flexible supply best meets consumer demand (No supply caps) <ul style="list-style-type: none"> ○ Cities and residents should enjoy transportation alternatives that are reliable at all times of day in all communities. ○ Traditionally underserved communities get greater access to reliable and affordable transportation. For example, in a mature market like Chicago, four in ten trips begin or end in what the city has deemed to be traditionally underserved neighbourhoods. ○ Uber teams track major events and peak demand periods to proactively encourage partners to be on the platform to serve riders. • Flexible pricing that is transparent in app is fair (No price caps) <ul style="list-style-type: none"> ○ TNC must disclose fare calculation method in app and provide passengers with applicable rates being charged and option to receive estimated fare before entering TNC driver vehicle.

	<ul style="list-style-type: none"> ○ The Uber app provides pricing details and has an “estimate your fare” feature which provides full transparency for pricing before taking a trip. ○ Dynamic pricing incentivizes partners to drive during demand peaks. ○ When pricing does shift due to increased demand, riders are alerted repeatedly and must confirm acknowledgement of the pricing before requesting a trip, or they can wait and be alerted when pricing reverts. ○ Flexible pricing allows Uber to also cut prices from time to time. Driver partners can earn more money because they benefit from availability of both more riders and drivers. Riders benefit from lower fares and quicker pick-up times, but drivers benefit from being much closer to riders requesting rides. Since driving with a rider in the car is the only time that a driver earns fares, more time spent with a rider in the car, the more they can earn per hour.
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STUDY OF REGS FOR TNCs	<p>Page 54: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments Option 2: New Licensing Category (Equal Regulation)</p> <p>“The requirements for licensing should be equivalent to taxis and limousines in terms of insurance, background checks, driving trainings, and vehicle standards...Negatively, this regulatory approach gives TNC’s an unfair competitive advantage in their freedom to set their own fare structure. Allowing open entry for TNC’s but not for Taxis, would potentially have TNC’s flood the FHV market, significantly decreasing the Taxi market share, individual driver potential earnings, and taxi plate values”.</p>
UBER RESPONSE	<p>Uber Canada does not support this Option. While Uber is supportive of thorough background checks and vehicle inspections, blindly imposing equivalent standards across a range of issues such as driver training, among others, that do not go to the heart of public safety and consumer protection, simply does not make sense given the different nature of taxi as compared to ridesharing.</p> <p>With respect to the example of driver training, Uber Canada would encourage PVAC and Mississauga to examine Ottawa’s Taxicab and Limousine Regulation and Service Review and specifically their “Customer Service” paper which reviews differences in the customer experience between taxi and Uber.</p>

	<p>As Ottawa's Policy Options paper notes, "Customer service concerns have been raised by users of the traditional taxi service, while customer service provided by Uber drivers has been reported as generally being very good. This raises a question as the effectiveness of the course relative to other mechanisms, such as driver rating".</p> <p>Uber Canada agrees. Service quality is an important factor for the success of any business. However, there are many different ways to achieve that objective. The city does not mandate customer service training for restaurants, hotels or banks. Those industries compete on multiple factors including customer service.</p> <p>Uber is extremely proud that it provides a very high level of customer service in cities like Mississauga. A key reason for this success is that every trip on the Uber platform, the driver and rider are rated on a 5 star ranking system. Written feedback is encouraged and very often given, and for every rating three stars or lower it is required. This feedback loop encourages drivers to treat customers with care. Feedback received is monitored and responded to by Uber 24 hours a day and drivers receive anonymized feedback from Uber each week based on customer feedback in order to help them improve the customer service they offer. As such, Uber offers continuous customer service feedback and learning.</p> <p>Research firm Core Strategies who conducted the focus groups in September 2015 for the City of Ottawa's taxi bylaw review, reported that Uber scored higher than taxi for car cleanliness, comfort and driver courtesy. Uber driver partners were found to be more caring, professional, and engaged than taxi drivers.</p> <p>Mandating existing taxi training courses for TNCs does not make sense when existing taxi training courses produce inferior customer service results. However, to "level the playing field", the regulatory burden on taxi in the form of traditional taxi driver in class training can be reduced whereby taxi introduces similar in-app ranking and feedback mechanisms that are used to improve customer service on a very regular basis.</p>
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STUDY OF REGS FOR TNCs	Page 55: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments Option 3: New Licensing Category (Unequal Regulation)
UBER RESPONSE	Uber Canada supports this Option. However, Uber takes issue with its characterization as "unequal regulation". It is respectfully submitted that

	<p>the term “unequal regulation” unfairly characterizes information that doesn’t support the preferred policy outcomes of Mr. Daus.</p> <p>The current Mississauga bylaw already provides for differences among 4 different types of for-hire vehicles with each mode of transportation being distinctly defined and distinguishable based on licensing requirements. As such, there is precedent for treating different categories of ground transportation differently.</p> <p>65+ jurisdictions and growing, at the state and/or city level in the United States, have adopted Transportation Network Company (TNC) regulation to regulate ridesharing companies like Uber and Lyft.</p> <p>TNC regulation typically includes:</p> <ul style="list-style-type: none"> • Licensing: TNC (Uber) is licensed and not individual drivers • Fares: Fares are not regulated, so different companies can set their fares for different services. Fares are always transparent in-app • Insurance: TNC (Uber) maintains insurance with minimum liability specified by City • Driver Background Checks: TNC requires drivers undergo background checks. Results of checks are made available to City to ensure compliance • Training: TNC establishes driver training program and makes it available to City • Accessibility: TNC includes option for accessible vehicle (e.g. UberWAV) and if accessible vehicle not available, TNC to direct passenger to alternate service provider of accessible service • Record Collection and Data Reporting: TNC provides City regular reporting of data • Driver Requirements: TNC drivers do not street hail or occupy taxi stands • Vehicle Inspections: TNC ensures drivers are using vehicles that are inspected regularly by a licensed facility and TNC keeps documentation of inspection reports and makes them available to City to ensure compliance <p>An audit-based regulatory model is the standard for regulating TNCs, such as Uber and Lyft, across jurisdictions in the United States. Unlike the Daus Report which suggests that Option 3 re New Licensing Category (Unequal Regulation) is “without any government oversight”, this is not the case with auditing under the TNC model in place in U.S. jurisdictions. Regulators prefer it because a TNC’s electronic systems</p>
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	<p>enhance safety and provide cities with a more effective and efficient model of regulation.</p> <p>Only driver-partners whose documents have been fully vetted are able to login to the Uber driver partner app and provide ridesharing services through the TNC's network. In addition, the moment their account is deactivated by the TNC, they no longer have access to offer or provide service. By contrast, the news reported that an Ottawa taxi driver was recently pulled over by a bylaw officer. While being given a citation it was discovered that the driver's paper taxi license had expired three months earlier. That is not possible with a TNC such as Uber. Automatic triggers restrict driver partners from the digital network when documents (such as a driver's licence) expire.</p> <p>In addition, through the rating system, every ride is a check on safety and quality. City staff in various cities have sometimes raised the concern of TNC driver partners "sharing access to the app" or an unauthorized person providing service. Ironically, this is a much greater risk with traditional paper based licensing systems cities are currently using. Before every Uber trip begins, the rider is given the name and picture of the driver partner picking them up (in addition to other vehicle related information). They are able to visually verify the identity of the driver partner before stepping into the vehicle. As such every trip via Uber, or other established TNCs, is also a check on the driver's identity. With a paper-based, city-controlled, licensing system, the rider has no way to visually identify the driver's identity before entering the vehicle, and they are unlikely to provide feedback if they have a concern.</p> <p>Finally, cities have preferred an audit-based regulatory model due to its efficiency. An audit-based model empowers cities while avoiding the cost and complexity of creating real-time registries or registering individual drivers--activities that do not enhance safety or compliance. Audit-based systems allow cities to effectively keep pace with the growth of TNCs. In addition, different TNCs likely store the required documentation via different means. Creating a real-time registry that links to various companies' databases would be costly and complicated, with significant privacy and business trade-secret concerns. All levels of government have faced challenges when creating new registries (recall the final cost of the federal long-gun registry). Moreover, the goals of such a registry - enhanced safety through real-time compliance - are easily achieved via audits and street enforcement.</p> <p>While Uber and its ridesharing competitors are of benefit to both drivers (more flexible work schedule and better economic return) and riders (greater convenience and customer service) over the traditional taxi industry model, Uber is seen as competition to established taxi</p>
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	<p>companies and licence holders who resist innovation and the entry of competition. Instead of spending their financial resources on creating wealth, they spend it on contesting wealth by rent-seeking. The current taxi regulatory framework has stifled innovation and competition for decades.</p> <p>In cities across Canada, traditional taxi regulations restrict entry by requiring a license to operate a taxi. This limits the supply of available taxis in a city. While taxis are an integral component of the urban transportation network of any city, and will remain so into the future, the main effect of such supply restriction, is that prices remain high, among other undesirable policy outcomes. Another result of capped supply of taxi licences, is that the price of licences or their value on the secondary market, has increased dramatically as compared to the cost of obtaining the original licence from the city and any annual licensing fee paid to the city.</p> <p>The returns to taxi licence plate holders have been exceedingly generous. This economic windfall has not trickled down to non-licence holder drivers, with those drivers faring poorly economically working 12-hour shifts 6 to 7 days a week. The ultimate winners of the current regulatory licensing regime are taxi licence holders, not customers or taxi drivers.</p> <p>The layers of red tape that fail to enhance public safety or advance consumer protection add cost and needless complexity for taxi drivers and riders. It's no wonder taxi drivers work 12 hour days, six to seven days a week, just to cover their expenses while often earning less than minimum wage. The travelling public is also disadvantaged, paying high taxi fares while all-too-often receiving poor customer service.</p> <p>Regulating Uber is an opportunity to re-examine the regulations governing the taxi and limo industries and make necessary changes to reduce the regulatory burden on them and help them be more competitive in a changing ground transportation industry. Doing so means taxi drivers and the public benefit. For example, the City of Toronto is actively examining ways to lower the regulatory burden on the taxi industry while adopting smart regulations for ridesharing, and recently amended taxi regulation to lower the "drop rate" or base fare from \$4.25 to \$3.25 to enable taxi to be more competitive vis-a-vis Uber and a changing ground transportation industry.</p> <p>Common place under TNC regulation in the United States, and under proposed regulation of ridesharing in Edmonton, Calgary and the Region of Waterloo in Canada to date, fares charged by a TNC such as Uber would not be regulated. Taxi has raised "level playing field" objections to this as traditional taxi regulation forces taxi to charge a set fare.</p>
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	<p>However, instead of “leveling the playing field” up by forcing TNCs to charge the same fixed rate fare as taxi which harms consumer interests, taxi rides booked through a smartphone app could also be unregulated, with a requirement for in advance customer information and consent through a smartphone app. This option was also presented in the “Policy Options” paper prepared as part of Ottawa’s Taxicab and Limousine Regulation and Service Review.</p> <p>The City of Calgary (City Staff and Council) has endorsed this approach. The approach would leave taxi to the exclusive jurisdiction of taxi, but also enable taxi to be more like a TNC. According to the Calgary staff report:</p> <p>“Rate flexibility means that taxi and limousine companies would be free to set their own rates, but only if they utilize a City approved smartphone application that confirms the driver and passenger identification including the City of Calgary livery licence number for the driver and offers a trip cost calculation with a consumer option to accept or reject the trip. However, trips arranged by traditional dispatch or commenced by street hail would be required to charge the regulated rate. Private for Hire Vehicles would also be free to set their own rates if a City approved app with the above feature is used. PFHVs would not be permitted to accept street hail or to use traditional dispatch.”</p> <p>Traditional pricing regulation around the taxi model of street hails and taxi stand pick-ups make sense. Given that a passenger takes the first taxi to come along or the next taxi in a taxi stand, there would be an incentive for price gouging if fares were not fixed.</p> <p>However, with technology, passengers can now compare prices in-app between different ground transportation service providers, all in real time. Given that Uber does not accept street hails or occupy taxi stands, the price is always known to the Uber customer in advance in real time in the app.</p>
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STUDY OF REGS FOR TNCs	<p>Page 56: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments Option 4: Complete Deregulation Option</p> <p>“However, the experience with taxicab deregulation was so profoundly unsatisfactory that virtually every city that embraced it has since abandoned it in favor of resumed economic regulation. A study by Price Waterhouse of these cities which deregulated their taxi industry concluded that:</p>
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	<ul style="list-style-type: none"> Although the supply of taxi services expanded dramatically, only marginal service improvements were experienced by consumers. Prices rose in every instance. Paradoxically, the influx of new entrants did not invoke the price competition typically experienced in other newly-deregulated industries.”
UBER RESPONSE	<p>As previously noted, with respect to taxi deregulation in the 1970s, such reform efforts were from a time that was prior to the ubiquity of smartphones, the Internet, or the emergence of ride-share enabling technologies. The introduction of ridesharing actually results in the opposite along many dimensions of what is suggested (lower driver incomes, less investment, etc.).</p> <p>With the prevalence of the Internet today, Uber customers using a smartphone app to request a ride, are able to compare prices and the quality of customer service offered by a range of companies, more easily than ever before, in addition to ranking customer service at the end of each trip which can result in drivers being removed from ridesharing platforms if they do not routinely offer good customer service. This was not the case in the 1970s or for academics that studied the issue prior to the last 5 years or so, which explains why in the absence of information and being able to compare prices and quality of service between taxi companies, prices rose and quality of service declined. However, open entry for companies like Uber has meant improved transportation availability and lower rates. The ability of consumers in the Internet era to more readily access information and share it (both positive and negative), means that companies like Uber have to continually strive to improve customer service or risk losing customers to competitors.</p> <p>Traditional pricing regulation around the taxi model of street hails and taxi stand pick-ups make sense. Given that a passenger takes the first taxi to come along or the next taxi in a taxi stand, there would be an incentive for price gouging if fares were not fixed, which is what was experienced during historical times of price deregulation in the taxi industry decades before the advent of smartphone apps and modern technology.</p> <p>However, with technology, passengers can now compare prices in-app between different ground transportation service providers, all in real time. Given that Uber does not accept street hails or occupy taxi stands, the price is always known to the Uber customer in advance in real time in the app. As such, there is less incentive today to gouge riders as there was under traditional taxi models when passengers take the next taxi to come along, only to find under price deregulation in the 1970s, the price of a taxi ride suddenly increased dramatically. Passengers had no way of knowing the price in advance in the 1970s and they had to take the</p>

	<p>taxi they were street hailing as they did not know when the next one would come along. Thus, it is unfair to compare historical deregulation outcomes from the 1970s to the ridesharing industry today given the fundamentally different natures of the taxi industry compared to the ridesharing industry.</p>
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STUDY OF REGS FOR TNCs	<p>Page 59: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments</p> <p>Option 5: Pilot Program: Using New Entrants to Solve Regulatory Problems and Improve Service</p>
UBER RESPONSE	<p>Uber Canada supports this Option. In addition, a number of jurisdictions in the United States have operated under temporary/interim operating agreements that allow ridesharing to exist under contractual agreement with the jurisdiction while it is studied further. Such jurisdictions include: Detroit, Spokane, Anchorage, and Virginia.</p> <p>Moreover, in their recent report entitled, "Policymaking for the Sharing Economy: Beyond Whack-A-Mole", the Mowat Centre recommended the following:</p> <p>"Another option for governments includes the use of temporary regulatory waivers or exemptions. This approach allows sharing economy enterprises to keep operating while regulators gather real-world experience to inform regulation that makes sense given market dynamics. New York City adopted this approach by introducing a one- year trial for e-hailing taxi apps.⁵⁹ Likewise, Pennsylvania and Detroit have recognized the experimental nature of these services with temporary two year approvals."</p>

STUDY OF REGS FOR TNCs	<p>Page 60: Option 1: Option 1: Capture TNCs Under Current Regulations Using Amendments</p> <p>Option 6: Provincial Regulation</p>
UBER RESPONSE	<p>Uber Canada supports this Option and Bill 131, Opportunity in the Sharing Economy Act, 2015. The Bill aims to establish a modern province-wide framework for ridesharing, among other aspects of the sharing economy. In essence, the Bill would "provincialize" the issue ensuring that ridesharing operates across Ontario under province wide regulatory jurisdiction. This Option would leave taxi and limo under existing municipal regulation and jurisdiction, while effectively bringing ridesharing under provincial regulation.</p>

STUDY OF REGS FOR TNCs	<p>Page 61: Additional Considerations Camera/Car identification</p> <p>“Such markings may help prevent riders from accidentally going into a vehicle they did not request”.</p>
UBER RESPONSE	<p>Security cameras and emergency flashing lights are necessary for taxis because of the nature of taxis business model. Whether someone calls a broker, street hails, or gets a taxi at a taxi stand, the passenger remains anonymous to the taxi brokerage and driver. When passengers are anonymous and drivers carry cash, security cameras, shields, and emergency flashing lights are necessary.</p> <p>With uberX, no one on the Uber platform, passengers included, are anonymous. Uber knows who every driver is through criminal background checks, and who every passenger is through credit card verification in-app.</p> <p>The Ottawa Policy Options paper also notes that Limousines are not currently required to have in-vehicle cameras because, like TNCs, the limousine model is based on pre-arrangement between two parties that must identify themselves. The paper notes that, “...there have not been any incidents which would suggest cameras should be a requirement under the amended regulation”. The City of Calgary in its proposed TNC regulation is not making it a requirement that TNCs like Uber have security cameras in ridesharing vehicles for these reasons.</p> <p>In addition, uberX is also a cashless platform which means drivers do not need to carry cash in-vehicle, every trip is GPS monitored, and each trip is subject to in-app feedback mechanisms (that include the ability to provide written feedback after each trip) that is monitored and responded to in real-time by Uber.</p> <p>In a large majority of markets in which ridesharing/Uber is regulated in the U.S., decals or vehicle identification is not required. It is often not required due to the fact that an Uber passenger already receives the picture of the driver, name of the driver, make and model of the vehicle and driver plate licence number when making a request for a ride on the Uber platform. Making a decal or identifier mandatory on Uber vehicles presents the possibility that drivers not affiliated with Uber (in addition to be subject to the background check and vehicle inspection requirements of the Uber platform) may try to use a decal to street hail passengers similar to ways in which “bandit” cabs currently street hail passengers.</p>

STUDY OF REGS FOR TNCs	<p>Page 62: Additional Considerations HST</p> <p>“Since there is no oversight on the TNCs and the drivers there is a great window for tax evasion. Taxis and Limousines on the other hand are required to pay HST regardless of how much they earn setting an unfair competitive advantage to the TNCs”.</p>
UBER RESPONSE	<p>Electronic transactions, managed by digital companies like Uber, can transform transparency and traceability for authorities and individuals in what have historically been cash-in-hand industries and still is for the taxi industry. Uber only accepts cashless forms of payment such as credit cards and debit through PayPal.</p> <p>As a registered Canadian business, Uber Canada honours its obligation to pay applicable tax as any other Canadian business would operating in Canada. In addition, Uber Canada employs Canadians in our offices across the country and its Canadian employees pay income tax on their earnings in Canada to the Canada Revenue Agency (CRA) annually. Likewise, the thousands of drivers we partner with, like other Canadians earning income in Canada, are expected to file their income tax return with the CRA annually.</p> <p>With respect to the GST (or the HST where applicable in Canada), it is a sales tax that is customarily charged to the purchaser of a service (passenger in an Uber driver partner vehicle) and remitted to the government by the service provider (Uber driver partner). Uber Canada takes into account GST and factors it into the price of fares, to enable driver partner-friendly economics.</p> <p>Whether or not an independent contractor (in this case the Uber driver partner) is remitting GST depends on their own personal income. Uber Canada explains to our Uber driver partners that any taxes due on trips are the responsibility of the partner to remit based on their own personal income situation and has a partnership with H&R Block to assist driver partners with filing their taxes appropriately. However, like other contractors in various sectors of the Canadian economy, it is ultimately the Uber driver partner’s responsibility to comply with relevant CRA tax related obligations.</p>

STUDY OF REGS FOR TNCs	<p>Page 62: Additional Considerations Data Collection</p>
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	<p>"TNCs may have privacy policies in place which are sufficient to protect the riding public".</p>
<p>UBER RESPONSE</p>	<p>Privacy is important to Uber and our driver partners and riders. Uber's "User Privacy Statement" is available to review online.</p> <p>In late 2014, Uber subject it's privacy practices to external independent review. The review was led by Harriet Pearson, who is widely acknowledged as one of the foremost experts on data privacy. Ms. Pearson and her team spent 6 weeks reviewing documents and interviewing members of Uber's executive team and leaders across the entire company. The review was comprehensive and found that overall the Uber Privacy Program is strong: "Uber has dedicated significantly more resources to privacy than we have observed of other companies of its age, sector, and size".</p> <p>Ms. Katherine Tassi is Managing Counsel of Data Privacy at Uber Technologies. Prior to joining Uber, Tassi spent 4 years at Facebook as the Head of Data Protection and the Associate General Counsel in charge of the global data protection program. She spent 8 years serving in the Washington State Attorney General's Office as an Assistant Attorney General prosecuting consumer protection violations and working on high-tech litigation.</p>

<p>STUDY OF REGS FOR TNCs</p>	<p>Page 62: Additional Considerations Calculating Fares</p> <p>"Some have accused the TNCs of price gouging and the New York City Council has drafted legislation that would cap "surge pricing" at no more than 2X the normal fare. If the City allows TNCs to set their own fares, we recommend a cap to prevent excessive fares".</p>
<p>UBER RESPONSE</p>	<p>When demand (ride requests) outstrips supply (available drivers/cars), dynamic or surge pricing kicks in on the Uber platform to help bring more cars on the road. Our driver partners are people too, and as such have alternatives to being online on an evening, weekend or holiday--they are not traditional taxi drivers driving 12 hour shift every day. Their response to increased earning potential allows more trips to be completed, and more people to get where they need to go safely and efficiently.</p> <p>Any time dynamic pricing is in effect, riders are notified prior to placing their request to confirm that they have accepted the current multiple on the fare. If are rider isn't pressed for time and doesn't mind waiting until dynamic pricing is over, Uber's app will notify them that prices have</p>

	<p>come back down. This lets riders spend a little more time wherever they are and still ensures they can get home safe.</p> <p>Dynamic pricing is only applicable on UberBLACK (Uber's partnership with municipally licensed limo drivers and vehicles) and uberX ridesharing products. Given that uberX is already priced significantly lower than traditional taxi service, even when dynamic pricing occurs, most fares are still lower than traditional metered taxi fares.</p> <p>To date no U.S. jurisdiction has implemented price caps on Uber. The draft Edmonton and Region of Waterloo TNC bylaws do not contemplate price caps. Where caps on pricing have been put in place in U.S. jurisdictions on surge pricing on TNC apps, it is for times of emergency. See below for examples:</p> <p>Austin</p> <ul style="list-style-type: none"> Surge pricing cannot be implemented during a period of "abnormal market disruption." This is defined as: "any change in the ground transportation market, whether actual or imminently threatened, resulting from stress of weather, convulsion of nature, failure or shortage of electric power or other source of energy, strike, civil disorder, war, military action, national or local emergency, or other cause of an abnormal disruption of the market which results in the declaration of a state of emergency by the governor" <p>Washington, DC</p> <ul style="list-style-type: none"> During a state of emergency, the surge multiplier may only be as high as the next multiplier down from the highest three multiples seen on separate days over the past 60 days. <p>Chattanooga</p> <ul style="list-style-type: none"> Surge pricing is prohibited during times of "abnormal market disruption." This covers any circumstance where a state of emergency is declared by the Mayor, County Mayor, Governor, or President. <p>Uber has a partnership with the Red Cross re surge and states of emergency:</p> <ul style="list-style-type: none"> During disasters and relevant states of emergency, Uber is committed to donating its commissions on surge trips to the American Red Cross. That means that for trips with elevated pricing, 20% of the total fare will be donated to the American Red Cross' disaster relief efforts.
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STUDY OF REGS FOR TNCs	<p>Page 62: Additional Considerations Minimum Insurance Requirements for TNCs</p> <p>“We therefore recommend that the city follow the New York Model when instituting its insurance policies in its regulations. In NYC, app-based vehicles and drivers have the same insurance as all other taxicabs and for-hire vehicles and further legislation is not required to meet the needs of the public for safety and insurance”.</p>
UBER RESPONSE	<p>If the ridesharing industry can produce new more affordable ridesharing specific insurance products, as Uber and the U.S. insurance industry has already done and as Intact Financial is proposing to do in Canada, than why should this be discouraged by regulation?</p> <p>For example, in January 2015, Metromile and Uber announced an innovative partnership to provide variably-priced, pay-per-mile auto insurance for drivers who use Uber's rideshare platform. The two companies have jointly developed the first technology solution that enables pay-per- mile, personal insurance coverage.</p>

STUDY OF REGS FOR TNCs	<p>Page 67: Additional Considerations Driver/Operator Training Requirements</p> <p>“Mississauga should analyze the full array of driver vetting and training options if and when they make changes to their current requirements”.</p>
UBER RESPONSE	<p>Uber Canada would encourage PVAC and Mississauga to examine Ottawa's Taxicab and Limousine Regulation and Service Review and specifically their “Customer Service” paper which reviews differences in the customer experience between taxi and Uber.</p> <p>As Ottawa's Policy Options paper notes, “Customer service concerns have been raised by users of the traditional taxi service, while customer service provided by Uber drivers has been reported as generally being very good. This raises a question as the effectiveness of the course relative to other mechanisms, such as driver rating”.</p> <p>Uber Canada agrees. Service quality is an important factor for the success of any business. However, there are many different ways to achieve that objective. The city does not mandate customer service training for restaurants, hotels or banks. Those industries compete on multiple factors including customer service.</p> <p>Uber is extremely proud that it provides a very high level of customer service in cities like Mississauga. A key reason for this success is that</p>

	<p>every trip on the Uber platform, the driver and rider are rated on a 5 star ranking system. Written feedback is encouraged and very often given, and for every rating three stars or lower it is required. This feedback loop encourages drivers to treat customers with care. Feedback received is monitored and responded to by Uber 24 hours a day and drivers receive anonymized feedback from Uber each week based on customer feedback in order to help them improve the customer service they offer. As such, Uber offers continuous customer service feedback and learning.</p> <p>Research firm Core Strategies who conducted the focus groups in September 2015 for the City of Ottawa's taxi bylaw review, reported that Uber scored higher than taxi for car cleanliness, comfort and driver courtesy. Uber driver partners were found to be more caring, professional, and engaged than taxi drivers.</p> <p>Mandating existing taxi training courses for TNCs does not make sense when existing taxi training courses produce inferior customer service results.</p>
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STUDY OF REGS FOR TNCs	<p>Page 67: Additional Considerations Environmental Concerns and Clean Air Fuels</p> <p>"Anytime a program which puts additional cars on the road is being implemented, environmental impact should be considered".</p>
UBER RESPONSE	<p>Flexible supply and dynamic pricing on the Uber platform enables drivers to come on the road when they are needed which increases operational efficiency and productivity in contrast to having an increased number of taxis on the road at all times increasing congestion.</p> <p>Ride-sharing alternatives actually help to relieve congestion. UberPool, like carpooling when you share a ride and split the costs, has profound implications. On average uberX is already 30% to 50% cheaper than traditional taxi and becomes upwards of 80% cheaper with UberPool. This allows Uber to become cost-competitive with owning a car. Technological innovations like UberPool which were not possible pre-smartphone can achieve real results in terms of reducing the number of cars on the road, congestion in cities, pollution, and parking challenges by helping people live car-free or car-light lifestyles.</p>

STUDY OF REGS FOR TNCs	<p>Page 67: Additional Considerations Fare Flexibility</p> <p>“At least one Toronto taxi company and some industry stakeholders have suggested and requested that drivers be permitted to charge less than the metered rate. The regulations could be amended to allow drivers to charge a flat fee or discounted rates. If this approach is taken, safeguards should also be implemented to prevent drivers from abusing this newfound fare flexibility...Companies and drivers could attempt to undercut each other’s pricing and reduce profitability”.</p>
UBER RESPONSE	<p>Without new TNC regulations, Uber is unable to expand the market for for-hire transportation and make it more accessible to more Ottawa residents. Uber is not pushing the existing taxi companies out of the market and colonizing it for itself, Uber is in fact expanding it by tapping into dormant demand for transportation related services that traditional taxi regulation, drafted in the pre-internet and pre-smartphone era, has stifled due to expensive fares and poor customer service which are hallmarks of monopolies and oligopolies that exist at the behest of traditional taxi regulatory frameworks.</p> <p>With respect to taxi deregulation in the 1970s, such reform efforts were from a time that was prior to the ubiquity of smartphones, the Internet, or the emergence of ride-share enabling technologies. The introduction of Uber actually results in the opposite along many dimensions of what is suggested (lower driver incomes, less investment, etc.):</p> <ul style="list-style-type: none"> • With the prevalence of the Internet today, Uber customers using a smartphone app to request a ride, are able to compare prices and the quality of customer service offered by a range of companies, more easily than ever before. This was not the case in the 1970s or for academics that studied the issue prior to the last 5 years or so, which explains why in the absence of information and being able to compare prices and quality of service between taxi companies, prices rose and quality of service declined. However, open entry for companies like Uber has meant improved transportation availability and lower rates. The ability of consumers in the Internet era to more readily access information and share it (both positive and negative), means that companies like Uber have to continually strive to improve customer service or risk losing customers to competitors. • In cities, where Uber has introduced uberX, rates for riders have decreased. UberX is about 30-50% cheaper than a taxi, depending on the city in Canada. With uberX’s affordability, even

	<p>more users can rely on a safe and reliable ride. At the same time, as long as demand keeps growing, and Uber has seen no sign that it won't in the markets it has entered, that means there are more riders, and that means drivers will be doing more trips per hour. The more efficient a driver is, the more money they earn.</p> <ul style="list-style-type: none"> • High customer service levels are a core value of the Uber platform. Collecting feedback is an important part of ensuring a high quality experience for Uber riders and partners alike. That's why riders are encouraged to anonymously rate and provide comments about their experience at the end of every trip and drivers can do the same. This feedback is continuously monitored to improve customer service and experience.
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City of Toronto

Taxi and Uber Consultative Qualitative Research

Ipsos Public Affairs

Key Findings, Key Differences by Demographics and Key Differences by Taxi and Uber Users

“Key Findings:

- *One in five Toronto residents (21%) have used an Uber service in the past year and one in ten use either UberX (12%) or UberTaxi (11%) at least once a month.*
- *Comparatively, six in ten (58%) have taken a taxi in the past year and three in ten use the service at least once a month (28%).*
- *While residents are less likely to have used Uber compared to Taxis, those who do use Uber do so much more frequently; nearly twice as many Uber users take it weekly (29% and 28% take either UberTaxi or UberX at least once a week) compared to taxi users (17% use it weekly).*
- *Satisfaction with Uber is high and the lower cost of the service (vs. taxis) and the quality of the mobile app (ability to order, pay and track vehicles) are the main reasons why people use Uber. Adequate insurance/liability coverage is the primary weaknesses for the service and there remains some confusion about what currently exists and how this is managed.*
- *Most Uber users are taking the service more often than they did a year ago (particularly women) and nearly half report taking taxis less often compared to before they started using Uber.*
- *While the vast majority of Toronto residents say they know UberX, XL and Select are not regulated, there are some misconceptions about the role the City plays in regulating fares and driver training for Uber thus overall familiarity with Uber services is low.*
- *Satisfaction with taxi services is much softer and while most taxi users have at least a somewhat positive impression, persistent concerns about cost, courteousness of drivers, and cleanliness of vehicles are negatively impacting opinions.*
- *There is a strong sentiment among Toronto residents that people should be able to choose for themselves whether they want to use Uber or taxi services and a majority feel that having both Uber and Taxi services provides Toronto with a competitive marketplace. Few feel that Uber should charge the same as taxis.*
- *Residents also expect that they City provide rules to protect passengers’ personal safety and help ensure safe driving behaviour among providers.*
- *Toronto residents are most inclined to support regulation of all vehicle-for-hire services that aim to protect passenger safety, including primarily criminal background checks for drivers, safety training for drivers, protection in case of bad/unsafe service, insurance/liability coverage, and on-going driver training. Support is lowest for regulation for driver income, fares, and for availability of vehicles at peak times.*

- *When thinking about regulation for taxi, limo or Uber services specifically, the vast majority of residents feel that background checks for drivers, safety training for drivers, and insurance/ liability coverage should apply to all three services.*
- *The majority of Toronto residents feel that Uber should have the same insurance/ liability coverage as taxis are required to have, including a majority of Uber users.*
- *Support is more mixed for other regulations and residents are somewhat less inclined to feel that all the same regulations should apply to Uber as taxis or limos, particularly when it comes to regulated fares.*
- *Half of residents would be comfortable with Uber operating with less regulation than taxis and the same proportion feel that regulations on taxis should be relaxed to allow them to compete with Uber.*

Key Differences by Demographics:

- *Usage of public transit, taxis and Uber is highest among younger residents, while older residents are more likely to have used a limo in the past year.*
- *Younger residents are generally more positive to Uber and to feel that regulations on taxi and limo services haven't created a better service than what Uber offers, that Uber is the way of the future and shouldn't be hindered by unnecessary regulation, that Uber should be allowed to operate even if it doesn't have as much regulation as taxis or that regulations on taxis should be relaxed to allow them to compete with Uber.*
- *Older residents are more likely to know that Uber isn't regulated in the City of Toronto and to be supportive of all types of regulation in the vehicle-for-hire industry. They are also more likely to agree that Uber should have the same insurance/ liability coverage as taxis and that the City should limit Uber drivers and decrease it from current levels.*
- *Female residents are more likely to report using Uber more often than they did a year ago and to cite cost as the main reason they use the service, while male residents are more likely to use UberBlack, XL, Select or Pool.*
- *Female residents are more likely to be supportive of regulation for all vehicle-for-hire services and are generally more positive towards taxi service specifically in terms of personal safety.*

Key Differences by Taxi and Uber Users:

- *All three user groups are more likely to take all transportation services mentioned and the vast majority of regular Uber users are also taxi users, while half of regular taxi users have also used Uber.*
- *Uber users are also more likely than the general population to report taking taxis more often than before using Uber.*
- *Agreement among these groups is also higher that Uber should be allowed to operate even if it isn't as regulated as taxi services, that regulations on taxi services should be relaxed to allow them to compete with Uber, that current regulations do more to protect the taxi and limo industry, that regulations haven't created a better service than what Uber offers and that Uber is the way of the future and shouldn't be hindered with unnecessary regulation.*

- *All three groups are also more likely to falsely believe that Uber requires a license to operate and that the City regulates driver safety training and what Uber can charge.*
- *Uber users (UberX or UberTaxi) are less likely to support regulation on any vehicle-for-hire services and are less likely to feel adequate insurance/ liability is an important factor in vehicle-for-hire service.*
- *Taxi users are less likely to support regulation of taxi services specifically (except in terms of driver income), while both Taxi and UberTaxi users are more likely to feel that Uber should be required to charge the same as taxi services.”*

New Licence Category Option – Summary of Proposed By-law Changes and Impact Assessment

Licensing Requirements and Training:

TNCs	
Provision:	Impact:
All TNC drivers will be required to obtain an annual municipal licence. Licence requirements will be the same as for the taxi and limousine drivers, for screening, criminal records searches, driver abstract requirements, etc. Insurance requirements will be equivalent to taxis and limousines, while TNC drivers are operating as a ride-sharing service.	The requirement of a municipal licence for all drivers in the public vehicle industry ensures public safety and consumer protection.
The TNC itself will be required to obtain a municipal licence, similar to a taxi broker's licence.	A licence for the TNC itself ensures that the City has access to a contact responsible for the company's local operations, which allows for TNC accountability.
TNC driver training will be required on a two-day course on initial application focusing on by-law orientation, passengers with disabilities and defensive driving. Training renewal at five year intervals will be consistent with existing taxi and limousine training requirements.	The requirement for training ensures professionalism, consumer protection, public safety and by-law compliance.
TNC drivers would be required to provide proof of English literacy to the Licence Manager.	This requirement ensures professionalism, consumer protection, public safety and by-law compliance.
Taxis and Limousines	
Taxi and limousine driver training will be streamlined on initial application from its present three-day course to a two-day course focusing on by-law orientation, passengers with disabilities and defensive driving.	This will result in a reduced time commitment and cost thus reducing barriers into the taxi/limousine industries while maintaining the current levels of professionalism, consumer protection, public safety and by-law compliance.
In lieu of the present English literacy test, drivers would be required to provide proof of English literacy to the Licence Manager.	This will result in a reduced time commitment and cost thus reducing barriers into the taxi/limousine industries while maintaining the current levels of professionalism, consumer protection, public safety and by-law compliance.

Operating Conditions:

TNCs	
TNC vehicles must use a City-approved App, which calculates a fare based on distance travelled. The requirements of the App have not yet been finalized.	Approved Apps must provide information to both the driver and passenger about one another, which reduces risks associated with anonymity.
TNC drivers will not be permitted to accept street hails under any conditions.	TNC vehicles are not equipped with important safety features (security cameras).
TNCs will be required to provide the Licence Manager with data on trip volumes and vehicle counts. The data requirements have not yet been finalized.	Data analysis allows the City to monitor trends in the industry and to develop or amend policy in order to improve the delivery of public vehicle service.
TNCs will be required to provide the Licence Manager with enforcement accounts with their approved App for the purposes of locating in-service vehicles for on-road inspections.	Enforcement accounts will facilitate enforcement efforts, resulting in fewer resource requirements and public safety and consumer protection.
Taxis and Limousines	
Taxis may choose to use a City-approved App, which calculates a fare based on distance travelled, in lieu of a taximeter.	This provides the option to taxis to offer this technology to customers allowing them to compete in the evolving industry.
Limousines may choose to use a City-approved App, which calculates a fare based on time.	This provides the option to limousines to offer this technology to customers allowing them to compete in the evolving industry.

Fleet Size Restrictions:

TNCs	
There will be no restriction on the number of TNCs permitted.	This allows for adjustments in TNC vehicle supply to meet consumer demand. Drivers are encouraged by higher fares during periods of increased demand, which improves service response times and reliability for customers. The trade-off for increased supply and response times of TNC vehicles may be increased cost for the service.
Taxis and Limousines:	
Taxis will continue to operate in a controlled-entry system.	Removing controlled-entry would be even more disruptive to the taxi industry.
Limousines will continue to operate in an open-entry system.	Limousines do not provide on-demand service and must be booked a minimum of 30 minutes in advance, differentiating them from taxis and TNC service providers. Barriers to direct competition with TNCs and taxis exist due to the increased cost of limousine vehicles.

Rate Setting:

TNCs	
Through the approved App, TNCs can choose to charge any rate and change this rate whenever they choose. The rate must be clear and transparent to the customer.	As a matter of consumer choice, prices can increase during busy times, which encourages TNC drivers to take trips thus increasing the supply of vehicles.
Taxis and Limousines	
Through the approved App, taxis can choose to charge any rate and change this rate based on consumer demand and market conditions. The rate must be clear and transparent to the customer.	Taxis will also be able to use Apps similar to those of TNCs where rates are increased during busy times, encouraging taxi drivers to take trips and to compete at the same level with TNCs.
For street hail and dispatch trips, taxis will be required to charge a regulated rate (metered rate), as a maximum.	Allows taxis to compete on the basis of price, while maintaining price assurance and transparency for customers using street hail and telephone dispatch options.
Minimum rate for limousines will be eliminated.	This allows limousines to set their own rates, increasing competition and customer focus. While no minimum rate will be mandated, barriers to direct competition with TNCs and taxis exist due to the increased cost of limousine vehicles.

Brokerage Affiliation:

TNCs, Taxis and Limousines	
The brokerage affiliation restrictions would be lifted. This change does not prevent brokers, and taxicab and limousine plate holders and drivers, from entering into private sole-service agreements.	This is required to facilitate drivers being affiliated with more than one brokerage. This change empowers drivers to determine their method of dispatch.

Vehicles/ Markings:

TNCs	
No identifying markings will be allowed, except a small decal required for enforcement purposes to identify approved TNC vehicles.	Identifying markings can result in street hailing, as people on the street may attempt to flag down a TNC vehicle. As a result, TNC vehicles must be unidentifiable except for a small decal, which assists in enforcement efforts, further enhancing public safety.
Every six months TNC drivers must submit to the Licence Manager a record of inspection for the motor vehicle in accordance with the requirements of the	In addition to vehicle inspections performed by Municipal Law Enforcement Officers (MLEOs) on the road, this provision will help ensure the mechanical

Ministry of Transportation (MTO).	fitness of vehicles used to carry paying passengers.
Taxis and Limousines	
Every six months taxi drivers and/or taxicab plate holders must submit to the Licence Manager a record of inspection for the motor vehicle in accordance with the requirements of the MTO, in lieu of biannual vehicle inspections performed at the Mobile Licensing Enforcement office.	In addition to vehicle inspections performed by MLEOs on the road, this provision will help ensure the mechanical fitness of vehicles used to carry paying passengers. This also puts vehicle inspection requirements at the same level for the taxi, limousine and TNC industries.
Every six months limousine drivers and/or limousine plate holders must submit to the Licence Manager a record of inspection for the motor vehicle in accordance with the requirements of the MTO, in lieu of biannual vehicle inspections performed at the Mobile Licensing Enforcement office.	In addition to vehicle inspections performed by MLEOs on the road, this provision will help ensure the mechanical fitness of vehicles used to carry paying passengers. This also puts vehicle inspection requirements at the same level the taxi, limousine and TNC industries.
The requirement for vehicle markings would be lifted for taxis, to facilitate vehicles being used by multiple brokers. Brokers owning taxicab plates for vehicles in their fleet could mark the vehicles according to existing City standards in the by-law. Taxis would require exterior roof lights indicating the company name.	This is required to facilitate drivers being affiliated with more than one brokerage. This change empowers drivers to determine their method of dispatch.

REGULATORY PROVISION SUMMARY
New Licensing Category Option

	Regulatory Requirement/Condition	Traditional Taxi	TNC	Limousine
Rate Setting				
1	Regulated rates/fares for trips arranged through an approved App	No	No	No
2	Regulated meter rates (telephone dispatch and street hail) set as maximum	Yes	N/A	N/A
3	Limousine Minimum Rate	N/A	No	No
4	Limousine 30 minute advance booking requirement	N/A	N/A	Yes
Controlled Entry Plate Restrictions				
5	Taxi Plate (Regular)	Yes	N/A	N/A
6	Taxi Plate (Accessible)	To Be Determined		
7	TNC	N/A	No	N/A
8	Limousine Plates	N/A	N/A	No
Municipal License Required				
9	City-issued driver licence	Yes	Yes	Yes
10	Broker (or equivalent for TNC)	Yes	Yes	Yes
Driver Screening				
11	Proof of English Proficiency	Yes	Yes	Yes
12	Canada Proof of Status/Work Permit Eligibility	Yes	Yes	Yes
13	Police Background Check	Yes	Yes	Yes
14	Driver Abstract Check	Yes	Yes	Yes
15	Driver Training	Yes	Yes	Yes
16	Insurance Requirements	Yes	Yes	Yes
Vehicle and Equipment Trade Dress				
17	Municipal Licence on display	Yes	No	No
18	Plate or decal required	Yes	Yes	Yes
19	Physical Rate Decal Required	Yes	No	No
20	Cameras CCTV required	Yes	No	No
21	Roof light with trade dress	Yes	No	Prohibited
22	Vehicle colour trade dress requirements (in or on vehicle)	Optional	No	Prohibited
23	Taxi meter equipment required	Yes	No	No
24	Provide required evidence of mechanical inspection	Yes, every six months	Yes, every six months	Yes, every six months

25	Vehicle age limitations	Yes	Yes	Yes
Operating Conditions				
26	On-street taxi stand access	Yes	No	No
27	Street hails permitted	Yes	No	No
28	GPS tracking requirements (for approved Apps service)	Yes	Yes	Yes
29	Data submission requirements	Yes	Yes	Yes
30	Enforcement audit accounts (Require City access as a condition of approved App to locate in-service App drivers for on-road inspections)	No	Yes	No
31	Requirement to affiliate with only one brokerage	No	No	No