

HALIFAX

**Vehicle for Hire
Licensing Program
Review –
Regulating Brokers and
Transportation
Networking Companies**

Transportation Standing Committee

December 12, 2019

Presentation Overview

- Recommendations
- Background
- Potential Opportunities and Challenges
- Proposed amendments to By-law T-1000 and Administrative Order 39

Recommendations

- Prepare amendments to By-law T-1000 and Administrative Order 39, to regulate Transportation Networking Companies and introduce a new licensing requirement for brokers as set out in the Discussion section of the report, for Council's consideration; and
- Request the Mayor write a letter to the Province to request the required amendments to the *Motor Vehicle Act* to enable the Municipality to charge Transportation Networking Companies a per-trip fee.

Background

- Hara Associates Inc. report “Taxi and Limousine – Vehicle for Hire Industry Review” recommended that:
 - Taxi brokers be licensed by the municipality; and
 - That HRM review licensing TNCs and the terms which they would be permitted to operate
- Citizen Survey
 - 13,400 respondents
 - 88% of respondents requesting that Uber or Lyft be permitted to operate in the region

Potential Opportunities - Transit

- TNCs may provide enhanced first mile/last mile opportunities with public transit
- There are examples across North America of transit agencies entering into agreements with TNCs to supplement existing transit service and, in some cases to introduce service in places where no transit service currently exists.
- Data collected from TNCs and brokers will provide information to inform transportation planning decisions

Potential Challenges – Transit

- If TNCs in the Halifax Transit service area results in significantly decreased ridership, there would be a correlating reduction in the cost recovery of service
- An increase in congestion from TNCs may impact the operating speed and reliability of transit vehicles

Potential Opportunities – Curbside Management & Parking

Curbside Management

- Potential to pilot designated loading or drop off locations
- Accurate data will assist in creating a strong curbside management framework

Parking

- Parking space minimums may be reduced or eliminated. The space may be used for different land uses and economic development opportunities.
- Introducing TNC services may also result in a reduction of individual car ownership

Potential Challenges – Curbside Management & Parking

Curbside Management

- Drop off, pick-up and delivery demands in cities are putting pressure on curb space
- Increased demand curbside may result in more vehicles stopping in unprotected bike lanes or gaps in bus lanes

Parking

- Research suggests that private parking companies at airports have seen significant losses in revenue. This could have a negative impact on the private parking industry locally

Potential Opportunities – Diversity & Inclusion

- TNCs provide the opportunity to those looking for part-time employment to earn additional income
- A portion of a proposed per-trip fee is to be assigned to an accessibility fund. This may be allocated to the following:
 - Access-a-Bus program
 - Fund a wheelchair accessible HRM fleet vehicle
 - Provide grants to accessible taxi owners

Potential Opportunities – Diversity & Inclusion Cont'd

- Residents who own an accessible vehicle may apply to become a TNC driver, thus increasing accessible vehicle options
- TNCs rely on a mobile application-based system which may reduce communication errors between drivers and passengers
- The introduction of TNCs may increase the number of female drivers

Potential Challenges – Diversity & Inclusion

- TNCs must provide service to suburban and rural areas of HRM
- Limited payment options via credit card and mobile app may disadvantage residents who do not have access to the technology
- TNC drivers use of own vehicles may result in limited supply to those requiring a wheelchair accessible vehicle

Proposed By-law Amendments

Licensing of Brokers

Fees

- Staff recommends the introduction of a licensing fee for brokers.
- Some jurisdictions charge taxis a per-trip fee similar to what is charged to a TNC, but staff are not recommending this at this time.
- Staff suggest an annual fee of \$300.00

Proposed By-law Amendments Licensing of Brokers

Reporting

- Staff recommends brokers be required to regularly share their data with the Municipality.
- This data will need to be reviewed and analyzed by staff. Due to the volume of data provided, allocation of staffing resources will need to be considered.

Proposed By-law Amendments Licensing of Brokers

Reporting Cont'd

- Data should include, but will not be limited to:
 - The total number of trips provided;
 - The total number of drivers;
 - The total number of vehicles;
 - The trip pick up and drop off locations; and
 - The average wait time for a call to be actioned.

Proposed By-law Amendments

Licensing of TNCs

Fees

- Staff suggest an annual flat rate licensing fee of \$25,000
- In addition, staff recommend the collection of a \$0.20 per-trip fee
 - An amendment to the Motor Vehicle Act is required to provide the Municipality with the authority to charge a per-trip fee
 - Should legislative authority be granted, staff recommend \$0.07 of this fee to be allocated to an accessibility fund

Proposed By-law Amendments

Licensing of TNCs

Driver Requirements

- The Province of Nova Scotia requires individuals to have a Class 4 licence to operate a vehicle for hire. Based on this requirement, the regulation of drivers intending to drive for TNCs must be the same
- While staff recommend that a Class 5 is appropriate, the Province has indicated that they are considering revisiting the licence requirements for the Class 4 Licence

Proposed By-law Amendments

Licensing of TNCs

Driver Requirements Cont'd

- In addition to the Class 4 license requirement, licensing of TNC drivers should also include:
 - A Criminal Record Check, Vulnerable Sector Check, Child Abuse Registry Check and drivers abstract; and
 - Approval by the TNC to operate as a driver.
- All documentation must be provided to the TNC prior to becoming a driver.

Proposed By-law Amendments

Licensing of TNCs

Insurance

- Staff recommend that TNCs be required to obtain and maintain Commercial General Liability Insurance
- The policy must be in the name of the TNC.
- In addition, the TNCs must obtain and maintain Non-Owned Automobile Insurance

Proposed By-law Amendments

Licensing of TNCs

Reporting

- Staff recommends TNCs be required to regularly share their data with the Municipality.
- This data will need to be reviewed and analyzed by staff. Due to the volume of data provided, allocation of staffing resources will need to be considered

Proposed By-law Amendments

Licensing of TNCs

Reporting Cont'd

- Data should include, but will not be limited to:
 - The total number of trips provided;
 - The total number of drivers;
 - The total number of vehicles;
 - The trip pick up and drop off locations; and
 - The average wait time for a call to be actioned.

Impact on the Taxi Industry

- Loss of customers and drivers to TNCs
- Drivers not operating under a broker required to work under a licensed broker
- Additional competition may drive the taxi industry to provide improved service

Conclusion - Benefits

- The benefits to regulating TNCs and brokers would be:
 - Potential increased supply to service provided during peak hours, evening and weekends;
 - Improved competition among service providers;
 - Providing citizens an alternative and flexible mode of transportation;
 - Providing additional job opportunities, which will provide employment for short-term workers seeking temporary jobs; and
 - Providing data that can be analyzed in relation to enforcement, congestion, potential transit opportunities, and improvement of service for persons with disabilities.

Conclusion – Impacts and Challenges

- Several potential impacts and challenges have been identified in this report, affecting:
 - Transit ridership and revenue,
 - Congestion in the right-of-way as well as congestion at the curb,
 - Lack of service to marginalized communities; and
 - No improvement to accessible transit options.
- The potential impact to the Municipality is unknown at this time without substantial data.
- Staff recommend a review of the data be completed within a two year period to measure the impacts and make recommendations to Council concerning any further actions.

Alternatives

The Transportation Standing Committee may choose to:

- Not recommend that Regional Council direct the Chief Administrative Officer to prepare amendments to By-law T-1000 and Administrative Order 39, to regulate TNCs and brokers. This may impact the reputational risk of HRM as this service has been so highly requested by citizens.
- Recommend that Regional Council not request legislative changes from the Province of Nova Scotia to enable the per-trip fee, and instead cover the cost of regulating TNCs by setting a general tax rate increase, an area rate, or a uniform charge.

Recommendations

- Prepare amendments to By-law T-1000 and Administrative Order 39, to regulate Transportation Networking Companies and introduce a new licensing requirement for brokers as set out in the Discussion section of the report, for Council's consideration; and
- Request the Mayor write a letter to the Province to request the required amendments to the *Motor Vehicle Act* to enable the Municipality to charge Transportation Networking Companies a per-trip fee.