



City of Richmond

Report to Committee

To: General Purposes Committee **Date:** August 30, 2019
From: Cecilia Achiam **File:** 12-8275-02/2019-Vol
 General Manager, Community Safety 01
Re: **Passenger Transportation Board Decisions on Ride Hailing Services in the Province**

Staff Recommendation

That, as described in the report titled “Passenger Transportation Board Decisions on Ride Hailing Services in the Province” dated August 30, 2019, from the General Manager, Community Safety:

- (a) staff be directed to present bylaw amendments to accommodate ride hailing services in Richmond in Fall 2019;
- (b) the proposed interim approach to licence Transport Network Services (TNS) companies ready to operate in Richmond similar to a taxi be endorsed; and
- (c) the City request that the Province address apparent discrepancies in the operating regimes of TNS and taxicab companies in order to create equal competitive conditions and minimize any undue impacts to local communities.

Cecilia Achiam
General Manager, Community Safety
(604-276-4122)

Att. 1

REPORT CONCURRENCE	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: CJ
APPROVED BY CAO 	

Staff Report

Origin

The Passenger Transportation Board (“PTB”) recently announced new regulations and the licencing process that will be implemented to accommodate Transportation Network Services (“TNS”) in the province. TNS is the generic name given to ride hailing services, commonly provided in other jurisdictions by companies such as Uber or Lyft.

A suite of amendments to the *Passenger Transportation Act* and *Motor Vehicle Act* regulations that will come into effect on September 16, 2019, provide the legislative basis for introducing TNS. The legislation provides sole authority to the PTB to consider and approve TSN applications and to set operating areas, fleet sizes, rates and data requirements as a term and condition of a TNS licence.

The new TNS regulations are not fully aligned with existing PTB regulations governing taxi services nor are the City’s existing bylaws aligned with the introduction of TNS companies. This report identifies an interim approach to accommodate TNS companies in Richmond and recommends that the City request the Province to address apparent discrepancies in the operating regimes of TNS and taxicab companies in order to create equal competitive conditions.

This report supports Council’s Strategic Plan 2018-2022 Strategy #8 An Engaged and Informed Community:

Ensure that the citizenry of Richmond is well-informed and engaged about City business and decision-making.

8.1 Increased opportunities for public engagement.

Analysis

Summary of Changes to Regulations

Starting on September 3, 2019, TNS companies will be able to apply to the Province for a licence to begin offering ride hailing services. Applications are anticipated to take six to eight weeks to process, which would allow TNS companies to begin operating in late 2019.

With the new regulations, there are now a number of differences between the operating conditions for TNS and taxicab companies (Attachment 1). Within the province, Metro Vancouver will be part of Region 1 (Lower Mainland/Whistler area) for TNS companies, which also covers the Fraser Valley, Squamish and Lillooet. Unlike taxi services, vehicles operated by TNS companies in Region 1 will not be restricted by municipal boundaries and will be able to operate across the region from Squamish to Hope. Also unlike taxi services, there will be no limit to the number of vehicles that each company may operate.

Restrictions on TNS companies that are similar to existing taxi regulations are that drivers require a Class 4 Commercial Driver’s Licence issued in BC and a Chauffeur Permit. The Province will now issue Chauffeur Permits for both TNS and taxi companies. Prior to the new regulations, municipalities had authority to issue, review and regulate Chauffeur Permits for taxi companies.

With respect to driver licence requirements, a Class 5 passenger vehicle licence allows operation of vehicles such as cars, vans, trucks and motorhomes. A Class 4 commercial vehicle licence allows operation of taxis and limousines with up to 10 persons including the driver. Unlike a Class 5 licence, the process to obtain a Class 4 licence includes the following requirements:

- be at least 19 years old with at least two years of non-learner driver experience;
- demonstrate an acceptable driving record (no more than four pointable offences in the last two years and no serious driving offences in the last three years);
- successfully complete a Class 4 knowledge test and road test;
- successfully complete a vehicle safety pre-trip inspection test;
- complete all testing in English without assistance from a translator; and
- pass a driver fitness medical examination (at application and routinely thereafter as required by the Superintendent of Motor Vehicles).

All taxi and TNS operators are required to obtain a Criminal Record Check with a Vulnerable Sector Check from local police.

Impact to Municipal Regulations

Staff have worked diligently to provide input to these new regulations at every opportunity during the consultation process undertaken by the Province. Even with this effort, Richmond and many local governments were surprised by many of the new regulations.

The PTB regulations also impact the role of local governments in regulating and licencing all passenger directed vehicles including taxis. Unfortunately, these new regulations were not announced by the PTB in time for municipalities to amend their bylaws to align with the timing of the launch of TNS services.

For example, municipalities are no longer able to issue, review or regulate Chauffeur Permits nor will they be permitted to refuse licencing for TNS or taxis that have been licenced by the PTB. In addition to repealing these requirements from City bylaws, the bylaws will have to be amended to reflect the operating model endorsed by the new regulations. City bylaws currently require each individual taxi to be licenced and inspected by City staff. This is likely to be impractical for TNS vehicles, of which there could be hundreds or thousands of vehicles in the region.

In response to the new PTB regulations, staff from Business Licencing and Transportation are developing bylaw amendments to bring forward to Council in Fall 2019.

Furthermore, as the new regulations for TNS will be in effect starting September 16, 2019, staff are seeking endorsement from Council for an interim approach to accommodate TNS companies in Richmond whereby any TNS company ready to operate in Richmond will be licenced similar to a taxi, even though some of those provisions will be eventually repealed. This proposed approach has been explained to each of the TNS companies that have made inquiries to the City since the new regulations were announced and all have acknowledged general support for this approach.

Impact to Existing Taxi Businesses

In the short period since the announcement of the new regulations, local taxi businesses have expressed significant concerns to the City regarding the lack of a level playing field that will exist for taxi and TNS companies despite the two operators providing a similar service.

A key concern identified by local taxi companies is the unlimited fleet size for TNS companies to operate within Richmond. The taxi companies state that the potential impact of unlimited TNS vehicles active at the same time and in the same place competing at all times of the day for the same business may increase traffic congestion, which in turn will harm local business, waste time for all road users, increase air pollution and interfere with efficient public transportation.

Staff note that research conducted in other cities has indicated an increase in congestion levels and a decrease in public transit use following the introduction of ride hailing services.¹ On that basis, staff feel that it is prudent to relay the feedback from taxi companies to the Province and request that the discrepancies in the operating regimes of TNS and taxicab companies be addressed to create equal competitive conditions and, specifically, to reconsider the number of TNS vehicles that may operate in high-congestion areas at the same time.

Financial Impact

None.

Conclusion

Ride hailing services are anticipated to be active in Richmond by the end of 2019. City bylaws will need to be amended to accommodate this new service and will be presented to Council in Fall 2019. In the interim, TNS companies are proposed to be licenced similar to the City's existing regulations for taxi companies. As the new regulations appear to create dissimilar operating conditions between TNS and taxi companies, staff further recommend that the City relay the concerns of local taxi companies and request the Province address these discrepancies in order to create equal competitive conditions and minimize any undue impacts to local communities (e.g., increased traffic congestion and emissions due to proliferation and circulation of TNS vehicles).



Carli Williams, P.Eng.
Manager, Community Bylaws and Licencing
(604-276-4136)
CW:ca



Joan Caravan
Transportation Planner
(604-276-4035)

Att. 1: Summary Comparison of Regulations and Operating Conditions for Taxis and TNS Companies

¹ "TNCs Today: A Profile of San Francisco Transportation Network Company Activity," San Francisco County Transportation Authority, June 2017.

"The New Automobility: Lyft, Uber and the Future of American Cities," Schaller Consulting, July 2018.

**Summary Comparison of Regulations and Operating Conditions
for Taxis and TNS Companies**

Operating Condition	Taxi	TNS (Ride Hailing Service)
Fleet Size	<ul style="list-style-type: none"> • Vehicle cap 	<ul style="list-style-type: none"> • No limit
Geographic Boundary	<ul style="list-style-type: none"> • Limited within specific geographic operating areas 	<ul style="list-style-type: none"> • Permitted to operate across municipal boundaries
Rates	<ul style="list-style-type: none"> • Base fare with no surge pricing 	<ul style="list-style-type: none"> • Equal to taxi base fare with surge pricing allowed
Passenger Booking	<ul style="list-style-type: none"> • Can be hailed from the street • May be booked for hire through an app, phone, or website 	<ul style="list-style-type: none"> • Cannot be hailed from the street • Can only be booked for hire using a transportation network system (app, website or digital dispatch system)
Fare Payment	<ul style="list-style-type: none"> • Charge fares when passenger dropped off • Choice of payment (app, credit, debit, or cash) 	<ul style="list-style-type: none"> • Generally set fees when booking confirmed and prior to passenger pick up • Accept payment only through the TNS application • No cash payment
Trade Dress/Vehicle Identifiers: Outside	<ul style="list-style-type: none"> • PTB plate and vehicle number • Top light on roof of vehicle 	<ul style="list-style-type: none"> • Company name/logo • No requirement for illumination
Trade Dress/Vehicle Identifiers: Inside	<ul style="list-style-type: none"> • Driver record check certificate • Taxi Bill of Rights • Fare and baggage charge information • Information on how to register a complaint • Taxi meter 	<ul style="list-style-type: none"> • No requirement • Driver record check certificate to be available on the online platform
Data Sharing with Province	<ul style="list-style-type: none"> • No requirement 	<ul style="list-style-type: none"> • Required to provide data for monitoring purposes⁽¹⁾
In-Vehicle Camera	<ul style="list-style-type: none"> • Required when operating in PTB taxi camera program⁽²⁾ 	<ul style="list-style-type: none"> • No requirement
Accessible Services	<ul style="list-style-type: none"> • No requirement • PTB goal to have accessible taxis in communities across province that have 8 or more taxis in operation • PTB may require accessible taxis as term and condition of licence application approval 	<ul style="list-style-type: none"> • No requirement • Per trip fee of \$0.30 paid in lieu to Province • Portion of funds to be used to develop alternative accessible transportation service options
Low Emission Vehicles	<ul style="list-style-type: none"> • For any expansion of fleet in Greater Vancouver or the Capital Regional District, all conventional taxis must be gas-electric (hybrid) or all-electric 	<ul style="list-style-type: none"> • No requirement
Vehicle Age	<ul style="list-style-type: none"> • No requirement 	<ul style="list-style-type: none"> • Maximum of 10 years and 1 month

Note:

(1) Data to include: licensee information; trip and shift classification; shift, driver and vehicle information; trip data; trip initiation; trip metrics; pick up/drop off times and locations.

(2) Program areas are Greater Vancouver, Greater Victoria, Chilliwack and Abbotsford areas, Prince George, and Williams Lake.