



## POLICY REPORT LICENSING

Report Date: October 13, 2015  
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Meeting Date: October 20, 2015

TO: Vancouver City Council  
FROM: Chief Licence Inspector  
SUBJECT: Taxi Service Review and Report Back

### **RECOMMENDATION**

A. THAT Council receive this report with an update on recent consultations with the Vancouver Taxi Roundtable and other key stakeholders on the delivery of taxi service in the city (coined the Vehicle for Hire Dialogues), thank the participants for their contributions, and urge the Ministry of Transportation, the Passenger Transportation Board, YVR, the taxi industry, TransLink and other stakeholders to take steps to establish a renewed regional policy direction in the province that balances the needs of travellers with the requirement for a stable, sustainable taxi service in the context of new technology.

B. THAT Council approve the following amendments to the *Vehicles for Hire By-law* and directions to staff:

#### **Safety, First Aid & Customer Service**

B1 Require taxi drivers to obtain Occupational First Aid Level One certification every three years.

B2 Require taxi drivers to take refresher training every five years.

B3 Require taxi drivers to assist passengers with entering the taxi and loading/unloading their belongings.

## Accessible Taxi Supply

B4 Support the VTA to appeal to the PTB to review their 2014 decision and approve 58 additional accessible taxis and change licence conditions for all 78 to remove the “one-for-one” replacement requirement.

B5 Require accessible taxi drivers to:

- i) wait at least three minutes for the passenger to arrive at the pickup point;
- ii) accompany passenger as needed (e.g. provide “door to door” service);
- iii) carry passenger’s items to door; and,
- iv) in the event of medical emergency, wait for paramedics to arrive.

B6 Prepare a region-wide, long term strategy for accessible taxi supply (see broader discussion of a regional taxi model in Recommendation B17 below).

## Downtown Entertainment District

B7 Lift the temporary moratorium on new taxi licences.

B8 Issue permanent licences to the local taxi companies for 99 peak-period, part-time licences (currently issued on a temporary basis).

B9 Issue permanent licences to the 38 suburban taxis to pick up in Vancouver’s Downtown Entertainment Area during weekend peak times, subject to regulations (e.g. fees, operating requirements).

B10 Examine opportunities to establish destination-themed taxi stand “hubs” (e.g. Surrey-bound taxis in one stand, North Shore-bound taxis in another) to better connect passengers with drivers motivated to carry them.

## Enforcement

B11 Increase enforcement levels by:

- 1) requesting staff to work with Vancouver Police Department (VPD) to conduct additional on-road spot checks (and issue fines to violators); and,
- 2) investigating options for using data monitoring as an enforcement tool, particularly to address illegal pickups (see discussion in next section, below, recommendation B13).

B12 Increase the fines (from \$250 to \$500) for taxis operating without a licence (S. 7(1) of the Vehicles for Hire Bylaw) or in violation of their locational or temporal conditions.

### **Advanced Data Monitoring**

B13 Investigate and liaise with the taxi industry, PTB, Ministry of Transportation & Infrastructure and other regulators in the region, and report back with a plan to implement a taxi data monitoring system, including necessary bylaw amendments and estimated budget.

### **Environmental Performance**

B14 Examine options for phasing in requirements for limousines to meet a minimum environmental performance standard for fuel efficiency.

B15 Examine options to enable taxi sharing for certain trips (as per Action M 6.1.4 in the Transportation 2040 Plan).

B16 Examine how taxi policy can support the integration of the Compass Card system with taxis (as per Action T 6.2.4 in the Transportation 2040 Plan).

### **Regional-level Taxi Planning**

B17 In liaison with the Vehicle for Hire industry, key users, other Metro Vancouver municipalities and the PTB, examine options for developing a regional context for informing planning, integration and regulation of the sector, including licensing implications.

B18 Work with participants in the Vehicle for Hire Dialogue to develop a funding platform to enable them to continue the work of the process that is underway and come back to Council with a full scope, timing and funding partners.

### **Ridesharing**

B19 In liaison with other local governments in the region, the PTB, ICBC, the taxi and ridesharing industries as well as key user stakeholder groups (e.g. disabled community, seniors, the Port and tourism), examine the issues and opportunities for rideshare in Metro Vancouver, and report back to Council with findings.

### **Housekeeping Updates**

B20 Increase the fee for a replacement plate to \$34.

B21 Enable taxi licence fees to be paid on a pro-rated basis.

- C. THAT the Director of Legal Services be requested, should the Director deem it advisable, to bring forward by-law amendments generally in accordance with Council direction arising from this report.

## **REPORT SUMMARY**

This report responds to Council direction from one year ago to consult with vehicle for hire (hereafter "VFH") industry stakeholders and consider opportunities to modernize taxi regulations. Having done so, staff are bringing forward 21 recommendations that strive to improve public safety and customer service, broaden accessibility, reduce environmental impact and, above all, ensure access to vehicle-for-hire services.

## **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

The Motor Vehicle Act (Section 36, ss. 11) and the Vancouver Charter give Council the authority to regulate taxis through the Vehicles for Hire By-Law (the "By-law"). The purpose of the By-law is to ensure a high level of passenger safety, security and customer service as private transportation services are an essential component of the City's transportation network, alongside publicly-operated mass transit.

On October 1, 2014 Council asked staff to consult with the Taxi Roundtable and other stakeholders and report back to Council on:

1. measures necessary to expand service, while ensuring the industry responds to the needs of consumers and stakeholders in the tourism, hospitality and the disability community through innovation and best-in-class standards for environmental standards, safety and service;
2. a process to respond to the PTB decision to allow suburban taxis to work in Vancouver during certain periods; and,
3. measures to ensure customers achieve the full benefits of new "ride-sharing" technology without undermining the existing industry's standards for safety, accessibility, driver training and green technology.

Council also implemented a moratorium on new taxi licences that will expire on October 31, 2015, and asked staff to report back prior to this date.

## **CITY MANAGER'S/GENERAL MANAGER'S COMMENTS**

The Acting City Manager recommends approval of the recommendations contained in this report.

## **REPORT**

### **Background**

Vehicles for hire are a vital part of Vancouver's transportation system as an integral element to supporting flexible personal mobility across the region. They provide first and last kilometre service for transit trips and serve as a supplementary on-demand service to TransLink's HandyDART for people with a disability and those for whom

walking, cycling or conventional public transit are not feasible. Taxis offer a flexible, cost-effective and greener alternative to personal vehicle use and significantly reduce the risk of drunk driving.

Some form of taxi transportation has been available for many hundreds of years; however, the first known taxi regulations were introduced in England in 1635 in order to address taxi-related traffic congestion<sup>1</sup>. Many countries, including the United States, Sweden, Australia, New Zealand, Korea, Ireland, Japan and Canada, have followed suit with their own taxi regulations<sup>2</sup>. While the regulatory structures differ considerably around the world, some of the ongoing issues continue to be adequate taxi supply responsive to demand, territorial boundaries<sup>3</sup>, driver training and the passenger experience.

The role of regulating taxis is shared between BC's provincial regulatory body (the Passenger Transportation Board, or "PTB") and the City. The licensing process is application-driven; in other words, the provincial and municipal regulators do not currently initiate increases in taxi supply unless a proposal is first brought forward by a taxi service provider. The PTB issues approval for additional taxis based on their evaluation of: 1. public need for service; 2. applicant fitness and capability; and, 3. sound economic conditions in the industry.

The City sets a limit on the number of taxis that may operate in the City along with requirements for vehicle age and condition, operational standards (e.g. disabled passengers, lost and found), and safety (e.g. driver licensing and vehicle identification). The City may issue taxi licenses to companies only once the PTB has first issued licenses allowing taxis to operate in Vancouver (S. 317.1 of the Charter). Approval from both authorities is required before a taxi may provide transportation service to passengers.

The main role of the PTB is to determine the number of licences, while the City's main role is to ensure quality of service. The PTB and the City hold dual regulatory jurisdiction as established in a Court ruling issued earlier this year.

### *Context*

For many years the PTB (and subsequently the City) increased taxi supply by distributing new licences among the existing Vancouver-based companies. In 2012 the PTB changed course and approved 38 part time licences for suburban companies to pick up fares in Downtown Vancouver during peak weekend times; however, they did not issue reciprocal rights for Vancouver companies to pick up in suburban areas. This fundamental change in the overarching policy was opposed by the Vancouver taxi companies and challenged in court. Initially the City refrained from issuing the 38 licences pending the appeals and legal proceedings. In October 2014, shortly after the

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<sup>1</sup> Haydon, Andrew et al, Taxi Industry Reform: Report for the Ottawa Transition Board, September 11, 2000, p 11

<sup>2</sup> Kang, Choong-Ho, Taxi Deregulation: International Comparison, Ph.D. Dissertation, Institute for Transport Studies, University of Leeds, 1998 p. 15

<sup>3</sup> Lanyon, Stan, A Study of the Taxi Industry in British Columbia, Ministry of Transportation and Highways, 1999, p 82-83. GVTA refers to the Greater Vancouver Transit Authority.

last appeal was resolved, Council established a temporary moratorium on the issuance of new taxi licences until broad stakeholder consultation and best practices research was conducted.

This all took place against the backdrop of notable increases in ridesharing and the emergence of new technologies, like those offered by Uber (note: Uber announced it would launch its service in BC in 2012, but currently is not operating). The Vancouver taxi industry continued to improve safety and accessible service, and make investments in new technology. Most recently they launched a new smartphone application, called E-Cab, that allows consumers to summon the nearest taxi available in Vancouver, rate their driver and pay online.

In this report, staff are recommending immediate, short term and long term necessary changes to the City's Vehicle for Hire regulations. Following in-depth consultation for the last six months, it has become clear that a much deeper assessment is required by major stakeholders in the sector, including YVR, the tourism industry, the Ministry of Transportation, TransLink and other stakeholders to chart an appropriate direction forward. This work is urgently required and staff propose that Council call on all these stakeholders, particularly the Ministry, to collaborate on a continuation of the Dialogue process as described below.

### *Consultation*

In order to respond to Council's motion, staff would ordinarily consult with various stakeholders individually to receive feedback, assess the information and then formulate recommendations for Council consideration. The Vehicle for Hire Dialogue provided a platform for industry providers, users, the City and Provincial regulators to engage directly with one another, thereby achieving a higher degree of common recognition of the challenges and opportunities facing the sector. This is particularly important given the degree of change facing the sector, the changing expectations of users, and the need for regulators in general (and the City in particular) to develop responsive and effective approaches. The City retained the services of Glenn Sigurdson, an Adjunct Professor and Executive in Residence of the SFU Beedie School of Business. Mr. Sigurdson has a national reputation in Canada for facilitating consensus amongst stakeholders in sectors facing significant change.

Mr. Sigurdson and his colleague, Jessica Bratty, have deep experience and a long track record in leading initiatives of this nature in a broad range of contexts. Their work over the last few months has made clear that addressing the challenging goals contained in Council's motion necessitated facilitation professionals.

### *Vehicle for Hire Dialogues*

In April 2015 Glenn Sigurdson and Jessica Bratty engaged with key stakeholders in the taxi and transportation sector: vehicle for hire providers, users, institutional stakeholders and regulators (see Appendix A for a complete list) to explore those stakeholders' interest in developing a process to work together to seek agreement on a set of recommendations that respond to the direction of City Council.

The purpose was to provide an opportunity for diverse representative perspectives from different communities of interest to exchange ideas. The Dialogues searched for new and innovative approaches to address the challenging questions related to the Vehicle for Hire sector and arrive at a vision for the future together. The City's role is as enabler and as the regulator to protect the public interest. Staff supported and encouraged stakeholders to take the lead and identify how best to transition through the period of change currently facing the VFH sector in a way that helps to meet the City's mandate and the public interest.

The Vehicle for Hire Dialogue process proceeded through distinct phases. The first phase from April to June was directed at ensuring there were clear expectations among participants as to their willingness to engage and the basis upon which they were doing so. A set of ground rules was established and agreed to by all parties on (June 16, 2015) and are made available at <http://bit.ly/1VQw0Rj>

Concurrent with the ground rules were discrete working group efforts directed at understanding of supply and demand dynamics, service standards and regulatory alignment. There have been five Inclusive Dialogue Sessions (with all participants) as well as 14 meetings of smaller working groups (made up of representatives from industry, regulators and users).

In mid-August 2015 Dr. Dan Hara was retained by the process facilitators to inform and support the Dialogue and develop a discussion paper to provide a framework of choices for understanding supply and demand, available options, comparisons to other jurisdictions, and technology platforms for monitoring and enforcement. The paper was shared with the group and provides important facts and context for the Vancouver area. It is by no means conclusive. This paper, still in draft form, has been reviewed and endorsed by the Vehicle for Hire Dialogue participants. His draft report and associated appendix are made available at <http://bit.ly/1L9nGJp>.

Intensive efforts to mediate a resolution on licensing of suburban operators inside the City were not successful. Although consensus was not achieved on this issue, the process was able to open communication channels among a diverse range of interests. On September 3, 2015 the Vehicle for Hire dialogue agreed that discussions underway are helpful and should continue.

### ***Strategic Analysis***

Traditionally regulators have limited the number of taxi licences available, and in exchange, regulators have required the taxi industry to provide service that meets desirable public objectives. This arrangement has enabled the taxi industry to remain viable, even though they are obligated to accept economically unfavourable fares (e.g. during slow periods, accessible trips, intoxicated passengers), provide consistent rates (regardless of demand or higher costs to the taxi provider), and invest in eco-friendly vehicles (e.g. hybrids). This quid pro quo approach has been a win-win for government regulators (seeking to meet the public interest), the industry (seeking certainty and profitability) and the passenger (seeking anytime trips at a reliable price). A robust supply of accessible taxis and trained drivers is also made possible

using this approach<sup>4</sup>. As well, the constraint on the total number of taxis on the streets helps to ensure road safety and prevent traffic congestion in busy areas<sup>5</sup>.

Vancouver has a mix of taxis serving the disabled and able-bodied, as well as additional taxis that serve the peak-demand periods (see Table 1 and Figure 1 below).

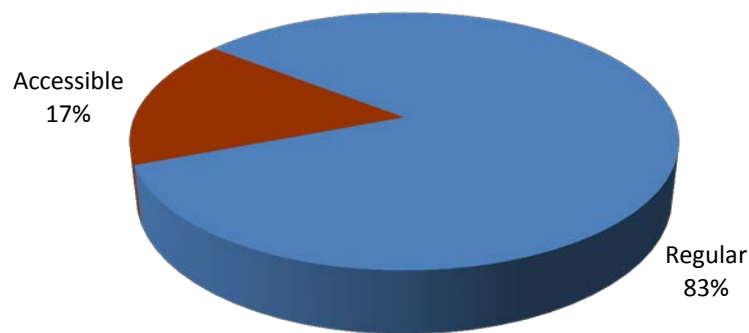
Table 1: Current Taxi Supply

	Regular Taxis	Accessible Taxis	Total
Vancouver Taxi Companies (4)	475 full-time	113	588
	99 part-time <sup>1</sup>		99
	Total Vancouver		687
Other Metro Vancouver Companies (29)	1,346 full-time	307	1,653
Total (33)			2,340

<sup>1</sup> Temporary taxis operating 3 pm – 6 am on weekend evenings only

Note: there are active 2,987 chauffeur's permits (i.e. licensed vehicle for hire drivers) in Vancouver, or a ratio of 4.3 licensed drivers for each taxi.

Figure 1: Accessible Taxi Licences vs. Regular in Vancouver



Like numerous other jurisdictions, the Ministry of Transportation & Infrastructure (with PTB approval) and the City issue a limited number of taxi licences at a nominal cost (in Vancouver, \$548/year), subject to service providers meeting PTB and City regulations.

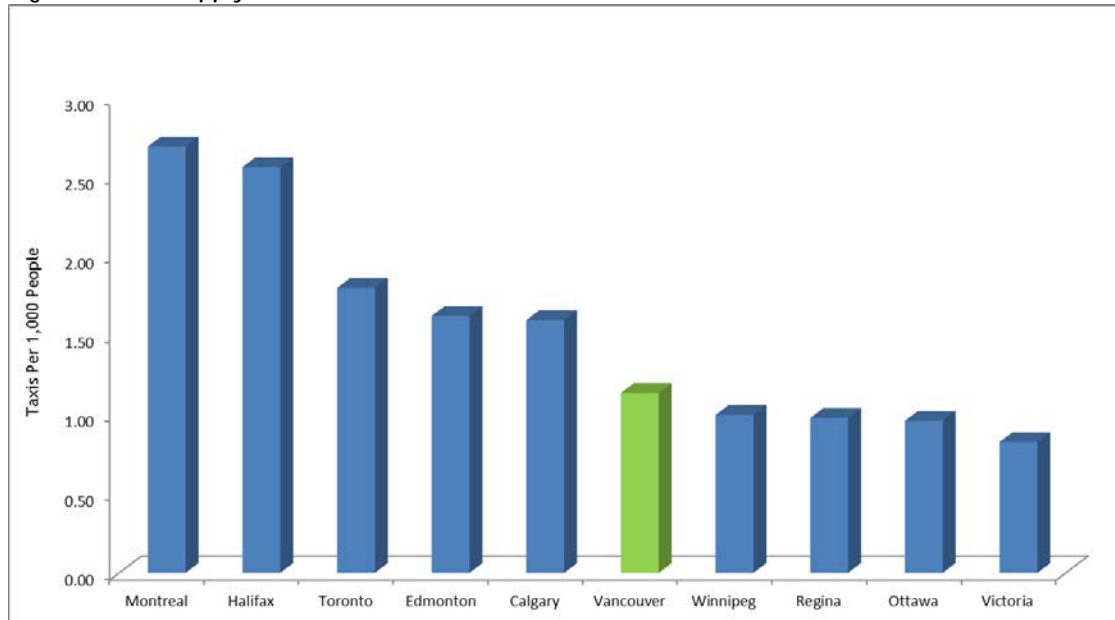
<sup>4</sup> According to *Analysis of Accessible Taxi Service in Vancouver* (Chow, Garland, p. 8, 2014), accessible taxis carry disabled passengers for only 12 percent of total trips, indicating that accessible supply in Vancouver is significant.

<sup>5</sup> According to taxi expert Garland Chow, "Excess capacity can lead to a competitive environment where... unsafe operating practices are inadvertently encouraged." From "Peak Demand and Supply of Taxis in Vancouver's Downtown Entertainment District", 2011.



Compared to other jurisdictions, the size of Vancouver’s taxi supply is middle of the road:

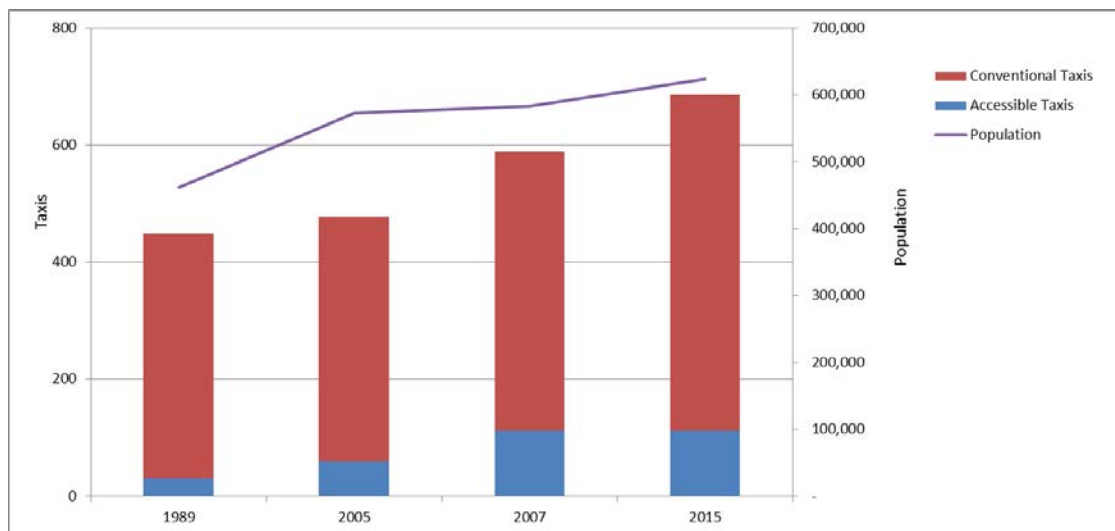
Figure 2: Taxi Supply



Sources: Statistics Canada, individual municipalities, and Hara 2015

From 1989 to 2015 the annual growth in Vancouver’s taxi supply (1.7 percent) exceeded population growth (1.3 percent):

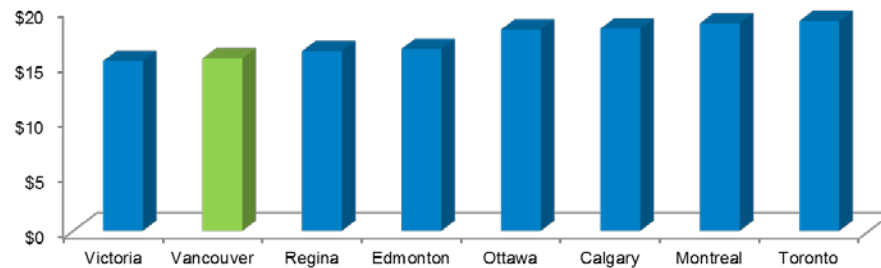
Figure 3: Taxi Licences and Population in the Vancouver (City)



Note: for purposes of readability, date intervals are unequal.  
Sources: Licences and Inspections; Statistics Canada

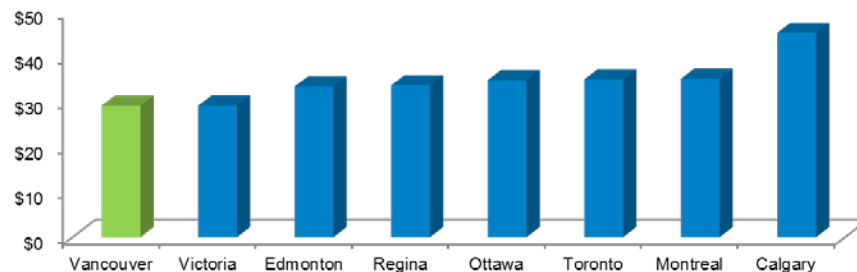
Compared with other jurisdictions in Canada, taxi fare rates in Vancouver are among the lowest (see Figure 4 and Figure 5). Likely for this reason, fare levels are rarely identified as an issue in customer feedback on the industry.

Figure 4: Taxi Fare Comparison (short trip\*)



\*A short trip is based on a trip from Canada Place to Oakridge Centre (12 minutes driving time, 6 minutes idling time, for a distance of 6.8 km)

Figure 5: Taxi Fare Comparison (airport trip\*)



An airport trip is based on a trip from YVR Airport to the Fairmont Hotel at weekend peak time carrying baggage (21 mins driving, 12 mins idling, for distance of 14.1 km).

In the past few years, the vehicle-for-hire landscape has been changing. Despite comparatively high performance in taxi supply and rates, the public's expectation for taxis is increasing. People are seeking greater convenience, shorter waits and higher quality vehicles. The aging population relies more and more on conventional and accessible taxis to meet their transportation needs. Furthermore, technological advances (electric cars, app-based hailing platforms) are changing both what's possible and what's necessary to meet taxi service demand. Transit, bicycling, car sharing (e.g. Modo, car2go) and ridesharing (e.g. Uber, Lyft) are improving the viability of car-free lifestyles supplemented by taxi service.

The Transportation 2040 Plan recognizes that for-hire vehicles fill the gap when walking, cycling, and public transit are not options. The Plan supports improved taxi service by setting requirements (e.g. vehicle age and condition, driver licensing and identification, and vehicle inspections). The City uses intelligent regulation to set

requirements for safe, efficient and accessible service, while ensuring that the Vancouver taxi industry continues to be a viable and highly effective part of the transportation network. The City's goal is modern, forward-looking taxi service that enables:

1. Safe Operation
2. Access for all (including disabled or low-revenue trips)
3. Reliability and quality service
4. A prosperous local economy
5. Fairness and balance for all taxi industry stakeholders

The City aims for regulatory alignment with the PTB and the Ministry of Transportation & Infrastructure to enable the exploration of long-term strategies on how to best serve the needs of Vancouver residents and visitors alike.

### **VANCOUVER TAXI INDUSTRY IMPROVEMENTS**

Any discussion of the state of taxi service in Vancouver must start with the many ongoing improvements completed (or soon to be completed) by the local industry voluntarily:

#### **Safety**

- Convene safety committee meetings

#### **Issues Resolution**

- Discipline drivers (suspensions or mandated training) for infractions of City regulations or company policy
- Deal with complaints and respond to complainants directly (non-serious matters)
- Forward serious matters to Vancouver Police

#### **Service Levels**

- New technology platforms one of which is E-Cab: a smartphone app that allows passengers to summon the nearest available cab from any of the four Vancouver companies
- Provide staff to assist in loading and directing passengers Downtown during peak times
- Require drivers to complete in-house, one-day training (i.e. in addition to the required TaxiHost Pro course)
- Provide automated phone alerts and a text-based request option
- Driver pay cheques issued on a twice-monthly (rather than once-monthly) basis to discourage drivers from refusing credit card payments from customers
- Provide bike racks on taxis (to be installed on 10 percent of fleet by year's end)

### **ISSUES AND OPPORTUNITIES**

As noted in the preceding sections, the vehicle for hire industry is changing, as are customer service expectations and technological innovation. These changes have precipitated issues to address as well as opportunities to grasp. The following sections

describe the key issues and opportunities, and make recommendations for Council's consideration.

Note that timing estimates are provided as follows:

Immediate	Within one month
Short Term	One to three months
Long Term	Over three months

*Opportunity: Safety & First Aid (Recommendation B1)*

As the city's population ages, they will rely more on taxis for mobility and pose a higher risk of medical emergency while doing so. A taxi driver may be called upon to provide assistance to someone requiring immediate medical attention. To prepare them for this possibility, some jurisdictions require taxi drivers to have a basic understanding of first aid.

Saint John's Ambulance teaches Occupational First Aid (OFA) that covers:

- emergency scene management
- minor wound care
- clearing airway obstructions
- cardiopulmonary resuscitation
- treating shock and severe bleeding, and
- handling other medical emergencies

The Level One OFA course is offered regularly and costs \$101.

Staff Recommendation	Timing
<b>B1</b> Require taxi drivers to obtain OFA Level One certification every three years	Short Term

*Issue: Safety & Customer Service (Recommendation B2 and B3)*

Although Vancouver has not conducted a representative opinion survey, it is possible to gain a sense of issues with taxi service from a recent survey<sup>6</sup> of taxi passengers in the Metro Vancouver region:

- long wait times (37 percent)
- indirect route (29 percent)
- reckless driving (24 percent)
- no show (17 percent)

<sup>6</sup> Insights West, *Metro Vancouver Attitudes to Transportation Options*, 2014.

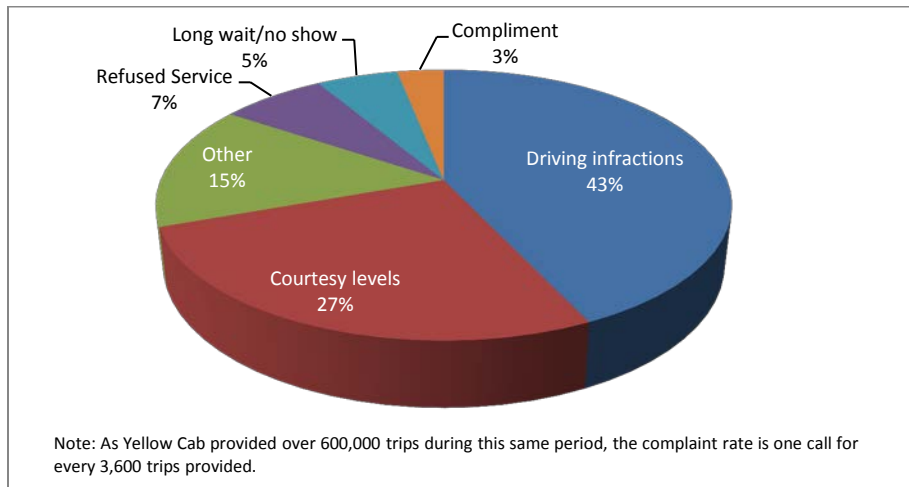
➤ unclean vehicle (16 percent)

Note: as the survey captured opinions of passengers in all of Metro Vancouver, the opinions on the service of non-Vancouver-based taxis is included in this data.

Calls to the City (via 311) over the past three years have been infrequent. A total of 55 calls were recorded, with the majority about ridesharing (discussed in greater detail later in this report) and driving infractions (e.g. parking, speeding) by taxi drivers.

Yellow Cab, the largest taxi company in Vancouver, kindly shared their feedback data with the City:

Figure 6: Feedback to Yellow Cab Via Compliments/Complaints Phone Line



Source: Yellow Cab, June 1 to September 2, 2015

Yellow Cab received 167 calls over a three month period. While some callers paid compliments, the majority were regarding driving infractions (e.g. speeding, not signalling) and driver courtesy levels (rude comments, failure to assist). These issues may be improved with industry and City-led measures such as driver training and additional enforcement.

An examination of regulations in other jurisdictions found that some require taxi drivers to take refresher training. The Justice Institute presently offers the 30 hour TaxiHost Pro course that all Vancouver drivers must take pre-employment. The Institute is currently developing a post-employment refresher course that would last one day and cost \$100. They advised that it would be beneficial to take this course each five years.

Staff Recommendations	Timing
B2 Require taxi drivers to take refresher training every five years	Immediate

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<b>B3</b> Require taxi drivers to assist passengers with entering the taxi and loading/unloading their belongings	Immediate
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*Issue: Accessible Taxi Supply (Recommendations B4 to B6)*

Members of Vancouver's disabled community report that accessible taxi service is high quality (e.g. vehicles are safe, drivers are knowledgeable and courteous), but that wait times are too long. For patrons needing an accessible taxi, this represents more than lost time: it may mean that medical appointments or medicine doses are missed, washroom visits are delayed, and chronic pain sufferers are left with additional discomfort. A reasonable target would be for disabled passengers to wait no longer than an able-bodied passenger for a taxi to arrive, and that average wait times should be short most of the time. A recent study finds that response times in Vancouver are twice as long for accessible taxis as regular taxis. Over 30 percent of disabled passengers wait more than 15 minutes for an accessible taxi<sup>7</sup>; this response time falls well short of the PTB's indicator of reasonable service (i.e. no more than eight percent of passengers waiting longer than 15 minutes).

Supported by the findings of the aforementioned study, the Vancouver Taxi Association applied to the PTB for 78 additional accessible taxi licences. In December 2014 the PTB approved 20 licences and created a "one-for-one" stipulation that discourages use of these new accessible vehicles during peak times<sup>8</sup>.

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Staff Recommendations	Timing
<b>B4</b> Support the VTA to appeal to the PTB to review their 2014 decision and approve 58 additional accessible taxis and change licence conditions for all 78 to remove the "one-for-one" replacement requirement.	Immediate
<b>B5</b> Require accessible taxi drivers to: <ul style="list-style-type: none"> <li>i) wait at least three minutes for the passenger to arrive at the pickup point;</li> <li>ii) accompany passenger as needed (e.g. provide "door to door" service);</li> <li>iii) carry passenger's items to door; and,</li> <li>iv) in the event of medical emergency, wait for paramedics to arrive.</li> </ul>	Immediate

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<sup>7</sup> Hara and Associates, "Assessment of Public Need for 78 Vancouver Accessible Taxi Licences", 2014.

<sup>8</sup> The PTB required that during weekend peak times, the 20 new accessible taxis must be removed from service, or failing that, a commensurate number of conventional taxis must be removed from service (i.e. a "one-for-one" requirement).

<b>B6</b> Prepare a region-wide, long term strategy for accessible taxi supply (see broader discussion of a regional taxi model in Recommendation B17 below)	Long Term
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*Issue: Downtown Entertainment District (Recommendation B7 to B10)*

Late-night, weekend taxi service in the Granville Entertainment District (GED) plays a key role in helping Police to clear out intoxicated bar patrons. This is especially true at bar closing when demand surges higher than supply, and the potential for drunk driving and incivilities in the area increase.

Many bar patrons are seeking a suburban destination. While Vancouver-based taxis are authorised to pick up fares in Vancouver, suburban taxis may not (i.e. they may only drop off in Vancouver). As a result the opportunity for suburban-bound taxis to take suburban-bound passengers is thwarted.

Several issues require further consideration. In October 2012 the PTB approved an application for 38 part-time suburban taxi licenses to operate Downtown on the weekend. The PTB noted issues associated with peak period taxi supply in this area include: longer waiting times, taxi unavailability, and trip refusals, especially for trips to the suburbs. The PTB report considered studies, Administrative Reports from the City, information from municipalities, data provided by applicants and other supporting documentation. The PTB concluded that the evidence supported additional taxi service.

This subject was discussed as part of the Vehicle For Hire Dialogues and, after much deliberation, on September 3<sup>rd</sup>, 2015 it was concluded that all parties would agree to disagree in order for the Dialogue process to continue. Having considered the Dialogue discussions and the evidence, staff make the following recommendations:

Staff Recommendations	Timing
<b>B7</b> Lift the temporary moratorium on new taxi licences.	Immediate
<b>B8</b> Issue permanent licences to the local taxi companies for 99 peak-period, part-time licences (currently issued on a temporary basis).	Immediate
<b>B9</b> Issue permanent licences to the 38 suburban taxis to pick up in Vancouver's Downtown Entertainment Area during weekend peak times, subject to regulations (e.g. fees, operating requirements).	Immediate
	Short Term

Staff Recommendations	Timing
<p><b>B10</b> Examine opportunities to establish destination-themed taxi stand “hubs” (e.g. Surrey-bound taxis in one stand, North Shore-bound taxis in another) to better connect passengers with drivers motivated to carry them.</p>	
<p><i>Issue: Enforcement (Recommendations B11 and B12)</i></p>	
<p>There is a high rate of unauthorised taxi pickups in Vancouver. According to one estimate between 9 and 16 percent of taxis operating on weekend evenings Downtown are unlicensed suburban taxis<sup>9</sup>. Current enforcement tactics appear insufficient to deter this practice. In September 2015, the VTA launched a lawsuit against the suburban taxi companies, alleging unauthorized taxi pick-up practices.</p>	
<p>Currently, the enforcement tool readily available to the City is spot checks leading to ticketing and fines against violators (either under the Vehicles For Hire Bylaw or the Passenger Transportation Act); however, in the future, data tracking systems will give rise to more sophisticated and less labour intensive monitoring approaches (see Recommendation B13).</p>	
<p>Council should approve steps to improve enforcement against taxis operating illegally in the City of Vancouver.</p>	
Staff Recommendations	Timing
<p><b>B11</b> Increase enforcement levels by:</p> <ol style="list-style-type: none"> <li>1) requesting staff to work with Vancouver Police Department (VPD) to conduct additional on-road spot checks (and issue fines to violators); and,</li> <li>2) investigating options for using data monitoring as an enforcement tool, particularly to address unauthorized pick-ups (see discussion in next section, below, Recommendation B13)</li> </ol>	Short Term
<p><b>B12</b> Increase the fines from \$250 to \$500 for taxis operating without a licence (S. 7(1) of the Vehicles for Hire Bylaw) or in violation of their locational or temporal conditions.</p>	Immediate

*Opportunity: Advanced Data Monitoring (Recommendation B13)*

The advent of highly sophisticated geolocational data tracking capabilities has enabled the potential for regulators to monitor specific movements and activities of taxis. This

<sup>9</sup> Ibid.



means that previously-unknowable information can be obtained, measured and analysed, including:

- the number and location of taxis operating
- number of trips, including pickup and drop-off locations
- trip distance and duration
- taxi response times
  
- taxi route for each trip
- taxi industry revenue

Staff recently visited the City of Calgary to inspect their taxi data tracking system. Calgary is able to use their system to provide valuable insight into taxi policy issues such as:

- i. whether additional taxi supply is warranted (including when and where demand is greatest)
- ii. where to place taxi stands
- iii. incident investigations (e.g. assaults, indirect route complaints)
- iv. bylaw violations (e.g. operating at a disallowed time or location)
- v. industry system issues such as malfunctions or inefficiencies
- vi. future demand patterns

Such a measure in Vancouver would require significant cooperation among local regulators (Vancouver, PTB and other Metro jurisdictions) and the taxi industry (33 companies operating regionally).

By comparison, large metropolitan cities such as Chicago and New York receive this level of information. It allows these regulators to make informed decisions and ensure compliance with regulations. It is important to note that monitoring and enforcement through data is promoted as best practice by the International Association of Taxi Regulators (IATR) and referenced in report by Dan Hara.

Staff Recommendation	Timing
<b>B13</b> Investigate and liaise with the taxi industry, PTB, Ministry of Transportation & Infrastructure and other regulators in the region, and report back with a plan to implement a taxi data monitoring system, including necessary bylaw amendments and estimated budget.	Short Term

*Opportunity: Environmental Performance (Recommendation B14 to B16)*

Alongside walking, biking, transit, and car sharing (e.g. Car2Go, Modo), taxis provide essential support to Vancouverites who want to drive less, or live car-free. The City's sustainability goals emphasise the importance of convenient, comfortable and safe taxi service. For example a Greenest City Action Plan Key Strategy is to "Advance

policies that encourage residents to reduce car ownership and use". Taxi policy can support this Strategy to increase the efficiency of taxis by enabling taxi sharing and supporting better integration of transit and taxis.

The regulation of individual taxi vehicles can also improve their environmental performance. For example, an existing PTB requirement ensures that taxis meet a minimum fuel efficiency level:

	<i>Fuel Efficiency Requirement<sup>10</sup> (litres per 100 km)</i>
Regular Taxi	6.9
SUV and Full Size	8.0
Vans/Minivans	10.1

Although the PTB does not require limousines to meet an eco-friendly standard, they have created a guideline for limousines (i.e. an "eco-friendly limousine" definition<sup>11</sup>). The availability of this guideline provides an opportunity for local governments to encourage or require improved performance by limos in the future.

<b>Staff Recommendations</b>	<b>Timing</b>
<b>B14</b> Examine options for phasing in requirements for limousines to meet a minimum environmental performance standard for fuel efficiency.	Long Term
<b>B15</b> Examine options to enable taxi sharing for certain trips (as per Action M 6.1.4 in the Transportation 2040 Plan).	Short Term
<b>B16</b> Examine how taxi policy can support the integration of the Compass Card system with taxis (as per Action T 6.2.4 in the Transportation 2040 Plan).	Long Term

#### *Opportunity: Regional-level Taxi Planning (Recommendations B17 and B18)*

The current system of taxi licencing follows a controlled-access model under which the PTB and the City limit the total supply of available taxi licences. The PTB approves applications for additional licences only when a taxi company makes application and presents sufficient evidence to support additional supply. There is merit to moving from an application-driven model to one in which cities also play a part in assessing and determining taxi supply. This would enable local governments to respond more quickly to shifts in demand, and would enable coordinated taxi service planning at a

<sup>10</sup> Fuel efficiency must meet or beat this standard.

<sup>11</sup> Generally speaking, an "eco-friendly" limo is differentiated from a conventional limo with respect to engine type (e.g. gasoline-electric hybrid or a bio-diesel).

regional level. Data monitoring capabilities (recommended above in B13) would enable a robust approach to planning taxi supply, including addressing sub-area deficits and placing taxi stands.

A shift of this scale in the approvals process would require significant cooperation among local and provincial regulators, as well as legislative amendments by the provincial government. Upon receiving direction from Council, staff would continue discussions with our provincial counterparts, as well as our Vehicle For Hire Dialogue partners, to move this idea forward.

Staff Recommendations	Timing
<b>B17</b> In liaison with the VFH industry, key users, other Metro Vancouver municipalities and the PTB, examine options for developing a regional context for informing planning, integration and regulation of the sector, including licensing implications.	Long Term
<b>B18</b> Work with participants in the VFH dialogue to develop a funding platform to enable them to continue the work of the process that is underway and come back to Council with a full scope, timing and funding partners.	Short Term

#### *Opportunity: Ridesharing (Recommendation B19)*

Rideshare companies are a relatively-recent addition to the taxi industry. Uber, based in San Francisco, is perhaps the best-known rideshare company. Their most prevalent service offered is called UberX (hereafter "Uber"). As Uber is the largest ridesharing company in the world, it is profiled in this section of the report.

Uber uses a smartphone application (i.e. a smartphone app) to connect riders with available drivers to provide taxi services using their personal vehicles. The key differences between the Uber and conventional taxis are:

	Uber's Ridesharing Model	Regulated Taxi Model
<b>Supply</b>	Unregulated number of vehicles	Capped
<b>Fares</b>	Unregulated minimum or maximum fares, including surge pricing	Consistent fares 24/7
<b>Safety Standards</b>	Self-conducted vehicle and driver safety checks	Conducted by objective third party
<b>Liability</b>	In-house training Drivers' personal insurance coverage coupled with a blanket liability policy	Conducted by Justice Institute Commercial vehicle insurance from ICBC

	Uber's Ridesharing Model	Regulated Taxi Model
Licencing	Class 5 Driver's Licence (non-commercial use)	Class 1, 2 or 4 (commercial use)

Note: ridesharing companies operate in a variety of jurisdictions and under a variety of regulatory approaches ranging from unregulated to somewhat regulated. This table described how they operate when unregulated.

The rideshare model poses both opportunities and concerns for regulators. On one hand rideshare companies represent a leap forward in taxi supply and service. The public has responded positively to enhancements such as app-based requests, cashless payment and online driver reviews (the taxi industry has recently introduced similar functionality). It is worth noting that of 55 calls to the City about taxi issues over the past 4 years, most (31 percent, or 17 calls) were in favour of ridesharing, while two calls were opposed. In markets that Uber is operational, there is evidence that the significant increase in supply has resulted in shorter wait times, lower fares, and higher customer satisfaction.

On the other hand, rideshare raises significant concerns about passenger safety, future taxi industry viability<sup>12</sup>, and the availability of accessible service to disabled persons.

Numerous jurisdictions around the world are regulating (or working to regulate) the ridesharing industry. According to Uber, they are regulated in over 60 cities in the US, The Philippines and Mexico City. The emerging body of regulations address driver record checks, vehicles inspections, insurance, accessible service, security cameras, pricing models, street hails and data sharing. Among those leading the way are New York, Chicago, Portland and Seattle, and in Canada, Edmonton and Toronto are actively considering regulations.

To date no rideshare company has sought (or received) PTB approval to operate in BC; however, should this change in the future, the City will need to determine whether to regulate them, and if so, how to ensure the public interest continues to be served. Any change to City policies for ridesharing should consider whether similar changes to the regulations are warranted for taxis as well.

It is worth noting that ridesharing increases opportunities for significant advances in transportation such as:

- a) universal app-based service in which the customer may choose from the nearest available vehicle regardless of whether it is offered by a rideshare or taxi provider;
- b) rideshare carpooling<sup>13</sup>; and,

<sup>12</sup> "Transportation Networking Companies and the Ridesourcing Industry" found several studies that estimate the impact of ridesharing in a location reduces total taxi market share by 10 and 40 percent.

<sup>13</sup> Technology makes it easy to calculate the previously-difficult apportioning of taxi costs among two or more passengers in the same vehicle. For example, Uber offers two products uberCOMMUTE (in pilot stage in China) and UberPOOL.

- c) “driverless” technology. (To be fair both the ridesharing and taxi industries are signalling their intentions to align their business models to this emerging technology.)

Staff Recommendation	Timing
<b>B19</b> In liaison with other local governments in the region, the PTB, ICBC, the taxi and ridesharing industries as well as key user stakeholder groups (e.g. disabled community, seniors, the Port and tourism), examine the issues and opportunities for rideshare in Metro Vancouver, and report back to Council with findings.	Short Term

*Opportunity: Housekeeping Updates (Recommendations B20 and B21)*

Through the course of this policy review, staff encountered several issues in need of minor issues requiring housekeeping updates, discussed below:

- a) The City charges a \$23 service charge for a replacement plate. The rate has not changed for the past few years; however, the City’s costs have increased and surpassed the fee (to a total of \$34 per plate). Staff are recommending a fee increase to recover these costs; it will only affect licensees who require replacement plates.
- b) The City allows Business Licence fees to be paid on a pro-rated basis (e.g. an applicant in December pays a fee that is one-twelfth of the annual fee for that year). Currently, taxi licence fees are not given this same treatment (i.e. an applicant in December pays the entire annual fee for a licence even though it expires within a month). Staff are recommending that pro-rated taxi licence fees be allowed.

Staff Recommendations	Timing
<b>B20</b> Increase the fee for a replacement plate to \$34.	Immediate
<b>B21</b> Enable taxi licence fees to be paid on a pro-rated basis.	Immediate

*Financial*

Most recommendations contained in this report are cost-neutral to the City; however, if Council eventually chooses to implement a data monitoring system (**B13**) or a regional taxi service planning model (**B17**), these measures would require additional

and significant investment. Staff will report back with cost estimates as part of this work.

The additional enforcement measures (B11) are projected to be self-financing (i.e. the fine revenues will cover the cost of enforcement staff).

It should be noted that certain measures are expected to have a cost impact on the taxi industry (i.e. the requirement for refresher training, first aid training, and liability insurance). The costs of these measures are reasonable compared to the improvements to service and public protection.

## ***CONCLUSION***

The Vehicle for Hire industry and, more specifically the regulation of this industry for the benefit of the public, has undergone almost constant change and reinvention during its long history. The provision of ground transportation services is once again on the verge of transformation as technological advances, service expectations and environmental prerogatives evolve. Vancouver is on the cusp of this change. This report brings forward 21 measures to harness the benefits of change, while ensuring that traditionally-underserved citizens - the disabled, the young, the off-peak passenger- continue to have access to essential transportation services.

\* \* \* \* \*

APPENDIX A: VEHICLE FOR HIRE DIALOGUE INVITEES

<b>Name</b>	<b>Affiliation</b>
Sarb Nagra	BC Limousine Association
Mano Virk	BC Limousine Association
Mohan Kang	BC Taxi Association
Robbie Dhillon	Black Top Cab
Saif Ullah	Black Top Cab
Amandeep Garcha	Black Top Cab
Kara Loy	CERES
Alison Chow	CERES
Heather McCain	Citizens for Accessible Neighbourhoods
Andreea Toma	City of Vancouver
Paul Storer	City of Vancouver
Thor Kuhlmann	City of Vancouver
Sarah Hicks	City of Vancouver
Pam Hayes	City of Vancouver
Praneeta Simadri	City of Vancouver
Lorraine Logan	COSCO
Charles Duncan	Delta Sunshine and Tsawwassen Taxi
Maheshinder Sidhu	Delta Surrey Green Cabs / Delat Sunshine Taxi
Jane Dyson	Disability Alliance BC
Charles Gautier	Downtown Vancouver Business Improvement Association
Patti Gleeson	Guildford Cab
Craig Jangula	Jangula & Company / Gvt Relations for VTA
Harry Randhawa	Justice Institute of BC
Peter Stamm	Kimber Cabs
Rahim Lalani	Legacy Limosine
Gurpal Nagra	MacLure's Taxi
Jas Sidhu	MacLure's Taxi
Timothy Weigelt	Member, Users Advisory Committee, TransLink
Deborah Littman	Metro Vancouver Alliance
Sarj Sanghera	Newton Whalley Taxi
Gurdip Sahota	North Shore Taxi
Michael McCubbin	on behalf of Ripe Rides
Bill McLachlan	on behalf of the Suburban Taxi Companies
Melanie Vipond	on behalf of the Vancouver Taxi Association
Taylor Clarke	on behalf of the Vancouver Taxi Association
Peter Gall	on behalf of the Vancouver Taxi Association
Michael McGee	Passenger Transportation Board
Jan Broocke	Passenger Transportation Board
Kristin Vanderkuip	Passenger Transportation Branch
Cathy Browne	Persons with Disabilities Advisory Committee
Laura Mackenrot	Persons with Disabilities Advisory Committee
Whitney Gordon	Port Metro Vancouver
Carmen Ortega	Port Metro Vancouver
Ella Huang	Richmond Centre for Disability

Ottis Perrick	Ripe Rides
Ricky Goraya	Ripe Rides
Byron Hyhenrauch	Ripe Rides
Dellie Lidyard	Seniors Advisory Committee, Transportation
Paul Gill	Sunshine Cabs
Moonyem Mohammad	Surrey Metro Taxi
Jana Remisova	Tourism Vancouver
Merrilee Ashworth	Translink
Vincent Gonslves	Translink
Michael van Hemmen	Uber
Chris Schafer	Uber
Rob McKay-Dunn	Vancouver Board of Trade
James Raymond	Vancouver Economic Commission
Vance Campbell	Vancouver Liquor Primary Association
Kevin Barker	Vancouver Police Department Taxi Detail
Mike Gilbert	Vancouver Police Department Taxi Detail
Balbir Rana	Vancouver Taxi
Harry Judge	Vancouver Taxi
Carolyn Bauer	Vancouver Taxi Association
Dave Chami	Vancouver Taxi Association
Scott Ricker	Vice Chair, Seniors Advisory Committee, City of Vancouver
Kulwant Sahota	Yellow Cab
Satnam Jaswal	Yellow Cab
Sat Gill	YVR
Nathalie Roemer	YVR