

City of Ottawa
Taxi and Limousine Regulations and Service Review

Case Studies

October 1, 2015



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Disclaimer

This document has been prepared by KPMG LLP (“KPMG”) for the City of Ottawa (“Client”) pursuant to the terms of our engagement agreement with Client dated August 25, 2015 (the “Engagement Agreement”) for the purpose of informing discussion during the City of Ottawa Taxicab and Limousine Regulations and Services. KPMG neither warrants nor represents that the information contained in this document is accurate, complete, sufficient or appropriate for use by any person or entity other than Client or for any purpose other than set out in the Engagement Agreement. This document may not be relied upon by any person or entity other than Client, and KPMG hereby expressly disclaims any and all responsibility or liability to any such person or entity in connection with their use of this report is hereby disclaimed.

Our procedures consisted solely of inquiry, observation, comparison and analysis of project participant-provided information. It was augmented by limited research of publicly-available information. We relied on the completeness and accuracy of the information provided or research. Such work does not constitute an audit. Accordingly, we will express no opinion.

Executive Summary

This document examines the current status of the vehicle for hire industry in jurisdictions outside of Ottawa. Specifically it identifies how these other jurisdictions reacted to the emergence of Application Based Service Models (ABSMs or app-based service models) such as Uber, Lyft and Sidecar and Split.

In each of the jurisdictions examined, where app-based ridesharing services have been introduced, they have attracted consumers because of the ease of use, lower fares and other factors. In each case, the existing taxi industry has seen these companies as a threat, taking away their market share because of unfair advantages, particularly lower costs because they did not comply with the same regulations, such as provision of insurance, meeting specified vehicle and training standards, and payment of fees for licences. This is a sensitive issue for traditional taxi drivers and plate owners as for many of them, their financial well-being is tied to this industry. There are many reports across most jurisdictions covered regarding a decrease in plate values as a result of the emergence of ABSMs, however plate values continue to remain relatively high.

Jurisdictions have responded to the emergence of app-based service models in a variety of ways. Some jurisdictions, such as Vancouver, B.C., have forced these companies to leave their markets through regulatory and enforcement efforts. Others are holding back on enforcement while they study the issues, or because they may be finding enforcement ineffective. Most jurisdictions covered below have adopted or are in the process of adopting new regulations to manage the app-based services.

There are a variety of terms used to describe these app-based ridesharing services, including “Auxiliary Taxis”, used by Waterloo, “Transportation Network Companies” used throughout the United States and proposed in Toronto, and “Private Transportation Provider”, used by Edmonton. In these cases the regulatory bodies have established (or are proposing) a separate class of service provider in the taxi legislation. The new class of service provider is subject to fewer regulatory burdens, while also having fewer privileges. These companies must meet certain minimum standards with respect to passenger safety such as criminal and driving record background checks on drivers, minimum insurance requirements, and vehicle safety inspections. Street hailing and use of taxi stands are generally not allowed. Licences are generally required but there does not tend to be a limit on the number of such licences that can be issued.

New York already had a licencing class based on vehicles providing service through dispatch operations and with unlimited plate numbers. In this case the app-based service providers have tended to comply with the regulatory environment.

Taxi and Limousine Regulations and Service Review – Case Studies

The case studies are structured to include information relevant to each of the three guiding principles as determined by the City of Ottawa for this review. These guiding principles include public safety, accessibility and consumer protection. Other information included in each of the case studies are the current model, including union involvement and fees imposed on the taxi and limousine industry. The cases also discuss the impact ABSMs have had on the existing taxicab industry, and the enforcement efforts undertaken by regulators. Each case ends with a discussion of the current status of the taxicab and limousine industry in that jurisdiction.

Information was sourced from licensing agencies and regulators, industry associations, ABSM websites and news sources. Due to the rapidly evolving situation in each of these jurisdictions efforts were made to ensure information was current as of the time of writing.

1 Benchmarking

The table below provides some information concerning taxi service in a number of cities in both Canada and the United States. One question often raised is whether there are enough taxi plates in circulation. The data indicates that Ottawa has fewer plates per 1,000 population than most of the cities reviewed, although it is higher than Edmonton and Los Angeles. However there are many factors other than population that influence the demand for taxi service. For example New York has a relatively high demand compared to population because of the density, parking prices in Manhattan, and low car ownership levels, among other factors. Los Angeles is the opposite as its urban form is very car oriented.

| City | Population | Taxi Permits Issued | | | | Permits per 1,000 pop | Accessible Plates as % of Total |
|-----------------|----------------|---------------------|-------------|----------|---------------|-----------------------|---------------------------------|
| | | Standard | Accessible* | Other | Total Permits | | |
| Ottawa | 883,391 | 1,001 | 187 | 0 | 1,188 | 1.34 | 16% |
| Toronto | 2,615,060 | 3,451 | 500*** | 1,725 | 4,836 | 1.85 | 10% |
| Waterloo | 98,780 | 318 | 15 | 0 | 333 | 3.37 | 5% |
| Montreal | 1,886,481 | 4,316 | 206 | 0 | 4,522 | 2.40 | 5% |
| Edmonton | 877,926 | 1,185 | 95*** | 0 | 1185 | 1.50 | 8% |
| Los Angeles | 3,928,864 | 2,53 | 220*** | 0 | 2,353 | 0.60 | 10% |
| Vancouver | 640,469 | 476 | 113 | 99 | 687 | 1.07 | 16% |
| New York City | 8,491,079 | 13,437 | 233 | 12,000 | 25,670 | 3.02 | 1% |
| Chicago | 2,722,389 | 6,741 | 162 | 0 | 6,903 | 2.54 | 2% |
| Boston | 655,884 | 1,725 | 100 | 0 | 1,825 | 2.78 | 6% |
| Washington D.C. | 658,893 | 6,300 | 0 | 0 | 6,300 | 9.56 | 0% |
| San Francisco** | 852,469 | 2,210 | 100 | 0 | 2,310 | 2.71 | 4% |
| Indianapolis** | 903,393 | 800 | 0 | 0 | 800 | .89 | 0% |
| Minneapolis** | 382,578 | 687 | 0 | 0 | 687 | 1.74 | 0% |
| Seattle | 608,660 | 688 | 45**** | 0 | 688 | 1.13 | 7% |

* Accessible means a passenger vehicle or a bus, other than a school bus, that is designed or modified to be used for the purpose of transporting persons with disabilities

** Data from previous Hara Associates study

*** Approximate figure, accessible taxis permits are included in the total Standard and Other plate categories

**** Note that 45 accessible taxis are licenced by King County, but can serve Seattle

Source: Data from websites of licensing agencies.

The table also shows the relatively high number of accessible plates in Ottawa. Ottawa has a high proportion of accessible plates, although many other cities are moving to expand the number of accessible plates they have. Note that in some cities some or

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even all accessible taxicabs are under contract to public transit agencies and may not be available for calls.

The “Other” category in the table covers particular types of permits for specific cities. New York has a large number of “Boro” cabs, which provide traditional taxi service outside Manhattan. It also has about 35,000 “Black Cars” which are not included in the table above as they are not regular taxis and can only respond to calls for service through a dispatch system. They cannot be hailed on the street or use taxi stands. There is no limit on the number of Black Cars. Toronto has its Ambassador cabs which were created to promote driver ownership. The “other” taxis in Los Angeles meet requirements for green vehicles. These variations are discussed further in the individual city case studies that follow.

In New York City the value of medallions auctioned in public has declined from a peak of \$1,050,000 to \$800,000 recently.ⁱ There are media reports of industry participants suggesting plate values have declined in other jurisdictions as a result of a loss of business to AMSM operations, but these cannot be verified.

2 Recent Changes

A number of cities have taken or are contemplating changes to their taxi/vehicle for hire regulations as a consequence of the impact app-based service models have been having on the taxi industry. The table below summarizes the current status. Where “case study” is shown below the name of a city, a more detailed examination of the city’s circumstances is included in the case studies that follow.

| City | Toronto | Waterloo | Montreal | Edmonton | Vancouver | New York | Chicago | Boston | Washington DC | San Francisco |
|--------------------------------------|----------|----------|----------|-------------|-----------|----------|---------|--------|---------------|---------------|
| Case Study | X | X | | | X | X | | | X | X |
| New Licensing Category* | Proposed | Proposed | No | Proposed | No | Yes | Yes | Yes | Yes | Yes |
| Insurance Requirement | \$2M | \$2M | N/A | Yes | N/A | Yes | Yes | \$1M | \$1M | Yes |
| Police Check of drivers | Yes | Yes | N/A | Yes | N/A | Yes | Yes | Yes | Yes | Yes |
| Mandatory Training of drivers | Yes | Yes | N/A | No | N/A | No | Yes | No | Yes | Yes |
| Commercial Driver’s License required | No | Yes | N/A | Yes | N/A | Yes | N/A | Yes | No | No |
| Restriction on Vehicle Age? | No | No | N/A | No | N/A | 6 years | 6 years | No | 10-12-years | No |
| Restriction on Vehicle Size | No | No | N/A | No | N/A | N/A | Yes | No | No | No |
| Identification Markings required | Yes | No | N/A | Yes | N/A | No | Yes | No | No | No |
| Cameras required | Yes | Yes | N/A | No | N/A | No | No | No | No | No |
| Street Hails Permitted | No | No | N/A | No | N/A | No | N/A | N/A | No | N/A |
| Vehicle Inspection | Yes | Yes | N/A | If directed | N/A | Yes | N/A | N/A | Yes | No |
| Fare specified | No | No | N/A | No | N/A | No | No | No | No | No |
| Per fare levy | No | No | N/A | No | N/A | Yes | Yes | No | Yes | No |
| Accessible Service required | No | No | N/A | No | N/A | Levy | Levy, | No | Yes, | No |

N/A No information available

* New Licence Categories called Transportation Network Company (Toronto, Boston and San Francisco), Auxiliary Taxi (Waterloo), Private Transportation Provider (Edmonton), Ridesharing (Chicago), Digital Dispatch (Washington DC and New York, NY)

Source: Data from websites of licensing agencies

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The cities listed in the above table were not selected randomly, so no conclusion should be drawn from the fact most of those selected have or plan to take steps to regulate ABSM services. Both Quebec and British Columbia have a provincial role in the licensing of vehicles for hire and in both cases the provinces have used their authority to conduct enforcement activities sufficient to prevent Uber and other ABSMs from operating in the major cities. However Vancouver is currently conducting discussions between the taxi industry and Uber that may lead to some change in the future.

Among the cities that have changed their regulatory approach (or that have put forward proposals to change their regulatory environment), most that were examined have chosen to establish a new class of vehicle for hire, rather than to modify the terms of the taxi regulations. The major exception is New York which already had three different types of taxis, the yellow cabs that are ubiquitous in Manhattan and “Boro” cabs that provide similar services outside Manhattan and the Black Cars and Liveries – vehicles that respond to calls (or messages) seeking dispatch of the cab. This latter category has no limitation on the number of vehicles, so it has accommodated (and regulated) vehicles associated with Uber and other ABSMs. A number of changes have been implemented to manage ABSMs, including licensing the apps themselves.

In most cities, cars in the new category will not be able to accept hails or use taxi stands on the streets. Drivers will be required to undergo criminal record checks in all jurisdictions, but the extent of mandated training varies, with some more reliant on the rating systems involved with app-based dispatch to influence driver behaviour and customer orientation.

Regulations concerning vehicles range widely. Some include minimum sizes, some age restrictions, some require visible markings on the vehicles and some require specific vehicle inspections, while others rely more on provincial (or state) vehicle inspection requirements and the influence of customer ratings on the vehicle (as part of client rating of the driver).

The jurisdictions reviewed generally do not apply the same accessibility requirements to ABSM's that have been applied to taxis. In some cases they have not included requirements, in others they have imposed a levy or fee on each ABSM trip that can be used to support other accessible service models.

Some cities, like Toronto, have also proposed modifying the regulations that apply to taxis (in that case reducing the base fare a customer is charged at the beginning of a ride) as part of adapting to the new service model.

Further details on the specific regulations in each city are provided as part of the case studies that follow.

3 Taxi Industry in Toronto, ON

3.1 Current Model of Operation

3.1.1 Current Model

Currently Toronto has a multi-tier system with 3,451 Standard plates, 1,300 Ambassador plates and 425 Toronto Taxicab Licenses. This system is in a state of change which will see Ambassador plates turned into Standard plates, as discussed below. Ten thousand taxi drivers provide Torontonians with an estimated 65,000 trips dailyⁱⁱ.

Limousine services differ from taxis in that they must be pre-arranged at least 20 minutes in advance and charge a minimum of \$70 per hour.

While there is a bylaw against plate leasing, it is common practice. There are reports that at least 30 percent of the industry's revenues went to absentee plate-owners at one time. Absentee owners included dentists, airline pilots, and investors who lived abroadⁱⁱⁱ. To combat this problem the city issued new, Ambassador plates in 1998 that would only be used by working drivers. The Ambassador plate owners then pushed to have second drivers and to have their plates turned into Standard plates. The city adopted a new program to eliminate the two types of plates in 2014. Under the "One License" system all licenses must be converted to the Toronto Taxi License by 2025. Toronto Taxi license holders must drive the cab themselves, but can also hire two additional drivers^{iv}.

3.1.2 Unions and Associations

Currently Toronto taxi drivers are not unionized. There are, however, advocacy groups representing the interests of drivers and license holders.

Toronto Taxi Alliance, which represents more than 2,000 cab owners and license-holders, is an umbrella group of taxi representatives specifically formed to combat Uber. iTaxiWorks Association is an organization created to improve the rights and working conditions of Ontario taxi workers. The not-for-profit member organization aims to unite the many voices in the taxi industry so that their voice can be heard at municipal and provincial levels^v.

3.1.3 Fees Imposed

To apply for a taxicab driver's license, drivers must pay an application fee of \$648.17 which includes the application processing fee, a 5-day course fee and a first aid training fee. Taxicab owners license application fees are \$490.21 for an accessible vehicle, \$4,860.83 for a Standard license and \$4,733.39 for a Toronto Taxicab License. Annual renewal fees range from \$264.04 to \$1,247.39 per year^{vi}.

3.2 Current Model- Three Guiding Principles

3.2.1 Public Safety

Police background checks are conducted on drivers before they become licensed and every four years after. Driver screening with driver abstracts is done yearly.

Drivers undergo a 17-day Effective Taxicab Driver Training Program which covers topics such as route planning, regulations, first aid and defensive driving. Additional training is required every four years to cover any changes in regulations and other updates.

Taxicab vehicles can be up to 7 model years old and are inspected twice a year. They must carry \$2 million commercial insurance coverage^{vii}.

Licensed taxicabs are equipped with cameras which are intended to protect both the driver and passenger should an incident occur.

Taxicabs are also required to have emergency lighting that can be discreetly activated to alert authorities to an emergency in the vehicle.

3.2.2 Accessibility

There were 290 additional wheelchair accessible taxicab licenses issued to taxicab drivers in 2014. These taxicab drivers purchased accessible vehicles and underwent specialized training. Despite the increase in capacity, in April 2015 Toronto's Disability, Access and Inclusion Advisory Committee advised the level of service for persons requiring wheelchair accessible service was poor. The committee noted that other flat-rate providers were not as available as they had previously been and the current supply of taxicabs was insufficient^{viii}. Currently there are a total of 500 licensed accessible taxicabs in Toronto^{ix}.

The issue of accessible taxi requirements under the new Toronto Taxi licenses is currently under discussion and it is unclear which direction the city will take.

3.2.3 Consumer Protection

Taxicab fares are regulated by the city and are based on the costs of operating a taxicab^x.

3.3 Impact of ABSMs

3.3.1 Introduction of Uber in Toronto, ON

Toronto was the second city outside of the US and first city in Canada that Uber entered, with operations beginning in August 2012. Uber reported that its offerings were the solution to the city's limited transportation options which, in their view has resulted in

Torontonians being forced to drive, causing congestion and expensive parking. Uber did not promise to be an end-all solution to Toronto Transportation, but rather a part of the fabric of transportation options^{xi}.

In 2012, UberBlack launched in Toronto by dispatching limousines to passengers. In 2013, UberTaxi began dispatching taxicabs to passengers. In September 2014, UberX began dispatching unlicensed, personal vehicles to passengers. Uber is currently operating unlicensed in the City of Toronto^{xii}.

3.3.2 Impact on Existing Taxicab Industry

Taxi plate values have reportedly fallen significantly since 2012, from a high of \$360,000 to \$188,235 in 2014 (Cheney, 2015).

To allow traditional taxicabs to compete with app-based service providers such as Uber, city staff recommended that the flat fee immediately charged for a taxi ride in Toronto be reduced from \$4.25 to \$3.25. Toronto's Mayor was quoted saying "Not only does this make getting around the city more affordable for the public, but it also makes a traditional taxicab more competitive with Uber"^{xiii}.

City Taxi, a traditional taxi service provider in Toronto has recently introduced an app where passengers can book a taxi for service at that time or pre-book for a future trip, select a route and the type of taxi required. Once a taxi is booked users are able to track the location of the taxi on the app and receive an alert upon arrival of the taxicab^{xiv}.

3.3.3 Enforcement

The City of Toronto filed a notice of application seeking a permanent court injunction against Uber Canada Inc. and its related companies, asking Uber to cease all operations in Toronto. The injunction was dismissed by the judge, who stated there is no evidence of Uber operating as a taxi broker. The judge commented that the city's definition of a taxi brokerage as any service that connects passengers and drivers is too broad. He also said this issue should not be resolved in court, but rather that these policy choices and regulatory issues are political^{xv}.

In July 2015 City of Toronto officials announced that 72 charges were laid against 36 UberX drivers. According to Tracey Cook, Toronto's Executive Director of Municipal Licensing and Standards, the investigation was focused on all unlicensed drivers who were providing ground transportation services. Fines in these cases ranged from \$300-\$500, but can go as high as \$5,000^{xvi}. The city reports that several enforcement efforts were undertaken between 2012, when Uber began, and 2015, resulting in 208 charges against 104 Uber X drivers^{xvii}.

3.4 Current Status

In July 2015 Toronto City Council directed Municipal Licensing and Standards (ML&S) to undertake a review of the operations of Uber and similar technology-based companies. The review included the interests of the public and the impact on the existing taxi and limousine industry. The ML&S has completed its public consultation process and issued the Ground Transportation Review Findings Report in early September 2015. The Licensing and Standards Committee considered the report on September 16th and it went to City Council for consideration on September 30, 2015. Council approved the reduction in taxi fares, and approved the concept of licensing Uber's operations according to rules that will be finalized in 2016. However Council also asked Uber to cease operations until these regulations are adopted, and Uber has announced it will continue operations in the meantime.

3.5 Introduction of ABSM- Impact on Three Guiding Principles

The Ground Transportation Review Findings Report noted that in jurisdictions where app-based ride sharing companies, such as Uber, have been regulated they are referred to as Transportation Network Companies (TNCs). On a peer-to-peer basis a company connects drivers with personal vehicles to passengers. This type of service is not currently regulated in Toronto. City officials met with Uber and Lyft and documented the typical components of TNC regulations in their report. These regulations are discussed below as well as the city's requirement with respect to insurance.

3.5.1 Public Safety

The City of Toronto report indicated it has not received proof of adequate insurance coverage from Uber. The report suggests development of a regulatory regime to permit UberX and other currently unlicensed operators, once Uber can demonstrate development and procurement of adequate insurance. The city would require that the level of insurance coverage during the transportation of passengers to be the same as currently required by Toronto taxicabs and limousines. Such coverage is at least \$2 million (exclusive of interest and costs) comprehensive against loss or damage resulting in bodily injury to or the death of one or more persons, or from loss or damage to property resulting from any one accident^{xviii}.

Before permitting a person to act as a TNC driver, they would have to undergo criminal background and driving checks to ensure minimum requirements are met. Drivers would have to hold an unrestricted and fully privileged driver's license.

The TNC would establish a training program, including how to handle mobility devices and passengers with disabilities. The training program would be available to the regulator.

It suggests TNCs must keep documentation of vehicle inspection reports and make them available to the regulator upon request.

The report and subsequent Council decision suggests the City will establish specific requirements that TNC vehicles and drivers would be required to meet, but that the TNC rather than the City would be required to ensure they are met, with the City auditing the TNC processes to ensure the requirements are being met. However these regulations have not yet been prepared.

3.5.2 Accessibility

The TNC app would include an option for accessible vehicles and in instances where an accessible vehicle is not available that passenger is directed to an alternate provider of accessible service.

3.5.3 Consumer Protection

The report suggested fares would not be regulated, however the method of fare calculation would be disclosed to the regulator. TNCs would have to disclose the calculation method to passengers on an app or website and the rates being charged. TNCs would need to provide the option to receive an estimated fare before committing to the transaction and provide an electronic receipt to the passenger that includes the origin and destination, total time, distance and itemization of fare paid.

TNC drivers would have to display a TNC identifier that is visible for the exterior of the vehicle. The identifier would be filed with the governing body. Passengers would also be provided with a photo of the driver, vehicle and driver's license plate by the TNC.

TNCs would have to ensure that all drivers comply with all laws pertaining to non-discrimination against passengers based on pickup or drop-off destination, race, sex, age, disability, or usage of a service animal.

TNCs would have to offer a rating system, where passengers and drivers can rate one another. Passengers would have the option of opting out of this.

TNCs would also be required to provide the regulator with regular reports including complete complaint data and complete accident data related to TNC driver who were driving with the app turned on at the time of loss.

3.5.4 Other

TNC drivers would only be permitted to serve TNC pre-arranged trips, they would not be permitted to respond to street hails.

TNCs would have to obtain a business permit or license and pay the applicable fee.

Valid insurance certificates would have to be made available on the TNC website.

The TNC's website must clearly disclose that the TNC facilitates rides between drivers and passengers, using the driver's personal vehicle^{xix} (City of Toronto, 2015). Note

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again, all these suggested regulations are not in place, but are to be drafted for a further decision by Council in 2016.

4 Taxi Industry in Waterloo, ON

4.1 Current Model of Operation

The taxi industry in Waterloo is currently in a state of change. The region is seeking to modernize the by-law by addressing industry and technology trends as well as simplifying the regulatory process and improving public safety and consumer protection. This case study makes reference to the proposed by-law which is intended to be finalized by-law effective January 1, 2016.

The existing taxi industry in Waterloo consists of 6 taxi companies with fleets ranging from 2-87 vehicles. There are a total of 333 taxis^{xx} (Region of Waterloo, 2015). Under the proposed by-law, new permits will be issued by lottery.

4.1.1 Unions and Associations

Currently taxi drivers in Waterloo are not unionized. An advocacy group for the industry exists. The Waterloo Region Taxi Alliance is a not-for-profit group which is mandated to protect industry interests, collect, interpret and disseminate industry information, provide forums for professional development and education and advance the image of the industry before the media and general public. Member companies of the Waterloo Regional Taxi Alliance include City Cabs, Golden Triangle Taxi, 888 Taxi, United Taxi and Waterloo Taxi^{xxi}.

4.1.2 Fees Imposed

Both taxicab and limousine owners licenses cost \$785 per year. The cost of taxicab and limousine drivers' licenses varies and was not available on the city's website. Taxicab brokers require a license which costs \$235 per year^{xxii}.

4.2 Current Model- Three Guiding Principles

4.2.1 Public Safety

Driver information checks are done on all prospective drivers, including checks to see if the driver's license has ever been suspended or revoked, or if the owner has been convicted of an offence under any taxicab bylaw.

An Ontario Safety Standards Certificate is required for all Meter Taxicabs older than 1 year. Vehicles must be equipped with an in-car camera that records the driver and passenger areas of the taxicab and GPS that sets out and records the location of the taxicab. Winter tires are required for the time period of November 1- March 31 each year.

Proof of commercial automobile insurance is required for each Meter Taxicab in the amount of at least \$2,000,000 per occurrence, exclusive of interest and cost, against

liability resulting from bodily injury to or the death of one or more persons and loss or damage to property^{xxiii}.

Each licensed taxi-cab is inspected a minimum of 3 times a year and the meter is inspected annually for accuracy. Taxi-cabs are required to be clean, in good repair and mechanically safe. Once a taxi-cab meter has been tested and determined to be operating accurately, the meter is sealed to prevent tampering.

4.2.2 Accessibility

Under the proposed Taxi by-law, by January 1, 2017, 1 year after taking effect, every Meter Taxicab broker licensed under the bylaw that has 10 or more Meter Taxicabs Owner License holders who operate through the broker will be required to have 7% or more accessible taxicabs. For brokers with less than 10 Meter taxicab Owner Licenses the broker will need to have at least 1 accessible taxi. Brokers will also be obligated to give priority to persons confined to wheelchairs when dispatching accessible taxicabs^{xxiv}.

Any driver who drives accessible vehicles for people with physical disabilities is required to take additional training with Grand River Transit. In addition, the Waterloo Region Taxi Association requires drivers to take a sexual awareness course. Some taxi brokerages may also require first aid training.

4.2.3 Consumer Protection

Meter Taxicabs must display a Tariff Card in a location that is clearly visible to all passengers, drivers are responsible to verbally provide this information to passengers upon request^{xxv}.

4.3 Impact of ABSMs

4.3.1 Introduction of Uber in Waterloo

The UberX ride-sharing service was launched in Waterloo on July 23, 2015. According to Uber Canada's General Manager, Ian Black, tens of thousands of the region's residents downloaded the Uber app ahead of the launch. There have been reports of at least eight Waterloo Region taxi drivers being fired after their employers learned they had also been working as Uber drivers while using their personal vehicles^{xxvi}.

4.3.2 Impact on Existing Taxicab Industry

Over 100 taxicab drivers gathered at Waterloo Region's municipal headquarters to protest the arrival of Uber in the region. The protest organizers, the Waterloo Region Taxi Alliance, stated that it is unfair that Uber can operate in the region unlicensed and unregulated while taxi drivers have to pay significant licensing fees and submit police background checks to the region^{xxvii}.

In early September Waterloo taxi, a taxi brokerage firm, launched a ride-hailing app in order to better compete with Uber. The app offers similar features including the ability to pay through a credit card or paypal, and to see a cab's location on a map in real-time^{xxviii}.

4.3.3 Political Impact

The taxi industry in this region had come under scrutiny after a series of sexual assaults in taxicabs between 2012 and 2014, 6 of which resulted in charges being laid (Weil, 2015). Waterloo is hosting 3 public consultation sessions, the first of which was held on August 26, 2015. Media reports indicate the session was dominated by concerned taxi drivers^{xxix}.

4.3.4 Enforcement

As of August 11, 2015 there were more than 60 complaints received by the Region of Waterloo regarding people operating as Uber drivers. The region reported that it will investigate each of those complaints and will then take appropriate action^{xxx}. Fines range between \$165- \$250.

4.4 Introduction of ABSM- Impact on Three Guiding Principles

A revised by-law was proposed and is expected to be in force effective January 1, 2016 to address ABSM vehicles, such as Uber, which the bylaw refers to as "Auxiliary Taxicabs". Details of the proposed regulations are below.

4.4.1 Public Safety

The vehicle standard requirements and driver background checks are the same for Auxiliary Taxicabs as they are for Metered Taxicabs, as described above. Drivers will be required to obtain an Auxiliary Taxicab Drivers License and Vehicle License.

Insurance requirements for Auxiliary taxicabs will also be the same as Metered Taxicabs.

Drivers will be required to undergo training.

Auxiliary Taxicabs will be required to be equipped with an in-car camera, GPS and a dispatch system^{xxxi}.

4.4.2 Accessibility

There will be no accessibility requirements imposed on auxiliary taxicabs. Drivers who do provide transportation to the disabled will not be permitted to charge a higher fee or an additional fee to persons with disabilities than for persons without disabilities for the same trip or fees for the storage of their mobility aids or assistive devices^{xxxii}.

4.4.3 Consumer Protection

Fares will not be regulated and surcharging will be available to drivers.

Rather than having the vehicle number displayed, as with metered Taxicabs, Auxiliary Taxicabs will be required to advise any passenger of his or her vehicle # upon request. The driver will need to display his or her license in a location that is clearly visible to all passengers.

4.4.4 Other

Auxiliary taxicabs will not be permitted to accept street hails or use a taxicab stand.

There will be no caps on the number of licenses issued.

4.5 Current Status

Waterloo is currently holding public and industry consultations regarding the proposed bylaw which the staff recommends be implemented as of January 1, 2016.

5 Taxi Industry in Vancouver, BC

5.1 Current Model of Operation

5.1.1 Current Model

The Vancouver taxi industry is regulated by both the provincial agency, the B.C. Passenger Transportation Board, and the city. The Passenger Transportation Board is an independent tribunal established under the Passenger Transportation Act. The Board's primary responsibility is to make decisions on applications relating to the licensing of passenger directed vehicles, including taxis and limousines^{xxxiii}. The industry is also regulated through the City of Vancouver Vehicles for Hire by-law. Regulation through both levels of government is relatively unique, although Quebec has a similar regulatory regime.

Currently Vancouver is a multi-tier system, with 588 standard permits and 99 Temporary Operating Permits which are for use on Fridays and Saturdays. There are an estimated 3,077 taxi drivers.

5.1.2 Unions and Associations

Taxi drivers and plate owners in Vancouver are not unionized. The Vancouver Taxi Association (VTA) is a trade group representing taxi companies in Vancouver.

5.1.3 Fees Imposed

Taxicab license fees are \$548 per year and \$167 for handicapped cabs. Limousine licensing fees are \$209 per year^{xxxiv}.

5.2 Current Model- Three Guiding Principles

5.2.1 Public Safety

The B.C Passenger Transportation Act requires that:

- Any vehicle operated by a person or company that is paid for transporting passengers must be licenced by the Passenger Transportation Branch
- Taxis, limousines and other small passenger-directed vehicles must be approved by the Passenger Transportation Board
- Fares charged by taxis, limousines and other small passenger-directed vehicles (which would include commercial ridesharing), are set or approved by the Passenger Transportation Board

All Commercial passenger transportation operators must have the following:

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- A National Safety Code Safety Certificate
- Commercial vehicle inspections performed every six months
- Clearance from the municipality where they plan to operate for any additional requirements
- A commercial driver's licence
- Insurance Corporation of BC vehicle insurance that meets the requirements for commercial vehicles^{xxxv}

A branch of the Vancouver Police, known as the Taxi Team, are dedicated to the administration and enforcement of taxis and limousines operating in Vancouver. The Taxi Team is responsible for driver screening, recording and resolving complaints and the inspection of taxicabs and limousines to ensure good mechanical condition and cleanliness^{xxxvi}.

5.2.2 Accessibility

There are 133 wheelchair accessible taxicabs in the City of Vancouver, which represents nearly 22% of total taxicabs in the city^{xxxvii}.

Licenses issued for handicapped cabs are only issued to vehicles equipped with a hydraulic lift or ramp, or other equipment that is satisfactory to the inspector for the loading and unloading of persons confined to a wheelchair. Rides in a handicapped cab must be pre-arranged and all rides must include at least one passenger who is physically handicapped.

Another class of taxicab license is for dual taxicabs. Drivers of dual taxicabs are permitted to provide rides to passengers without a handicap, however priority must be given to handicapped and wheelchair confined passengers. Drivers must also be capable of assisting with loading and unloading of persons confined to wheelchairs. The taxicab must have sufficient ceiling height to permit easy access for elderly and handicapped persons^{xxxviii}.

5.2.3 Consumer Protection

Fees charged by taxis, limousines and other small passenger-directed vehicles are set by the Passenger Transportation Board to ensure reasonable and predictable prices for consumers.

Under B.C's Taxi Bill of Rights taxi passengers are entitled to the following:

- To be picked up and transported to the stated destination by any available on duty taxi driver
- Pay the posted rate by cash, or accepted credit card or TaxiSaver voucher
- A courteous driver who provides assistance, if requested
- Travel with an assistance dog or portable mobility aid
- A taxi that is clean, smoke free and in good repair
- To direct the route, or expect the most economical route

- A quiet atmosphere, upon request
- A detailed receipt, upon request^{xxxix}

5.3 Impact of ABSMs

5.3.1 Introduction of Uber in Vancouver

Uber operated in Vancouver for about six months in 2012 before the company decided to withdraw after provincial regulators imposed a minimum fare of \$75. In the fall of 2014 Uber posted jobs for a marketing manager, operations and logistics manager and a general manager, all three based in Vancouver. Uber is not currently operating in Vancouver.

5.3.2 Impact on Taxi Industry

While Uber is not currently operating in Vancouver, the city's taxi companies have launched an app that offers a similar functionality to that of Uber. Four taxi companies have joined together to launch the app which allows customers to hail a taxi, track the car, pay with their credit card and rate the driver.

5.3.1 Enforcement

Vancouver officials have taken a firm stance on enforcement of their taxi bylaws. When rumors were circulating that Uber may re-launch in the city in November 2014 provincial minister Todd Stone advised he had directed extra enforcement officers to be on the ready. "I believe that through heightened enforcement and heightened awareness we can get the message out to British Columbians that you must be licensed by the passenger transportation branch," said Stone. Under the current law, an unlicensed taxi driver faces fines ranging from \$1,150 to \$5,000^{xl}.

5.4 Current Status

Ripe Rides, a digital-dispatch transportation company has been awarded 20 licenses to operate a mid-level luxury car service. The service model differs from that of traditional taxis and ABSMs such as Uber; rides start at \$20 for the first kilometer, \$5 per kilometer for the next three and decreasing prices thereafter. Ripe reports that it plans to provide a luxury sedan service that is more expensive than traditional cabs but cheaper than a limo. The provincial regulator, the Passenger Transportation Board has given Ripe Rides 6 months to activate half of its 20 licenses. The company is currently working through the City of Vancouver to complete all safety and business license requirements, but will face a significant hurdle due to the City's moratorium on issuing new taxi licenses^{xli}.

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The City of Vancouver extended its moratorium on issuing any new taxi licenses in the city until October 31, 2015. The City has launched discussions between the taxi industry and the ABSMs that may lead to regulatory change^{xlii}.

6 Taxi Industry in New York City

6.1 Current Model of Operation

New York City's (NYC) taxi industry has been under the control of the NYC Taxi and Limousine Commission (TLC) since the Commission's creation in 1971. The NYC TLC is responsible for licensing and regulating over 50,000 vehicles and 100,000 drivers of various types of vehicles including medallion (yellow) taxicabs, for-hire vehicles (community based liveries and black cars), commuter vans, paratransit vehicles, and certain luxury limousines^{xliii}. NYC has a three- tiered service; yellow taxi, boro taxis and other for hire vehicles (FHVs).

6.1.1 Yellow Taxicabs

There are 13,437 medallions which give an operator the right to run a yellow taxi. These taxis are permitted to pick up street hails anywhere in NYC and from airport taxi stands. There are three models of operation for yellow taxis.

- 1 Fleets run garages that own and operate many taxis which are leased to drivers on a daily or weekly basis. The TLC has capped the lease fee for this type of arrangement.
- 2 Driver-owned vehicles are arrangements where the taxi cab driver owns the car but leases the medallion from an agent who manages it for the owner.
- 3 Individual owner-operators, where the driver owns both the car and medallion. Individual owner-operators are required to drive at least 210 shifts per year.

It is estimated that yellow taxis provide 475,000 trips to service approximately 600,000 passengers per day, with 94% of pick-ups occurring either in Manhattan or at one of the city's airports^{xliiv}.

6.1.2 Boro Taxicabs

Boro taxicabs were introduced in 2012 as a new class of taxi to provide service to the boroughs of New York City. A total of 18,000 permits are being issued, with the first batch having been sold in 2012 and the second batch in 2014. These taxis were introduced as a measure to fill the gap in service to communities outside of the core of Manhattan, with a legal, yellow-taxi level of service. These taxis are not permitted to pick up passengers beyond certain boundaries in Manhattan or at airport taxi queues^{xliv}.

6.1.3 Other For-Hire-Vehicles

Other types of for-hire-vehicle services include liveries (also known as Car Services or Community Cars) and black cars, which together account for approximately 35,000 vehicles in the city. These services provide prearranged for-hire service to their clients. Both liveries and black cars operate out of base stations throughout the boroughs;

vehicles must be affiliated with a base. Black Car service is primarily arranged through corporate contracts, with 90% of business occurring on a non-cash basis. There is open-entry in this category of for-hire vehicle as no permits are required^{xlvi}.

6.1.4 Unions and Associations

New York Taxi Workers Alliance (NYTWA) is a membership based non-profit union representing 18,000 NYC taxicab drivers^{xlvii}.

6.1.5 Fees Imposed

Yellow and Boro Taxis currently pay a \$0.50 per-trip tax to the Metropolitan Transit Authority. Boro Taxis also pay \$900 for a 3-year renewal of their permits. There is a \$550 annual fee for yellow taxi-cab licenses. A \$0.30 surcharge was added to all metered trips to fund grants for accessible vehicles and drivers^{xlviii}.

6.2 Current Model- Three Guiding Principles

6.2.1 Public Safety

Yellow taxicabs are inspected by the TLC 3 times per year; Boro Taxis twice per year, and other for-hire vehicles once every two years^{xlix}.

A criminal background check is run using the driver's fingerprints. Drivers must also undergo drug testing.

Drivers must complete a 6-hour defensive driving course, attend an approved taxi school course for either an 80-hour or 24-hour course (drivers have the option but are advised that taking the 80-hour course increases the drivers' chances of passing but a greater amount of material is covered), pass an English proficiency test and a written test.

Taxicab owners must ensure that their taxicabs are covered by liability insurance in the form of a bond or an insurance policy that fully complies with the New York State Vehicle and Traffic Law and the New York State Insurance Law^l. The required class of insurance is called for-hire insurance.

6.2.2 Accessibility

There are currently 233 yellow wheelchair-accessible taxicabs operating in NYC. These taxis are required to participate in the Accessible Dispatch program. This program gives passengers requiring accessible service on-demand 24/7. The service can be booked by phone, text, online or mobile app^{li}.

The Hail Law mandates that 20% of Boro Taxis are wheel chair accessible^{lii}. The TLC also regulates that the taxi-meter is not to be engaged until a disabled passenger has

been settled in and the ride is about to commence. Drivers are also required to assist disabled passengers^{liii}.

6.2.3 Consumer Protection

Yellow Taxicab rates are regulated by the TLC. A meter is displayed in the taxicab so that passengers are aware of the fare at any point in time, less surcharges and toll fees which are added at the end of the ride. Rules also exist around form of payment (drivers are required to take cash, debit and credit, with no minimum amount for debit or credit)^{liv}.

Riders who have had a negative experience with a TLC licensed driver or vehicles can file their complaint by phone or online. Complaints are investigated by prosecutors. In situations where the complaint involves a breach of TLC rules and regulations, the driver will be contacted to give him or her the opportunity to plead guilty. Otherwise the TLC will set up a hearing where the driver can defend themselves and the complainant can testify.

Vehicles are required to have an in-vehicle camera system.

Vehicles are required to be equipped with trouble lights that can be activated in the event of an emergency within the vehicle^{lv}.

6.3 Impact of ABSMs

6.3.1 Introduction of Uber in NYC

Uber announced their launch in New York City on May 3, 2011. The initial phase of the launch included 100 cars. The reported promise to passengers was a direct attack against the existing service offerings “Uber brings the convenience of a yellow cab, the quality of a luxury limo, and adds an Uber cherry on top”. The company also promised to fill a perceived gap in the market “...we’re going after PAIN POINTS. The big ones like rain, taxi shift-change, events, and ultimately outer-boroughs are obvious. But even more interesting is we’re also going after those hundreds of micro-pain points all over the city”.

Uber reportedly also promised improved service, better routes and a completely automated payment system. “Never underestimate the power that math, modern technology, and a beautiful product experience can have on a mature industry. We’re going after age-old NYC transportation problems with PhDs in tow, applying routing algorithms, innovative home-grown supply chain management solutions, sophisticated statistical analyses, minute-by-minute heat maps of expected demand, supply positioning, the works. On top of that we’re aiming to create a beautiful product experience that provides transparency that our users can trust^{lvi}”.

At present Uber functions as a licenced “For Hire Vehicle” base, and the TLC has developed new regulations including standards for the apps used for dispatch.

6.3.2 Impact on Existing Taxicab Industry

Yellow-taxi medallions were estimated to be worth \$1.05 Million^{lvii}, but have dropped in value. Recent sale price of medallions was \$800,000^{lviii} and \$740,000^{lix}. Another side effect is on owners who lease out their medallions. Some drivers are opting to work as Uber drivers rather than pay to lease a medallion.

Due to the high cost of medallions many owners must take out loans to purchase their medallions. Due to the perceived declining value of medallions, lenders such as Citigroup are no longer refinancing these loans. Since the medallion owners are unable to refinance short-term loans, the lenders can seize medallions that were used as collateral. This could potentially force many owners out of the business and have a further negative impact of foreclosure sales of medallions driving prices down further, which will impact the remaining owners. Such is the case for Evgeney “Gene” Freidman who is reported to own the largest share of the medallions in the city. Citigroup is seeking to seize 89 of his medallions, citing that their values have declined. Another argument for the decline in value of the medallions is partially due to too many lenders making medallion-backed loans, which in turn created an asset bubble which was due for a correction^{lx}. The current increase and planned expansion of the number of yellow cab plates, and the issuance of Boro taxi permits may also have impacted the price of medallions.

Guy Kodogiannis, founder of McGuiness Management Corp, a yellow taxicab dispatcher with 341 associated medallions claims to have lost 40% of his business in the last year and a half. On any given shift 80 to 120 cabs sit empty. One employee’s job is to move cars around on side streets to avoid getting parking tickets, as the company’s own parking lot is fill to capacity with idle vehicles^{lxi}.

The value of the newer Boro taxi permits has not changed.

Yellow taxis are currently beta-testing an app with similar functionality to that of Uber. When a customer hails a taxi using Arro, the driver’s name and ID are provided to the customer, and the customer’s name and location are provided to the driver. Credit card information is entered into the app beforehand, so payment for the ride at the end of the trip can be done through the phone with the customer paying the metered fare and an option for a tip^{lxii}.

6.3.3 Enforcement

In the spring 2015 NYC taxi enforcement cracked down on illegal street pickups, focusing on city airports. Of the 938 for-hire cars that were seized, 496 were affiliated with Uber bases. Fines for drivers to retrieve their vehicles ranged between \$400-\$1,000 plus the cost of towing. Uber’s response was that driver’s found to have violated TLC policy by picking up street hails would be deactivated from their service, as that practice is not permitted on the Uber platform^{lxiii}.

6.4 Introduction of ABSM- Impact on Three Guiding Principles

6.4.1 Public Safety

Prospective Uber drivers undergo a screening process which includes county, federal, and multi-state criminal background checks. Uber also reviews the motor vehicle records of drivers throughout their time of driving with Uber^{lxiv}.

Uber drivers in NYC are required to be commercially insured.

In NYC Uber requires drivers to obtain a TLC license, upgrade their existing license to a Class E (taxi and livery) or CDL (Commercial Driver's License), take a defensive driving course and undergo a medical exam. There are also restrictions on vehicle age and type. If a vehicle does not yet have TLC plates, it must be 2011 or newer, if the vehicle already has TLC plates, it must be 2009 or newer^{lxv}.

6.4.2 Accessibility

Uber launched Uber WAV in August 2014. Passengers can request wheelchair accessible vehicles by using the regular app and selecting the WAV option. This service is currently only available in the boroughs of NYC^{lxvi}.

6.4.3 Consumer Protection

Fare rates are estimated when a rider books their pick-up through the Uber app. Uber has set base fares, cancellation fees, per minute and per mile rates which are listed on their website^{lxvii}.

Riders have the ability to rate their drivers and write comments. These ratings and comments are publicly available.

6.5 Current Status

In late July 2015 NYC Mayor de Blasio's administration and city council reach an agreement with Uber officials to collaborate on a joint transportation study and to work together on ways to continue expanding economic opportunity, mobility and transportation access in the city. The Mayor initially proposed capping the growth in number of Uber cars to 1% over the next year, an addition of approximately 200 drivers due to concerns over road congestion, however the day before the legislation was tabled the city shelved the growth cap bill. In exchange Uber committed to make more of its vehicles handicapped accessible and to provide the city with data regarding the location and duration of its rides^{lxviii}.

7 Taxi Industry in Washington, DC

7.1 Current Model of Operation

7.1.1 Current Model

Taxicabs in Washington DC are regulated by the District of Columbia Taxicab Commission. There are currently 5,950 taxicabs in active service^{lxxix}.

7.1.2 Unions

Taxi drivers have the option to unionize with Local Union 922. Taxi drivers are also represented by the Washington, D.C. Taxi Operators Association. This advocacy group, backed by the union voices the concerns of taxi drivers^{lxxx}.

7.1.3 Fees Imposed

License fees are mandated by the D.C. Taxicab Commission. Taxi and Limo business license are \$475, a vehicle license, referred to as a Taxi Hacker, is \$125 per year and a Limo Driver Face is \$150 per year^{lxxxi}. A fee of one percent of all gross receipts is to be collected and remitted to the Office of the Chief Financial Officer^{lxxxii}.

7.2 Current Model- Three Guiding Principles

7.2.1 Public Safety

Insurance coverage minimums for taxicabs operating in the city, according to the bylaw, are \$10,000 for bodily injury or death and \$5,000 for property damage^{lxxxiii}. Note that taxicab drivers may have higher insurance coverage.

The allowable age of vehicles varies depending on the type. Wheelchair accessible vehicles are allowed to stay on the road longer, between 8 and 12 years depending on fuel type. Standard vehicles range from 4-8 years.

Drivers must complete a taxi driver application form and then successfully complete a 60 minute exam. Upon passing the exam drivers must undergo fingerprinting as part of the background check process^{lxxxiv}.

7.2.2 Accessibility

The Washington Metropolitan Area Transit Authority (Metro), the authority over the city's rail and bus service is obligated under the 1990 Americans with Disabilities Act to offer an alternative means of transportation to disabled passengers unable to ride a bus or subway. The Metro Access paratransit service provides this service, but at a cost of nearly \$50 per passenger. The service also has limitations; it requires passengers to book their trip a day in advance. Due to these factors Metro encourages disabled

passengers to take taxis instead. However, of the 5,950 taxis in active service in the city, only 100 are equipped to handle wheelchairs. A 2012 District law requires taxi companies with fleets of 20 or more vehicles to convert 6% or more of their vehicles to make them accessible, and to convert 20% or more of the fleet by 2018. This law has a limited impact on increasing the number of accessible vehicles as 70% of cab drivers own their own vehicles and are therefore exempt from this requirement.

The Taxicab Commission has attempted to encourage taxi drivers to buy wheelchair-accessible taxis by offering financial incentives; for the first 20 new owners the Commission subsidized nearly 75% of the \$40,000 cost^{lxxv}. The DC Taxicab Commission currently has \$750,000 in grant funding to offset the purchasing and leasing costs of wheelchair accessible vans (WAVs). Grants of up to \$7,500 are available to offset the purchase of a WAV. Annual grants of \$2,500 are available to offset the lease cost of a WAV, as are grants to cover half of the \$25,000 cost to purchase a new MV-1 WAV. Fees associated with WAV and sensitivity training are also waived^{lxxvi}.

7.2.3 Consumer Protection

Fares are regulated by the Taxi Commission and are posted on the Commission's website.

Taxi cabs are not allowed to operate without a functioning taximeter system.

Taxicab drivers are obligated to accept credit cards.

Consumers can issue a complaint against a taxicab or limousine operator or owner either online or in writing. All complaints are investigated and a hearing is scheduled if necessary^{lxxvii}.

7.3 Impact of ABSMs

7.3.1 Introduction of Uber in Washington, D.C.

Uber launched in the city in December 2011. Other digital dispatch services operating in Washington include Lyft, Sidecar and Split.

7.3.2 Impact on Existing Taxicab Industry

The presence of ABSMs in Washington, particularly Uber, has placed additional strain on an industry that reportedly already struggled with stressful working conditions and low wages. There have been protests in the city to urge government officials to level the playing field. Existing taxi drivers are upset about the unfair advantage ride-share operators have without bearing the costs associated with complying with regulation^{lxxviii}.

7.3.3 Political Impact

In 2012 District of Columbia Council member Mary Cheh proposed an amendment that would limit the ability of ABSM vehicles to operate in the city by mandating that luxury sedan services charge no less than 5 times the minimum \$3 collected by standard taxicabs. The backlash from Uber supporters was quick as the company urged its supporters to contact their councilors. One councilor reported to have received over 5,000 notes. She quickly rescinded the amendment in its entirety and soon after an amendment to taxi reform legislation was introduced which explicitly allowed Uber to continue to operate legally without the price controls^{lxxxix}.

Since then the Vehicle-for-Hire Innovation Amendment Act of 2014 has been passed. The goal of the act is to regulate the growing presence of ABSM private transportation services such as Uber and Lyft^{lxxx}. Specific features of this act are discussed below.

7.3.4 Enforcement

There were no cases of enforcement found while researching this case.

7.4 Introduction of ABSM- Impact on Three Guiding Principles

The Vehicle-for- Hire Innovation Amendment Act of 2014 was passed in the fall of 2014. Details of this act are below.

7.4.1 Public Safety

Drivers must be over the age of 21, undergo criminal background, sex offender database and driving history checks. Vehicles used by services such as Uber will be required to undergo a yearly inspection. The ride-sharing companies must register with the D.C. Taxi Commission.

Drivers using a digital dispatch are required to take a public vehicle-for-hire driver's training course that has been approved by the Commission.

Vehicles can be no more than 10 model years of age at entry and no more than 12 model years of age while in service. An initial safety inspection must be conducted within 90 days of beginning service.

Insurance requirements for TNCs are much higher than for traditional taxicab drivers, requiring the TNC or driver to have \$1 million of liability coverage^{lxxxi}.

7.4.2 Accessibility

The District Law passed in 2014 to regulate vehicle-for-hire companies, such as Uber, did not impose the same requirements for accessible vehicles as it had for taxis. As a result, Uber drivers are under no obligation to provide accessible service. Uber launched a partnership with Hasco Medical last year which allows drivers to buy

wheelchair-accessible vehicles at a discount, although it is unknown at this time how much of an impact this will have^{lxxxii}.

The Vehicle-for-Hire Innovation Act stipulates that drivers cannot impose additional or special charges for providing the service to an individual with a disability. It also states that digital dispatchers shall train drivers how to properly and safely handle mobility equipment and how to treat persons with disabilities.

7.4.3 Consumer Protection

Fares are not regulated however the new legislation prohibits surge pricing during states of emergency.

One percent of all gross receipts for trips that originated in D.C. shall be deposited in the Public Vehicles-for-Hire Consumer Service Fund, traditional taxicab operators are required to collect and remit this fee as well

7.4.4 Other

Street hail pick-ups are not permitted.

8 Taxi Industry in San Francisco, CA

8.1 Current Model of Operation

8.1.1 Current Model

Taxis are regulated by the San Francisco Municipal Transportation Agency (SFMTA). Limousines are regulated by the California Public Utilities Commission. There are 4 types of taxi medallions, as seen in the table below.

SFMTA Medallions Issued

| Type of Medallion | # Medallions Issued |
|-------------------------------------|---------------------|
| Sedan Regular Medallion | 1,870 |
| Ramp Medallion | 100 |
| Company Medallion Permit | 200 |
| Single Operator Part-time Medallion | 140 |
| Total | 2,310 |

Medallions are non-transferrable in a private market. Through the medallion transfer program SFMTA purchases and sells medallions at a stated transfer price through the SFMTA^{lxxxiii}.

8.1.2 Unions

In August 2014 San Francisco cabdrivers voted in favour of forming a union. Approximately 150 drivers signed up for the union, the San Francisco Taxi Workers Alliance. The drivers were previously unionized pre-WWII, but moved away from unionization in the late 1970's. The change comes as a reaction to the years of increased challenges since ride services such as Uber and Lyft have come into the market^{lxxxiv}.

8.1.3 Fees Imposed

Driver permit applications cost \$268.50 and annual renewals cost \$106.50. Vehicle permit holders have an annual renewal fee of \$1,013.50^{lxxxv}. The price currently set by the SFMTA for the purchase of a plate is \$250,000^{lxxxvi}.

8.2 Current Model- Three Guiding Principles

8.2.1 Public Safety

Taxi drivers must be over the age of 21, undergo a fingerprinting and background check and a driving history check.

Drivers must also attend a 28hour driver training course and pass the exam to get their A-card^{lxxxvii}.

8.2.2 Accessibility

SFMTA currently has 100 ramp medallions issued for wheelchair accessible vehicles. Drivers holding a ramp medallion must meet the SFMTA minimum requirement of 10 wheelchair pick-ups per month^{lxxxviii}.

8.2.3 Consumer Protection

Taxi fares are regulated by the SFMTA. The SFMTA also offers a lost and found service to reunite passengers of taxis with goods left behind^{lxxxix}.

8.3 Impact of ABSMs

8.3.1 Introduction of Uber in San Francisco

Uber was founded as a solution to the founder's frustration with the existing taxicab industry in San Francisco. Uber's launch day in San Francisco was May 31, 2010 and taxi service was added in 2012.

8.3.2 Impact on Existing Taxicab Industry

Average monthly trips per taxi have dropped from 1,424 in 2012 to 504 in July, 2014, a nearly 65% decline. Taxicabs are attempting to improve their services to compete with Uber, 80% now use FlyWheel, a hailing app, which allows users to order and pay for a taxi using their phones^{xc}.

8.3.3 Enforcement

Officials at San Francisco Airport claim to have issued \$200,000 in citations against ride-hail violators^{xc1}. The airport authority has since granted permits to Uber and Lyft to access the airport roads as a pilot project.

8.4 Introduction of ABSM- Impact on Three Guiding Principles

The California Public Utilities Commission (CPUC) has responded to the emergence of companies such as Uber by opening a proceeding to evaluate the new business model, now known as transportation network companies (TNCs), which the CPUC

defines as organizations that provide prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using their personal vehicles. The CPUC, which is the regulator of charter-party carriers, adopted rules and regulations for TNC in September 2013^{xcii}.

8.4.1 Public Safety

TNCs are required to obtain a permit from the CPUC.

TNC drivers must be 21 years old or older and pass a background check.

TNCs are obligated to establish a driver training program and implement a zero-tolerance policy on drugs and alcohol.

Commercial insurance coverage with no less than \$1 million dollars of per-incident coverage for incidents involving vehicles and drivers in transit to or during arranged trips is also required. The Commission continues to seek feedback from the various stakeholder groups at this time^{xciii}.

The insurance coverage of Uber drivers was called in to questions on New Years' Eve 2013 when an Uber driver struck and killed 6 year old girl. Uber responded to the incident by stating "We can confirm that this tragedy did not involve a vehicle doing a trip on the Uber system"^{xciv}.

8.4.2 Accessibility

Transportation Network Companies are not required to be wheelchair accessible^{xcv}.

8.4.3 Consumer Protection

TNC fares are not regulated and are subject to surge pricing. Rates are shown on the website and app.

8.5 Current Status

8.5.1 Current Legal Issues

A lawsuit was filed against Uber by the San Francisco district attorney in December 2014, and was expanded in August 2015. The consumer-protection lawsuit regarding Uber's claims about driver's background checks was expanded to include false advertising. District Attorney George Gascon does not believe Uber should claim to rigorously check the background of its drivers unless it puts drivers through the same fingerprinting process required by California taxi drivers. The lawsuit claims that Uber failed to uncover the criminal records of 25 drivers, which included registered sex offenders and a convicted murderer. An Uber spokesperson claims that Uber ran

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background checks on California taxi drivers and uncovered convictions for drunk driving, rape, attempted murder, child abuse and violence^{x cvi}.

A June 2015 ruling ordered Uber to reimburse a California woman for over \$4,000 in expenses and other costs incurred while she worked as an Uber driver for an 8-week period in 2014. The labour office cited many instances in which Uber acted as an employer rather than merely as an app that connects drivers and passengers. Currently, the ruling does not extend beyond the one driver, however this ruling could have a favourable impact on class-action lawsuits from drivers against Uber^{x cvii}.

8.5.2 Current Status

Uber and other app-based ridesharing companies continue to operate in San Francisco while the CPUC continues to consult with stakeholders in an effort to update its regulation of the taxi and limousine industry to incorporate app-based service model companies such as Uber.

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