

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 27, 2017**

Item 3, Report No. 24, of the Committee of the Whole (Working Session), which was adopted without amendment by the Council of the City of Vaughan on June 27, 2017.

#### **3                    REGULATION OF PRIVATE GROUND PASSENGER TRANSPORTATION**

**The Committee of the Whole (Working Session) recommends:**

- 1)        That the recommendation contained in the following report of the Deputy City Manager, Community Services, and Director of By-law & Compliance, Licensing & Permit Services, dated June 6, 2017, be approved;**
- 2)        That the presentation by the Manager of Policy & Business Planning, and Communication C3, presentation material titled “Regulation of Private Ground Passenger Transportation”, dated June 6, 2017, be received; and**
- 3)        That the following deputations and communication, be received:**
  - 1.        Mr. Chris Schafer, Uber Canada, Public Policy Manager, Adelaide Street West, Toronto;**
  - 2.        Mr. Yehuda Shahaf, Brownstone Circle, Thornhill;**
  - 3.        Mr. Marcel Hernandez, Treasure Hill Road, Vaughan; and**
  - 4.        Ms. Kathy Platanitis, Taxi Owner V570 and Communication C4.**

#### **Recommendation**

The Deputy City Manager, Community Services, and Director of By-law & Compliance, Licensing & Permit Services, in consultation with the Deputy City Manager, Legal Services and the Chief Financial Officer and City Treasurer, recommend:

- 1.    That City Council adopt the licensing regulations for private ground passenger transportation, as provided in Schedule “A” of this report, subject to final wording and a format satisfactory to the Deputy City Manager, Legal Services;**
- 2.    That City Council adopt the licensing fees for private ground passenger transportation service providers, as provided in Schedule “B” of this report; and**
- 3.    That City Council authorize staff to undertake any other actions required to implement the recommended by-law amendments, including any consequential amendments to other by-laws.**

#### **Contribution to Sustainability**

The socio-economic reach of the GTA's transportation network extends to every community, large and small, as it connects populations, helps to nurture business districts, allows employers to tap into larger workforces, spurs economic activity and increases property values. On an individual level, a well-developed transportation network saves money, and provides people with choices, freedom and opportunities.

Private ground passenger transportation services, such as taxicabs and ride-sharing providers, offer additional transportation options for the public and can help to decrease reliance on the use of personal cars, thus alleviating traffic congestion, reducing emissions, and encouraging public transit ridership. New services, such as carpooling, can also help to fill in transportation gaps, such as first-and-last-mile, and further promote sustainable growth and development.

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The recommendations in this report are intended to strengthen the transportation network by lowering business costs, reducing jurisdictional barriers, eliminating regulatory redundancy, improving competitive equity and promoting environmental stewardship. These recommendations are aligned directly with Council's priorities and the City's By-law Strategy.

#### **Economic Impact**

It is difficult to project the full impact on licensing revenues arising from the introduction of licensing for ride-sharing providers. Staff expect there to be an ongoing demand for traditional taxi services. However, it is likely that the number of taxicabs and taxi drivers in Vaughan will continue to fall. Based on the recommended fee structure provided in Schedule "B", and estimated licensing volumes, staff expect licensing revenues from the industry to stabilize and to cover basic administrative and enforcement costs.

Actual licensing revenues from the private ground passenger transportation industry (mostly taxicab licences) were: \$293,000 in 2014; \$194,000 in 2015; and \$142,000 in 2016. With the introduction of licensing of ride-sharing services, staff expect licensing revenues to rebound to \$189,000 in 2017 (as the licensing requirement is not expected to be in effect until the last Quarter of the Year) and to \$260,000 by 2018.

Given the novelty of ride-sharing and its business model, it is difficult to determine whether administration and enforcement costs will vary considerably from current levels. As a result, for 2017 and 2018, staff will monitor the level of resources expended for the administration and enforcement of these licensing categories and make any necessary adjustments in 2019 through the budgeting process.

#### **Communication Plan**

As part of its review of the City's private ground passenger transportation regulations, staff consulted with taxi brokerages, taxicab owners and drivers, and private transportation companies. Their feedback informed this report's recommendations.

As part of the City's communication plan, all affected licensees shall be informed of the changes adopted by Council by direct mail.

In addition, the new regulations shall be shared on the City's website.

Notice of the proposed amendments recommended in this report to Consolidated Licensing By-law 315-2005 and Fees and Charges By-law 171-2013, as amended, was conducted in accordance with Sections 4(3) and 4(4) of the City's Notice By-law No. 392-2002.

#### **Purpose**

The purpose of this report is to seek Council approval for a new regulatory framework for the private ground passenger transportation industry. The proposed regulations are intended to promote the development and modernization of the City's transportation network while ensuring the health and safety of the public and the protection of consumers.

#### **Background – Analysis and Options**

This section provides an overview of the private ground passenger transportation industry, followed by a framing of the current regulatory issues and the resulting opportunities. The discussion then turns to the approach taken by staff and the resulting rationale for their recommendations.

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**Private Ground Passenger Transportation**

Since the inception of ride-sharing services like those provided by Uber, Lyft, or Curb, there has been considerable talk about how the service they provide is different than the services provided by taxis and limousines. In general terms, taxis are marked passenger vehicles with roof lights and meters. They provide both pre-arranged and flag-for-hire service. Some taxis may be modified to accommodate wheelchairs and scooters. Fares are calculated by a meter based on a combination of distance and time. Limousines are premium vehicles, sometimes modified as stretch vehicles. They most often provide pre-arranged service based on a flat fare per hour. Limousines very rarely provide fully accessible service. Ride-sharing companies use a smartphone-based application to engage potential clients. The app matches customers with available drivers and, acts as a meter that can provide an estimated fare up-front based on the pick-up point and destination entered by the client, and is also the means by which payment takes place automatically.

While the way in which ride-sharing companies deliver their service is undoubtedly new and innovative, the core service is no different than those provided by more traditional industry players. Ultimately, from a regulatory standpoint, whether one considers taxis, limousines or ride-sharing providers, they all provide a service to take a person from point A to point B. They all employ a method of engaging potential customers, use passenger vehicles to provide the service, and charge a calculated fare that takes distance into account. Some may provide their services using premium vehicles. Some may only work on a pre-arranged basis, while others may be flagged on the street. In the end, they are all private service providers offering ground transportation for passengers.

From a regulatory standpoint, this is a critical point because the role of the regulator is not to determine or influence the business model of these service providers, but rather to ensure that in the provision of such services, the health and safety of the public, consumer protection and nuisance control measures are duly upheld. As long as these three regulatory pillars are adequately maintained, service providers should be free to innovate, compete and fulfil consumer demand.

**Current Situation**

Municipalities across Ontario, and around the world, have been struggling to regulate the mushrooming “sharing economy” and ride-sharing in particular as vehicles and drivers are difficult to identify. Despite this difficulty, ride-sharing providers have successfully courted consumers by meeting their increasingly more technologically-oriented expectations. In fact, Ontarians are overwhelmingly in support of many of the services being provided by sharing economy companies, such as eBay, TaskRabbit, and Uber. Over 40% of young Ontarians (18-34) are sharing economy consumers. Global sharing economy revenues are expected to grow more than twenty-fold in the next ten years. The sharing economy is part of a broader global movement of economic integration – it is increasingly the way people expect to do business. Thus, the challenge for regulators is to find increasingly innovative and forward-looking ways of allowing sharing economy services to thrive while maintaining a reasonable level of public protection.

With this in mind, City staff have developed a model of regulation that strikes a balance between embracing change and maintaining a valued sense of order and public protection.

**Stakeholder Consultations**

City staff have consulted with industry representatives and participants of the taxi, limousine and ride-sharing industries with respect to the proposed regulations.

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Initial consultations were conducted to provide industry participants with an overview of the City's approach and to solicit specific ideas and suggestions on the direction of regulatory policy for the industry. A session for brokerages and limousine companies was conducted on April 5 and two sessions for owners and drivers were conducted on April 27 and May 1, respectively.

In general terms, most brokerages were of the opinion that existing regulations should be applied to ride-sharing services. There also seemed to be limited appetite for the ability of brokerages to set fares for their services. Some argued for maintaining an over-all cap on the number of service providers across the industry. However, most brokerages were accepting of the introduction of new regulations for ride-sharing in general and receptive to the possibility of broadening their future ability to operate across jurisdictions, where possible.

Opinion amongst owners and drivers with respect to the adequate level of regulation in the industry varied widely. However, most owners and drivers said that ride-sharing service providers should be subjected to the same regulations as taxicab service providers. Some also suggested that new requirements, including the use of in-vehicle cameras, should be established across the industry. Especially amongst owners, there was general agreement about the need to maintain a restricted licensing or plate system. However, some drivers argued for the issuance of licences to existing drivers. No one spoke in favour of a complete elimination of the cap on taxi licences. Another issue in which there seemed to be some level of agreement was the need to address the economic hardship around the operation of accessible vehicles. The City currently requires all newly licensed owners to operate a fully-accessible vehicle for the first four years of the licensing tenure. Fully retrofitted vehicles can cost between \$60,000 and \$70,000 and often have higher operation costs than regular taxicabs. Operators of these vehicles indicated that although the service they provide is important, the market is not sufficient for them to operate profitably.

City staff also consulted with representatives from the GTA's primary ride-sharing provider, Uber. Uber's main interest is for the City to adopt a set of regulations that, while meeting the basic requirements for the protection of the safety of the public and consumer, do not otherwise impose requirements that adversely affect their business model. Overall, staff's recommendations were generally well-received by Uber and it is expected that staff will receive full co-operation.

#### **Municipal Comparison**

Most major municipalities in Ontario now license ride-sharing providers. Although regulatory models vary, most municipalities are coalescing around some key issues, including passenger safety (e.g., driver background check, vehicle safety and appropriate insurance), vehicle requirements (e.g., vehicle identification, age of vehicles, required equipment), consumer protection (e.g., fare setting), meeting accessibility requirements, restrictions on the number of licences, licensing fees, and the need for regulatory checks and balances. Schedule "D" provides a detailed table of the Ontario municipalities surveyed.

#### Passenger Safety

All municipalities will require that ride-sharing drivers:

- have a valid Ontario Class G Driver's Licence
- submit a background check annually; and
- submit a driver's abstract annually.

All municipalities will require that vehicles:

- be properly insured for the use (i.e., commercial passenger conveyance); and
- have had a safety standard certificate issued.

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In the case of the major ride-sharing service provider in Ontario, Uber, these clearances and requirements are submitted by the company on behalf of all of its Drivers.

#### Vehicle Requirements

Most municipalities are requiring that vehicles:

- be no more than ten model years old; and
- have some form of vehicle identifier, such as a decal or hangtag

#### Consumer Protection

All municipalities are allowing:

- fares to be calculated using the operator's app; and
- surge pricing to be used, as long as the passenger is advised in advance.

#### Accessibility Requirements

With respect to providing on-demand accessible service:

- most municipalities have not imposed the requirement on ride-sharing services; and
- some municipalities have required a fee-in-lieu.

#### Restrictions on the Number of Licences

No municipality has:

- imposed a cap on the number of ride-sharing vehicles allowed to operate within their boundaries; and
- eliminated the existing cap on taxicab licences (with the exception of Barrie on a pilot basis).

#### Licensing Fees

All municipalities are imposing a licensing fee on PTCs that includes:

- a flat fee, in some cases based on the number of vehicles being operated; and
- a per-ride fee, ranging from 6¢ to 30¢ (with 11¢ being the most common).

#### Regulatory Check and Balances

With respect to monitoring and enforcement:

- all municipalities are requiring ride-sharing companies to provide information on their drivers and vehicles, as well as statistical information for determining the per-ride licensing fees; and
- most municipalities are including provisions to provide for enforcement-related accounts and to require cooperation with any enforcement-related investigations or actions.

#### **Guiding Principles for the Regulatory Review**

In the process of their review, staff were guided by four principles against which their recommendations for regulatory change could be compared:

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1. **Protection of the safety and well-being of the public.** This has been a long-standing mandate of municipalities when it comes to the regulation of business activity. In the case of the private ground passenger transportation industry, the public expects that reasonable measures have been put in place to ensure the service provider is a permitted driver and does not have a significant criminal history, and that vehicles used are mechanically sound and properly insured in the event of an accident.
2. **Protection of consumers.** This is another common objective of regulation and is especially aimed at ensuring that vulnerable consumers are not taken advantage of through unfair or unscrupulous practices. Measures include ensuring that pricing and the service is not discriminatory on the basis of any prohibited grounds (e.g., disability, age, gender, race, etc.).
3. **Development of effective and economical transit options for the public.** This is a key priority of Council, but is also a priority for the Region and the Province. This principle speaks to creating a set of regulations that helps to move these priorities forward, including contingent service for less dense and underserved areas, adequate on-demand accessible service, and diverse economical options for socio-economically disadvantaged individuals.
4. **Facilitation of economic growth and innovation through reasonable, coherent and consistent regulation.** Another key priority of Council is to attract investment and create jobs. Regulation can assist in meeting this objective by lowering or eliminating jurisdictional barriers to entry, applying regulations equitably and consistently, and continuously engaging residents, businesses and other stakeholders to ensure that community interests are being protected and fostered.

**Scope of Recommended Regulatory Policy**

The proposed regulatory model would apply to all private-sector operators, owners and drivers involved in the provision of ground transportation services for passenger conveyance. It does not include other transportation services, such as public transit, couriers, or delivery services.

Under this model, operators are defined as anyone who operates a platform within the boundaries of the city of Vaughan for the purpose of providing private ground passenger transportation services. Owners are defined as the entities that own the vehicles being used to provide accessible, taxicab, and limousine services. Drivers are those who actually deliver the services.

The main public interest issues with respect to private ground passenger transportation are the personal safety of passengers and the public, and the reasonable protection of consumers. To achieve these objectives, operators, owners and drivers need to be reasonably vetted and held accountable for their obligations to their passengers and the public more generally.

In the case of drivers, a background review that includes a police check and a driver's abstract is a reasonable minimum clearance. These two clearances have been a long-standing and appropriately regulatory practice.

In the case of owners, the provision of a vehicle safety certificate that ensures the vehicle being used to transport passengers is mechanically sound and the requirement to hold an adequate insurance policy that covers the conveyance of passengers are equally reasonable and minimum clearances. In addition, owners need to be held accountable for ensuring that anyone driving their vehicles for the purpose of transporting passengers has been properly vetted.

Finally, in the case of operators who engage owners and drivers, it is critical that they do not facilitate services from non-vetted drivers in non-certified and uninsured vehicles. Operators have

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a responsibility to the general public to provide a reasonably safe service. In the event that an incident does take place between a driver and a passenger operators should be required to co-operate with the City to investigate matters.

The new regulatory regime for the private ground passenger transportation industry considers four sectors that require different levels of regulation based on level of public risk:

1. Accessible Taxicab Services
2. Taxicab Services
3. Limousine Services
4. Ride-Sharing Services

Each is described in more detail in Schedule “C”, along with an explanation of how each relates, from a regulatory standpoint, to the other services.

#### **Overview of Recommended Regulations**

In reviewing the approaches taken by other Ontario municipalities and in considering the particular challenges and opportunities inherent in the Vaughan and regional context, staff are recommending a regulatory model that provides a regulatory framework for ride-sharing services and reduces regulatory restrictions on industry incumbents.

#### Licensing Requirements

Staff are recommending that operators, owners, and drivers be licensed. Individuals would be required to be at least 18 years old, while drivers would have to be eligible to work in Canada, and hold a valid Ontario driver's licence.

Operators, owners, and drivers licensed in other municipalities that have the same licensing clearances could be licensed in Vaughan by presenting their valid licence and paying the required renewal fee for their category.

#### Passenger Safety

Staff are recommending that all drivers be subject to a background check and be required to provide a driver's abstract on an annual basis. The documentation may be provided by the subject individual or an agent appointed by such individual (e.g., a taxi brokerage, limousine company, or private transportation company).

Staff are further recommending that all owners of private vehicles used in the commercial conveyance of passengers be required to provide an Ontario Safety Certificate on an annual basis as well as proof of appropriate vehicle insurance. This information may be provided directly by the owner of the vehicle or an agent appointed by such owner (e.g., a taxi brokerage, limousine company, or a private transportation company).

Finally, staff are recommending that only accessible taxis and taxicabs be permitted to pick up hailed fares. All services provided by limousine services and ride-sharing service providers must be pre-arranged through the company, which may include the use of an app.

#### Vehicle Requirements

Staff are recommending that all private vehicles used in the commercial conveyance of passengers be allowed to be up to ten model years old with the possibility to extend that to twelve years, subject to an annual mechanical and physical inspection deemed satisfactory to the Chief Licensing Officer. This puts the City of Vaughan in line with most other municipalities and also

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recognizes that responsible owners, who take care of their vehicles, should be permitted to maximize their vehicle's economic life.

Staff are also recommending that all accessible taxis must meet the D409-16 requirements for an accessible vehicle and that all accessible taxis and taxicabs must have a working roof light and trip meter acceptable to the Chief Licensing Officer. Staff are not recommending that emergency lights or cameras be required in any private ground passenger transportation vehicle.

Staff are recommending that all accessible taxis and taxicabs continue to be required to have a plate bearing the vehicle's licence number as well as having the licence number clearly marked on the vehicle's sides. In addition, staff are recommending that limousines and ride-sharing vehicles not be required to have municipal plates or other body markings, but that a decal satisfactory to the Chief Licensing Officer be continuously displayed during operation.

#### Consumer Protection

Staff are recommending that accessible taxis and taxicabs be permitted to set their own fare structure, subject to the following requirements:

1. If an app is used for the engagement, the passenger be advised of the estimated total fare prior to the engagement and the final fare be calculated by the app;
2. If the engagement is pre-arranged through a brokerage, the passenger be advised of the estimated total fare prior to the engagement and that the basis for such a fare be previously filed with the City and the fare be calculated by a trip meter; or
3. If the vehicle is hailed, the rate used to calculate the fare be posted in plain view of the passenger and the basis for such a fare be previously filed with the City and the fare be calculated by a trip meter.

Staff are further recommending that limousines be permitted to set their own fare structure, subject to the following requirements:

1. If an app is used for the engagement, the passenger be advised of the estimated total fare prior to the engagement and the final fare be calculated by the app; or
2. If the engagement is pre-arranged through a limousine company, the passenger be advised of the estimated total fare prior to the engagement and that the basis for such a fare be previously filed with the City.

Finally, staff are also recommending that ride-sharing providers be permitted to set their own fare structure, subject to the following requirements:

1. An app be used for the engagement and the passenger be advised of the estimated total fare prior to the engagement and the final fare be calculated by the app.

Although operators will be permitted to establish their pricing, the City shall prohibit any fare structure that discriminates on the basis of a Prohibited Ground (as defined in the *Ontario Human Rights Code*) or, in the opinion of the Chief Licensing Officer, has the same effect.

#### Accessibility

Given the complicated dynamics and legislative requirements surrounding on-demand accessible service (see Schedule "E" for a summary of accessibility requirements in Vaughan), staff propose to continue to explore different approaches to ensure the long-term continuation of an on-demand accessible service. In the meantime, the requirement for accessible vehicles for new licences

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shall be maintained. Furthermore, by eliminating the restriction on licences, staff hope to be able to attract more potential accessible taxi owners.

Initially new accessible taxicab owner licences will only be available to taxicab drivers that have been licensed as such in Vaughan for at least five years. This will ensure that such licences go to individuals that have shown commitment to the Vaughan industry and who have the experience to make a successful venture more likely. Staff will monitor the uptake of this program and assess whether it is successfully meeting the goals of having a local taxicab fleet that is 5% accessible. In the event that the program falls short, staff will consider opening up the same licensing opportunity to taxicab drivers in York Region.

These recommendations were developed in consultation with the City's Accessibility & Diversity Office. Staff will continue to explore ways to create a sustainable on-demand service in Vaughan, including the possibility and implications of establishing a fee-in-lieu for operators that do not meet the accessibility requirements.

#### Restrictions on the Number of Licences

Staff are recommending that the cap on taxicab licences be eliminated, subject to certain restrictions, including that only Taxicab Drivers with a minimum tenure of five years would be eligible to apply for a licence. No cap is imposed on limousines and no cap is being recommended for ride-sharing services. Currently, only 91% of the available licences are being actively used. As a result, staff do not believe that the elimination of the cap will result in a proliferation of taxicab licences. However, the effect of this recommendation may have a further negative impact on the value of taxicab "plates".

#### Licensing Fees

Staff are proposing an alignment of the fees for taxicab and limousine operators, owners and drivers. An initial annual licence in 2017 for an operator would be \$390 and \$252 for a renewal. An initial licence for an owner would be \$498 with a \$322 renewal fee. And, for a driver the initial fee would be \$172 and the renewal would be \$167. Licensing fees for accessible owners and drivers are proposed to be half of those for taxicabs and limousines.

For ride-sharing providers, staff are recommending an escalating flat licensing fee for operators, based on the number of vehicles they have operating in the municipality and supplemented by a per-ride fee of 11¢.

Through the per-ride-fee, PTC licensing fees are tied to the anticipated level of enforcement (i.e., the greater the number of rides, the more likely it is that complaints arise), administration. This licensing fee structure is in line with the provisions of the Municipal Act that allow for a fee or charge to include costs incurred by the municipality related to the administration, enforcement and the establishment, acquisition and replacement of capital assets.

#### Regulatory Checks and Balances

In line with the requirements imposed by other municipalities, staff are recommending that all operators be mandated to provide data relevant to the administration of the City's licensing provisions and that such data be made available for audit both periodically and upon request.

#### Customer Service

General training for taxicab drivers will be discontinued. Customer service and related training will be left to individual brokerages, limousine companies and private transportation companies. Training will continue to be required for accessible drivers.

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Basic behavioural requirements will continue to be requirements under the By-law and will be extended to ride-sharing owners and drivers. However, many of the non-safety or consumer protection measures under the current By-law provisions will be eliminated, such as the requirement for Drivers to have to search their vehicle for a passenger's left belongings after every engagement.

Complaints with respect to any issue encountered with a licensee will continue to be received and investigated by the City equally across all industry sectors.

#### **Relationship to Term of Council Service Excellence Strategy Map (2014-2018)**

Creating an innovative regulatory regime that encourages investment from high-tech firms, ranging from transportation to lodging to asset management, is directly in line with the Term-of-Council Priorities, specifically:

- continuing to develop transit options to get around the City;
- continuing to ensure the safety and well-being of citizens;
- attracting investment and creating jobs;
- continuing to cultivate an environmentally sustainable city; and
- continuing to advance a culture of excellence in governance.

The recommendations are also consistent with the Vaughan Service Excellence Strategic Initiatives of:

- providing consistent and effective service delivery; and
- championing continuous improvement.

#### **Regional Implications**

In conjunction with staff from the City of Markham and the Town of Richmond Hill, staff are recommending regulations that will establish the groundwork for more consistent regulation across the three municipalities to govern private ground passenger transportation providers.

As Richmond Hill and Markham continue to review and introduce regulations for their own private ground passenger transportation industries, City of Vaughan staff will work to promote greater cross-jurisdictional co-operation and alignment to develop more effective and efficient regulations.

#### **Conclusion**

The advent and rapid expansion of ride-sharing services in the Greater Toronto Area have created both market and regulatory pressures. As a policy response, staff recommend the introduction of a set of regulations for the private ground passenger transportation industry. This model would continue to promote the development and modernization of the City's transportation network while ensuring the health and safety of the public, the protection of consumers and the ongoing control of nuisances.

The report's recommendations were guided by four principles: (1) the protection of the safety and well-being of the public; (2) the protection of consumers; (3) the development of effective and economical transit options for the public; and (4) the facilitation of economic growth and innovation through reasonable, coherent and consistent regulation.

The proposed regulations are a first step in addressing the interest and demand in new services within the private ground passenger transportation industry. In accordance with the City's By-law Strategy, staff will closely monitor the effectiveness of the new regulations and continue to work with stakeholders to make any adjustments that may be needed.

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Staff are confident that the proposed regulatory framework reflects the need for modernization across industry sectors, supports the principles that guided this review, and provides City Council with the necessary information to make an informed decision on this matter.

**Attachments**

- Schedule “A” – Proposed Regulations for the Private Ground Passenger Transportation Industry.
- Schedule “B” – Proposed Annual Licensing Fee Structure for the Private Ground Passenger Transportation Industry
- Schedule “C” – Description of Sectors in the Private Ground Passenger Transportation Industry
- Schedule “D” – Municipal Comparison of Licensing Regulations for the Private Ground Passenger Transportation Industry
- Schedule “E” – Accessibility Requirements for the Private Ground Passenger Transportation Industry

**Report prepared by:**

Rudi Czekalla-Martinez  
Manager, Policy & Business Planning

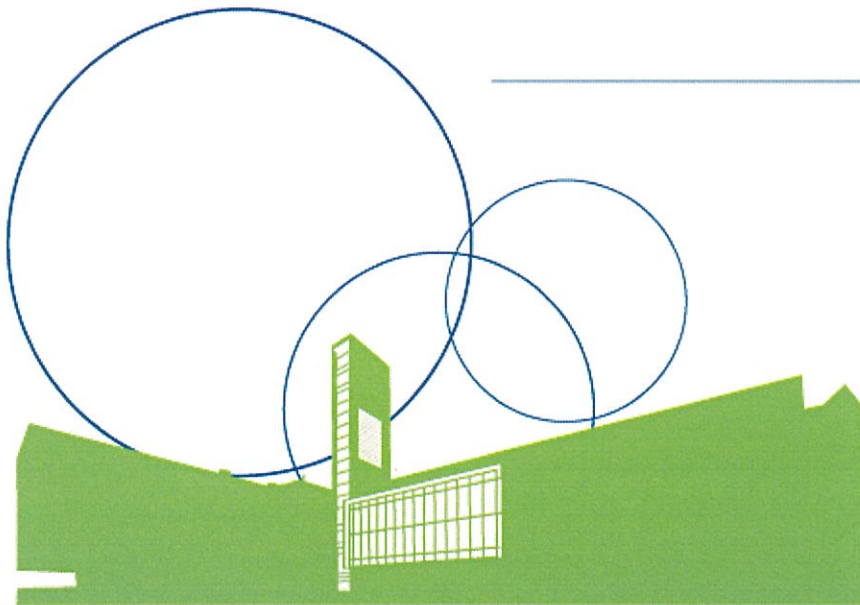
(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

City of Vaughan  
Committee of the Whole  
(Working Session)  
June 6, 2017

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# Regulation of Private Ground Passenger Transportation

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# Private Ground Passenger Transportation Agenda

- Background
- Principles
- Ride-sharing regulations
- Regulatory relief for taxicabs and limousines
- Implementation
- Q and A



# Private Ground Passenger Transportation

## Background

- Currently, the City does not have regulations that govern the operation of ride-sharing services in Vaughan.
- The demand for ride-sharing services has grown and the breadth of services has diversified considerably.
- Ride-sharing services have been challenging to define and regulate.

# Private Ground Passenger Transportation

## Principles

- Protection of the safety and well-being of the public
- Protection of consumers
- Development of effective and economical transit options for the public
- Facilitation of economic growth and innovation through reasonable, coherent and consistent regulation

## Private Ground Passenger Transportation

# Regulations for ride-sharing

- Companies must:
  - be licensed
- Drivers must:
  - be licensed
  - have a background check
- Vehicles must:
  - pass a safety standards certificate
  - have appropriate insurance coverage
  - display an identifying marker

## Private Ground Passenger Transportation

# Regulations for ride-sharing

- Drivers must operate on a platform (i.e., an app) and cannot accept flag fares or charge cash for any services.
- Companies must pay a flat licensing fee plus a per-ride fee of \$0.11.

## Private Ground Passenger Transportation

# Relief for taxicabs and limos

- Taxicab owners will no longer be required to belong to a taxicab brokerage in order to provide services.
- Taxicab and limousine service providers will be permitted to set their own fare rates.
- Owner licences (i.e., plates) will be made available to taxicab drivers with at least a five-year tenure as a licensed Vaughan taxicab driver.

# Private Ground Passenger Transportation

## Implementation

- Work with ride-sharing and taxicab sectors to operationalize policy.
- Have by-law before Council in September; licensing of ride-sharing to commence in October of 2017.
- Enforce regulations based on complaints.
- Monitor and assess the effectiveness of the regulations with a review after 24 months.

# Private Ground Passenger Transportation



ILLUSTRATION BY T.S. ABE FOR THE NEW YORK TIMES

# Uber's C.E.O. Plays With Fire

Travis Kalanick's drive to win in life has led to a pattern of risk-taking that has at times put his ride-hailing company on the brink of implosion.

By MIKE ISAAC APRIL 23, 2017

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SAN FRANCISCO — Travis Kalanick, the chief executive of Uber, visited Apple's headquarters in early 2015 to meet with Timothy D. Cook, who runs the iPhone maker. It was a session that Mr. Kalanick was dreading.

For months, Mr. Kalanick had pulled a fast one on Apple by directing his employees to help camouflage the ride-hailing app from Apple's engineers. The reason? So Apple would not find out that Uber had been secretly identifying and tagging iPhones even after its app had been deleted and the devices erased — a fraud detection maneuver that violated Apple's privacy guidelines.

But Apple was onto the deception, and when Mr. Kalanick arrived at the midafternoon meeting sporting his favorite pair of bright red sneakers and hot-pink socks, Mr. Cook was prepared. "So, I've heard you've been breaking some of our rules," Mr. Cook said in his calm, Southern tone. Stop the trickery, Mr. Cook then demanded, or Uber's app would be kicked out of Apple's App Store.

For Mr. Kalanick, the moment was fraught with tension. If Uber's app was yanked from the App Store, it would lose access to millions of iPhone customers — essentially destroying the ride-hailing company's business. So Mr. Kalanick acceded.

In a quest to build Uber into the world's dominant ride-hailing entity, Mr. Kalanick has openly disregarded many rules and norms, backing down only when caught or cornered. He has flouted transportation and safety regulations, bucked against entrenched competitors and capitalized on legal loopholes and gray areas to gain a business advantage. In the process, Mr. Kalanick has helped create a new transportation industry, with Uber spreading to more than 70 countries and gaining a valuation of nearly \$70 billion, and its business continues to grow.

But the previously unreported encounter with Mr. Cook showed how Mr. Kalanick was also responsible for risk-taking that pushed Uber beyond the pale, sometimes to the very brink of implosion.

Crossing that line was not a one-off for Mr. Kalanick. According to interviews with more than 50 current and former Uber employees, investors and others with whom

the executive had personal relationships, Mr. Kalanick, 40, is driven to the point that he must win at whatever he puts his mind to and at whatever cost — a trait that has now plunged Uber into its most sustained set of crises since its founding in 2009.

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“Travis’s biggest strength is that he will run through a wall to accomplish his goals,” said Mark Cuban, the Dallas Mavericks owner and billionaire investor who has mentored Mr. Kalanick. “Travis’s biggest weakness is that he will run through a wall to accomplish his goals. That’s the best way to describe him.”

Uber headquarters in San Francisco. The company has grown fast, spreading to more than 70 countries and gaining a valuation of nearly \$70 billion.

RYAN YOUNG FOR THE NEW YORK TIMES

A blindness to boundaries is not uncommon for Silicon Valley entrepreneurs. But in Mr. Kalanick, that led to a pattern of repeatedly going too far at Uber, including the duplicity with Apple, sabotaging competitors and allowing the company to use a secret tool called Greyball to trick some law enforcement agencies.

That quality also extended to his personal life, where Mr. Kalanick mixes with

celebrities like Jay Z and businessmen including President Trump's chief economic adviser, Gary D. Cohn. But it has alienated some Uber executives, employees and advisers. Mr. Kalanick, with salt-and-pepper hair, a fast-paced walk and an iPhone practically embedded in his hand, is described by friends as more at ease with data and numbers (some consider him a math savant) than with people.

Uber is grappling with the fallout. For the last few months, the company has been reeling from allegations of a machismo-fueled workplace where managers routinely overstepped verbally, physically and sometimes sexually with employees. Mr. Kalanick compounded that image by engaging in a shouting match with an Uber driver in February, an incident recorded by the driver and then leaked online. (Mr. Kalanick now has a private driver.)

The damage has been extensive. Uber's detractors have started a grass-roots campaign with the hashtag #deleteUber. Executives have streamed out. Some Uber investors have openly criticized the company.

Mr. Kalanick's leadership is at a precarious point. While Uber is financed by a who's who of investors including Goldman Sachs and Saudi Arabia's Public Investment Fund, Mr. Kalanick controls the majority of the company's voting shares with a small handful of other close friends, and has stacked Uber's board of directors with many who are invested in his success. Yet board members have concluded that he must change his management style, and are pressuring him to do so.

He has publicly apologized for some of his behavior, and for the first time has said he needs management help. He is interviewing candidates for a chief operating officer, even as some employees question whether a new addition will make any difference. He has also been working with senior managers to reset some of the company's stated values. Results of an internal investigation into Uber's workplace culture are expected next month.

Through an Uber spokesman, Mr. Kalanick declined an interview request. Apple declined to comment on the meeting with Mr. Cook. Many of the people interviewed for this article, who revealed previously unreported details of Mr. Kalanick's life, asked to remain anonymous because they had signed nondisclosure agreements with Uber or feared damaging their relationship with the chief executive.

Mr. Kalanick's pattern for pushing limits is deeply ingrained. It began during his childhood in suburban Los Angeles, where he went from being bullied to being the aggressor, continued through his years taking risks at two technology start-ups there, and crystallized in his role at Uber.

## Selling Efficiency

Mr. Kalanick grew up in the Northridge neighborhood of Los Angeles. His parents, Bonnie and Donald Kalanick, made sure he and his brother, Cory, were never left wanting. He was naturally athletic and competitive, and excelled at running track and playing football.

At Patrick Henry Middle School, he was a wiry student who got good grades — putting him in the sights of some older kids who picked on him. Mr. Kalanick later vowed never to be bullied again and turned the tables on his tormentors.

A high school yearbook photo of Travis Kalanick.  
GRANADA HILLS CHARTER HIGH SCHOOL

He also showed signs of entrepreneurialism. One summer, he sold knives door-to-door for the cutlery company Cutco. At 18, he started New Way Academy, his own SAT prep business, with a partner.

The start-up life soon called to him. After attending the University of California,

Los Angeles, to major in computer engineering, Mr. Kalanick dropped out in 1998 to form a start-up with several classmates. The company, Scour, became a peer-to-peer file exchange similar to Napster, which let people digitally share music and media files through legally dubious means.

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Scour, which was eventually sued for \$250 billion for alleged copyright infringement, filed for bankruptcy in October 2000, a move that protected it from the suit. The failure did not stop Mr. Kalanick from helping to found another Los Angeles start-up, Red Swoosh, four months later. Red Swoosh made a technology to efficiently transfer large files of digital data; one of its investors was Mr. Cuban.

Sean Stanton, Red Swoosh's former vice president for sales, said of Mr. Kalanick: "Scour was about efficiency. Swoosh was about efficiency. It's just the way his brain is wired. It's like the way Uber works right now: What's the fastest, cheapest and most efficient way to get from point A to point B? That consumes him, and all parts of his life."

With Red Swoosh, Mr. Kalanick started exhibiting his hallmark aggressiveness. When the company struggled, Mr. Kalanick and a partner took the tax dollars from employee paychecks — which are supposed to be withheld and sent to the Internal Revenue Service — and reinvested the money into the start-up, even as friends and advisers warned him the action was potentially illegal.

With Mr. Kalanick desperate to keep Red Swoosh afloat, he moved back into his parents' house. He staved off bankruptcy for a second time by raising another round of funding. The wayward tax dollars eventually went to the I.R.S.

Mr. Kalanick also decamped to Thailand with his software team in April 2006 to save money by living cheaply abroad, while also using the trip as a team-building exercise.

He was interested not only in business during this time. In 2003 he picked up a registration form to run for governor of California and registered a website, [travis4gov.com](http://travis4gov.com), positioning himself as an independent candidate — though he never followed through with a campaign. In other personal pursuits, he once held the world's second-highest score for the Nintendo Wii Tennis video game.

In 2007, Mr. Kalanick sold Red Swoosh to Akamai, a cloud services company, for roughly \$19 million. The deal turned the executive, who had headed north to San Francisco, into a millionaire.

By then, some advisers had soured on him. "The Travis Kalanick I came to know 17

years ago was relentless in pursuit of his goals at the expense of those who supported him along the way, deluded by his own embellished personal narrative, and a serial prevaricator,” said Peter Yorke, a former Red Swoosh adviser and a longtime tech executive.

Others stuck by him. Michael Robertson, chief executive of MP3.com, an early digital music sharing service, said that he told Mr. Kalanick, “Sometimes in business you have to battle the establishment, and it can get brutal and ugly.”

In San Francisco, Mr. Kalanick and Angie You, his longtime girlfriend, bought a townhouse nestled in the upper hills of the city’s Castro section. Though the couple have since split, the two remain close and still speak on a regular basis.

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## Uber’s Rise

The idea for Uber came in 2009 from Garrett Camp, a friend of Mr. Kalanick’s, who became fixated on hailing a private luxury car with a smartphone app after being unable to catch cabs in San Francisco.

Mr. Camp talked about the idea incessantly, including at Mr. Kalanick’s townhouse, nicknamed the “Jam Pad.” Entrepreneurs frequently stopped by to brainstorm there, and the house even had its own Twitter account, controlled by Mr. Kalanick.

When Mayor Bill de Blasio tried to cap the number of Uber cars in New York, the company campaigned hard against the measure.

HIROKO MASUIKE / THE NEW YORK TIMES

UberCab, as it was called at the time, started its service in San Francisco in May 2010. Mr. Camp and Mr. Kalanick picked that name to emphasize the convenience of calling a car on demand from an app. Mr. Kalanick wanted a break from full-time start-up life after running Red Swoosh, so he and Mr. Camp named Ryan Graves, who responded to a call for help on Twitter, as chief executive.

A few months later, Mr. Kalanick changed his mind and took over as UberCab's chief. He quickly positioned the start-up as an alternative to the taxi industry. At the time, taxi companies had iron grips in many towns. City-by-city regulations required procedures like base stations for cabs, safety measures and other stipulations.

Mr. Kalanick ignored those rules.

"We're in a political campaign," he once said at a technology conference, and the candidate is Uber. The opponent is named Taxi, he said, adding a rude descriptive. "Nobody likes him, he's not a nice character, but he's so woven into the political machinery and fabric that a lot of people owe him favors."

Mr. Kalanick carried that same level of intensity into Uber's headquarters, pacing

briskly while working by doing laps around the office. His pacing is so legendary, his father once said, that he wore a hole in the carpeting.

Mr. Kalanick focused on expanding UberCab quickly. The company typically sent a small strike team into a new city — say, Seattle — to aggressively recruit new drivers through Craigslist and other online listings. Then the team marketed UberCab's app to increase ridership.

That drew attention from regulators. In October 2010, the company shortened its name to Uber after receiving a cease-and-desist letter from San Francisco officials for marketing itself as a taxi company without the proper licenses and permits.

To influence local legislators to accept Uber, Mr. Kalanick took extra steps. In 2014, Uber hired Ben Metcalfe, an engineer who described his job on LinkedIn as building “custom tools to support citizen engagement across legislative matters” to drive “social good and social change.”

In practice, Mr. Metcalfe and his team created an email-based system to aid Uber users and drivers to directly contact local legislators to lobby for allowing Uber in their cities. The system was similar to Change.org, a website that pushes social change through online petitions. City and state officials were soon deluged with emails supporting Uber.

Taxi drivers and others who supported Mr. de Blasio's efforts to halt Uber's expansion rallying outside City Hall in

Manhattan in 2015.  
HIROKO MASUIKE / THE NEW YORK TIMES

In some places, Uber employees were also told to create computer programs known as scripts that would automatically vote for the ride-hailing service in city-administered surveys.

Such tactics were effective. In 2015 when New York's mayor, Bill de Blasio, tried capping the number of Uber cars, Uber added a "de Blasio" tab in its app to show lengthy waiting times for rides if legislation against Uber was allowed to go forward. People could easily send a form email to the mayor and the City Council supporting Uber by pressing a button in the app.

Mr. de Blasio capitulated, and the cap did not take place.

## Taking Center Stage

As Uber gained momentum, Mr. Kalanick moved into the spotlight.

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It did not come naturally. One friend recalled a night out with a group of married couples at the Gold Club, a San Francisco strip club, a few years ago. Mr. Kalanick, who was single, pulled out a laptop to work on a spreadsheet, crunching Uber's numbers while friends watched the dancers onstage.

Another friend called Mr. Kalanick a "tech world rock star," which means something different in Silicon Valley than in the music world.

"To work with and around one requires a different kind of mentality and skill," said Andy Abramson, an early adviser to Mr. Kalanick. Mr. Abramson likened the chief executive to other idiosyncratic founders like Jeff Bezos of Amazon.

Mr. Kalanick was eventually coaxed more into the limelight by others. Shervin Pishevar, an Uber investor, sometimes took Mr. Kalanick to clubs in Los Angeles on the weekend, providing a car and a change of "club clothes." Mr. Pishevar, who did not respond to a request for comment, was the Uber chief's entryway into Los Angeles's world of celebrity.

Hollywood stars were eager to buy into Uber, which they had started using to get around. Actors like Edward Norton, Olivia Munn and Sophia Bush took small stakes in the company. Mr. Kalanick and a top lieutenant, Emil Michael, sometimes hung out with Leonardo DiCaprio, who is also an investor, and Jay Z,

whose wife, Beyoncé, performed for Uber employees at a poolside party in Las Vegas in 2015.

Jay Z once wired money to Mr. Michael in an attempt to invest even more in Uber. Mr. Michael and Mr. Kalanick, giddy at rebuffing a celebrity, wired some of the money back, saying they already had too many interested investors. Representatives for Jay Z did not respond to requests for comment.

Mr. Kalanick also dreamed of luring celebrities into advisory roles at Uber. One aim was persuading Oprah Winfrey to join the board — something Uber executives believed could happen after Mr. Kalanick met Ms. Winfrey at a party on the Spanish island of Ibiza — but the idea never jelled. A spokeswoman for Ms. Winfrey declined to comment.

Mr. Kalanick began mixing with elite business executives. He developed a close relationship with Mr. Cohn, then a top-ranking executive at Goldman Sachs. At one point, the two men spoke on a near daily basis. Mr. Cohn and a White House spokeswoman did not return requests for comment.

## Leadership Principles

Inside Uber, Mr. Kalanick began codifying the pillars of the company's culture. He particularly admired Amazon, the e-commerce company that espouses 14 leadership principles including “learn and be curious” and “insist on the highest standards.” So he created 14 values for Uber, with tenets such as being “super pumped” and “always be hustlin’.”

Uber employees in San Francisco. The company, which has set growth as its main goal, has suffered a series of setbacks in recent months.

RYAN YOUNG FOR THE NEW YORK TIMES

Some employees admired Mr. Kalanick's deep involvement in Uber. "TK was hands-on and in the product weeds," said Chris Messina, who left Uber in January, using Mr. Kalanick's nickname. "He cared deeply about the product and the people building it."

Mr. Kalanick's main mantra was "growth above all else."

That meant Uber's top performers were often promoted and protected. When one general manager, a title for a city-level chief, threw a coffee mug at a subordinate in a fit of rage, the incident was reported to human resources — but there was no follow-up. At the time, Uber's business in the general manager's city was strong.

Other complaints also fell on deaf ears.

After a backlash over Uber's use of "surge pricing" (raising ride prices when demand is high) amid an East Coast snowstorm in 2013, Mr. Kalanick's response to upset riders was a torrent of economics and math.

"We did more trips because of our approach, not fewer," he said in an interview with Wired at the time. "We gave people more options to get around, and that is the whole frickin' goal."

Friends and employees told Mr. Kalanick that he should at least pretend to care about how it looked to take such a hostile stance with Uber's users. Several described him as "emotionally unintelligent."

Mr. Kalanick made other missteps. In 2014, he and his then-girlfriend, Gabi Holzwarth, went out in South Korea with Mr. Michael and other Uber employees to drink and sing karaoke. The establishment was an escort bar, where customers may pay for the company of women, and some members of the party picked out dates for the evening. The incident, reported by The Information, resulted in a human resources complaint from an employee who attended.

The same year, Mr. Kalanick discussed how Uber had boosted his desirability with women in an interview with GQ, calling the company "boob-er."

And just days after a former employee published a blog post in February detailing sexual harassment at Uber, Mr. Kalanick attended Vanity Fair's Academy Awards party in Hollywood, stunning some colleagues with his perceived insensitivity.

Mr. Kalanick at Vanity Fair's Oscars party in February.  
DANNY MOLOSHOK / REUTERS

His desire for growth also knew few limits. Uber plunged into China in 2013, and Mr. Kalanick spent billions of dollars to outgun the local incumbent Didi Chuxing — only to have to retreat last year, partly because of heavy losses. Mr. Kalanick is

now spending heavily in India to win there, even offering to become an Indian citizen if it will help Uber's prospects. The company has said that it lost \$2.8 billion in 2016, excluding China.

## For the Win

With Mr. Kalanick setting the tone at Uber, employees acted to ensure the ride-hailing service would win no matter what.

They spent much of their energy one-upping rivals like Lyft. Uber devoted teams to so-called competitive intelligence, purchasing data from an analytics service called Slice Intelligence. Using an email digest service it owns named Unroll.me, Slice collected its customers' emailed Lyft receipts from their inboxes and sold the anonymized data to Uber. Uber used the data as a proxy for the health of Lyft's business. (Lyft, too, operates a competitive intelligence team.)

Slice confirmed that it sells anonymized data (meaning that customers' names are not attached) based on ride receipts from Uber and Lyft, but declined to disclose who buys the information.

Uber also tried to win over Lyft's drivers. Uber's "driver satisfaction rating," an internal metric, has dropped since February 2016, and roughly a quarter of its drivers turn over on average every three months. According to an internal slide deck on driver income levels viewed by The New York Times, Uber considered Lyft and McDonald's its main competition for attracting new drivers.

To frustrate Lyft drivers, Uber dispatched some employees to order and cancel Lyft rides en masse. Others hailed Lyfts and spent the rides persuading drivers to switch to Uber full time.

After Mr. Kalanick heard that Lyft was working on a car-pooling feature, Uber created and started its own car-pooling option, UberPool, in 2014, two days before Lyft unveiled its project.

That year, Uber came close to buying Lyft. At a meeting at Mr. Kalanick's house, and over cartons of Chinese food, he and Mr. Michael hosted Lyft's president, John Zimmer, who asked for 15 percent of Uber in exchange for selling Lyft. Over the next hour, Mr. Kalanick and Mr. Michael repeatedly laughed at Mr. Zimmer's audacious request. No deal was reached. Lyft declined to comment.

The rivalry remains in force. In 2016, Uber held a summit meeting in Mexico City for some top managers, where it distributed a playbook on how to cut into Lyft's business and had sessions on how to damage its competitor.

To develop its own business, Uber sidestepped the authorities. Some employees started using a tool called Greyball to deceive officials trying to shut down Uber's service. The tool, developed to aid driver safety and to trick fraudsters, essentially showed a fake version of Uber's app to some people to disguise the locations of cars and drivers. It soon became a way for Uber drivers to evade capture by law enforcement in places where the service was deemed illegal.

After The Times reported on Greyball in March, Uber said it would prohibit employees from using the tool against law enforcement.

The idea of fooling Apple, the main distributor of Uber's app, began in 2014.

At the time, Uber was dealing with widespread account fraud in places like China, where tricksters bought stolen iPhones that were erased and resold. Some Uber drivers there would then create dozens of fake email addresses to sign up for new Uber rider accounts attached to each phone, and request rides from those phones, which they would then accept. Since Uber was handing out incentives to drivers to take more rides, the drivers could earn more money this way.



**Interactive Feature | How Uber Uses Psychological Tricks to Push Its Drivers' Buttons** The start-up has undertaken an extraordinary experiment in behavioral science to subtly entice an independent work force to maximize company revenue.

To halt the activity, Uber engineers assigned a persistent identity to iPhones with a small piece of code, a practice called "fingerprinting." Uber could then identify an iPhone and prevent itself from being fooled even after the device was erased of its contents.

There was one problem: Fingerprinting iPhones broke Apple's rules. Mr. Cook believed that wiping an iPhone should ensure that no trace of the owner's identity remained on the device.

So Mr. Kalanick told his engineers to "geofence" Apple's headquarters in Cupertino, Calif., a way to digitally identify people reviewing Uber's software in a specific location. Uber would then obfuscate its code for people within that geofenced area, essentially drawing a digital lasso around those it wanted to keep in the dark. Apple employees at its headquarters were unable to see Uber's fingerprinting.

The ruse did not last. Apple engineers outside of Cupertino caught on to Uber's methods, prompting Mr. Cook to call Mr. Kalanick to his office.

Mr. Kalanick was shaken by Mr. Cook's scolding, according to a person who saw him after the meeting.

But only momentarily. After all, Mr. Kalanick had faced off against Apple, and Uber had survived. He had lived to fight another day.

Doris Burke contributed research.

Follow Mike Isaac on Twitter [@Mikelsaac](#).



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# Greyball

From Wikipedia, the free encyclopedia

**Greyball** is a software tool used by the ride-hailing service Uber to identify and deny service to certain riders, including riders who Uber suspects of violating its terms of service.<sup>[1][2]</sup> Uber's use of Greyball was made public in a March 3, 2017, investigative report by *The New York Times*, which described how, as early as 2014, Uber had used Greyball to evade local government authorities in the United States, Australia, South Korea, and China.<sup>[2]</sup> In the days following the publication of the *New York Times* story, Uber admitted that it had used Greyball to thwart government regulators,<sup>[3]</sup> and it promised to stop using the tool for that purpose.<sup>[1]</sup>

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## Development and use

Uber reportedly developed Greyball to identify individuals who Uber suspected of using its service improperly, and it began using the tool as early as 2014.<sup>[2]</sup> According to Uber, Greyball can "hide the standard city app view for individual riders, enabling Uber to show that same rider a different version."<sup>[1]</sup> Uber claimed that it used Greyball to deny service to individuals suspected of violating the company's terms of services, such as people seeking to harm Uber drivers, disrupt Uber operations, or carry out law enforcement actions against Uber drivers.<sup>[2][4]</sup> However, after *The New York Times* revealed Greyball's existence in March 2017,<sup>[2]</sup> Uber said it would stop using it to evade local government regulators.<sup>[1][3][5]</sup>

According to the *New York Times* report, which was based on interviews of four current and former Uber employees and a review of internal Uber documents, Greyball used several methods to identify and deny service to government officials who were investigating Uber for violations of local laws.<sup>[2]</sup> Those methods included:

- Geofencing. Uber would create a digital map that identified the locations of city government offices. If a potential rider attempted to hail a ride from the area around a government building, Greyball would flag the individual as a possible law enforcement agent.<sup>[2]</sup>
- Mining credit card databases. If Uber identified a credit card as being associated with a government agency or police union, it would flag that individual in Greyball.<sup>[2]</sup>
- Identifying devices. Since government agencies would often buy cheap cellphones for use in sting operations, Uber employees would visit electronics stores to obtain model numbers for

inexpensive phones and input those model numbers into Greyball.<sup>[2]</sup>

- Searches of social media. Uber employees searched social media profiles to identify possible law enforcement agents. Uber then flagged those individuals in Greyball.<sup>[2]</sup>
- Eyeballing. Greyball would determine if a potential rider had been opening and closing the Uber app numerous times without calling for a ride.<sup>[2]</sup>

## U.S. Department of Justice investigation

In May 2017, several news organizations reported that the United States Department of Justice had opened a criminal investigation into Uber's use of Greyball to avoid local law enforcement operations.<sup>[6][7][8]</sup> The Department of Justice initially focused on Portland, but the inquiry was expanded to include Philadelphia.<sup>[9]</sup>

## City of Portland investigation

On March 6, 2017, the City of Portland, Oregon announced an investigation into whether Uber had used Greyball to obstruct the enforcement of city regulations.<sup>[10]</sup> The investigation by the Portland Bureau of Transportation (PBOT) found that:

"When Uber illegally entered the Portland market in December 2014, the company tagged 17 individual rider accounts, 16 of which have been identified as government officials using its Greyball software tool. Uber used Greyball software to intentionally evade PBOT's officers from December 5 to December 19, 2014 and deny 29 separate ride requests by PBOT enforcement officers. ... In using Greyball, Uber has sullied its own reputation and cast a cloud over the [Transportation Network Companies] industry generally."<sup>[11]</sup>

— Transportation Network Companies: Regulation Evasion Audit, Portland Bureau of Transportation, Report Summary, April 28, 2017

Following the release of the audit, Portland's commissioner of police suggested that the city subpoena Uber in order to force the company to turn over information on how Uber used software to evade regulatory officials.<sup>[12]</sup>

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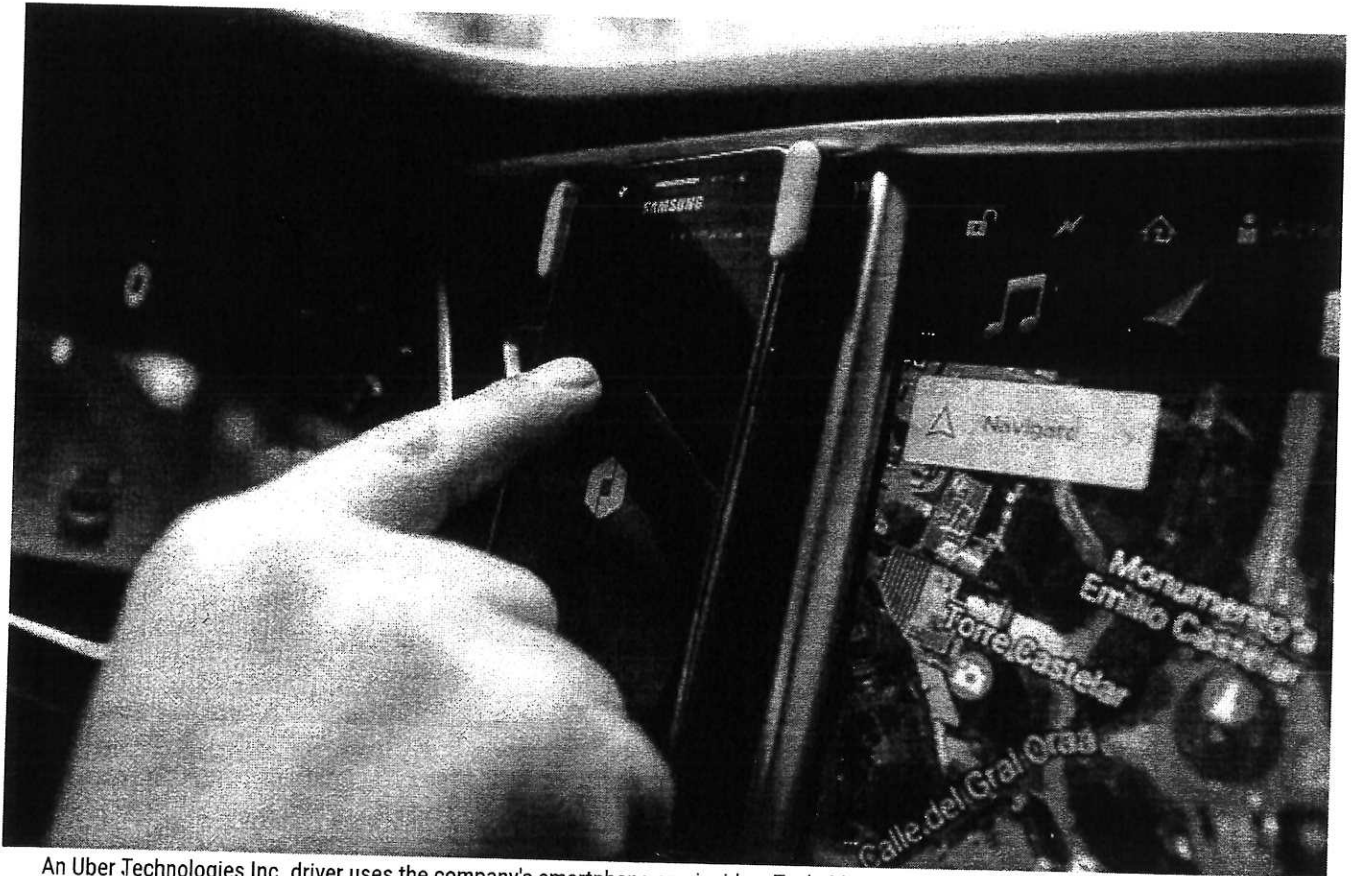
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An Uber Technologies Inc. driver uses the company's smartphone app inside a Tesla Motors Inc. Model S electric automobile in Madrid, Spain, on Friday, Jan. 13, 2017. Ride-hailing service Uber Technologies has launched its first electric car taxi service in Madrid, operating a fleet of Tesla Model S electric vehicles. Photographer: Angel Navarrete/Bloomberg via Getty Images Angel Navarrete—Bloomberg/Getty Images

UBER

## An Adviser to the E.U.'s Top Court Says Uber Is a Transport Service and May Need Licenses

Reuters

May 11, 2017



Ride-hailing app Uber is providing transportation services, an adviser to the top European Union court said on Thursday, dealing a blow to the U.S. start-up which has argued it is merely a digital enabler.

"The Uber electronic platform, whilst innovative, falls within the field of transport: Uber can thus be required to obtain the necessary licenses and authorizations under national law," the Court of Justice of the European Union (ECJ) said in a statement.

For more on Uber, watch Fortune's video:

The opinion is non-binding but judges at the court tend to follow it in most cases.



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## **Toronto Uber driver charged with sex assault of girl, 15**

Police say passenger was allegedly attacked in a vehicle after she was picked up from the downtown bus station.



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Fahmy Saggaf, 41, of Toronto was charged with sexual assault and sexual interference after a 15-year-old girl told police she was assaulted by an Uber driver. (TORONTO POLICE)

By **ALANNA RIZZA** Staff Reporter  
Wed., May 31, 2017

A Toronto man has been charged with sexual assault after a 15-year-old girl said she was attacked by an Uber driver.

Police say the girl was allegedly assaulted during a ride on Jan. 25 after she got into an Uber vehicle at the downtown bus terminal at Bay St. and Edward St.



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On May 18, Fahmy Saggat, 41, was charged with sexual assault and sexual interference.

He is scheduled to appear in court in June.

**Read more about:** [Uber](#)

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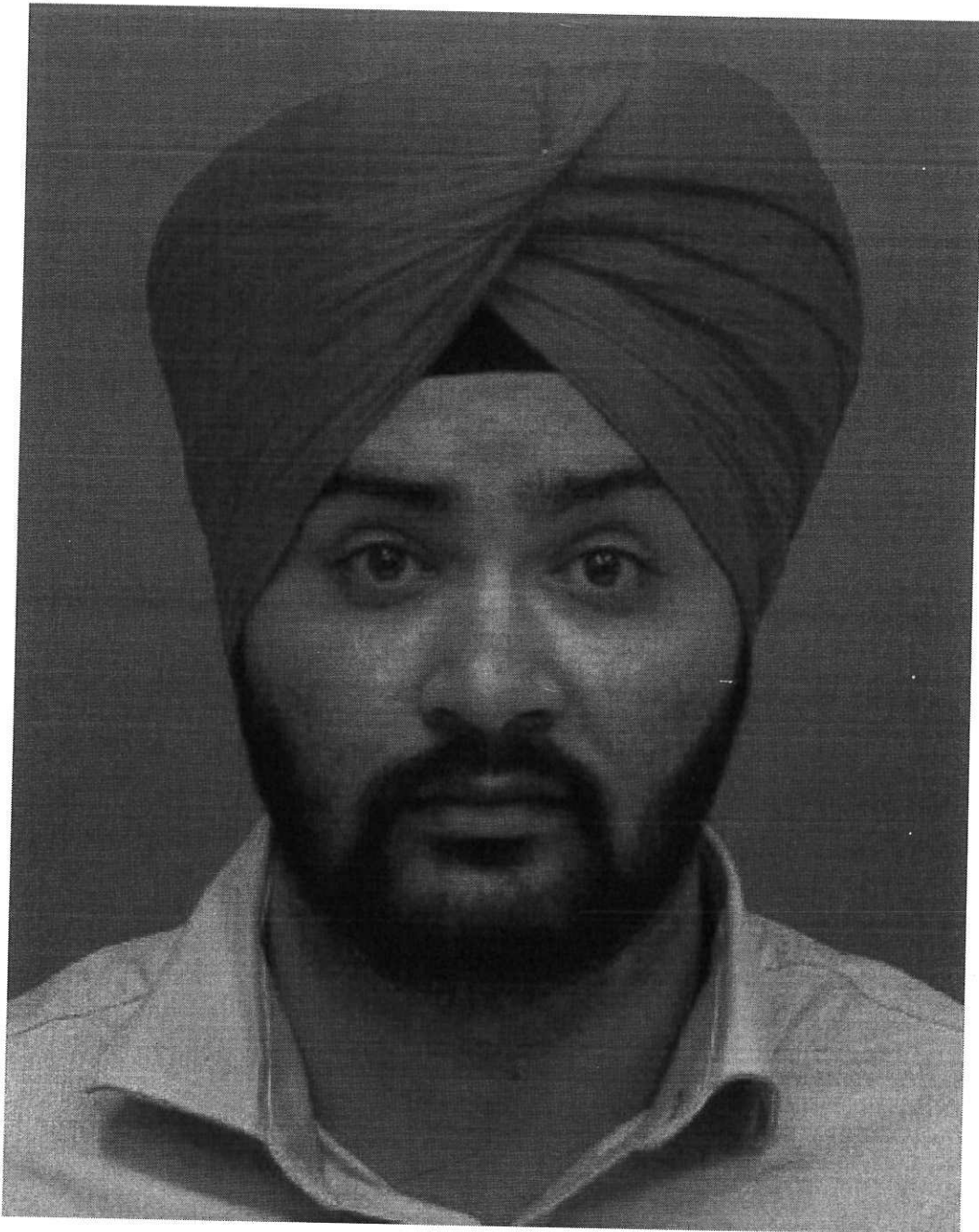
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# **Uber driver charged in alleged kidnapping of female passenger near Yonge and Eglinton**

Sukhbaj Singh of Belleville is also charged with forcible confinement and assault after allegedly refusing to let the woman out of the car and attempting to take her to a private location.



Sukhbaj Singh is scheduled to appear in court on July 4. (TORONTO POLICE)

By **BRYANN AGUILAR** Staff Reporter  
Tues., May 23, 2017

A 24-year-old Uber driver is facing three charges after allegedly kidnapping his female passenger in Davisville on Sunday afternoon.

Toronto police responded to a call of abduction at 4:02 p.m. in the area of Eglinton Ave. E and Dunfield Ave., near the intersection of Yonge and Eglinton.

An 18-year-old woman told police her Uber driver engaged her in inappropriate conversation and made unwanted advances.

The suspect allegedly refused to let the victim out of the car and attempted to take her to a private location, police say.

The driver is identified as Sukhbaj Singh of Belleville.

Toronto police charged Singh with forcible confinement, kidnapping and assault on Monday.

He is scheduled to appear in court at College Park on July 4.

Uber spokesperson Kayla Whaling said the incident was unacceptable and not tolerated by Uber.

“We immediately removed this driver’s access following this report and will provide any information to law enforcement that would be helpful for their investigation.”

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**REGULATION OF PRIVATE GROUND PASSENGER TRANSPORTATION****Recommendation**

The Deputy City Manager, Community Services, and Director of By-law & Compliance, Licensing & Permit Services, in consultation with the Deputy City Manager, Legal Services and the Chief Financial Officer and City Treasurer, recommend:

1. That City Council adopt the licensing regulations for private ground passenger transportation, as provided in Schedule "A" of this report, subject to final wording and a format satisfactory to the Deputy City Manager, Legal Services;
2. That City Council adopt the licensing fees for private ground passenger transportation service providers, as provided in Schedule "B" of this report; and
3. That City Council authorize staff to undertake any other actions required to implement the recommended by-law amendments, including any consequential amendments to other by-laws.

**Contribution to Sustainability**

The socio-economic reach of the GTA's transportation network extends to every community, large and small, as it connects populations, helps to nurture business districts, allows employers to tap into larger workforces, spurs economic activity and increases property values. On an individual level, a well-developed transportation network saves money, and provides people with choices, freedom and opportunities.

Private ground passenger transportation services, such as taxicabs and ride-sharing providers, offer additional transportation options for the public and can help to decrease reliance on the use of personal cars, thus alleviating traffic congestion, reducing emissions, and encouraging public transit ridership. New services, such as carpooling, can also help to fill in transportation gaps, such as first-and-last-mile, and further promote sustainable growth and development.

The recommendations in this report are intended to strengthen the transportation network by lowering business costs, reducing jurisdictional barriers, eliminating regulatory redundancy, improving competitive equity and promoting environmental stewardship. These recommendations are aligned directly with Council's priorities and the City's By-law Strategy.

**Economic Impact**

It is difficult to project the full impact on licensing revenues arising from the introduction of licensing for ride-sharing providers. Staff expect there to be an ongoing demand for traditional taxi services. However, it is likely that the number of taxicabs and taxi drivers in Vaughan will continue to fall. Based on the recommended fee structure provided in Schedule "B", and estimated licensing volumes, staff expect licensing revenues from the industry to stabilize and to cover basic administrative and enforcement costs.

Actual licensing revenues from the private ground passenger transportation industry (mostly taxicab licences) were: \$293,000 in 2014; \$194,000 in 2015; and \$142,000 in 2016. With the introduction of licensing of ride-sharing services, staff expect licensing revenues to rebound to \$189,000 in 2017 (as the licensing requirement is not expected to be in effect until the last Quarter of the Year) and to \$260,000 by 2018.

Given the novelty of ride-sharing and its business model, it is difficult to determine whether administration and enforcement costs will vary considerably from current levels. As a result, for 2017 and 2018, staff will monitor the level of resources expended for the administration and

enforcement of these licensing categories and make any necessary adjustments in 2019 through the budgeting process.

### **Communication Plan**

As part of its review of the City's private ground passenger transportation regulations, staff consulted with taxi brokerages, taxicab owners and drivers, and private transportation companies. Their feedback informed this report's recommendations.

As part of the City's communication plan, all affected licensees shall be informed of the changes adopted by Council by direct mail.

In addition, the new regulations shall be shared on the City's website.

Notice of the proposed amendments recommended in this report to Consolidated Licensing By-law 315-2005 and Fees and Charges By-law 171-2013, as amended, was conducted in accordance with Sections 4(3) and 4(4) of the City's Notice By-law No. 392-2002.

### **Purpose**

The purpose of this report is to seek Council approval for a new regulatory framework for the private ground passenger transportation industry. The proposed regulations are intended to promote the development and modernization of the City's transportation network while ensuring the health and safety of the public and the protection of consumers.

### **Background – Analysis and Options**

This section provides an overview of the private ground passenger transportation industry, followed by a framing of the current regulatory issues and the resulting opportunities. The discussion then turns to the approach taken by staff and the resulting rationale for their recommendations.

### **Private Ground Passenger Transportation**

Since the inception of ride-sharing services like those provided by Uber, Lyft, or Curb, there has been considerable talk about how the service they provide is different than the services provided by taxis and limousines. In general terms, taxis are marked passenger vehicles with roof lights and meters. They provide both pre-arranged and flag-for-hire service. Some taxis may be modified to accommodate wheelchairs and scooters. Fares are calculated by a meter based on a combination of distance and time. Limousines are premium vehicles, sometimes modified as stretch vehicles. They most often provide pre-arranged service based on a flat fare per hour. Limousines very rarely provide fully accessible service. Ride-sharing companies use a smartphone-based application to engage potential clients. The app matches customers with available drivers and, acts as a meter that can provide an estimated fare up-front based on the pick-up point and destination entered by the client, and is also the means by which payment takes place automatically.

While the way in which ride-sharing companies deliver their service is undoubtedly new and innovative, the core service is no different than those provided by more traditional industry players. Ultimately, from a regulatory standpoint, whether one considers taxis, limousines or ride-sharing providers, they all provide a service to take a person from point A to point B. They all employ a method of engaging potential customers, use passenger vehicles to provide the service, and charge a calculated fare that takes distance into account. Some may provide their services using premium vehicles. Some may only work on a pre-arranged basis, while others may be flagged on the street. In the end, they are all private service providers offering ground transportation for passengers.

From a regulatory standpoint, this is a critical point because the role of the regulator is not to determine or influence the business model of these service providers, but rather to ensure that in the provision of such services, the health and safety of the public, consumer protection and nuisance control measures are duly upheld. As long as these three regulatory pillars are adequately maintained, service providers should be free to innovate, compete and fulfil consumer demand.

### **Current Situation**

Municipalities across Ontario, and around the world, have been struggling to regulate the mushrooming “sharing economy” and ride-sharing in particular as vehicles and drivers are difficult to identify. Despite this difficulty, ride-sharing providers have successfully courted consumers by meeting their increasingly more technologically-oriented expectations. In fact, Ontarians are overwhelmingly in support of many of the services being provided by sharing economy companies, such as eBay, TaskRabbit, and Uber. Over 40% of young Ontarians (18-34) are sharing economy consumers. Global sharing economy revenues are expected to grow more than twenty-fold in the next ten years. The sharing economy is part of a broader global movement of economic integration – it is increasingly the way people expect to do business. Thus, the challenge for regulators is to find increasingly innovative and forward-looking ways of allowing sharing economy services to thrive while maintaining a reasonable level of public protection.

With this in mind, City staff have developed a model of regulation that strikes a balance between embracing change and maintaining a valued sense of order and public protection.

### **Stakeholder Consultations**

City staff have consulted with industry representatives and participants of the taxi, limousine and ride-sharing industries with respect to the proposed regulations.

Initial consultations were conducted to provide industry participants with an overview of the City’s approach and to solicit specific ideas and suggestions on the direction of regulatory policy for the industry. A session for brokerages and limousine companies was conducted on April 5 and two sessions for owners and drivers were conducted on April 27 and May 1, respectively.

In general terms, most brokerages were of the opinion that existing regulations should be applied to ride-sharing services. There also seemed to be limited appetite for the ability of brokerages to set fares for their services. Some argued for maintaining an over-all cap on the number of service providers across the industry. However, most brokerages were accepting of the introduction of new regulations for ride-sharing in general and receptive to the possibility of broadening their future ability to operate across jurisdictions, where possible.

Opinion amongst owners and drivers with respect to the adequate level of regulation in the industry varied widely. However, most owners and drivers said that ride-sharing service providers should be subjected to the same regulations as taxicab service providers. Some also suggested that new requirements, including the use of in-vehicle cameras, should be established across the industry. Especially amongst owners, there was general agreement about the need to maintain a restricted licensing or plate system. However, some drivers argued for the issuance of licences to existing drivers. No one spoke in favour of a complete elimination of the cap on taxi licences. Another issue in which there seemed to be some level of agreement was the need to address the economic hardship around the operation of accessible vehicles. The City currently requires all newly licensed owners to operate a fully-accessible vehicle for the first four years of the licensing tenure. Fully retrofitted vehicles can cost between \$60,000 and \$70,000 and often have higher operation costs than regular taxicabs. Operators of these vehicles indicated that although the service they provide is important, the market is not sufficient for them to operate profitably.

City staff also consulted with representatives from the GTA’s primary ride-sharing provider, Uber. Uber’s main interest is for the City to adopt a set of regulations that, while meeting the basic

requirements for the protection of the safety of the public and consumer, do not otherwise impose requirements that adversely affect their business model. Overall, staff's recommendations were generally well-received by Uber and it is expected that staff will receive full co-operation.

## **Municipal Comparison**

Most major municipalities in Ontario now license ride-sharing providers. Although regulatory models vary, most municipalities are coalescing around some key issues, including passenger safety (e.g., driver background check, vehicle safety and appropriate insurance), vehicle requirements (e.g., vehicle identification, age of vehicles, required equipment), consumer protection (e.g., fare setting), meeting accessibility requirements, restrictions on the number of licences, licensing fees, and the need for regulatory checks and balances. Schedule "D" provides a detailed table of the Ontario municipalities surveyed.

### Passenger Safety

All municipalities will require that ride-sharing drivers:

- have a valid Ontario Class G Driver's Licence
- submit a background check annually; and
- submit a driver's abstract annually.

All municipalities will require that vehicles:

- be properly insured for the use (i.e., commercial passenger conveyance); and
- have had a safety standard certificate issued.

In the case of the major ride-sharing service provider in Ontario, Uber, these clearances and requirements are submitted by the company on behalf of all of its Drivers.

### Vehicle Requirements

Most municipalities are requiring that vehicles:

- be no more than ten model years old; and
- have some form of vehicle identifier, such as a decal or hangtag

### Consumer Protection

All municipalities are allowing:

- fares to be calculated using the operator's app; and
- surge pricing to be used, as long as the passenger is advised in advance.

### Accessibility Requirements

With respect to providing on-demand accessible service:

- most municipalities have not imposed the requirement on ride-sharing services; and
- some municipalities have required a fee-in-lieu.

### Restrictions on the Number of Licences

No municipality has:

- imposed a cap on the number of ride-sharing vehicles allowed to operate within their boundaries; and
- eliminated the existing cap on taxicab licences (with the exception of Barrie on a pilot basis).

### Licensing Fees

All municipalities are imposing a licensing fee on PTCs that includes:

- a flat fee, in some cases based on the number of vehicles being operated; and
- a per-ride fee, ranging from 6¢ to 30¢ (with 11¢ being the most common).

### Regulatory Check and Balances

With respect to monitoring and enforcement:

- all municipalities are requiring ride-sharing companies to provide information on their drivers and vehicles, as well as statistical information for determining the per-ride licensing fees; and
- most municipalities are including provisions to provide for enforcement-related accounts and to require cooperation with any enforcement-related investigations or actions.

### **Guiding Principles for the Regulatory Review**

In the process of their review, staff were guided by four principles against which their recommendations for regulatory change could be compared:

1. **Protection of the safety and well-being of the public.** This has been a long-standing mandate of municipalities when it comes to the regulation of business activity. In the case of the private ground passenger transportation industry, the public expects that reasonable measures have been put in place to ensure the service provider is a permitted driver and does not have a significant criminal history, and that vehicles used are mechanically sound and properly insured in the event of an accident.
2. **Protection of consumers.** This is another common objective of regulation and is especially aimed at ensuring that vulnerable consumers are not taken advantage of through unfair or unscrupulous practices. Measures include ensuring that pricing and the service is not discriminatory on the basis of any prohibited grounds (e.g., disability, age, gender, race, etc.).
3. **Development of effective and economical transit options for the public.** This is a key priority of Council, but is also a priority for the Region and the Province. This principle speaks to creating a set of regulations that helps to move these priorities forward, including contingent service for less dense and underserved areas, adequate on-demand accessible service, and diverse economical options for socio-economically disadvantaged individuals.
4. **Facilitation of economic growth and innovation through reasonable, coherent and consistent regulation.** Another key priority of Council is to attract investment and create jobs. Regulation can assist in meeting this objective by lowering or eliminating jurisdictional barriers to entry, applying regulations equitably and consistently, and continuously engaging residents, businesses and other stakeholders to ensure that community interests are being protected and fostered.

## **Scope of Recommended Regulatory Policy**

The proposed regulatory model would apply to all private-sector operators, owners and drivers involved in the provision of ground transportation services for passenger conveyance. It does not include other transportation services, such as public transit, couriers, or delivery services.

Under this model, operators are defined as anyone who operates a platform within the boundaries of the city of Vaughan for the purpose of providing private ground passenger transportation services. Owners are defined as the entities that own the vehicles being used to provide accessible, taxicab, and limousine services. Drivers are those who actually deliver the services.

The main public interest issues with respect to private ground passenger transportation are the personal safety of passengers and the public, and the reasonable protection of consumers. To achieve these objectives, operators, owners and drivers need to be reasonably vetted and held accountable for their obligations to their passengers and the public more generally.

In the case of drivers, a background review that includes a police check and a driver's abstract is a reasonable minimum clearance. These two clearances have been a long-standing and appropriately regulatory practice.

In the case of owners, the provision of a vehicle safety certificate that ensures the vehicle being used to transport passengers is mechanically sound and the requirement to hold an adequate insurance policy that covers the conveyance of passengers are equally reasonable and minimum clearances. In addition, owners need to be held accountable for ensuring that anyone driving their vehicles for the purpose of transporting passengers has been properly vetted.

Finally, in the case of operators who engage owners and drivers, it is critical that they do not facilitate services from non-vetted drivers in non-certified and uninsured vehicles. Operators have a responsibility to the general public to provide a reasonably safe service. In the event that an incident does take place between a driver and a passenger operators should be required to co-operate with the City to investigate matters.

The new regulatory regime for the private ground passenger transportation industry considers four sectors that require different levels of regulation based on level of public risk:

1. Accessible Taxicab Services
2. Taxicab Services
3. Limousine Services
4. Ride-Sharing Services

Each is described in more detail in Schedule "C", along with an explanation of how each relates, from a regulatory standpoint, to the other services.

## **Overview of Recommended Regulations**

In reviewing the approaches taken by other Ontario municipalities and in considering the particular challenges and opportunities inherent in the Vaughan and regional context, staff are recommending a regulatory model that provides a regulatory framework for ride-sharing services and reduces regulatory restrictions on industry incumbents.

### **Licensing Requirements**

Staff are recommending that operators, owners, and drivers be licensed. Individuals would be required to be at least 18 years old, while drivers would have to be eligible to work in Canada, and hold a valid Ontario driver's licence.

Operators, owners, and drivers licensed in other municipalities that have the same licensing clearances could be licensed in Vaughan by presenting their valid licence and paying the required renewal fee for their category.

### Passenger Safety

Staff are recommending that all drivers be subject to a background check and be required to provide a driver's abstract on an annual basis. The documentation may be provided by the subject individual or an agent appointed by such individual (e.g., a taxi brokerage, limousine company, or private transportation company).

Staff are further recommending that all owners of private vehicles used in the commercial conveyance of passengers be required to provide an Ontario Safety Certificate on an annual basis as well as proof of appropriate vehicle insurance. This information may be provided directly by the owner of the vehicle or an agent appointed by such owner (e.g., a taxi brokerage, limousine company, or a private transportation company).

Finally, staff are recommending that only accessible taxis and taxicabs be permitted to pick up hailed fares. All services provided by limousine services and ride-sharing service providers must be pre-arranged through the company, which may include the use of an app.

### Vehicle Requirements

Staff are recommending that all private vehicles used in the commercial conveyance of passengers be allowed to be up to ten model years old with the possibility to extend that to twelve years, subject to an annual mechanical and physical inspection deemed satisfactory to the Chief Licensing Officer. This puts the City of Vaughan in line with most other municipalities and also recognizes that responsible owners, who take care of their vehicles, should be permitted to maximize their vehicle's economic life.

Staff are also recommending that all accessible taxis must meet the D409-16 requirements for an accessible vehicle and that all accessible taxis and taxicabs must have a working roof light and trip meter acceptable to the Chief Licensing Officer. Staff are not recommending that emergency lights or cameras be required in any private ground passenger transportation vehicle.

Staff are recommending that all accessible taxis and taxicabs continue to be required to have a plate bearing the vehicle's licence number as well as having the licence number clearly marked on the vehicle's sides. In addition, staff are recommending that limousines and ride-sharing vehicles not be required to have municipal plates or other body markings, but that a decal satisfactory to the Chief Licensing Officer be continuously displayed during operation.

### Consumer Protection

Staff are recommending that accessible taxis and taxicabs be permitted to set their own fare structure, subject to the following requirements:

1. If an app is used for the engagement, the passenger be advised of the estimated total fare prior to the engagement and the final fare be calculated by the app;
2. If the engagement is pre-arranged through a brokerage, the passenger be advised of the estimated total fare prior to the engagement and that the basis for such a fare be previously filed with the City and the fare be calculated by a trip meter; or
3. If the vehicle is hailed, the rate used to calculate the fare be posted in plain view of the passenger and the basis for such a fare be previously filed with the City and the fare be calculated by a trip meter.

Staff are further recommending that limousines be permitted to set their own fare structure, subject to the following requirements:

1. If an app is used for the engagement, the passenger be advised of the estimated total fare prior to the engagement and the final fare be calculated by the app; or
2. If the engagement is pre-arranged through a limousine company, the passenger be advised of the estimated total fare prior to the engagement and that the basis for such a fare be previously filed with the City.

Finally, staff are also recommending that ride-sharing providers be permitted to set their own fare structure, subject to the following requirements:

1. An app be used for the engagement and the passenger be advised of the estimated total fare prior to the engagement and the final fare be calculated by the app.

Although operators will be permitted to establish their pricing, the City shall prohibit any fare structure that discriminates on the basis of a Prohibited Ground (as defined in the *Ontario Human Rights Code*) or, in the opinion of the Chief Licensing Officer, has the same effect.

#### Accessibility

Given the complicated dynamics and legislative requirements surrounding on-demand accessible service (see Schedule "E" for a summary of accessibility requirements in Vaughan), staff propose to continue to explore different approaches to ensure the long-term continuation of an on-demand accessible service. In the meantime, the requirement for accessible vehicles for new licences shall be maintained. Furthermore, by eliminating the restriction on licences, staff hope to be able to attract more potential accessible taxi owners.

Initially new accessible taxicab owner licences will only be available to taxicab drivers that have been licensed as such in Vaughan for at least five years. This will ensure that such licences go to individuals that have shown commitment to the Vaughan industry and who have the experience to make a successful venture more likely. Staff will monitor the uptake of this program and assess whether it is successfully meeting the goals of having a local taxicab fleet that is 5% accessible. In the event that the program falls short, staff will consider opening up the same licensing opportunity to taxicab drivers in York Region.

These recommendations were developed in consultation with the City's Accessibility & Diversity Office. Staff will continue to explore ways to create a sustainable on-demand service in Vaughan, including the possibility and implications of establishing a fee-in-lieu for operators that do not meet the accessibility requirements.

#### Restrictions on the Number of Licences

Staff are recommending that the cap on taxicab licences be eliminated, subject to certain restrictions, including that only Taxicab Drivers with a minimum tenure of five years would be eligible to apply for a licence. No cap is imposed on limousines and no cap is being recommended for ride-sharing services. Currently, only 91% of the available licences are being actively used. As a result, staff do not believe that the elimination of the cap will result in a proliferation of taxicab licences. However, the effect of this recommendation may have a further negative impact on the value of taxicab "plates".

#### Licensing Fees

Staff are proposing an alignment of the fees for taxicab and limousine operators, owners and drivers. An initial annual licence in 2017 for an operator would be \$390 and \$252 for a renewal. An initial licence for an owner would be \$498 with a \$322 renewal fee. And, for a driver the initial

fee would be \$172 and the renewal would be \$167. Licensing fees for accessible owners and drivers are proposed to be half of those for taxicabs and limousines.

For ride-sharing providers, staff are recommending an escalating flat licensing fee for operators, based on the number of vehicles they have operating in the municipality and supplemented by a per-ride fee of 11¢.

Through the per-ride-fee, PTC licensing fees are tied to the anticipated level of enforcement (i.e., the greater the number of rides, the more likely it is that complaints arise), administration. This licensing fee structure is in line with the provisions of the Municipal Act that allow for a fee or charge to include costs incurred by the municipality related to the administration, enforcement and the establishment, acquisition and replacement of capital assets.

#### Regulatory Checks and Balances

In line with the requirements imposed by other municipalities, staff are recommending that all operators be mandated to provide data relevant to the administration of the City's licensing provisions and that such data be made available for audit both periodically and upon request.

#### Customer Service

General training for taxicab drivers will be discontinued. Customer service and related training will be left to individual brokerages, limousine companies and private transportation companies. Training will continue to be required for accessible drivers.

Basic behavioural requirements will continue to be requirements under the By-law and will be extended to ride-sharing owners and drivers. However, many of the non-safety or consumer protection measures under the current By-law provisions will be eliminated, such as the requirement for Drivers to have to search their vehicle for a passenger's left belongings after every engagement.

Complaints with respect to any issue encountered with a licensee will continue to be received and investigated by the City equally across all industry sectors.

#### Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

Creating an innovative regulatory regime that encourages investment from high-tech firms, ranging from transportation to lodging to asset management, is directly in line with the Term-of-Council Priorities, specifically:

- continuing to develop transit options to get around the City;
- continuing to ensure the safety and well-being of citizens;
- attracting investment and creating jobs;
- continuing to cultivate an environmentally sustainable city; and
- continuing to advance a culture of excellence in governance.

The recommendations are also consistent with the Vaughan Service Excellence Strategic Initiatives of:

- providing consistent and effective service delivery; and
- championing continuous improvement.

#### Regional Implications

In conjunction with staff from the City of Markham and the Town of Richmond Hill, staff are recommending regulations that will establish the groundwork for more consistent regulation across the three municipalities to govern private ground passenger transportation providers.

As Richmond Hill and Markham continue to review and introduce regulations for their own private ground passenger transportation industries, City of Vaughan staff will work to promote greater cross-jurisdictional co-operation and alignment to develop more effective and efficient regulations.

### **Conclusion**

The advent and rapid expansion of ride-sharing services in the Greater Toronto Area have created both market and regulatory pressures. As a policy response, staff recommend the introduction of a set of regulations for the private ground passenger transportation industry. This model would continue to promote the development and modernization of the City's transportation network while ensuring the health and safety of the public, the protection of consumers and the ongoing control of nuisances.

The report's recommendations were guided by four principles: (1) the protection of the safety and well-being of the public; (2) the protection of consumers; (3) the development of effective and economical transit options for the public; and (4) the facilitation of economic growth and innovation through reasonable, coherent and consistent regulation.

The proposed regulations are a first step in addressing the interest and demand in new services within the private ground passenger transportation industry. In accordance with the City's By-law Strategy, staff will closely monitor the effectiveness of the new regulations and continue to work with stakeholders to make any adjustments that may be needed.

Staff are confident that the proposed regulatory framework reflects the need for modernization across industry sectors, supports the principles that guided this review, and provides City Council with the necessary information to make an informed decision on this matter.

### **Attachments**

- Schedule "A" – Proposed Regulations for the Private Ground Passenger Transportation Industry.
- Schedule "B" – Proposed Annual Licensing Fee Structure for the Private Ground Passenger Transportation Industry
- Schedule "C" – Description of Sectors in the Private Ground Passenger Transportation Industry
- Schedule "D" – Municipal Comparison of Licensing Regulations for the Private Ground Passenger Transportation Industry
- Schedule "E" – Accessibility Requirements for the Private Ground Passenger Transportation Industry

### **Report prepared by:**

Rudi Czekalla-Martinez  
Manager, Policy & Business Planning

Respectfully submitted,

Mary Reali  
Deputy City Manager,  
Community Services

Gus Michaels  
Director, By-law & Compliance,  
Licensing & Permit Services

**Schedule “A”**  
Proposed Regulations for the  
Private Ground Passenger Transportation Industry

The following is a high-level summary of the proposed regulations and does not constitute the regulations in their entirety. The Licensing By-law shall be amended to accommodate the proposed regulations, including the need to make consequential amendments to ensure consistency and coherence. The final regulations shall be in a manner satisfactory to the Deputy City Manager, Legal Services.

## **1. Definitions**

The following are defined terms:

Operator means anyone who, with respect to Private Ground Passenger Transportation Services operates a Platform within the boundaries of the city of Vaughan and is required to be licensed and includes Private Transportation Companies, Taxi Brokerages, and Limousine Companies.

Platform means any software, technology, or service, including a radio, telephone line, website, or smartphone application, intended to connect passengers with a Private Ground Passenger Transportation Service and may also include the facilitation of payment.

Private Ground Passenger Transportation Service means the use of a private vehicle for the terrestrial conveyance of passengers for a fee and includes the services provided by taxicabs, accessible taxicabs, limousines and ride-sharing vehicles.

Private Transportation Company or PTC means anyone who facilitates ride-sharing services through a Platform.

Prohibited Ground means the prohibited grounds of discrimination as provided for under the *Ontario Human Rights Code*.

PTC Driver means any person who drives a vehicle to provide ride-sharing services and uses a Private Transportation Company Platform to do so.

Ride-Sharing Services means the use of a private vehicle with a capacity of fewer than ten passengers, other than a licensed taxicab, accessible taxicab, or limousine, for the conveyance of passengers for a fee.

Staging means the act of parking or stopping by an unlicensed taxicab, limousine or ride-sharing vehicle for the purposes of waiting to pick up passengers.

Trip Meter means a device that, independently from the Driver, displays a trip fare to the passenger.

## **2. Licensing Requirement**

(a) The following are required to be licensed:

- (i) Operators
- (ii) Taxicab Owners
- (iii) Accessible Owners
- (iv) Limousine Owners
- (v) Taxicab Drivers
- (vi) Accessible Drivers
- (vii) Limousine Drivers
- (viii) PTC Drivers

(b) The cap on the number of Owner Taxicab licences shall be equal to the total number of Taxicab Owner and Accessible Taxicab Owner licences.

(c) The City shall only issue Accessible Taxicab Owner licences.

(d) Only persons who have held in good standing a Taxicab Driver licence or Accessible Taxicab Driver licence (or combination thereof) for at least five years may be eligible to apply for an Accessible Taxicab Owner licence.

(e) An Accessible Taxicab Owner, after having operated an Accessible Taxicab for four years may, upon application, convert his Accessible Taxicab to a (non-accessible) Taxicab.

### **3. Applications and Renewals**

#### **(1) General**

All applicants for a licence or a renewal thereof must meet the City's basic licensing requirements, pay all applicable fees, and provide any other information deemed necessary by the Chief Licensing Officer for purposes of administering the By-law.

#### **(2) Operator Requirements**

- (a) All Operators must file, in a manner satisfactory to the Chief Licensing Officer, a description of the Platform used in the provision of Private Ground Passenger Transportation Services.
- (b) All Operators must have a minimum of \$5 million general liability insurance.
- (c) Every Taxicab Brokerage must provide proof, satisfactory to the Chief Licensing Officer, that it can provide D409-16 (or successor) compliant vehicles equivalent to one vehicle plus 5% (rounded down to the nearest whole number) of its fleet.

#### **(3) Owner Requirements**

All Owners must provide, in a manner satisfactory to the Chief Licensing Officer, proof that the vehicle being licensed is mechanically sound and properly insured for the purpose of providing Private Ground Passenger Transportation Services.

#### **(4) Driver Requirements**

- (a) All Drivers must be at least 18 years of age, be eligible to work in Canada, and hold a valid Ontario Class G Driver's Licence. Drivers must provide a background check and driver's abstract that confirms they meet the requirements of the City's By-law.
- (b) A Driver validly licensed in a municipality that in the opinion of the Chief Licensing Officer has the same or similar licensing requirements, may obtain a City of Vaughan licence by providing such licence from the other municipality and paying the corresponding renewal fee under the By-law.
- (c) Despite 3.(4)(b), in lieu of PTC Driver licensing fees, PTCs shall pay fees based on a per-ride basis, as per Schedule "B".

#### **(5) Agency**

For purposes of making an application for a new licence or renewal thereof, an Operator may, with consent in a form satisfactory to the Chief Licensing Officer, submit applications and supporting documents on behalf of Owners and Drivers.

### **4. Vehicle Requirements**

#### **(1) General**

All vehicles used in the provision of Private Ground Passenger Transportation Services must be mechanically sound and properly insured. For every vehicle used a Safety Certificate is required annually. In addition, every vehicle shall have liability insurance, proper for the use, in the amount of \$2 million.

#### **(2) Accessible Vehicles**

- (a) All vehicles used as an Accessible Taxicab shall meet the requirements prescribed under the Canadian Standards Association's D409-16 standard or its successor standard.
- (b) All vehicles used as an Accessible Taxicab shall not exceed ten model years.
- (c) Despite the age-limit above, a vehicle used as an Accessible Taxicab may be used for up to two additional years, upon application by the Owner and approval from the Chief Licensing Officer.
- (d) In addition, all vehicles used as an Accessible Taxicab shall have:
  - (i) a roof-light;
  - (ii) a trip metre;
  - (iii) an accessible taxi plate, attached to the vehicle's rear bumper;

(iv) licence number painted on side panels.

(3) Taxicabs

- (a) All vehicles used as a Taxicab shall be a four-door vehicle, with a maximum capacity of nine passengers (not including the driver), not to exceed ten model years in age.
- (b) Despite the age-limit above, a vehicle used as a Taxicab may be used for up to two additional years, upon application by the Owner and approval from the Chief Licensing Officer.
- (c) In addition, all vehicles used as a Taxicab shall have:
  - (i) a roof-light;
  - (ii) a trip metre;
  - (iii) an accessible taxi plate, attached to the vehicle's rear bumper;
  - (iv) licence number painted on side panels.

(4) Limousines

- (a) All vehicles used as a Limousine shall be at least a four-door vehicle, not to exceed ten model years in age.
- (b) Despite the age-limit above, a vehicle used as a Limousine may be used for up to two additional years, upon application by the Owner and approval from the Chief Licensing Officer.
- (b) All vehicles used as a Limousine shall have a limousine plate attached to either its front or rear bumper.

(5) PTC Vehicles

- (a) All vehicles used as a PTC vehicle shall be at least a four-door vehicle, not to exceed ten model years in age.
- (b) Despite the age-limit above, a vehicle used as a PTC vehicle may be used for up to two additional years, upon application to and approval by the Chief Licensing Officer.
- (c) All vehicles used as a PTC vehicle shall, when operating as such, display a marker as prescribed by the Chief Licensing Officer.

## 5. Fares

(1) General

- (a) No person shall charge or allow to be charged a fee not authorized under this By-law. Fees that in the opinion of the Chief Licensing Officer discriminate on the basis of a Prohibited Ground or have the same effect shall not be authorized.
- (b) Any person that engages or proposes to engage a Private Ground Passenger Transportation Service, prior to the start of such engagement, must be provided with either:
  - (i) The full fare to be charged for the proposed trip; or
  - (ii) The basis for the calculation of the fare and a means by which to track, in real time, the fare during the engagement.
- (c) Despite 5.(1)(b), if a passenger changes final destination or route, the service provider may correspondingly alter the fare.

(2) Accessible and Taxicab Services

- (a) Fees charged for the conveyance of passengers by Accessible Taxicabs and Taxicabs shall be filed by the Operator with the City and no other fees shall be permitted.
- (b) Fares for all street pick-ups shall be based on the Trip Meter.
- (c) Despite the above, a Driver may offer a flat rate as long as the Trip Meter is used and the flat fare does not exceed the fare indicated by the Trip Meter.
- (d) Pre-arranged engagements may be based on a quoted flat rate, as long as such quote is provided to the customer in writing prior to the commencement of the engagement and that the rate is in compliance with the authorized fees filed with the City.

- (3) Limousine Services
  - (a) Fees charged for the conveyance of passengers by Limousines shall be filed by the Operator with the City and no other fees shall be permitted.
  - (b) Prior to the engagement, the Operator shall provide in writing to the customer the full fee to be charged for the conveyance.
- (4) Ride-sharing Services
  - (a) All fees charged shall be as per the Trip Meter.
  - (b) Prior to the engagement, the Operator shall provide in writing to the customer the full fee to be charged for the conveyance.

## **6. General Requirements**

- (1) Limousine and Ride-Sharing Drivers are prohibited from picking up passengers without having such engagement pre-arranged through an Operator.
- (2) Despite the above restriction, Limousines contracted through a concession agreement may pick up passengers at the contracted venues without the need for such engagement to be pre-arranged.
- (3) PTC Drivers are prohibited from accepting any compensation for services in the form of cash or in a manner that does not use the Operator's Platform.
- (4) Operators are prohibited from allowing any Owner or Driver, not licensed, from providing any Private Ground Passenger Transportation Services.

## **7. Authority to Inspect and Enforce**

- (1) Every person shall provide, upon request and within the time specified, any business documents deemed necessary by the Chief Licensing Officer to administer the provisions of this By-law.
- (2) No person shall prevent, obstruct, or interfere with any inspection, investigation or enforcement action deemed necessary by the City.
- (3) Anyone found to be Staging shall be deemed to be offering Private Ground Passenger Transportation Services in contravention of this By-law.

## **8. Regulatory Relief**

- (1) Requirement for Accessible Taxicabs and Taxicabs to be in a brokerage is to be eliminated.
- (2) Requirement for Accessible Taxicabs and Taxicabs to have cameras and emergency lights is to be eliminated.
- (3) Restrictions on third-party advertising on or inside Accessible Taxicabs, Taxicabs and Limousines are to be eliminated.
- (4) The Driver's Waiting List is eliminated, as any Driver with at least five years of experience may be eligible for an Accessible Taxicab Owner's licence.
- (5) Requirements on Drivers with respect to appearance, hygiene and dress are to be eliminated.
- (6) Requirement for Drivers to search the vehicle after every engagement is to be eliminated.
- (7) Restrictions on Owners with respect to the management of their licences are to be eliminated.

- (8) The requirement to hold a Taxicab Owner's licence for at least 24 months before being able to sell the taxicab vehicle and its equipment is eliminated.
- (9) Requirements with respect to taxi meters are to be replaced with requirements respecting Trip Meters, allowing for greater device flexibility.
- (10) The requirement for Drivers to successfully complete the City of Vaughan Taxi Sensitivity Training Course and examination is to be eliminated.

**Schedule “B”**  
Proposed Annual Licensing Fee Structure for the  
Private Ground Passenger Transportation Industry

CLASSES OF BUSINESS LICENCES	2017		2018	
	INITIAL FEE	RENEWAL FEE	INITIAL FEE	RENEWAL FEE
Brokerage	\$ 390	\$ 252	\$ 402	\$ 260
Taxi Owner	\$ 498	\$ 322	\$ 513	\$ 332
Accessible Owner	\$ 249	\$ 161	\$ 257	\$ 166
Taxi Driver	\$ 172	\$ 167	\$ 177	\$ 172
Accessible Driver	\$ 86	\$ 84	\$ 89	\$ 86
Limousine Company	\$ 390	\$ 252	\$ 402	\$ 260
Limousine Owner	\$ 498	\$ 322	\$ 513	\$ 332
Limousine Driver	\$ 172	\$ 167	\$ 177	\$ 172
PTC – up to 24 vehicles	\$ 390	\$ 252	\$ 402	\$ 260
PTC – 25 to 99 vehicles	\$ 1,500	\$ 1,500	\$ 1,545	\$ 1,545
PTC – 100 to 499 vehicles	\$ 2,500	\$ 2,500	\$ 2,575	\$ 2,575
PTC – 500 or more vehicles	\$ 10,000	\$ 10,000	\$ 10,300	\$ 10,300
All PTCs (per ride originating in Vaughan, paid quarterly)	11 ¢		11 ¢	

**Schedule “C”**  
Description of Sectors in the  
Private Ground Passenger Transportation Industry

There are four sectors in the private ground passenger transportation industry. Although the industry as a whole provides passenger conveyance services, each sector has unique business and service characteristics that determine the type and level of regulation required. This creates a kind of regulatory hierarchy that, from a regulatory standpoint, would permit some service providers to offer services outside of their sector and not others.

1. Accessible Taxicab Services. These are provided using an Accessible Taxicab, which is a vehicle used for the transportation of passengers who are otherwise unable to board non-accessible vehicles due to a disability, and which has the capability of transporting passengers in wheelchairs or scooters. Accessible Taxicabs meet all mandatory requirements under Canadian Standard Association’s D409-16 Standard and exceed the requirements for non-accessible taxicabs. Similarly, Accessible Taxicab Drivers are required to provide a certificate of completion of an accredited securement training course, as approved by the Chief Licensing Officer, and thus exceed the licensing requirements for non-accessible Taxicab Drivers. Accessible vehicles and drivers have the most rigorous requirements. As a result, from a regulatory standpoint, an Accessible Taxicab and an Accessible Driver meet and exceed the requirements in all other sectors and therefore could provide services within the other sector categories.
2. Taxicab Services. These are provided using a Taxicab, which is a vehicle used for the hire and conveyance of persons from a point of origin within the City of Vaughan to any destination. Generally, taxicabs are hired by the public through a Taxi Brokerage (i.e., pre-arranged hire) or in person (i.e., flagged hire). Fares are calculated by a meter on the basis of distance and time, but sometimes a driver may offer services on a flat-fare basis. Because of the anonymous nature of the latter service model (i.e., the passenger and driver hold no information about each other and transactions are often conducted in cash), taxicabs have higher requirements with respect to self-identification. Because of these requirements, Taxicabs and Taxicab Drivers meet and exceed the requirements in all other sectors, with the exception of the Accessible sector, and could therefore, from a regulatory standpoint, also provide Limousine and Ride-Sharing Services.
3. Limousine Services. These are provided using a Limousine, which is generally a luxury vehicle that may include a vintage or historic vehicle that is licensed as such by the Ontario Ministry of Transportation and to which vintage plates have been issued. Limousines are hired by the public on a pre-arranged basis, often through a Limousine Company that acts very much as a brokerage. Fares are often calculated on a per-hour basis, but may be calculated on a flat-fare basis as well. Unlike Accessible Taxicabs and Taxicabs, Limousines do not accept flagged hires and, as a result, they do not need to have self-identification requirements that are as stringent as those of taxicabs. From a regulatory standpoint, although Limousines cannot provide Accessible or Taxicab services, they could, in addition to Limousine services, provide Ride-Sharing Services.
4. Ride-Sharing Services. These are most often provided using private, non-commercial, passenger vehicles. Ride-Sharing Services are generally provided through a smart-phone software application, known as an app, that links a passenger directly with the service provider. Fares are most often calculated based on distance and payment is handled through the app itself. Some apps also allow both passengers and drivers to rate each other. Ride-Sharing service providers neither accept flagged hires nor cash fares and therefore do not have the self-identification requirements that are imposed on Accessible and Taxicab service providers. From a regulatory standpoint, this service is the most narrow service in scope and therefore requires the fewest regulatory restrictions. However, it also means that providers are restricted to providing services only within their sector.

**Schedule “D”**  
Municipal Comparison of Licensing Regulations for the  
Private Ground Passenger Transportation Industry

Regulatory Requirement	Toronto	Mississauga (Pilot)	London	Hamilton	Ottawa	Barrie	Oakville	Waterloo Region	Niagara Region	Vaughan (proposed)
<b>Separate licensing category</b>	<b>Yes:</b> Licenses only the PTC	<b>Yes:</b> Licenses only the PTC	<b>Yes:</b> Licenses PTC and Drivers	<b>Yes:</b> Licenses only the PTC	<b>Yes:</b> Licenses only the PTC	<b>Yes:</b> Licenses only the PTC	<b>Yes:</b> Licenses only the PTC	<b>No:</b> PTCs licensed as taxi brokerage  By-law amended to enable brokerages to issue licences	<b>Yes:</b> Licenses only the PTC	<b>Yes:</b> Licenses PTC and Drivers
<b>Licensing fees</b>	\$20,000 one-time application fee  \$15 annual fee per driver  \$0.30 per trip	\$20,000 annual licensing fee  \$0.30 per trip	Annual fees by size of PTC fleet:  1-100 vehicles: \$5,000  101-500 vehicles: \$10,000  501-1000 vehicles: \$15,000	Annual fees by size of PTC fleet:  1-24 vehicles: \$5,000  25-99 vehicles: \$20,000  100+ vehicles: \$50,000	Annual fees by size of PTC fleet:  1-24 vehicles: \$807  25-99 vehicles: \$2,469  100+ vehicles: \$7,253	Annual fees by size of PTC fleet:  1-150 vehicles: \$3,497.49  151-300 vehicles: \$5,192.78  301-450 vehicles: \$6,888.07	Annual fees by size of PTC fleet:  1-24 vehicles: \$786  25-99 vehicles: \$854  100+ vehicles: \$50,000 and \$0.11 per trip	Annual fees by size of app-based brokerage:  1-50 vehicles: \$150  51-100 vehicles: \$300  101-150 vehicles: \$600	Annual fees by size of PTC fleet:  1-24 vehicles: \$1,000  25-99 vehicles: \$2,500  100+ vehicles: \$7,500	Annual fees by size of PTC fleet:  1-24 vehicles: \$390  25-99 vehicles: \$1,000  100-499 vehicles: \$2,500

Regulatory Requirement	Toronto	Mississauga (Pilot)	London	Hamilton	Ottawa	Barrie	Oakville	Waterloo Region	Niagara Region	Vaughan (proposed)
			1000+ vehicles: \$50,000  \$0.11 per trip  \$15 per driver per quarter	\$0.06 per trip	\$0.11 per trip	451+ vehicles: \$8602.17  \$0.11 per trip	(only for 100+ vehicle TNCs)	151-200 vehicles: \$1200  201-500 vehicles: \$2400  501-999 vehicles: \$4800  1000-2999 vehicles: \$50,000  30000 vehicles: \$22 per vehicle  \$0.11 per trip	\$0.11 per trip	500+ vehicles: \$10,000  \$0.11 per trip
Driver screening	<b>Yes:</b> PTC must submit driver screening information to City (criminal record check, driver's abstract)	<b>Yes:</b> PTC must collect and maintain driver screening information.  PTC must provide information	<b>Yes:</b> PTC must submit driver information to City:  Drivers' license, proof of work eligibility,	<b>Yes:</b> PTC must collect and maintain driver screening information.  PTC must provide information	<b>Yes:</b> PTC must collect and maintain driver screening information.  PTC must provide information	<b>Yes:</b> PTC must submit driver information to City:  Drivers' licence, criminal record check,	<b>Yes:</b> PTC must submit confirmation of screening and details of failed checks.  City to conduct spot checks of	<b>Yes:</b> Brokerage must submit driver information to City:  Drivers' licence, criminal	<b>Yes:</b> PTC must collect and maintain driver screening information.  PTC must provide information	<b>Yes:</b> The City must receive the following information for every driver licensed:  Drivers' licence,

Regulatory Requirement	Toronto	Mississauga (Pilot)	London	Hamilton	Ottawa	Barrie	Oakville	Waterloo Region	Niagara Region	Vaughan (proposed)
		upon request	criminal record check, driver's abstract	upon request	upon request	driver's abstract	drivers.	record check, driver's abstract	upon request	criminal record check, driver's abstract
Vehicle inspection	<b>Yes:</b> PTC submits Safety Standard Certificate on behalf of drivers	<b>Yes:</b> Vehicles require Safety Standards Certificate  City will conduct random compliance inspections	<b>Yes:</b> PTC submits Safety Standards Certificate on behalf of drivers	<b>Yes:</b> Vehicles require Safety Standards Certificate  City will conduct random compliance inspections	<b>Yes:</b> Vehicles require Safety Standards Certificate, available to the City upon request	<b>Yes:</b> PTC submits Safety Standards Certificate on behalf of drivers	<b>Yes:</b> Vehicles require Safety Standards Certificate	<b>Yes:</b> Vehicles require Safety Standards Certificate	<b>Yes:</b> Vehicles require Safety Standards Certificate	<b>Yes:</b> All vehicles used to provide services require Safety Standards Certificate
Insurance	<b>Yes:</b> PTC must have \$5 million commercial liability insurance  Drivers must have \$2 million automobile liability insurance	<b>Yes:</b> Drivers must have \$2 million automobile liability insurance	<b>Yes:</b> Drivers must have \$2 million automobile liability insurance	<b>Yes:</b> PTC must have \$5 million commercial liability insurance  Drivers must have \$5 million automobile liability insurance	<b>Yes:</b> PTC must have \$5 million commercial liability insurance AND \$5 million in non-owned automobile insurance  Drivers must have suitable insurance for	<b>Yes:</b> PTC must have \$5 million commercial liability insurance  Drivers must have \$2 million automobile liability insurance	<b>Yes:</b> Drivers must have \$2 million automobile liability insurance	<b>Yes:</b> Brokerage must have \$5 million commercial liability insurance  Drivers must have \$2 million automobile liability insurance	<b>Yes:</b> PTC must have \$5 million commercial liability insurance  Drivers must have \$2 million automobile liability insurance	<b>Yes:</b> PTC must have \$5 million commercial liability insurance  Vehicles must have valid automobile liability insurance appropriate for the use in

Regulatory Requirement	Toronto	Mississauga (Pilot)	London	Hamilton	Ottawa	Barrie	Oakville	Waterloo Region	Niagara Region	Vaughan (proposed)
					part-time drivers					the amount of \$2 million
<b>Model restrictions</b>	<b>Yes:</b> 4-door vehicle  Carries maximum of 7 passengers  Up to 7 model years old	<b>Yes:</b> 4-door vehicle  Carries maximum of 7 passengers  Up to 7 model years old	<b>Yes:</b> Carries maximum of 10 passengers  Up to 8 model years old  Up to 9 model years old for low-emission vehicles	<b>Yes:</b> Up to 10 model years old	<b>Yes:</b> Up to 10 model years old	<b>No</b>	<b>Yes:</b> 4-door vehicle  Up to 7 model years old	<b>No, but</b> drivers with vehicles over 10 years old must submit inspection certificate semiannually	<b>Yes:</b> Up to 10 model years old	<b>Yes:</b> 4-door vehicle is required  Up to 10 model years old, with two one-year extensions possible upon application
<b>Vehicle Identification</b>	<b>Yes:</b> Must display city-approved PTC identifier in rear window	<b>Yes:</b> Must display City-approved PTC identifier	<b>No</b>	<b>Yes:</b> Must display PTC identifier on front windshield	<b>No</b>	<b>Yes:</b> Must display City-approved PTC identifier	<b>Yes:</b> Must display PTC identifier	<b>Yes:</b> Must display brokerage identifier	<b>Yes:</b> Must display PTC identifier	<b>Yes:</b> Must display City-approved PTC identifier
<b>Driver training</b>	<b>No:</b> Training requirements set by PTC	<b>No:</b> Training requirements set by PTC	<b>No:</b> Training requirements set by PTC	<b>No:</b> Training requirements set by PTC	<b>No:</b> Training requirements set by PTC	<b>No:</b> Training requirements set by PTC	<b>No:</b> Training requirements set by PTC	<b>No, but:</b> Brokerages must ensure drivers receive appropriate training	<b>No:</b> Training requirements set by PTC	<b>No:</b> Training requirements set by PTC

Regulatory Requirement	Toronto	Mississauga (Pilot)	London	Hamilton	Ottawa	Barrie	Oakville	Waterloo Region	Niagara Region	Vaughan (proposed)
Ride data audits	<b>Yes:</b> PTC must sign data sharing agreement to produce records upon request by the City	<b>Yes:</b> PTC must maintain and supply ride data upon request	<b>Yes:</b> PTC must maintain and supply ride data upon request	<b>Yes:</b> PTC must maintain and supply ride data upon request	<b>Yes:</b> PTC must maintain and supply ride data upon request	<b>Yes:</b> PTC must maintain and supply ride data upon request	<b>Yes:</b> PTC must maintain and supply ride data upon request	<b>Yes:</b> PTC must maintain and supply ride data upon request	<b>Yes:</b> PTC must maintain and supply ride data upon request	<b>Yes:</b> PTC must maintain and supply ride data upon request
Cameras	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
English assessment	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
Restrictions on Fares	<b>Yes:</b> Minimum rate of \$3.25  Must provide fare estimates	<b>No:</b> PTC free to set rates  Must provide fare estimates	<b>Yes:</b> Minimum rate of \$3.50  Must provide fare estimates	<b>No:</b> PTC free to set rates  Must provide fare estimates	<b>No:</b> PTC free to set rates  Must provide fare estimates	<b>No:</b> PTC free to set rate  Must provide fare estimates	<b>No:</b> PTC free to set rates  Must provide fare estimates	<b>No:</b> PTC free to set rates  Must provide fare estimates	<b>Yes:</b> Minimum rate of \$3.75  Must provide fare estimates	<b>Yes:</b> PTC free to set rates, subject to transparency requirements
Hailing permitted	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
Accept cash	<b>Not specified</b>	<b>Not specified</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>Not specified</b>	<b>Not specified</b>	<b>Not specified</b>	<b>No</b>

Regulatory Requirement	Toronto	Mississauga (Pilot)	London	Hamilton	Ottawa	Barrie	Oakville	Waterloo Region	Niagara Region	Vaughan (proposed)
Accessible service	<b>Yes:</b> PTC with over 500 drivers must provide wheelchair accessible service	<b>No:</b> Accessibility requests that cannot be addressed by the PTC must be redirected to a licensed service  PTC must provide City with data of accessibility requests	<b>No</b>	<b>No:</b> \$20,000 annual fee in lieu of accessible service	<b>No:</b> Negotiate voluntary per-trip accessibility surcharge for PTCs	<b>No</b>	<b>No, but</b> PTC app must be accessible	<b>No:</b> Per-vehicle fee in lieu of accessible services based on brokerage size:  1-499 vehicles: \$100 per vehicle  500-999 vehicles: \$75 per vehicle  1000+ vehicles: \$50 per vehicle	<b>No</b>	<b>Not currently</b>  The City will be further exploring options with respect to the provision of on-demand accessible services
PTC vehicle supply cap	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
Other		GPS required					GPS Required  PTC must establish passenger			

Regulatory Requirement	Toronto	Mississauga (Pilot)	London	Hamilton	Ottawa	Barrie	Oakville	Waterloo Region	Niagara Region	Vaughan (proposed)
							and driver accounts for use by enforcement staff to conduct officials  PTC must have ability to create ghost accounts to conduct inspections			

**Schedule “E”**  
Accessibility Requirements for the  
Private Ground Passenger Transportation Industry

Provincial requirements in Ontario for the private ground passenger transportation industry are currently largely restricted to taxicabs.

Under Ontario Regulation 191/11, of the *Accessibility for Ontarians with Disabilities Act* (“AODA”), every municipality must consult with its municipal accessibility advisory committee, the public and persons with disabilities to determine the proportion of on-demand accessible taxicabs<sup>1</sup> required in the community. There is also a further requirement to identify progress made toward meeting the need for on-demand accessible taxicabs, including any steps taken to meet that need.

The Regulation imposes specific duties on municipalities that license taxicabs, including an obligation to ensure that owners and operators are prohibited from charging a higher fare or an additional fee for persons with disabilities and charging a fee for the storage of mobility aids or mobility assistive devices. It also requires that owners and operators of taxicabs place vehicle registration and identification information on the rear bumper of the taxi cab and that they make available vehicle registration and identification information in an accessible format to persons with disabilities who are passengers.

As a way to meet its commitment under the AODA, the City of Vaughan has adopted a number of policy measures, including that all newly licensed taxi cabs be fully accessible vehicles in compliance with the Canadian Standards Association’s D409-16 standard. Under the program, Owners of such vehicles, after four years in operation, have had the option to transfer the plate to a standard vehicle. In addition, the City’s Licensing By-law currently exempts taxicabs licensed by other municipalities from its provisions when transporting school children and people with disabilities.

Up until recently, these measures have managed to keep a relatively consistent number of accessible vehicles servicing Vaughan. However, in the last three years, the number of taxicabs on the road has fallen by nearly ten percent due to an uncertain economic environment in a quickly changing industry. The lack of demand has meant that as existing Owners of Accessible Taxicab vehicles transition to standard vehicles, there no longer is a an adequate supply of new Accessible Taxicab vehicles to take their place.

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<sup>1</sup> Ontario Regulation 191/11 defines a taxicab as “a motor vehicle as defined in the *Highway Traffic Act*, other than a car pool vehicle, having a seating capacity of not more than six persons, exclusive of the driver, hired for one specific trip for the transportation exclusively of one person or group of persons, one fare or charge only being collected or made for the trip and that is licensed as a taxicab by a municipality.” It further defines an accessible taxicab as it is defined in section 1 of Regulation 629 of the Revised Regulations of Ontario, 1990 (Vehicles for the Transportation of Physically Disabled Persons) made under the *Highway Traffic Act*.