



MEMO / NOTE DE SERVICE

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TO: Community and Protective Services Committee

DESTINATAIRE : Comité des services communautaires et de protection

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FILE NUMBER: ACS2017-EPS-GEN-0007

SUBJECT: Vehicle-for-Hire By-law – Six-month Update

OBJET : Règlement sur les véhicules de location – Présentation après six mois

EXECUTIVE SUMMARY

In April 2016 as part of its deliberations on the report entitled "[Regulating Vehicles for Hire in the City of Ottawa – Taxis, Limousines and Private Transportation Companies](#)", the Community and Protective Services Committee directed that staff provide an update on compliance with the new regulations by Private Transportation Companies (PTC), six-months after the September 30th effective date of Vehicle-for-Hire By-law. Committee also requested, after the same time frame, an update on any progress related to accessibility undertakings approved by Council.

Overall, compliance by the one licensed PTC, Uber Canada, has been very high. With respect to the voluntary per-trip surcharge for accessibility, agreement in principle has

been reach with Uber Canada and an Agreement is currently being finalized. Council will be advised and consultation with the various stakeholders will take place accordingly thereafter.

Staff will continue to monitor compliance with the Vehicle-for-Hire By-law and will report back to Committee and Council at the one-year mark as directed by Council in April 2016.

PURPOSE

As part of the April 2016 consideration by the Community and Protective Services Committee and by Council of the report entitled "[Regulating Vehicles for Hire in the City of Ottawa – Taxis, Limousines and Private Transportation Companies](#)" (ACS2016-COS-EPS-0012), direction was given to staff to bring forward a report six months following the effective date of the new vehicle-for-hire regulations to include:

1. Information with respect to how Private Transportation Companies (PTCs) have or have not complied with the regulations stipulated in the new by-law, including information about enforcement activities and results;
2. Progress with respect to any accessibility undertakings approved by Council for the PTC category; and
3. An examination by Legal staff of the privacy concerns of installing audio recording technology in Private Transportation Company (PTC) vehicles such as Uber and report back to Committee six months following enactment of the new By-law.

Information related to Items 1 and 2 is provided in this memorandum, encompassing the six-month period from October 1, 2016 to March 31, 2017.

The City Clerk and Solicitor Department is bringing forward a memorandum (IPD – Information Previously Distributed) under separate cover to address Item 3 above.

This memorandum also provides an update with respect to an additional issue relevant to PTCs raised by Council as part of its April 2016 deliberations, specifically, the applicability of the Harmonized Sales Tax.

Further, following the Council-directed three-month verbal update on PTC compliance, which was delivered to the Community and Protective Services Committee on February 16, 2017, Committee requested that staff examine measures to attain data from the currently-licensed PTC (Uber Canada) and police on any complaints from the public

regarding safety and any breaches of the law. Information in this regard is also included herein.

BACKGROUND

Council approved the report "[Regulating Vehicles for Hire in the City of Ottawa](#)" on April 13, 2016, with the new Vehicle-for-Hire By-law that resulted from that approval having taken effect on September 30, 2016.

Since the September 30th effective date of the by-law, one (1) PTC – Uber Canada – became licensed under the by-law, meeting all of the requirements of license issuance, including:

- Contact information for place of business in Ontario
- Insurance, specifically, \$5M commercial general liability, and \$2M non-owned automobile

In accordance with Council direction and as reported by staff in the Council-requested three-month verbal update, Uber provided to By-law & Regulatory Services (BLRS) its driver and vehicle data several weeks prior to September 30th (the Council request was 2 weeks).

DISCUSSION

PTC Compliance and Activities

Since it became licensed under the by-law, Uber Canada has provided driver and vehicle data almost daily. Data provided includes a valid driver's license, an acceptable Vulnerable Sector Police Record Check, and an acceptable Statement of Driving Record for each PTC driver, as well as a current Ministry of Transportation of Ontario Safety Standards Certificate and a valid motor vehicle permit issued pursuant to the *Highway Traffic Act* for each PTC vehicle. As of March 31, 2017, there were approximately 3300 active Uber drivers operating in Ottawa, where "active" means that each driver completed at least one trip in that month. At the three-month mark, there were about 3000 active drivers. Audits of the data have continued to be conducted by BLRS regularly, with no significant issues, particularly in consideration of the volume of drivers. Requests to the licensee for data clarification or additional information have continued to be fulfilled in a timely fashion.

Uber Canada has also provided to BLRS trip data on a monthly basis, with details as prescribed by the by-law, such as: date and time; start point and endpoint (by postal code or nearest intersection); total number of trips fulfilled and cancelled; associated driver and vehicle information including driver name, license plate number and duration of the trip. Documents 1 and 2 depict the distribution of trips by Ward – both trip origin (pick-up location) and trip destination (drop-off location) – over the period of October 2016 to March 2017. Over 1.4 million trips originated in Wards 12, 14 and 17. The distribution of trips between Wards is similar when comparing trip origins and trip destinations. Of the total trips requested, about 3% are cancelled by the driver largely due to the passenger not having attended. The majority of cancellations are made by passengers.

In terms of distribution across the city:

- 36.4% of the total trips originated in the downtown area, where about 9.4% of the population resides, with 32.4% of drop-offs
- 52.7% originated inside the Greenbelt (excluding downtown), where 44.6% of the population resides, with 52% of drop-offs
- 10.6% originated outside of the Greenbelt (excluding the rural area), where 37.7% of the population resides, with 11.1% of drop-offs
- 0.4% originated in the rural area, where 8.4% of the population resides, with 0.5% of drop-offs

Less than 10% of the population resides downtown, but about one-third of the trips occur in that area. Approximately 90% of trips originate within the Greenbelt. Only 4% of the trips that began in Ottawa resulted in passengers being dropped off outside of Ottawa.

Access to platform continues to be provided by Uber Canada to BLRS, in accordance with by-law requirements. Proactive field investigations with respect to PTC drivers and PTC vehicles have continued to be conducted by BLRS, resulting in a high rate of compliance with the various requirements of the by-law including: no street hailing, no acceptance of cash payment, no use of taxi stands, and proof of insurance.

Accessibility Undertakings

Voluntary per-trip surcharge:

As part of its April 2016 deliberations with respect to the new vehicle-for-hire regulations and associated initiatives, Council delegated to the General Manager, Emergency and Protective Services the authority to negotiate, finalize and execute the establishment of a voluntary per-trip surcharge for accessibility to be paid by a licensed PTC, with any funds received from the surcharge to be directed to a dedicated reserve fund.

As of the writing of this memorandum, agreement in principle of a per-trip surcharge has been obtained from Uber Canada. The surcharge will be applied to all completed trips commencing October 4, 2016, when Uber Canada became licensed. An Agreement is currently being finalized and, once executed, staff will advise Council and consult with the City's Accessibility Advisory Committee, the Accessibility Office, Para Transpo and other internal and external stakeholders to develop a strategy with respect to the manner in which funds generated through the accessibility surcharge can best be used, in accordance with Council direction emanating from the 2016 vehicle-for-hire report.

Additional Accessible Taxi Plate Holder Licenses:

The Vehicle-for-Hire By-law enacted by Council provides an updated plate holder license to population ratio, as well as a requirement that all new plate holder licenses issued be for accessible vehicles. As a result of these provisions, four new non-transferrable accessible taxi plate holder licenses are available for issuance to eligible taxicab driver licensees, in accordance with the requirements of the by-law, including those related to the Accessible Priority List. To date, one accessible plate holder license is actively accepting passengers. Two other accessible plate holder license have been offered to and accepted by eligible drivers, who, in accordance with the by-law, have up to one year to secure an approved vehicle and qualify for the license. The fourth plate holder license is in process currently. Once all four plate holder licenses have been issued and are operational, the accessible fleet will number 191.

Additional Issues

Harmonized Sales Tax:

Council had also, as part of its consideration of the 2016 vehicle-for-hire report, directed staff to request that the Canada Revenue Agency (CRA) review the obligations of Private Transportation Companies and their affiliated drivers to collect and remit the Harmonized Sale Tax (HST) in Ontario. A response from the CRA was received and circulated to Council, along with a summary and other information from the City Clerk and Solicitor in the Fall 2016. The CRA ruling was essentially that the HST is to be

collected by PTCs and PTC Drivers based on certain criteria. Staff notified Uber Canada of the ruling as well.

Further, the March 22, 2017 federal budget update included a reference to “ride-sharing” companies such that, beginning July 1st, Uber and other similar services will be subjected to the same Goods and Services Tax, and Harmonized Sales Tax rules as taxis.

Public Complaint Data:

Following staff’s three-month report on PTC compliance, Committee asked staff to examine measures to attain data from the currently-licensed PTC (Uber Canada) and police on any complaints from the public regarding safety and any breaches of the law.

Uber Canada has not to date released to the City any data related to complaints it may receive from passengers or otherwise. The company advises that it has implemented [Uber's Canadian Community Guidelines](#) for drivers and riders. These ground rules are designed to ensure that Uber riders and drivers have a five-star ride when using Uber. The Community Guidelines address a number of issues including respect, safety, why Uber riders and drivers can lose access to the Uber platform, compliance with the law and others. Criminal matters are referred to local police and are actioned as appropriate.

Staff is not aware of any complaints from the public regarding safety or any violations of the law committed by Uber Canada, as a licensee of the City under the Vehicle-for-Hire By-law. As the City does not regulate PTC Drivers, no such information is available in that regard.

CONCLUSION

Staff will continue to monitor compliance with the Vehicle-for-Hire By-law and will report back to Committee and Council at the one-year mark as directed by Council in April 2016.

Roger Chapman
Manager, By-law and Regulatory Services

cc: Anthony Di Monte, General Manager, Emergency and Protective Services

SUPPORTING DOCUMENTATION

Document 1 – PTC Trip Origin by Ward – October 2016 to March 2017

