



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-0018

SUBJECT: VEHICLE-FOR-HIRE BY-LAW – ONE-YEAR UPDATE

**OBJET : RÈGLEMENT SUR LES VÉHICULES DE LOCATION – PRÉSENTATION
APRÈS UN AN**

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), one year 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; an examination of licensing tools to encourage the use of hybrid, electric or other low-emission vehicles; and a review of the

necessity for, and potential availability of, in-vehicle cameras meeting certain criteria, for PTCs.

Overall, compliance by the licensed PTCs, Uber Canada and Teslift, has been very high. With respect to the voluntary per-trip surcharge for accessibility, an agreement with Uber Canada was executed in August. A plan with respect to consultation with various internal and external stakeholders to determine a strategy for the use of the funds derived from the collection of the surcharge, has been developed and is currently in process, with a report to Committee and Council expected to go forward in the Spring of 2018. Staff will continue to monitor compliance with the Vehicle-for-Hire By-law and will report back to Committee annually as directed by Council in April 2016.

Staff is not recommending any changes to the licensing framework for PTCs or Limousines to promote the use of low-emission vehicles, largely given strong financial incentives for hybrid/electric vehicles that already exist, and current trends in the auto industry.

There is no evidence to support the need for in-vehicle cameras in PTC vehicles or an associated amendment to the Vehicle-for-Hire By-law to require such cameras at this time.

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, in the form of Information Previously Distributed, one-year 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 the Chief License Inspector with respect to licensing tools the City might be able to use to also encourage Private Transportation Companies and

Limousines to use hybrid, electric or other low-emission vehicles and report back as part of the first annual report on the Vehicle-for-Hire By-law;

4. An examination by the Chief License Inspector of the issue of safety complaints with respect to Private Transportation Companies and include this information in the one-year compliance report on the Vehicle-for-Hire By-law, with specific reference to staff's assessment as to the need for Council to consider the addition of in-vehicle cameras for Private Transportation Companies as a requirement to the By-law at that time;
5. As part of the review on the need for cameras in PTCs, a staff review of technological changes/advances in camera technology that would:
 - i. Reduce price of camera;
 - ii. A camera that could more easily be moved, turned off when vehicle is not in use as a PTC;
 - iii. Work with PTCs that this option be included as a feature of their Smartphone app leveraging the camera that already exists in all Smartphones.
6. An investigation by the Chief Information Officer of the development by local businesses of a lower cost camera that would connect to a PTC driver's vehicle's connection to the PTC system so that it operates while the vehicle is in operation as a vehicle-for-hire and which is tamper-proof, meeting privacy requirements and the needs of the Police. Such camera(s) should also be suitable for licensed taxis and include the results of this work in the compliance report that addresses in-vehicle cameras.

Information related to Items 1, 2 and 4 provided in this memorandum encompasses the one-year period from October 1, 2016 to September 30, 2017.

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, two (2) PTCs – Uber Canada and Teslift – 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

DISCUSSION

PTC Compliance and Activities

Since it became licensed under the by-law, Uber Canada has provided driver and vehicle data almost daily. Audits of close to 2,000 PTC driver and vehicle records have been completed in the past year. 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. 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 1, 2016 to September 30, 2017. Uber drivers have travelled just over 49 million kilometers during that time. Over 2.7 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 10% 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:

- 35.9% of the total trips originated in the downtown area, where about 9.4% of the population resides, with 33.4% of drop-offs
- 52.6% originated inside the Greenbelt (excluding downtown), where 44.6% of the population resides, with 54.1% of drop-offs

- 11.1% originated outside of the Greenbelt (excluding the rural area), where 37.7% of the population resides, with 12.1% of drop-offs
- 0.4% originated in the rural area, where 8.4% of the population resides, with 0.6% of drop-offs

Less than 10% of the population resides downtown, but over one-third of the trips occur in that area. Approximately 89% of trips originate within the Greenbelt. Only 4% of the trips that began in Ottawa resulted in passengers being dropped off outside of Ottawa. This, and the above-noted distribution data, remain virtually unchanged from that noted in the 6-month report.

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.

Teslift, the other licensed PTC, became licensed on May 16, 2017 and currently utilizes only one vehicle which provides trips very infrequently. There is no data of any significance to report at this time.

Accessibility Undertakings

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.

The City has petitioned the Province for enabling legislation to authorize the City of Ottawa to charge a mandatory accessibility surcharge for PTCs. To date, there is no indication of legislative change in the short-term. In the interim, an agreement has been executed with Uber Canada for a voluntary per-trip accessibility surcharge. This agreement forms a partnership between the City and Uber, as a voluntary gesture, to support accessible transportation in the City of Ottawa.

A voluntary \$0.07 per-trip surcharge will be applied to all completed trips commencing October 4, 2016, when Uber became licensed, and it has agreed to pay, on a go-forward basis, a monthly voluntary surcharge. Based on trip data that Uber has provided

to date, the total amount resulting from payment of the voluntary surcharge for its first year is estimated at about \$450,000. In accordance with Council direction, all funds will be directed to a dedicated reserve.

The manner in which funds generated through the accessibility surcharge can best be used is being examined in accordance with the Council direction emanating from the 2016 vehicle-for-hire report. Specifically, the General Manager of Emergency and Protective Services is in the process of working with the City's Accessibility Unit, the Accessibility Advisory Committee, Para Transpo and other internal and external stakeholders to develop a strategy with respect to the manner in which these funds can be used to offset costs for a number of programs supporting accessible transportation. Staff anticipates reporting to Committee and Council in the Spring of 2018 with recommendations.

Incentives for Hybrid, Electric, Other Low-Emission Vehicles

Staff was asked to examine potential licensing tools that “the City might be able to use to also encourage Private Transportation Companies and Limousines to use hybrid, electric or other low-emission vehicles...”

Staff has completed this review and is not recommending any changes to the licensing framework for PTCs to promote the use of low-emission vehicles.

Strong financial incentives for hybrid/electric vehicles already exist, in the form of purchase incentives of up to \$15,000 provided by the Province of Ontarioⁱ and in reduced fuel and operating costs for PTC drivers. According to cost information provided by the Province of Ontarioⁱⁱ, a typical PTC driver can save as much as \$1,200 per year on his/her PTC-related fuel costs when driving a hybrid electric vehicle and as much as \$1,500 when driving an electric vehicle.

The average per trip licensing fee for that same driver would be about \$210 per year. Even if the entire per trip fee was eliminated for electric or hybrid vehicles, it would have minimal impact compared to the existing incentives.

While data on hybrid vehicles within PTC fleets is not presently available, a review of vehicle records shows that PTC drivers are presently three times more likely to own an electric vehicle than the general population.

Additional consideration should be given to trends in the auto industry. A number of manufacturers have committed to only produce hybrid and electric models, beginning as

soon as 2019. Sale of electric vehicles in Ontario rose by 67% in 2016ⁱⁱⁱ and a further 68% in the first three quarters of 2017. Sale of hybrids in Canada rose by 35% in 2016.^{iv}

It is further noted that the mechanisms included in the former Taxi By-law (2012-258) to encourage low emission vehicle use for taxis were tied to certain vehicle standards, such as trunk capacity, which Council eliminated from the new framework for the taxi-related provisions of the Vehicle-for-Hire By-law as part of its 2016 deliberations and general policy approach to reduce some of the constraints on the taxi industry. There are therefore no licensing restrictions for any category of vehicle that would prohibit or discourage the use of low emission vehicles in any vehicle-for-hire category.

Given the economic advantage of operating a low-emission vehicle, the modernization of licensing requirements that took place in 2016 and industry trends with respect to low-emission vehicle manufacturing and sales, further licensing tools do not seem warranted in order to encourage PTC and Limousines to use hybrid, electric or other low-emission vehicles.

Safety Issues and In-Vehicle Cameras related to PTCs

Complaints:

The policy approach approved by Council in 2016 established the PTC as the licensee but not its drivers and their vehicles, thereby placing the onus on the PTC to implement and maintain its own complaint process which does not involve or require investigations by By-law and Regulatory Services. On that basis, Uber Canada is not required to, and has not to date, released to the City any data related to driver- or vehicle-related 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. Uber Canada also reported its intent to release, at the beginning of November, of a service animal policy in consideration of passengers in need of a personal assistance animal for their safety and well-being.

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 license PTC Drivers, no such information is available in that regard.

Council-approved policy approach:

The taxi industry provides 24/7 service in a regulated environment where taxicabs are required, among other things, to be identified by roof sign and vehicle number and to have in-vehicle cameras. As such, taxicabs are permitted to pick up passengers through street hails and at taxi stands, as well as to access lanes set aside for their exclusive use that facilitate expeditious travel through the city.

The PTC business model does not involve street hails or the use of taxi stands, and, in accordance with the by-law, PTC vehicles are permitted to only accept fares that are coordinated rides on a pre-arranged basis via apps or other platforms used by the company. Further, no cash payments are permitted. Street hailing, use of taxi stands, and cash payments remain in the exclusive domain of the more highly regulated taxi industry where safeguards, such as in-vehicle cameras, are required for the safety of both the passenger and the taxi driver. Public safety is enhanced by ensuring customers only street hail vehicles regulated for this purpose.

In addition, the app or platform used by the PTC must contain several consumer protection features, including:

- Providing the customer with the first name and photograph of the PTC driver who will be providing the service, as well as a full description of the vehicle that will be used;
- Informing the customer of the rate to be charged for the trip, including any applicable surge pricing, and providing an estimate of the total cost if requested by the customer;
- Requiring the customer to accept the service being offered prior to the commencement of the trip;
- Providing the customer with a full receipt for the trip; and,
- Allowing the customer to rate the driver and vehicle providing the transportation service.

In addition, the PTC licensee is required to make available on its website, platform or by other accessible means, information to the public detailing the services it offers, the pricing structures it will charge, the applicable driver and vehicle screening requirements, and the fact that PTC drivers are prohibited from accepting any fares that

are not pre-arranged – for example, that they are not authorized to street hail or accept fares at taxi stands.

The PTC is also required to obtain and maintain all records required by the by-law for its drivers and vehicles, such as records of driver checks, vehicle safety certificates and proof of insurance and make those available to the Chief License Inspector if required for the purpose of investigating compliance with the by-law. Similarly, PTCs are required to keep records on each trip taken, including information on the driver and vehicle used, the date and time of the trip and related information, and also provide these to the Chief License Inspector upon request.

Given that PTC vehicles must be hired by pre-arrangement only, and that their use of street hailing and taxi stands is prohibited, PTC vehicles are not permitted to be identifiable as vehicles-for-hire. Instead, prospective passengers receive vehicle details such as a vehicle description and license plate number via the app.

Overall, both the passenger and the PTC driver are known to one another, and either can be traced following the trip if necessary. This, and all of the other requirements, establish safety standards and negate the need for an in-vehicle camera.

In-Vehicle Cameras and Criteria:

The new Vehicle-for-Hire By-law enacted by Council requires that the camera system located in taxicabs meet the minimum standards prescribed by the Chief License Inspector, which include the following:

1. Must record either in black and white, or in colour, and securely store images and enable the secure retrieval of those images for copying, viewing, and printing.
2. Must have at least two (2) cameras to record the inside of the vehicle.
3. Recorded images must be of a sufficient quality to enable facial identification of all occupants seated in the taxi, including the front passenger seat and the driver's seat, in all lighting conditions, including complete darkness and low-light situations such as parking garages and tunnels.
4. Must be equipped with infrared lighting source and operate automatically and in conjunction with image capture for day, night, and low-light use.
5. Each image must not be less than 500 KB.

6. Must record images at a rate of at least one (1) image per second and ten (10) frames per second whenever a customer is occupying the vehicle.
7. Recorded images must contain a unique and unambiguous identification of the camera, the taxi to which it belongs (plate number), and accurate time and date information.
8. Must be marked with a unique means of identification.
9. Must be capable of storing images for at least 168 hours (7 days) on flash memory.
10. Must undertake regular self-testing in order to check that it is recording and storing images.
11. Must have a system status indicator that is clearly visible to the vehicle's driver, or to a municipal law enforcement officer (MLEO), and that indicates when the system is operating and when the system has detected that it is not recording or storing images, or both.
12. Must create an automatic log of activity including accessing of recorded material and modifying settings.
13. Must record when the trigger switch is activated (doors opening and closing, vehicle ignition, meter engagement, g-force activator and an emergency button) or be recording at all times.
14. Recorded images or video shall be protected in a way to prevent unauthorized access, retrieval and destruction. The in-vehicle camera system must also be tamper-proof and damage-proof.
15. Stored images must be password protected to permit access or download and all video data recorded may be accessed only by Ottawa Police Imaging personnel.
16. Must meet all operating requirements, including storage of images, without the need for any manual processes during normal operation.
17. Provisions shall be made by all approved manufacturers to provide a means of downloading images using the camera image recorder unit removed from the vehicle. The use of a docking station and power converter must be supplied with the software.

18. Recording system shall be configured such that recording of images will automatically commence re-recordings once the image capacity has been reached. The oldest images shall be overwritten first.

19. Storage of recorded material must be independent from the camera head to prevent lost of the data in case the camera heads is removed or stolen.

There are also a number of installation requirements to ensure that the system fulfills the intended purpose, including:

1. Must be in a fixed location in the vehicle where no obstruction can prevent observation of the interior (e.g. sun visor), and shall provide unobstructed vision for the driver.
2. Must be securely fastened to the vehicle so as to prevent it from becoming dislodged in the event of an accident.
3. Must be designed to be fitted inside a taxi in a position that:
 - (a) is clearly visible to persons seated in the vehicle; and
 - (b) enables it to record the faces of all persons seated in the taxi.
4. Must have a “test button” located in the vehicle glove compartment which allows an MLEO to make a recording and test the quality of the image as part of their inspection.
5. Must be hard-wired into the vehicle.
6. Must be connected to the vehicle battery, and the fuse for such connection shall be concealed in tamper-resistant housing.
7. All electrical connections and wiring must be protected from spike and dips in vehicle voltage.
8. Must not interfere with other electronic devices or systems likely to be found in a taxi and must not be adversely affected by a vehicle's electrical system.

The by-law also requires that the camera system be capable of recording images of persons in taxicabs such that access is limited to law enforcement personnel authorized by the Chief License Inspector for law enforcement purposes; and that a decal, stating

that photographic images of the passengers are being recorded, be installed in a prominent location in the taxicab.

Given the purpose of in-vehicle cameras generally, it would stand to reason that, if a determination were to be made that there is cause to require PTC vehicles to have such cameras, the cameras must meet these same criteria in order to be useful.

Any of the cameras reviewed by staff that were less expensive did not meet these criteria, nor would a Smartphone camera, as suggested by the directive to staff.

Summary:

Based on the foregoing, staff is recommending that in-vehicle cameras not be required for PTC vehicles.

CONCLUSION

Staff will continue to monitor compliance with the Vehicle-for-Hire By-law and will report back to Committee accordingly.

Roger Chapman
Director, 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 September 2017

Document 2 – PTC Trip Destination by Ward – October 2016 to September 2017

Endnotes:

ⁱ The maximum combined value of the Electric Vehicle Incentive Program (EVIP) and Electric Vehicle Charging Incentive Program (EVCIP).

ⁱⁱ Province of Ontario, “About EV Charging”, (<http://www.mto.gov.on.ca/english/vehicles/electric/charging-electric-vehicle.shtml>), accessed October 20, 2017

ⁱⁱⁱ Fleet Carma, “Electric Vehicle Sales In Canada: 2016 Final Update” (<https://www.fleetcarma.com/ev-sales-canada-2016-final/>), accessed October 20, 2017

^{iv} Automotive News Canada, “Hybrid sales advance despite cheaper gas”, (<http://canada.autonews.com/article/20161014/CANADA/161019898/hybrid-sales-advance-despite-cheaper-gas>), accessed 23 Oct 2017.