

# **Licensing of Private Transportation Companies (PTCs)**

**General Committee Public Information Meeting  
June 4, 2019**

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# 1. Background

- The City of Markham currently regulates taxicabs, & limousines but not PTCs;
- A Staff Report & presentation was delivered to General Committee on May 6, 2019; &
- Staff was directed to hold a Public Information Meeting & invite various stakeholders.

## 2. How Do PTCs Work?

- The consumer downloads the Smart Phone application or goes online to the PTC website;
- The consumer creates an account with the provider using an email address & phone number;
- The consumer enters their destination online or on the smartphone application; &
- The consumer sees different pricing levels up front based on the service they desire.

## 2. How Do PTCs Work? (Cont'd)

- The consumer confirms their trip & pickup location;
- The consumer is matched with a nearby driver - the driver's name, picture, vehicle make, colour & license plate are provided; &
- The consumer can track the arrival of their driver on the map provided - when the driver is a few minutes away, the consumer is notified to meet the driver at the pre-arranged pickup location.

## 2. How Do PTCs Work? (Cont'd)

- The consumer can make sure they are getting into the right vehicle with the right driver by matching the information provided at the time of booking;
- Once at their destination, payment is made using the method chosen when the user account was created; &
- Consumers can add a tip to the payment & are asked to rate the driver & experience.



### 3. Consumer Protection & Safety

- Easier & more informed decisions:
  - Consumers no longer have to guess at prices & avoid surprises, even at peak demand times.
- Comparing ride options:
  - By seeing the upfront price, consumers can compare prices & pick the best option that suits their budget & schedule.

### 3. Consumer Protection & Safety

- Trips change on the consumer's terms:
  - The upfront price may change if the consumer adds stops, updates their destination or the route changes significantly.
- Safety features in the applications:
  - Consumers are provided with the driver's name, picture, vehicle make, colour & license plate at the time of booking; &
  - Trip details may be shared electronically with loved ones or colleagues.

## 4. Business Licensing-Legislative Framework

- Section 11(1) of Municipal Act, 2001 provides authority for a municipality to pass by-laws with respect to business licensing;
- Business licenses are permits issued by government agencies that allow individuals or companies to conduct business within the municipality's geographic jurisdiction; &
- Business licensing by-laws provide a regulatory framework to ensure:
  - Public health & safety;
  - Nuisance control;
  - Consumer protection.

## 5. Regulatory Objectives of Licensing PTCs

- To implement a regulatory framework for the licensing of PTCs in Markham;
- To harmonize the licensing regulations for taxicabs, limousines & PTCs;
- To build upon the work done by other jurisdictions to create efficiencies & reduce costs associated with licensing; &
- To implement a fully cost recoverable fee model.

## 6. What is Being Proposed?

- The implementation of a City of Markham licensing platform for PTCs & their operators;
- Significant amendments to the Taxicab & Limousine By-laws to lessen the licensing burden; &
- The harmonization of the requirements in all three sectors to ensure fair & equal treatment of participants while respecting the different service models that co-exist.

## 7. Why is it Being Proposed?

- The City is not currently regulating PTCs – PTCs are actively operating in Markham;
- Licensing revenue generated by the taxicab & limousine sectors currently pays the administration & enforcement costs of all three of the ground transportation sectors; &
- The introduction of PTCs has created a significant shift in the provision of ground transportation services which has greatly affected the taxicab & limousine sectors.

## 8. Current & Proposed States



# 1. Taxicabs (*Licensed*)

## Current State

### Industry Size

- 192 Taxicabs
- 140 Standard Taxicabs (35 plates in the Office and not being operated)
- 52 Airport plated Taxicabs
- 6 Taxicab Brokers
- 398 Taxicab Drivers

### Accessible Taxicabs

- Currently there are no Accessible Taxicabs Licensed in the City

### Service Model

- Vehicle dispatched and are able to use cabstands and accept street hails
- Standard Sedans and Minivans being used
- Metered based tariff
- Tariff set by the City

### Taxicab Owner Requirements

- Insurance
- Mechanical inspection
- Criminal Check
- Driving Check
- Annual Inspection
- Licence Fee

### Taxicab Driver Requirements

- Criminal Check
- Driving Check
- Licence Fee

### Challenges

- Competing with unregulated competitors like Uber and other unlicensed taxis that are not compelled to obtain the proper insurance, inspections and reports as well as not being required to pay licence fees



## Proposed State

### Continue to License:

- ✓ Taxicabs Owners (standard and airport taxicabs)
- ✓ Taxicab Brokers
- ✓ Taxicab Drivers

### PROPOSED REGULATIONS:

#### Accessible Taxicabs

- ✓ All new Taxicab Owner Licences issued have to go on an Accessible Taxicab for the first 4 years after which it can be transferred to a standard taxicab
- ✓ Any Accessible Taxicab licensed by another municipality can pick up in Markham

#### Service Model

- ✓ Removal of the cap on Taxicab Owner Licences
- ✓ Open the issuance of Taxicab Owner Licences to any Taxicab driver with 5 years taxi driving experience
- ✓ New Taxicab Owner Licences must be Accessible for the first 4 years
- ✓ Tariff to be set by the taxicab company and must be filed with the City
- ✓ Vehicles age extended from 7 to 10 years

#### Taxicab Owner

- ✓ Elimination of the Vehicle Age Extension Fee
- ✓ Elimination of meters in Airport Taxicabs
- ✓ A Taxicab Owner licensed in another municipality can pick up in Markham provided they pay the City's Taxicab Owner Licence fee

#### Taxicab Driver

- ✓ Elimination of the Training requirement by the City
- ✓ A Taxicab Driver licensed in another municipality can pick up in Markham provided they pay the City's Taxicab Owner Licence fee



## 2. Limousines (*Licensed*)

### Current State

#### Industry Size

- 8 Limousines
- 15 Limousine Drivers

#### Service Model

- Pre-arranged trip only
- Limousines cannot sit on a cabstand or pick up street hails
- Flat rate based on time and distance
- Tariff not set by the City
- Higher end vehicles being used

#### Limousine Owner Requirements

- Insurance
- Mechanical inspection
- Criminal Check
- Driving Check
- Annual Inspection
- Licence Fee

#### Limousine Driver Requirements

- Criminal Check
- Driving Check
- Licence Fee

#### Challenges

- Competing with unregulated competitors like Uber and other unlicensed limousines that are not compelled to obtain the proper insurance, inspections and reports as well as not being required to pay licence fees
- The impending closure of the Buttonville Airport has seen the demand for limousine drop dramatically



### Proposed State

#### Continue to License:

- ✓ Limousines Owners
- ✓ Limousine Drivers

#### PROPOSED REGULATIONS:

#### Service Model

- ✓ Limousine Owner/Company to set tariff and file with the City of Markham
- ✓ Permit the leasing of the Limousine Owner plate

#### Limousine Owner

- ✓ Adjust the Limousine Owner licence fee to bring it in line with our comparable municipalities
- ✓ A Limousine Owner licensed in another municipality can pick up in Markham provided they pay the City's Limousine Owner Licence fee

#### Limousine Driver

- ✓ A Limousine Driver licensed in another municipality can pick up in Markham provided they pay the City's Limousine Driver Licence fee

## 3. Private Transportation Companies - PTC's (Unlicensed at this time)

### Current State

#### Industry Size

- 2 Companies or Platforms (Uber and Lyft)
- Approximately 1 million trips in Markham annually

#### Service Model

- Pre-arranged trips only
- PTC's cannot sit on a cabstand or pick up street hails
- Flat rate based on time and distance
- Variety of vehicles being used from standard sedans to higher end vehicles

#### Owner and Driver Requirements

- There are currently no requirements for either the owner/platform or the drivers



### Proposed State

#### Implement Licensing for:

- ✓ Private Transportation Companies/Platforms
- ✓ Private Transportation Companies Drivers/Operators

#### Service Model

- ✓ Pre-arranged trips only
- ✓ PTC's cannot sit on a cabstand or pick up street hails
- ✓ Flat rate based on time and distance
- ✓ Rates must be filed with the City
- ✓ Variety of vehicles being used from standard sedans to higher end vehicles

#### PROPOSED REGULATIONS:

##### Transportation Company Requirements

- ✓ Insurance
- ✓ Mechanical inspections
- ✓ Criminal Check
- ✓ Annual Inspection
- ✓ Licence Fee
  - Annual Fee
  - 11 cents per ride fee
- ✓ Data sharing requirements on trips and drivers

##### Taxicab Driver Requirements

- ✓ Criminal Check
- ✓ Driving Check

## 9. Jurisdictional Scan

- A number of municipalities in the GTHA have implemented licensing for PTCs & their drivers/owners:

Municipality	Implemented	Companies	Drivers/Operators
Toronto	July 2016	√	√
Mississauga	July 2017	√	√
Vaughan	September 2017	√	√
Hamilton	September 2018	√	√

## 10. Licensing Platforms in Other Municipalities

- Staff have surveyed a number of municipalities in the development of the recommendations in this report including the City of Vaughan & Town of Richmond Hill;
- The result was an agreement in principle (subject to Council approval) between Markham, Vaughan & Richmond Hill for a consistent approach to the licensing of PTCs in southern York Region which recognizes the existing licensing platform of PTC drivers/operators in the City of Toronto; &

## 10. Licensing Platforms in Other Municipalities (Cont'd)

- Similar to Vaughan, Markham will rely upon the existing checks & balances in Toronto's licensing platform - this means not requiring PTC operators to navigate through a separate, additional licensing process in Markham.

## 11. Proposed PTC By-law

Below are a number of the regulations to be included in the proposed PTC By-law:

- Annual criminal records & driving records checks;
- Annual vehicle inspections;
- Commercial insurance;
- Vehicle age restricted to 10 years or newer;
- Requirement to have an approved, highly visible decal;

## 11. Proposed PTC By-law (Cont'd)

- Rates to be set by licensee & must be filed with the City;
- Pre-arranged pick up through online application (app) or website only;
- Data sharing requirements on trips & drivers; &
- Recognition of other jurisdictions' licensing platforms (all PTC drivers in the GTHA are automatically licensed in Markham & no fee is paid).

## 12. Proposed Taxicab & Limousine Amendments

Below are a number of amendments to existing taxicab & limousine regulations:

- Eliminate the cap on the number of taxicab plates issued by the City;
- Open issuance of taxicab plates;
- Open municipal borders to permit any licensed accessible taxicab to pick up in Markham;
- Eliminate tariff/rate set by the City.



## 12. Proposed Taxicab & Limousine Amendments (Cont'd)

- Eliminate the requirement for taxicab meters in airport taxicabs;
- Reciprocal licensing of recognized jurisdictions; &
- Shift responsibility from the City to taxicab brokerages & limousine companies to collect & hold the background checks & vehicle inspection reports for their drivers & vehicles.

## 13. Staff Recommendations

1. That the proposed By-law amendments to regulate Private Transportation Companies be adopted; &
2. That the proposed by-law to amend the Taxicab Schedule of the Mobile Licensing By-law 2012-92 be adopted; & further,

## 13. Staff Recommendations (Cont'd)

3. That the proposed by-law to amend the Limousine Schedule of the Mobile Licensing By-law be adopted; & further,
4. That Staff be authorized & directed to do all things necessary to give effect to this resolution.

## 14. Next Steps

- Staff will review feedback from the Public Information Meeting & make any required changes; &
- Staff will report back at the September General Committee meeting.

# Thank You.