

## Regulatory Framework Options Analysis

<b>Regulating Fleet Size Options</b>		
<b>Options Considered</b>	<b>Strengths</b>	<b>Challenges</b>
<p><b>Recommended Option: Continue with Current Open/Closed System with Streamlined Taxi Plate Issuance.</b></p> <p>The City places limits on the total number of taxi plate licences issued, but does not limit the number of TNC licences or limousine plate licences.</p>	<ul style="list-style-type: none"> <li>• Citizen satisfaction high, few taxi supply complaints.</li> <li>• Closed entry for taxis aligns with other jurisdictions.</li> <li>• Closed system lowers congestion issues.</li> <li>• Vehicle supply is manageable for enforcement.</li> <li>• Helps ensure sufficient accessible taxi supply.</li> <li>• Streamlined taxi plate process will enable industry to better respond to customer demand.</li> <li>• Pre-approved taxi plates are available should demand increase.</li> </ul>	<ul style="list-style-type: none"> <li>• Cap may create entry barrier for new drivers who must associate with a broker or plate-holder.</li> <li>• Limited flexibility for taxi industry to increase supply if demand grows while limousines and TNCs can.</li> <li>• Legacy 3-tier licensing structure for taxi industry (driver, plate-holder, and brokerage) requires more administrative costs, and fees passed on.</li> <li>• Complex, with different rules for different plates - legacy plates are transferable, newer are non-transferable.</li> </ul>
<p><b>No Cap on any Sector</b></p> <p>Remove the City-set limits on numbers of taxi plate licences that can be issued, letting the market dictate supply needs, i.e. an Open System for all sectors.</p>	<ul style="list-style-type: none"> <li>• Free market for all sectors.</li> <li>• Increase in taxi fleet sizes, could reduce wait times.</li> <li>• Could increase in Independent Taxis - not brokerages.</li> <li>• More freedom and flexibility for drivers.</li> <li>• More opportunity for individual plate-holders (vs brokers).</li> <li>• City wouldn't manage supply for industry.</li> <li>• Streamlines the Bylaw, easier to regulate.</li> <li>• No selection process means reduced costs to LTS (~\$250K.)</li> <li>• No management of "plates on shelf" or transfers.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in service to wheelchair taxi customers, accessible taxi plates less attractive.</li> <li>• Disrupts relative stability of vehicle-for-hire industry as shown by industry trends.</li> <li>• Financial risks for existing plate-holders, potential perception of City liability,</li> <li>• Potential congestion, too many taxis.</li> <li>• Increased competition for taxi driver.</li> <li>• Could increase administration costs to manage higher demand for plates, e.g. staffing resources, upgrading system.</li> <li>• Large influx of new entrants could lower service quality and create enforcement challenges.</li> </ul>
<p><b>Cap # of TNC licences (either drivers or size of TNC companies)</b></p>	<ul style="list-style-type: none"> <li>• Could increase vehicle for hire driver income, including TNCs.</li> <li>• May ease some traffic congestion</li> <li>• Considered fairer to closed taxi industry, limits TNC competition.</li> <li>• More competition may mean better service quality &amp; more professional drivers.</li> <li>• Benefits existing livery participants, reduces competition.</li> </ul>	<ul style="list-style-type: none"> <li>• May lead to shortages at peak times/events.</li> <li>• May create a TNC licence 'black market'.</li> <li>• Increased administrative costs to oversee number of licences, high turnover in drivers is common.</li> <li>• More regulation required means, more administrative cost.</li> <li>• TNCs may choose to leave the market, affecting consumer choice.</li> <li>• Could create a near-monopoly for first market entrants.</li> </ul>

## Regulatory Framework Options Analysis

Regulating Fares Options		
Options Considered	Strengths	Challenges
<p>Recommended Option:  <b>Upfront pricing option (rate no higher than regulated meter rate) allowed by taxis for street hail/dispatch rides, instead of the meter rate option.</b></p>	<ul style="list-style-type: none"> <li>• More price transparency and choice for taxi customers, can compare/shop around.</li> <li>• Reduces “meter-anxiety” identified in engagement/research.</li> <li>• More equitable environment for industry, all sectors can provide unregulated upfront pricing.</li> <li>• Upfront price and payment, if chosen, helps address fare evasion.</li> <li>• Affordable meter rate still an option for taxi customers.</li> <li>• Most taxi brokerages already using soft meters.</li> </ul>	<ul style="list-style-type: none"> <li>• Relies on taxi soft meter to be “turned off” without turning off GPS.</li> <li>• Brokers/plate-holders would need time to implement, drivers may need training.</li> <li>• Challenges with industry communicating pricing options, may create initial confusion/delays.</li> <li>• Communication support from The City may be required.</li> <li>• Need to ensure that tips can still be provided to the driver at the end of the trip.</li> <li>• Brokers offering lower rate than meter rate means lower revenues for taxi drivers with same expenses.</li> </ul>
<p>Current State:  <b>Regulated Street Hail/Dispatch Taxi Fares (meter rate as a maximum). Flat rates for certain pick-up/drop-off locations (ie. airport). All other industry fares unregulated.</b></p>	<ul style="list-style-type: none"> <li>• Allows all industry players to surge-price and provide price transparency through Apps.</li> <li>• Continues to provide consumer protection with regulated meter rates.</li> <li>• Flexibility for taxi brokers to compete on price through Apps, limited use of flat rates and ability to reduce taxi meter rate.</li> <li>• Approach is consistent with common practices in other jurisdictions reviewed</li> </ul>	<ul style="list-style-type: none"> <li>• Customers have indicated preference for up-front pricing for street hails/phone dispatched taxis.</li> <li>• Brokers offering lower rate than meter rate means lower revenues for taxi drivers with same expenses.</li> <li>• Limited flexibility for taxis to compete with TNC upfront pricing other than through Apps</li> <li>• Taxi drivers experiencing “fare-jumpers,” impacting driver safety and livelihood.</li> </ul>
<p><b>Mandatory minimum deposit paid upfront for any taxi fare not booked through an App.</b></p>	<ul style="list-style-type: none"> <li>• Helps address customer “fare-jumpers” and no-shows.</li> <li>• Allows taxi drivers to collect sufficient fares for long customer waits.</li> <li>• Similar to pre-paid fuel currently in Alberta – parallel could be used in public education/awareness campaign.</li> </ul>	<ul style="list-style-type: none"> <li>• If not communicated properly or universally implemented customers could become suspicious.</li> <li>• Potential conflict between drivers and customers who refuse to pre-pay.</li> <li>• Difficult to verify through enforcement.</li> <li>• Challenging for ACE holders, taxi chit holders and gift card holders.</li> </ul>

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<p><b>Expand allowance for regulated flat rates as an option for street hailed or dispatched taxis.</b></p> <p>This option would allow, but not require, brokerages to offer flat rate options to all street hailed or dispatched customers, if those rates are approved by The City.</p>	<ul style="list-style-type: none"> <li>• More price certainty for customers</li> <li>• Drivers could communicate the cost upfront.</li> <li>• Eliminates potential for price-gouging.</li> <li>• Reduce late night ‘fare jumpers’ (based on industry feedback of when most occur).</li> <li>• Easier for broker dispatch to answer rate inquiries (point A to B – approximate fare).</li> </ul>	<ul style="list-style-type: none"> <li>• Confusing for drivers and customers to have flat rates available from only some taxi companies.</li> <li>• Requires greater regulation and oversight, difficult to enforce</li> <li>• Limiting for industry and customers (e.g. less flexibility to alter routes in progress).</li> <li>• Decreases cost-competitiveness of different sectors if rates aren’t updated regularly.</li> <li>• Drivers may feel they have less control over fares and fuel costs.</li> </ul>
<p><b>Discontinue regulating taxi rates, on the condition that upfront pricing is provided to the customer.</b></p> <ul style="list-style-type: none"> <li>• Pricing could be based on soft meter technology for taxis, and market pricing applies to all.</li> <li>• Upfront payment is not mandatory unless already embedded in the service.</li> </ul>	<ul style="list-style-type: none"> <li>• More modern approach for taxi industry; TNCs already using this model.</li> <li>• Evens competitive pricing opportunities across industry sectors.</li> <li>• Less regulation required from the City, less costs.</li> <li>• Customer knows cost upfront, can compare/shop around.</li> <li>• Taxi drivers’ income may increase with surge price even for street hails.</li> <li>• Most taxi brokerages already use soft meters.</li> <li>• Aligns with other private enterprise regulations.</li> </ul>	<ul style="list-style-type: none"> <li>• Less control for The City to regulate price when needed (i.e. high demand, special events).</li> <li>• Users become vulnerable to price surging; may impact availability of affordable choices.</li> <li>• Challenges with industry communicating fluctuating changes in pricing.</li> <li>• May result in more complaints to The City if significant surge pricing applied in peak demand.</li> <li>• May increase enforcement and complaint investigations for fare disputes.</li> </ul>
<p><b>Require a minimum base fare to be paid for TNCs</b> (similar to a “drop rate” for taxis)</p>	<ul style="list-style-type: none"> <li>• May even the perception of value between taxis and TNCs.</li> <li>• TNC drivers may be more motivated to pick up passengers for short trips.</li> <li>• More income for TNC drivers.</li> <li>• Responds to TNC driver feedback from industry engagement and other municipal practices (Edmonton, Toronto).</li> </ul>	<ul style="list-style-type: none"> <li>• Prescriptive approach by The City rather than being flexible to the market.</li> <li>• Difficult to determine appropriate “minimum” fare.</li> <li>• Concerns on who benefits, i.e. driver or company.</li> <li>• Penalizes TNC customers for taking shorter trips.</li> </ul>

## Regulatory Framework Options Analysis

CPS2020-0708 ATTACHMENT 6  
ISC: UNRESTRICTED

<b>Driver Licensing Options</b>		
<b>Options Considered</b>	<b>Strengths</b>	<b>Challenges</b>
<p>Recommended Option: <b>Create a unified taxi/limousine driver's licence and retain TNC driver's licence (TNDL).</b></p> <p><b>Continue to work with industry towards electronic submission of documentation for all sectors.</b></p>	<ul style="list-style-type: none"> <li>• Many similarities between taxi and limousine driver's licence requirements, more efficient and cost saving for drivers and The City for one licence to drive either.</li> <li>• More flexibility for drivers</li> <li>• Aligns with provincial regulatory framework for TNC drivers (i.e. police checks, insurance requirements).</li> <li>• Recognizes that taxi (TDL) and limousine (LDL) licence applicants are not affiliated with a vehicle. TNC drivers must be affiliated with a company to apply.</li> <li>• TNC driver's licence continues with vehicle as single touchpoint with LTS rather than TNC driver coming back several times, i.e. TNDL, then verifying the vehicle driven.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintains licensing differences between TNC drivers and other vehicle-for-hire drivers.</li> <li>• Implementation timeframes need to be determined to transfer LDL and TDL to unified licence.</li> <li>• Taxi/limousine electronic submission will require significant initial investment of time and technology.</li> </ul>
<p>Current State: <b>A separate driver's licence is required to be a taxi, limousine or TNC driver.</b></p> <p>TNC drivers can submit their information electronically through the company, while taxi and limousine drivers must submit information in person.</p>	<ul style="list-style-type: none"> <li>• TNCs benefit from electronic data submission of TNDL documentation.</li> <li>• Front counter interaction with drivers enables relationship-building.</li> <li>• Aligns with provincial regulatory framework for TNC drivers (i.e. police checks, insurance requirements).</li> <li>• Recognizes that taxi (TDL) and limousine (LDL) licence applicants are not affiliated with a vehicle. TNC drivers must be affiliated with a company to apply.</li> <li>• TNC driver's licence continues with vehicle as single touchpoint with LTS rather than TNC driver coming back several times, i.e. TNDL, then verifying the vehicle driven.</li> </ul>	<ul style="list-style-type: none"> <li>• Time required to review and process licence documentation and work with drivers to manage submission of information.</li> <li>• Separate licences for taxi/limousines is less efficient.</li> </ul>

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<p><b>Drivers require a City issued licence however required documentation is submitted and reviewed through the company, i.e. broker, or TNC.</b></p> <p>Companies would be accountable for deficiencies in drivers.</p> <p>The City would only audit company records rather than process individual driver licences.</p>	<ul style="list-style-type: none"> <li>Limits administrative costs and reduces licensing fees.</li> <li>Helps to control the growth of regulatory resources required to license additional drivers.</li> <li>Anticipates autonomous vehicles, companies accountable to verify safe vehicle operation (see Best Practices report).</li> <li>Brokers may put additional requirements in place.</li> <li>May lower licence fees across sectors.</li> <li>Holds companies accountable for drivers.</li> <li>Streamline City services, less staff time needed (front counter).</li> <li>Easy process for applicants (drivers).</li> <li>More control for brokers.</li> </ul>	<ul style="list-style-type: none"> <li>Risk of lack of acceptance of accountability by companies.</li> <li>Potential lack of compliance by companies/drivers, unknown safety risk until records are monitored and audited.</li> <li>City would need to develop strong audit policies.</li> <li>Barriers for enforcement (production orders, warrants, limited information provided).</li> <li>Industry education campaign required.</li> <li>Increased enforcement costs &amp; resources.</li> <li>Driver applicants more susceptible to industry discretionary screening.</li> <li>Lack of transparency of driver information.</li> <li>Increased costs for data enforcement and auditing.</li> <li>More onus on brokers and more costs/work.</li> <li>Greater potential for unqualified drivers, fewer qualified accessible taxi drivers.</li> </ul>
<p><b>Extend driver licensing period from 1 to 2 years for renewals</b></p>	<ul style="list-style-type: none"> <li>Similar to Edmonton, with a one and two year driver's licence option.</li> <li>More convenience for drivers.</li> <li>Police checks could still be required annually.</li> </ul>	<ul style="list-style-type: none"> <li>Risk that driver could hold valid City livery driver's licence but expired Provincial Driver's Licence.</li> <li>Increases administrative oversight to monitor Provincial Driver Licence expiries, may increase fees charged (cost recovery).</li> </ul>