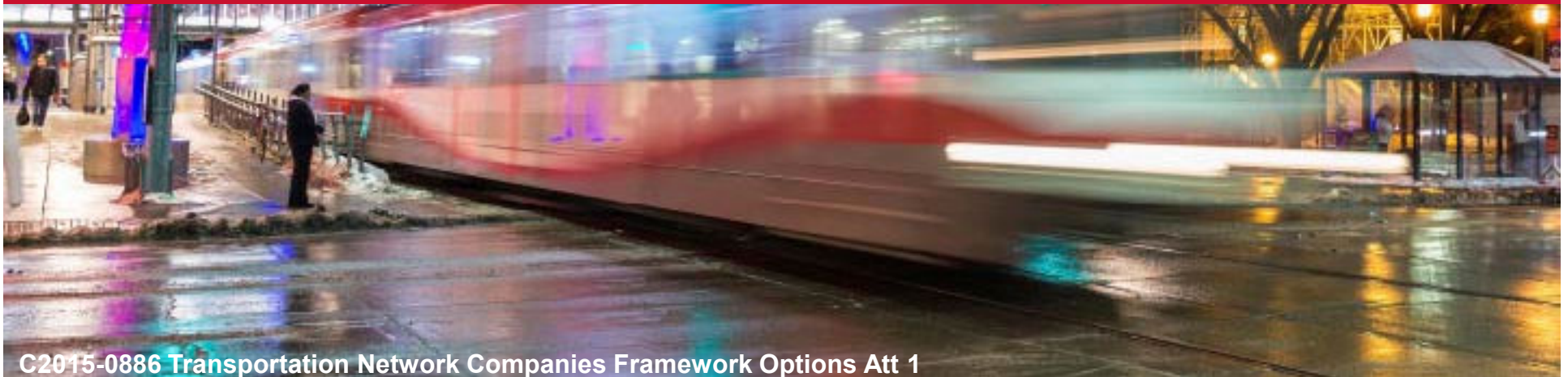




Transportation Network Companies Framework Options: Responding to an Evolving Industry

2015 November 16



What is a Transportation Network Company (TNC)?

- A TNC uses a Smartphone app to connect passengers with drivers using their personal vehicles for profit, known as Private for Hire Vehicles (PFHV).
- Customers can see nearby vehicles, estimate the fare to their destination and can book a ride on the app. When the ride is booked, the customer is provided with the driver's information.
- Rates are set by the TNC and can change based on demand. They typically charge higher fares during busy times.
- TNC collects the fare through the app by credit card, keeps a portion and pays the driver the remaining fare.
- Examples of TNCs: Uber, Lyft, SideCar

Background – TNCs Around the World

Globally

TNCs operate globally in over 60 countries

In Canada

Toronto, Ottawa, Mississauga, Halifax, Montreal

In Alberta

Edmonton – TNC launched 2014 December

In Calgary

A TNC began operations in Calgary on 2015 October 15

Challenges

Administration is working with the TNCs and the taxi industry to address the following challenges:

Public Safety

- Insurance coverage gaps
- Annual police checks
- Annual vehicle inspections

Customer Service

- Lack of wheelchair accessible service provided by TNCs

Insurance

- Insurance is an issue everywhere in Canada
- Intact Insurance product not yet approved
- Province is in the process of reviewing Intact Insurance's proposal.

Lessons from Other Canadian Municipalities

- They are here to stay
- Consumers are generally happy with TNCs
- Taxi rule changes that allow competition

Strategic Outcome

A safe, accessible, reliable, fair, competitive, customer service focused system:

- Safe – Licensing oversight to protect public safety for drivers, passengers and citizens
- Accessible – Availability of wheelchair accessible service
- Reliable – Adequate supply for consumers
- Fair – Participants treated equally, where possible
- Competitive – allow taxis and PFHV's to operate in a level playing field
- Customer Service – Customers are satisfied with all types of service

Engagement in Calgary

- Annual Customer Satisfaction Survey
- Limousine Amendments Research
- Online feedback questionnaire

What we heard

- Overall satisfaction with taxi services is high (87%)
- Calgarians want more choice at a lower price
- Importance of addressing peak period demand
- Safety remains a priority for citizens



Options for Potential Changes to Regulation

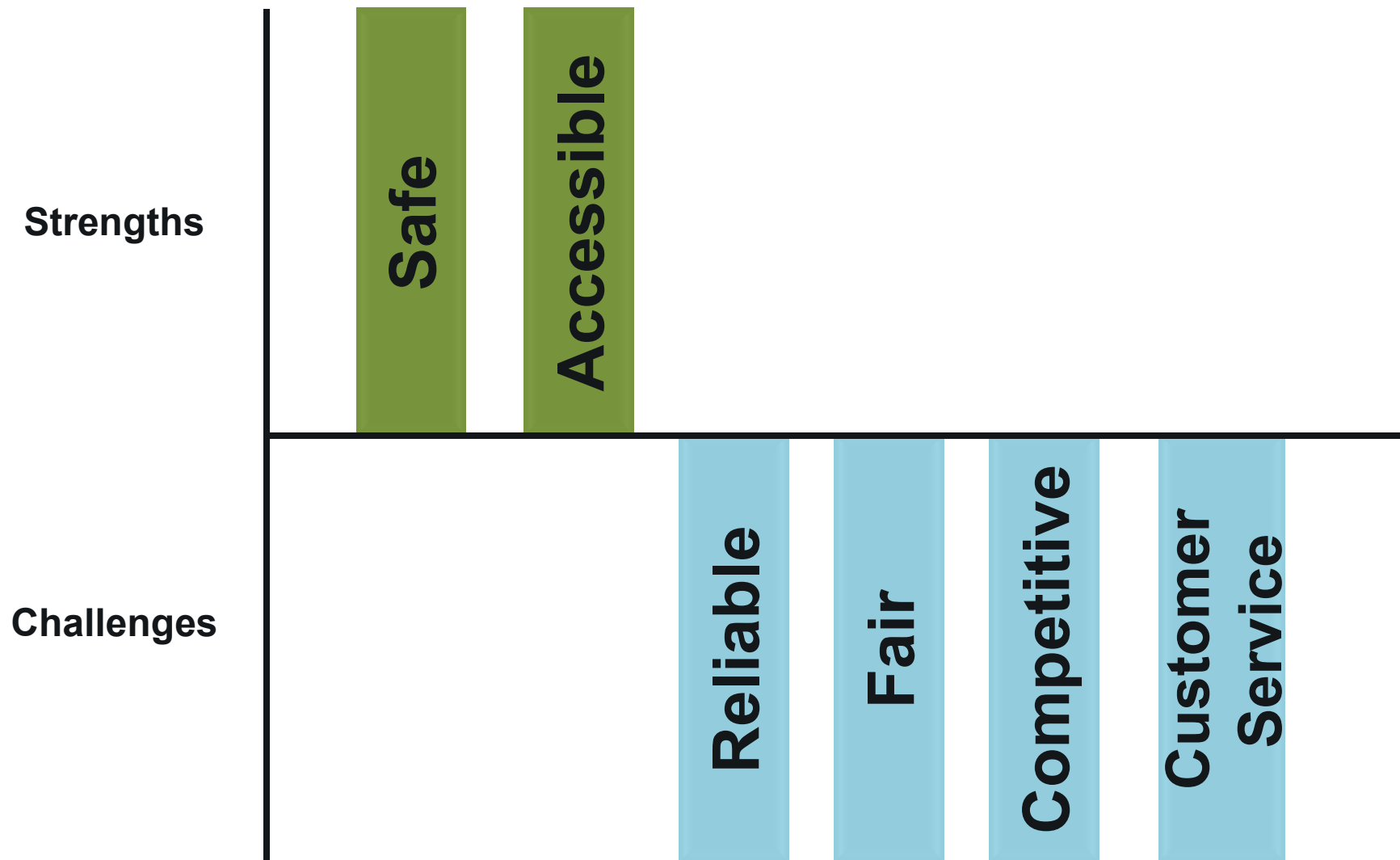
1. Same taxi rules as today, PFHVs illegal.
2. Same taxi rules as today, PFHVs legal and regulated for public safety.
3. Change rules around price for taxis. PFHVs legal and regulated for public safety.
4. Remove rules around price and the number of taxis. PFHVs legal and regulated for public safety.
5. Remove rules for taxis. PFHVs legal. Leave safety, customer service and price with TNCs and taxi companies.

Option 1 – TNCs Prohibited

Continue to regulate taxi and limousines in the same manner as we do today. Continue to prohibit PFHV operations.

Attributes	Rates	Number of Taxis	Safety Considerations	PFHVs
Result	Controlled	Controlled	City Regulated	Illegal

Option 1 – Prohibit TNCs

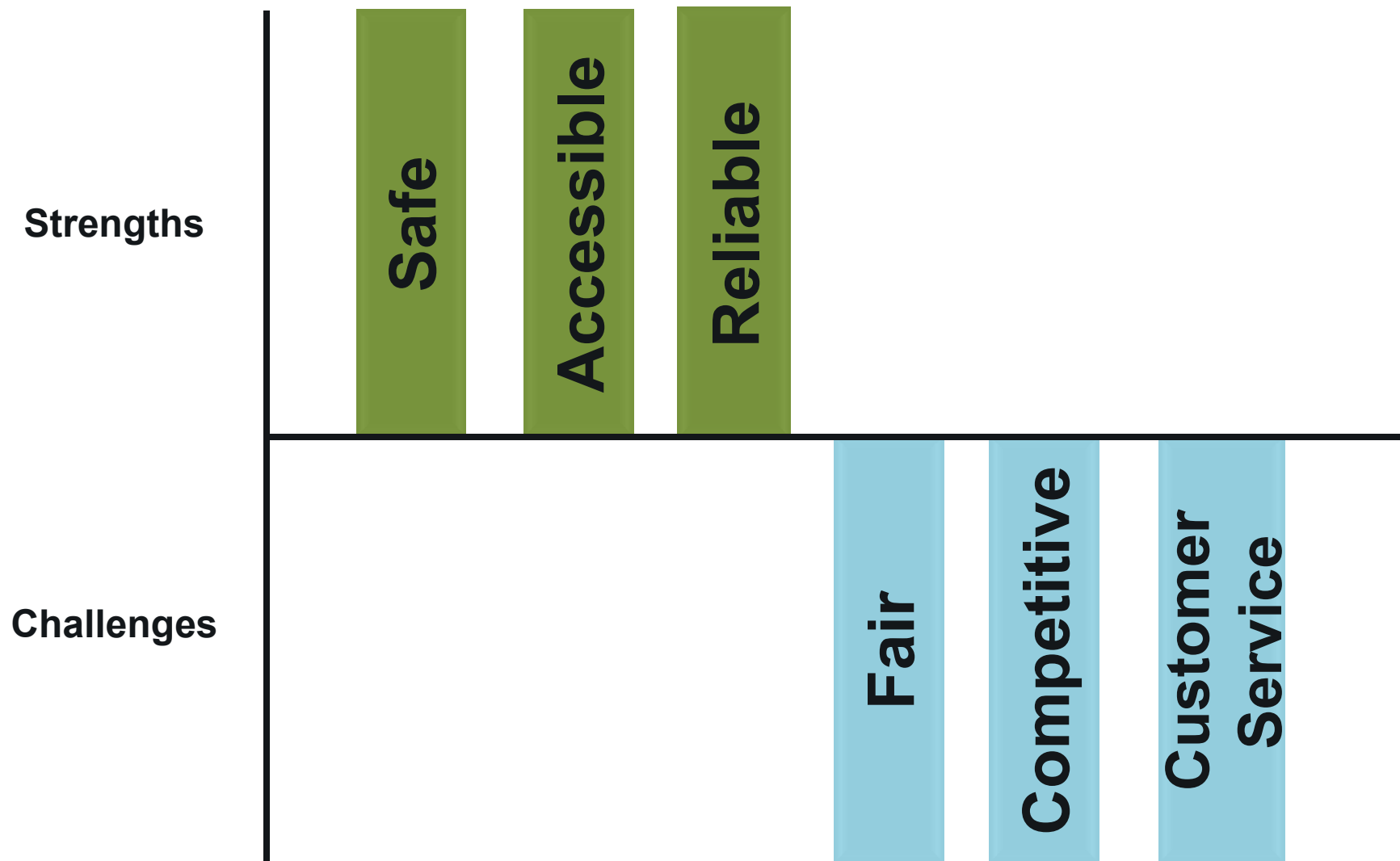


Option 2 – Dual Regulatory Framework

Continue to regulate taxi and limousines in the same manner as we do today, but allow PFHVs to operate. The City regulates safety considerations for both through licensing.

Attributes	Rates	Number of Taxis	Safety Considerations	PFHVs
Result	Controlled for Taxis	Controlled	City Regulated	Legal

Option 2 - Dual Regulatory Framework



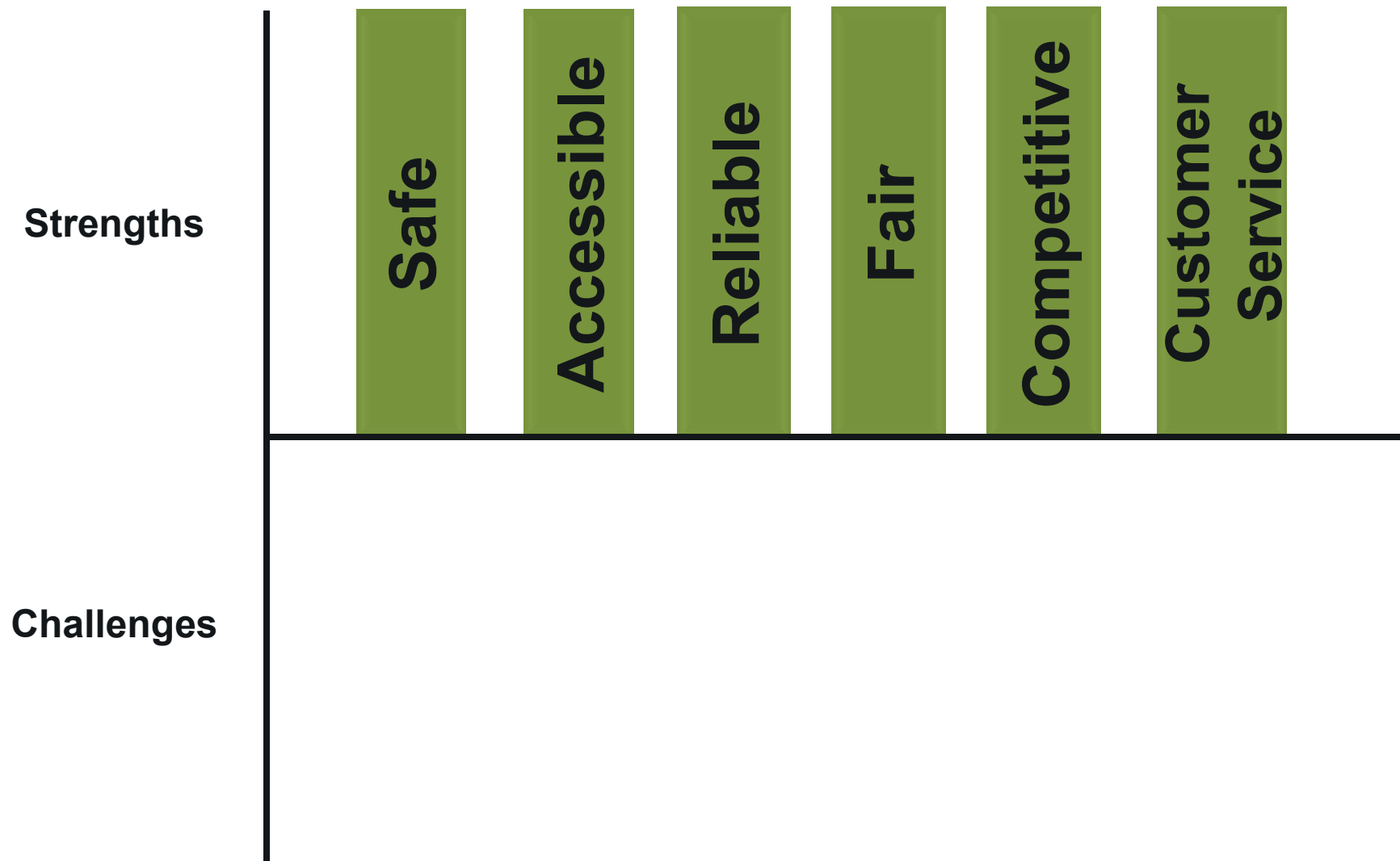


Option 3 – Hybrid Open/Closed System

- Change the way we regulate taxis (maintain limit on the number of taxi plates, allow some flexibility in taxi rates).
- Allow PFHVs to operate. The City regulates safety considerations for both through licensing.
- Unanimously endorsed by TLAC on 2015 Nov 10.

Attributes	Rates	Number of Taxis	Safety Considerations	PFHVs
Result	Controlled only for Street Hails, Taxi stands and Phone Dispatch	Controlled	City Regulated	Legal

Option 3 - Hybrid Open/Closed System



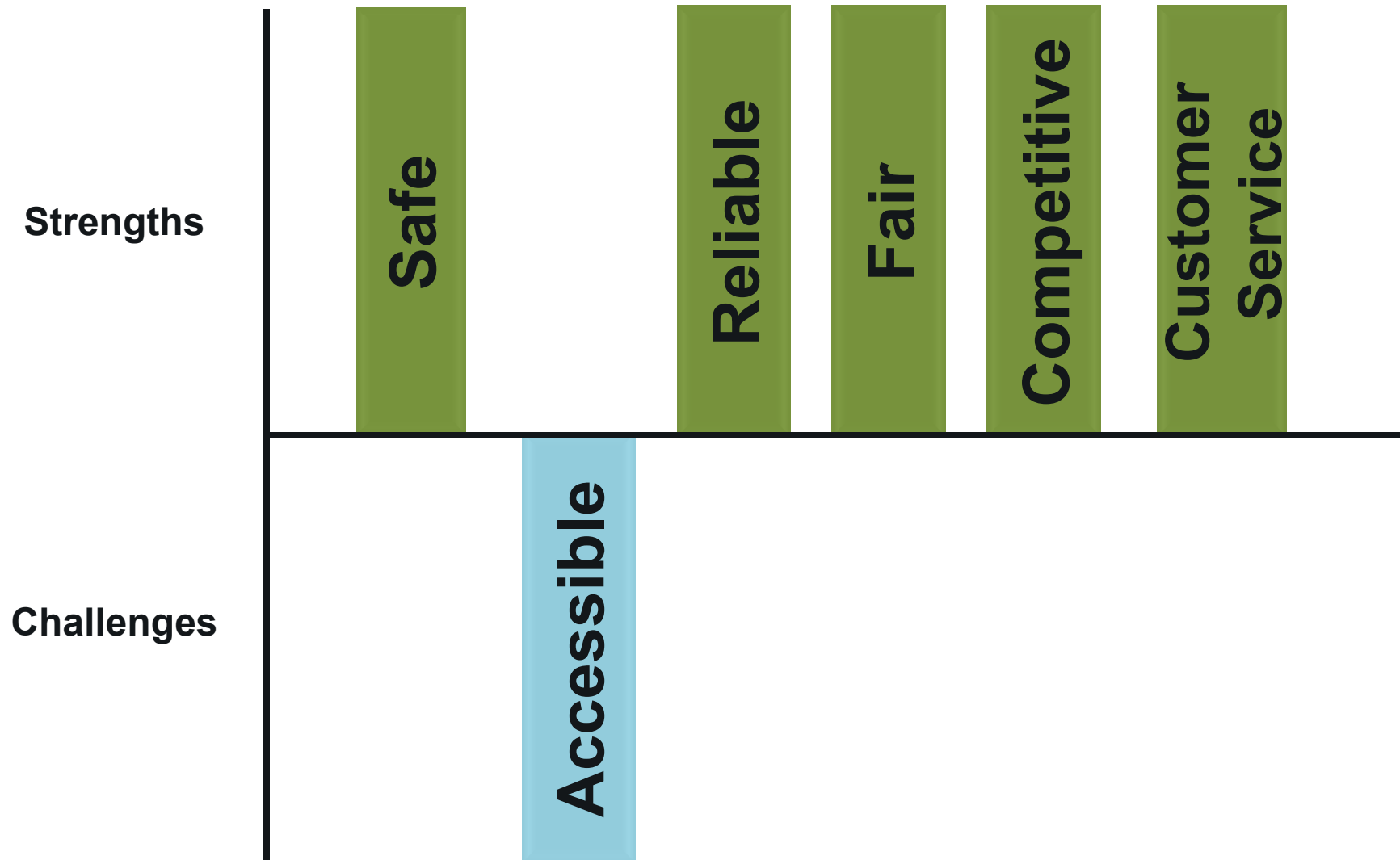
Option 4 Open System – Public Safety Controls

Remove restrictions on the number of taxis and rates.

Allow PFHVs to operate. The City regulates safety considerations for both through licensing.

Attributes	Rates	Number of Taxis	Safety Considerations	PFHVs
Result	Uncontrolled	Uncontrolled	City Regulated	Legal

Option 4 - Open System – Public Safety Controls



Option 5 Deregulation

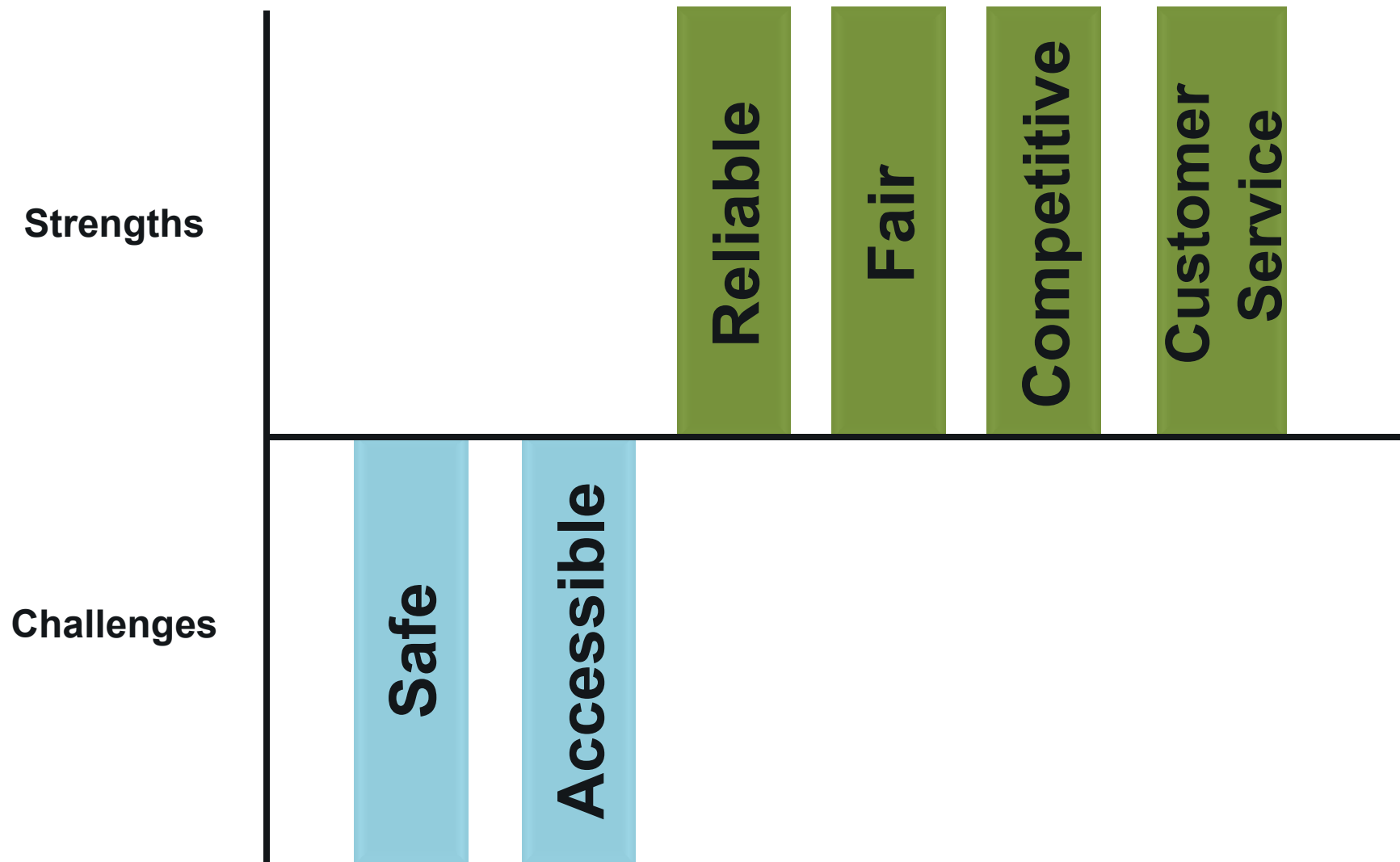
Remove restrictions on the number of taxis and rates.

Allow PFHVs to operate. TNCs and taxis are responsible for safety.

Attributes	Rates	Number of Taxis	Safety Considerations	PFHVs
Result	Uncontrolled	Uncontrolled	Taxis / TNCs	Legalized



Option 5 - Deregulation



A photograph of a modern bridge with red steel arches over a river, with a white railing in the foreground.

Administration Recommendation:

Direct Administration to develop amendments to the Livery Transport Bylaw (6M2007) based on Option 3 and report back to Council on 2015 December 14.