

Bylaws for a Regional Inter-Municipal Ride-hailing Business Licence

RECOMMENDATION:

That Council give first three readings to Bylaw No. 4163 and 4164.

PREVIOUS COUNCIL/COMMITTEE ACTION

December 10, 2019: Council gave first three readings to Bylaws No. 4155 and 4156 that would establish a Tri-City inter-municipal business licence for ride-hailing companies.

REPORT SUMMARY

A regional Inter-Municipal Business Licence (IMBL) scheme for ride-hailing companies has been developed collectively by staff from participating municipalities in the Lower Mainland and Whistler region in a fast-tracked process convened by TransLink at the direction of the Mayors' Council. The proposed IMBL bylaws establish licensing authority; licence fee and structure; licence conditions; and licence fee revenue sharing among participating municipalities within this region. Proceeding with adoption of the proposed bylaws is recommended.

BACKGROUND

On September 16, 2019, amendments to the *Passenger Transportation Act* and the *Motor Vehicle Act* came into effect providing the legislative framework for ride-hailing companies (Transportation Network Services) to operate in the Province of British Columbia.

The provincially-mandated Passenger Transportation Board (PTB) has been provided the sole authority to consider and approve ride-hailing licences and to set requirements and restrictions for these licences. This new legislative framework also sets out how municipalities may regulate ride-hailing companies through issuance of business licences and regulating in street and traffic bylaws. The PTB has divided the Province into 5 distinct regions; Port Coquitlam is located in Region 1, which includes municipalities in Metro Vancouver, Fraser Valley and up to Whistler.

On December 12, 2019, the Mayors' Council on Regional Transportation directed TransLink to facilitate an expedited Inter-Municipal Business Licence IMBL development process with Region 1 municipalities with agreement on bylaw terms by January 31, 2020.

Region 1 municipalities commenced work in late December 2019. An IMBL Working Group was established and met weekly throughout the month of January 2020 to develop the proposal for an IMBL for ride-hailing within the required timeframe.

The proposed ride-hailing IMBL scheme establishes the following:

Licensing Authority: The City of Vancouver will be the licensing authority for the IMBL which means that ride-hailing companies will need to purchase the licence from the City of Vancouver. The licence will allow companies to operate in all participating Region 1 municipalities.

Bylaws for a Regional Inter-Municipal Ride-hailing Business Licence

Licence Fee: The annual IMBL fee will be \$155 per company plus vehicle fees of

- \$150 per standard vehicle
- \$30 per zero-emission vehicle
- \$0 per wheelchair accessible vehicle

The proposed fees are set to be program cost recoverable and not to be prohibitive for companies.

Licence fee revenue will be shared among participating municipalities. The City of Vancouver will first retain funds sufficient to recover costs for set-up and administration of the licence program and remaining revenues will be shared based on the percent of total regional pick-ups and drop-offs that occur within each municipality. The information on pick-ups and drop-offs occurring in each municipality will be provided by the licensees.

Licence Conditions: Companies will be required to comply with the municipal bylaws and regulations of each participating municipality. Each municipality retains authority to enforce its own bylaws, for example street and traffic regulations, and also to suspend or cancel an IMBL. Staff in participating municipalities have established a shared protocol for escalating enforcement and have agreed to communicate enforcement actions between each other prior to any municipality considering suspension or cancellation of a licence.

Data Requirements: Access to detailed trip data is useful for municipalities in understanding the impact of ride-hailing in their communities at both the system-wide and street levels. At the system-wide level it will assist in identifying changes in travel mode share like transit use, cycling and walking. At the street level it can be used to establish solutions to mitigate safety concerns and congestion impacts such as identification of ride-hailing pick-up and drop-off zones. It can also highlight locations that may require enforcement attention.

The BC Passenger Transportation Branch requires comprehensive vehicle and trip data from companies. In early February, the Province confirmed that municipalities will be able to access these data on a regular, on-going basis through a Partnership Agreement with the Passenger Transportation Branch. Consequently, detailed trip data will not be a requirement of the IMBL; municipalities will benefit from access to provincial data, and companies will benefit from not having to duplicate data submission efforts.

Timeframe: Because the terms of the proposed ride-hailing IMBL were developed on a compressed timeline, they should be considered as interim. Staff of participating municipalities will continue to collaborate over the coming months on opportunities for future refinement. For example, there may be additional opportunities to encourage wheelchair accessible or zero emission vehicles, and to adjust the licence fee structure. As more companies are licensed and staff better understand the true costs for licensing and for monitoring industry impacts, such changes can be considered.

Bylaws for a Regional Inter-Municipal Ride-hailing Business Licence

Participating municipalities will be bringing reports to their Councils in February and March 2020 recommending approval of the bylaws, as presented. If approved, the IMBL will take effect on April 1, 2020. For any participating municipalities that enact the bylaw after April 1, 2020, the licence will take effect in that municipality on the day of enactment.

The Cities of Port Coquitlam, Coquitlam and Port Moody had previously pursued a Tri-City version of an IMBL; work on this initiative has halted pending the outcome of a Region 1 IMBL approach.

DISCUSSION

There is strong public support for ride-hailing in the Lower Mainland, and the Province has now authorized three companies to operate in Region 1 (Whistler - Lower Mainland). The proposed IMBL for ride-hailing will support the regional rollout of the industry as companies will be able to operate in participating municipalities with only one business licence. The terms and conditions of the IMBL scheme are proposed by the working group for the following reasons:

- Given the expedited timeframe to develop a licensing scheme, the working group agreed that the City of Vancouver is well positioned for this role as it has developed an infrastructure to support tracking and issuing TNS business licences.
- The per vehicle fee structure was agreed upon as it can be implemented immediately; it enables incentives for specific vehicle types; and it is equitable among companies of all fleet sizes.
- The per vehicle fee of \$150 was set with the aim of achieving administrative program cost recovery and recovery of costs to participating municipalities associated with monitoring business activity and impacts in their communities. Because ride-hailing is a new business type the full costs of licensing and monitoring are not yet known. The licence fee is comparable to licensing fees in other Canadian jurisdictions such as the City of Calgary.
- The discounted fee for zero emission vehicles provides a meaningful incentive while acknowledging that these vehicles do have an administrative cost and physical impact on streets. Wheelchair accessible vehicles are understood to be more expensive to purchase and maintain than non-accessible vehicles, and municipalities want to encourage their participation in ride-hailing as much as possible. Therefore, a \$0 per vehicle fee is proposed.
- Licence fees are to be pro-rated to align with the City of Vancouver's calendar licensing structure. Year 1 of the IMBL program includes set-up costs that are expected to fall in subsequent years as the program is regularized. At the end of each licence year, the City of Vancouver will provide participating municipalities with a year-end account of costs, and revenue to be shared. Companies will self-report monthly all new vehicles operating under their licence, and whether they are standard, zero emission or wheelchair accessible. Once

Bylaws for a Regional Inter-Municipal Ride-hailing Business Licence

a vehicle has been reported and the associated fee paid, the vehicle may operate for the remainder of the calendar year.

- While Cities will be able to access detailed trip data from the Province, as a condition of the IMBL, licenced ride-hailing companies will still be required to report the total number of pick-ups and drop-offs occurring in each participating municipality so as to enable the City of Vancouver to calculate the share of revenue owed to each participating municipality.

Under Provincial authority, Municipalities may also include regulations in their street and traffic bylaws in order to address issues such as congestion and safety. Staff do not believe additional regulations are necessary in Port Coquitlam at this juncture, but will monitor the detailed trip data available from the Province and report back to Council on activity.

This larger regional approach would eliminate the need to pursue the Tri-City inter-municipal licence approach.

FINANCIAL IMPLICATIONS

City of Vancouver anticipates set up and administration of the Business Licence function will be recovered through licence fee revenue. Remaining revenues will be shared based on the percent of total regional pick-ups and drop-offs that occur within each municipality.

CONSULTATION

The working group held an industry information session on January 22, inviting the 17 TNS operators who had applied to the PTB to operate in Region 1 at that time. Participants were informed about the proposed IMBL framework, including specifics, such as fee structure and data requirements. At the time of the consultation, the proposed IMBL included data submission requirements that have since been removed. Fifteen of the applicants invited sent representatives.

In addition to the comments given during the information session, three companies submitted written comments following the session. The working group reviewed and considered all comments submitted.

The TNS industry representatives were generally appreciative of the expedited IMBL process, particularly as two of the applicants received PTB approval during the process and had a more urgent need for an IMBL.

The key concerns heard by the working group were:

1. Fee structure and smaller operators: The working group heard concerns that the fee structure disadvantaged smaller operators who are less able to absorb the per-vehicle charges compared to larger operators.
2. Fee structure and TNS fluidity: The working group heard concerns that the way that fees are charged – based on vehicles that sign on with the company rather than


Bylaws for a Regional Inter-Municipal Ride-hailing Business Licence

- number of vehicles in operation – do not match the fluid nature of the ride-hailing industry which tends to have high driver turnover.
3. Data requirements and granularity: The working group also heard concerns about the level of granularity required for data submissions, with respect to customer privacy.

The working group will take key concerns 1 and 2 under advisement and consider options to address these concerns as part of the ongoing development of a permanent IMBL. The concerns are significant enough and industry perspectives varying enough that further work and consultation is required, and was not possible prior to the January 31 deadline for the interim IMBL.

Regarding data requirement concerns, the working group has since determined that detailed data submission will not be required as part of the IMBL. Municipalities will access provincially collected data through a Partnership Agreement with the Provincial Transportation Branch.

OPTIONS (✓ = Staff Recommendation)

	#	Description
	1	Give first three readings to bylaws that will establish a regional Inter-Municipal Ride-hailing Business Licence
	2	Delay first three readings and request staff to provide additional information
	3	Take no action (deny first three readings of the bylaws).

ATTACHMENTS

Attachment #1: Map of PTB Regions

Attachment #2: List of Participating Municipalities

Attachment #3: Bylaws No 4163 and 4164

Lead author(s): Jennifer Little