WINNIPEG CHAMBER OF COMMERCE

Vehicle for Hire Policy
As approved by the Board of Directors November 23rd, 2017

ABOUT THE WINNIPEG CHAMBER

Founded in 1873, The Chamber is Winnipeg's largest business organization, dedicated to fostering an environment in which business, and all Manitobans, can prosper. The Chamber's vision is for Winnipeg to be a competitive, technologically innovative city with a skilled labour force and modern infrastructure to support existing and emerging industries, and a city with a bright future

Through its membership, The Chamber feels it can identify and provide valuable insight into currently held perceptions and concerns for Manitoba's future, as well as potential solutions. We are therefore pleased to present this submission on behalf of our 2,100 member companies that employ over 90,000 men and women in the City of Winnipeg.

Introduction:

The transportation industry has undergone a host of disruptive changes in the last several years owing to several new technologies. One of these changes has been the advent of ridesharing and "TNCs"- Transportation Network Companies. TNCs pair drivers and passengers through mobile apps and websites. Often the drivers are not using a commercial vehicle, but their own private vehicle.

In 2013 the California Public Utilities Commission became one of the first jurisdictions to define in regulations TNCs as a "organization whether a corporation, partnership, sole proprietor, or other form, operating in California that provides prearranged transportation services for compensation using an online-enabled application (app) or platform to connect passengers with drivers using their personal vehicles".[1]

It is important to recognize that ride sharing is a unique industry apart from the taxi-cab and limousine industry, therefore it should have its own unique regulations. Taxicabs, limousines and passenger vans are already all uniquely regulated, as they are different industries.

In addition most drivers for ridesharing companies are only driving on a part time basis to supplement their income. For example the majority of Uber drivers drive their vehicle on the Uber platform for less than 10 hours a week, with a significant number driving less than 5 hours a week. These drivers use ridesharing technology as an income supplement, which gives them the flexibility to work around other life circumstances such as a job transition or family responsibilities.

[1] DECISION ADOPTING RULES AND REGULATIONS TO PROTECT PUBLIC SAFETY WHILE ALLOWING NEW ENTRANTS TO THE TRANSPORTATION INDUSTRY. Public Utilities Commission of the State of California. September 19, 2013. http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K112/77112285.PDF

Safety:

Of primary concern to both passengers and drivers is safety. All drivers whether for taxicabs or with a ridesharing company must have a valid driver's license and have passed a criminal record check. Drivers should not acquire an additional license level to operate their vehicle. To drive a taxi you need a class 4 license right now, despite the fact that for the most part taxi drivers operate standard passenger vehicles such as Toyota Priuses or Camry's. A standard class 5 passenger car license should be sufficient for both taxi drivers and ridesharing drivers.

Due to the technology ridesharing companies' use, there is no need for ridesharing companies to require cameras, shields or emergency lights in or on their vehicle. As ridesharing services are app based, both the driver and passenger know who the other person is. When a trip is booked by a phone call or when a taxi is flagged down by the side of the road, both the driver and rider do not know the identity of the other person.

No other municipality in Canada has put in a requirement to have cameras, shields or emergency lights in ridesharing vehicles. Ridesharing companies can't pick up people from the side of the road or from taxi stands, which is about 30% of all trips taken in Winnipeg.[2]

Due to the technology ridesharing companies' use, if a conflict arises you know exactly who booked the ride. As well complaints are easier to manage, as you know exactly who the rider was who booked the trip.

Passengers currently need a credit card to use a ridesharing service, and they are billed upon completion of the ride. (The credit card is linked to their account.) As there are no cash transactions involved with ride sharing, there is a much lesser chance of either party being robbed.

You can also share your trip information using some ridesharing platforms. This feature lets a rider share details of their trip (vehicle and driver information) plus real-time GPS routing with friends and loved ones from using the app. A driver can also share real-time GPS routing of trips they are on with friends and loved ones within the app as well.

Availability:

On average, Winnipeg has one taxi for every 1,555 people, compared to (on average) one taxi for every 860 people in other major Canadian cities.[3]

Taxi's Per Person						
City	Calgary	Edmonton	Hamilton	Ottawa	Vancouver	Winnipeg
Taxi's per person	647	611	1,170	806	1,066	1,555

[2] 2016 Winnipeg Taxicab Services Review. December 20, 2016. Myers Norris Penny. http://www.gov.mb.ca/mr/taxicab/pubs/wpg_taxicab_review_final_rpt_dec20.pdf

[3] Data from the 2016 Winnipeg Taxicab Services Review. December 20, 2016. Myers Norris Penny. http://www.gov.mb.ca/mr/taxicab/pubs/wpg_taxicab_review_final_rpt_dec20.pdf should be noted that Winnipeg increases supply in the winter, dropping the ratio to one taxi per 1,252 people. However that is still far below other comparative cities.

This lack of supply reduces the ability of both Winnipeggers, and visitors to our city to get around.

Ridesharing is in place in in many municipalities around the world, and tourists often look for it when they come to Winnipeg. The lack of ridesharing currently makes Winnipeg a laggard when it comes to being a technologically innovative 21st century city.

Ridesharing technologies also offers further employment opportunities for hearing impaired drivers, or those with poorer language skills. The app technology allows for the driver and passenger to never actually speak, as the pickup and destination points are known. This makes it easier for both passengers and drivers who have poor language skills or hearing impairments.

Customer Service:

Increased competition in the marketplace will lead to improved customer service outcomes for passengers. In the past few years we have seen local taxicab companies establish their own apps here in Winnipeg in order to improve the customer experience.

Uber was shown to have a higher customer service rating than taxis in Ottawa, but competition in the marketplace will require both to raise their service standards in order to attract customers.[4]

Vehicles should have to pass an annual safety inspection, but there is no need for the City of Winnipeg to establish regulations around vehicle age and size. Companies should be responsible for managing their own fleets. If companies have older fleets of poorer quality vehicles, customers will adjust and move to other providers. In addition the driver and passenger rating component of ridesharing apps places an onus on not only the driver to provide good service, but to the rider for appropriate behavior.

The regulatory regime for ridesharing need not include extensive driver training. The independent study in Ottawa showed that without the traditional in-class training that used to be a requirement (it used to be a several week in class training), Uber outperformed the taxi industry on customer service. This naturally questions the usefulness of traditional city mandated training.

As the majority of ridesharing drivers only drive on a part time basis, any lengthy and costly in person training will turn potential drivers' away, restricting the supply. Fewer drivers reduces availability and leads to poorer customer service.

Fees:

The fee structure should be structured so that ridesharing company would be responsible for an annual upfront fee, with a per trip fee on top of the flat fee. A graduated low, flat fee makes it much more likely for ridesharing companies to enter the Winnipeg market and to increase competition and supply. Having ridesharing drivers pay this fee would dissuade many from entering the market, as the majority drive on a part time basis.

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[4] City of Ottawa Taxi and Limousine Regulations and Services Review "Customer Experience" October 14, 2015. Core Strategies.
http://documents.ottawa.ca/sites/documents.ottawa.ca/files/documents/otlrsr_customer_exp_en.pdf

Fees Per City						
City	Niagara Region	Toronto	Ottawa	Edmonton	Waterloo	Windsor
Fee for the ridesharing company	$7,253*	$20,000[5]	$7,253*	$50,000	$50,000	$30,000
Per Trip Fee	$0.11	$0.30	$0.11	$0.06	$0.11	$0.11

Those fees are for companies with over 100 vehicles. For companies with less than 25 vehicles the cost is $807 annually, and for between 25 and 99 vehicles $2,469 annually.

The City of Winnipeg should look to keep fees and costs low to prevent setting up barriers to accessing the market. We have a booming tech sector, and young entrepreneurs may want to establish their own ridesharing companies to compete with more established ones such as Uber and Lyft. Similar to Niagara Region and Ottawa, a tiered model should be implemented in order to encourage local entrepreneurs to establish their own ridesharing companies.

Revenues raised should be used solely to recoup the cost of regulation, and not go towards raising additional city revenue, as is the case in other cities that have regulated ridesharing in Canada.

Recommendations:

The Winnipeg Chamber of Commerce recommends that the City of Winnipeg proceed with bringing in a new vehicle for hire by-law that recognize the unique aspects of the ridesharing industry. Ridesharing regulations are in place in the majority of Canadian cities, and these recommendations are consistent with what is done in other Canadian jurisdictions. As we are late to ridesharing, a clear common sense path already exists on how to regulate the industry. The City of Winnipeg ridesharing by-law should recognize that:

- Ridesharing is unique from the traditional taxicab industry, so it needs its own unique regulations;
- Due to the technology that ridesharing platforms use, there is no need to place cameras, shields or emergency lights in vehicles. In addition drivers should not be required to acquire an additional licensing level;
- Vehicles must pass a safety, but no restrictions on age or size, allow the marketplace to regulate itself;
- Fees structured so that companies pay a flat annual fee, with low additional per trip fee Fees should only be in place to recover regulatory costs, and not be a revenue generator for the city;

The Winnipeg Chamber of Commerce has long been in favour of bringing ridesharing to Winnipeg. Having the proper policy framework in place will not only allow more established companies to enter the local market, but also provide incentives for young entrepreneurs to start their own.

[5] There is also a $15 fee for every driver.