

**TO:** Mayors' Council on Regional Transportation  
**FROM:** Geoff Cross, Vice President, Transportation Planning and Policy  
**DATE:** December 12, 2019  
**SUBJECT:** **ITEM 4.1 ON TABLE – Urgent Action on Regional Coordination of Ride-hailing**

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## RECOMMENDATIONS:

That the Mayors' Council on Regional Transportation:

1. Ask TransLink to facilitate the process to reach agreed upon terms for a draft bylaw for an interim Inter-Municipal Business License (IMBL) for ride-hailing in the South Coast Region (Zone 1) by January 31, 2020 for adoption by participating municipal councils; and,
  2. Ask South Coast Region (Zone 1) municipal councils to:
    - a. Support development of a Zone 1 regional IMBL for ride-hailing;
    - b. Ensure that any local TNC policies put in place prior to adoption of a regional IMBL are consistent with the regional IMBL framework being developed; and,
  3. Ask the Province to work with Zone 1 municipalities and TransLink to ensure that municipalities who choose to waive or delay local ride-hailing licensing fees while an IMBL is being developed are not forced to bear administrative or enforcement costs without compensation; and,
  4. Receive this report.
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## PURPOSE

To inform the Mayor's Council on recent developments which has increased the urgency for municipalities to adopt a regional approach to licensing ride-hailing and to propose a new set of recommendations.

## BACKGROUND

In the December 12, 2019 public meeting agenda, the Mayor's Council received a report entitled "Item 4.1 - Approach for Regional Coordination of Ride-hailing" which described the need for regional coordination of ride-hailing in this region. Since this report was completed, a number of developments have increased the urgency for municipalities to commit to a regional approach to licensing ride-hailing.

## DISCUSSION

### Urgent action needed

Due to the anticipated time required to develop a regional approach to licensing ride-hailing in the region, a number of municipalities are establishing interim measures until a regional TNS IMBL bylaw is

in place. Several approaches are being considered, ranging from providing a temporary exemption for the need to have a business license to applying taxi licensing requirements to TNS operators.

TNS companies and the Province have expressed concerns that the cumulative impact of multiple cities charging per-vehicle business license fees would be prohibitive and could result in certain cities being underserved or unserved.

Given these recent developments, a patchwork of local regulations appears to be forming in this region. TNS operators have advocated successfully in 46 of 50 U.S. states for state pre-emption of local authority on the grounds that they are unable to operate under a patchwork of local regulations. TNS operators are likely advocating to the Province of B.C. that municipal regulations are making operating inconsistent with Provincial regulatory intent. At this stage, it is possible that the Province will be forced to follow suit quickly with the majority of US states and pre-empt local municipal authority to regulate TNS operators. It is unclear what Provincial pre-emption might entail, but it would likely limit the ability of municipalities and the region to manage and adapt to an important new sector in our transportation network.

**In order to ensure that local authority protected, urgent action is needed to reach agreed upon terms for a regional IMBL for municipal council consideration as soon as possible.**

There are several options for how an interim IMBL may be administered that still need to be worked through by TransLink and Zone 1 municipalities in consultation with the Province. The options would all include TransLink playing a role in managing the data that would be collected from the TNS companies. The TransLink Board of Directors would need to approve TransLink taking on this new role.

It is therefore recommended that all councils in Zone 1 support adoption of an interim IMBL. An interim IMBL relies on existing legal and organizational structures to the extent possible:

1. **License fees:** The authority for collection of fees and issuances of business license should reside with one of the municipalities participating in the regional IMBL. Municipalities have the authority to issue business licenses and collect fees. Municipalities also have the administrative structures in place to manage this process in short order.
2. **Data specifications, management and warehousing:** The data standard to be established in an interim IMBL should reflect an existing municipal data standard for ease of implementation. The City of Vancouver has the most comprehensive data requirements at a municipality level, and these standards are recommended for the interim IMBL. These standards will produce a set of data of a manageable size in year one when the industry is still nascent. TransLink currently has the expertise to receive, store and perform basic analysis on this sized data set on behalf of participating municipalities, subject to a review to ensure privacy, data security and other legal requirements are met, and scope and permitted use of data is clearly defined.

It is also recommended that TransLink continue to work with municipalities towards a next iteration of the IMBL before the end of 2020, which would include a review of the terms and options for responsible entity over the longer term.

**Consistent approach for interim period**

In the interim period between being granted operating authority by the Province and having an IMBL in place, it is recommended that municipal councils in Zone 1 provide a temporary exemption for the need to obtain a business license. This is the approach that a number of municipalities are currently considering and is recommended in order to avoid overburdening TNS operators with cumulative license fees which, in their totality, are potentially prohibitive.

### **Taxis and TNSs**

A number of cities have argued that fair and equitable treatment with the taxi industry is the driver behind an interim local TNS licensing that is based on taxi license fees (i.e. if each taxi vehicle is assessed a \$500 fee, then each TNS vehicle should be assessed the same fee). However, this approach ignores the fact that ride-hailing depends in large part on flexible, “gig-based” drivers. Studies suggest that about 80% of TNS drivers work on a part-time basis and may only drive a few trips per month<sup>1</sup>. In comparison, taxi license holders work full time or more, and individual taxi vehicles are typically used for multiple shifts, and are therefore able to spread license costs across many more hours. Applying the same per-vehicle fee to both taxi and TNS vehicles would ultimately charge a TNS vehicle a much higher per-hour rate than to a taxi vehicle. A fair and equitable approach would need to account for the differences in business models. Nonetheless, the concern about fairness and equity between taxis and TNSs is a real concern for many councils in the region, and there may be a need for municipalities and the Province to further review how taxis are regulated in this region.

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<sup>1</sup> [https://www.leg.bc.ca/content/CommitteeDocuments/41st-parliament/2nd-session/CrownCorporations/Report/SSC-CC\\_41-2\\_Report-2018-02-15\\_Web.pdf](https://www.leg.bc.ca/content/CommitteeDocuments/41st-parliament/2nd-session/CrownCorporations/Report/SSC-CC_41-2_Report-2018-02-15_Web.pdf)