

DESIGNATED DRIVER SERVICES OPTIONS

RECOMMENDATION

That the March 7, 2022, Urban Planning and Economy report UPE00676, be received for information.

Report Purpose

Information only.

Council is being informed of the options for regulating designated driver services.

Previous Council/Committee Action

At the May 28, 2021, Community and Public Services Committee meeting the following motion passed:

That Administration work with the designated driver services industry and provide a report with options to include designated driver services under Vehicle for Hire Bylaw 17400.

Executive Summary

- Designated driver services provide an important service for residents who require their vehicle to be transported but are unable to drive.
- These services support The City Plan outcome of contributing to Edmonton's safe, secure, accessible and responsive mobility system.
- This report provides options for regulating designated driver services based on a review of the current regulations applicable to this industry, a cross-jurisdictional review and industry engagement.
- Administration recommends continuing to regulate designated driver services under Bylaw 20002, Business Licence Bylaw without additional regulations (Option 3).

REPORT

Current Operation and Licensing of Designated Driver Services

Designated driver services transport a customer's vehicle to a specified location, usually with the customer as a passenger. Services are only provided when a customer requires their

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privately-owned vehicle to be transported and services are not provided to a customer without an accompanying vehicle to transport.

As the primary function of designated driver services is to transport the customer's privately-owned vehicle, the services are licensed under the General Business category of Bylaw 20002 - Business Licence Bylaw. This licence category does not impose any specific regulations on the business beyond the requirement to obtain a business licence. Provincial requirements for vehicle registration and insurance apply to customers' vehicles, while the provincial requirement for a valid driver's licence applies to designated drivers.

Designated driver services are not regulated under Bylaw 17400 - Vehicle for Hire, as this bylaw applies to the transport of passengers in a hired vehicle. The Vehicle for Hire Bylaw defines a vehicle for hire as:

'...a motor vehicle used or offered for the transportation of at least one passenger in return for compensation from any place within the city to a destination either within or outside of the city.'

As of December 31, 2021, there were only two licensed designated driver services operating in Edmonton. This is a decline from six designated driver services that were licensed in Q1 2020.

Industry Feedback

Administration surveyed both licensed designated driver service providers regarding their current business practices and satisfaction with the current regulations. The level of satisfaction with the current regulations varied between the service providers with one service provider being satisfied with the regulations, and the other being dissatisfied and wanting more regulation. The feedback from these two designated driver service providers is referenced in Attachment 1.

Cross-Jurisdictional Scan

A jurisdictional review of Canadian municipalities indicated a spectrum of differing approaches to regulating designated driver services. Some municipalities, such as Calgary, do not have any licensing requirements for these services while others, like Grande Prairie, impose requirements such as dispatch licence (dispatch means the sending of a vehicle to a location for the purpose of providing transportation to a passenger), commercial liability insurance and police information checks. Further details can be found in Attachment 2.

Options for Licensing of Designated Driver Services

Administration recognizes the important role of designated driver services and is committed to ensuring that regulations balance all stakeholders' interests, public safety, equity and inclusion. Accordingly, Administration has identified the following options for regulating designated driver services.

1. Create Regulations for Designated Drivers under the Business Licence Bylaw

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This option supports amending the Business Licence Bylaw 20002 to create a new regulation that requires designated drivers to obtain an annual police information check.

Considerations

- The police information check requirement may improve safety for users of designated driving services and for the public as it would help identify that the driver has no prior record relating to violence or safety in operating a motor vehicle.
- This requirement implements key feedback gathered from the current designated driver service providers regarding reasonable enhanced safety measures. Through engagement, these service providers confirmed their own policies require that all designated drivers must provide police information checks.
- This option will require amendments to the Business Licence Bylaw 20002.
- This option will require support from Edmonton Police Service (EPS) and an update to the City's existing Service Level Agreement with EPS for net new volume of police information check processing.
- This option will increase operational costs for the City as it will now be required to collect, distribute and review the information provided and store the information in line with privacy legislation. This will increase timelines for businesses and drivers.
- Requiring proof of insurance is not recommended as the Business Licence Bylaw does not require similar businesses to provide proof of insurance.

2. Create New Regulations for Designated Drivers and Service Providers/Businesses under Vehicle for Hire Bylaw

This option supports regulating designated driver service providers through the Vehicle for Hire Bylaw. Under the current Vehicle for Hire Bylaw, every driver of a vehicle for hire and every vehicle for hire must hold a valid insurance policy at all times. Should the service be regulated under the Vehicle for Hire Bylaw and aligned with the Vehicle for Hire requirements:

- The designated driver service providers would be required to provide a valid insurance policy to cover the designated drivers.
- The designated drivers would be required to provide an annual police information check.
- The designated driver service providers would be required to obtain a dispatch licence.

Considerations

- The designated driver service does not currently fit the definition of a Vehicle for Hire through the Vehicle for Hire Bylaw. Requiring the service to be regulated through the Vehicle for Hire Bylaw would require amendments to the Vehicle for Hire Bylaw, including further engagement with industry.
- Administration does not find strong rationale to extend the requirement for insurance to designated drivers services as these services involve the use of private vehicles that

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are not owned or supplied by the business operator. Provincial law requires vehicle owners to have insurance that follows the vehicle, not the driver. Further, requirements for insurance would create more red tape while also increasing barriers to businesses.

- To support effective enforcement and equity within the industry, City-issued driver's licences would be required for designated drivers. This would increase red tape and costs for businesses and administrative costs for the City.

3. Maintain Current Regulations under the Business Licence Bylaw (Recommended)

This option acknowledges that this industry is demonstrating a high level of self regulation and that there is no identified need for additional regulations at this time. Administration will continue to monitor the industry, and, if it is deemed necessary, explore appropriate regulation.

Considerations

- This option supports businesses by keeping operational costs and regulatory requirements balanced.
- Provincial legislation requiring that all vehicles hold insurance supports a reduced need for additional City oversight.
- Under the current Business Licence Bylaw, there is no requirement for any business operation to provide proof of insurance before obtaining a licence. Requiring proof of insurance for designated drivers could set a precedent.
- The Business Licence Bylaw has a mechanism for reviewing licences of businesses that may pose a public safety risk. A business licence review could result in imposing conditions on a business licence, suspension or cancellation of the licence.
- Currently, there are only two licensed service providers in the city. Administration will monitor developments in the industry and any feedback from customers, and amend regulations if required to better meet industry and user needs.

Next Steps

Administration will continue regulating designated driver services under Bylaw 20002, Business Licence Bylaw without additional regulations (Option 3). Administration will monitor developments in the industry and propose further regulations if warranted.

COMMUNITY INSIGHT

Administration reached out to the two designated driver service providers to ascertain their satisfaction with the current regulations and to obtain suggestions for improvement. Satisfaction with the current regulations among the two service providers varied; and as discussed in this report, Administration weighed the considerations that would be involved implementing the suggestions provided by the service providers. It is important to note that Administration has not received any complaints from users of the service.

At this time, Administration proposes maintaining the current regulations applicable to this industry while monitoring development in the industry with a view to recommending regulatory

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changes if necessary. Feedback from both of Edmonton's active designated driver service providers was incorporated in forming the options for regulating this industry.

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Administration engaged directly with both designated driver service providers operating in the city, providing the opportunity for feedback and suggestions for improvement. Further, Administration considered the impacts of the options on users of designated driver services, noting that although additional regulations may enhance safety for the users, they are unlikely to have an impact on accessibility and equity. Administration will continue to monitor all user feedback/concerns regarding inclusivity, barriers to equity and equality of outcomes for the service and will adjust future approaches/bylaw provisions if required.

ATTACHMENTS

1. Summary of Industry Feedback
2. Cross Jurisdictional Review of Designated Driver Service Licensing