



# **Manitoba Federation of Labour Submission to the Manitoba Standing Committee on Social and Economic Development on Bill 30**

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*The Local Vehicles for Hire Act*

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**Manitoba Federation of Labour**

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### **Bill 30: *The Local Vehicles for Hire Act***

The Manitoba Federation of Labour (MFL), Manitoba's central labour body, representing the interests of more than 100,000 unionized workers, opposes this government's decision to offload the responsibility and costs for so-called ride sharing services like Uber to the City of Winnipeg without ensuring strong safety and health protections for drivers and customers. The MFL also believes in a level-playing field when it comes to taxi and private transportation services in Manitoba.

It is clear that so-called ride-sharing services like Uber want into the Winnipeg taxi market, and some consumers looking for more taxi-like options are expressing an interest in these types of services. While Uber has seen strong growth globally, a number of jurisdictions are starting to rethink their relationship with Uber due in part to concerns about rules meant to ensure safety.

London, UK recently announced it would be revoking Uber's license. According to Transport for London, the government body that oversees the city's transportation, the company is not "fit and proper" in its compliance with regulations. Transport for London went on to say that Uber demonstrates a "lack of corporate responsibility" tied to its corporate behaviour. Concerns have also been raised about the thoroughness of Uber's background checks for drivers.

The requirement for a level playing field in the marketplace was also at the core of the decision made by London. In fact, London's mayor said that "...all companies in London must play by the rules and adhere to the high standards we expect — particularly when it comes to the safety of customers."

In Quebec, new requirements that Uber drivers must undergo the same training requirements as taxi drivers in that province, as well as criminal background checks on

drivers and mechanical inspections on vehicles each year come into effect this coming January.

We are not suggesting that this government needs to reinvent the wheel in terms of regulating these types of services. In fact, Manitoba already has a number of rules in place for public safety in private transportation. These rules are meant to keep both customers and drivers safe, and should be extended to so-called ride sharing companies and drivers, so that everyone is on a level playing field. For example, in Manitoba, taxi vehicles must meet safety requirements to keep customers and drivers safe, like safety shields and in-car camera systems. Drivers are required to be trained in first aid and are trained and screened to ensure public safety.

Another area that is overlooked by this Bill is the insurance requirements that drivers would need to have to operate as drivers for Uber or similar companies. Manitoba Public Insurance does not currently offer policies that cover services such as Uber. In contrast, regulated taxis have commercial carrier insurance which protects drivers and the public.

A report to the Manitoba Taxicab Board by Meyers Norris Penny, which engaged stakeholders and the public, recommends that any so-called ride sharing companies and drivers should be licensed as a separate category from taxis, but that they should have to abide by the same vehicle safety standards and driver-screening requirements as current taxicabs do. The report also calls for rules to make sure so-called ride-share vehicles be covered under a similar type of insurance as regular taxis. This would be in the best interest of drivers and the public, as it only makes sense that drivers be insured for the type of work that they are doing.

We are also concerned about potential cost impacts for consumers that Uber and other similar types of services would have. As we know, taxi fares in Manitoba are regulated and consistent. In contrast, Uber has a price surge policy that can raise fares by as much as five-to-seven times the usual rate, during periods of high demand. That type of price

gouging is just not fair to consumers who already have well-regulated and consistent pricing for taxis.

There are valid concerns about the current taxicab system in Manitoba, including those raised by Indigenous women about their experiences with the taxi industry, including allegations of discrimination and sexual harassment. This speaks to the need to strengthen training and registration for private transportation services in Manitoba, not weaken regulations.

The MNP report also details frustration felt by the public, including that Winnipeg has far fewer taxicabs per capita than similar Canadian cities. Winnipeggers are served by one cab for every 1,250 citizens, compared to the Canadian average of one for 860. The number of standard taxi licenses have also been frozen at 410 standard taxis for years. The report highlights that there are about 2,200 licensed taxi drivers in Winnipeg. Three-quarters of these drivers work for wages, and according to the report, sub-standard wages. More than half the drivers report they earn less than the Statistics Canada low-income cut off level of \$24,409 annually.

But Uber and other similar companies represent the type of contract and precarious work that is becoming far too common in today's economy. These types of companies are based on a business model of deregulation, where companies generate profits while they shift costs and risks onto self-employed, low-wage workers and their customers. This, in turn, lowers wages and standards in the regulated economy

This government should be working to make sure that private transportation companies all play by the same rules, rather than downloading responsibility and costs onto municipalities. It is also noteworthy that this government is cutting \$5 million from the budget for Winnipeg Transit this year by walking away from the longstanding funding agreement that ensured 50 per cent of operating costs for public transit came from the Provincial Government. This will mean service cuts to the transportation that thousands

of Manitobans rely on every day. If this government is serious about providing more transportation options to Manitobans, it should start by keeping its share of transit costs at 50 per cent.

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