



STAFF REPORT INFORMATION ONLY

History of Ground Transportation at Lester B. Pearson Airport and the Airport Exemption Issue

Date:	June 19, 2008
To:	Licensing and Standards Committee
From:	Jim Hart, Executive Director, Municipal Licensing and Standards
Wards:	All
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SUMMARY

The purpose of this report is to provide additional information to the Licensing and Standards Committee regarding the history of taxicab and limousine regulation as it relates to Toronto's Lester B. Pearson International Airport and the Greater Toronto Airport Authority (GTAA).

Financial Impact

There are no financial impacts arising from this report beyond what has already been approved in the current year's budget.

DECISION HISTORY

At its meeting on February 15, 2008, the Licensing and Standards Committee was in receipt of a report from the City Solicitor dated February 4, 2008. The Licensing and Standards Committee referred the report from the City Solicitor and Confidential Attachments to the Executive Director, Municipal Licensing and Standards with a request that he report back to the Committee with additional information regarding the regulation of the taxicab and limousine industries. See link to the report, below.

<http://www.toronto.ca/legdocs/mmis/2008/ls/bgrd/backgroundfile-10550.pdf>

COMMENTS

Ground Transportation at Lester B. Pearson International Airport Prior to the “Airport Exemption”

The Lester B. Pearson International Airport (the Airport), prior to 1973, was operated by Airport Terminal Transport Limited (ATTL), a private corporation under an exclusive agreement with Transport Canada to provide ground transportation services to the Airport. This was achieved by utilizing a bus service supplemented by a limousine service, to and from the Airport to areas including the former Municipality of Metropolitan Toronto. The business was authorized by a Public Vehicle Operating License issued by the Ontario Highway Transport Board, pursuant to the *Public Vehicles Act*, on the grounds of public necessity and convenience.

In early 1974, the ATTL was unable to resolve a labour dispute with its bus and limousine drivers, and as a result, gave notice on March 10, 1974 that it could no longer provide ground transportation services to the Airport.

Transport Canada then entered into a separate agreement with McDonnell-Ronald Limousine Service Limited to provide ground transportation services to the Airport, granting the company 100 licences to provide limousine service. Eventually, several smaller companies were also issued permits to provide limousine service to the Airport. These companies were issued limousine permits in large blocks rather than being issued to individual drivers.

Two years prior to this, metered taxicabs began servicing the Airport and the local municipal authority enacted a by-law to prohibit taxicabs licensed by municipalities from picking up passengers at the Airport and dropping them off in another municipality. The Ontario County Court, in a 1972 decision, later upheld by the Ontario Court of Appeal, determined that the by-law was *ultra vires* the authority granted the municipality by the *Municipal Act*. A result of this decision was the opening of the Airport to taxicabs licensed in municipalities across the province.

This open system for taxicab service at the Airport was in place from 1973 to 1977. This resulted in chaotic ground transportation service at the Airport, ranging from poor service and the use of substandard taxicabs.

To address this situation, the Federal government established a regime to regulate the permitting of ground transportation at the Airport by making it a ‘designated airport’ pursuant to Government Airport Concession Operations Regulations (GACOR). This meant that in addition to being licensed by their respective municipalities, all taxicabs and limousines picking up passengers at Pearson had to have a permit issued by the Airport and meet the requirements of GACOR.

Lester B. Pearson International Airport GACOR Permits – 1974

Between 1974 and 1989, 335 GACOR permits were issued, of which only 79 were issued to Toronto licensed vehicles, all of which were taxicabs. The remaining permits went to eight other municipalities. The majority of GACOR permits were issued to Mississauga-licensed taxicabs.

By 1978, the 1972 court decision was creating a problem for many municipalities in that they could not pass point-of-pick-up legislation. The principle of point-of-pick-up legislation would allow municipalities to regulate taxicabs on the basis of the place in which a particular fare is picked up, even if the final destination of that fare is outside the municipality. However, municipalities could only insist that taxicabs require a licence from their municipality if both the pick-up and drop-off points were within the municipalities' boundaries. In the case of the Municipality of Metropolitan Toronto, this made enforcement extremely difficult.

Enactment of the Point of Pick-Up Legislation - 1978

In 1978, the City of Toronto and the Toronto taxicab industry began lobbying the Provincial government to amend the Municipal Act to allow municipalities to pass by-laws relating to point-of-pick-up legislation. The Province responded by passing Bill 195, which amended the *Municipal Act*. As a result, taxicabs could only pick up fares within the municipality from which they were licensed. However, if the fare crossed a municipal boundary, the taxicab had to return to its home municipality empty in order to pick up their next fare.

Bill 195 created a conflict between Lester B. Pearson International Airport and the City of Mississauga, because the airport, while being under federal jurisdiction at the time, was physically located in Mississauga. That meant that taxicabs that had airport permits, but were not licensed by City of Mississauga, could be subject to that municipality's point-of-pick-up legislation.

In order to resolve that conflict, the Province enacted an amendment to the *Municipal Act* that prohibited the City of Mississauga from passing by-laws regulating owners and drivers of taxicabs, if the fares originated at Lester B. Pearson International Airport, other than those licensed by the City of Mississauga.

Enactment of the “Airport Exemption” - 1978

In December of 1978, the Municipal Act was amended to include the “airport exemption”, which enabled any taxicab or limousine with a Lester B. Pearson International Airport GACOR permit to pick up fares in Toronto, provided the fare was being transported to the airport. This created a corresponding situation whereby Toronto licensed taxicabs, which do not hold airport permits, were allowed to drop fares off at the airport, but were only permitted to pick up fares at Lester B. Pearson International Airport on a pre-arranged basis, which included the payment of a pre-arrangement fee (Dispatch Administration Fee) to Transport Canada.

Following the imposition of the “airport exemption”, members of the Toronto taxicab industry began contacting the Premier of Ontario, the Mayor of Toronto, Metro Toronto Councillors, and the head of Metropolitan Toronto Licensing Commission regarding the unfair treatment that the “airport exemption” imposed on the Toronto taxicab industry.

By early 1981 a variety of municipal officials including the Metro Toronto Chairman, Metro Toronto Councillors and the Metro Toronto Licensing Commission members began to make requests to the Province to repeal the “airport exemption” legislation. Organizations representing the Toronto taxicab industry, such as the Toronto Taxicab Brokerages Association, the Metro Toronto Taxicab Drivers Association and the Independent Cab Driver’s Association also made requests to the various levels of government to remove the “airport exemption” from the *Municipal Act*.

Later that year, various municipal representatives, along with members of the Toronto taxicab industry met with the then Minister of Intergovernmental Affairs, Tom Wells, requesting the removal of the “airport exemption” from the *Municipal Act*.

On April 5, 1982, the Metro Toronto Taxicab Drivers Association demonstrated their dissatisfaction with the lack of progress made on the issue of removing the “airport exemption” by organizing a demonstration of hundreds of taxicabs at Queen’s Park. In the same year, the Toronto taxicab industry again attempted to persuade the Province to remove the “airport exemption” when it was considering a Bill before the Legislature.

This Bill, which would have removed those parts of the *Municipal Act* that regulated the licensing of businesses, was tabled in the Legislature. Members of the Toronto taxicab industry once again approached the Province regarding the removal of the “airport exemption”. However, the Bill did not receive third reading and died on the order paper of that session of the Legislature.

Pearson International Airport Taxi and Limousine Task Force - 1990

In June 1990, the then Minister of Municipal Affairs appointed the Pearson International Airport Taxi and Limousine Task Force, which was chaired by D. W. Bartlett, to report back to the Minister on the issues of the pick-up rights of taxicabs and limousines at Lester B. Pearson International Airport and the pick-up rights of taxicabs and limousines with federal Department of Transport permits under GACOR, in municipalities where they are not licensed. The task force met with various elected municipal officials, municipal managers, Lester B. Pearson International Airport management, taxicab and limousine industry stakeholders and the chairman of the Ontario Highway Transport Board during its deliberations on the issues.

On December 14, 1990, the report regarding the task force’s findings was forwarded to the then Minister of Municipal Affairs, Mr. David Cooke. The task force concluded that the current system of licensing as it relates to service to and from Pearson International Airport is fair, efficient and effective from the point of view of the traveling public and the taxi and limousine industries, and that consequently it would not be in the public

interest to repeal or amend Section 227, paragraphs 1(a) and (b) of the *Municipal Act*, namely the “airport exemption”.

Task Force to Review the Toronto Taxi Industry – 1998

In April 1998, Toronto City Council established the Task Force to Review the Toronto Taxicab Industry. The creation of this task force was the culmination of a number of concerns expressed by members of the public, the press, taxicab owners and drivers, the Toronto Board of Trade and the tourism industry respecting the state of the taxicab industry in Toronto. These concerns included the quality, safety and reliability of taxicabs, the level of customer service, and the taxicab industry structure, including the role of absentee owners and passive investors, and the ability of taxicab drivers to earn a fair wage. The task force heard deputations from numerous members of the Toronto taxicab industry and the issue of the “airport exemption” was identified as a significant concern to the industry.

In total there were 97 recommendations emanating from the Final Report of the Task Force to Review the Toronto Taxicab Industry, which was adopted by City Council on November 28, 1998. Of the 97 recommendations, recommendation 41 required the City of Toronto’s Municipal Licensing and Standards Division (ML&S) to consult with the Ministry of Municipal Affairs and Housing (MMAH) and the Greater Toronto Airports Authority (GTAA), now the operator of Lester B. Pearson International Airport, to seek amendments to the *Municipal Act* to remove the “airport exemption” for GTAA permitted taxicabs and limousines.

Further to this, recommendation 42 of the task force required ML&S to consult with the GTAA regarding allowing the new class of Ambassador Taxicabs to pick-up fares at the Airport. Discussions were conducted with MMAH which resulted in no changes being made to the *Municipal Act* as it relates to the “airport exemption”. Discussions conducted with the GTAA resulted in no greater access to the Airport for the Ambassador Taxicabs as the GTAA requires service providers to be available at the Airport 75 to 80 per cent of their working day. However, the Ambassador Taxicab owners can only work 12 hours in any given day and therefore could not meet the service level standards required by the GTAA.

Stronger City of Toronto for a Stronger Ontario Act - 2005

On December 14, 2005 the provincial government introduced Bill 53, which would eventually become the *Stronger City of Toronto for a Stronger Ontario Act*, which would enact the *City of Toronto Act* (COTA). Various municipal representatives along with members of the Toronto taxicab industry made representations to the Province including a request to not include the “airport exemption” in COTA. At the same time, the Airport Limousine Operators Association, representing the GTAA permit holders was working to maintain the “airport exemption” in the *Municipal Act*.

On December 20, 2006, the Province enacted Bill 130 which amended the *Municipal Act*. The Province debated the “airport exemption” at Committee just prior to the enactment of the legislation and a decision was made to retain the “airport exemption” in the *Municipal Act*.

Act. However, the Province decided that the “airport exemption” should be removed from COTA and enacted the legislation on January 1, 2007. With the enactment of COTA the City of Toronto was given the legislative authority to pass a by-law that could effect the removal of the “airport exemption”. This led to the removal of the “airport exemption” from the City of Toronto Municipal Code, Chapter 545, Licensing, by City Council enacting By-Law 1425-2007 at its meeting of December 11, 12 and 13, 2007.

CONTACT

Mark Dimuantes
Sr. Policy & Research Officer
Policy and Business Planning Unit
Municipal Licensing and Standards Division
Tel: (416) 392-8794; Fax: (416) 392-0797
E-mail: mdimuant@toronto.ca

SIGNATURE

Jim Hart
Executive Director
Municipal Licensing and Standards