

Taxi Industry Review Plan

Date:	August 29, 2011
To:	Licensing and Standards Committee
From:	Executive Director, Municipal Licensing and Standards
Wards:	All
Reference Number:	P:\2011\Cluster B\MLS\LS11017

SUMMARY

This report is in response to a request from the Licensing and Standards Committee to have the Executive Director, Municipal Licensing and Standards bring forward a plan for reviewing the taxicab industry.

Municipal Licensing and Standards plans to review all the provisions of Toronto Municipal Code Chapter 545, Licensing, Articles VII and VIII, and specifically address:

- a) the effectiveness of the current Ambassador taxicab owner program;
- b) the viability of requiring all taxicab owners to use a single dedicated taxi vehicle;
- c) a strategy for more effectively providing accessible on-demand taxicab service;
- d) the appropriateness of the present number of taxicabs in the City;
- e) the establishment of comprehensive rules respecting licence/plate ownership and transferability;
- f) the re-evaluation of specific regulations with respect to taxicab leasing, designated agents and the role of taxi brokerages that are in line with the healthy viability of the industry; and
- g) other by-law amendments deemed necessary to better align the regulations with the structure of the modern-day taxicab industry.

Municipal Licensing and Standards shall consult with industry stakeholders, including taxicab drivers, driver associations, taxicab owners, owner associations, taxi brokerages, the riding public, tourism groups, the Toronto Transit Commission, and accessibility groups.

FINANCIAL IMPACT

There is no financial impact arising from the proposals in this report beyond what has already been approved in the current year's operating budget for Municipal Licensing and Standards. The review shall be carried out by staff from the Policy and Planning Services Unit of Municipal Licensing and Standards, in consultation with the appropriate operational units of the Division, as well as Corporate Finance.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its May 31, 2011 meeting, the Licensing and Standards Committee requested that the Executive Director, Municipal Licensing and Standards, report back to the Committee on a plan for reviewing the taxicab industry.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.LS4.7>

ISSUE BACKGROUND

In 1998, as a result of concerns and complaints from the public, members of the tourism industry and members of the taxicab industry, City Council established a Task Force to Review the Taxicab Industry. Specific concerns regarding the taxicab industry included the following:

- a) continued deterioration of the quality, safety and reliability of taxicabs that did not provide adequate service to the public or a positive image for the City of Toronto;
- b) lack of priority to customer service that reflected poorly on the taxicab industry and the City of Toronto;
- c) the ownership structure of individual licences had evolved in such a way that the revenue generated was being split among too many participants and threatening the economic viability of the industry;
- d) inflated values of taxicab licences that provided incentives for absentee and passive investors to own taxicab licences without investing or participating in the industry; and
- e) the industry structure hampered the ability of many drivers to earn a fair wage.

City Council adopted over fifty (50) recommendations as a result of the Task Force report. Most of the recommendations have been acted on, resulting in several amendments to the Municipal Code since 1998. Some of the recommendations did not result in by-law amendments because they were found to be *ultra vires* the City's legal jurisdiction.

A decade after the main recommendations were adopted, a number of issues have arisen and been brought forward by members of the taxicab industry.

COMMENTS

Over the last few years, there have been a number of issues that have been brought up by various quarters of the industry as being of concern vis-à-vis industry viability and customer service. To the extent that the former affects the latter, staff believe that it is within the scope of the City, as regulator, to review all relevant regulations and recommend corresponding policy changes.

Scope

The scope of the review will include all relevant issues impacting the taxi industry, including but not limited to, the main issues identified below:

Effectiveness of the Ambassador program

Given the original objectives of the program, staff will evaluate whether the Ambassador program should be continued or whether a new approach is needed to ensure the quality of taxicab service in the city. As part of the review of the program, staff will also address issues that have been brought forward by industry participants and make any recommendations deemed appropriate.

Conversion to a dedicated vehicle

In response to a request from the Committee, staff will explore the approach being pursued by the City of New York to leverage the taxi industry's purchasing power by converting to a dedicated taxicab vehicle and effectively replacing the numerous models currently allowed.

On-demand accessible service

As the population ages, there will continue to be an increasing need for more flexible and responsive accessible transportation. As a regulator for the taxicab industry, the City plays an important role in ensuring that emerging needs are met. In addition, as the deadline for implementing the AODA requirements nears, it is incumbent upon all levels of government to not only lead by example but also to act as a facilitator of change for others. Staff will explore potential strategies for making true on-demand service a reality.

Ownership and transferability

The "ownership" and subsequent "endowment" of standard licences/plates is an issue that has caused some concern in some quarters of the industry. Staff will explore which model is best in line with the objective of ensuring a viable industry.

Leasing and Role of Taxi Brokerages

The leasing of taxicabs and the role taxi brokerages play in the day-to-day operations of the industry have been ongoing and highly controversial issues in the taxicab industry. Staff will address these issues candidly with industry stakeholders with an aim to developing recommendations that reflect the practices of the present-day industry.

Other by-law amendments

Staff will review the by-law to ensure that all regulations contained therein are still relevant in today's industry and recommend revisions where it is felt that the by-law needs to be re-worked to regulate in a more simplistic, straight-forward manner.

Consultation

Staff intend to meet with the various industry stakeholders at separate meetings. Distinct meetings shall be conducted for taxicab drivers, driver associations, taxicab owners, owner associations, and taxi brokerages.

Staff propose to survey the public and solicit input into customer service issues that will inform the need for specific amendments to regulations in certain areas. Municipal Licensing and Standards plans to conduct a series of public forums across the City for this specific purpose.

ML&S staff intend to solicit input from Economic Development and the various quarters of the tourism industry to ensure that the City's taxi strategy is in line with the broader tourism objectives and outcomes. In addition, staff ML&S will also consult with Transportation Services with respect to taxi stands to ensure that any challenges are addressed and any opportunities capitalised.

Staff will consult, especially with respect to the provision of accessible services, with the Toronto Transit Commission. The provision of accessible transportation services is both a key issue and challenge for the City. In order to identify the best approach in terms of on-demand service, staff will consult with the various accessibility groups to ensure that the needs of this segment of the population are well understood.

Corporate Finance will be consulted relative to the assessment of the number of taxicabs required in the City to provide adequate service to the riding public.

As part of its consultation and communication strategy, Municipal Licensing and Standards has established a web page dedicated to the project. The page will provide details on the consultation as well as be a repository for all public documents pertaining to the review and its conclusions.

The Uniform Resource Locator (URL) for the taxi review page is:

http://www.toronto.ca/licensing/taxi_review_2012

The page has been available since September 1, 2011. Interested parties are encouraged to visit the page on a regular basis for the latest developments in the review. Stakeholders will also be able to provide their comments through a dedicated e-mail address.

Time Line

Staff expect that the working group will start formal consultations in the early fall of 2011 and through the winter of 2012. Public forums will be conducted in the four City districts starting in early November. It is hoped that a discussion paper to consolidate preliminary findings will be available early in 2012. A formal report to Licensing and Standards Committee is expected in the second quarter of 2012.

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SIGNATURE

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