

# TORONTO'S TAXICAB INDUSTRY REVIEW

FRAMEWORK FOR FURTHER CONSULTATION

JUNE 2013

# TAXICAB INDUSTRY REVIEW

As directed by the Licensing and Standards Committee at the May 31, 2011 meeting, the City of Toronto has conducted a review of Toronto's taxicab industry.

The industry requested a review as it had been 14 years since the last comprehensive review. The time had come to analyze Toronto's taxicabs for customer service excellence, affordability, safety and viability. The review team set out to determine industry issues and explore how best to resolve them.

Toronto's Taxicab Industry Review has been consultation driven. Starting with broad stakeholder engagement in the first phase, and bolstered by ongoing consultation over the last two years, the making of this framework was an inclusive process.

In total, 1,500 internal and external stakeholders have been engaged through surveys and public consultations. More than 10 formal proposals were submitted and more than 3,800 ideas have been shared through voicemail, email, online comments and through surveys. Staff have meticulously reviewed and analyzed consultation information which formed the direction and scope of this Framework.

The results of the consultations were clear: while most passengers are generally happy with their taxicab service, the industry feels a great imbalance. Inequity, unnecessary 'middlemen', and driver safety proved to be significant issues that ultimately affect the industry's ability to provide high quality service.

The review also revealed the extreme lack of wheelchair accessible taxicab service in Toronto and the challenges that people with disabilities face when trying to access taxicab service.

Guided by City Council's review principles of consumer protection, health and safety of passengers and drivers, the economic viability and sustainability of the industry and City well being, staff prepared this Framework with 44 recommendations to improve the taxicab industry in Toronto.

## **The Framework**

The Framework addresses issues as heard through the consultations and lays the foundation for improvements to the industry. The Framework is designed to facilitate further discussion and engagement with the industry and other stakeholders.

The Framework outlines potential recommendations for the industry. These recommendations can be found highlighted in blue boxes throughout the report, and are also listed on page 4.

These recommendations could result in significant changes to the industry and as such, it is prudent and necessary to engage the industry in these changes, gain input on the recommendations, and be responsive to this feedback when writing the final recommendations.

Large and complex issues such as accessible on-demand taxicab service and licensing structure have several policy alternatives detailed in their respective sections. Staff has recommended preferred alternatives with corresponding rationales, but stakeholder consultations must also steer the direction of the final recommendations.

Throughout July 2013 staff will utilize the Framework as a guide for further consultation, resulting in a final report with recommendations coming forward to Licensing and Standards Committee September 19<sup>th</sup>, 2013.

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# REGULATING TORONTO'S TAXICABS

Taxicabs play an important role in the transportation network of the City of Toronto. Residents and visitors depend on taxicabs to provide door-to-door service, in a timely, safe and enjoyable manner, 24 hours a day, seven days a week.

## **Toronto's Taxicab Industry**

Toronto's taxicab industry is robust. The industry is estimated to account for more than a billion dollars when considering asset values and daily cash flows. There are 4,849 licensed taxicabs operating in the City of Toronto and it is estimated that more than 65,000 trips are taken in taxicabs every day. At an average fare of \$25 per trip, it can be estimated that \$1.5 M is generated through fare revenue each day.

It is estimated that more than 15,000 people are employed in the taxicab industry. Taxicab owners, drivers, brokers and fleet garages are directly involved in the industry, while other jobs such as car manufacturing, mechanics and technology are supported by the industry. This results in local job creation and investment that benefits the City's economy.

## **How the City Regulates**

The City of Toronto has authority under the City of Toronto Act (COTA) to regulate aspects of the industry. Taxicabs are identified specifically within COTA, which gives the City regulatory power to (1) set a standard fare and (2) limit the number of licensed taxicabs.

The City lays the groundwork for customer service excellence by regulating the number of taxicabs, setting and enforcing safety and appearance standards, mandating driver and owner training, and facilitating an accountable complaints process.

## **Approach to Regulation**

As part of the Taxicab Industry Review, staff have applied a critical lens to the ways that the City is involved in the regulation of taxicabs. The recommendations in the Framework have been carefully considered and analyzed for the impact they might make to industry participants and the residents of Toronto.

It is important to make sure that the City has a balanced, equitable and accessible taxicab industry. To ensure these principles are met, the City should allow the industry more flexibility, where in other instances the City should step in to ensure the industry is balanced and equitable.

## LICENSING STRUCTURE

The City of Toronto has three (3) types of taxicab licences, Standard, Ambassador and Accessible taxicab owner's licences. Each licence is subject to different operating rules as outlined below.

TAXICAB LICENCE	NUMBER OF LICENCES	24 HOUR OPERATION	OWNER MUST DRIVE	SHIFT RENTAL ALLOWED	LEASING ALLOWED	TRANSFERABILITY
Standard	3,451	✓		✓	✓ (Lessee must drive)	✓
Ambassador	1,313		✓			
Accessible	85	✓	✓	✓		

Over the course of the Taxicab Industry Review, thousands of comments were received from industry stakeholders, the general public and City staff on Toronto's taxicab licensing structure. Some of the strongest opinions expressed were regarding the Ambassador taxicab owner's licence. Other opinions criticized the ineffectiveness of the 1998 reforms in addressing problems within the Standard taxicab owner's licence business models.

The following sections outline the issues, strengths and rationales of the Standard, Ambassador and Accessible taxicabs as heard through the consultations and researched by staff.

### Standard Taxicab Owner's Licence

The 1998 Taxi Industry Review identified a number of serious concerns with the taxicab industry. Some of these concerns were linked to the properties of the Standard taxicab owner's licence.

The 1998 Taxicab Industry Review acknowledged that at the time, the properties of the Standard taxicab owner's licence allowed for absentee owners which in turn created a role for non-driving 'middlemen'. The ability of an owner to earn an income without having to drive his or her taxicab, through leasing and shift rental, was also thought to decrease the financial incentive for an owner to purchase and maintain a high quality vehicle. Concerns were also raised that "deplorable working conditions for many drivers results from the current industry structure", including a low wage environment for drivers, exacerbated by the redistribution of farebox revenues to non-driving agents, lessees and owners. The 1998 Review also linked low driver income to the poor customer service being delivered.

To resolve these issues, the 1998 Review recommended a number of changes to promote owner-operator principles, and address the poor quality of taxicabs and customer service throughout the taxicab fleet.

A number of changes have since been implemented to improve the industry structure and resolve these problems. With respect to the properties of the Standard taxicab owner's licence, changes were made to



increase the direct knowledge and active participation of owners, and to minimize the negative effects of non-driving participants.

In 2000, lessees were mandated to operate their taxicabs full time. This change ended the ability for a single individual to be party to multiple leases. In 2003, the transfer of Standard taxicab owner's licences was restricted to licensed taxicab drivers. This change prevented corporations or partnerships from acquiring a Standard taxicab owner's licence. It also restricted a new Standard taxicab owner to holding only one (1) owner's licence at a time.

Since these changes have been implemented, the direct involvement about the taxicab industry of Standard taxicab owners in general has increased. Prospective new Standard taxicab owners must first be licensed as taxicab drivers in order to be able to be transferred a Standard taxicab owner's licence. Through taxicab driver training, prospective Standard taxicab owners now gain 17 days of classroom-based knowledge about the industry. Their continued participation in the industry is secured through mandatory attendance every 4 years of a 2 to 3 day Standard taxicab owner refresher course.

Despite this effort to increase direct knowledge and active participation in the taxicab industry on the part of Standard taxicab owners, the presence of designated agents and the ability to lease a Standard taxicab allows absentee ownership to continue. In 2012, 75% of Standard taxicab owner's licences were operated by an agent and/or a lessee. The proportion has held steady since 2010.

#### **Concerns raised through the Industry Consultations:**

**Agents and Leasing:** The majority of concerns raised through industry consultations with respect to designated agents and leasing pertained to the relationships between parties entering into the different agreements permitted by Chapter 545 which allow owners to delegate custody and operations, including lease agreements, designated agent agreements and shift rental arrangements.

Many drivers, particularly lessee-drivers, felt that "designated agents do not enhance the industry and drive up costs for all". Other feedback included requests for the role and legal responsibility of designated agents to be more clearly defined, and that designated agents should have the legal accountability of owners.

A large number of lessee-drivers reported being subjected to poor business practices by agents. Some examples include agents charging additional fees that are not recorded in the lease agreement, threatening to "pull the plate", in other words terminate the lease, in order to raise the lease fee, and terminating the lease agreement because another driver is willing to pay more. There were no concerns raised specific to leases arranged directly between an owner and a driver.

In addition to concerns over poor business practices, other industry stakeholders suggested there should be a limit on how many vehicles can be managed by a single agent, in order to ensure that the responsibilities of custody, such as maintenance and repairs, are executed properly.

**Fleet Garages:** A number of stakeholders also felt that taxicab garages, businesses which facilitate shift rentals and often provide maintenance and repairs, should be more strictly regulated and be limited in the number of taxicabs which can be based from one location. It was noted that it is often a taxicab garage employee, and not the taxicab owner or agent, who determines and keeps track of which driver is driving which taxicab, and manages the "cash-in" and shift change.

Drivers also suggested, as in they have in previous reviews, that the City should step in and regulate lease and shift rental fees.

## **Ambassador Taxicab Owner's Licence**

The most significant change made following the 1998 Review was the creation of the Ambassador taxicab owner's licence, with its exclusive owner-operator properties.

One of the major components of the current Taxicab Industry Review has been to evaluate the degree to which the licensing reforms of the 1998 Review have resolved the issues created by absentee ownership. This evaluation included a review of the contribution of the Ambassador taxicab owner's licence to resolving the problems identified by the 1998 Review.

Ambassador licensed taxicabs are solely owner-operated. The rationale supporting the creation of the Ambassador taxicab owner's licence was to improve the quality of service and ensure that those who worked in the industry profited from it. The effectiveness of the Ambassador licence in achieving these ends has been evaluated by comparing quality of service and participant incomes.

The quality of service provided by Toronto's taxicabs can be measured in two dimensions: customer service interactions, and vehicle condition. In order to determine effectiveness, Ambassador taxicabs and Standard taxicabs were compared using measures of quality of service based on data directly collected by the City of Toronto. Industry participant income, however, cannot be measured directly by the City of Toronto, so reported and modelled incomes from external sources were compared instead.

## **Quality of Service**

The quality of service delivered by the two types of taxicab owner's licences was compared using measures of customer service and vehicle condition.

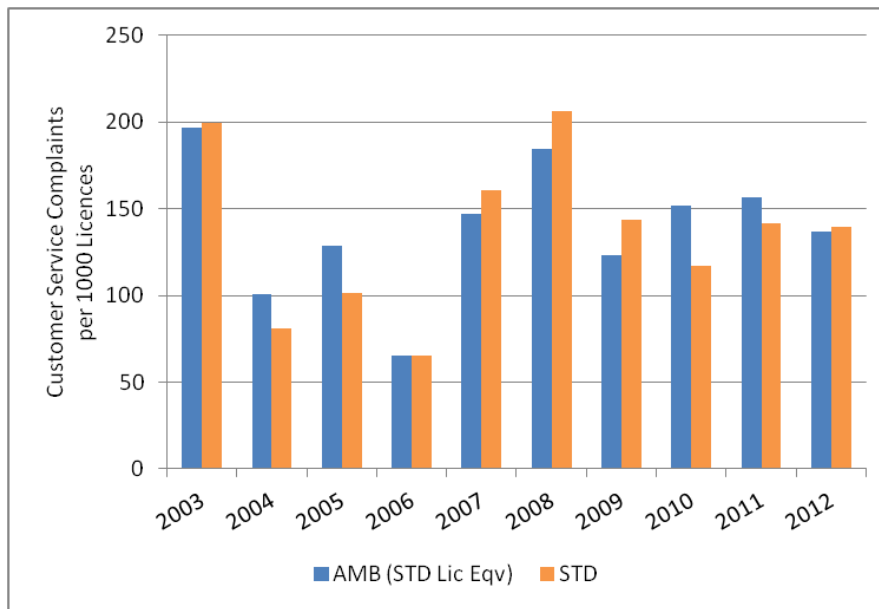
### **Customer Service: Complaints**

The ability of the Ambassador taxicab owners to deliver a high degree of customer service was assessed by comparison with Standard taxicab owners.

Given the difference in the operating times between the two types of taxicabs, customer service data was compared based on licence equivalents. Ambassador licensed taxicabs are in service for fewer hours each day than Standard licensed taxicabs. Therefore as a whole, Ambassador taxicab owners will interact less frequently with passengers than Standard taxicab owners and drivers. However, Ambassador taxicab owners tend to preferentially operate during peak demand times, which increases their chances of interaction with the passengers. As such, an Ambassador licence is considered the operational equivalent of 0.65 of a Standard licence. In other words, 1.54 Ambassador taxicabs (rather than 2) provide the same amount of operational service/contact with passengers as 1 Standard taxicab.

There has been little difference in the rate at which complaints are lodged against Ambassador and Standard taxicabs, suggesting that passengers can expect the same quality of customer service throughout Toronto's taxicab industry.

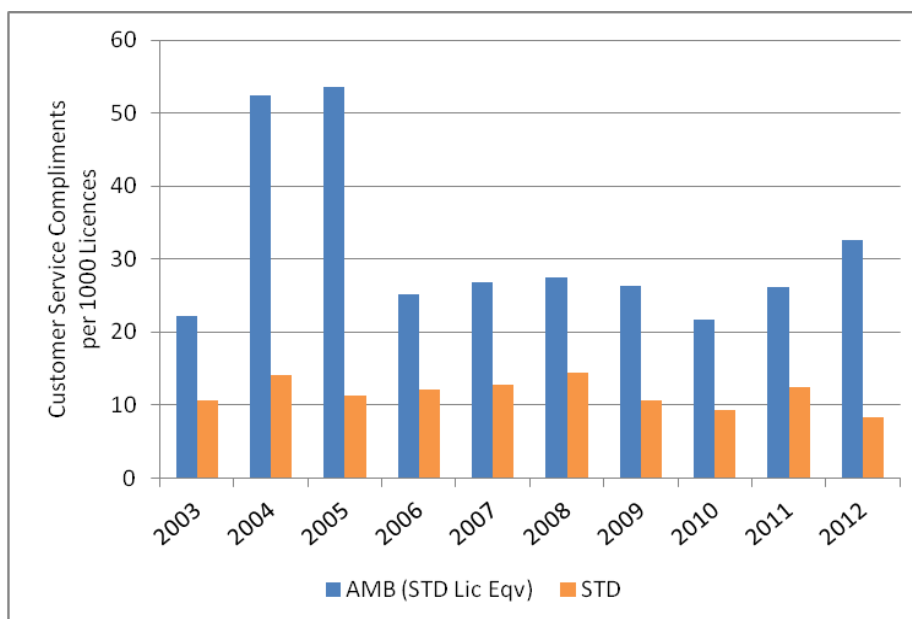
**FIGURE 1:** Annual number of customer service complaints, by owner's licence type



### Customer Service: Compliments

Ambassador taxicab owners, despite their less frequent contact with passengers, receive nearly three times the formal compliments as Standard taxicab operators. Since 2003, MLS has received 708 formal compliments concerning Toronto's taxicabs. Ambassador licensed taxicabs, representing approximately 25% of the taxicab fleet from 2003-2012, have received 36% of the formal compliments. On a per 1000 licence equivalent basis, Ambassador taxicab owners have received an average of 31 compliments and Standard operators, an average of 11 compliments.

**FIGURE 2:** Annual customer service compliments, by owner's licence type



## Vehicle Condition

The Ambassador and Standard taxicabs were compared on the basis of vehicle condition. Vehicle condition was measured in terms of charges concerning poor non-mechanical vehicle conditions, and the number of major mechanical failures during inspection.

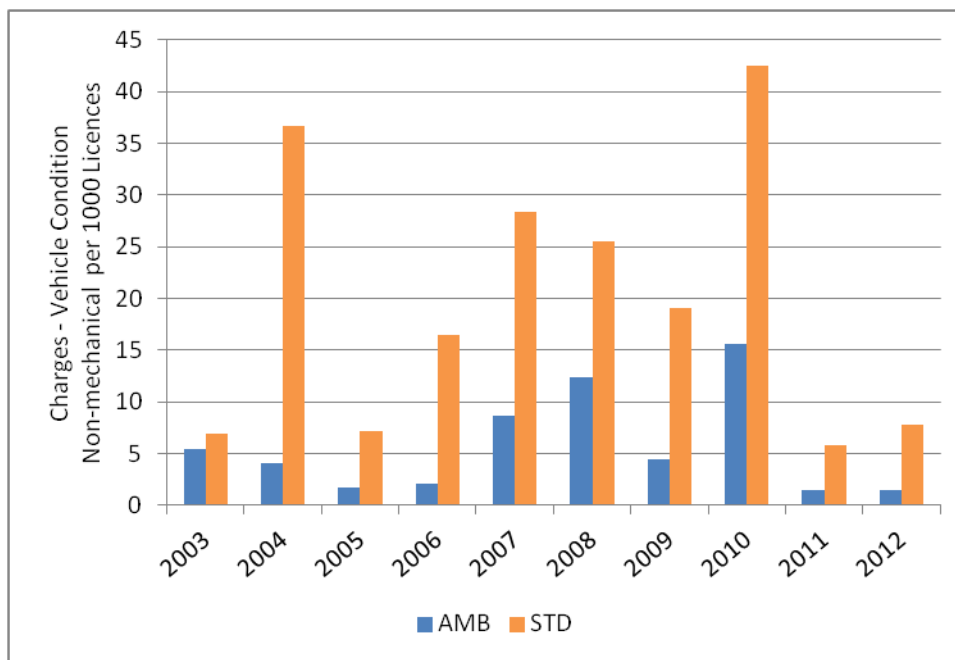
Charges against Ambassador taxicab owners and Standard taxicab owners are compared based on the total number of active licences, as owners are responsible for ensuring the quality of vehicle condition, regardless of how many hours per day the vehicle is being operated.

### Vehicle Condition: Non-mechanical

Over the past decade, charges concerning poor non-mechanical vehicle conditions initially increased with the growth in the size of the fleet, but have dropped in recent years. Examples of non-mechanical charges include: an unclean exterior or interior, and a taxicab which is not in good repair in the interior (eg., stains or tears in upholstery), or the exterior (eg., scratches in the paint or dents).

Over the past five (5) years, Ambassador taxicab owners have been charged 70% less frequently for non-mechanical vehicle conditions than Standard taxicab owners.

**FIGURE 3:** Annual number of charges laid concerning non-mechanical vehicle condition, by owner's licence type

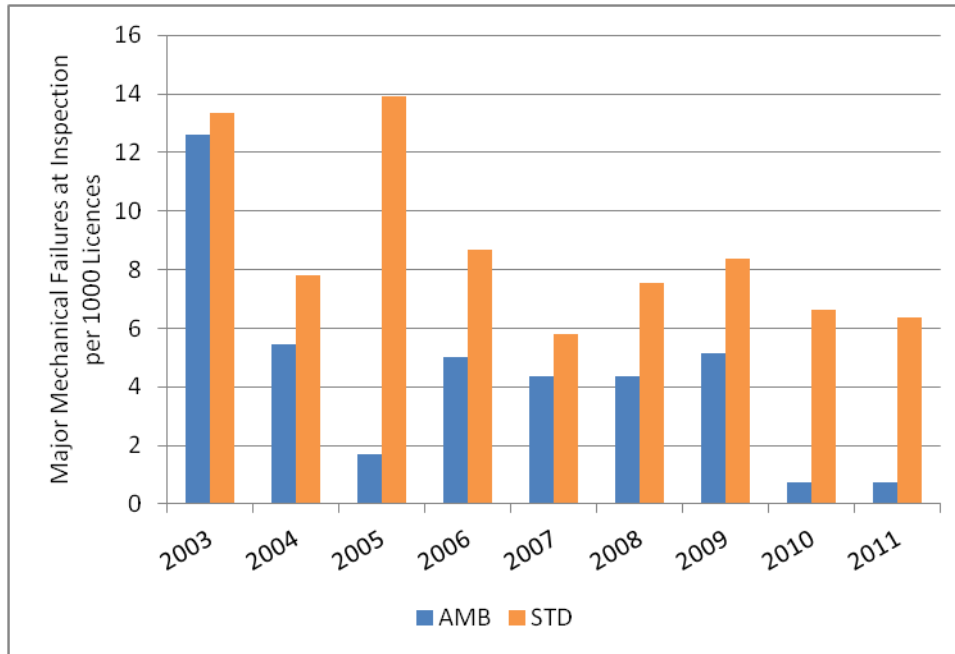


### Vehicle Condition: Major Mechanical

Major mechanical failures of Ambassador and Standard taxicabs during inspection were also compared. Examples of major mechanical failures involve brakes and braking systems, steering and suspension, and the underbody.

Since 2005, when the most recent Ambassador taxicab owner's licences were issued, Toronto's taxicab fleet overall has experienced very low major mechanical failures during inspection, with an average major mechanical incidence rate of less than 0.6%. Although it's important to note that Ambassador licensed vehicles have consistently presented fewer major mechanical failures during inspections than Standard licensed vehicles.

**FIGURE 4:** Annual number of major mechanical failures at inspection, per thousand licences, by owner's licence type



## Operator profitability

Operator profitability is more difficult to evaluate. The City of Toronto does not monitor owner or driver income. Therefore, there was no direct evidence to compare the net income of an Ambassador taxicab owner with the income of Standard taxicab owners, or other participants in the Standard licence operating models such as lessees and shift drivers.

Research conducted by Abraham, Sundar and Whitmore (2008) compared the self-reported expenses, gross income and net income of 78 Ambassador taxicab owners, lessees and shift drivers in Toronto and Mississauga. The study did not report estimates of Standard taxicab owner incomes.

Abraham, Sundar and Whitmore's research indicated that Ambassador taxicab owners had a monthly net income more than double that of shift drivers. Their findings also suggested that Ambassador taxicab owners earned a higher income than Standard lessees without a second driver, their closest peer group in the Standard licence operating model. By not incurring lease or agent fees (average \$1,200 and \$900 respectively in Toronto in 2012), Ambassador taxicab owners retained nearly 50% more of their fares and tips as net income. However, Standard lessees with a second driver had a net monthly income of \$400 more than Ambassador taxicab owners.

Taxi Research Partners also collected data from drivers and owners concerning income and expenses. Shift drivers were estimated to earn \$31,159 per year. Ambassador taxicab owners, who work approximately the same number of hours as a shift driver, were estimated to earn \$39,722 per year. Standard lessees with a second driver had an estimated income of \$40,370. Their findings suggested that shift rents are barely sufficient to offset lease fees and the higher maintenance costs associated with leasing a Standard taxicab. Standard taxicab owner-operators with second drivers were estimated as having a net annual income of \$60,360.

By not dividing the farebox with other participants, Ambassador taxicab owners were in a better financial position than shift drivers and the same or better position as lessees of Standard taxicabs. However, Ambassador taxicab owners do not have the ability to earn the same income as Standard taxicab owner-operators, due to the lack of 24 hour per operations, and shift rents from other drivers.

## **Ambassador Licence Success**

Based on the data available, the Ambassador taxicab owner's licence has been effective in meeting its objectives of improving the quality of service of Toronto's taxicab fleet and ensuring that a larger percentage of fares and tips are retained by taxicab operators.

It also provided the opportunity of 1,400 drivers who were on the Drivers' List and to become independent business owners through the issuance of a taxicab owner's licence.

The reported quality of customer service delivered by Toronto's taxicab industry has increased with the introduction of the Ambassador licence. The continued recognition of Ambassador taxicab owners through formal compliments submitted by passengers, is evidence of their successful delivery of high quality service. Vehicle conditions have also improved. Ambassador licensed taxicabs are consistently in better mechanical and non-mechanical condition than Standard licensed taxicabs.

## **Shortcomings of the Ambassador Licence**

Despite the success of the Ambassador licence in improving the quality of taxicab service and increasing the incomes of 1,400 drivers, a broader review of the current operations and lived experiences of Ambassador taxicab owners has revealed a number of shortcomings. These shortcomings, and the differences between the properties of Ambassador and Standard taxicab owner's licences, were the number one issue raised throughout this Review. During the consultation phase, Ambassador taxicab owners themselves often referred to the Ambassador program as a failure. The reasons for such characterization are explored below.

### **Long Hours**

During the consultations, Ambassador taxicab owners reported that in order to cover expenses and earn a decent income, many of their peers were working 7 days a week, and often in excess of 12 hours each day. These long hours were deemed necessary, because unlike Standard taxicab owners or lessees, the Ambassador taxicab owner is the sole person allowed to drive the taxicab. As such, many Ambassador taxicab owners feel they must work long hours in order to accumulate enough income to cover on-going expenses in times of illness, temporary disability, vacation and personal time, unlike Standard taxicab owners and lessees who are able to earn shift rents when they are not driving their taxicabs.

### **Lack of an Exit Strategy**

Because the capital costs of taxicab vehicles and equipment tend to be amortized over a long period of time, some Ambassadors feel financially compelled to continue working longer than desired.

Many Ambassador taxicab owners feel that the non-transferability of their licences limits their ability to exit the industry at a time of their own choosing. Without the incentive of the transfer of an owner's licence, an Ambassador taxicab owner cannot sell his or her taxicab and equipment for sufficient profit to cover sunk capital costs. This lack of an exit strategy may compel Ambassador taxicab owners to continue to work in the taxicab industry longer than they wish to do so.

### **Long Term Sustainability**

The inability for an Ambassador taxicab to be made available 24 hours per day, may present issues with providing taxicab service at all times of the day. Additional taxicab owner's licences will eventually be needed to meet growth in demand. However, the uneven distribution of demand throughout the day incentivizes Ambassador taxicab owners, limited to driving no more than 12 hours per day, to only work during peak hours. This operating response could, in the long term, create a decrease in passenger service levels during non-peak hours, and an oversupply of taxicabs during peak hours, should the Ambassador taxicab owner's licence continue to be the only type of owner's licence issued by the City.

### **Inequity**

Unfortunately, many Ambassador taxicab owners expressed they feel a deep sense of inequity because of the differences in properties between the Ambassador and Standard taxicab owner's licences.

## **Accessible Taxicab Owner's Licence**

Accessible licences were first issued as a separate licence class in 2000 and were issued based on TTC Wheel-Trans' demand for wheelchair accessible taxicabs. Accessible taxicabs are currently used exclusively for people with disabilities. This exclusivity was mandated to ensure that the taxicabs were available to serve the needs of people with disabilities, but this has in turn limited the ability of accessible taxicabs to be available for on-demand service.

Throughout the Taxicab Industry Review, it became evident that there is a significant lack of accessible taxicabs available. Only 3.5 % of Toronto's taxicabs are wheelchair accessible and staff heard numerous accounts throughout the consultations of people not able to access wheelchair accessible taxicab service at a metered rate. If people were able to order an accessible taxicab, they were often charged a flat rate that was higher than a metered rate.

### **Challenges in Delivering On-Demand Wheelchair Accessible Taxicab Service**

Historically there have been a number of barriers to on-demand wheelchair accessible taxicab service, the greatest being an overall shortage in the number of wheelchair accessible taxicabs. Higher capital and operating costs have been a significant barrier in increasing the number of wheelchair accessible taxicabs.

**Higher capital and operating costs:** Wheelchair accessible taxicabs can cost between \$25,000 - \$50,000 depending on the make and model. Daily expenses for gas are higher because wheelchair accessible taxicabs tend to be heavier than sedans, often with larger engines. Insurance for wheelchair accessible taxicabs can also be higher.

**Insufficient subsidies to offset costs:** Opportunities to offset higher costs are available to owners of wheelchair accessible taxicabs. These currently include, reduced renewal fees for owner's licences, longer vehicle age allowance, and the opportunity to shift rent the vehicle to other drivers. However, given the limited number of wheelchair accessible taxicabs in operation, these opportunities to subsidize costs have proven to be insufficient incentives.

**Unavailability of wheelchair accessible taxicabs:** Despite the presence of wheelchair accessible taxicabs in Toronto, most of these taxicabs are not available to provide on-demand taxicab service to passengers. Most wheelchair accessible taxicabs are exclusively delivering public transit service through contracted work with TTC Wheel-Trans and are unavailable for on-demand service.



## CHANGES TO LICENSING STRUCTURE CONSIDERED

Throughout the consultation, many stakeholders voiced their concerns about the current types of taxicab owner's licences, and recommended that the City make reforms to the licence types to address the shortcomings and problems described above. A few members of the industry, however, suggested that there should be no change to the licence structure, believing that it works well for everyone in its current state. There was also some support for incremental changes to the properties of the current owner's licence types to address on-going problems concerning designated agents and absentee owners. However, the most common reform proposed during the consultations was that Toronto should have only one type of owner's licence.

A wide range of approaches to address the shortcomings and problems arising from the properties of the different types of taxicab owner's licences were considered. Four possible approaches to reform were evaluated in detail by staff.

The four approaches were:

1. **Maintain the status quo**
2. **Modify the Ambassador taxicab owner's licence to a transferable 24 hour owner-operated licence**
3. **Revert Ambassador taxicab owner's licences to Standard taxicab owner's licences**
4. **Create a transferable 24 hour owner-operated licence and harmonize all licences**

Each approach was examined based on policy objectives, and general industry impacts including driver and owner incomes, and passenger service levels. In order to support this analysis, the consultant, Taxi Research Partners, proposed and developed a Toronto Taxicab Market model, based on data supplied by the taxicab industry and the City. This Taxicab Market model is able to project the impacts of changes in the number of shifts or licensed taxicabs, on participant incomes and other economic considerations and can be found in Appendix A.

### 1. Maintain the status quo

Maintaining the current properties of the Ambassador and Standard taxicab owner's licences fails to address any of the shortcomings or persistent problems identified by the industry during the consultations. Under the status quo, the City will only issue Ambassador licences in the future to meet demand, potentially leading to a decrease in passenger service levels during off peak hours.

### 2. Modify the Ambassador taxicab owner's licence

The shortcomings of the Ambassador licence can be addressed by modifying its properties. Electing to modify the properties of the Ambassador owner's licence, however, perpetuates a licensing structure with multiple types of owner's licences.

The Standard and Accessible licences would maintain all their current properties, and remain in circulation.

The Ambassador licence would maintain its core owner-operator principle – owners would continue to be required to drive their taxicabs for a minimum number of hours per month. However, the Ambassador licence would be modified to permit shift rental once the minimum driving hours were met. The Ambassador licence would also be made transferable to allow licence holders to exit the industry at a time of their own choosing.

Rather than issuing new Ambassador licences to maintain passenger service levels, Ambassador licences would be permitted to operate 24 hours per day, in accordance with a projected growth in demand, and in order of seniority.

In this approach, the substantive difference between the modified Ambassador licence and the Standard licence is whether or not the owner is mandated to drive the taxicab. This difference is likely to further exacerbate feelings of inequity between owners.

### **3. Revert Ambassador taxicab owner's licences into a Standard taxicab owner's licences**

The shortcomings of the Ambassador licence could be addressed by re-issuance as a Standard taxicab owner's licence, with all its properties (transferability, 24 hour operations and shift/lease opportunity).

However, moving to a licensing structure composed of all Standard licences increases the total number of licences where absentee ownership is possible, and perpetuates operating models where the farebox income is distributed amongst multiple layers of participants. Such a change in licence structure would be a reversal of the direction provided by City Council following the 1998 Review, which was to encourage owner-operator principles in order to directly incentivize owners to provide high quality taxicabs and taxicab service.

The implementation of this approach would be in response to projected growth in demand, in order of seniority. Eventually, all Ambassador taxicab owner's licences would be reverted to Standard taxicab owner's licences.

During the transition period, the properties of the existing Ambassador owner's licences would be modified to permit owners to rent out their taxicabs for up to 4 shifts per week, after driving for an approximate minimum 3 shifts per week.

### **4. Create a transferable 24 hour owner-operated licence and harmonize all licences**

The shortcomings of the Ambassador licence (non-transferability, 12 hr owner-operator restrictions) and the shortcomings of the Standard licence (passive investors and multiple layers) can be addressed by creating a new owner's licence, and harmonizing all licences over time.

The new licence would maintain owner-operator principles by requiring owners to drive their taxicabs for a minimum number of hours per month. The new licence would operate 24 hours per day, and would permit owners to rent their taxicabs on a shift basis. The new licence would also be transferable to allow licence holders to exit the industry at a time of their own choosing.

In order to achieve a licensing structure with only one owner's licence type, all taxicab owner's licences (Ambassador, Standard and Accessible) would eventually be re-issued as the new taxicab owner's licence type. This process would occur through both licence transfer and voluntary surrender. Eventually, there will only be one type of owner's licence in Toronto.

In this approach, the total number of licences which permit for passive ownership is slowly reduced through the transfer and re-issuance of the new owner-operator licence. Similarly, the number of licences operating with multiple layers between the farebox and the licence owner is also reduced.

## RECOMMENDED CHANGES TO LICENSING STRUCTURE

### Create a new transferable 24 hour owner-operated licence and harmonize all licences

Based on research and the evaluation of the impacts of the four options, and the industry's desire for a single owner's licence, the recommended approach is to create a new licence, and modify the properties of the Ambassador, Accessible and Standard licences in order to harmonize them into the new licence through transfer. This new harmonized licence will be called the Toronto Taxicab Licence.

#### 1. Create a new taxicab licence called Toronto's Taxicab Licence

##### Toronto Taxicab Licence

The proposed new owner's licence, referred to as the Toronto Taxicab Licence (TTL) holds many of the positive properties from each of the existing owner's licence types. The proposed properties of the TTL will minimize the creation of operating models that encourage absentee owners, limit the role for non-driving participants, encourage owners to cover their operating costs without compromising driver or passenger health and safety, and provide an exit strategy for owners wishing to leave the industry at a time of their own choosing.

The same owner-operator principles which inspired the creation of the Ambassador licence form the core properties of the Toronto Taxicab Licence. The financial security and round-the-clock service provision arising from the ability to rent a taxicab to shift drivers, and the exit strategy and opportunity for new owners to enter the market provided by transferability are properties that have been incorporated from the Standard licence.

The Toronto Taxicab Licence is a transferable licence that must be driven full time by its owner, but can also be rented out to other drivers for a second shift. This licence requires a wheelchair accessible vehicle.

**It is therefore recommended that Toronto Taxicab Licence be created with the following properties:**

- **A TTL owner may only hold one TTL, and may not hold any other taxicab owner's licence**
- **A TTL owner must own, insure and maintain his or her licensed taxicab vehicle**
- **A TTL owner must drive his or her taxicab for a minimum of 167 hrs within one (1) calendar month (ie, 14, 12-hour shifts in a month)**
- **A TTL owner may in addition, rent his or her taxicab, on a shift basis only, to a maximum of three (3) licensed drivers who have passed the City of Toronto approved course**
- **A TTL owner may sell his or her taxicab and its equipment after meeting the minimum driving requirement for two consecutive years, and the City of Toronto shall re-issue the TTL in the name of the purchaser, who must be a natural person**

Recognizing that life events can occur that may prevent a TTL owner from being able to meet the minimum driving requirements outlined above, it is further recommended that MLS have a process to allow for a reduction in the minimum driving requirements for reasons of:

- documented illness, infirmity or disability
- documented caregiver for immediate family member
- death of the licence holder (wherein the estate may hold the licence for up to 12 months before being required to sell or surrender).

## Toronto Taxicab Licence Policy Rationale

The rationale and best practices from Toronto's experience and that of other jurisdictions for each of these properties is outlined below.

### **A TTL owner may only hold one TTL, and may not hold any other taxicab owner's licence**

One owner - one plate, is the current property in place for all of Toronto's taxicab owner's licences. While many industry participants have argued, both during this Review and during previous consultations, that they should be permitted to "build a taxicab company", evidence has shown that the move towards owner-operator principles has produced greater opportunities for new owners to enter the taxicab market, more active and direct participation on the part of owners, and better customer service for passengers.

Economies of scale concerning the purchase or lease of vehicles, taxicab equipment, and insurance can be organized through taxicab owner co-operatives and associations, including brokerages, and already exist in the current Toronto industry.

### **A TTL owner must drive his or her taxicab for a minimum of 167 hours within any given month.**

The proposed TTL is an owner-operator licence, and as such owners will be required to operate the taxicab on a fulltime basis. The By-law is currently silent on a formal definition of fulltime: Chapter 545-148 (N.1) requires an Ambassador taxicab owner to operate his or her taxicab for a minimum of 36 hours during any 7 day period; Chapter 545-145 (12) requires a lessee of Standard taxicab to drive the leased taxicab "fulltime" without prescribing a specific number of hours.

Therefore, the minimum driving requirements for the TTL was set in keeping with common private and public sector definitions of fulltime employment. The minimum is allocated over one (1) calendar month, in order to allow some flexibility to accommodate vacation or prolonged periods of illness. The 167 hours within a month translates roughly to 38.5 hours per week, or 2,000 hours per year, an increase from the current Ambassador requirements.

Other jurisdictions have taken different approaches to minimum driving requirements. In New York City, the minimum driving requirement for independent owners is 180 nine-hour shifts per year, the equivalent of 1620 hours per year. Miami-Dade County requires new medallion owners to drive an average of 5 shifts per week. The City of Edmonton requires its Limited Taxi Vehicle licence holders to operate their taxicabs a minimum of 51% of the total operating hours of the taxicab.

**A TTL owner may rent his or her taxicab, on a shift basis only, to a maximum of 3 named licensed drivers**

The proposed TTL will be permitted, and encouraged to operate 24 hours per day. Due to the minimum driving requirement of the owner, long term leasing of the taxicab will not be permitted. In addition, shift rental, or temporary delegation for shift rental, will be permitted, giving TTL owners the opportunity to offset expenses and deliver round-the-clock service. Since shift rental places the taxicab in the temporary custody of a person other than the owners, for reasons of safety and regulatory enforcement, these persons would be named to the City. The number of licensed drivers is limited to three, in keeping with the current operational properties of Accessible and leased Standard taxicabs.

**A TTL owner may sell his or her taxicab and its equipment after meeting the minimum driving requirement for two consecutive years, and the City of Toronto will re-issue the TTL in the name of the purchaser**

The proposed TTL will be a transferable licence. That means that the TTL owner can sell his or her taxicab and its equipment to a qualified purchaser, and the City will re-issue that person a TTL. However, transferability will be restricted to TTL owners who have met the minimum driving requirement for two consecutive years, in order to ensure that a direct and active commitment to the taxicab industry is made.

This two year period is in keeping with the so-called "probationary" periods of the past, and those in other jurisdictions.

**A TTL owner may be granted a reduction in the minimum driving requirements**

There should be a process to allow a TTL owner to be granted a reduction in the minimum driving requirements for up to 24 cumulative months for reasons of:

- documented illness, infirmity or disability
- documented caregiver for immediate family member
- death of the licence holder (wherein the estate may hold the licence for up to 12 months before being required to sell or surrender).

Chapter 545-148 (N.2) permits the Executive Director of MLS, or his or her designate, to exempt an owner of an Ambassador taxicab from the current minimum hours of operation required in 545-148 (N.1), for reasons of illness or vacation, provided that notice of the illness or vacation is provided to MLS within two weeks of its occurrence. However, over the past 14 years, a number of Ambassador taxicab owners have experienced extended periods of illness, infirmity or disability that have significantly impacted their ability to meet the current minimum driving requirements of the Ambassador licence. Others, by reason of advanced age, are not able to meet the minimum driving requirements without jeopardizing their health.

A TTL owner, who acquires an owner's licence with the intention of fulfilling the owner-operator requirements, should not be unduly penalized for health or other circumstances beyond his or her control. However, there is a need for an independent process for granting a reduction in minimum driving requirements. It is recommended that any exemptions to the By-law be granted by the Licensing Tribunal, and not at the discretion of City staff. A reduction in the minimum driving requirements could range from a few hours per month, through to a complete exemption from the minimum driving requirement.

The maximum period for which a TTL owner may be granted a reduction in the minimum driving requirements is 24 cumulative months.

## 2. Migrate all licences to Toronto's Taxicab Licence over time

### Implementation Plan - January 1, 2014

It is anticipated that over time, all of Toronto's taxicabs will be licensed as Toronto Taxicabs. However, the proposed pathways through which the current Accessible, Ambassador, and Standard taxicab owner's licences will be harmonized into the Toronto Taxicab Licence will be different.

## 3. Immediately permit Accessible taxicab owners to voluntarily exchange their current Accessible licence and be re-issued a Toronto Taxicab Licence

### Accessible Owner's Licence

The current Accessible owner's licence has most of the proposed properties of the TTL. As such, it is recommended that all individuals holding an Accessible owner's licence be immediately permitted to exchange their current Accessible licence for a Toronto Taxicab Licence.

It is further recommended that the properties of the Accessible owner's licence be amended to permit Accessible taxicab owners' to sell their taxicabs and equipment where the purchaser is a "qualified driver" who has completed Toronto Taxicab Owner's training course and who will be issued a TTL.

The significant difference between an Accessible owner's licence and a TTL is that once the licence has been reissued as a TTL, the taxicab will be permitted to pick up all passengers, not just people with disabilities.

There are currently 10 Accessible owner's licences that were issued directly to brokerages. These licences were issued to specifically address the needs of the TTC Wheel-Trans contract and are not owner-driven. Accessible owner's licences issued directly to brokerages, and not driven by the owner, are not eligible for a Toronto Taxicab Licence.

## 4. Transition Ambassador taxicab owners to the Toronto Taxicab Licence pursuant to the implementation plan

### Ambassador Taxicab Owner's Licence

The proposed transition of current Ambassador taxicab owner's licences to the TTL is through transfer, or voluntary exchange until such time as all Ambassadors licences have been re-issued as TTL.

### Ambassador Implementation Plan

Ambassador licensed taxicabs will continue to only be allowed to operate 12 hours in a 24 hour period. To address some of the shortcomings of the Ambassador licence outlined above, it is recommended that the following properties of the Ambassador licence be changed, coming into effect as of January 1, 2014.

- Ambassador taxicab owners be required to drive his or her taxicab full time, defined as 167 hours within any given month, and subject to the same process as the TTL in order to be granted a reduction of the minimum driving requirements for up to 24 cumulative months
- Ambassador taxicab owners be permitted to rent their taxicabs on a shift basis to a maximum of one (1) other licensed driver provided the taxicab is equipped to automatically and electronically generate an operator's logs unique to each person who drives the taxicab
- Ambassador taxicab owners be permitted to sell their taxicabs and equipment where the purchaser is a "qualified driver" who has completed Toronto Taxicab Owner's training course and who will be issued a TTL

#### **5. Permit Ambassador taxicab owners as of January 1, 2014 to voluntarily exchange their current Ambassador licence and be re-issued a Toronto Taxicab Licence**

As of January 1, 2014, all Ambassador taxicab owners will be permitted to voluntarily surrender their Ambassador taxicab owner's licences and be re-issued a TTL, where the full properties of the TTL come into effect. This includes the provision of an accessible vehicle.

#### **6. Transition Standard taxicab owners to the Toronto Taxicab Licence as of January 1, 2014 through transfer only**

##### **Standard Taxicab Owner's Licence**

All current Standard taxicabs will continue to hold their current properties other than the changes proposed below. The proposed transition of the Standard taxicab owner's licence to TTL is through transfer. As of January 1, 2014, upon sale of a Standard taxicab, the purchaser will be issued a TTL. Purchase will be restricted to qualified drivers who have completed Toronto Taxicab Owner's training course.

It is anticipated that through the process of transfer and re-issue, all Standard taxicab owner's licences will be re-issued as Toronto Taxicab Licences by 2050, assuming a rate of 100 sales and transfers per year. However, the City is currently evaluating options to expedite the process of transitioning Standard licences to the TTL.

#### **7. Amend Standard taxicab owner's licence to permit the delegation of custody and operational control to one person at any given time, who may not subsequently do the same**

##### **Interim Changes to the Standard taxicab owner's licence**

Since it is estimated that the transition of Standard taxicab licences to Toronto Taxicab Licences (TTL) will be over several decades, it is recommended that modifications to the current Standard operating model



be implemented. This will ensure that some of the concerns regarding agents and leasing raised in the consultations are addressed before all licences are reissued as TTLs.

From the perspective of the City's role as the regulator, there are two broad issues at the centre of concerns over designated agents and leasing. These issues are:

1. How many times the custody and operation of a taxicab can be delegated; and
2. How the City regulates the terms of contractual agreements made between two private parties.

### **Custody and Operation**

From a public safety and regulatory oversight perspective, the City has an interest in exercising its authority to determine to whom and how many subsequent times the custody and operations of a taxicab can be delegated, and for what purpose. Delegation of custody and operational control is defined when an owner leases his or her taxicab to another individual, currently an agent or a lessee.

The intent of the following changes is to prevent any further delegation of custody or operational control. These changes limit the number of layers of people involved in the operation of a taxicab, and ensure the custody and control of the taxicab is maintained.

It is recommended that in order to address this issue, the City:

- Restrict the delegation of custody and operational control of a taxicab to licensed drivers, owners, brokers and public garages.
- Only permit an owner to enter into an agreement to delegate custody and operational control, or temporary delegation, to one person at any given time, who may not subsequently do the same (no sub-leasing).
- Require that all agreements to delegate custody and operational control, be filed with the City.
- Require that the person to whom custody and operational control have been delegated be a named party on the vehicle registration permit and be covered in the vehicle's insurance policy.
- Require that the particulars of the operation of the vehicle be included in the agreement to delegate custody and operational control; *either*:
  - the vehicle will be driven fulltime by the person to whom custody and operational control has been delegated, and who may rent out the vehicle on a shift basis to up to 3 other drivers; **or**
  - the vehicle will not be driven by the person to whom custody and operational control has been delegated, or temporarily delegated, but who will arrange to rent out the vehicle on a shift basis to up to 4 drivers
- Continue to restrict persons who agree to drive an owner's taxicab on a fulltime basis to one agreement at any given time.
- In the case where the vehicle is not driven fulltime by the person delegated custody and operational control of the taxicab, the taxicab operation is restricted to the permissible addresses of businesses operating as licensed public garages or brokerages. Require that the particulars of

the location from which the operation of the vehicle will be based be included in the agreement to delegate custody and operational control, in addition to the address of both parties.

## WHEELCHAIR ACCESSIBLE TAXICAB SERVICE

Although the above analysis includes recommendations for changing the licensing structure for Toronto's taxicabs, it does not address the need for accessible taxicab service.

People with disabilities, including those who rely on wheelchair accessible transportation, face challenges in obtaining affordable and on-demand taxicab service. The City of Toronto must ensure that taxicabs meet the needs of people with disabilities.

Accessibility standards should guide regulations in identifying, removing and preventing barriers for people with disabilities. A barrier is anything that keeps a person with a disability from participating fully in society because of his or her disability.

In this report, the term 'wheelchair accessible taxicab' is used to describe a taxicab that allows a passenger to ride in the taxicab without having to transfer from his or her wheelchair. The term 'accessibility' is used more broadly to discuss recommendations that would reduce barriers to Toronto's taxicabs.

Although the City currently has an appropriate number of taxicabs to service passengers who do not rely on wheelchair accessible taxicabs, Toronto currently has a shortage of wheelchair accessible taxicabs.

Only 3.5% of all Toronto taxicabs are wheelchair accessible. Most of these taxicabs are not readily available for on-demand taxicab service because they are contracted to deliver public transportation service through TTC Wheel-trans. This means that many residents and visitors who are in wheelchairs cannot expect on-demand taxicab service in Toronto as is available to other passengers.

The City of Toronto recognizes the diverse needs of all residents and visitors. Ensuring access to wheelchair and otherwise accessible taxicab service is part of the City's commitment to being an inclusive place to live and visit.

### **Legislated On-Demand Accessible Taxicab Service**

The Accessibility for Ontarians with Disabilities Act (AODA) requires that all municipalities consult on, and take steps to, provide on-demand wheelchair accessible taxicab service. AODA defines "on-demand" as the ability for a person requiring a wheelchair accessible taxicab to request and receive service in the same way as people who do not need wheelchair accessible taxicabs. This includes telephoning for a taxicab or hailing a taxicab on the street.

Under AODA legislation, the City is required to:

1. consult with its municipal accessibility advisory committee, the public and persons with disabilities to determine the proportion of on-demand accessible taxicabs required in the community
2. create an accessibility plan that identifies progress made toward meeting the need for on-demand accessible taxicabs

## Strategies to On-Demand Wheelchair Accessible Taxicab Service

The City of Toronto needs to increase its availability of wheelchair accessible taxicabs to both serve the needs of residents and visitors and to meet its obligations under AODA. Staff have analyzed two (2) strategies for increasing the number of wheelchair accessible taxicabs.

In consultation with the City of Toronto Disability Issues Committee, taxicab industry, other stakeholders and other jurisdictions, staff have outlined different ways the City can increase wheelchair accessible service. These strategies are:

1. Proportional wheelchair accessible taxicab service
2. 100% wheelchair accessible taxicab service

### Proportional Wheelchair Accessible Taxicab Service

A strategy to meeting on-demand wheelchair accessible taxicab service in Toronto is to mandate a portion of taxicabs to be wheelchair accessible. These wheelchair accessible taxicabs would be able to serve all passengers, regardless of ability, but would be held accountable to service standards for people with disabilities.

This would mean that passengers requiring accessible taxicabs would only be able to request service through brokerages. The brokerages would capture data on the average wait time of a passenger requiring accessible service. Staff could monitor the average wait time and increase the percentage of wheelchair accessible taxicabs until such a time that dispatched wait times were the same for all passengers.

This strategy allows for specialist drivers to provide enhanced wheelchair passenger service and assistance.

#### Considerations of Proportional Strategy

**Cost Distribution:** In jurisdictions where companies own several taxicabs, it is possible to mandate that a proportion of the taxicabs be wheelchair accessible. This is not the case in Toronto, where most taxicabs are owned by individual owners. This means that it is difficult to mandate a proportion of wheelchair accessible taxicabs, as it would be challenging to determine who has to own an accessible taxicab and who does not. This strategy could be seen as discriminatory to certain taxicab owners, and could amplify feelings of inequity within the industry as heard recently from Ambassador taxicab owners.

**Correct Proportion:** Determining how many wheelchair accessible taxicabs would be required to provide service in the same timeframe as non-accessible taxicabs presents challenges. This is because it is hard to estimate the number of trips that will be required, although it is estimated by Taxi Research Partners that 6% of Toronto's taxicabs would need to be wheelchair accessible to service current demand. Another challenge is ensuring that wheelchair accessible taxicabs prioritize calls for wheelchair accessible service. It could present challenges if wheelchair accessible taxicabs are being tied up with non-accessible taxicab trips and are not available for on-demand service.

**Hailing:** In the proportionate strategy, it is assumed that people requiring wheelchair accessible taxicab service will not be able to hail taxicab service. This is because there will not be a sufficient number of wheelchair accessible taxicabs available for this level of service. This fundamentally keeps the service standards different for people requiring and not requiring wheelchair accessible taxicabs.

## **100 % Wheelchair Accessible Taxicab Service**

The term ‘on-demand accessible wheelchair accessible service’ is defined as the ability for a person requiring a wheelchair to request and receive service in the same way as people who do not need wheelchair accessible taxicabs.

To ensure the exact same level of service between passengers who need, and do not need, a wheelchair, the City should plan for 100% wheelchair accessible taxicab service. This would mean that a person, regardless of mobility, would be able to obtain a taxicab, including hailing one on the street.

Other jurisdictions have already adopted this strategy. London, England has 100% wheelchair accessible taxicabs, and Ottawa is now only issuing wheelchair accessible taxicab licences.

### **Considerations of 100% Wheelchair Accessible Taxicabs**

The strategy to achieve a 100% wheelchair accessible taxicab fleet comes with challenges, including an increased cost to Toronto’s taxicab industry, and a significant change to the training for and delivery of passenger service and assistance.

**Cost:** A 100% wheelchair accessible taxicab fleet will cost more to equip and operate than a mostly sedan-based taxicab fleet. These costs will be borne by all industry participants, in different ways.

**Service:** Wheelchair passenger service and assistance is a different type of customer service than providing sedan taxicab service. Sedan taxicab service does not typically require drivers to provide hands on assistance to passengers and their mobility devices, whereas wheelchair accessible service requires technical training on securing the passenger and his or her wheelchair. Achieving 100% accessible taxicab service in Toronto will require increased training and refresher training for all drivers and owners to be able to properly service all passengers and maintain the necessary skills.

Achieving 100% accessible taxicab service in Toronto will require increased training for all drivers and owners to be able to properly service all passengers.

## **8. Plan for 100% wheelchair accessible taxicabs in Toronto**

### **Recommendation for 100 % Wheelchair Accessible Taxicab Service**

In order for people with disabilities to request and receive taxicab service in the same way and time frame as other passengers, it is important that the City of Toronto begin to move towards greater accessibility, including a 100% wheelchair accessible taxicab fleet.

This is not a small feat, but necessary to ensure that all residents and visitors to Toronto have an equal opportunity to use taxicab services.

Both the increased cost and service standards required for 100% wheelchair accessible taxicabs are surmountable barriers. The imminent expansion of the wheelchair accessible vehicle market, along with enhanced training for drivers and owners will allow the industry to respond to the changes needed to move to a 100% wheelchair accessible taxicab fleet.

Taxi Research Partners was able to analyze the financial impact of wheelchair accessible taxicab service and recommended that mandating all taxicabs owners to purchase a wheelchair accessible vehicle, at next vehicle, would be cost prohibitive to the detriment of the industry.

Staff recommend a more conservative transition, which would be at licence transfer. That would mean that as taxicab licences are sold, a wheelchair accessible vehicle would be required.

As the strategy for achieving 100% accessibility is a long term goal and expected to occur over a period of several years, staff believe this is a measured approach which will allow for support and adaptation.

Planning for 100% accessible taxicab service aligns Toronto with other major cities such as Ottawa and London, England, and further establishes Toronto as a world-class city.

## **9. Require wheelchair accessible vehicles for all Toronto Taxicab Licences**

### **Toronto Taxicab Licence requires a Wheelchair Accessible Vehicle**

As Toronto moves forward with a plan for 100% accessible taxicab service, including 100% wheelchair accessible fleet, it is imperative that the City's new taxicab licence require a wheelchair accessible vehicle. As the TTL will only be issued upon transfer, it is expected that the increased capital and operating costs associated with an accessible vehicle will be reflected in the secondary market value of transferable licences.

### **New Issuance to Support the long term goal of a 100% wheelchair accessible taxicab fleet**

Toronto currently has 170 wheelchair accessible taxicabs (85 Accessible, 43 Ambassador, and 42 Standard) capable of delivering wheelchair accessible service. Almost all of the current wheelchair accessible taxicabs are involved in some form of contracted service, mostly to deliver public transit service through TTC Wheel Trans.

The TTL implementation strategy will facilitate the introduction of wheelchair accessible taxicabs through transfer. The rate at which transfers occur will depend on a number of factors, not controlled by the City. On-demand wheelchair accessible taxicab service is critically needed and currently not available.

## **10. Ensure 6% of Toronto's taxicab fleet is accessible by 2015**

It is recommended that as an immediate first step, the City aim to have a minimum of 6% of the entire taxicab fleet to be wheelchair accessible by 2015. This 6% goal is based on the independent consultant's research and model that estimated demand for wheelchair accessible taxicab usage by evaluating comparison cities.

Using 6% as the minimum number of wheelchair accessible taxicabs needed in order to begin to implement the City's long term goal of a 100% wheelchair accessible fleet means that the City requires a total of 290 wheelchair accessible taxicabs. As Toronto is hosting the Pan Am Parapan Am Games in 2015, it is recommended that 2015 be used as the timeframe for achieving 6% of the fleet to be wheelchair accessible.

Assuming that contracted wheelchair accessible taxicabs are only able to provide on-demand taxicab service 50% of the time, the existing 170 accessible taxicabs can only be counted as the service equivalent of 85 of the 290 taxicabs required to have 6% of the fleet available for on-demand wheelchair accessible service. To ensure that we are on track to meet the 2015 goal, there is an immediate need in 2014 for a minimum of 100 wheelchair accessible taxicabs, and for another 100 wheelchair accessible taxicabs in 2015.

In order to achieve a 6% minimum by the end of 2015, the City may need to consider issuing new Toronto Taxicab Licences to the Drivers' List, in the event that the processes of transfer and voluntary exchange do not result in 100 TTLs and wheelchair accessible taxicabs each year.

A semi-annual evaluation of, and response to, the total number of TTLs and wheelchair accessible taxicabs is recommended. If on June 1, 2014, the City is not on pace to reach its goal of 6% through transfer or voluntary exchange, not including those re-issued to Accessible-endorsed Ambassador or Standard taxicab owners or Accessible taxicab owners, it is recommended that the City consider issuance to ensure targets are met.

## **Increasing Overall Accessibility**

The strategy for increasing wheelchair accessible taxicabs in Toronto will allow residents and visitors who require wheelchairs to access Toronto's taxicabs, but there are other improvements that are recommended to increase accessibility overall. Reducing other barriers to taxicab service will allow Toronto's taxicab fleet to become more and more barrier-free. Other recommendations that will increase accessibility are:

- Improvements to taxicab driver and owner training to increase knowledge of accessible service (explained further in the Training section)
- Prohibiting extra charges for any type of mobility device (explained further in the Fares and Charges section)
- Passenger Information Monitors in all taxicabs that can audibly announce location and fares (explained further in the Technology Enhancements section)
- Braille Stickers with the taxicab licence number in each taxicab (explained further in the Passenger Rights section)

## **Unlicensed Accessible Vehicles**

Outside the scope of this review, but still important to the delivery of accessible transportation is the role of currently unlicensed accessible vehicles. Accessible vehicles not licensed by the City, who are charging flat fares have been filling in the service gaps for Toronto's wheelchair accessible taxicab service. These

operators are providing on-demand transportation to people with disabilities at a flat rate which is usually higher than the meter rate. Some brokerages, service companies, clubs, agencies and organizations are providing wheelchair accessible transportation services with vehicles that are designed or modified to transport persons with disabilities. These accessible vehicles are not taxicabs but are providing similar services as wheelchair accessible taxicabs but are charging a flat rate. These vehicles are unregulated, and as a result, there are no set standards for service, training and rates.

Although these types of accessible vehicles are not within the scope of the current Taxicab Industry Review, it is recommended that MLS further explore the potential impact that their operations have on people with disabilities, and whether or not there is a place for them under the business licensing regime, alongside wheelchair accessible taxis.



## APPROPRIATE NUMBER OF TAXICABS

The appropriate number of taxicabs is a critical part of enabling the taxicab industry to provide adequate service levels for passengers, and still maintain a sustainable business for industry participants.

### Measuring the Appropriate Number of Taxicabs

There is no such thing as the 'perfect' number of taxicabs for any city. When it rains, there will never be enough taxicabs to meet passenger needs, and at 3 a.m. on a Tuesday, there will be too many empty taxicabs. However, an extreme over or under-supply of taxicabs can seriously impact a city's transportation network, including service levels and driver incomes, which is why it is important to have an appropriate number of taxicabs.

### Regulating the number of taxicabs

The City of Toronto Act (COTA) gives the City of Toronto the authority to limit how many taxicabs are licensed to operate, including the option to have no limit on the number of licensed taxicabs. The City has opted to place a cap on the number of licensed taxicabs, rather than allow an 'open-entry' market where there is no limit. The City's objective in limiting the number of taxicabs is to balance availability and affordability.

Too many taxicabs can cause traffic congestion and nuisance. As well, having too many taxicabs negatively affects driver incomes which can result in risky driving habits to secure fares. Setting a cap on the number of licensed taxicabs allows the City to ensure there are enough taxicabs to deliver taxicab service to residents and visitors, while also ensuring that industry participants are able to earn an income which allows them to continue to provide the service.

## 11. Maintain current number of taxicab licences for 2013

### Independent evaluation of the appropriate number of taxicabs: Taxi Research Partners

The Preliminary Report of the Taxicab Industry Review included the results of several approaches to evaluating whether or not Toronto currently has an appropriate number of taxicabs. Owing to the disagreement between the models, observation and industry opinion as presented in the Preliminary Report, it was recommended that an independent review and analysis be conducted of the City's modelling approach to determining when new licensed taxicabs are needed.

On December 21, 2012 through a competitive process, the City hired an external consultant, Taxi Research Partners (TRP), to conduct this analysis and provide further insight into the appropriate number of taxicabs for Toronto.

The objectives of the consultant's work were to:

- assess the current balance between taxicab service supply and passenger demand,
- project taxicab demand through 2022; and

- provide an economic impact analysis of any changes to the number of taxicabs, and possible changes to the licensing structure including the provision of wheelchair accessible taxicab service.

TRP's final report on the appropriate number of taxicabs for Toronto, and the impacts of changes to the licence and fare structure, and strategies to increase the accessibility of Toronto's taxicabs was delivered on May 24, 2012 and can be found in Appendix A. The findings of TRP's report have been utilized in determining the appropriate number of taxicabs and elsewhere throughout the Framework to illustrate impacts of change.

### **Toronto Taxicab Licence**

The creation of the Toronto Taxicab Licence and the ability for Ambassador taxicab owners to transition to the Toronto Taxicab Licence will result in extra taxicab shifts in Toronto, since the vehicle will be allowed to operate 24 hours per day. This impact to demand will be considered when measuring any future need for taxicabs.

It is expected that the requirement of the Toronto Taxicab Licence to operate a wheelchair accessible taxicab will permit the transition of extra shifts overtime.

### **Passenger Service Level**

In their report, TRP concluded that the current number of licensed taxicabs in Toronto is sufficient in number to meet current demand for taxicab service. This conclusion does not apply to the demand for wheelchair accessible taxicab service, which is in the section Wheelchair Accessible Taxicab Service section above.

## **12. Adopt a 'passenger service level' approach to determining when new licences should be issued**

TRP argued that the best way to measure whether or not there is an appropriate number of taxicabs is to ask passengers how long they think they should wait to be able to get a taxicab, and compare that to the actual wait times experienced. The term "passenger service level" is assessed by comparing the difference between desired wait times and experienced wait times of Toronto passengers.

Using 1,200 responses to a passenger survey, TRP determined the average desired wait time is 7 minutes.

Using trip dispatch data from 3 licensed brokerages, TRP determined that the average passenger waits 9 minutes for a brokerage dispatched taxicab to arrive.

TRP's analysis found that Toronto's taxicab fleet is able to consistently deliver taxicab service at, or within less than 4 minutes of, the average stated desired wait time. TRP concluded that passenger service levels in Toronto are quite high, indicating that there is currently an appropriate number of taxicabs in the City of Toronto.

The City's objective of increasing the number of taxicabs would be to meet passenger needs for taxicab service. Staff agree that the average wait time for a taxicab, and the consistency of this wait time throughout the day, is a direct and customer service-oriented way to determine the appropriate number of taxicabs for Toronto.

It is recommended that the City maintain the current number of taxicabs and adopt a ‘passenger service level approach’ to determine when more licences should be issued.

### **Predicting future demand for taxicab service**

In addition to evaluating the appropriateness of the size of the current taxicab fleet, TRP was also asked to develop a Toronto-specific taxicab Demand Projection model to allow the City to project growth in the demand for taxicab service. Projecting growth allows the City to determine when and how many new taxicabs may be needed.

TRP proposed and developed a taxicab Demand Projection model which projects the growth in demand for taxicab service based on pickup location types. The model projects the growth in demand from each significant pickup location type separately from the others.

TRP’s Demand Projection model assumes that the demand for taxicab trips from different pickup locations will respond differently to changes in economic and demographic factors. For example, a change in tourism numbers will affect the number of trips starting from hotels more so than it will affect the number of trips starting from domestic residences. This type of demand projection model is more nuanced than those previously used by the City.

TRP’s Demand Projection model required an estimate of the total number of taxicab trips taken by residents and visitors, and the identification of the pickup locations of those trips. TRP estimated that there are approximately 21.7 million taxicab trips taken in licensed Toronto taxicabs each year.

## **13. Project growth in the number of annual taxicab trips using Taxi Research Partners’ Taxicab Demand Model every two (2) years**

### **Projected taxicab trip growth over 10 years**

TRP’s Demand Projection model projects a 9.6% growth in demand for taxicab service over the next 10 years, a total addition of a little more than 2 million annual trips by 2022. This projected growth does not include growth in demand for taxicab from airline passengers at Lester B. Pearson International Airport, nor trips starting from less common locations such as medical appointments or hospitals. As a result, the 10 year 9.6% growth projection is considered to be a minimum.

In order to ensure validity, the Demand Projection model should be updated on a rolling basis, every two years, incorporating up-to-date forecasts of factors influencing demand for service in specific pickup location types, and using real taxicab trip data concerning the number of trips serviced each year, and pickup locations.

#### 14. Engage the Minister of Municipal Affairs and Housing regarding the Airport Exemption

##### **Airport Exemption**

As heard through consultations, taxicab drivers in the City of Toronto are concerned about opportunity costs associated with regulations which govern the operations of airport taxicabs at Lester B. Pearson International Airport. On the one hand, Federal Airport regulations prohibit municipal taxicab drivers from picking up at the Airport unless the fare is pre-arranged; and on the other, the 'airport exemption' – sections in the Provincial Municipal Act and City of Toronto Act – permit airport taxicabs to pick up passengers in surrounding municipalities for transportation to the airport, without having to be licensed by the municipality in which they are picking up.

Although the Airport Exemption impacts demand for Toronto's taxicabs, it is outside the scope of this review to make any changes. The provincial government's decision to maintain the Airport Exemption by writing a regulation into the City of Toronto Act restricts the City from taking any further legislative recourse to address the financial concerns of City of Toronto taxicab drivers with regards to the airport exemption.

Staff recommends that City Council draw attention to the concerns regarding the airport exemption to the Minister of Municipal Affairs and Housing.

#### 15. Require each taxicab owner to maintain for his or her taxicab a Trip Sheet which contains a record of each trip served and to submit trip sheets to MLS on a monthly basis starting in 2015

##### **Taxicab Trip Data Collection**

Daily taxicab trip sheets were replaced by the Taxicab Operator Log in 2007. The trip sheet was a record of details specific to each trip made by the taxicab, as well as the operating hours of the driver or owner. Trip sheets were to be kept by the owner of the taxicab for at least 12 months, and were open to inspection by MLS, who were permitted to remove such records and retain them for a period.

According to the staff report at the time, the Trip Sheet, which required the details of each taxicab trip to be recorded prior to commencing the next trip, was thought to create too much unnecessary work for drivers, and therefore was eliminated. Staff reasoning at the time also included an opinion that there was no regulatory need for much of the information contained in the trip sheet. However, given the intention of the City to regulate the number of taxicabs based on real trip data, there is now regulatory need for a total annual trip count and trip specific details such as pickup location.

In order for the City to project the growth in demand for taxicab service with a high degree of validity and accuracy, real data concerning the total number of trips, and the pickup location of each trip is needed.

It is recommended that each owner be required to maintain for his or her taxicab a Trip Sheet which contains a record of each trip served, including:

- the date, time and location of the beginning and termination of each trip
- whether or not the passenger required the use of a wheelchair accessible taxicab
- the method by which the request for taxicab service was communicated – brokerage dispatch (including smartphone application-based brokerages), street hail, cabstand or direct communication to the driver.

The Trip Sheet should be kept in addition to the Operators Log, and submitted to MLS on a monthly basis. New technologies are making the collection and submission of Trip Sheet data more efficient and accurate. The City's preferred collection of Trip Sheet data will be electronic. Further consultation on privacy implications of this data will be conducted.

# TAXICAB LICENCE ISSUANCE

The maintenance or improvement of passenger service levels should be the leading rationale for increasing the number of licensed taxicabs operating in the City of Toronto.

## Evidence-based approach to issuing new licences

The recommended evidence-based approach to determining when new licences are needed, and the appropriate number of new licences which should be issued, is composed of:

- Measuring passenger service levels
- Projecting future demand and its impact on passenger service levels
- Issuing to the Driver's List

## Measuring Passenger Service Levels

For the first time, real trip data and passenger data were used to determine the wait times experienced by Toronto taxicab passengers. Currently, passenger service levels - that is the wait time between a request for service and the arrival of a taxicab at the pickup location - can only be measured for brokerage dispatched trips, because both the time of service request and the time of arrival for pickup can be recorded.

### 16. Mandate brokerages to keep additional records of the date and time of pick-up for each taxicab trip and submit records to MLS every month

The delay between the moment when a passenger attempts to hail a taxicab and the moment he or she steps into a taxicab can only be approximated by the passenger. Collecting this information for all street hailed trips is impractical and likely to produce unreliable data. In the future, passenger service levels will be measured using brokers' records. Chapter 545-123 and Chapter 545-124 already lay the groundwork for the collection and use of such records.

It is recommended that Chapter 545-123 be amended to require every taxicab broker to keep additional record of the date and time of pick-up for each trip.

It is further recommended that Chapter 545-123 require brokers to deliver the records of trips to the Municipal Licensing and Standards Division within seven (7) days of the end of each month, similar to the requirements of Chapter 545-124 (E).

## **17. Conduct a survey every three (3) years, to ensure that 'passenger service levels' are meeting the expectation of passengers**

It is also important that passenger services levels are in keeping with the expectations of passengers. Therefore, it is recommended that a passenger survey be conducted every three years, to ensure that passenger service levels are meeting the expectation of passengers.

Equipped with measured passenger service levels and an understanding of the service level expected by passengers, the City will be able to make evidence-based decisions as to whether or not there are an appropriate number of taxicabs. If passenger service levels have dropped, in other words passengers are waiting longer for a taxicab to arrive, and passenger expectations are not reasonably being met, then the City would have a strong evidence-based rationale to evaluate whether or not new licences should be issued.

## **18. Project issuance every three (3) years using an evidence-based approach, and delay any issuance for one (1) year**

### **Projecting future demand and its impact on passenger service levels**

In addition to measuring actual passenger service levels, which is a reactive approach to determining whether additional taxicab licences are needed, the City can also use a proactive approach based on projecting future demand and its impact on passenger service levels.

It is recommended above that the City use the growth projections of TRP's Demand Projection Model to forecast growth in the demand for taxicab services. This growth projection can then be used with TRP's Toronto Taxi Market model to evaluate the impact on passenger service levels. If passenger service levels are projected to be negatively impacted (i.e., wait times increase beyond reasonable expectations), the City would have a strong rationale to evaluate whether or not new licences should be issued.

The model will allow the City to evaluate the impact of raising the cap on taxicab owner's licences on both passenger service levels, and on industry economic factors including income and secondary market values. Using the Taxi Market model, the City can estimate how many additional taxicab owners' licences should be issued to maintain passenger service levels, as well as the impact of those additional licences on participant incomes and other factors.

It is recommended that if the City determines that the cap on licences should be increased, that any new issuance be delayed for one year. In this way, the cap would only increase according to the previous year's estimate, reducing the risk of issuing too many licences.

### **Issuance Options**

The City's historical approach for determining to whom new taxicab owner's licences should be issued has varied greatly over the past 55 years. Currently all new taxicab licences are issued to the Drivers' Waiting List. This helps ensure that new taxicab owner's licences are issued to knowledgeable and active taxicab industry participants.

During the review, staff have come across several other options for issuing new taxicab licences. New York City auctions new licences, while Ottawa has a lottery system. The way the City issues new taxicab licences will form part of the consultations on this Framework.



## FARES AND CHARGES

The City of Toronto Act authorizes the City to set the fare charged for taxicab services. Setting an equitable taxicab fare is a central aspect of the City's commitment to consumer protection. Regulating the taxicab fare ensures passengers are charged the same rate regardless of the time of day or location of pickup. When passengers approach a licensed Toronto taxicab, they should be confident that they will not be overcharged nor will they have to bargain.

Determining the appropriate fare is a delicate balance. The City must weigh the impact of the fare on industry participants' incomes, in so far as income is related both to customer service as well as the maintenance of a sustainable taxicab industry. If the fare is set too low, drivers' incomes will fall, threatening the long term health of the industry. If the rate is too high, passengers will find alternatives to taxicabs, leading to empty taxicabs and falling driver incomes.

### Current Fare Structure

The fare charged by Toronto taxicabs is made up of three parts: the drop, distance and time.

#### Initial drop

When a passenger enters a taxicab, he or she is charged a flat fee of \$4.25. This charge is known as 'the drop'. The initial drop also pays for the first increment of the distance charge. The drop has increased by nearly 40% since 2005; a spike in fuel costs resulted in a \$1 increase in the drop rate in 2008 and the introduction of the HST led to another increase in 2010.

#### Distance Charge

Once a taxicab is moving, the passenger is charged for the distance the taxicab travels; this charge is known as the distance charge. Currently, the Toronto taxicab distance charge is \$0.25 for each 143m the taxicab travels.

#### Waiting Charge

Passengers are also charged \$0.25 for each 29 seconds the taxicab is not moving, once the meter has started running. The waiting charge includes waiting at street lights and in traffic. Changes to the waiting charge have occurred less frequently than changes to the drop and distance charges.

Year	Initial Drop (include first distance increment)	First distance (m)	\$0.25 Distance Charge increment	Fare for 5 km trip (no waiting charge)	Fare for 10 km trip (no waiting charge)
1980	\$1.00	200	500m	\$3.40	\$5.90
1985	\$1.30	274	343m	\$4.75	\$8.40
1990	\$2.20	250	250m	\$6.95	\$11.95
1995	\$2.50	235	235m	\$7.60	\$12.90
2005	\$3.00	190	170m	\$10.10	\$17.45
2008	\$4.00	155	155m	\$11.80	\$19.90
2010 to present	\$4.25	143	143m	\$12.75	\$21.50

## Toronto's Fare Compared

Toronto's taxicab fare is amongst the highest of North American peer cities. Such comparisons however, should be made with regard to the unique taxicab industry conditions in each city. For example, New York City has a greater dependency on taxicabs, and drivers may service a higher number of trips per shift than Toronto's drivers. With respect to nearby cities, GTA-based taxicabs tend to experience similar operating costs and numbers of trips, and fares are expected to be similar.

Year	Initial Drop (includes one distance increment)	\$0.25 Distance Charge increment	Fare for 5 km trip (no waiting charge)	Fare for 10 km trip (no waiting charge)
Toronto	\$4.25	143m	\$12.75	\$21.50
Mississauga	\$4.25	141m	\$12.90	\$21.75
Ottawa	\$3.45	134m	\$12.60	\$21.90
Calgary	\$3.40	150m	\$11.50	\$19.90
Edmonton	\$3.60	169m	\$10.80	\$18.20
Vancouver	\$3.20	139m	\$12.10	\$21.10
NYC	\$2.50	161m	\$9.75	\$17.55
Chicago	\$3.25*	224m	\$8.85	\$14.45
Boston	\$2.60	144m	\$10.90	\$19.60
San Francisco	\$3.50	146m	\$11.50	\$20.00
Houston	\$2.75	183m	\$9.40	\$16.25
*Chicago Initial Drop does not include a first distance increment				

## Impact of the fare on demand for taxicab service

Taxi Research Partners, as part of their passenger survey, used a 5-point scale to measure the likelihood of passengers to increase or decrease their use of taxicabs if the average cost of a trip was reduced or increased by \$1.

Using data from the survey, TRP modeled the impacts of two different fare options on taxicab industry participant incomes. The two options were: Fare Option 1- reduce the initial drop by \$1 and adjust the distance charge to maintain the same fare over 10km; and Fare Option 2- reduce the initial drop by \$1 for a net \$1 reduction in all fares.

	Fare Charges	5 km	10 km
Base	\$4.25 initial drop \$0.25 per 143m	\$12.75	\$21.25
Fare Option 1	\$3.25 initial drop \$0.25 per 136m	\$12.00	\$21.25
Fare Option 2	\$3.25 initial drop \$0.25 per 143m	\$11.50	\$20.25

TRP used the passenger survey to model the growth in demand for taxicab service which would be stimulated by each fare option scenario.

**Fare Option 1:** A \$1 decrease in the drop but maintenance of the fare over 10 km, would stimulate a small growth in demand for short distance trips, such as late morning and afternoon trips originating from shopping activities. However, since the total fare charged on the average trip (10 km, \$21.25) would not be affected by this change in the fare structure, the income for all driving participants would increase by 0.1% as a result of additional trips.

**Fare Option 2:** A \$1 decrease in the drop alone leads to an overall reduction in the fare charged for all trips. This decrease in the total fare would stimulate a growth in demand slightly more than under Fare Option 1. However, the revenue effect of the \$1 decrease in the total fare for each trip is not fully offset by the small growth in the number of trips, and the income for all driving participants would fall between 5% to 9%.

## 19. Maintain current fare rates and review every two (2) years

### Short Fare Refusals

During the consultations, passengers voiced concerns over drivers refusing to service short distance trips. Despite the growth in short trips that may arise from a lowered drop charge or lower total fare, driver behavior suggests that a high drop charge provides a greater incentive for drivers to service short distance trips.

### Increased Costs

Recommendations arising from this review will result in a number of changes that are likely to affect the incomes of all taxicab industry participants. New technological and vehicle upgrades will need to be paid out of farebox revenues.

Changes to the owner's licence properties and the eventual conversion of the Ambassador licence into a 24 hr operating licence will decrease the number of fares available per shift. Lease and shift rental fees are also likely to change, as the industry adjusts its operating models to accommodate the changes to owners' licence properties. Moving forward, the City will continue to take the full operating costs, including shift and lease fees, into consideration when determining a fair taxicab fare.

As changes to the industry may have an impact on the revenue, and to encourage drivers to take short fares, it is recommended that the fare remain the same.

## 20. Review relevance of flat fees, discounts and additional charges

### Flat Fees, Discounts and Additional Charges

The fare is calculated by the meter by distance and time of a trip, but there are other provisions in the By-law that can impact the total cost of the trip.

**Flat Fees:** Some brokerages negotiate flat fees with charge accounts. Taxicab drivers servicing these flat fee accounts must be paid by brokerages no more or less than what the metered rate would have been.

Flat fees are also allowed if the taxicab is going more than five (5) kilometers outside of the City, and are to be negotiated between the driver and the passenger before the start of the trip. Taxicabs driving to the Lester B. Pearson International Airport are also able to charge a flat rate, according to the rates set by the City.

**Discounts:** Currently, a driver or owner of a taxicab can elect to charge a lower fare to people who have a disability, or to seniors.

**Additional Charges:** The Tariff card currently prohibits any additional charge for the loading or unloading of wheelchairs that are able to be stored in the trunk. It is recommended that this prohibition be extended to include all mobility devices (e.g., walkers and canes)

As these issues affect the cost of Toronto taxicabs to passengers, it is recommended that further consultation be conducted to review these additional charges, discounts and flat fares.

## 21. Allow drivers to charge a \$25 cleaning fee if a passenger soils the taxicab

### Cleaning Fee

Drivers reported that passengers vomiting or otherwise soiling their taxicabs pose a significant cost. If a passenger soils a taxicab, that taxicab cannot serve another passenger until it is properly cleaned. During the consultations, drivers commented that they want passengers to pay a fee if they vomit in or soil the taxicab. It was also reported that some taxicab drivers already charge some passengers a cleaning fee, in contradiction to the current By-law. These unregulated fees can be in excess of \$100.

Some jurisdictions have implemented a cleaning fee have set their fee in keeping with the estimated cost of the time it takes to clean the taxicab, or with the cost of an average taxicab fare.

The City of Toronto is responsible for ensuring that all passengers are treated equally, including in the case of any fees charged in addition to the metered fare. A regulated cleaning fee will help offset time lost and cost to clean the taxicab, and ensure consumer protection against unregulated and exorbitant fees.

It is recommended that drivers be allowed to charge a cleaning fee, in circumstances where a passenger has soiled the taxicab to the degree that it requires cleaning before another fare can be picked up. The cost of one fare should be used as the appropriate fee. As it is estimated that the average fare in Toronto is \$25, this fee would accommodate for the loss of one other fare due to cleaning.

## 22. Set a maximum processing surcharge amount for debit and credit card passenger payment transactions

### Regulating surcharges for debit and credit

The 2011 staff report "Review of Method of Payment Fees in Taxicabs", examined a number of options to address electronic payment surcharges. The By-law provisions at the time only required customers to pay the amount shown on the meter. However, some owners and brokerages equipping taxicabs with electronic payment system were charging an additional fee (\$0.50 - \$1.50) for the use of electronic

payment, despite no-surcharges rules preventing merchants from charging a fee on transactions made with Visa or MasterCard credit cards. Drivers expressed concerns that passengers were not aware of these fees, and would become upset and/or dispute the drivers' right to charge such a fee.

It was determined that the primary concern over surcharges revolved around "right-to-know", rather than owners and brokerages passing along the cost of electronic payment processing. As a result, Chapter 545 was amended to require owners and drivers to affix a sign notifying customers of the surcharge that would be charged for electronic payment processing.

It was determined that passing surcharges along to customers was a reasonable method of allowing owners, brokerages and drivers to recuperate transaction processing fees. Unlike other merchants, the regulated fare structure does not allow electronic payment transaction costs to be recuperated through price adjustments.

Chapter 545-150 (Q) requires that any taxicab equipped to accept electronic payment clearly indicate to the passenger upon entering or intending to enter the taxicab, the amount of fee charged for making payment with a debit or credit card. However, Chapter 545 is silent as to the amount of surcharge that may be passed along to passengers. Nonetheless, there is an expectation on the part of passengers that a taxicab ride will cost the same amount, regardless of which taxicab provides the fare, and this expectation includes the surcharges for specific payment options. It is therefore recommended that a maximum processing surcharge amount be set for debit and credit card payments.

## TECHNOLOGY ENHANCEMENTS

Technology enhancements in Toronto's taxicabs can increase the accessibility of taxicab service, protect driver and passenger safety, improve customer service, and strengthen the City's ability to conduct evidence-based regulation and by-law enforcement.

### 23. Require all taxicabs to have passenger information technology which meets a minimum set of specifications

#### Passenger Information Monitor

In order to increase the accessibility, safety, and customer service experience of Toronto's taxicabs for all passengers, all licensed taxicabs should be equipped with a passenger information monitor (PIM). A PIM is a digital screen, typically located in or on the back of one of the front seats. PIMs are typically hardwired to the taxicab's meter, and can communicate the fare and other information such as the taxicab and driver's licence numbers to passengers in the rear seat, **audibly** and **on-screen**.

At present, the fare, tariff rates, owner, driver and taxicab licence information, compliments and complaints procedures and the Passenger Bill of Rights, are communicated by print. A PIM capable of audibly communicating this information out loud would increase the accessibility of taxicabs for persons with visual impairment.

"Talking" PIMs in other jurisdictions allow passengers to hear the fare changes at regular intervals and guide passengers through electronic payment procedures. New features being developed for New York City's taxicab PIMs also include the ability for on-screen text to be enlarged and displayed in high contrast colour schemes.

In some jurisdictions where PIMs are mandated, the PIM must be also able to process electronic payment by debit and credit card, or be hardwired or in wireless communication with a point of sale terminal. Integration or communication with a point of sale terminal would allow the audible accessibility features of the PIM to be extended to the payment process.

Another common passenger safety and tourism feature of new PIMs in other jurisdictions is integration with global positioning system (GPS) technology. Using GPS data, the PIM displays the taxicab's real time location on an on-screen map. Such maps can also be pre-programmed to identify points of interest or importance as the taxicab approaches them.

Approximately 15% of Toronto's taxicabs are already equipped with a GPS-enabled digital screen, which is indirectly connected to the taximeter. These screens, which display short videos and advertising, are used as a source of additional income by taxicab owners

It is recommended that Passenger Information Monitors be required in all Toronto Taxicabs by January 1, 2015. In order to facilitate the implementation of this recommendation, the City should establish minimum technical specifications for PIMs, including:

- Hardwired connection with the taximeter

- Audible and visual communication of taxicab and driver information
- Audible and visual communication of incremental and total metered fare
- Real-time display of the taxicab's location
- Enhanced accessibility features for passengers with visual impairments.

The City should work with technology and service providers to establish an approved vendors list so that owners will have flexibility in choosing a PIM for their taxicabs.

## 24. Require all taxicabs to be equipped with vehicle information technology capable of generating trip sheets and operator logs unique to each vehicle and operator

### **Vehicle Information Technology**

Chapter 545 requires Toronto's taxicab drivers, owners, and designated agents to maintain records of taxicab operations, and to make these records available to the City of Toronto. The Framework recommends that owners and drivers be required to keep and submit Trip Sheets in order to support evidence-based projections of taxicab demand. In order to support more efficient record keeping and facilitate easier communication of data between the taxicab industry and the City, all licensed taxicabs should be equipped with vehicle information technology capable of electronically collecting and communicating data concerning taxicab trips and operator hours.

Collecting trip data, and driver and owner operating hours through automatic electronic means would reduce the time burden of manual collection, and reduce chances of error or omission.

The City's recommended implementation of automatic electronic trip sheet and operator log data collection is through the mandatory installation of approved Vehicle Information Technology (VIT). One example of a VIT could be an on-board computer which is designed and programmed to automatically collect operator and trip data, and to transmit data wirelessly to the terminal's service provider or directly to the Regulator. Such technology has already been deployed by some owners and brokerages.

### **Regulatory and Administrative Use of Taxicab Data**

Respecting privacy, the City's preferred approach to data collection is to require owners to submit trip sheet records separate from operator log records, as this data will be used for different purposes. However, there may be passenger and driver safety reasons where it will need to be determined which operator and vehicle served a specific trip, and the City would therefore require owners to keep these records in tandem, subject to inspection.

### **Trip Sheets**

The City's intended approach to projecting demand and evaluating the licence cap is based on an accurate understanding of the total number of trips served by the industry and where such trips originate. By having vehicle information technology automatically collect this information in an electronic form, data can be submitted to the City by the technology service provider or taxicab owner.

At this time, the City has no regulatory need for data concerning the total fare charged for trips, and is not recommending that trip sheets be required to include financial details of each trip. Owners and brokerages, however, may wish to collect this information, but should be able to omit such details when submitting trip sheets.

### **Operator Logs**

Details concerning the number of hours driven by taxicab owners and drivers are required by the City for a number of regulatory and administrative needs.

For example, Ambassador taxicabs are required to be in service a minimum of 36 hours per week, but no more than 12 hours in any 24 hour period. A Standard taxicab owner who is the sole driver of his or her taxicab may be granted an extension in the vehicle age restriction. The recommended TTL imposes a minimum driving requirement on the licence holder.

Drivers, as discussed above, must demonstrate fulltime employment as a taxicab driver for at least 3 years, in order to apply to be placed on the Drivers' List. At present, self-reported income and employer statements are used to assess fulltime status.

Operator logs, generated automatically by vehicle information technology, would allow the City to confirm minimum driving requirements, or full-time or sole operator status, based on actual hours driven, with no regard for income.

As with the PIM, the implementation of this recommendation should be preceded by the development of minimum technical specifications and the establishment of approved vendor and product lists.

## **25. Mandate that all taxicabs be equipped to accept debit and credit card payment using approved electronic payment technology**

### **Electronic Payment Technology**

Canadians are increasing their use of non-cash payment methods. A 2008 Bank of Canada study indicated that Canadian consumers prefer to pay by debit (53%), over cash (39%) or credit card (5%). In 2011, debit and credit cards combined for about a third of total Canadian payments volume (16% and 14% respectively).

The By-law does not require taxicabs to accept debit or credit cards as payment methods. Nonetheless, many of Toronto's taxicabs are now equipped with electronic payment terminals in response to consumer use of debit and credit cards. According to data volunteered by several licensed brokerages, at least 65% of Toronto's taxicabs are equipped with an electronic point-of-sale (POS) terminal to process payments made by debit or credit card. Taxicabs which are equipped with POS terminals are required to display a sign indicating the methods of payment accepted, and any fees associated with their use.

The City recognizes that the ability to pay for taxicab service by electronic means is a growing demand from consumers, and a recognized strategy for reducing the safety risks of passengers and drivers associated with having large amounts of cash on hand.



In the passenger exit surveys conducted during the consultation and research phases of this Review, 46% of passengers reported paying for their rides by debit or credit card. Several passengers surveyed during a one-day engagement exercise also offered suggestions concerning electronic payment, reporting that "cashless options", "fare transaction for credit/debit without a fee", and "own credit card swiping like in New York" would improve customer service.

Given the growing use of debit and credit cards, and the need to decrease the safety risk of taxicab drivers carrying large amounts of cash, it is recommended that the By-law mandate that all licensed taxicabs be equipped with an approved electronic payment system to process debit and credit cards.

The City is currently conducting a survey of the industry on the desire to mandate POS terminals in all taxicabs, the results of which will be shared during the summer consultations on this framework.

### **Pre-approved vendors and product lists for consumer protection**

If all taxicabs are to be equipped with an electronic payment system, the City has an interest in ensuring a minimum level of consumer protection accompanies such regulation. Minimum technical specifications and performance criteria should be developed for electronic payment systems, including:

- conformation with the Payment Card Industry Security Standards Council's Security Standards
- hardwired communication with the taximeter
- ability for passengers to complete their transactions in the rear seat, without the need for the taxicab operator to handle the card.

The implementation of this recommendation should be preceded by the creation of a list of approved vendors and products.

### **Business practices outside the scope of municipal regulation**

A 2008 Bank of Canada study suggested that the average per transaction costs of electronic payments (including terminal rental, labour and merchant fees) ranged from 0.5% for debit card to 2.5% for credit card transactions. Driver reports of credit card and debit card processing fees of between 5% and 8% suggests that there may be some cases of garages, owners and brokerages charging drivers more than the minimum fee needed to recuperate the costs of electronic payment processing. However, these arrangements, similar to the negotiation of shift rental and lease fees, are negotiated outside the scope of municipal regulation and are beyond the City's jurisdiction. The 2011 staff report examined the option of setting and regulating a maximum processing fee that drivers could be charged, but determined that this would require the City to regulate third party agreements.

## DRIVER SAFETY

Driving a taxicab is not always an easy or a safe job. Long hours spent working alone, and often at night, carrying large sums of cash and dropping passengers off in unfamiliar or unsafe locations, can put drivers at risk of both petty and serious violent crimes. Statistics Canada data demonstrates that taxicab drivers are at a greater risk of homicide on the job than police officers and gas station attendants.

Through the extensive discussions and comments received during the consultations, drivers confirmed that their own safety is a pressing and constant concern. They discussed both the risk of the serious violent crimes, as well as lesser crimes such as abusive treatment by customers and "fare-jumping".

### **Safety Measures to protect Toronto Taxicab Drivers**

The City currently mandates a range of measures to protect the safety of taxicab drivers.

**Technology:** Each Toronto taxicab must have a fully functioning in-car camera which takes still images, and be equipped with exterior emergency lights.

**Right to refuse:** Chapter 545 allows taxicab drivers to refuse to serve passengers who that do not disclose a final destination, ask to be driven to a remote or unsafe location, have not paid a previous fare or are abusive or obnoxious.

**Driver Training:** Drivers receive training in customer service, handling difficult passengers, emergency situations, defensive driving, stress management, health and wellness, proper use of safety equipment, and municipal, provincial and federal legislation pertaining to their rights and the rights of their passengers.

Although these measures help to mitigate some of the safety risk faced by taxicab drivers, the continued incidence of crime illustrates the need for additional measures.

### **Taxicab Shields**

Taxicab owners are permitted to install an in-car partition commonly called a "shield", to create a physical barrier between passengers and drivers. Currently, only one (1) taxicab in Toronto has opted to install a shield.

The opinions of Toronto's taxicab industry participants and passengers are varied when it comes to taxicab shields. Many experienced drivers participating in Refresher training classes claim that shields are not necessary and that drivers can and should manage customers using their own judgment and actions. Other drivers argue that a shield is the only physical safety protection measure available to them. In addition to debates over the effectiveness of a taxicab shield in deterring violent crime, drivers express concern over who would be responsible for paying for the installation of a shield, if they were made mandatory.

In order to gather a more fulsome understanding of industry participants' views on shields and other safety measures, a survey was mailed to all taxicab industry licencees (owners, drivers and brokers), the results of which will be released during the consultations in July and be included in the final report.

## **26. Allow taxicab drivers to request payment in advance, when they deem necessary, and review its effects in two (2) years time**

### **Payment in Advance**

Drivers have often recommended that they be able to ask passengers for an assurance of payment, similar to pre-payment arrangements at gas stations.

The ability to ask for an assurance of payment before the meter starts running, either through a cash deposit, credit card pre-authorization, or pre-payment by debit, helps drivers manage their risk of robbery and fare jumping.

Drivers should be able to use their discretion as to which passengers they ask to provide an assurance of payment, and passengers should be able to decide whether they will provide such assurance through a cash deposit or an electronic payment card. It is recommended that taxicab drivers be able to negotiate with the passenger about the amount of the assurance, up to a maximum of \$25. It is recommended that:

- Drivers be permitted to request for an assurance of payment in an amount equal to the estimated fare, up to a maximum of \$25
- A passenger may ask the brokerage to verify the estimated fare
- Drivers must provide a receipt to the customer upon receiving a cash deposit, prior to starting the meter, if requested

The implementation of this recommendation will have to be in conjunction with mandatory POS terminals, so that an assurance of payment is possible using any method a passenger chooses.

## **27. Support and encourage each brokerage to develop an Emergency Communication Protocol**

### **Brokerage Emergency Communication Protocol**

Drivers also voiced the opinion that each brokerage should have a formal Emergency Communication Protocol to help keep drivers safe. Some drivers reported that, when they triggered the silent emergency lights buttons, other drivers would alert the brokerage dispatcher. On several occasions, the dispatcher would then call the driver in distress and ask, "Are you okay?" over the radio, which was audible to passengers in the vehicle.

It is recommended that each brokerage be encouraged to develop an emergency communications protocol using silent or 2-way radio communications. To support brokerages, MLS will maintain resources relating to best practices in other jurisdictions and industries.

Furthermore, it is recommended that prior to using brokerage services, each driver within the brokerage must receive training on the brokerages Emergency Communications Protocol.

## 28. Increase City's ability to investigate fare jumping

### Response to Fare Jumping Incidents

Fare jumping is when a passenger takes a taxicab, and then leaves the taxicab before paying the fare. Industry consultations highlighted this as a major issue affecting drivers. Fare jumping impacts driver incomes, but it also affects driver safety since fare jumping can lead to altercations between drivers and passengers.

#### Increasing Capacity

Currently, there is very little that the Toronto Police Service or the City can do in the event of fare jumping and other minor crimes against taxicab drivers. MLS is reviewing the opportunity to assist the Taxicab Industry with investigations and complaints.

Currently only police can download images from the mandated cameras in each taxicab. This means that images are only downloaded for incidents as per their policy. MLS is working with Toronto Police Service and the current camera vendors to enable the City to download images from taxicab cameras to increase the ability to enforce by-laws.

## 29. Partner with Crime Stoppers to deter and solve taxicab-related crime

### Partner with Crime Stoppers

Crime Stoppers is a charitable organization providing the public with the platform to provide anonymous tips to help solve crimes. Crime Stoppers is supported by donations and works by raising public awareness about a crime, such as through online photos and re-enactments. Crime Stoppers also solicits tips from the public to solve crimes. If a person's tips lead to an arrest, the organization pays a reward of up to \$2000.

Toronto's Crime Stoppers has expressed interest in partnering with the City of Toronto to develop a program to better deter and solve crimes against taxicab drivers.

A partnership with Toronto's Crime Stoppers could involve:

- Creating a Taxicab Safety program, which would include a specific section to solicit tips to help solve crimes involving taxicabs and taxicab drivers
- Including the Toronto Crime Stoppers logo on the Taxicab Bill of Rights, advising that photos of criminals may be posted on their website

# RIGHTS OF PASSENGERS AND DRIVERS

## Passengers

Passenger surveys and consultation feedback indicated that passengers were generally very happy with Toronto's taxicabs. However, there were a number of important concerns that surfaced, including some areas that pertained to passengers with disabilities:

**Additional fees charged to passengers with disabilities:** A number of passengers who use wheelchair accessible taxicabs reported that they have been charged an extra fee by taxicab drivers. This fee could range from \$5 to \$15, which passengers were told was to pay for additional fuel costs and/or the time required to assist them. Such fees are in contravention of the By-law.

**Incorrect fares charged to visually impaired customers:** Through consultations, it was reported that some drivers have overcharged passengers who were blind or visually impaired.

**Refusal of short fares:** A significant number of passengers have reported being refused service by taxicab drivers because of the short distance of their intended trip.

**Inability to identify taxicab or driver licence numbers:** Some passengers noted that they had negative experiences with taxicabs, but didn't know how to identify the taxicab number or driver, and/or didn't know whom to contact in order to file a complaint.

**Unsafe driving behaviour:** Some passengers also expressed that they did not feel that drivers always practiced safe and defensive driving.

## Drivers

During the consultations, and refresher training courses, drivers report facing a number of challenges in the workplace, many of which arise from driver-passenger interactions. Examples include:

**Driving interference by passengers:** Drivers reported that some passengers demand illegal u-turns or illegal left hand turns.

**Unlawful behavior:** Drivers reported that some passengers consume alcohol, smoke in the taxicab or do not wear their seatbelts.

**Fare jumping:** The most significant issue drivers expressed during consultations was the rate of passengers who would not pay the fare at the end of the ride.

The resolution of many of these concerns can be addressed through better articulation and promotion of passenger and driver rights.

### 30. Improve the current Passenger Bill of Rights, by enhancing both passenger and driver rights and replace with the Taxicab Bill of Rights

#### Taxicab Bill of Rights


The Taxicab Bill of Rights (TBR) will replace the Passenger Bill of Rights that is currently posted in all Toronto taxicabs. The TBR was developed with input from many members of the taxicab industry. Throughout the Taxicab Industry Review, many taxicab drivers requested a public promotion of the existing by-law provisions which govern their treatment and working conditions, and which aims to protect their health and safety. The TBR includes many of these by-law provisions, and some new provisions as recommended in this report. The TBR includes many of the current passenger rights, but also expands on these rights as heard through the consultations. Finally, the TBR presents clear and easy-to-remember directions on how to contact the City of Toronto with any compliments or complaints.

FIGURE 5: Proposed New Taxicab Bill of Rights

### Taxicab Bill of Rights


Contact us if you have a compliment or complaint:  
1-877-TO-TAXIS (1-877-868-2947) TTY customers: 416-338-0TTY (0889)  
Website: [www.toronto.ca/TOTaxis](http://www.toronto.ca/TOTaxis) E-mail: [TOTaxis@toronto.ca](mailto:TOTaxis@toronto.ca)

Scan this QR Code to go to our website.




**Welcome to your licensed Toronto Taxicab!**

<b>Toronto Taxicabs must:</b> <ul style="list-style-type: none"><li>• be a smoke-free environment</li><li>• be in good mechanical and physical condition</li><li>• be equipped with easily accessible seatbelts</li><li>• be clean in the passenger area and the trunk</li><li>• be heated or air-conditioned on demand</li><li>• have no open alcohol inside the taxicab</li><li>• be equipped with an in-car camera</li></ul>	<b>Taxicab Drivers must:</b> <ul style="list-style-type: none"><li>• be courteous and offer a silent ride if requested</li><li>• speak and understand English</li><li>• know the major routes and destinations in Toronto</li><li>• obey all traffic laws</li><li>• only use a cell phone in emergencies</li><li>• provide a receipt with the date and time of the trip, the distance travelled, the taxicab licence number and the fare charged, if requested</li><li>• not recommend hotels or restaurants, unless requested</li></ul>
<b>Passengers:</b> <ul style="list-style-type: none"><li>• must wear a seatbelt</li><li>• can direct the driver on the route to be taken</li><li>• have the right to a free ride if the meter is not turned on</li><li>• may be required to pay a deposit for an amount less than or equal to the estimated fare</li><li>• cannot be charged extra because of a disability or for a mobility device</li></ul>	<b>Drivers may refuse to provide service if passengers:</b> <ul style="list-style-type: none"><li>• do not disclose a final destination</li><li>• ask to be driven to a remote place which the driver reasonably believes to be unsafe</li><li>• are unduly obnoxious or abusive</li><li>• have not paid a previous fare</li></ul>



**Failing to pay your fare is illegal, and may lead to prosecution.  
Photos of criminals may be posted online at Crime Stoppers.**



### 31. Affix a Braille sticker indicating the taxicab licence number to each Tariff Card

#### **Braille in Taxicabs**

Some passengers with visual impairments reported being taken advantage of by taxicab drivers. For example, some drivers do not provide receipts with the correct taxicab licence numbers. It is recommended each taxicab Tariff Card, located above the Taxicab Bill of Rights, have a Braille sticker which identifies the taxicab licence number and City's 311 number.

Until other technology, such as the Passenger Information Monitor (PIM) is in place to communicate critical information such as the taxicab licence number and driver's name to persons with visual impairments, it is recommended that Braille be used as an interim solution.

## VEHICLE REGULATIONS

Over the past fifteen years there has been a dramatic increase in the physical appearance and mechanical fitness of Toronto's licensed taxicabs. The number of failed inspections, tickets, complaints and plate removals associated with vehicle conditions are all down considerably from the mid to late 1990s, indicating the industry reforms of 1998 have had a positive impact.

### 32. Maintain current model year restrictions for most vehicle types

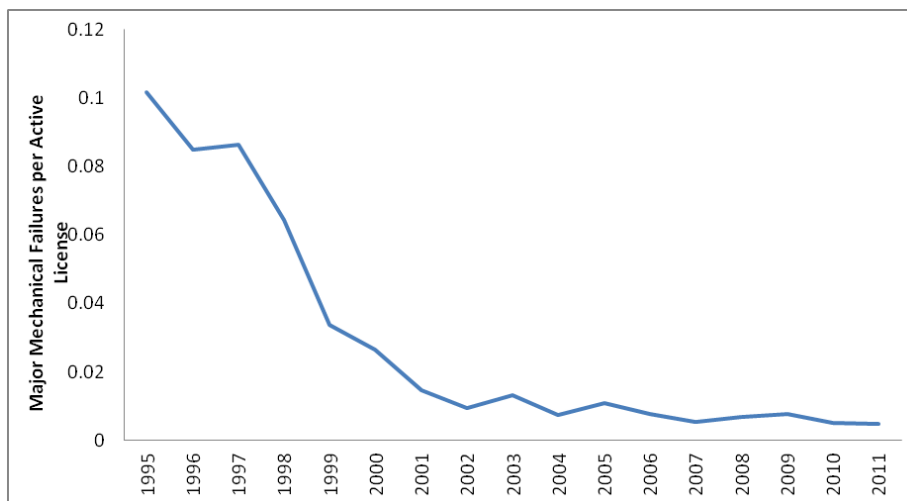
#### Vehicle Age Restrictions

The average taxicab operates 24 hours a day, 7 days a week, and drives more than 100,000 kilometers a year. As such, taxicabs deteriorate more quickly than other vehicles. Vehicle age restrictions regulate how many model years old a vehicle can be when it is first introduced into service as a taxicab and before it must be removed from service.

Toronto's vehicle age restrictions vary from 5 model years to 7 model years, depending on the owner's licence type, operating model, wheelchair accessibility and fuel type.

The introduction of shortened vehicles age restrictions as part of the 1998 review has played a significant role in the overall improvement in safety and vehicle appearance. The rate of major mechanical failure dropped by a factor of 10, between 1995 and 2011.

**FIGURE 6:** Major Mechanical Failures (1995 – 2011), all taxicabs



At this time, there does not appear to be a need to change the number of years that most vehicle types are allowed to be in service as taxicabs, from that currently permitted by Chapter 545.

However, there may be reasons to extend vehicle age restrictions on alternative fuel and wheelchair accessible vehicles.



### 33. Allow all approved alternative fuel and hybrid vehicles an extension of up to seven (7) model years

#### Alternative Fuel Taxicabs

The average Toronto taxicab is on the road 5 times more than the average Canadian personal vehicle, resulting in additional smog and emissions that affect air quality in the City. Alternative fuel taxicabs are vehicles that run on electric power, natural gas, propane gas or as a hybrid and can help reduce emissions.

A taxicab owner's operating model plays a significant role in his or her choice of vehicle. Owners who are able to personally benefit from fuel savings are more likely to purchase a fuel efficient or alternative fuel vehicle, when compared to owners who lease out or shift rent their vehicles. Evidence of this greater adoption is seen in jurisdictions with large numbers of owner-operators such as New York City, where more than nearly one third of all taxicabs are hybrids.

There are three strategies currently in place that encourage taxicab owners to use fuel efficient or alternative fuel vehicles.

First, most of Toronto's taxicabs are required to be less than 5 model years in age. As a result of this requirement, the overall fuel efficiency of the taxicab fleet improves as aging taxicab vehicles are replaced with newer models.

Second, the approved taxicab vehicle list includes 7 hybrid vehicles that have been identified as meeting the City's vehicle specifications. Further, one additional hybrid, the Toyota Prius, has been exempted from the interior size specifications.

Third, the 5 model year age restriction may be extended to up to 7 model years, for vehicles that are fuelled by natural gas.

As of January 2013, 460 of the 4850 licensed taxicabs are alternative fuel vehicles. This represents approximately 10% of the existing fleet.

Alternative fuel vehicles can be more expensive than gas engine vehicles, so the extension of the life of the vehicle allows taxicab owners to amortize the increased cost of the vehicle over time. As the City has an interest in the reduction of emissions, it is beneficial to incentivize the use of alternative fuel vehicles.

The City currently allows for a longer age for some alternative fuels (natural gas) and not others (electric and propane gas). It is recommended that the model year extension of up to 7 years for natural gas fuelled vehicles be applied to all alternative fuel and hybrid vehicles which meet the City's vehicle specifications.

34. Permit any vehicle which meets the national standard for wheelchair accessible motor vehicles and the City's approved specifications be used as a wheelchair accessible taxicab in association with the Toronto Taxicab Licence

### **Wheelchair Accessible Taxicabs**

One of the operating conditions of the proposed Toronto Taxicab Licence is the use of a wheelchair accessible vehicle as the taxicab. In 2012, 4 vehicles were approved for use as wheelchair accessible taxicabs, the MV-1, a purpose-built wheelchair accessible vehicle, and 3 vehicles which are converted to meet the national standard for wheelchair accessible motor vehicles (CSA D409 "Motor Vehicles for the Transportation of Persons with Physical Disabilities"). The City should continue to monitor the performance of the different vehicles being used as wheelchair accessible taxicabs in the current fleet, including both converted and purpose-built wheelchair accessible vehicles.

The City should also continue to review the availability of purpose-built wheelchair accessible taxicab vehicles and any data published by New York City and London, UK, and other jurisdictions, concerning their experience with wheelchair accessible vehicles. Until further performance data can be evaluated, it is recommended that the City continue to permit any vehicle which meets both the vehicle specifications and the CSA D409 standard to be used as a wheelchair accessible taxicab.

35. Continue to monitor the taxicab vehicle market and reassess the appropriateness of a dedicated vehicle in 2015

### **Dedicated Vehicle**

Industry stakeholders and City Council requested an investigation of whether a dedicated vehicle would be of benefit to Toronto's taxicab industry.

City Council specifically requested a report on New York City's experience in commissioning a new dedicated vehicle – the Nissan NV200, aka, the "Taxi of Tomorrow". In 2014, New York City will join a very small number of jurisdictions, including London, UK, which mandates one vehicle make and model for the majority of its licensed taxicabs. However, the outcomes of legal challenges concerning the Taxi of Tomorrow, an exemption to the Taxi of Tomorrow requirements for certain medallion types, and a pilot project testing the use of small electric vehicles as taxicabs mean that New York City will continue to have more than one make and model of vehicle in its taxicab fleet.

Proponents of a single dedicated taxicab vehicle make and model suggest there is an opportunity for the City to address a number of objectives by restricting taxicabs to a single vehicle make and model. The City's ideal vehicle is a purpose-built taxicab, which is wheelchair accessible, fuel efficient, and possesses a number of safety features for both passengers and drivers, while still being affordable for taxicab owners. A dedicated vehicle may also enable a consistent Toronto taxicab "brand", helping to ensure that residents and visitors are easily able to identify Toronto's licensed taxicabs.

During the consultation phase of the review, however, nearly every stakeholder group voiced opposition to having a single make or model as the dedicated vehicle for Toronto's taxicabs. Owners and drivers are

concerned that a dedicated vehicle would increase their operating costs, as they believe that the lack of market competition for their business would raise taxicab vehicle prices. The hospitality and tourism industry also considered a single dedicated vehicle a low priority.

Research was conducted to identify if there are any vehicles which could meet the City's multiple objectives. Research into the taxicab vehicle market has determined that currently there is not a vehicle available in North America that can be recommended as a dedicated vehicle. However, based on New York City's Taxi of Tomorrow design competition, it appears that there may be a small number of purpose-built taxicab vehicles in development which could meet these objectives.

As the Toronto Taxicab Licence is phased in, the number of vehicles available to be used as a Toronto Taxicab Licence will become more limited. This is because it is recommended that only wheelchair accessible vehicles be allowed to be used as Toronto Taxicab Licensed taxicabs.

At present, rather than try to meet all passenger needs and policy objectives through a single dedicated vehicle, the City should maintain its current approach to vehicle makes and models which allows taxicab owners to choose their taxicab vehicles within specified guidelines. Doing so allows taxicab owners to make their own assessment of the best vehicle for their business operations.

## **36. Continue to permit taxicab owners to select the colour of their vehicles**

### **Vehicle Colour**

A mandatory colour for all taxicabs continues to be proposed as a tool to reduce the number of unlicensed or illegally operating taxicabs, and as a means of promoting licensed taxicabs to residents and visitors through an easily recognized and consistent "brand". Outside of Canada and the US, many jurisdictions require a single colour or colour scheme for taxicabs.

While there is some limited research which suggests that light colours, such as yellow, white or silver, may have lower rates of collisions, any choice of colour or colour scheme would be mainly based on aesthetics, and not safety considerations.

During the consultations, some taxicab industry participants and tourism industry representatives suggested that a mandatory colour or colour scheme would make licensed taxicabs more visible to residents and visitors, and distinguish Toronto taxicabs from out-of-town taxicabs for enforcement purposes. However, a single colour may also make it easier for vehicles operating as unlicensed taxicabs to blend into the licensed fleet since unlicensed taxicabs could paint their vehicles to match the dedicated colour, making it harder to identify as unlicensed.

The majority of brokerages were opposed to a mandatory colour for all taxicabs. Many brokerages require taxicab owners who use their dispatch services to paint their taxicabs according to an approved and proprietary colour scheme. Brokerages expressed concern that should there only be one colour of taxicab, passengers would not be able to distinguish one brokerage from another. As such, passengers may not be able to recognize and remember which brokerage's taxicab they had used, for the purposes of recovering lost personal property or reporting customer service issues. Brokerages were also concerned that a uniform colour would compromise their ability to promote their own brand.

At this time a mandatory colour would not offer any significant improvement to passenger safety or customer service. As such, it is recommended that taxicab owners continue to be permitted to paint their taxicabs any colour they choose.

### **37. Update forms, signs and markings for taxicabs to be consistent with Toronto's corporate identity and AODA standards**

That being said, it is recommended that the City update all forms, signs and markings required of and issued to licensed taxicabs to ensure a brand more consistent with corporate policies. The City will work internally to ensure that design guidelines for forms, signs and markings are consistent with the City of Toronto Corporate Identity Program guidelines and AODA standards.

Branding Toronto's taxicabs more consistently will help ensure that passengers can easily identify a licensed taxicab. Examples of this work include:

- Licence numbers on the side of the taxicab
- Taxicab Bill or Rights and Tariff Card
- Stickers affixed to taxicab windows

## TAXICAB TRAINING

Major cities around the world recognize training as an essential tool to prepare taxicab drivers and owners to provide excellent service. Many large cities provide training to ensure that drivers have sufficient knowledge of geography, relevant laws, defensive driving, and how to work with passengers, including those with disabilities.

### City of Toronto Taxicab Training

The MLS Training Centre develops and delivers training programs for taxicab and limousine owners and drivers. For taxicab licensees, the Training Centre provides the mandatory introductory and refresher programs required by the By-law. All course content is regularly reviewed and updated. The training centre runs as a cost recovery model that is entirely funded by licensing fees, and operates at no cost to taxpayers.

#### 38. Create a Toronto Taxicab owners course

### Toronto Taxicab Licence Training

As all new Toronto Taxicab Licensed taxicabs will be owner-operated and wheelchair accessible, there will be a significant amount of training required to ensure that new owners and drivers are able to operate these taxicabs. The Toronto Taxicab Licence will require a new training program that will be modeled off the existing Ambassador taxicab owner's training and Accessible training.

#### 39. Require all taxicab drivers to complete simulated Defensive Driver Training as applicable

### Simulated Defensive Driving Training

All taxicab drivers attend taxicab driver training. Both the introductory and refresher driver training courses use classroom based examples and discussion to address safe and defensive driving. Classes review applicable legislation, best practices and the common errors that drivers make. Feedback provided through the consultations and passenger surveys has indicated that the current classroom based training is not enough to keep taxicab drivers from engaging in risky or unsafe driving behavior.

Simulator training programs can be customized to provide specific types of challenges to students, such as driving in slippery conditions, seeing a child run out from behind a parked car, or other incidents which can help them to improve their skill. A significant advantage of simulator training over in-car training is that a scenario in which a driver reacts poorly can be repeated again after coaching, providing an immediate opportunity to correct an unsafe practice.

It is recommended that every new driver complete a simulated defensive driving component as part of the City's training requirements. It is further recommended that taxicab drivers also complete simulated defensive driving component as part of their Refresher training.

**40. Introduce greater accessibility training in all new and refresher taxicab driver and owner training courses**

**Accessibility Training**

The current accessibility training course is a 5-day program which includes in-class and in-car components, equipping drivers with the theory and hands-on experience necessary to safely and respectfully provide taxicab service to persons using wheelchairs or when requiring assistance.

The implementation of the 100% Wheelchair Accessible Taxicab Strategy and the issuance of the Toronto Taxicab Licence will increase the number of wheelchair accessible taxicabs. In addition, the City must move towards a greater degree of barrier-free taxicab service. It is vital that greater accessibility training be incorporated into all new and refresher taxicab driver and owner training courses. This will ensure that the City has enough drivers and owners who are adequately prepared to deliver the service required by the new Toronto Taxicab Licence.

**41. Require all taxicab licensees who operate wheelchair accessible taxicabs to take a one-day accessible refresher course every four years.**

It is recommended that owners and drivers of wheelchair accessible taxicabs be mandated to attend an accessible refresher training course that provides updates on best practices on how to properly and safely assist people with various disabilities, reviews practical assistance techniques and includes a practical component on securing passengers and wheelchairs in a wheelchair accessible taxicab.

## SMARTPHONE APPLICATIONS FOR TAXICABS

In the past 12 months, a number of different smartphone applications have emerged in Toronto's taxicab market. The purpose of these applications is to provide taxicab brokers with a means to accept requests for taxicab service and, in some cases dispatch requests for service to available drivers. It has been reported that smartphone applications decrease both the amount of time passengers wait for a taxicab and the amount of time drivers are operating without a fare. Though smartphone applications have the potential to increase efficiency in the taxicab industry, they also raise a number of consumer safety and customer service concerns.

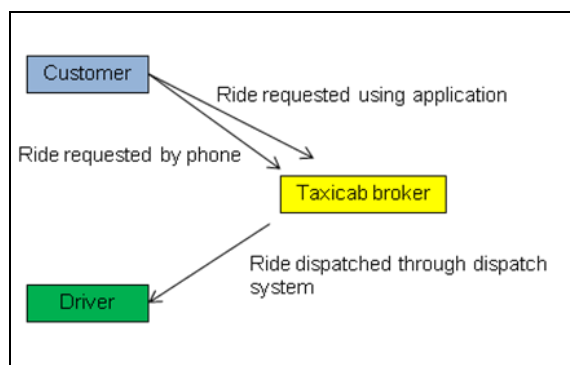
### 42. Continue the discussion on the role smartphone applications have in providing brokerage services to the taxicab industry

#### Smartphone Applications in Toronto

Taxicab brokers currently use smartphone applications as either a supplement to their traditional dispatch services, or as the only means by which they receive and dispatch requests for taxicabs.

In the first case, traditional brokerages allow passengers to request a taxicab driver by telephoning the brokerage and speaking with a live operator, by email or web-based form, or by using a smartphone application. The smartphone application, in lieu of a telephone call, allows a passenger to request a taxicab immediately, or to select a time for future pickup, by submitting the information using their smartphone via the brokerage's smartphone application. Once the brokerage receives the passenger's request for service, including pickup location, the brokerage dispatches a driver using their existing dispatch technology and procedures.

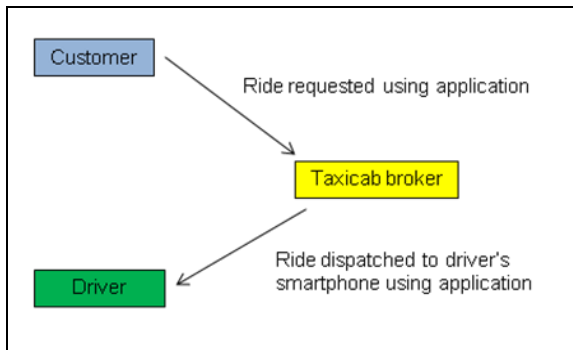
**FIGURE 7:** Brokerages which use Telephones and Applications



In the second case, application-based brokerages only use smartphone applications to receive requests for service and to dispatch those requests to drivers. In this model, both the passenger and driver use a smartphone application. When a passenger requests a taxicab using the brokerage's smartphone application, the brokerage's software identifies and notifies the nearest available driver of the request, based on the passenger and driver's locations, identified using GPS in both the customer's and driver's smartphones. Drivers, in this case, receive the request via the brokerages dispatch smartphone

application, not traditional dispatch technology. Because the passenger does not interact with a live-operator at the brokerage, these applications are often referred to as 'peer-to-peer' applications.

**FIGURE 8:** Brokerages which only use Applications



In both models, smartphone applications serve as a means by which the brokerage receives requests for taxicabs. The major difference is that, in the case of traditional brokerages, the brokerage dispatches a driver using traditional dispatch technology. In the case of 'peer-to-peer' applications, one smartphone application is used to communicate the request for service, and the brokerage dispatches the request to a driver via a related smartphone application.

'Peer-to-peer' applications do not operate as a form of electronic street hail (e-hail). In a regular street hail, a passenger raises or waves his or her hand, communicating the request for a taxicab to any and all drivers who can see the hail. However, in the case of a request for service made through a brokerage's peer-to-peer application, the passenger's request is only communicated to drivers who have signed up to receive requests for service from that brokerage. In effect, the "peer-to-peer" smartphone applications operate in the same way as traditional brokerages, by receiving requests for taxicabs and then dispatching those requests solely to drivers affiliated with the service.



## CABSTANDS

An appropriate number and distribution of cabstands helps ease congestion and pollution by allowing taxicabs to queue in a stand rather than drive empty, while awaiting their next passenger. Cabstands also make it easier for passengers to enter a taxicab in high demand locations.

Municipal Code Chapter 950 lists 146 cabstands with a total of 452 spaces. Most cabstands are in the downtown core, while others are located near transit stations and shopping malls throughout the City.

The taxicab industry has unanimously expressed that they would like more taxicab stands, particularly in high demand areas, such as close to hotels, entertainment and business districts, TTC subway stations and shopping centres. They also support better integration of stands into the City's infrastructure planning and suggest the use of temporary stands or marshalling areas at peak times and for special events, such as weekends, festivals and the upcoming Pan American games.

Input from the public and tourism and hospitality industry also reinforces the importance of taxicab stands. The public has requested more taxicab stands and marshalling areas, as well as better dissemination of cab stand information for safety, accessibility and tourism and hospitality purposes.

### 43. Evaluate the feasibility of fire hydrants as cabstands in the downtown core

#### Fire hydrants as cabstands: Hydrant-stands

Ottawa, Edmonton and Calgary are among a number of Canadian municipalities which are exploring the use of the road space adjacent to fire hydrants to serve as taxicab stands. Fire hydrants designated for use as "hydrant-stands" are marked with a sign, or by painting them a different colour. Typically, one taxicab is allowed to park at a hydrant-stand, provided that the driver remains in the vehicle.

The City of Toronto has 41,398 fire hydrants. Given the need for additional cabstands in the downtown core, a feasibility assessment for a hydrant-stand pilot program is recommended.

The pilot program would involve collaboration among a number of City divisions including, Fire Services, Transportation Services, Economic Development, and City Planning, as well as the Toronto Police Service and local Business Improvement Areas.

Possible benefits from hydrant-stands include:

**Public convenience:** Passengers would have greater access to taxicabs, including a curbside point of entry in high demand areas

**Efficient and low-cost repurposing of road space:** Hydrant-stands create a more efficient use of road space which requires little or no new construction, a less expensive process than setting aside or constructing new areas for cabstands.

**Public parking:** More taxicab drivers will wait for passengers in hydrant-stands rather than occupying public parking spaces, freeing up these spaces for other vehicles.

**Emergency access:** Taxicab drivers who park at hydrant-stands would prevent other vehicles from illegally parking adjacent to fire hydrants. Taxicab drivers would be required to remain in their vehicles, and therefore would be able to quickly leave the space in the event of an emergency.

#### 44. Evaluate the feasibility of Hail Spots

##### Hail Spots

Although the ability to create new cabstands is limited by competing interests for curb space and traffic logistics, MLS is currently investigating the feasibility of creating Hail Spots.

Hail Spots would be marked by signs that would notify residents and visitors to Toronto of good places to hail taxicabs. Taxicab drivers in turn, would know that people would congregate at these Hail Spots and would be more likely to cruise by. Working with Tourism Toronto and other city divisions, it is recommended that a working group be formed to assess the feasibility of Hail Spots.

## NEXT STEPS

The Framework lays out several recommendations that strive to create a more balanced, equitable and accessible taxicab industry and upon which further consultation will be had.

The principles of consumer protection, health and safety of passengers and drivers, well-being of the City, and the economic viability and sustainability of the industry have been utilized when analyzing the impacts of the recommendations and have guided solutions to industry issues as heard through the consultations.

During July 2013, MLS staff will continue to engage the industry and stakeholders in the creation of the final report, with final recommendations.

This framework contains very significant recommendations, however, there is still work to be undertaken to completely address the industries concerns, and it is anticipated that the final report may contain additional recommendations, such as those related to enforcement and the By-law.

### **ENFORCEMENT STRATEGY**

In 2012, taxicab industry stakeholder consultations identified various issues relating to enforcement. Some issues resurfaced from the 1998 review such as industry concerns about the illegal operation of bandit taxis and unlicensed taxis and limousines operating outside of the parameters of the By-law. Staff will work with stakeholders and the industry to develop strategies to address the impact of the illegal operators and other issues of enforcement.

### **BY-LAW REVIEW**

The final report will make recommendations that will result in changes to the By-law. MLS staff are working to review the By-law for inconsistencies and to evaluate the role of the City as the regulator. After the Taxicab Industry review's final report, MLS is committed to reviewing the By-law every three (3) years.

## APPENDICES

Appendix A:

Taxi Research Partners' *"Appropriate Number of Taxicabs and its Impacts for the City of Toronto"*.