TORONTO

STAFF REPORT
ACTION REQUIRED

The Taxicab Industry Review – Preliminary Findings

Date:	September 7, 2012
To:	Licensing and Standards Committee
From:	Executive Director, Municipal Licensing and Standards
Wards:	All
Reference Number:	P:\2012\Cluster B\MLS\LS12013

SUMMARY

As directed by the Licensing and Standards Committee at the May 31, 2011 meeting, the City of Toronto is undertaking a review of Toronto's taxicab industry. The review included an extensive consultation phase from December 2011 until May 2012 where 19 consultations were held with over 1,300 internal and external stakeholders. Staff then held 3 additional consultations in August 2012 to gain further insight and input on consultation phase results and key policy directions.

The attached report: *Toronto's Taxicab Industry: a discussion paper* presents the preliminary findings from consultations with the industry and ongoing research. The report explains how the taxicab industry works and the City's role in regulating the industry. It explains the major changes resulting from the 1998 Taxicab Review and analyzes how these changes impacted taxicab service in Toronto. It provides information on the consultation phase of the review as well as work ongoing and outstanding in preparation for the final report expected in 2013.

As the City is committed to a participatory process, the attached report serves as a framework for further discussion and decision-making. It is a commitment to ensure an accountable, transparent and participatory process leading towards the creation of a final report with recommendations for the taxicab industry.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards, recommends that:

1. City Council adopt the *Principles for Regulating the Taxicab Industry* which includes three components: consumer protection, the health and safety of passengers and drivers, and the well-being of the City of Toronto, as described in Attachment 1: Toronto's Taxicab Industry: A Discussion Paper;

2. Staff procure a consultant to assess the economic impacts and factors needed to determine the appropriate number of taxicabs for Toronto; and

3. Staff conduct further research and consultation and report to the Licensing and Standards Committee in Q1 of 2013 with recommendations for the taxicab industry including any potential cost impacts.

Financial Impact

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

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

DECISION HISTORY

September 9, 2011, the report "Industry Review Plan" was brought forward to the Licensing and Standards Committee by the Executive Director, Municipal Licensing and Standards. This report initiated what is now "The 2012 Taxi Industry Review." http://www.toronto.ca/legdocs/mmis/2011/ls/bgrd/backgroundfile-40347.pdf.

At its May 31, 2011 meeting, the Licensing and Standards Committee requested that the Executive Director, Municipal Licensing and Standards, report back to the Committee on a plan for reviewing the taxicab industry.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.LS4.7

The last taxi industry review took place in 1998. November 25, 1998, Council adopted the final report with 50 recommendations to reform Toronto's taxicab industry.
http://www.toronto.ca/legdocs/1998/minutes/council/appa/cc981125/ep13rpt.htm
http://www.toronto.ca/council/taxi_report3.htm

ISSUE BACKGROUND

The City of Toronto regulates the taxicab industry to ensure consumer protection of residents and visitors. Regulating taxicabs also ensures a healthy industry that can adequately service the needs of all people safely and efficiently.

Toronto's taxicabs are a billion dollar industry. There are 4,849 licensed taxicabs operating in the City of Toronto and it is estimated that more than 60,000 trips are taken in taxicabs every day. Residents and tourists alike, depend on taxi service to get them where they need to go.

Toronto's taxicab industry is part of the city's transportation network. Taxicab service complements other modes of transportation such as personal vehicles, transit, cycling and walking and helps keep the city moving, 24 hours a day, 7 days a week.

COMMENTS

After an extensive consultation phase and ongoing research, Staff has compiled a preliminary report, *Toronto's Taxicab Industry: a discussion paper* that analyzes Toronto's taxicab industry. The report serves to inform the public, stakeholders and decision-makers on the current state of the industry. It also forms the foundation for the final report which will make recommendations for the industry.

Through conducting the Taxicab Industry Review, the City continues to be committed to a high standard of customer service for Toronto's taxicabs. By regulating the number of taxicabs, mandatory training, proper enforcement and an accountable complaints process, the city is ensuring that residents and visitors to Toronto can depend on reliable taxicab service.

Principles for Regulating the Taxicab Industry

The City of Toronto regulates the taxicab industry to ensure consumer protection of residents and visitors and to ensure the health and safety of passengers and drivers. Regulating taxicabs also ensures a sustainable industry that meets the needs of the city.

Consumer protection
Passengers should be able to enter any licensed taxicab in Toronto and be confident of their safety while also receiving a high level of customer service and accountability.

- **Consistent Service:** The City regulates taxicabs to ensure that passenger safety and the service level is consistent. This requires a high standard of training, inspections and enforcement to ensure that the consumer can expect all licensed vehicles to be properly maintained and drivers to provide a safe, helpful and equitable service.

- **Accountability:** As the regulator, the City responds to consumer complaints and compliments and ensures that necessary actions are taken. Passengers of taxicabs have the right to comment on the service they receive and should be confident that their comments will be heard.

- **Reasonable Fares:** As an integral segment of the city's transportation network, it is essential that the fare charged is affordable to the passenger and compensates the industry appropriately. The city ensures that rates are controlled and that the meter rate applies the same for all passengers and destinations.

Health and Safety
The City regulates the taxicab industry to ensure the health and safety of passengers and drivers.

- **Safety of Passengers:** Taxicab drivers are entrusted with the lives of their passengers. Customers cannot inspect the vehicle and driver before entering in the same manner as a restaurant or store, therefore a high degree of regulation and enforcement of taxi vehicles and driver training by the city is needed to ensure safe service. To ensure that the public is protected from unlicensed, potentially unsafe taxi vehicles and drivers, Toronto taxicabs are marked accordingly.

- **Safety of Drivers:** Regulation also protects those in the industry from unsafe working conditions and unruly passengers. The City mandates emergency lights and video surveillance to help ensure driver safety.

City Well-being
The City regulates the industry to ensure an adequate supply of taxicabs that meets the needs of residents and visitors to Toronto while not overburdening our streets.

- **Traffic Flow:** City inspection statistics show the average Toronto taxicab operates more than 200km every day, much of that time spent in the downtown core. A transportation system with an appropriate number of taxicabs can relieve traffic congestion by reducing a reliance on private vehicles.

- **Essential part of Toronto's transportation network:** An adequate number of taxicabs operating with an affordable fare creates an on-demand transportation network accessible from any area of the city, enhancing the economic and social well-being of the city.

Customer Service

As part of the Taxicab Industry Review, staff conducted 100 interviews with passengers and 100 mystery rides of taxicabs. Mystery rides were conducted by researchers who took taxicabs and then evaluated the taxicab on customer service and compliance with certain aspects of the bylaw.

The results of these interviews and mystery rides were very positive with results indicating that Toronto's taxicabs are well-maintained, have knowledgeable and professional drivers and are readily available.

Consultations

Taxicab drivers, drivers associations, taxicab owners, owners associations, taxi brokerages and fleet garages were represented. As well, the tourism and hospitality industry, BIAs, Toronto Port Authority and the disabled community were engaged. The consultations generated thousands of submissions. Staff subsequently categorized the input:

- Communication and Relationships
- Number of Taxicabs
- Accessibility Issues
- Fares
- License Structures
- Vehicle Regulations
- Standardized Vehicles
- Cabstands
- Safety & Technology
- Enforcement
- Other Issues outside the Jurisdiction of Toronto

The Principles for Regulating the Taxicab Industry along with input from the consultations and the customer service interviews and mystery rides formed the framework for the preliminary report attached. *Toronto's Taxicab Industry: a discussion paper* serves as an information source for further discussion leading towards the final report and recommendations.

Next Steps

Staff will continue to conduct research and consultation in preparation of the final report with recommendations for the taxicab industry. As part of the preparation for the final report, and in order to provide an objective review, it is also recommended that a consultant be retained to assess the overall economic model regarding the appropriate number of taxicabs for Toronto.

CONTACT

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ATTACHMENTS

Attachment 1: Toronto's Taxicab Industry: A Discussion Paper