

TORONTO'S TAXICAB INDUSTRY

Discussion Paper

Taxicab Industry Review

Preliminary Report

September 2012

TAXICAB INDUSTRY REVIEW

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.

It has been 14 years since a comprehensive review has been conducted. The industry has been asking for a review for several years and the time has come to analyze Toronto's taxicabs for customer service excellence, affordability, safety and viability. The purpose of the review is to determine industry issues and opportunities and explore how best to resolve them.

The review included an extensive consultation phase from December 2011 until May 2012 where 19 consultations were held with over 1300 internal and external stakeholders. Staff analyzed consultation information and is in the process of conducting research and working with city divisions, stakeholders and the public in preparation for a final report of recommendations on the taxicab industry.

Staff held 3 additional consultations in August 2012 to gain further insight and input from stakeholders on consultation phase results and policy directions.

This report presents the preliminary findings from the consultations with the industry and ongoing research. 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. The final report is expected in 2013.

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PURPOSE OF REPORT

As the City is committed to a participatory process, this report serves as a framework for further discussion and decision-making.

The report explains how the taxicab industry works and the City's role in regulating the industry. It discusses the major changes resulting from the 1998 Taxicab Review and how these changes have impacted taxicab service in Toronto.

It also provides information on the 2012 consultation phase of the review. You can find "what the industry is saying" sections throughout the report, highlighting comments from stakeholders. In response to issues raised, City research and policy directions are identified.

In preparation for the final report, this report outlines work ongoing and outstanding for the Taxicab Industry Review. Before making final recommendations, further consultation and research is required for many issues.

For more information on the Taxicab Industry Review, please visit the website at www.toronto.ca/licensing/taxireview

REGULATION OF TORONTO'S TAXICABS

Toronto's taxicab industry is an important 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.

While it is an essential part of the city's transportation network; taxicabs are not funded by the government and can be affected by fluctuations in the economic health of the city.

How the City Regulates

The City has the authority to regulate the taxicab industry through the City of Toronto Act (COTA). COTA gives the authority to regulate taxicabs through the general provisions which state that the city has the power to make by-laws that govern a variety of matters including:

Part II 8 (2)

5. Economic, social and environmental well-being of the City.
6. Health, safety and well-being of persons.
8. Protection of persons and property, including consumer protection.

As well, 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.

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.

TAXICAB INDUSTRY OVERVIEW

Toronto's taxicab 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 60,000 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.

Residents and tourists alike, depend on taxi service to get them where they need to go. Toronto's taxicab industry includes a wide range of stakeholders, all of whom play a part in creating a viable and healthy on-demand transportation service network.

Toronto's Taxicabs

Many people take taxicabs, but not all people understand the nature of the taxicab industry.

Getting a taxicab

When a passenger decides to ride in a taxicab, that person can hail a cab from the street, walk to a cabstand, or call a brokerage

When you hail a cab, it is likely that the driver of the taxicab has been circulating throughout the city looking to pick up a passenger.

When you take a taxicab from a cabstand, the taxicab has been waiting in a queue. Cabstands are located across the city at subway stops, the island airport and in front of hospitals, hotels and offices.

When you call a brokerage, the dispatcher will contact a taxicab close to your location and give them the details of your request. The brokerage does not own the taxicab, it has an agreement with the owner, agent or lessee of the taxicab. The owner or lessee of the taxicab pays the brokerage for the service and may paint their vehicles to match the brand of the brokerage.

New technologies are allowing people to get taxicabs in different ways. Some brokerages have Smartphone apps and websites that will allow you to order a taxicab.

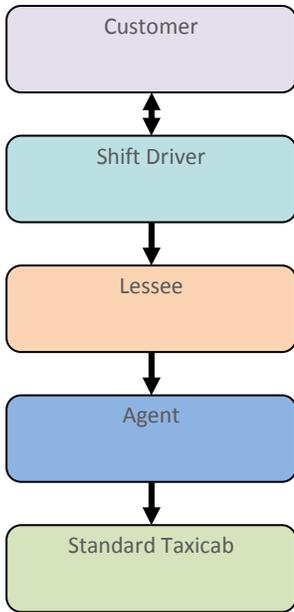
Who is driving my taxicab?

The most direct relationship customers have when they enter a taxicab is with the driver of the vehicle. The driver may or may not own the taxicab.

Toronto has two (3) types of licences: standard, ambassador and accessible. A passenger can tell the difference by the mandated markings on the side of the vehicle and on the plate.

Taxicab Revenues

Standard Model



Standard Taxicabs: If the taxicab has a standard licence, the driver may be the owner, the lessee or a shift driver. The owner can drive the taxicab some of the time and lease or rent out the taxicab for the remainder. The owner may also choose to designate an agent to act on their behalf. The owner or agent can lease the taxicab out full time. In that case, the lessee must drive the taxicab on a regular basis and can rent it out to other licensed drivers at other times. The owner or agent may decide to rent the taxicab out full time on a daily basis, in which case the taxicab is driven by multiple shift drivers. Standard licenses allow the taxicab to operate 24 hours a day, 7 days a week with multiple drivers.

Ambassador Taxicabs: If the taxicab has an ambassador licence, it must be operated by the person who holds the ambassador licence. No other drivers are allowed to operate the vehicle and the vehicle cannot be on the road more than 12 hours a day.

Taxicab Revenue

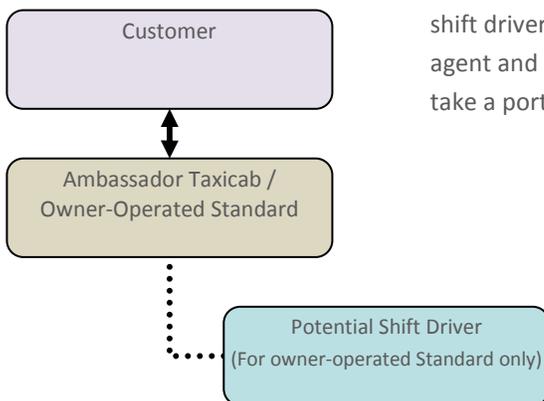
The fare is the same, regardless of the type of taxicab you take.

For a driver, the fare revenue must cover all the costs of his/her expenses before he/she collects any personal income.

In an Ambassador taxicab, the fare revenue goes directly to the owner, but must cover all the costs of the taxicab, including when the taxicab is not operational. A Standard taxicab that is owner-operated has a similar structure in that the fare revenue goes directly to the owner, or possibly a second shift driver. The Ambassador and Owner-operated models may be seen as more economically efficient as the fare revenue only has to cover their own operating costs. Please see the sidebar for more information.

The Standard model has varying layers of additional operating costs. There can be many combinations, but an example can be seen on the sidebar, where the shift driver pays rental fees to the lessee. The lessee then pays lease fees to the agent and the agent then pays the owner. Since as many as four parties may take a portion of the revenues collected, there may be less revenue for all.

Ambassador Model / Owner-Operated Standard



Industry Roles

The City of Toronto has over 10,000 licensed taxicab drivers for 4,849 taxicabs. Below is a detailed description of the different types of licences, stakeholders and businesses that are part of the industry.

Taxicab Driver

Some taxicab drivers rent taxicabs by the shift which could be for one day, a weekend or one week. The taxicab is returned to the owner, agent or lessee at the end of each shift. Alternatively, some drivers lease a taxicab from an owner, usually paying for the vehicle, insurance, maintenance, etc. as part of the lease agreement. Drivers who lease must drive the taxicab and can hire up to three additional drivers to operate the taxicab on a shift basis. Most taxicab drivers have a license which indicates that they are only licensed to operate a taxicab.

Some taxicab drivers are also taxicab owners, as is the case with Ambassador taxicabs and owner-operated standard and accessible taxicabs.

Standard Taxicab Licence

There are 3,451 standard taxicabs in Toronto licensed to 2,422 people. The Standard taxicab was the original taxicab in Toronto. In 1963, the City allowed taxicabs to be sold at market value. In 1974, the City permitted taxicabs to be leased, with the owner and lessee entering into a contractual agreement.

A standard taxicab must be operated for 2 full shifts daily for at least 5 days during any 7-day period per the by-law. These taxicabs may be leased, transferred or sold as long as the transactions are approved within the guidelines of the Municipal Code; and the purchaser of a Standard taxicab is licensed as a Toronto taxicab driver. Only standard taxicabs can be leased or transferred to a new owner. The Standard taxicab was grandfathered in 1999 and currently no new licences are being issued.

In the event of the death of a Standard Taxicab Owner, the owner's estate must sell the taxicab to a licensed City of Toronto taxicab driver. New licence holders can only own one Standard taxicab

Ambassador Taxicab Licence

Ambassador taxicab licences were first issued in 1999. Currently, there are 1,313 Ambassador taxicabs in Toronto. This licence type was created to promote owner-operated taxicabs. Ambassador licence holders must drive on a full time basis for a minimum of 36 hours per week as per the by-law.

New Ambassador licences were issued to full-time taxicab drivers whose names were on the Drivers' List. Candidates must attend and pass the Ambassador

Training Course. Ambassador licence holders cannot lease, transfer, or sell their Ambassador taxicab or give up possession, custody or control of such taxicab or allow any other person to manage or operate their Ambassador taxicab.

When the owner is no longer able to operate the business, the licence must be returned to ML&S. In the event of the death of the Ambassador licence holder or the cessation of business, the taxicab licence must be returned to ML&S.

Accessible Taxicab Licence

Accessible licences were first issued as a separate licence class in 2000. Before then, accessible taxicabs were standard taxicabs that operated using accessible vehicles. There are currently 85 Accessible taxicab licences. Accessible taxicabs are used exclusively for taxi services for people with disabilities. As a condition of issuance, owners must attend and pass the Accessible Owners Training Course. In accordance with the Municipal Code, the owner must drive on a full time basis (min 36 hours per week) but can drive for no more than 12 hours in a 24 hour period. An Accessible owner may hire three additional licensed taxicab drivers, endorsed as being accessibly trained. Owners of Accessible taxicabs cannot lease, transfer, or sell their accessible taxicab, or give up possession, custody or control of such taxicab, or allow any other person to manage or operate the accessible taxicab; and when the owner is no longer able to operate the business the licence must be returned to ML&S. Some Accessible Licenses have been issued directly to brokerages.

Agent

A standard taxicab owner may designate an individual person licensed as a driver, owner, or taxicab broker as agent for his/her taxicab. The agent's responsibility is to manage the operation of the taxicab on behalf of the owner. A person can be the designated agent for multiple owners. Almost half of all standard taxicabs (1,720 taxicabs) are managed by designated agents.

Lessee

A lessee is any person, licensed as a taxicab driver or owner, who has an agreement (lease) which permits him or her to manage, operate, control, have custody of, or otherwise use a Standard taxicab for longer than one shift per day. Some lessees deal directly with the Standard plate owners while others lease through an owner's agent. The lessee may only operate one taxicab and must drive on a full-time basis (36 hours) and can hire up to three additional drivers.

Taxicab Broker

Taxicab brokers are licensed to receive requests for taxicab service from the public and dispatch these service requests to taxicabs. They charge fees to

drivers and owners to provide their services. Brokers can use various means to dispatch the service requests, including radio, computer, and handheld electronic devices. Brokers do not own taxicabs but are the main link between the drivers and the customers. Brokers must keep records of all service requests, including how many taxicabs and calls were received on a given day.

Taxicab Garages

Taxi garages maintain a fleet of taxicabs and are usually affiliated with a single brokerage. Designated agents who act for multiple owners often operate garages. Taxi garages are not licensed through the by-law but play a part in the industry.

Shift drivers rent their taxicabs from garages, usually on a 12 hour day or night shift. Many choose to make arrangements with the garage to rent the car weekly. The taxicab is returned to the garage at the end of the shift. These arrangements are almost always a verbal agreement and very few receipts are issued. In most of these cases, the garage maintains the vehicles and equipment.

1998 TAXI INDUSTRY REVIEW OUTCOMES

The last comprehensive review of Toronto's Taxicab Industry was conducted in 1998.

A Task Force comprised of Councillors was created in response to a number of articles in the media at the time, concerns expressed by the public, taxicab owners and drivers, Toronto Licensing, the Board of Trade and the tourism industry respecting the state of the taxi industry in Toronto.

Guiding Principles: Council approved the following guiding principles for the Task Force:

- the general public has the right to expect and demand clean, safe taxicabs;
- the general public has the right to expect and demand courteous, knowledgeable and experienced drivers;
- drivers have the right to expect and demand a fair return for their labour;
- plate holders have the right to expect and demand a fair return for their investment; and
- the City has the right to expect and demand that its by-law will be obeyed.

The 1998 taxi review generated fifty (50) recommendations with the goal of reforming the taxi industry. The six key areas addressed were:

1. Improve Customer Service
2. Improve Toronto's Taxicabs
3. Improve Training
4. Create Ambassador Class Taxicabs
5. Strengthen Enforcement
6. Accessibility

Improve Customer Service

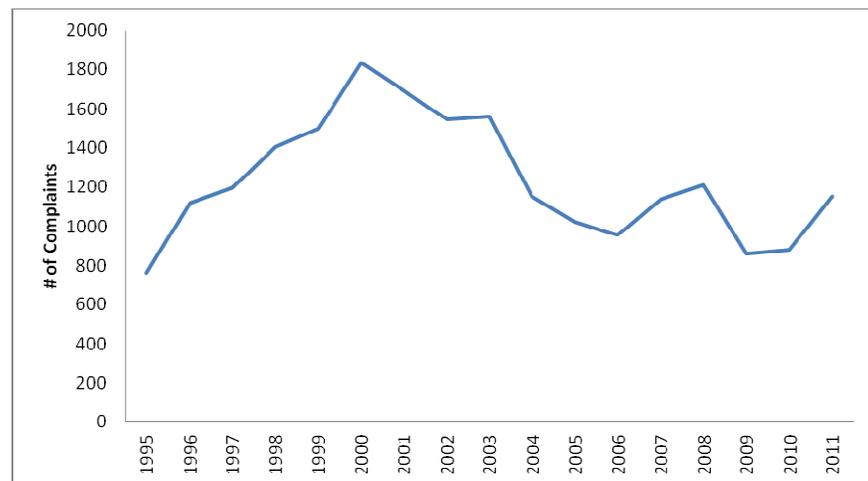
The 1998 review recommended changes that have steadily improved taxicabs for residents and visitors of the city. In 2000 and 2003 ML&S commissioned an independent study of customer service levels after the reforms had been made. Overwhelmingly, the research showed very high levels of customer service and customer satisfaction.

As a result of the 1998 review, several changes were introduced that have positively impacted customer service levels in Toronto's taxicabs:

- A mandatory Passenger Bill Of Rights stating that passengers are entitled to a professional driver who is knowledgeable and a quality taxicab that is clean and in good mechanical and physical condition
- Introduction of a 24-hour customer service number for compliments and complaints 1-877-TO-TAXIS
- Improved complaints process for ML&S staff to respond to complaints in a timely manner

ML&S tracks complaints from the public about taxicabs. Figure 1 shows an initial high of complaints in 1999 with a decreasing trend in the number of complaints. Overall, the 1999 peak may be in part due to the introduction of 24-hour customer service number that made it easier for the public to make complaints.

Figure 1 – Public Complaints Regarding Taxicabs



Improve Toronto's Taxicabs

In 1998, the average taxicab was nearly 7 years old.

In 2011, the average taxicab was less than 4 years.

One of the most noticeable successes of the 1998 review was the impact on the vehicle. Better quality vehicles that are newer, cleaner and safer have improved Toronto's taxicab service. Since 1998, Taxicabs cannot be more than one model year old when they come into service and must be retired at the end of their fifth model year. The age restrictions were phased in over five years with a two year extension for accessible, natural gas, and owner-operated vehicles.

In 1998, the average taxicab was nearly 7 years old, in 2011, the average taxicab was less than 4 years old. Figure 2 shows a decreasing trend of major mechanical failures in Toronto's taxicabs.

Figure 2 – Major Mechanical Failures, 1995 – 2011

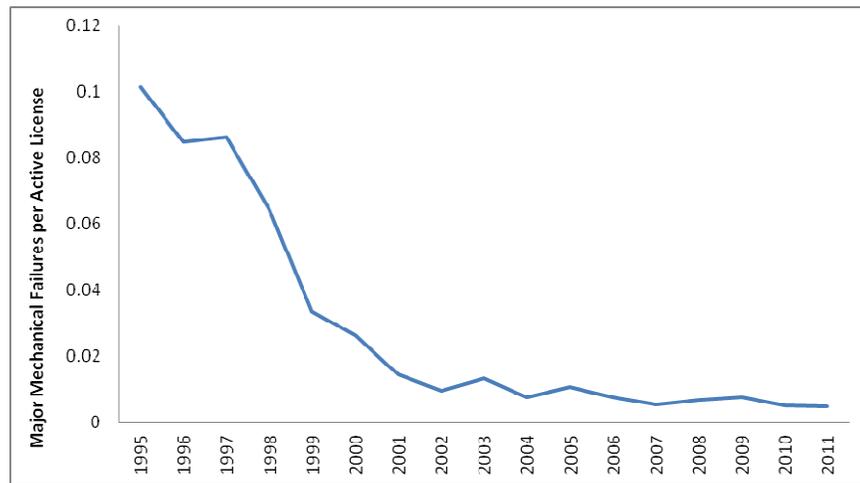
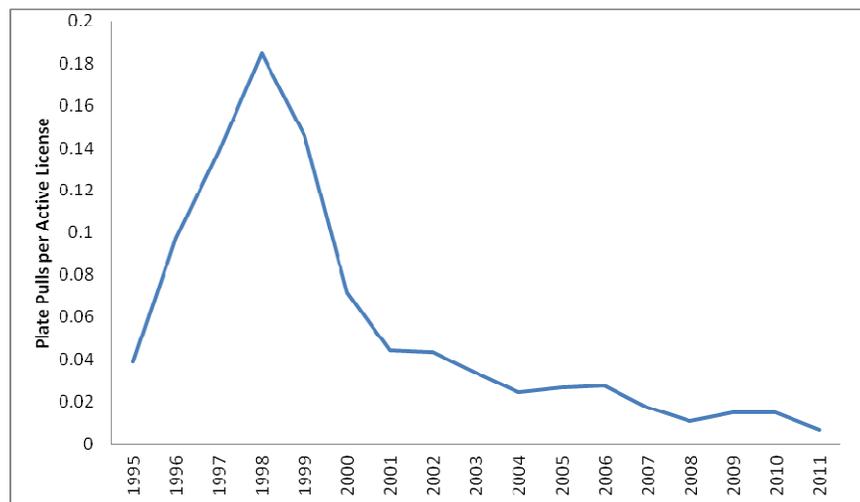


Figure 3 shows a steep decline in plate removals due to unsafe vehicles. These trends show that the restrictions brought on through the 1998 review have had positive impacts on the safety of Toronto's taxicabs.

Figure 3 – Plate Removals, 1995 – 2011



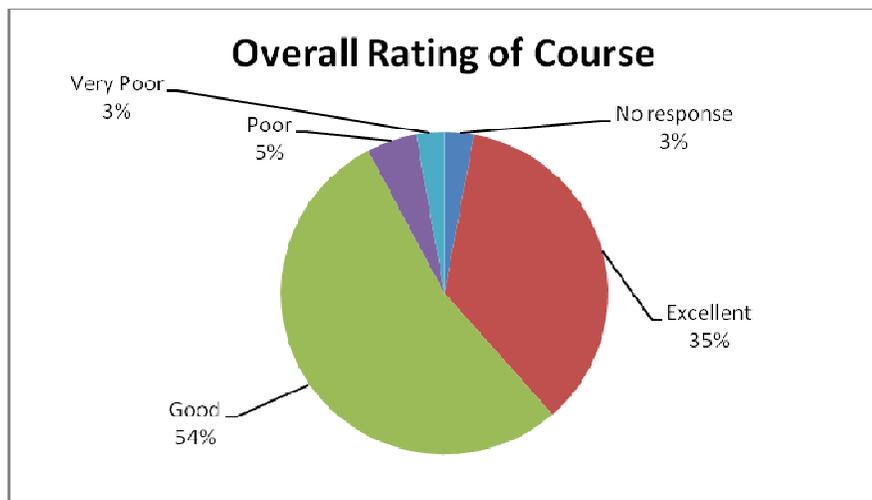
Improve Training

The 1998 review improved Toronto's taxicab training. Training courses were amended resulting in better training and the creation of 'refresher' courses that trains drivers and owners throughout their careers.

Driver's Training: Every Toronto taxicab driver is licensed through a three week course. The 1998 review indicated a need for a further training, and created a mandatory, three-day refresher course for taxicab drivers. Now every licensed driver must take the refresher course every four years. The refresher course covers changes to the By-law, developments in tourism, defensive driving and customer service.

The refresher course is rated highly by the drivers. Figure 4 shows that 89% of drivers surveyed felt that the refresher course was good or excellent.

Figure 4 – Driver Refresher Course Rating



Owner's training: The 1998 review also enhanced training for taxicab owners. A course was developed for the mandatory training of taxicab owners. An owner must take the refresher course every four years prior to the renewal of their licence. The intent of this course was to ensure that owners continue to be active in the industry on a day-to-day basis. The course addresses changes in the by-law and other relevant legislation, tourism, performance statics and workshops to improve the taxi industry.

Ambassador Program training: In 1999, the requirement for the development and implementation of a forty-day Ambassador Taxicab Owner Training Course designed to upgrade the skills of those eligible and wishing to become an ambassador owner. The course includes information similar to the owner and driver courses, but also includes a section that prepares taxicab drivers for small business practices that are important in the success of ambassador program.

Create Ambassador Class Licence

Out of all the changes enacted from the 1998 review, the creation of the Ambassador Program arguably had the largest impact on the taxicab industry. In response to an industry with absentee owners, complex leasing and increasing plate values, the task force created a new licence class that would promote an owner-operated model.

The owner-operated model was decided after research indicated that service provided by owner-drivers was higher and that 'pride of ownership' typically promoted the highest levels of customer service. The owner-operated model was also intended to allow mobility in the industry and allow drivers granted ambassador licenses greater opportunity to generate income.

Two key features of the Ambassador Program was that only the Ambassador Taxicab Owner could drive the vehicle and that the taxicab could not be transferred, sold or leased. The goal of the Ambassador class licence was that these new taxicabs would offer high quality service propelled by pride of ownership.

Issues arising from the creation of the Ambassador Licence have been heard throughout the Taxicab industry review. Some ambassador licence holders have reported that not being able to have additional drivers has promoted ambassador licence holders to work long hours and not be able to take vacations or sick leave.

Some Ambassador Licence holders also expressed that restrictions on leasing and transferability of the taxicabs has created an inequity between those who were issued an ambassador licence and those issued a standard licence.

Strengthen Enforcement

The recommendation of the 1998 Task Force identified the need for vigorous enforcement to uphold the new and established provisions of the By-law in order to ensure that the public interest is upheld. This resulted in a request for additional enforcement staff. The 1999 ML&S budget included the hiring of 10 additional enforcement officers.

Accessible taxis

The 1998 review set ambitious targets for accessible taxicab service for Toronto. The review sought to achieve a goal that would see 10 percent of all Toronto's taxicabs be accessible. The City was to issue 25 additional licences yearly for accessible taxicabs, and that this provision would continue until such time as 10 percent of all taxicabs were accessible, or until such time as Council was satisfied that community needs have been met.

Currently: Accessible taxicabs represent 3.5% of all taxicabs in Toronto. This is a very low percentage and has not met the goal of the 1998 review. City Council mandated a reduction in the licence and renewal fees for accessible licence plate holders to incentivize the industry and help offset the increased costs incurred with an accessible vehicle.

The availability of accessible taxicabs is limited further because most are on contract to TTC Wheel-Trans, and not available to provide on-demand service.

CUSTOMER SERVICE EXCELLENCE

The 2003 independent customer service survey reported that 90% of taxicab drivers drove in a safe and cautious manner

The City continues to be committed to a high standard of customer service for Toronto's taxicabs. Through 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 adequate taxicab service.

In both 2000 and 2003, ML&S commissioned an independent study of customer service levels. Overwhelmingly, the research showed very high levels of customer service and customer satisfaction.

As part of the current Taxicab Industry Review, staff has conducted 100 interviews with passengers, 100 mystery rides in taxicabs and surveyed businesses and the tourism industry for their opinions on taxicab customer service.

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 easily available.

Respondents representing hotels, restaurants and tourist areas had a different perspective of the taxicab industry. This industry largely felt that customer service levels could be improved.

Interviews: Interviews were conducted with 100 passengers: 40 exiting taxicabs and 60 taxicab riders. Researchers asked participants a short set of questions to evaluate the level of customer service provided. These interviews were conducted across the city to ensure that an accurate representation of service.

Results of the interviews were very positive. Most people in Toronto feel like taxicabs are clean, well maintained, and have professional drivers who are knowledgeable of the city. An area for improvement was drivers on cell phones. 21% of respondents reported that their driver spoke on a cell phone. Currently, a taxicab driver can only use a cell phone in case of emergency.

Most people said that they felt their taxicab ride was a good value but said that a lower fare might incentivize them to take more taxicabs in the future.

- 100% of taxicabs were clean and well maintained
- 100% of drivers were professional
- 86% of taxicabs were available in less than 10 minutes

Mystery Riders: Mystery rides in taxicabs are when researchers take taxicabs and pose as the customer. The researcher then evaluates the level of service and the taxicab for compliance with customer service related issues. The benefit of the mystery ride is the accuracy of evaluation.

Staff conducted 100 mystery rides, all of which showed very high levels of customer service overall. As in the interviews with passengers, the mystery rides identified that drivers using cell phones could be improved. 14% of mystery rides reported the driver speaking on a cell phone. Availability of seatbelts, short waiting times and ease of payment were all very well reported.

- 100% of taxicabs had seatbelts available
- 90% of taxicabs were available in less than 10 minutes
- 94% of drivers were knowledgeable of the City
- 88% of taxicabs were clean and well maintained.

Business and Tourism Survey: Toronto's business and tourism industries are important economic engines for the city. It was important to understand the level of service taxicabs provide for these industries since restaurants, hotels and local attractions depend on taxicab service to bring patrons to and from their businesses. Survey's were posted online, mailed to BIA's and distributed to various mailing lists.

Input from these industries indicated there could be improvements to the level of customer service of Toronto's taxicabs. It was mentioned that taxicab drivers play an important role in tourism and could benefit from further training in providing tourist information.

CONSULTATION OVERVIEW

ML&S undertook an extensive consultation with the taxicab industry and stakeholders from December 2011 to May 2012. The consultation phase included 19 consultations and was critical to ensuring that the Taxicab Industry Review team understood the issues most relevant to the industry and gained valuable insight on how to best resolve these issues.

After the consultation phase, staff held 3 additional consultations in August 2012 to discuss the approach of this report, gain further insight, and continue to solicit input from stakeholders on information collected during the consultation phase and help formulate policy directions.

Stakeholders

In total, 22 consultations engaged 1,500 attendants of which 700 were unique participants. Taxicab drivers, drivers associations, taxicab owners, owners associations, taxi brokerages and fleet garages were represented. As well, the tourism and hospitality industry, TTC, BIAs, Toronto Port Authority and the disabled community were engaged.

Throughout the 22 consultations, over 40 percent of the attendees held Ambassador licences. As it was found that taxicab drivers were underrepresented in the formal consultations, it was decided to consult with drivers during their refresher training. ML&S training centre staff conducted sessions with approximately 700 drivers and submitted their comments to the taxi review team.

Beyond the consultations, several meetings were held within ML&S as well as with other city divisions such as Economic Development, Transportation Services, Transportation Planning and Legal Services to gain interdivisional insights and expert advice.

Methods for Consultation

A variety of methods were used for the consultation phase. ML&S established a dedicated website for the review which posted information on locations and dates for consultations. Notices and comment forms were posted and distributed in a variety of facilities, directing interested people to submit ideas by telephone, email, mail or online. Facilities included the Licensing and Permit Issuing office, the Inspection Centre, the Training Centre and Toronto Public Libraries. As well, private facilities such as taxicab brokerages and garages also posted notices and comment forms.

Facilitated group discussions and the “Dotmocracy” process were the most frequently used methods throughout the 19 consultation meetings.

Dotmocracy: The Taxicab Industry Review collected over 1,300 submissions through the dotmocracy process. When consulting with a large number of stakeholders with differing opinions, Dotmocracy is a useful tool. Its strength lies in its ability to allow participants to direct the conversation which creates a participatory, bottom-up process. Participants are encouraged to write a single idea on paper and post it to the wall. Other participants can show their level of agreement with the idea by marking on the piece of paper.

Dedicated Email and Phone: Stakeholders could also participate in the review by emailing their input to a dedicated email address, an online comments form or call a dedicated line and leave a voicemail with their input. Through these methods the taxi review collected over 400 submissions.

Mail: 10 large submissions with multiple recommendations were submitted from Industry stakeholders along with other mailed submissions.

Open Door: The Executive Director of ML&S had an ‘open door’ policy with the Industry for one-on-one meetings with stakeholders as requested. These represented more than 10 meetings to date with various industry participants.

Information Sessions: 3 information sessions held in August shared information collected through the first phase of the review and asked the industry for further input on policy directions.

Organizing Consultation Data

As data was collected during the consultation phase, it was organized into categories and then analyzed by staff. As a commitment to transparency and accountability all information was posted online.

Consultation information can be found at:

<http://www.toronto.ca/licensing/taxireview/stakeholder.htm>

Please see Appendix A for a full summary of Public and Stakeholder Engagement.

Issues Emerging from the Consultations

Members of the taxicab industry have different views and these perspectives were captured throughout the consultations. The riding public, Drivers, Ambassador Licence Holders, Standard Owners and Brokerages have varying interests in the industry.

Many issues were brought forward through the consultation and some issues came up repeatedly. These issues have been categorized as:

- 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

IMPROVE RELATIONSHIPS & COMMUNICATION

Increasing communication between the taxicab industry and the City would be mutually beneficial. Better communication would help ensure a healthy industry that adequately serves the needs of Toronto's residents and visitors.

What the Industry is Saying

Taxicab stakeholders are interested in becoming more involved with the City on a regular basis and in a formal capacity. This would ensure stakeholders are more aware of what is happening in the City that may impact the industry and also have more input into changes being considered relevant to the industry.

Many stakeholders advocated for the creation of a taxicab advisory committee, similar to organizations in Mississauga and New York. Such groups would be made up of industry stakeholders and tasked with providing recommendations to the City on the taxicab industry. Different suggestions were received for its composition, but it was generally agreed that it would be comprised of stakeholders from the various licence categories, as well as City staff, police and tourism agencies.

As well, stakeholders said that the City should better communicate events, changes and proposed changes affecting the taxicab industry, providing all stakeholders with an opportunity to get involved.

Improve Relationships and Communication

Reinstating the Taxi Advisory Committee was suggested through the consultations and is relatively easy to implement, and could start making a positive impact for the industry before the final report comes forward to City Council.

It is also recommended that an administrative change be made that would streamline the complaints and compliments process to increase customer service.

Reinstate the Taxi Advisory Committee

There is a demonstrated need for a centralized body which can initiate reports, advise and make recommendations on the taxicab industry.

The taxicab industry is among the most highly regulated and enforced by the City of Toronto. There are more than 15,000 taxi related licenses and roughly 22,000 inspections conducted annually. ML&S licenses taxi brokers, owners and

drivers. The high level of regulation of the industry deserves a continuing level of consultation and input from those affected.

There is a strong desire among the taxicab industry to be consulted more regularly and in more detail about regulation that impacts their livelihood. The fragmented nature of the industry has hindered its ability to speak with one voice. The intent of a centralized body would be to improve industry communication, and to provide guidance to City staff and the Licensing and Standards Committee on taxicab issues.

During the consultations with the taxicab industry, participants repeatedly called for increased communication with the City. Members of the taxicab industry felt as though their voices are not heard by City Hall and asked explicitly for the Taxi Advisory Committee (TAC) to be reinstated.

In 1974, the TAC was created under Metro Toronto as an appointed body of industry representatives. Beginning in 2000, members of the TAC were elected by members of the industry. The TAC was eventually disbanded following the 2003 municipal election. After working effectively for nearly 30 years, the TAC had become unworkable: the cost of the committee expanded, it met more frequently than mandated and the ambassador licence class was not represented.

In 2006, a report recommended the creation of a Taxicab Industry Consultation Group (TICG). The TICG had a similar mandate to the TAC however it was designed to have slightly different membership and was appointed by ML&S staff rather than elected. The TICG was proposed, but was never voted on by council. This marked the last time an advisory body representing the taxicab industry was proposed. In the years following the TAC, ML&S has met with the taxicab industry informally and on an ad hoc basis.

Taxi Advisory Committee 2012

The purpose of the new TAC will be to enhance relationship of the industry with the City and ultimately improve the quality of Toronto's taxi service. Through a consultative process, it will study, report, make recommendations and submissions on matters outlined in its mandate or, as directed by the Licensing and Standards Committee. The TAC will serve as a conduit between the taxicab industry and the City of Toronto and improve communication from all parts of the industry to each other, and to city divisions and council.

The new TAC will be different than before. In consultation with the industry, the City will work to make an effective centralized body. Reporting and meeting requirements will be strictly maintained. A city division should also be included as members on committee rather than simply act as advisors.

Objectives:

- 1) Contribute to policy objectives related to the taxi industry;
- 2) Act as a body that can inform and advise the City of Toronto regarding issues which pertain to the industry;
- 3) Champion the cause of the taxi industry and influence policy in a way that supports a healthy and viable taxicab industry;
- 4) Assist the City of Toronto in the creation of a transportation network which effectively utilizes taxicabs;
- 5) Study and make recommendations on the location and size of cabstands

Streamline Complaints and Compliments Process

Increasing channels of communication between the City and the industry is important, but the public must also be included. The 1998 Review introduced a dedicated phone number for customer complaints and compliments, 1-877-TO-TAXIS. Since then, a dedicated email address was created licenf@toronto.ca. Both the telephone number and email address are posted on the Passenger Bill of Rights which is located in all taxicabs.

Streamlined Telephone Access: Currently when you dial 1-877-TO-TAXIS you are directed to the main call centre for ML&S. There are several options that the customer would have to select to be able to leave their comments. This can be improved by having a direct line for taxicab complaints and compliments.

Easy-to-Remember Email Address: The current email address is not easy to remember and may lead to frustration amongst customers. This can be improved by changing the email to something clearer.

By making these two changes the City can ensure that customer complaints and compliments can be processed effectively and efficiently. Both of these changes will consider ways that could make the complaints and compliments process for accessible.

APPROPRIATE NUMBER OF TAXICABS

Throughout the consultations ML&S staff heard from taxicab drivers and owners that there were too many taxicabs in Toronto. The appropriate number of taxicabs is a critical component of ensuring the industry both provides adequate service levels and that it maintains a sustainable business.

What the Industry is Saying

"Taxi regulators' decision as to how many cabs to license is one of the most important decisions that they make. If regulators allow too few taxicabs, the resulting undersupply will create lengthy waits for cab service and sometimes prevent customers from obtaining service at all.

Conversely, an oversupply of cabs can lead to service problems such as aging and ill-kept cabs and high turnover among underpaid and poorly qualified drivers."

Bruce Schaller, 2005

There is general consensus amongst the taxicab industry that there are too many taxicabs operating in the City, though there are still some who believe there are enough. The industry does believe that a new issuing formula is needed. Many comments suggested different methods to determine the appropriate number of taxicab licenses including a per capita ratio or a demand study which observed taxicabs in operation. However, there was broad consensus that the current issuing formula is wrong. Some argue that the City's decisions to issue licenses in the past were too politically motivated and did not consider the impact to the industry.

Respondents suggested that a range of demographic and economic factors should be considered in creating a formula to issue taxicab licenses in the future. Some of these factors include population, inflation and driver incomes.

There were several suggestions that the City should hire an independent consultant to determine the formula for the appropriate number of taxicabs.

Some members of the taxicab industry expressed that there were simply too many cabs operating on the streets of Toronto and the number should be reduced. There were several other suggestions including eliminating Ambassadors or mandating alternate days of operation.

Although most stakeholder input indicated that there were too many taxicabs and the City should reduce the number, a few suggestions advised that the City should deregulate the taxicab industry, removing restrictions on the number of taxicabs, such as in Melbourne, Australia and Dublin, Ireland.

Calculating the Appropriate Number of Taxicabs

There is no such thing as the 'perfect' number of taxicabs for any city. Demand for taxicabs fluctuates: when it rains, there will never be enough taxicabs and at 3 a.m. on a Tuesday, there will always be too many. However, an extreme over- or under-supply of taxicabs can seriously impact a city's transportation network.

Case Study:

New York City & Chicago

Both NYC and Chicago sell taxicab plates for substantial amounts of money.

When issuing new taxicab licenses, each city uses sealed bid auctions to determine the highest amount that a qualified applicant will pay.

In 2010, Chicago auctioned off owner-operator plates with the highest bid of more than \$180,000 and corporate plates fetched as high as \$260,000 each.

History of Taxicab Supply Models for the City of Toronto

The City of Toronto has used several methods to set the number of taxicab licences. Prior to 1982, the City of Toronto used a per-capita ratio to determine the optimal number of taxis. This simplistic method was eventually determined to be under-estimating demand, creating a slight taxicab shortage. Beginning in 1982, a variety of models were developed that used economic, demographic and social indicators of taxi demand to calculate licensing models. These models are updated every few years as the City's current license issuing model.

Taxicab License Issuance

Since the introduction of the Ambassador licence in 1998 no new Standard licences have been issued. The recommended plate issuance from the 1998 model was not closely followed. 318 less licenses than recommended were issued from 1998 to 2002. In 2003, council voted to "catch-up" for previous years of under-issuing and released 208 ambassador licenses for the following three years, more than recommend in the 1998 model. Since 2005, no new taxicab licenses have been issued.

Seven Models Used in this Review

The Taxicab Industry Review investigated 7 different ways to determine the appropriate number of taxicabs for Toronto. Staff analyzed factors that affect the demand for taxis, compared Toronto's number of taxicabs to other cities and conducted a survey of actual taxicab arrivals and departures across the city.

Standard and Ambassador taxicabs impact the number of taxicabs available differently. Standard taxicabs operate 24 hours a day, while Ambassadors operate 12 hours a day, although one Standard taxicab is not equivalent to two Ambassador taxicabs. This is because Ambassador taxicabs typically work during the busiest times of the day, when there is the highest demand for taxicabs.

The term Standard Plate Equivalent is a way to standardize the impact that one new licence plate would have on demand. In this case, the Ambassador plate is considered to impact demand at 65% of a Standard Plate.

Models 1 - 5

The first three models used in calculating the appropriate number of taxicabs were updated existing models and the next two were new models. These models look at relevant factors that impact the need for taxicabs such as transit ridership, population, employment and tourism and measured the growth.

These models indicated an undersupply of taxicabs ranging from 300 to 1,300 standard equivalent plates.

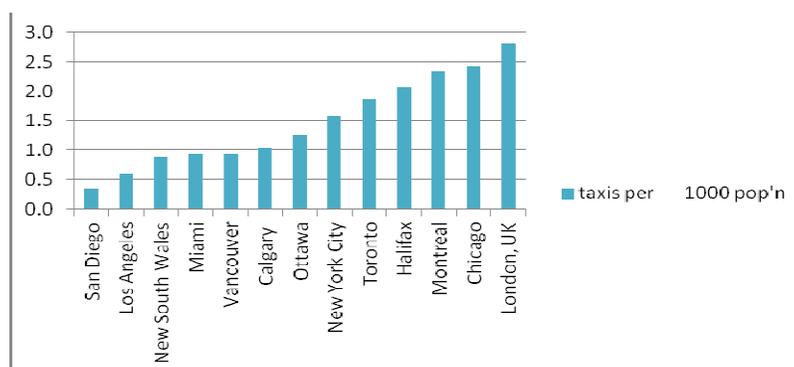
Corporate Finance staff created the fourth model based on the 1998 model. This study revealed new correlations and new weighting, and ultimately an undersupply of 590 Standard Equivalent Plates.

In the fifth model, City Staff performed a condensed version of a model for taxicab licenses supply proposed by Bruce Schaller the current Director with the New York City Taxi and Limousine Commission. City staff used Schaller’s variables such as subway commuters, no vehicle households and airport taxi trips for this study with the most recent data for the City of Toronto. This model reveals an undersupply of 1,190 standard equivalent plates.

Model 6 - Per Capita Review

When compared to other cities, on a per capita basis, Toronto ranks mid-range for the number of taxicabs per resident. The sixth model indicated that Toronto has more taxicabs per person than Vancouver and Ottawa but less than in Montreal and New York City.

Figure 5 – Number of Taxicabs by Population



Case Study:

Calgary, Alberta

In a recent review of the city's taxi industry, Calgary employed a demand survey at several locations and times.

The results illustrated peaks and valleys in demand and average wait times that was utilized when determining issuance. This method for determining demand is actually mandated by legislation in the U.K.

Model 7 -Demand Survey

The seventh model used by the review team was a demand survey, which surveyed how long taxicabs wait for passengers. The results of this survey indicated that there were more taxicabs than passengers. Across the city, taxicab drivers waited for passengers on average of 39 minutes, and it was observed that some drivers waited up to 2 hours for a fare.

Over the course of two weeks, researchers were located at seven cabstands across the city at peak demand periods. At each cabstand, researchers recorded wait times and length of lines for passengers and taxicabs. In total, researchers observed 6.4% of all licensed taxicabs and 392 passenger departures.

The results of the study suggest that there is either an adequate number, or potentially an oversupply of taxicabs operating in the city. Researchers noted long line-ups of cabs (with the exception of the entertainment district on Saturday night) and, no lines of passengers waiting for taxicabs. Furthermore, the average wait times for taxicabs at cabstands was 39 minutes, and the longest wait time recorded was more than 2 hours. It was recorded that the wait time for all passengers was less than one minute.

These results suggest that the demand for taxi trips by residents and tourists is more than met by the current number of taxicabs operating in the city. The pattern of long waits between fares supports the taxicab industry's assertion that new licenses would negatively impact driver incomes and add to overcrowding at cabstands.

Industry View

During the consultations, the City heard from the industry that there is an oversupply of taxicabs as well. Too many taxicabs shared amongst too few fares were negatively affecting driver incomes and the health of the industry.

Table 1 – Seven Models, Appropriate Number of Taxicabs

	Seven Models & Industry View	Oversupply or (Undersupply) of Standard Plate Equivalents
1	Coopers & Lybrand	(1,265)
2	Economic Planning Group	(307)
3	City of Toronto, 1998	(1,333)
4	City of Toronto, 2012	(590)
5	Schaller	(1,190)
6	Per Capita	Neutral
7	Demand Survey	No Undersupply
8	Industry View	Potential Oversupply

Case Study:

Dublin, Ireland

In 2000, Dublin de-regulated entry to the taxi market. The results have been mixed, a large increase in the number of licensed taxis on the road has caused traffic problems, however passengers still wait for long periods during peak times.

Please see Appendix B for a full report on models 1 – 6.

The Alternative, Open-Entry Taxicab Model

The history of taxi regulation stems from the great depression when high levels of unemployment created a boom in private cars operating as taxicabs. The taxi market was flooded, causing traffic congestion and violence. Cities responded by setting limits on the number of taxis permitted to operate. Since then, some jurisdictions have chosen to remove the limit of taxicabs. Known as the open-entry structure, it allows that any taxicab, meeting quality and safety requirements is permitted to operate.

Unfortunately, many of the promised benefits of deregulation never appeared. Deregulation has resulted in a long list of negative outcomes including:

- Refusal to provide short trips
- Discourteous treatment of passengers
- Increased highway congestion
- Increased energy consumption and environmental pollution
- Declining driver income
- Deterioration in service
- Little or no administrative savings

Independent Review

There is clear disagreement between the models which indicate an undersupply of taxicabs; and the opinions of the industry and the results of the demand survey, both of which suggest there is an oversupply. An independent review of the issuing formula would be beneficial.

An outside consultant will examine the appropriate number of taxicab licenses for the City of Toronto and help define a program for issuance in the future. The consultant will evaluate the existing number of taxicabs and define the economic impact of increasing the supply of taxicabs.

The consultant will complement other models already completed by City internal resources. The consultant must also look at new ways to consider the issuance of licences. The consultant will assist the City in determining what economic and other factors should be considered when deciding the appropriate number of taxicabs. The consultant will also identify where supply and demand intersects, and the factors that would contribute to a “made in Toronto” issuing formula. Finally, the consultant will also assess the impacts of other models, such as open-entry.

Staff have started drafting the scope of work for the consultant and will be seeking input from the industry. Recommendations from the consultant will be used in preparation of the final report.

ACCESSIBLE TAXICABS

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

What the Industry is Saying

People with disabilities, advocates and organizations agreed that improvements to accessible taxicab service are needed. Accessible brokerages advised that they were unable to service some calls due to an insufficient number of accessible vehicles.

On-demand taxis: Participants expressed that accessible taxis have to be booked in advance because taxis are not available on-demand and that the majority of wheelchair accessible taxis are under Wheel-Trans contract and are not readily available. The inability to book taxis on-demand as needed, has forced some to use alternative wheelchair accessible service, such as livery type of service which can be more costly than using a taxi and is unregulated.

Fair Pricing: It was reported that even though the by-law mandates accessible taxicab rates must be charged according to the meter, participants indicated that they have been charged flat rates, often higher than the meter.

Barriers: Regulations that require accessible taxicabs to have contracts for clients before receiving a license are prohibitive in creating an accessible on-demand service. As well, accessible taxicabs cost more to own and operate. Stakeholders suggested amending the by-law to allow accessible taxicabs to be able service all passengers regardless of disabilities.

Current Accessible Taxicab Service

The City of Toronto has 170 accessible taxicabs to provide service for people with disabilities. 85 taxicabs are licensed as Accessible taxicabs and 42 Standard taxicabs and 43 Ambassador taxicabs operate wheelchair accessible vehicles making 3.5% of all taxicabs accessible.

Currently, most of Toronto's accessible taxicabs are on contract with TTC Wheel-Trans which means that people must be eligible under the TTC Wheel-Trans requirements to have access to this service.

Accessible taxicabs that are not under TTC Wheel-Trans contract are required to be in a service agreement with hospitals, rehabilitation centres and other organizations that provide services to people with disabilities.

TTC Wheel-Trans Service

The majority of wheelchair accessible taxicabs are on contract with TTC Wheel-Trans. Wheel-Trans is a part of Toronto's public transit network and provides a different service than a private, on-demand accessible taxicab.

Accessible taxis that are under TTC contract are restricted to candidates that meet TTC's Wheel-Trans eligibility criterion to receive the service. Passengers are charged the equivalent of a TTC fare either through cash, token, ticket or bus pass and must be pre-booked. The driver is paid by TTC on a per kilometer basis.

In 2011, Wheel-trans had a demand of 2,800,800 calls from people with disabilities. They accommodated 97% of the trips with a combination of Wheel-Trans buses and accessible taxicabs.

Although TTC Wheel-Trans provides many wheelchair accessible trips per year, only people eligible and able to book in advance can take advantage of this service. As an alternative, metered, on-demand accessible taxicabs should be available for residents and visitors of Toronto.

Providing Taxicab Service to People with Disabilities

Over the past several years the City of Toronto has implemented by-laws to establish and govern a standard for providing taxi service to the public with specific provisions for people with disabilities.

All City of Toronto taxicab drivers are trained on how to provide service to all passengers including people with physical, cognitive, hearing and visual disabilities. New driver training includes a component on how to assist passengers who are visually impaired, whether it is guiding them to the taxicab or to the door of their destination. Drivers are trained on how to assist a passenger using a mobility aid such as a walker or cane, as well as how to safely stow the devices. All drivers must know how to assist passengers using a wheelchair including negotiating curbs and ramps, safely folding and stowing the wheelchair as well assisting passengers to get in and out of the taxicabs.

In addition to the mandatory training, operators of wheelchair accessible taxicabs are required to successfully complete a five-day course. Training covers how to secure wheelchairs, passenger safety and emergency procedures situations.

Case Study:

London, England

London's famous black cabs are all wheelchair accessible.

Every licensed London taxicab has a side wheelchair ramp as well as a variety of amenities designed to serve customers with mobility issues.

In addition to training, the City of Toronto's by-law sets the following service standards for all taxicabs:

- A taxicab driver cannot refuse to provide service to a person because he/she has a disability
- A taxicab driver cannot refuse to provide service to any blind person being guided or led by a dog, because of the presence of the dog
- A taxicab driver cannot refuse to allow the guide dog in the taxicab
- A driver or owner of a taxicab cannot charge a higher fare because a passenger has a disability; however a lesser fare may be charged to passengers with disabilities.
- the fare charged shall be exactly as shown by the taximeter, together with any additional charges outline in the Tariff authorized by ML&S (exceptions are where the municipal code allows for flat rate arrangements going outside of the City limits, going to Pearson airport or charge account clients with brokerage)
- A taxicab driver cannot charge an extra fee for loading or unloading a wheelchair

The by-law also requires that every owner and driver of an accessible taxicab shall:

- Announce the arrival at the customer's destination;
- Provide appropriate assistance; and
- Properly and safely handle customers' mobility aides.

Achieving On-Demand Accessible Taxicab Service

The City of Toronto values the diverse needs of all residents and visitors. Ensuring adequate accessible taxicab service is part of a commitment to being an inclusive city to live and visit.

The Accessible Ontarians Disability Act (AODA) proposes sweeping reforms to make Ontario accessible, and Toronto's taxicabs are not exempt. Under AODA legislation, the City is required to:

- 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
- create an accessibility plan that identifies progress made toward meeting the need for on-demand accessible taxicabs

Strategy to Increase Accessible Taxicab Service

A strategy for accessible on-demand taxicab service is essential and required under AODA. The City must work in conjunction with the Disabilities Issues Committee, stakeholders and the taxicab industry to create an effective plan to better our accessible taxicab service.

Dual purpose vehicles

Dual purpose vehicles are one way to achieve on-demand accessible taxicab service. A dual purpose vehicle is an accessible taxicab that is allowed to pick up all passengers.

In 2006, ML&S permitted taxicab owners to use rear-load wheelchair accessible vehicles as dual purpose taxis. Unfortunately, due to lack of education and promotion this service was phased out.

The dual purpose accessible taxicab could be successful if it was introduced with proper public awareness and promotion. If enough dual purpose vehicles were licensed, people requiring accessible taxicabs would have access to licensed on-demand service.

FARES

Setting an equitable taxicab fare is a central aspect of the City's commitment to consumer protection. The taxicab fare ensures that residents and visitors to the city are charged the same rate regardless of the time of day or location, and the set fare allows for a healthy industry. When a passenger approaches 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. If the fare is set too low, driver's incomes will fall, threatening the long term health of the industry. If the rate is too high, the public will find alternatives to taxi travel leading to high vacancy rates in taxicabs and falling driver incomes.

What the Industry is Saying

Taxicab industry stakeholders said the fare is too high, although whether or not it should be lowered is less universally accepted. Drivers reported that tourists in particular had 'sticker shock' at the \$4.25 initial fee.

Some drivers expressed concern that a reduction in the fare would negatively impact their income. However, many more drivers suggested that an increase in the fare does not necessarily increase their incomes. This is because when fares increase the shift/lease fees increase as well. Some stakeholders suggested that reducing the fare would increase taxi ridership that would offset the lowered fare.

Current Fare Structure

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

The drop

Currently, when a passenger enters a taxicab they are charged \$4.25, this charge is known as 'the drop'. The name originates to when meters used to have a flag which was lowered once you got into the vehicle. The purpose of this charge is to make short trips profitable to drivers.

Distance Charges

The current Toronto taxicab rate charges \$0.25 for each .143km the taxicab travels. When this rate is increased, the monetary unit has traditionally remained the same and the distance shortened i.e. 25 cents takes you lesser distances, as the rates rises. For instance, in 2009, \$0.25 was charged for every 0.155 km the taxicab travelled.

Waiting Charges

Passengers are charged \$0.25 for each 29 seconds the taxicab is not moving while hired. This charge includes waiting at street lights and in traffic. Changes to waiting charges happen less frequently than changes to the drop and distance charges.

Setting the Appropriate Fare

Since 2005, Toronto's taxicab rate has been reviewed on an annual basis. The taxicab fare calculation formula used by the City is made up of 13 factors which represent the costs of operating a taxicab ranging from fuel costs, to leasing fees, to driver's time. As the cost of operation increases the fare is intended to rise commensurately.

The taxicab rate has also been increased due to special circumstances. The introduction of the HST led to a 13% increase in fares in 2010, and a spike in fuel costs resulted in a \$1 increase in the drop rate in 2008.

Compared to North American cities Toronto's taxicab fare is high. Since 2003, Toronto's taxicab fare has increased by 67% on a 8km trip and now is nearly 40% more expensive than in Chicago and 25% more expensive than Houston.

The rise in Toronto's taxicab fares has outpaced the rise in the Consumer Price Index (CPI). The CPI shows changes in costs of a basket of goods over time. Since 1978, the CPI has increased by 3.5 times while fares for taxicabs have increased by 4.4 times.

The City is currently evaluating the affordability of Toronto's taxicabs and its impact on ridership. The formula for calculating the fare is also under review.

LICENSING STRUCTURES

Over the course of the review, thousands of comments were collected from industry stakeholders, the general public and City staff on taxicab licensing structures. Some of the strongest opinions were regarding the effectiveness of the ambassador program.

What the Industry is Saying

The most common response during the consultation phase was that there should only be one type of taxicab licence. Most comments suggested that the City should convert Ambassador licences to Standard licences however, a small number of suggestions were to convert Standard licenses to Ambassadors. Some participants thought that converting Ambassador licences to Standard licences would increase competition too much by allowing Ambassadors to operate 24 hours a day. Some stakeholders proposed that the City could set a fee for the conversion of Ambassador licences to Standard licences which could be used to create an insurance or benefit fund for taxicab drivers.

Some members of the industry suggested that there should be no changes to the ownership structure, believing that it works well for everyone in its current form.

Ambassador Licences: Many drivers expressed a desire to become an Ambassador Licence holder. They believe becoming an Ambassador owner will increase their income and provide them with more freedom. Drivers articulated that the Standard licenses had become too expensive for them to imagine owning, and suggested that the Ambassador program represented their best hope for financial security within the taxicab industry.

Standard Licences: Standard Licence holders feel that their taxicab plate is an asset, something they should be able to borrow money from a bank to buy, Will to their spouses or children and own as many as they chose to. The inability to incorporate their ownership structure is also a major concern for Standard Licence holders.

Transferability: Many stakeholders from the taxicab industry would prefer that all licences were transferable and that restrictions on transferability were removed.

Agents: The majority of industry respondents believe that Designated Agents should be eliminated. A commonly expressed opinion is that Designated agents do not enhance the industry and drive up costs for all, making it harder for a driver to make a living. Respondents said that the role and legal

responsibility of Designated Agents should be more clearly defined, and Designated Agents should have the legal accountability of owners.

A minority of responses advised that Designated Agents play a valuable and necessary role in the taxicab industry however they must be better regulated.

Leasing: Stakeholders commented that lease agreements should only be between the owner and driver. Stakeholders advised that, in lease agreements, it is common for lessees to purchase the vehicle and, to satisfy by-law requirements, must change the vehicle ownership into the taxicab licence holder's name which can create difficulties. Some lessees report that taxicab license holders cancel leases without due cause, leaving the lessee with a vehicle and no licence to operate it as a taxicab.

Effectiveness of the Ambassador Program

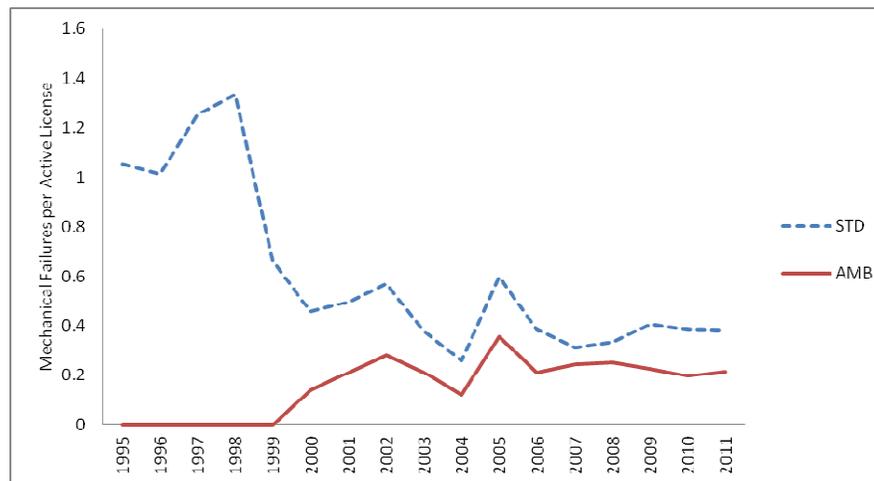
It was suggested in 1998 that owner-operated taxicabs have a higher standard of vehicle quality and customer service. In 2012, Ambassador licensed taxicabs are more mechanically fit and have fewer complaints than Standard licensed taxicabs and are desirable by some drivers.

When the ambassador program was created during the 1998 review, the intent of the licence category was to:

- Improve customer service and,
- Ensure that those who worked in the industry profited from it.

Measured by these factors, the Ambassador program could be considered a success. The quality of Toronto's taxicabs overall has improved dramatically and, with few exceptions, Ambassador taxicabs have outperformed their standard counterparts in every category year after year. Customer complaints against Ambassadors are also lower.

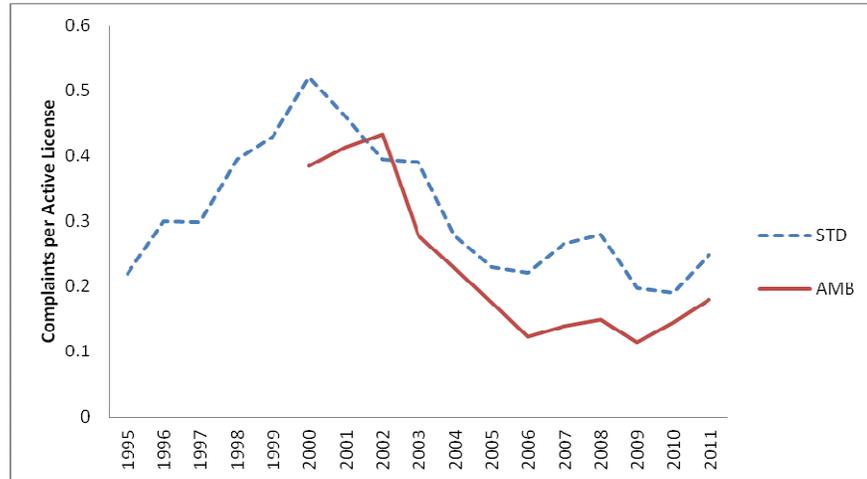
Figure 6 – Mechanical Failures Ambassador vs. Standard



"The rationale supporting the Ambassador Class Taxicab concept, is to reward individuals who want to participate and commit to the taxicab industry by driving a taxicab, with an opportunity to run their own taxicab business"

- 1998 Taxicab Review

Figure 7 – Complaints Ambassador vs. Standard



The Ambassador program created a license class that ensured that taxicab operators are able to keep more of the money they make in fares rather than having to pay for lease, shift or agent fees.

During the consultation phase, Ambassador owners often referred to the Ambassador program as a failure, however shift drivers do not share this view. There is a high demand for new ambassador licenses from taxicab drivers, as heard through the consultations and demonstrated by the large number of drivers waiting to receive new ambassador licenses, currently 944 drivers.

Regulation Effecting Standard Taxicabs

Designated Agents, leasing and transferability affect how Standard taxicabs operate and function. These regulations only apply to Standard licences.

Designated Agents

The role Agents play in the taxicab industry has changed overtime. Today, Agents act between those that hold taxicab owners licenses and those that lease or drive vehicles. Almost half of all standard taxicabs (1,720 taxicabs) are managed by designated agents.

Originally, Agents were intended to act as representatives for Standard Plate Owners who could not, or chose not, to appear at licensing tribunal or other official matters. With the end of multiple leasing after the 1998 review, Agents took on added importance in the industry as they were the only people who could manage more than one (1) plate.

Agents have facilitated absentee taxicab ownership. The rise of agents has allowed standard taxicab license owners to be further detached from the

workings of their vehicles, assuming the agent will deal with the day-to-day issues.

Agents play several roles within the industry. Below are 3 broad ways agents work:

1. Some Agents represent one car and work on behalf of the taxicab owner.
2. Agents affiliated with a brokerage or a garage use the agent category to manage several vehicles, ensuring that the cars are regularly maintained and that there are enough drivers to operate all vehicles.
3. Agents most commonly identified as an issue by the taxicab industry are Agents not invested in the industry. These agents, commonly referred to as “briefcase agents”, are not affiliated to a brokerage or a garage and will manage multiple vehicles. These Agents add a layer between the licence holder and the operator, and add additional costs to the industry, without having to necessarily invest in the industry.

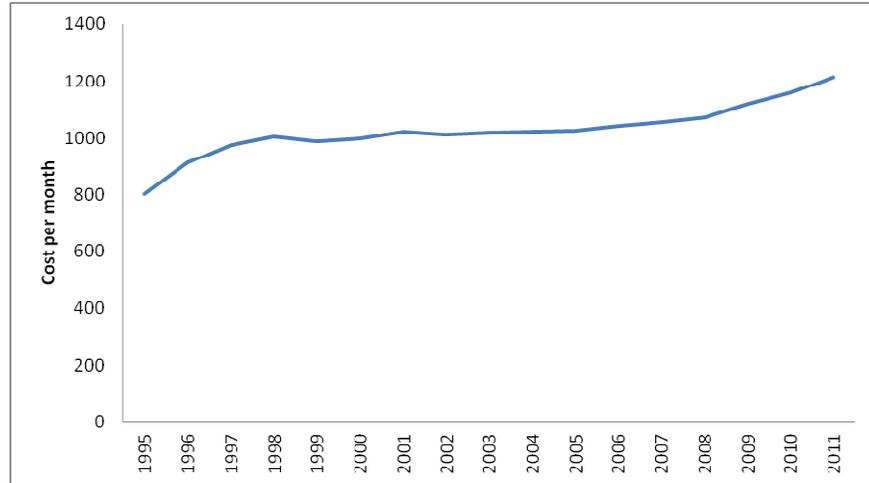
Leasing

Standard taxicabs can be leased. Lessees must be licensed taxicab drivers or owners who agree to pay a monthly sum in exchange for the ability to operate a taxicab. A lessee must drive the taxicab on a regular basis and can hire drivers on a shift basis. Signing multiple leases or sub-leases is not permitted.

The owner is required to provide the vehicle to the lessee, however in practice, lessees often purchase their own vehicle and register it in the owner’s name. Taxicab leases expire at the end of the life of the taxicab vehicle. Cancellation of the lease prior to the end of the life of the taxicab vehicle requires just cause or the consent of both parties.

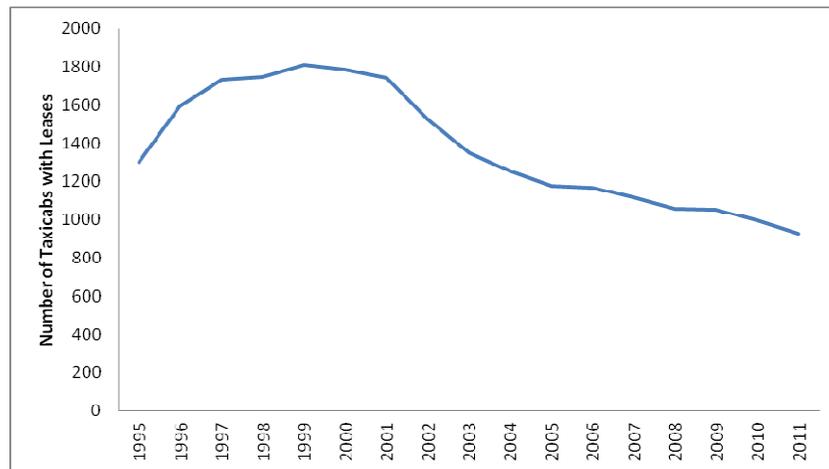
The average monthly cost of a lease has increased from \$750 in January of 1995 to \$1244 in December of 2011. As seen in figure 8, since the 1998 review, lease costs have levelled.

Figure 8 – Average Monthly Cost of Lease, 1995 – 2011



The number of taxicabs with leases has been declining steadily. The 1998 review led to the end of multiple-leasing and subsequently agents were the only way to manage multiple taxicabs. Leases without agents are cheaper for drivers than those with agents. On average, leases without agents cost 8% less than with an agent.

Figure 9 – Percentage of Standard Taxicabs with Lease Agreements, 1995 – 2011



Leases allow those with taxicab owners licences to relinquish the day-to-day operation of the taxicab to someone else, which in some cases leads to absentee ownership. Allowing taxicab owners to lease their taxicabs, and then for lessees to hire shift drivers, places several layers between the person authorized by the City to retain the license and the person actually operating the vehicle.

Sales and Transferability

Standard taxicab owners can sell their taxicabs on the open market to licensed taxicab drivers, at which point ML&S issues a new licence to the approved purchaser. ML&S approves the sale of Standard taxicabs and its equipment as per the by-law, Chapter 545-142.

As seen in the chart below, the average value of a Standard taxicab has increased dramatically in the past few years. In 2011, the average Standard taxicab had a value of over \$210,000.

Table 2 – Historic Value of Taxicabs, 1998-2011

Historic Value of Standard Taxicabs 1998 - 2011		
Year	Total Number of Taxicabs Sold	Annual Average Value of Taxicabs
1998	118	\$ 80,900
1999	72	\$ 63,100
2000	158	\$ 75,200
2001	11	\$ 91,000
2002	121	\$ 83,600
2003	166	\$ 91,000
2004	51	\$ 96,800
2005	115	\$ 96,800
2006	102	\$ 116,400
2007	108	\$ 115,200
2008	99	\$ 133,800
2009	127	\$ 164,200
2010	118	\$ 175,900
2011	91	\$ 210,100

Standard taxicabs cannot be inherited; however, they are often sold to family members for a token amount of 1 dollar. The cost of a Standard taxicab ranges from \$1 to above \$300,000; therefore the average value does not necessarily represent the true market value of the Standard taxicab.

Approaches to Licensing

The City of Toronto is in the process of evaluating approaches to licensing and will continue to consult with the taxicab industry and the riding public. It is recognized that changes to the licensing structure could have significant impacts on customer service levels and the health of the industry. The City is committed to exploring all options that could help resolve issues brought forward during the initial consultation phase.

As the regulator, the City must ensure adequate taxicab service that is safe, affordable and accessible. Evaluating the current licensing structure and evaluating any changes must consider these factors.

Modify

Instead of reverting to previous licence structures, another approach could be to make incremental changes to the current structure. Proposed changes could address specific issues brought up by the industry in the course of this review.

This approach maintains the City's longstanding policy goals, including a focus on owner-operated taxicabs. This approach is the easiest to implement requiring relatively small scale changes to the by-laws.

Modification of Toronto's taxicab licensing system would entail changes to the condition of the existing licences without eliminating or creating new licence classes. For instance, currently the Ambassador licence is only permitted to be operated by the owner; these restrictions could be changed to allow second drivers in certain circumstances.

Modification is not necessarily conservative. Changes could include implementing a transfer fee for existing Standard licence owners if the licence was transferred. Other changes such as the elimination of leasing, increased accountability among agents and taxicab owners, as well as relaxing the operation of Ambassador taxicabs could be accomplished by modifying current structures and would need significant input from stakeholders.

Revert

Through the consultation phase, we heard the taxicab industry argue that previous changes to the licensing system have been detrimental to the health of the business and unnecessarily restrictive. It was suggested that reverting to previous licensing systems could be beneficial for the industry.

Reverting to older licensing systems could take several different forms, including the conversion of the ambassador licence or allowing corporately owned and operated taxicab plates.

This approach to licensing moves away from previously established owner-operated ideals. It represents a 'u-turn' from the approach presented in the 1998 review and the regulation enacted in subsequent years. If transferability was allowed for all licence types, there could be an impact to current values. Any increased value could be shared through a transfer fee with the City to cover infrastructure costs.

Reversion will not likely address many issues the industry currently has, nor will it solve many of the issues that initiated the 1998 review (absentee ownership, poor vehicle condition and customer service).

Reversion to previous license structures would be complicated and legally challenging to implement as this approach is in contradiction to many policy directives over the last 14 years.

Specific complaints from the taxicab industry including the roles and responsibilities of agents and absentee owners can also be addressed within the current licensing structure.

Create

Restructuring of the licensing system could be accomplished through the creation of a new license type. There is a precedent of creating new licenses to deal with taxicab industry problems, i.e. the ambassador program in 1998.

Creating a new license category could maintain the City's policy goals of owner-operated taxicabs and meeting accessibility needs. This approach would represent wide-scale change to the industry and would have to include extensive consultation with the industry and stakeholders.

Creation of a new license type could either be a new licence that would operate along with existing licence structures or a new licence that would harmonize all existing licences.

Fourth license type:

A fourth license type could be created to complement the current Standard, Ambassador and Accessible taxicabs licence structures. This approach could provide choice for those in the industry. Creation of a parallel licence category could be implemented relatively easily.

Harmonized:

All or some of the current licences could transition into a new licence class through attrition or conversion. A harmonized licence category could have some of the characteristics of each of the existing licence types. This approach reflects the desire of the industry to have a single licence class for all taxicabs. Although, transitioning existing licences to a hybrid type could be difficult to implement.

Accessibility:

A fourth licence or harmonized licence could mandate that all taxicabs in Toronto be fully accessible. These vehicles would be dual-purpose and serve all people. A new accessible licence could be issued and operate along with the existing licences until on-demand accessible service was achieved. A harmonized accessible licence could, over time, achieve 100% accessibility of Toronto's taxicabs.

VEHICLE REGULATIONS

The City of Toronto regulates some aspects of the look, make and model and specifications of vehicles licensed as taxicabs. Regulations in this area are guided by the core principles of public safety, consumer protection and industry health and viability.

Overall, the state of Toronto's taxicab vehicles is very good. Over the past fifteen years there has been a dramatic increase in the quality and condition of licensed taxicabs. The number of failed inspections, tickets, complaints and plate removals are all down considerably from the mid to late 1990s, indicating the industry reforms of 1998 have had a positive impact.

What the Industry is Saying

Consultations with the taxicab industry revealed that stakeholders would like to operate their vehicles longer than current regulation allows. Owners, drivers and brokers voiced their belief that the regulations surrounding vehicle size should also be relaxed.

Stakeholders from all segments of the taxicab industry agreed that fuel-efficient taxicabs, such as hybrid cars or smaller vehicles, should be encouraged. Stakeholders pointed out that efficient vehicles save drivers money on fuel and are better for the environment.

The taxicab industry argued that the City should provide incentives for purchasing hybrid vehicles due to the perceived higher purchase and maintenance costs in comparison to non-hybrid vehicles. Although, some shift drivers worried that more expensive vehicles could lead to higher shift rental fees.

Taxicab Age

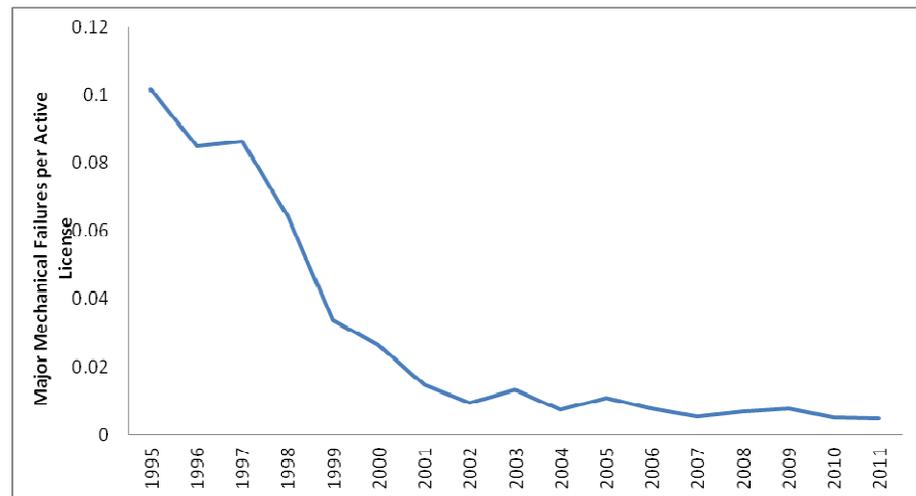
Taxicabs deteriorate more quickly than other vehicles. The average Toronto taxicab drives more than 100,000 kilometers every year, some as many as 250,000 kilometers per year. In contrast, the average Canadian light vehicle was driven 15,366 kilometers in 2009. Regulating the length of time a Toronto taxicab can operate ensures high quality vehicles.

Age limits regulate how old a vehicle can be when it is first licensed as a taxicab, and how long it can operate before being withdrawn from service. Most taxicabs cannot operate longer than 5 model years. The exception is owner-operated and certain types of vehicles which have an additional 2 years of service allowed.

As owner-operated taxicabs typically put less kilometers on their vehicle per year than a Standard taxicab, owner-operated vehicles are allowed additional years of service. As well the City allows an extension on the life of natural gas fuelled and accessible vehicles to help offset the financial burden of purchasing these vehicles.

Major mechanical failures of Toronto's taxicabs at the City's inspection centre have decreased dramatically since 1995. As vehicle age restrictions were improved from the 1998 review, the figure below indicates that current age limits have been successful at improving the quality of vehicles.

Figure 10 – Major Mechanical Failures (1995 – 2011)



Taxicab Size

An internal measurement is the only regulation currently enforced which limits which vehicles can be licensed as Toronto taxicabs.

Current size requirements restrict the introduction of smaller vehicles, contributing to traffic congestion and greater fuel consumption. Without minimum size requirements, many stakeholders in the taxicab industry indicated that they would purchase smaller cars. As most taxicab rides in the city serve one or two passengers, allowing smaller vehicles may be beneficial to the industry. Smaller vehicles typically cost less to purchase, use less fuel and use less space on the road.

In New York City, the changes to the taxicab vehicle will increase space on the road and help mitigate traffic. As a result of the choice of vehicle for the 'Taxi of Tomorrow', 2 hectares (5 acres) of cumulative road space will be freed.

Fuel Efficient Taxicabs

Toronto's taxicabs are becoming greener. The number of hybrid taxicabs has been growing for the past several years and gasoline powered vehicles have better fuel efficiency. There are both economic and environmental benefits to a more fuel efficient taxi fleet.

Within Canada, and around the world, cities are investigating the potential for greener taxi fleets. In 2007, City Council unanimously adopted the Climate change, Clean Air and Sustainable Energy Action Plan: Moving from Framework to Action. Part of the plan mandated that Toronto's taxi fleet transition to lower emission or hybrid vehicles based on the results of a pilot project.

In 2009, the Toronto Atmospheric Fund released the findings from its Toronto Hybrid Taxi Pilot. The project tested the business case for hybrid vehicle adoption among Toronto's taxicabs. At the time, economic savings were marginal, but as hybrid technology is improved, another pilot project may be beneficial in ascertaining the value in promoting hybrid taxicabs in Toronto.

The full report can be accessed here: <http://www.fleetwise.ca/taxi.pdf>

Next steps

Regulating Toronto's taxicabs ensures high quality and safe vehicles for the public and drivers. Further research and consultation is needed to understand the impacts of allowing smaller, fuel-efficient, low-emission and hybrid vehicles.

STANDARDIZED TAXICAB VEHICLES

Currently, Toronto's taxicabs come in many makes and models. New York City and London have iconic standardized taxicab vehicles. A standardized taxicab vehicle in Toronto would provide a uniform look that could help residents and tourists easily identify licensed taxicabs. Benefits of the standardized vehicle can extend beyond the appearance of the vehicle, especially if all vehicles were accessible.

What the Industry is Saying

Industry opinion on a single make or model of vehicle for all taxicabs was largely negative. Some thought it would simplify the selection of vehicles and would ensure more accessible service. However, the majority of stakeholders suggested that a single vehicle would remove their ability to choose which vehicle they preferred to drive and could be more expensive. Choosing an accessible vehicle as the single licensed vehicle for all taxicabs is seen as a financial burden to the industry.

Standardized colour: With the exception of taxicab brokerages, a single colour of vehicles, regardless of vehicle model is generally positively received by stakeholders. The tourism and hospitality industry indicated that a standard colour for taxicabs would help to establish a taxicab brand for Toronto. It would enhance tourism and make it easier for tourists to easily recognize taxicabs. Drivers believe that a single colour of vehicle will increase ridership and prevent illegal cabs. Brokerages expressed their dislike of a standardized colour since they have their own branding. Furthermore, brokerages worried that passengers with corporate accounts may have a hard time finding a cab of a particular brokerage.

Dedicated Vehicle

The benefits of a single mandated dedicated taxicab vehicle would be best considered through a defined policy objective. AODA compliance and accessible stakeholders make a compelling argument that a fully accessible taxi fleet could be achieved through a dedicated vehicle. If all Toronto taxicabs were accessible, on-demand accessible taxicab service would be available for all residents.

Standardized Colour

Most jurisdictions regulate the look of taxicabs; some standardize only select portions of the vehicle, such as roof signs and decals, while others also require

Case Study:

NYC, New York

The iconic yellow taxis of New York City will be joined by apple green "Boro-Taxis" which will serve the areas outside of Manhattan.

More than 17,000 livery cars that have operated in the boroughs of NYC are gaining the legal ability to pick up hailed passengers.

To identify 'licensed boro taxis' they will be required to have a uniform light green exterior.

all licensed taxicabs to be the same colour. Currently, Toronto taxicabs can be any colour the owner chooses, however brokerages usually require affiliated vehicles to have a uniform paint-scheme.

Toronto has considered standardizing the colour of licensed taxicabs in the past. Most recently, in 2002 a report on the topic was brought to the licensing and standards sub-committee and eventually to Council.

The 2002 report contained a legal opinion cautioning that a proper justification for a standardized colour would be required to support this requirement.

Further Research Needed

Currently the Taxicab Industry Review is investigating case studies of cities that have chosen a dedicated taxicab vehicle and surveying options for potential vehicles. The dedicated vehicle would need to be accessible, environmentally friendly and reasonably priced.

As well, the taxi review is investigating programs that may encourage a more fuel efficient taxi fleet.

CABSTANDS

An effective supply and distribution of cabstands helps to ease congestion and pollution by allowing taxicabs to stand rather than circulate; and ensures access to taxi service at high demand locations

What the Industry is Saying

Overcrowding of taxicab stands is a common complaint from the industry, and a common ticket issued by police and bylaw officers. During the consultation phase, calls for increased number and size of cabstands were repeatedly offered by the taxicab industry.

More permanent stands: Industry stakeholders unanimously commented that more taxicab stands are needed, with better integration of taxicab stands into the City's infrastructure, such as hotels, entertainment and business districts, TTC subway stations and shopping centres. They advised that an increase in the number of well-placed taxicab stands would:

- allow drivers and the public to more easily and safely connect, particularly at night;
- reduce the fuel cost and fuel usage of taxicabs, benefitting drivers and the environment; and
- better integrate taxicabs as part of the City's public transportation network.

Temporary Taxicab Stands and Marshalling Areas: At peak times and for large events, some suggested that there should be temporary taxicab stands or marshalling areas.

Toronto's Cabstands

The site and size of cabstands is contained in the Toronto Municipal Code, Chapter 950, Schedule V. Transportation Services determines new cabstand locations and maintains taxicab stand signage. At the time of the review Toronto had 146 stands with a total of 452 spaces. Most cabstands are located in the downtown core, with the remaining number at suburban transit stations and malls.

Observations during the Taxicab Demand Survey revealed that the distribution of taxis at stands is uneven; some stands are continually overcrowded while others are nearly always empty.

The taxi review is investigating cabstand issues in co-operation with Transportation Services. A complete review of the city's cabstands could be a responsibility of a reinstated Taxi Advisory Committee.

SAFETY AND TECHNOLOGY ENHANCEMENTS

Incremental changes over time have led Toronto's taxicabs to have certain safety devices and technological enhancements that are there to ensure driver and passenger safety, as well as to improve customer service.

As new technology becomes available, the City must consider how this impacts the industry and should regulate accordingly

Another suggestion that arose from the consultations, was a "Driver's Bill of Rights". This is relatively easy to implement, and could start making a positive impact for the industry before the final report comes forward to City Council.

What the Industry is Saying

Safety: Some drivers believe that additional equipment and technology would improve their safety, such as an in-car shield, GPS tracking of all cars, a safety system that connects to police and in-car cameras which record video and sound.

Many drivers believe there should be a Drivers Bill of Rights in addition to the Passenger Bill of Rights which is currently displayed in all Toronto Taxicabs. The intent is to reduce abusive behaviour, a common occurrence for many drivers.

Technology: Some industry stakeholders believe that GPS should be mandatory in all taxicabs. Advocates suggested that this would improve driver safety, and improve customer service. This idea is also popular with the riding public. A number of suggestions argued for mandatory Point-of-Sale (POS) terminals to allow debit and credit transactions. Some drivers expressed that brokerages and financial institutions charged high fees for the use of POS terminals and that drivers the POS surcharge charged to customers, often \$1 or \$1.50, discouraged passengers from tipping drivers, reducing their income.

Create a Driver Bill of Rights

All Toronto taxicabs have a Passenger Bill of Rights that outlines the rights that passengers have. Items covered include: meter rate charges, right to a silent ride, right to an air conditioned ride etc. The Passenger Bill of Rights came from the 1998 taxi review.

During the 2012 consultation, drivers expressed concerns about the treatment by passengers. It was suggested that a Driver Bill of Rights be added to complement the Passenger Bill of Rights. This would clearly show the rights of both driver and passenger and help keep a high level of customer service.

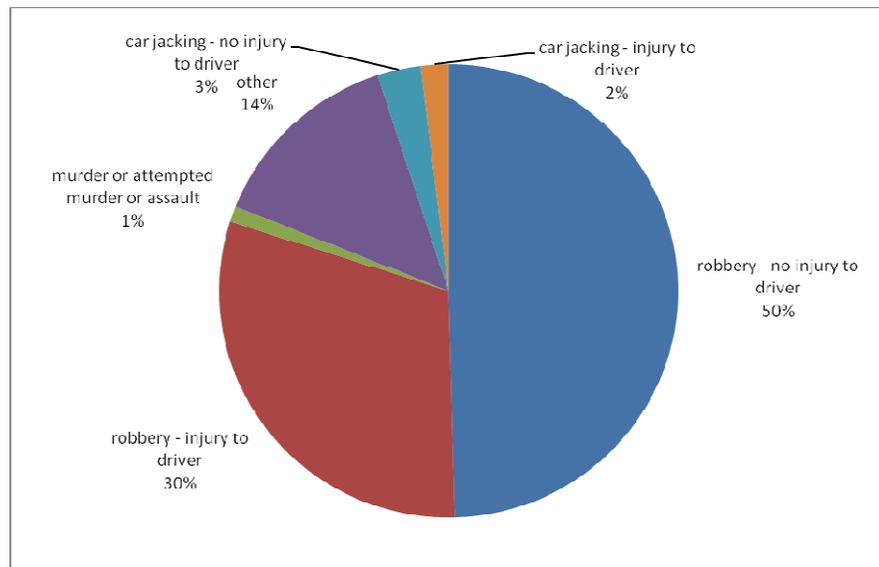
The Driver Bill of Rights would:

- Complement the Passenger Bill of Rights currently posted in all taxicabs
- Explain the rights of the driver already outlined in the bylaw
- Potentially include new rights for the driver through further consultation with the industry

Safety Devices

The safety of taxicab drivers is important to the City. Over the last 10 years, there have been approximately 400 taxicab incidents reported by the Toronto Police Service, of which 85% have been robberies.

Figure 11 – Incidents Involving Taxicab Drivers 2002 – 2012



Taxicab safety devices have been a requirement in all City of Toronto taxicabs since 2000. The by-law mandated emergency light systems, and closed circuit camera systems and recommended global positioning systems (GPS). All taxicab safety devices were mandated to be fully functioning and operators were not permitted to operate his or her cab unless it was properly equipped.

The emergency light system can be activated by a driver of a taxicab in emergency situations. This silent alarm alerts those outside of the vehicle to call 911, if the light is flashing.

The camera system records images of people in the taxicab with no audio. Access to the images is limited to law enforcement personnel for enforcement

purposes only. There has been an overall decrease in criminal code offences directed against taxicab drivers since cameras became mandatory in all taxicabs.

GPS is capable of tracking and locating the position of a taxicab. The GPS serves two main purposes, one, to be able to quickly locate cabs where the operator is in need of emergency assistance, and two, for more efficient customer service. Brokerages are quickly able to identify cab locations and dispatch fares and reduce wait times.

Technology Enhancements

Point of Sale (POS)

POS terminals that accept credit and debit payments are not mandatory in Toronto. However taxicabs need to clearly display a sign on the door that states if they do carry a POS terminal. The sign must also clearly show if there will be any surcharge for credit or debit payment.

The City, in further consultation with the industry, would like to explore the possibility of mandating POS terminals in all taxicabs. Promoting POS terminals allows flexibility for payment and reduces the amount of cash in taxicabs which lowers the risk of robbery for drivers.

Emerging Technologies: Smartphone ‘Apps’

Emerging technologies such as Smartphone applications (also referred to as ‘apps’) are enhancing taxicab service in Toronto and other municipalities. Some features of phone apps include the dispatch of taxicabs, GPS technology that shows where the closest taxis are and allows customers to track their taxicab to their pick-up point, and allow for fare payment.

ML&S will assess and monitor the impact that phone apps may have on the taxicab industry, in terms of public safety, ensuring properly licensed companies, and compliance with all other aspects of the licensing by-law.

ENFORCEMENT

Enforcing the high standards set for Toronto's taxicabs is done by both ML&S staff and the Toronto Police Service. Both ML&S staff and Toronto Police can write tickets for bylaw infractions. Toronto Police can also issue tickets for offenses under the Highway Traffic Act.

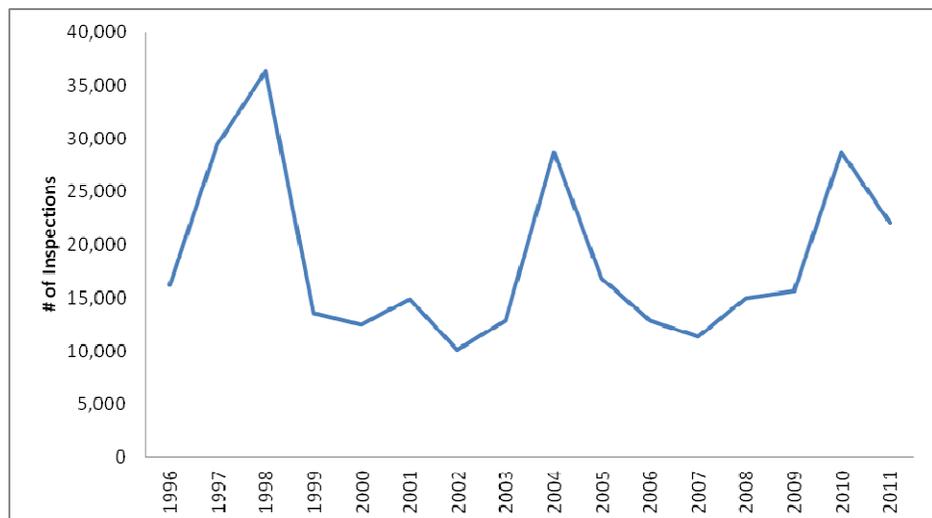
What the Industry is Saying

The taxicab industry believes that they are over-enforced. Common complaints from drivers and owners identify multiple tickets issued at one time and ticketing for practices that are 'unavoidable'. Consultations also revealed that the taxicab industry believes enforcement staff are not strict enough with unlicensed taxicabs and limos which unfairly compete with their business. Many drivers believe that there should be more enforcement against illegal practices, particularly paying doormen in exchange for fares, illegal pick-ups by bandit taxicabs, limousines and taxicabs from other jurisdictions.

ML&S Enforcement

Taxicabs are one of the many businesses licensed by ML&S. In 2011 there were over 20,000 inspections on taxicabs drivers, owners and brokers. More than 5,000 employee hours were spent on taxicab related inspections in 2011. Figure 12 shows the number of inspections from 1999 – 2011.

Figure 12 - Taxicab Inspections, 1996 – 2011



Efficient Enforcement Strategy

The Taxicab Industry Review team is currently reviewing the strategy and relevant impacts of enforcement, in addition to evaluating the infractions contained in the licensing by-law.

Issues of multiple ticketing, bandit taxicabs and unfair treatment by hotels will be addressed through the enforcement strategy.

This includes a facilitated discussion between Toronto Police Service, ML&S enforcement staff and the taxicab industry scheduled for fall 2012 to address the issues heard through the consultation in more depth.

The review team will also be conducting a full review of the by-law.

OUTSIDE THE JURISDICTION OF TORONTO

Through the consultations, we heard from stakeholders about issues that cannot be addressed directly by the City of Toronto. These issues are still relevant to Toronto's taxicabs and affect the industry.

What the Industry is Saying

Insurance: Many driving licensees expressed that there are too few insurance companies to choose from and as a result, that the cost of insurance is high. Drivers also are unhappy with the differential rates charged to drivers based on their licence type, and advise that, if one company won't insure you, it is difficult to obtain coverage with another.

Insurance companies have standards for insurability which are not always in line with City of Toronto taxicab licence standards. This leaves some licensed taxicab drivers uninsurable and unable to drive a taxicab. Stakeholder comments were that the insurability requirements were too strict.

Greater Toronto Airport Authority (GTAA): Drivers would like to be able to pick up at the airport without pre-arrangement or a fee. Toronto taxicab drivers can presently drop off passengers at Toronto Pearson International Airport, however can only pick up a passenger if the ride is pre-arranged; in this case, the driver must go to a specific waiting area and pay a fee. Drivers consider this unfair and would like the City to re-examine its powers.

Working with Other Levels of Government

The GTAA and insurance providers are regulated by the federal and provincial governments. The City is committed to sharing the insights gained through the 2012 review with other levels of government. The intention is to ensure fair legislation that will allow for a healthy taxicab industry for the residents and visitors of Toronto.

NEXT STEPS FOR FINAL REPORT

The City is committed to ensuring an accountable, transparent and participatory process which leads towards the creation of a final report with recommendations for the taxicab industry. Further research, analysis and consultation are required in preparation for the final report expected in 2013.

Improve Relationships

The City will start to implement ways to better communication and relationships between the industry, City and stakeholders. The final report will address the progress made on the TAC and the complaints and compliments efficiencies.

Taxicab Advisory Committee

In consultation with the industry, the City will work to make an effective centralized body.

Complaints and Compliments

Implement a direct telephone line and easy-to-remember email address for taxicab complaints and compliments.

Number of Taxicabs

Procure an outside consultant to examine the appropriate number of taxicab licenses for the City of Toronto and, a program for issuance in the future. A neutral party studying this issue will remove any claims of bias on the part of City staff or politicians by the industry.

Accessible

A strategy for accessible on-demand taxicab service is essential and required under AODA. The City will work in conjunction with the Disabilities Issues Committee, stakeholders and the taxicab industry to create an effective plan to better our accessible taxicab service.

Setting the Appropriate Fare

The City is currently evaluating the affordability of Toronto's taxicabs and its impact on ridership. The formula for calculating the fare is also under review and will be shared through further consultation.

Licensing

The City of Toronto is in the process of evaluating approaches to licensing and will continue to consult with the taxicab industry and the riding public. It is recognized that changes to the licensing structure could have significant impacts on customer service levels and the health of the industry. Careful examination and further consultation is required for the three options proposed: revert, modify and create.

Vehicle Regulations

Further research and consultation is needed to understand the impacts of allowing smaller, fuel-efficient, low-emission and hybrid vehicles.

Standardized Vehicle

Currently the Taxicab Industry Review is investigating case studies of cities that have chosen a dedicated taxicab vehicle and surveying options for potential vehicles. The dedicated vehicle would need to be accessible, environmentally friendly and reasonably priced.

Driver Safety

Create a Driver Bill of Rights. In consultation with the industry, finalize the content for the Driver Bill of Rights.

Efficient Enforcement Strategy

The Taxicab Industry Review is currently developing a strategy for enforcement and evaluating the infractions contained in the licensing by-law, including a by-law review.

This includes a facilitated discussion between Toronto Police Service, ML&S enforcement staff and the taxicab industry scheduled for fall 2012 to address the issues heard through the consultation in more depth.

Working with Other Levels of Government

The review will continue to share consultation data on issues that are not directly regulated by the City but could inform policy decisions that affect Toronto's taxicab industry.

APPENDICES

Appendix A:

Public and Stakeholder Engagement Summary

Appendix B:

Financial Models for the Appropriate Number of
Taxicabs

Appendix A:

Public and Stakeholder Engagement Summary

At the direction of City Council, Municipal Licensing and Standards (ML&S) has undertaken a review which has involved extensive consultation with taxicab industry stakeholders and members of the riding public.

The consultation phase of the review was held December 2011 to May 2012. The consultation phase included 19 consultations and was critical to ensuring that the Taxicab Industry Review understood the issues most relevant to the industry and gained valuable insight on how to best resolve these issues.

After the consultation phase, Staff held 3 additional consultations in August 2012 to gain further insight and input on consultation phase results and key policy directions. In addition to engaging stakeholders through consultations, the review team collected input through email, mail, voicemail, online comments forms and surveys.

This appendix provides an overview of who was consulted, how the input the review team has received, as well as further planned public and stakeholder engagement.

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ENSURING OPENNESS, TRANSPARENCY AND INCLUSIVENESS

The Taxicab Industry Review priority was to ensure an open, transparent and inclusive process for stakeholders and the public. The review team has reached out to the following the stakeholder groups for inclusion in the review:

- the riding public;
- accessibility interest groups;
- the tourism and hospitality industry;
- taxicab drivers;
- Standard taxicab licence owners;
- Ambassador taxicab licence owners;
- Accessible taxicab licence owners;
- brokerages and garages;
- groups representing drivers, owners and brokerages;
- insurance providers; and
- City of Toronto staff.

To ensure accessibility of the review team and information about the review, City staff established and advertised several different ways to communicate, including through:

- **mail** to the Taxicab Industry Review, City Hall, 100 Queen Street West, 16th Floor, West Tower, Toronto, Ontario M5H 2N2;
- the **online comments form** on the webpage www.toronto.ca/taxireview;
- through **email** taxireview@toronto.ca;
- through **voicemail** 416-338-3095;
- through **TTY** 416-338-0889 (for persons who have a hearing impairment);and
- through **fax** to 416-397-5463.

Stakeholders were also encouraged to join a mailing list, from which regular updates have been sent to subscribers.

PLANNING THE REVIEW

In December 2011, the review team invited industry stakeholders to identify issues which should be discussed during consultations, and suggest consultation methods. Stakeholders were invited to share their ideas through the consultation, by email, voicemail and through an online comments form.

Stakeholders were alerted of the review and opportunities to participate through:

- posting on the main page of the City of Toronto website linking to the Taxicab Industry Review site, www.toronto.ca/taxireview;
- contacting stakeholder participants and organizations from the 1998 Taxicab Review and previous City meetings held;
- distributing posters to City facilities (the Permit and Licence Issuing Office, the Inspection Centre and Taxicab Training Centre), brokerages and garages;
- advertising in the Taxi News, an industry newspaper; and
- issuing a general news release about the commencement and goals of the review.

Suggestions received were posted on the website as well as summarized for ease of review. These suggestions were utilized to create a list of issues to be addressed during the review and subsequently plan the consultation topics and methods.

ORGANIZING STAKEHOLDER AND PUBLIC INPUT

As data was collected during the planning and consultation phases, it was organized into categories and then analyzed by staff. As a commitment to transparency and accountability, all information has been posted online at:

<http://www.toronto.ca/licensing/taxireview/stakeholder.htm>

ISSUES EMERGING FROM THE CONSULTATIONS

The diverse perspectives and recommendations of the taxicab industry and riding public became evident throughout the consultation process. The input received from the various stakeholders was analyzed and used to create a list of 11 different categories of issues:

1. **Licensing Structures and Number of Taxicabs:** This includes taxicab ownership licence issues, such as types of licences, requirements to obtain and maintain a licence, numbers of ownership licences and systems to determine who receives licences.
2. **Brokerages and Dispatching:** This includes brokerages issues, such as driver fees, treatment and penalties, brokerage roles and responsibilities, regulation of brokerages, and other models of dispatching.
3. **Driver Health, Safety and Livelihood:** This includes issues relating to driver health, safety and livelihood, such as average income levels, lack of retirement plans and pensions, safety, treatment of drivers by customers, driver training, rest facilities and health.
4. **Agents, Leasing and Garages:** This includes agents and leasing issues, such as the roles and responsibilities of agents, regulation of agents, agent fees and lease rates, leasing regulations, other models of leasing and illegal/unethical leasing practices within the industry. As well, this includes issues related to garages, such as vehicle maintenance, driver treatment and fees.
5. **Enforcement, Training and Vehicle Inspection:** With respect to ML&S, this includes issues related to enforcement and inspection, licensee training programs and requirements, interactions with Municipal Standard Officers and the Vehicle Inspection Centre, volume of ticketing for Toronto taxicab drivers, driver penalty systems, ticketing and consequences for bandit taxicabs.

With respect to Toronto Police Service, issues identified included negative interactions between police officers and drivers, volume of ticketing for Toronto taxicab drivers, ticketing and consequences for bandit taxicabs.

6. **Tourism and Hospitality:** This includes various tourism and hospitality issues from both the perspective of the rider and the taxicab industry, such as customer service, the practice of hotel doormen accepting "cookies" (bribes) in order to assign customers to taxicabs, hotel discrimination against taxicabs and preference for limousines, cross-industry relationships, and mutually beneficial solutions to increase business.

7. **Relationship with the City of Toronto:** This includes stakeholder interaction and involvement with the City of Toronto, such as the need for greater interaction with decision-makers and opportunities for stakeholders and the public to become involved in the decision-making process.
8. **Outside the Jurisdiction of the City Of Toronto:** This includes issues related to areas which may not be within the jurisdiction of the City of Toronto's by-law, such as regulations pertaining to airport pickup, fees for credit and debit cards, vouchers, taxicab rental and taxicab lease fees, insurance and traffic exemptions set out under provincial law. Although these issues may not be in the immediate jurisdiction of the City of Toronto by-law, the City still encouraged participants to share their concerns and potential solutions.
9. **Other By-Law Issues:** This includes other issues related to municipal law and policy, such as licensing fees, meter rates, flat rates, payment regulations, Business Licensing Thresholds, idling, cabstands, industry subsidies, licence transferability and vehicle age.
10. **Vehicles – Standardization, Safety & Technology:** This includes vehicle-related issues and options, such as the idea of a dedicated taxicab vehicle, a uniform Toronto taxicab colour scheme, and vehicles with greater fuel efficiency, accessibility and technology to benefit both the driver and the rider.
11. **Accessibility:** This includes issues relating to accessibility and cost of taxicab service, impact of the Accessibility for Ontarians with Disabilities Act (AODA), reaching on-demand accessible service, and the role of TTC Wheel-Trans.

ENSURING INCLUSIVE PARTICIPATION

The review team has engaged stakeholders and the public by consultations, large meetings and several small meetings, as well as by gathering input through surveys, training classes and telephone, email, online and written submissions. Throughout the review, City staff have taken into consideration past and current participation from different groups to ensure that all were encouraged to share their ideas. Specific stakeholder engagement approaches are described here.

REACHING THE GENERAL PUBLIC

The public were engaged in several ways, including consultations and surveying. In addition to a consultation held specifically for members of the riding public, City staff surveyed passengers as they exited taxicabs, and acted as secret mystery riders, rating their taxicab experience.

REACHING BUSINESSES AND THE TOURISM AND HOSPITALITY INDUSTRY

Two consultations were held for members of the business, tourism and hospitality sectors. In addition to the consultations, a taxicab satisfaction survey was emailed to business, tourism and hospitality stakeholders, posted online and distributed through mailing lists.

REACHING ACCESSIBLE TAXICAB STAKEHOLDERS

Two consultations were held during the consultation phase in which Accessible licence owners, accessible taxicab service providers, accessibility advocates, users of accessible taxicab service and other stakeholders were invited to share their views. City staff also conducted several surveys of accessible taxicab riders at a rehabilitative hospital and held an information session in August to specifically address accessible issues and solicit further input.

REACHING DRIVERS

In the planning phase, drivers requested private meetings in which brokerages and owners were not present. In Phase 1, two drivers-only consultations were held in which participants were required to show their D01 licence to gain entry. City staff also interviewed taxicab drivers at taxicab stands.

Despite these efforts, taxicab drivers were still underrepresented through the consultations, so City staff engaged drivers through the ML&S Training Centre

through the mandatory Driver Refresher course. Through Refresher courses, City staff consulted with approximately 700 drivers.

REACHING STANDARD LICENCE OWNERS

A facilitated round-table meeting was held for Standard licence owners.

REACHING AMBASSADOR LICENCE OWNERS

Almost 40% of consultation participants were Ambassador licence owners.

REACHING BROKERAGES AND GARAGES

Although brokerages account for less than 1 % of taxicab licensees, they represented about 6% of consultation participants.

Several brokerages also submitted detailed proposals.

REACHING INSURANCE PROVIDERS

A large meeting was held in which taxicab vehicle insurance providers were invited to share their views.

REACHING CITY STAFF, TORONTO POLICE SERVICES AND THE TORONTO TRANSIT COMMISSION

Numerous meetings were held to involve other City staff and other relevant agencies. ML&S management and frontline staff, Access and Equity, Economic Development and Tourism, Transportation Services, Transportation Planning Toronto Police Service, the Toronto Transit Commission.

OVERVIEW OF PUBLIC ENGAGEMENT

This section provides an overview of stakeholder input by engagement type:

Consultations and Large Meetings

A total of 22 consultations and large meetings were held:

- One consultation was held in the planning phase.
- A total of 16 sessions were held in Phase 1.
- In Phase 2, two consultation-style large meetings and three information sessions have been held.
- 700 different people have attended these sessions, with many participants attending several sessions.
- In total 1,341 participants have attended these sessions (including repeat participants).

Dedicated Voicemail – 416-338-3095

Comments were collected from the dedicated voicemail line. Although hundreds of messages were left with questions and requests, 48 voicemail messages were received that provided comments, identified issues and/or provided recommendations.

Email – taxireview@toronto.ca

Comments were collected from the dedicated email address. Although thousands of emails were received with questions and requests, 192 email messages were received that provided comments, identified issues and/or provided recommendations.

Online Comments Form – www.toronto.ca/taxireview

Comments were collected from the online comments form on the review website. 205 online comments messages were received that provided comments, identified issues and/or provided recommendations.

Written Submissions

Stakeholders and the public submitted proposals and lengthier submissions at consultations, through mail and fax. The review received 10 proposals and lengthier submissions.

Driver Interviews at Taxicab Stands

City staff approached taxicab stands to interview taxicab drivers, receiving recommendations from 27 drivers for changes to the taxicab industry.

Small Meetings at Request

Throughout the review, the Executive Director of ML&S has maintained an open-door policy, accepting stakeholder meeting requests. More than 10 small meetings were held with stakeholders and management staff.

Taxicab Training

ML&S provides a mandatory training course to licensees every 4 years from the time they become licensed. As taxicab drivers were underrepresented in the formal consultations, it was decided to consult with drivers during this training. ML&S training centre staff conducted consultations with some 700 drivers and submitted their comments to the taxi review team.

Advertising and Distribution of Comment Forms

Notices and/or comment forms were posted and distributed in various facilities, directing persons to submit ideas by telephone, email or online. Facilities included the Licensing and Permit Issuing office, the Inspection Centre, the Training Centre and Toronto Public libraries and private facilities, such as taxicab brokerages and garages.

Surveys

Surveys have engaged the riding public and business, tourism and hospitality industries, as well as taxicab industry licensees and other stakeholders. Several in-person and online surveys were conducted, including surveys about taxicab service.

Surveys included mystery rider surveys (in which riders secretly rated their taxicab rides) as well as exit surveys (in which riders were surveyed just after they left taxicabs), similar to surveys conducted for ML&S in 2002 and 2003. In this review, staff have conducted/received:

- 60 customer surveys about taxicab service in general;
- 6 business surveys about taxicab service in general;
- 100 mystery-rider surveys; and
- 43 customer exit surveys.

CONSULTATIONS, LARGE MEETINGS AND INFORMATION SESSIONS

The 22 consultations, large meetings and information sessions are explained in Table 1.

TABLE 1: CONSULTATION OVERVIEW BY PHASE

Phase	Consultations and Meeting Overview
<p>Planning Phase: Issues Identification and Review Approaches</p> <p>November 2011 March 2012</p>	<p>One consultation was held in the Planning Phase in December 2011.</p>
<p>Phase 1: Multiple Stakeholder and Public Consultations</p> <p>March to May 2012</p>	<p>15 consultations and one large consultation-style meeting were held between March and May 2012.</p>
<p>Phase 2: Research, Analysis and the Preliminary Report</p> <p>May to September 2012</p>	<p>Two large meetings and three information sessions have been held.</p>
<p>Phase 3: The Final Report</p> <p>September to mid-2013</p>	<p>Further consultations are planned</p>

SESSION DETAILS

A more detailed overview of each session is provided [here](#):

Planning Phase: Issues Identification and Review Approaches

- **Planning Phase Consultation** – Thursday, December 8, 2012, 9am – 12pm:
 - Stakeholders identified issues within Toronto’s taxicab industry and how they would like the review to be conducted. This information was used to plan the topics to be addressed, methods of public engagement and structure of the review.

Phase 1: Broad Public and Stakeholder Meetings

- **Phase 1 – Consultation 1: Planning Phase Summary** – Friday, March 09, 2012, 9 am – 12 pm:
 - Stakeholders gathered to review a planning phase summary and to begin the consultation process by discussing the Ambassador program and driver health, safety and livelihood.

- **Phase 1 – Consultation 2: Taxicab Licensing – DRIVERS ONLY** – Tuesday, March 20, 2012, 6:30 pm – 9:30 pm:
 - This session invited taxicab drivers with a D01 licence, licensees who did not hold a taxicab owner's licence. They were invited to discuss a range of topics, including ownership systems, Standard, Ambassador and Accessible licences, appropriate number of taxicab vehicles, health and safety, livelihood, brokerages, agents, leasing, dedicated vehicles and other issues. Drivers were required to show their taxicab licence to participate.

- **Phase 1 – Consultation 3: Taxicab Licensing** – Thursday, March 22, 2012, 6:30 pm – 9:30 pm:
 - Stakeholders were invited to discuss ownership systems, Standard, Ambassador and Accessible licences, appropriate number of taxicab vehicles, dedicated vehicles and other issues.

- **Phase 1 – Consultation 4: Brokerages, Agents and Leasing** – Tuesday, March 27, 2012, 6:30 pm – 9:30 pm:
 - Stakeholders were invited to discuss the role of brokerages, agents and garages, as well as leasing regulations.

- **Phase 1 – Consultation 5: Taxicab Riders and Related Industry** – Thursday, March 29, 2012, 9 am – 12 pm:
 - The riding public was invited to attend this 3–hour session to discuss how to enhance the taxicab industry. At the same time, City staff surveyed riders in the downtown vicinity about taxicab service in general.

- **Phase 1 – Consultation 6: Taxicab Riders and Related Industry** – Thursday, March 29, 2012, 1 pm – 4 pm:
 - The riding public was invited to drop–in at any time between 1 and 4 pm to discuss how to enhance the taxicab industry. Concurrently, City staff also surveyed riders in the downtown vicinity about taxicab service in general.

- **Phase 1 – Consultation 7: Accessible Riders** – Tuesday, April 03, 2012, 9 am – 12 pm:
 - Accessible riders and their advocates were invited to discuss customer service, AODA, on-demand service, and other areas related to accessibility.

- **Phase 1 – Consultation 8: The Accessible Industry** – Tuesday, April 03, 2012, 1 pm – 4 pm:
 - Accessible service providers were invited to discuss AODA, on–demand service, brokerage plans, the TTC and other areas related to accessibility.

- **Phase 1 – Consultation 9: Taxicab Licensing – DRIVERS ONLY** – Tuesday, April 10, 2012, 10 am – 1 pm:

- This was the second session to which only taxicab drivers with a D01 licence were invited. The agenda included ownership systems, Standard, Ambassador and Accessible licences, appropriate number of taxicab vehicles, health and safety, livelihood, brokerages, agents, leasing, dedicated vehicles and other issues. Drivers were required to show their taxicab licence to participate.

- **Phase 1 – Consultation 10: Taxicab Licensing, Brokerages, Agents and Leasing** – Thursday, April 12, 2012, 11 am – 2 pm:
 - Stakeholders were invited to discuss ownership systems, Standard, Ambassador and Accessible licences, appropriate number of taxicab vehicles, the role of brokerages, agents and garages, and leasing regulations.

- **Phase 1 – Consultation 11: Accessible Riders and the Accessible Industry** – Monday, April 16, 2012, 9 am – 12 pm:
 - Accessible taxicab riders, their advocates and accessible service providers were invited to discuss AODA, on-demand service, brokerage plans, the TTC and other areas related to accessibility.

- **Phase 1 – Consultation 12: Customer Service and Technology** – Monday, April 16, 2012, 1 pm – 4 pm:
 - Stakeholders and the public were invited to discuss how to enhance the taxicab industry, such as through customer service, technology and other amenities.

- **Phase 1 – Consultation 13: By-Law Regulations** – Tuesday, May 1, 2012, 6:30 pm – 9:30 pm:
 - Stakeholders were invited to discuss additional areas that have not yet been addressed, such as fees, meter rates, Business Licensing Thresholds, taxicab stands, POS terminals, vehicle age, interactions with the City (licensing, inspection, training), illegal taxicabs and enforcement.

- **Phase 1 – Consultation 14: Issues Which May Be Outside the Jurisdiction of the City of Toronto** – Wednesday, May 02, 2012, 6:30 pm – 9:30 pm:
 - Stakeholders were invited to discuss issues which may be outside of the scope of the City's jurisdiction, such as airport restrictions, insurance regulation and relationships with the police. Although these issues may be considered outside the immediate jurisdiction of the City of Toronto, staff compiled concerns and recommendations.

- **Phase 1 – Consultation 15: The Taxicab Industry's Relationship with the City of Toronto** – Thursday, May 03, 2012, 6:30 pm – 9:30 pm:
 - Stakeholders were invited to discuss the taxicab industry's relationship with the City of Toronto and its role in providing public transportation.

- **Phase 1 – Meeting: The Standard Taxicab Owner's Licence** – Friday, April 27, 2012, 9 am – 12 pm:
 - Standard taxicab owners were invited to discuss the Standard taxicab owner's licence, appropriate number of taxicabs, transferability of taxicabs, dedicated vehicles, customer service and training.

Phase 2: Research, Analysis and the Preliminary Report

- **Phase 2 – Meeting: Municipal Licensing and Standards Staff** – Tuesday, May 29, 2012, 9 am - 12 pm:
 - ML&S management and frontline staff were invited to discuss how to improve Toronto's taxicab industry.

- **Phase 2 – Meeting: Viability Meeting** – Monday, June 4, 2012, 9 am - 12 pm:
 - This meeting explored how to improve the taxicab industry, involving City staff from ML&S, Corporate Finance, Economic Development and Tourism, Legal Services, Transportation, and Access and Equity, as well as Toronto Police Services,

Toronto Transit Commission, Business Improvement Areas and various organizations in the tourism and hospitality industry. Discussion included: improving customer service; exploring taxicabs as a transit alternative; identifying and meeting needs of tourism/entertainment industry; determining the appropriate number of taxicabs; and, determining any additional needs for taxicab stands.

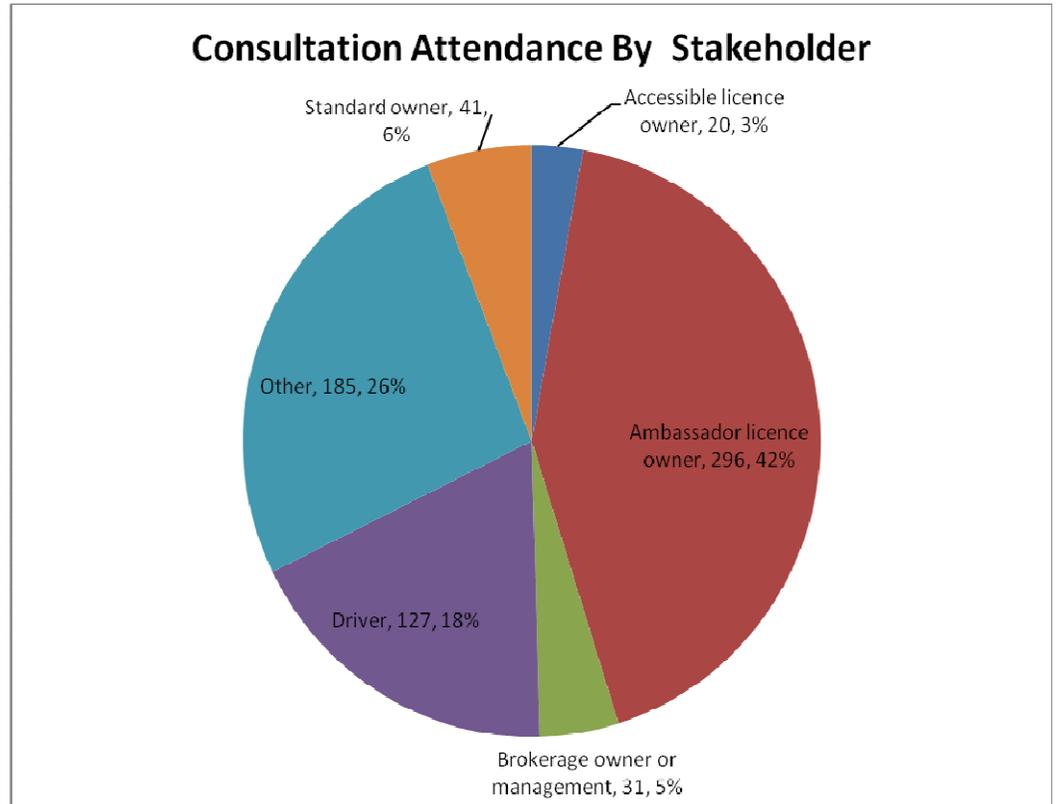
- **Phase 2 – Information Session 1** – Tuesday, August 28, 2012, 9 am - 12 pm:
 - The ML&S Executive Director, Tracey Cook, delivered a presentation on what the review team heard during Phase 1, what research was underway and answered questions from attendees.

- **Phase 2 – Information Session 2** – Wednesday, August 29, 2012, 6 pm – 9 pm:
 - This session was a repeat of Information Session 1, in which ML&S Executive Director, Tracey Cook, delivered a presentation on what the review team heard during Phase 1, what research was underway and answered questions from attendees.

- **Phase 2 – Information Session 3 – Accessible Taxicab Service** – Thursday, August 30, 2012, 1 pm – 4 pm:
 - This information session was similar to information sessions 1 and 2, however it focused on accessible taxicab service. The ML&S Executive Director, Tracey Cook, delivered a presentation on what the review team heard during Phase 1 with regard to accessible taxicab service, what research was underway and answered questions from attendees.

As of May 31, 2012, 700 **different people** have attended these sessions, with many persons attending multiple meetings. A total of **1,466 participants** (including repeat attendees) have been consulted with in this way. Attendance by stakeholder group is broken down in Figure 1 below.

FIGURE 1: CONSULTATION ATTENDANCE BY STAKEHOLDER GROUP



TYPES OF CONSULTATION INPUT

The chart below illustrates the input collected through the consultations sorted by source.

TABLE 2: VOLUME OF INPUT CONTAINING RECOMMENDATIONS

Input	Volume Received
Multiple-Recommendation Comment Forms: Includes multiple-recommendations-per-sheet forms received from consultations and cabstands.	A total of 81 multiple-recommendation comment forms were received.
One-Recommendation Comment Forms: Includes "Dotmocracy" one-comment-per sheet forms received from consultations and Refresher training courses.	A total of 1,349 one-recommendation comment forms were received.
Online Comments Form: Includes recommendations submitted at www.toronto.ca/taxireview .	A total of 205 online comments were received through the online comments forms, most containing multiple suggestions.
Emails: Includes email sent to the review email address, taxireview@toronto.ca .	A total of 192 emails were received, most containing multiple recommendations.
Course Notes from Taxicab Refresher Training: Includes notes from group work in which drivers listed their recommendations for the taxicab industry.	Notes were reviewed from 21 taxicab training courses in which over 700 drivers were engaged.
Proposals and Lengthier Written Submissions: Includes proposals and longer submissions submitted by industry stakeholders.	10 proposals and lengthy submissions were received.
Voicemail: Includes telephone messages left at the dedicated voicemail line, 416-338-3905.	A total of 46 telephone calls containing recommendations were received.
Surveys: Includes surveys of riders, various businesses and the tourism and hospitality industry.	A total of 209 surveys were received, including surveys on taxicabs in general and rating the last taxicab ride.

SUMMARY OF CONSULTATION INFORMATION

For ease of review, this section provides a summary of input received by issue category. In addition to a summary of input received overall, some input is broken down by stakeholder groups in order to expand upon key perspectives. A complete collection of recommendations received is posted online at:

<http://www.toronto.ca/licensing/taxireview/stakeholder.htm>

CATEGORY 1: LICENSING STRUCTURES AND NUMBER OF TAXICABS

LICENSING STRUCTURES

The most common response collected in the entire consultation phase was that there should be only one type of taxicab licence. Most comments suggested that the City should convert Ambassador licences to Standard licences, however, a small number of suggestions were to convert Standard licences to Ambassadors.

Some participants thought that if Ambassador licences were converted to Standard licences, Ambassadors would then operate 24 hours a day and create too much competition for other taxicab drivers.

Many drivers expressed a desire to become Ambassador licence holders. They believe that becoming an Ambassador driver will increase their income and provide them with more freedom. Drivers articulated that Standard licences have become too expensive for them to purchase and that the Ambassador program represented their best hope for financial security within the taxicab industry.

A few Standard owners suggested that the City should eliminate the Ambassador program and offered several suggestions on how this could be implemented, such as immediate and gradual revocation.

A few suggestions were received that should be a graduated licensing system, in which licensees would "graduate" from driver to Ambassador owner to Standard owner, depending on performance and years of service.

Some members of the industry suggested that there should be no changes to the ownership model, advising that the current system works well for everyone involved.

Some Standard taxicab licence holders advised that they should be able to possess an unlimited number of taxicab licences, arguing that the taxicab industry is the only industry in which one person is limited to one licence.

REQUIREMENTS TO OBTAIN/RETAIN A TAXICAB LICENCE

Many drivers expressed that Standard licence holders should be more involved in the taxicab industry. Drivers advised that absentee licence holders are less likely to have well-maintained vehicles and that their use of agents drives up the prices of shift rentals and leases.

A few suggestions were received to allow more than one person to hold a Standard licence, thereby making them more affordable and attainable to drivers.

There were polarized suggestions with respect to incorporation. Some taxicab licence holders wish to incorporate their licences for taxation and liability purposes, while others advised that corporations should not be able to have a taxicab licence.

TRANSFERABILITY AND THE TAXICAB LICENCE AS AN ASSET

Standard taxicab licence holders believe that upon their death, licences should be transferred to family members at no cost or requirement for training, as other assets would. Many stakeholders believe that the Standard taxicab licences are an asset. Some Standard taxicab licence holders believe that the licence is their retirement pension and means to care for their spouse in the event of his or her death.

Standard taxicab licensees argued that their families already possess a thorough knowledge of the taxicab industry and should not be required to complete a training program.

NUMBER OF TAXICABS

Stakeholders from across the taxicab industry almost unanimously expressed that there are currently too many taxicabs in Toronto. Many expressed that, following the 1998 review, the number of taxicabs began to increase beyond the necessary supply.

Respondents suggested that a range of demographic and economic factors should be considered in creating a formula to issue taxicab licences. Some of these factors include population, inflation and driver incomes.

There were several suggestions that the City should hire an independent consultant to determine the formula for the appropriate number of taxicabs.

Some members of the taxicab industry expressed that there were simply too many taxicabs operating on the streets of Toronto and that the number should be reduced. A number of suggestions were received to remedy this, including: the elimination of Ambassadors licensees; a reduction in the number of drivers or limit on the number of new drivers being licensed; or, limiting the number of taxicabs on the road by mandating that they could only operate at certain times or days.

Although most stakeholder input indicated that there were too many taxicabs and the City should reduce the number, a few suggestions advised that the City should deregulate the taxicab industry, removing restrictions on the number of taxicabs, such as in Melbourne, Australia and Dublin, Ireland.

NUMBER OF TAXICAB DRIVERS

Some taxicab industry members commented that an oversupply of drivers has contributed to higher rental and lease rates, and that the number of taxicab drivers being licensed should be limited, such as by limiting the number of training classes offered.

KEY PERSPECTIVES BY STAKEHOLDER GROUP

Opinions on licensing are highly divided by each group within the industry. The purpose of this section is to provide general opinions expressed in the consultation phase from different members of the taxicab industry. These do not represent the opinions of any one member of the industry, rather are a generalized collection of the most common positions held by each segment.

Ambassador Licence Owners

- There should be one type of owner's licence, the Standard licence, and that Ambassador licences should be converted to Standard immediately.
- If the Ambassador licences are not converted to Standard, then they should be assigned various characteristics of Standard licences, such as transferability and the ability to hire drivers, either on a regular basis or in the event of owner injury or illness.
- Ambassadors expressed that there were too many taxicabs in Toronto.

Accessible Licence Owners

- Accessible licences should be converted to Standard taxicabs.

Brokerages

Some brokerage owners/management are also Standard owners, which could explain the varying perspectives this group took on controversial issues. Some stakeholders suggested that brokerages and garages have an interest in the conversion of Ambassador to Standard licences, as Ambassadors will likely hire these businesses to find drivers for their taxicabs, with drivers also paying a fee to brokerages, allowing them brokerages to benefit financially from conversion.

- Convert Ambassador to Standard licences, it will not have a negative impact on the viability of the taxicab industry.

Drivers

- Ambassador program is not a failure, it is and was a good idea.
- Please issue more Ambassador taxicab licences.

Standard Licence Owners

- There should be one type of licence.
- Licences should be transferable to a family member without requiring the family member to take a course or pay a transfer fee.
- There should be no limit on the number of owner's licences a person can hold.
- Licensees should be able to incorporate their taxicab licence for taxation and liability purposes.
- When the City issues new owner's licences, they should be issued to licensees who were on waiting lists which existed in the past, rather than the existing Ambassador or Accessible licence wait list.

Riders and the Tourism and Hospitality Industry

These stakeholders were generally unconcerned with types of licences and did not distinguish between Ambassador or Standard taxicabs. An exception would be riders who require accessible service and the unique issues associated with this licence class.

CATEGORY 2: BROKERAGES AND DISPATCHING

BROKERAGE FEES

Drivers believe that brokerage fees are too high (both for dispatch and POS terminals) and the City should regulate these fees. Drivers expressed that brokerages raise fees too frequently and that different drivers are charged different fees for the same rental periods, sometimes relating to the driver's age.

TREATMENT OF DRIVERS

Many drivers expressed that they felt poorly treated by brokerages. Specific complaints included dispatchers being verbally abusive and more valuable fares being distributed unevenly.

It was mentioned that some brokerages may unfairly penalize drivers due to customer complaints, without considering the driver's perspective. Drivers feel unable to address this issue with brokerages for fear of jeopardizing their ability to work for them.

BROKERAGES AND BENEFIT PROGRAMS

Some drivers advocated benefit programs funded by brokerages, although most stakeholders thought any such programs should be maintained by the City of Toronto. One suggestion received was that City licensing fees should be used to create benefit programs.

A CITY DISPATCH CENTRE

Many participants suggested that the City should provide a central dispatch service for drivers, replacing private brokerages. The belief is that the City would charge lower dispatch costs than brokerages, provide drivers with better treatment and make it easier for City residents and visitors to obtain taxicabs.

THE ROLE OF BROKERAGES

Brokerages expressed that they played an important and necessary role in the taxicab industry that should continue as is.

Some input indicated that brokerages should be better regulated to control brokerage fees, be more compliant with municipal code, to provide better treatment and training to drivers, and to ensure vehicles are well-maintained.

BROKERAGE SAFETY PROGRAMS

Some suggestions were made that brokerages could enhance driver safety by using GPS and radio technologies to determine the location and nature of potential emergencies.

CATEGORY 3: DRIVER HEALTH, SAFETY AND LIVELIHOOD

A variety of suggestions regarding driver health, safety and livelihood were received. Most comments focused on the driver's inability to earn enough to maintain a reasonable standard of living. Drivers feel that the City has not considered these issues as important in the past and hope that they become a central focus of the Review.

ISSUES AFFECTING DRIVER'S HEALTH

In order to make a decent wage, drivers feel they must operate too many hours a day, endangering their health and safety. Some drivers suggested that the City should limit the number of hours a driver can work each shift.

Drivers advise that they cannot stop to use washrooms frequently enough due to lack of access to washrooms and the fear of being ticketed if they exit their vehicle to find a washroom.

Drivers work under stressful working conditions due to fear of fare jumping, robbery and traffic.

A few suggestions were received that the City should provide back care and fitness centres, or access to fitness centres, to improve driver health.

Overall, many expressed that the City should provide more support to assist with drivers' health.

RENTAL AND LEASING FEES

Drivers feel the rental and leasing fees they pay are too high and increase too frequently. Drivers argue that these fees should be regulated by the City of Toronto. They advise high fees make it difficult for them to make a good living and that many drivers are struggling financially.

A DRIVER BILL OF RIGHTS

Many drivers believe there should be a Driver Bill of Rights in addition to the Passenger Bill of Rights which is currently displayed in all Toronto Taxicabs. The intent is to reduce abusive behaviour, a common occurrence for many drivers.

VOMIT OR SOILING FEE

Some drivers would like passengers to pay an extra fee if they vomit or soil their car. Drivers expressed that when a passenger vomits or otherwise damages their vehicle, it is a significant cost to them, as they must have the car cleaned before resuming operations.

REDUCING FARE JUMPING AND ROBBERIES AT NIGHT

Robbery and fare jumping, particularly at night, endanger drivers' safety and financial livelihood. A popular suggestion to address this is to allow drivers to ask for fare in advance, especially at night. Another suggestion was that the emergency lights system, currently on all taxicabs, should connect to the police.

SAFETY EQUIPMENT

Some drivers believe that additional equipment and technology would improve their safety, such as an in-car bullet-proof shield, GPS tracking of all cars, a safety system that connects to police and in-car cameras which record video and audio (not just video, as is the case now).

With regards to shields, drivers were divided on whether shields should be used in taxicabs. Some drivers advised that it would create a barrier between driver and passenger that would hamper customer service, making passengers feel too confined and as if they were in a police car. Drivers also expressed that they would feel too confined, or that the shield may make it difficult to exit the vehicle in the event of an accident, creating a safety concern.

Other drivers felt that a shield should be mandatory and was a good idea, but were concerned about paying for the equipment and believed that, if it became mandatory, that the cost would be passed on to the driver through increased rental or lease fees. Some drivers who were opposed to the shield felt that their behaviour was sufficient to mitigate most potentially dangerous situations.

HOTEL PREFERENCES AND ILLEGAL PICKUPS

Many drivers believe that there should be more enforcement against illegal practices, particularly bribing hotel doormen in exchange for fares and illegal pick-ups by bandit taxicabs, limousines and taxicabs from other jurisdictions.

Drivers also advised that some hotels prefer limousines and don't allow taxicabs from entering the hotel premises, which they feel is unfair and should be stopped.

CATEGORY 4: AGENTS, LEASING AND GARAGES

ELIMINATION OF AGENTS

The vast majority of respondents believe that agents should be eliminated. A commonly expressed opinion is that agents do not enhance the industry and drive up costs to the driver, making it harder for a driver to make a living. Advocates of this position feel that lease agreements should only involve the owner and driver.

AGENTS FEES AND BUSINESS PRACTICES

Drivers report that agents often are unwilling to provide receipts to drivers, which drivers need in order to claim business expenses for taxation purposes.

Drivers also reported that agents charge other fees that are not recorded in the agreement they provide to ML&S, such as annual "renewal fees" of up to \$10,000, and monthly cash payments above the price of the agreed lease. Drivers advised they are afraid to report this for fear that they will not be penalized through an increase in lease price or that the agent will find a way to cancel the lease or rental agreement.

Drivers advised that agents' fees are high and increase frequently and unreasonably.

Drivers would like the City to regulate lease and rental fees.

ROLES AND REGULATION OF AGENTS

A minority of responses advised that agents play a valuable and necessary role in the taxicab industry however they must be better regulated.

A large number of suggestions were received that the role and legal responsibility of agents should be more clearly defined, and that agents should have the legal accountability of owners. In order to ensure an agent properly maintains a vehicle, agents should have a limit to how many vehicles they can manage. Stakeholders also advised that agents, in addition to owners, should be penalized if the vehicles that they manage are not in good condition.

AGENTS AND INSURANCE

Insurance companies advised that agents were more likely than non-agents to allow drivers to operate a taxicab without first listing them on the insurance policy or ensuring that these drivers meet standards for insurability.

GARAGES

In general, stakeholders feel that garages should be regulated to enhance vehicle condition and treatment of shift drivers.

VEHICLE MAINTENANCE

Drivers felt that garages did not always effectively maintain vehicles and that if drivers complained about the vehicle condition, they would not be permitted to rent a taxicab with that garage, losing income. Drivers expressed that there should be a limit to the number of cars a garage can manage, and some suggested that their ability to manage vehicles should be dependent on the condition of vehicles, as measured through inspection.

Drivers advised that some garages put new tires on taxicabs in order to pass the mandatory biannual City vehicle inspections, thereafter replacing them with older, unsafe tires.

FEES TO DRIVERS

Drivers expressed that different garage fees are charged to different drivers and that fees are increased too frequently. If drivers complain, they advise they may not be permitted to work with a garage.

GARAGE REQUIREMENTS

Some stakeholders advised that garages should be required to have a minimum infrastructure and service, such as:

- a physical location;
- parking for taxicabs; and,
- an onsite mechanic.

CATEGORY 5: TRAINING, VEHICLE INSPECTION AND ENFORCEMENT

TRAINING

In general, the input received from stakeholders indicates that licensees are unhappy about attending training programs because of lost income; however, after attending training courses, participant surveys indicate that they found the classes informative, relevant and enjoyable.

Licensed Drivers and Owners

Stakeholders were interested in shorter courses and courses available online, as well as courses that are more directly relevant to their activities, e.g., non-driving owners did not want a course which discussing driving. They also suggested that Refresher courses (i.e., one- to three-day courses which taxicab licensees must attend every 4 years) should not be conducted in-person; instead, courses and/or updates should be delivered by web, email or mail-outs.

A summary of comments on training are to:

- shorten the driver Refresher course to one day rather than three;
- eliminate the Refresher course, or eliminate the requirement for non-driving licensees to attend courses;
- eliminate the requirement for licensees to take First Aid and CPR;
- make Refresher courses mandatory only for those who have committed a bylaw infraction;
- have online courses and regular "challenge exams" to ensure licensees stay up-to-date, rather than classes which require drivers to take time off work and lose income;
- have content that is more relevant to their fields;
- eliminate the Refresher course (or components of the course) for non-driving owners;
- hire instructors who have worked in the taxicab industry or subcontract the course to community colleges; and
- continue the Refresher course as is, as it provides important updates to the industry.

Input from other Stakeholders

Non-licensed stakeholders, such as the tourism and hospitality industry, advocated for more training and more in-depth training for drivers. Specific suggestions were to:

- incorporate more role-playing into customer service and communications training, so that drivers are more comfortable with providing service to customers;
- more accessibility training for drivers so that drivers are more comfortable with providing service to passengers with disabilities;
- better driving training, including interacting with cyclists and examination of violations drivers have committed;
- annual Refresher training;
- require drivers to take a commercial vehicle driving course pursuing the taxicab industry;

INSPECTIONS

Preferential Inspection of Vehicles

Some drivers advised that the ML&S Inspection Centre evaluates vehicles differently, showing preferential treatment to vehicles associated with certain brokerages or garages and/or persons with whom City staff have relationships. Suggestions included installing cameras in the Inspection Centre and rotating new City staff into the inspection centre every few years.

Inspection Follow-Up

Some stakeholders have advised that, after inspection, agents and garages sometimes remove new tires or equipment from taxicab vehicles and replace them with older ones in poor condition. Suggestions were made that there should be additional vehicle inspection outside of the biannual vehicle inspections, possibly by mobile staff.

ENFORCEMENT BY MUNICIPAL LICENSING AND STANDARDS

This section discusses enforcement of the Municipal Code Chapter 545 by Municipal Standard Officers (MSOs). Many stakeholder comments grouped the Toronto Police Service officers into the same category as MSOs, so there was some overlap on input received for both.

Enforcement of Taxicabs

A great number of licensees felt that drivers received too many tickets from MSOs and expressed that MSOs should provide more warnings and education and fewer tickets. Licensees expressed that MSO vehicle inspections often resulted in the issuance of multiple tickets, which are expensive.

Drivers also felt that they should only be ticketed for offences which endanger public safety; they believe that other issues, such as having a missing Tariff Card or stickers, should be only incur a warning and a work order.

One example of this pertains to taxicab stands, which specify the maximum number of cars that are permitted to wait for passengers. Many drivers expressed that they are frequently issued many tickets for overcrowding the stand. Drivers feel that this offense is unfair, because they believe that there are not enough taxicab stands and stand overcrowding is an unavoidable part of their business.

Some drivers advised that, if they refuse to drive a mechanically unfit vehicle at garages, garages will not allow them to drive. As such, they expressed that they should not be ticketed for a vehicle in poor mechanical condition, and that the accountability should be on owners, agents and garages.

Some drivers expressed that MSOs are rude to them and that they should focus on education more than enforcement.

Enforcement of Other Vehicles

Many drivers expressed that MSOs should focus on eliminating "bandit" taxicabs, vehicles illegally operating as taxicabs, both from passengers who hail them on the street ("flags") and from advertisements at local stores and in community newspapers.

Drivers reported that limousines regularly pick up non pre-arranged passengers, which is not permitted by City by-law. Taxicab drivers stated that this cut into their incomes and would like to see stricter enforcement on this issue.

Drivers reported that taxicabs from other jurisdictions also regularly pick up "flags" in busy areas and that ML&S enforcement does not take enough action to stop them.

Enforcement Information

It was suggested that enforcement information should be easier to access and share. Specifically, participants asked for a more easily accessible complaints process, making it easier to file and track complaints, compliments and comments, both about licensees, City staff and MSOs. Various members of the industry expressed a desire to issue complaints about other licensees for unfair or illegal business practices. Suggestions were also received that this process and information should be more accessible to persons with disabilities.

Tourism Enforcement Perspective

Various tourism and hospitality industry stakeholders expressed that there should be more enforcement on the taxicab industry, particularly for cleanliness of the vehicle and customer service issues.

TORONTO POLICE SERVICE ENFORCEMENT

In general, the taxicab industry felt that there was not a good relationship between police and drivers, that drivers are over-ticketed and that steps need to be taken to improve this relationship.

Drivers' Enforcement Suggestions

Drivers had a number of suggestions specifically for the police with regards to ticketing:

- **Less ticketing:** A number of licensees felt that drivers received too many tickets from police and expressed that police should provide more warnings and education, and issue less tickets.
- **Municipal Code Enforcement by Police:** Some stakeholders expressed that police were not always knowledgeable of the municipal code.
- **Treatment by police:** Some drivers expressed that police could treat them with more sensitivity; providing more education and encouragement and fewer tickets and fines.

Improving Police Relationships with Industry

Many stakeholders expressed that they wanted to improve the industry relationship with police, such as through partnership organizations. Some stakeholders mentioned "Drivers on Patrol", a program which used to exist in Toronto in which drivers provided tips to police to help them reduce and prevent crime. Drivers felt that if police better understood their profession and challenges, they would be less likely to ticket them or treat them poorly.

CATEGORY 6: CUSTOMER SERVICE, TOURISM AND HOSPITALITY

While individual taxicab riders seemed generally satisfied with Toronto's taxicabs, the tourism and hospitality industry expressed that there were several opportunities to improve the service and industry overall.

THE RIDERS' PERSPECTIVE

The bulk of rider's feedback came from three types of customer service surveys:

1. a passenger survey about customer service in general;
2. an exit interview survey administered immediately after passengers exited a taxicab; and
3. mystery rider surveys in which City staff secretly rated rides.

Overall, results indicated that riders were generally very satisfied with Toronto's taxicabs, including customer service, driver's knowledge and vehicle condition. Highlights of the surveys are included below:

1. Passenger Survey:

- **Friendliness and professionalism:** Riders were asked, "In general, are Toronto taxicab drivers friendly, polite and professional?" in which 87% of respondents said "yes". The 13% that answered "no" described drivers as rude and complained about drivers using their cellular phones during the rides.
- **Safe driving:** Riders felt that only 65% of drivers drove safely and professionally, highlighting a major concern that 35% of drivers were driving unsafely and/or aggressively.
- **Car cleanliness:** Several riders commented that taxicab service could be improved by ensuring that cars are cleaner.

2. Exit Interviews

Results of the interviews were very positive. Most people in Toronto feel like taxicabs are clean, well-maintained, and have professional drivers who are knowledgeable of the City. One area that could be improved was cellular phone usage by drivers; in spite of the by-law that prohibits driver cellular phone usage while transporting passengers (except in the event of an emergency), 21% of respondents reported that their drivers spoke on cellular phones during their rides.

Most people said that they felt their taxicab ride was a good value, but that a lower fare might incentivize them to take taxicabs more frequently in the future.

Survey responses also indicated a high level of satisfaction in key customer service areas; some examples are that:

- 100% of taxicabs were reported to be clean and well maintained;
- 100% of drivers were reported to be professional; and
- 86% of taxicabs were available in less than 10 minutes.

3. **Mystery Riders:**

100 mystery rides were conducted by staff which showed very high levels of customer service overall. As in the interviews with passengers, the mystery rides illustrated an issue with cellular phone usage, finding that drivers spoke on their cellular phone in 14% of mystery rides. Other results included high levels of customer service and safety, such as that seatbelts were easily accessible, wait times were low and that there were few payment issues. Specific results include that:

- 100% of taxicabs had seatbelts available;
- 90% of taxicabs were available in less than 10 minutes;
- 94% of drivers were knowledgeable of the City; and
- 88% of taxicabs were clean and well maintained.

TOURISM AND HOSPITALITY PERSPECTIVE

The main priority from the tourism and hospitality industry was to see an improvement in the customer service from drivers. Some suggestions included:

- **Providing better recommendations:** Drivers could provide better recommendations on what to do and where to eat.
- **Drivers as City representatives:** Drivers should recognize the importance on their role for the City, especially because they may be the first person in Toronto that visitors interact with.
- **Telephone usage:** Drivers needed to refrain from using cellular phones while transporting passengers.

Stakeholders believed many of these issues could be addressed through more in-depth training, customer service role playing and stricter evaluation of the taxicab driver's skills. They also suggested that there be better incentives for

drivers to provide good customer service, such as a rewards system from the City.

Incentives for Good Customer Service

Tourism stakeholders discussed creating rewards and incentive programs for drivers to encourage them to provide better customer service. This might include accumulating points for good service which can provide them with a reward, such as a discount on their licensing fee.

Vehicle Condition

Respondents generally thought the condition of the vehicle was good and much better than prior to the 1998 review; however, some riders believe that there are still some taxicabs which are in poor condition. Tourism stakeholders suggested that more frequent vehicle checks could address this.

Services for Tourists and the Tourism Industry

A number of suggestions were made to enhance the tourist experience, such as:

- **Central dispatch:** Create a single telephone number tourists could call to order a taxicab.
- **Ability to find drivers who speak their languages:** Create a service in which tourists could find a taxicab driver who speaks their native language.
- **Feedback portal:** Create a single portal to gather information about the taxicab experience, collecting information about the tourism and hospitality industry based on customers' taxicab experiences.
- **Tourism-Taxicab Industry Communication System:** When large events, such as conventions, are happening within the City, there should be a way to alert the taxicab industry that an estimated number of taxicabs will be needed at certain locations at certain times. Suggestions were made that the City should assist with creating this.

CATEGORY 7: RELATIONSHIP WITH THE CITY OF TORONTO

MORE STAKEHOLDER INVOLVEMENT WITH THE CITY

Formal and Regular Interaction

Taxicab stakeholders were interested in becoming more involved with the City on a regular basis and in a formal capacity, in which stakeholders are more aware of what is happening in the industry and in which they have more input in changes being made to the industry.

Taxicab Advisory Committee

Many stakeholders advocated for a creation of taxicab advisory committee, similar to organizations in Mississauga and New York, providing recommendations to the City on the industry. Different suggestions were received for its composition, but it was generally agreed that it would be comprised of stakeholders from the various licence categories, as well as City staff, police, tourism and hospitality agencies and possibly councillors.

OPEN, TRANSPARENT AND INCLUSIVE PROCESSES

Taxicab stakeholders would like the City's dealing to be more open, transparent and inclusive, with a variety of suggestions:

COMMUNICATION

Input stated that the City should better communicate events, changes and proposed changes to the taxicab industry, providing all stakeholders with an opportunity to get involved. Some criticism received advised that information about the review consultations could have been better communicated.

OPEN CONSULTATIONS AND MEETINGS

Stakeholders would like all consultations and meetings to be open to whoever would like to attend, or in the instance in which one licensee group has a meeting, that all licensee groups should be given the same treatment.

CATEGORY 8: ISSUES OUTSIDE THE JURISDICTION OF THE CITY OF TORONTO

INSURANCE

Cost and Choice

Many driving licensees expressed that there are too few insurance companies to choose from and as a result, that the cost of insurance is high. Drivers are also dissatisfied with the differential rates charged to drivers based on their licence type, and advise that, if one company won't insure you, it is difficult to obtain coverage with another.

Insurability and Licensing Requirements

Insurance companies have standards for insurability which are not always in line with City of Toronto taxicab licence standards. This leaves some licensed taxicab drivers uninsurable, and thus, unable to driver a taxicab. Some insurance companies reportedly require drivers to be at least 23 years old with three years of previous personal Canadian insurance coverage or one year of commercial driving insurance. Most stakeholder comments were that the insurability requirements were too strict.

AIRPORT

Drivers would like to be able to pick up at the airport without pre-arrangement or a fee. Toronto taxicab drivers can presently drop off passengers at Toronto Pearson International Airport, however can only pick up a passenger if the ride is pre-arranged; in this case, the driver must go to a specific waiting area and pay a fee. Drivers consider this unfair and would like the City to re-examine its powers and advocate to other levels of government.

CATEGORY 9: OTHER BYLAW ISSUES

TAXICAB STANDS

More Permanent Taxicab Stands

Industry stakeholders unanimously commented that more taxicab stands are needed, with better integration of taxicab stands into the City's infrastructure. Locations such as hotels, entertainment and business districts, TTC subway stations and shopping centres should be considered. They advised that an increase in the number of well-placed taxicab stands would:

- allow drivers and the public to more easily and safely connect, particularly at night;
- reduce the fuel cost and fuel usage of taxicabs, benefitting drivers and the environment; and
- better integrate taxicabs as part of the City's public transportation network.

Temporary Taxicab Stands and Marshalling Areas

At peak times and for large events, some suggested that there should be temporary taxicab stands or marshalling areas. One such suggestion is that there should be marshalling areas in the entertainment district.

Taxicab Stand Domination by Brokerages

Some drivers reported that certain brokerages dominate certain taxicab stands and make other drivers feel unwelcome, and that they believe taxicab stands should be open to everyone.

FARES

Increasing and Decreasing the Fare

Participants from many segments of the taxicab industry argued in favour of a lower fare to increase taxicab ridership and affordability. A great number of drivers remarked that recent fare increases have had a negative impact on their livelihood, although some drivers were afraid that lowering fares would adversely impact their income.

Tourism and hospitality stakeholders expressed that they thought the fare could be lower, and that other fare systems could be explored, such as flat rates or jitney programs.

Impact of high fares:

- Drivers advised that lower fares might increase driver incomes by encouraging more people to take taxis while other drivers worried that it may negatively affect income.
- Drivers advised that agents and garages used increases in fares as a justification to increase their shift rental fees.

Flat Rates

The review team received both negative and positive feedback on flat rates. Some licensees and the tourism industry felt that flat rate systems would help to increase ridership and income and advocated for flat rates.

Other drivers argued that existing flat rates fares, such as to Toronto Pearson International Airport, or as part of a brokerage-negotiated agreements, did not provide drivers with sufficient compensation for their trip. Drivers also stated that it was unfair that, if the meter was higher than the promised flat rate, that the customer could pay the flat rate.

IDLING

Taxicab drivers expressed that taxicabs should have an exemption from the idling bylaw due to the long periods of time they spend in their vehicles, often during extreme cold and heat.

LICENSING FEES

Some stakeholders expressed that the City's licensing and renewal fees are too high and paid too frequently.

BUSINESS LICENSING THRESHOLDS AND PENALTIES

Several stakeholders suggested that the City review the Business Licensing Thresholds and system of penalizing licensees. Some input advised that the City should review and reduce the list of bylaw infractions for which drivers could be ticketed, with special attention to those infractions that do not relate to safety.

INDUSTRY SUBSIDIES AND INCENTIVES

Several stakeholders suggested that the City should provide subsidies to licensees to help offset the cost of purchasing an accessible vehicle, or rising fuel costs.

CATEGORY 10: VEHICLES – STANDARDIZATION, SAFETY & TECHNOLOGY

STANDARDIZED TAXICABS: COLOUR

With the exception of taxicab brokerages, a single colour of vehicles is looked on positively by stakeholders. The tourism and hospitality industry indicated that a standard colour of taxicab would help to establish a taxicab brand for Toronto. Enhance tourism and making it easier for tourists to easily recognize taxicabs. Drivers believe that a single colour of vehicle will increase ridership and prevent bandit cabs. Brokerages however, expressed their desire to have vehicles with their dispatch be branded with their colours and logo. Furthermore, brokerages worried that passengers with corporate accounts may have a hard time finding a cab of a particular brokerage.

STANDARDIZED TAXICABS: MODEL

Nearly every member of the taxicab industry voiced opposition to having a single make and model of vehicle for all taxicabs. Drivers, brokerages and taxicab license holders (both standard and ambassadors) argued that a dedicated taxicab vehicle would increase their costs and reduce choice for drivers and consumers. The accessible community was in favour of a dedicated vehicle if it was wheelchair accessible.

STANDARDIZED TAXICABS: HYBRID/FUEL EFFICIENCY

Stakeholders from all segments of the taxicab industry agreed that fuel-efficient taxicabs, such as hybrid cars, should be encouraged. Hybrids and smaller vehicles save the driver money on fuel and improve the environment.

Industry stakeholders argued that the City should provide an incentive for purchasing hybrid vehicles due to the perceived higher purchase and maintenance costs in comparison to non-hybrid vehicles. Some shift drivers worried that more expensive vehicles could lead to higher shift rental fees.

A DEDICATED TAXICAB VEHICLE COLOUR OR MODEL

This section discusses the idea of the City of Toronto having taxicabs which are one colour, one vehicle model or one vehicle model and one colour.

The Tourism and Hospitality - Good for City but Not a Priority

The tourism and hospitality industry indicated that a standard colour of taxicab, or standard model of vehicle would be a good move for Toronto and would

help to establish taxicab branding for Toronto which would enhance the industry, such as by making it easier for tourists to easily recognize taxicabs.

However they did not see it as a priority for taxicab service in Toronto, prioritizing customer service as the most important factor in improving service today.

Drivers – Good for Business but Paid For By Drivers

Drivers advised that a one-colour taxicab would be good for business and tourism, however expressed that it may be more difficult for customers to find companies with whom they have taxicab vouchers, or for customers to choose brokerages whose service they enjoyed. Shift drivers also believed that any changes to City requirements for colour or vehicle would result in higher rental fees to drivers.

Brokerages Viewpoint – Decreased Business

Brokerages echoed these concerns, adding that a one-colour system or a single colour or single type of dedicated vehicle would negatively affect their businesses financially. Brokerages have invested greatly in building their brand identity and customer base; they believe standard colours or models would make taxicab vehicles less recognizable and decrease their volume of business.

Public Safety – Harder to Recognize Cars

One model or colour would make it more difficult for passengers to identify taxicabs in the event of an accident or find lost property.

All Accessible Vehicles

Some suggestions were received that all taxicab vehicles should be accessible to ensure that the City could easily provide on-demand accessible service. Industry stakeholders suggested that this would be costly to them and that taxicab riders enjoy choosing the vehicle they prefer.

Via a ridership survey, riders were asked, "If the City of Toronto were to introduce taxicabs that are wheelchair accessible for use by both the general public and people with disabilities, would you use the service?" While the majority of riders, 72 %, said yes, 28% of riders said no, advising that they didn't want to take the service away from those who needed accessible service, and also that they didn't want to take vehicles intended for persons with disabilities or the elderly.

Vehicle Fuel Systems

This was not a widely discussed topic, however it was generally agreed upon that fuel-efficient taxicabs, such as hybrid cars, should be encouraged, saving

the driver money for fuel and benefitting the City environmentally by reducing emissions.

Comments were received that the City should provide an incentive for purchasing hybrid vehicles due to the perceived higher purchase and maintenance costs in comparison to non-hybrid vehicles. Shift drivers also believed that any changes in City requirements for fuel systems would result in higher rental fees to drivers.

SAFETY EQUIPMENT

Some drivers believe that additional equipment and technology would improve their safety, such as an in-car shield, GPS tracking of all cars, a safety system that connects to police and in-car cameras which record video and sound (not just photos, as is the case now).

TECHNOLOGY

GPS

Some industry stakeholders believe that GPS should be mandatory in all taxicabs. Advocates suggested that this would improve driver safety, and improve customer service. This idea is also popular with the riding public.

Point-of-Sale Terminals

A number of suggestions argued for mandatory Point-of-Sale (POS) terminals to allow debit and credit transactions. Some drivers expressed that brokerages and financial institutions charged high fees for the use of POS terminals and that drivers the POS surcharge charged to customers, often \$1 or \$1.50, discouraged passengers from tipping drivers, reducing their income.

CATEGORY 11: ACCESSIBILITY

NUMBER OF ACCESSIBLE VEHICLES

All comments received tend to agree that more accessible taxicabs will be needed to provide on-demand taxicab service, though no specific numbers were suggested. Input received suggested that the City should consult with a range of stakeholders to determine that number, such as accessible riders, advocacy groups, healthcare institutions and brokerages.

Two accessible brokerages advised that they were unable to service some calls due to an insufficient number of accessible vehicles. In such instances, accessible riders advised that they call around to find another provider, including a livery service if necessary.

RIDERS' ISSUES WITH ACCESSIBLE SERVICE

Some riders are ineligible for the TTC Wheel-Trans and advised that regular taxicab fare difficult to afford.

When riders request an accessible vehicle, they are often charged an extra \$5 to \$10 due to the larger size of the vehicle, which they feel that this is unfair as this makes accessible service more expensive than other taxicab service, a violation of the bylaw. Accessible riders advised that they do not want to complain about the additional \$5 to \$10 charge, as they fear that they may not be provided with service for future calls.

Users were unable to obtain accessible taxicab service at all times when needed.

Due to their larger size, some motorized wheelchairs do not fit in most accessible vehicles. The need for larger taxicabs should be taken into consideration when creating a plan for on-demand service.

ACCESSIBLE TAXICAB LICENCES ISSUANCE TO BROKERAGES

Some stakeholders feel that brokerages should not be able to obtain Accessible taxicab licences, arguing that as the practice is unfair.

Several brokerages expressed that, in order to provide on-demand accessible service, they have to hold Accessible taxicab licences, arguing it is the only way that they could be accountable for service provision and prioritizing accessible fares.

STRATEGIES SUGGESTED TO ENSURE ON-DEMAND ACCESSIBLE SERVICE

Stakeholders suggested that the City should allow an unlimited number of Accessible taxicab licences and some suggested that interested drivers should be able to obtain an Accessible owner's licence. Many accessible vehicles would then become available and then there would be enough vehicles to provide on-demand service.

Comments were received that accessible training should be mandatory for all taxicab drivers, ensuring that accessible vehicles are available for the maximum amount of time.

Suggestions were received that accessible taxicabs should be 'dual purpose', permitting them to pick-up anyone. Some brokerages expressed that, in order for accessible taxicabs to be profitable, they should be allowed to pick up regular fares in addition to accessible fares. Some Accessible owners/drivers disagreed with this point, saying that the accessible taxicab business can be profitable and that those drivers working with TTC Wheel-Trans are very busy throughout their entire shift.

A few suggestions were that the City could provide an incentive for vehicles to operate during non-peak times.

Brokerages should be required to be affiliated with a certain number of accessible vehicles, either through licence ownership or service agreements. Creating a ratio of accessible to non-accessible vehicles within a brokerage would ensure a minimum number of accessible vehicles operating at all times.

In order to ensure that drivers prioritize accessible fares to other fares, drivers should receive government subsidies for accessible fares of \$5 to \$10, such as from the TTC.

Some suggestions were received that all taxicab vehicles should be accessible to ensure that the City could easily provide on-demand accessible service. Many industry stakeholders suggested that this would be costly to them and that taxicab riders enjoy choosing the vehicle they prefer.

FURTHER PUBLIC AND STAKEHOLDER ENGAGEMENT

As of September 2012, the review team is currently in Phase 2: Research, Analysis and the Preliminary Report. The team has held over 22 consultations, large meetings and information sessions, and has engaged stakeholders and the public via email, mail, voicemail, online and through surveys.

Thereafter, the review team will utilize the preliminary report, stakeholder and public feedback and other input from Phase 2 to produce the final report, which will contain the recommendations for how to address issues within Toronto's taxicab industry.

The final report will be posted online and stakeholders and the public may depute the final report at a Licensing and Standards Committee meeting, date to be determined.

The review team will continue to accept comments through email, voice messages, the online comments form and written submissions.

Appendix B:

Financial Models for the Appropriate Number of Taxicabs

The Taxicab Industry Review investigated different ways to determine the appropriate number of taxicabs for Toronto. Staff analyzed factors that affect the demand for taxicabs, compared Toronto’s number of taxicabs to other cities and conducted a survey of taxicab and passenger wait times at a variety of locations across Toronto.

Staff updated existing models and created new models for connecting demographic and economic factors with taxicab demand. These models indicated an undersupply of taxicabs ranging from 300 to 1,300 Standard Equivalent Plates. Using a per capita comparison, Toronto has more taxicabs per person than Vancouver and Ottawa but less than Montreal and New York City.

Measuring the current supply of taxicabs in Toronto is complicated by the City’s different license categories. Standard and Ambassador taxicabs impact the number of taxicabs available differently. Standard taxicabs operate 24 hours a day, while Ambassadors operate 12 hours a day, although one Standard taxicab is not equivalent to two Ambassador taxicabs. This is because Ambassador taxicabs typically work during the busiest times of the day, when there is the highest demand for taxicabs.

The term Standard Plate Equivalent is used throughout as a way to standardize the impact that one new licence plate would have on demand. In this case the Ambassador plate is considered to impact demand at 65% of a Standard Plate.

Figure 1: Appropriate Number of Taxicabs - Overview of Financial Models

	Models	(Undersupply) of Standard Plate Equivalents
1	Coopers & Lybrand	(1265)
2	Economic Planning Group	(307)
3	City of Toronto, 1998	(1333)
4	City of Toronto, 2012	(590)
5	Schaller	(1190)
6	Per Capita	no undersupply

Models 1, 2 & 3 – Updated Demand Indicator Models

Corporate Finance staff re-examined taxicab issuing formulas that the City of Toronto used in the past. The Coopers and Lybrand (1987), Economic Planning Group of Canada (1997) and City of Toronto (1998) models were recalculated using updated statistics.

The application of the previous indicator models all suggest that between 1996 and 2011, the increase in taxicab plate supply (24%, all Ambassador plates) has not kept pace with the increase in the demand indicators (ranging from 33% to 62%). As such, these older models suggest a current undersupply of taxicab licenses in the range of 300 Standard Plate Equivalents to 1,300 Standard Plate Equivalents.

Model 4 - New Demand Indicator Model

Corporate Finance staff created a new taxicab demand model by updating the 1998 model. A multi-variant regression analysis was performed measuring demand indicators against the rise in plate values and lease rates. This study revealed new correlations and new weighting, and ultimately an undersupply of 590 Standard Plate Equivalents.

Strong indicators of demand included: Increases in the surrounding population, rates of employment in Toronto and across the census metropolitan area (CMA).

Model 5 – Schaller Model

City Staff performed a condensed version of a model for taxicab licences supply proposed by Bruce Schaller, the Deputy Commissioner of the New York City Taxi and Limousine Commission. Schaller's model is derived from an analysis of numerous cities in the US to predict the demand for taxicabs in his paper "A Regression Model of the Number of Taxicabs in U.S. Cities, 2005." City staff calculated Toronto taxicab demand using Schaller's variables: subway commuters, no vehicle households and airport taxicab with the most recent data for the City of Toronto. This model reveals an undersupply of 1,190 Standard Plate Equivalents.

Model 6 – Per Capita

A rudimentary measure that cities can use to gauge the adequacy of their supply of taxis is a ratio analysis of the number of taxis to population. This measure does not factor other criteria that may affect taxicab ridership, but does illustrate how taxi supply compares from city to city in a general sense.

FINANCIAL ANALYSIS

This section provides a discussion of the supply and demand factors affecting the taxicab industry, including a review of past approaches to licence issuance and an analysis of current factors affecting the financial aspects of the industry.

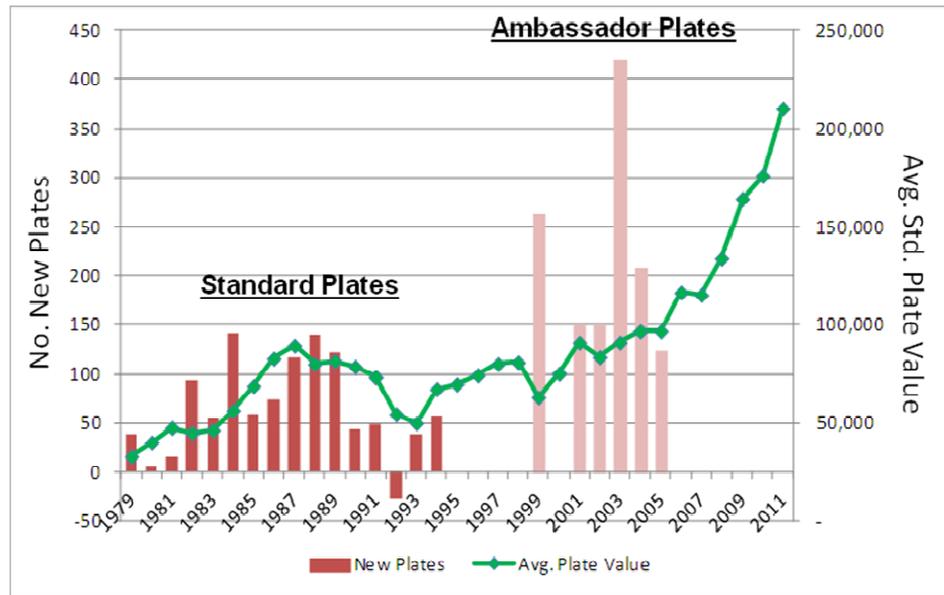
Taxicab Reform in Toronto:

In 1998, in response to decline in the quality of the taxicab service, Council established a Task Force to undertake the first major reform of the industry. Council, at that time, identified the following concerns: that the industry structure had resulted in a significant growth in the number of individuals who act as middlemen in the delivery of taxicab services, as well as absentee owners and passive investors in the chain of participants; the quality, safety and reliability of taxis had deteriorated; customer service quality had deteriorated; and that the situation at that time hampered some participants ability to earn a fair wage as a result of the run-up of lease rates and plate values.

City Council adopted over fifty recommendations as a result of the Task Force Report, the most significant of which were the introduction of the owner-operator non-transferrable Ambassador licence, which would co-exist with existing leasable and transferrable Standard plates. It was anticipated these actions would also help moderate increases in the lease rates of Standard plates.

Since the reform in 1998, 1,313 Ambassador licences have been issued, and no new Standard plates. The cost of leasing or purchasing a Standard plate has increased over the past 14 years which, in the face of additional supply of Ambassador plates would suggest that the increase in demand for taxicab services has outpaced the increase in supply of taxicabs. This supply and demand relationship is explained further in the following chart and discussion section.

Figure 2: Plate Issuance and Standard Plate Values



SUPPLY AND DEMAND INFLUENCES ON THE TAXICAB INDUSTRY

The demand for taxicab services (number of trips and distances) is a function of demographic and economic influences, competitive market forces, as well as other less quantifiable elements. If demand exceeds supply, one would likely observe an increase in lease rates and plate values, and a decline in response times to customer calls. If supply exceeds demand, then the opposite would likely be observed.

Demographic influences would include but are not limited to such things as demographic changes, tourism and conventions, and traffic through the city by air, rail and bus.

Economic influences that affect taxicab demand include employment (or unemployment), retail spending, occupied office space and income. Generally, growth in these variables would likely be reflected in an increase in demand for taxicab services.

Competitive forces would include such things as the availability of substitutes for taxicab services, such as rapid transit, limousine services, shuttle buses, courier services, fax machines and e-mail. For the most part, growth in these competitive forces would likely impact negatively on the demand for taxicab services.

There are also other less quantifiable factors that may impact upon the demand for taxicab services. These factors can include such things as weather, changes in legislation such as drinking and driving laws, the extension of the closing time for food and beverage establishments, and the price elasticity of fares.

Ideally, a record of every, or a statistically valid sample, trip taken in a taxi provide a direct measure of demand for taxicab services. In the absence of being able to obtain the direct measure of demand (trips and distance), various demand predictor models have been suggested as a surrogate measure of demand for taxicab services.

PREVIOUS DEMAND INDICATOR MODELS

Prior to 1982, Municipal Licensing and Standards (ML&S) utilized a taxicab-to-population ratio in order to issue licenses to meet the growth in demand for taxicab services. In other words, as population grew, so too did the demand for taxicabs and the need to increase the supply of taxicabs by a given ratio factor. Currie, Coopers & Lybrand Ltd., in their 1982 review of the ML&S method for the issuance of new plates, acknowledged that the ratio measure did not take into account the following important trends:

- the expanding municipalities contiguous to Metro Toronto which act as reservoirs of commuter traffic to Toronto, creating additional demand for taxicab services;
- the number of visitors had increased at a rate more rapidly than the rate of population growth, and the demand for taxicab services is frequently higher from such a transient group;
- and that there was a trend to greater use of public transportation, which would result in a secondary demand to supplement mass transit.

Consequently, the 1982 Currie, Coopers and Lybrand predictor model utilized changes in GTA population, GO Transit ridership, airline passengers, and the number of convention delegates, according to a certain weighting, as a surrogate measure for changes in demand for taxicab services.

In their subsequent review of taxicab license issuance in 1987, Coopers & Lybrand acknowledged that the objective of the stabilization of plate prices and lease rates had not been realized, suggesting that demand had outstripped the supply of plates. They recommended changing the weighting of the predictor model to give greater weight to the impact of visitor-related elements (airline passengers and convention delegates) on the demand for taxicab services. The model was further revised in 1988 to exclude the effects of GO ridership, as it was felt that its impact was already reflected by changes in the surrounding population.

Also in 1988, a Laventhol & Horwath report was prepared on behalf of concerned taxicab owners for submission to the TLC. The report concluded that a change to the inputs and weightings was required, and that such a model indicated, at that time, there was no need for additional licenses beyond those already issued.

In 1994, the Chapman report on taxicab regulation in Metropolitan Toronto was completed for the ML&S. The review included, among other things, features of demand and supply in the market for taxicab services, as well as earnings in the industry. The research estimated that the demand for taxicab services fell by 30-40 percent during the recession of the early 1990's, and its effect on demand resulted in reductions in plate value and lease rates. The Chapman report also acknowledged that it is very difficult to measure overall demand without accurate records of daily activity by drivers. While Chapman did not directly address the predictor model, he did comment on the absence of a public transit measure in the model. The industry was still somewhat unsettled as to whether such use is complementary to, or a substitute for taxicabs. He did, however, suggest that the ML&S may want to look more closely at this relationship in the future as some empirical evidence had indicated that public transit use is a good indicator of overall demand for taxis.

In 1997, the Economic Planning Group of Canada was retained by ML&S to determine if the model, developed by the Coopers & Lybrand Consulting group in 1987 was still valid, and to make recommendations for changes that should be made to the model, if any. Research of the various licensing authorities in North America and Europe found no model that has been uniformly adopted, as each municipality has differing population, economic and infrastructure influences affecting taxicab demand. They suggested that demand is a factor of both qualitative and quantitative issues. Qualitative factors such as customer satisfaction, waiting times and vehicle quality is not scientifically measurable but does influence the public's predisposition to use taxicabs. The report reasoned that the combination of measurable quantitative impacts and the immeasurable qualitative issues is problematic, and furthermore, the lack of industry data hinders the ability to apply measurable data to a model. They concluded, however, that the predictor model was no longer valid due to changes in demographic, economic and social factors since its inception in 1987. The report further recommended changes not only to the inputs for the model, but also to the weighting applied to the inputs. Additional inputs such as changes in employment, VIA rail passengers, per capita income, occupied office space, and the consumer confidence index were suggested.

In 1998, as part of the work for City Council's task force to review the taxicab industry, various demand predictor models were evaluated against a surrogate measure of observed demand. None of the existing models proved to be adequate. Several alternate models developed by City of Toronto Corporate Finance staff were presented as part of this work which provided a more accurate relationship to the surrogate measure of observed demand.

Several of the input variables showed a promising correlation. These included: Toronto's surrounding population, number of delegation visitors, Toronto employment rate and TTC ridership. Coincidentally, the latter variable was suggested for further exploration in the 1994 Chapman report.

The following table summarizes the previous demand surrogate models between 1982 and 1998.

Figure 3: Previous Demand Surrogate Models

Demand Indicator (% change)	Weighting Factor			
	Coopers & Lybrand 1982	Coopers & Lybrand 1987	EPG 1997	Toronto 1998
Metro Population			0.350	
CMA Population	0.840	0.714		
Go Ridership	0.125	0.106		
Airline Passengers	0.025	0.129	0.035	
Surrounding Population			0.070	0.6498
Employment Toronto			0.140	0.2979
CMA Employment				
TTC Ridership				0.7989
Via Rail			0.035	
Tourists			0.070	
Convention Delegates	0.010	0.051		0.1556
Occupied Office Space			0.075	
Retail Spending			0.090	
Consumer Confidence			0.030	

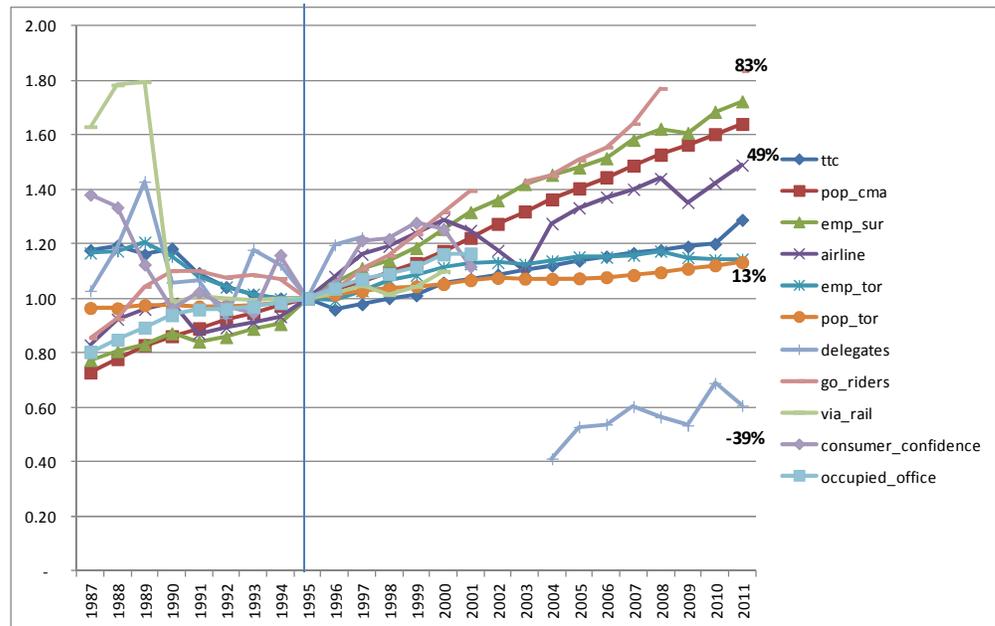
Note: For each model listed, the above weightings are multiplied with the (% change) of the applicable Demand Indicator, with the resulting product representing a weighted % change. The sum of the applicable weighted change demand indicators for each model represents the change in taxicab demand predicted by that particular model.

CURRENT REVIEW OF DEMAND INDICATOR MODELS (2012)

As part of the Taxicab Industry Review consultation process, Corporate Finance staff began to re-examine previous models and current demand indicators in the taxicab industry.

Staff obtained up-to-date time series data for those variables relevant to the various predictor models in order to determine the adequacy of the current number of plates issued as may be suggested by those models. The changes in the various demand indicators between the last issuance of Standard plates in 1995 and the current number of plates issued inclusive of Ambassador plates was calculated. With the exception of convention delegates, all of the demand indicators have increased over this period in an amount ranging from 13% (Toronto population growth) to 83% (GO ridership growth), as shown in the following Chart.

Figure 4: Change in Demand Indicator Variables (normalized for 1995=1.0)



The following table compares the increase in number of cabs suggested by these predictors models from 1995 to 2011 and the actual increase. As explained earlier, Standard and Ambassador plates have different impacts on the taxicab supply, to deal with this challenge a Standard Plate Equivalent formula has been created which calculates Ambassador plates as 0.65 of a Standard.

Figure 5: Previous Demand Surrogate Models - Suggested Plate Issuance 1996-2011

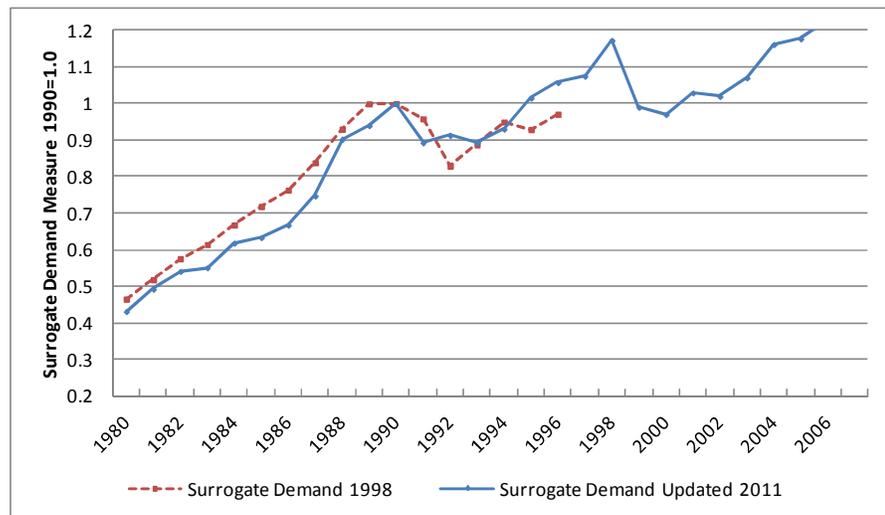
	Std. Plates 1995	Change in Demand Indicators 95-11	Indicated Increase in Std. Plates 95-11	Total Indicated Std. Plates	Ambassadors Issued	Std. Equivalents (@0.65x)	Effective Plates Issued (Std. Equivalent)	Oversupply (Undersupply) (Std. Equivalent)
C&L	3480	60.9%	2,119	5,599	1,313	853.45	4,333	(1,265)
EPG	3480	33.3%	1,160	4,640	1,313	853.45	4,333	(307)
Toronto	3480	62.8%	2,187	5,667	1,313	853.45	4,333	(1,333)

The application of the previous indicator models all suggest that between 1996 and 2011, the increase in taxicab plate supply (24%, all Ambassador plates) did not keep up with the increase in the demand indicators (ranging from 33% to 62%). As such, these older models suggest a current undersupply of taxicab licenses in the range of 300 Standard Plate Equivalents to 1,300 Standard Plate Equivalents.

Updated Surrogate Demand Measures and Modelling

During the stakeholder consultation, the City was provided with limited data from a single shift driver's logs for the period 1980 to 2007. This data included paid kilometers, revenues and expenses for that period. An analysis of that data by City Finance staff resulted in an updated measure of surrogate demand. This updated measure was overlaid with the surrogate measure of demand from the 1998 study, the result of which is shown in the following graph. Given that the updated data, which is independent of the data from the 1998 study, overlays quite well with the 1998 analysis, it would suggest that the updated data provided to the City has merit as being a valid representation of a measure of demand. This comparison is graphically depicted in the following chart.

Figure 6: Taxicab Surrogate Demand Model Trending - 1998 Model Plotted with Shift Driver Data (1980-2007)



The updated data contained in the above chart suggests that the demand for taxicabs increased by 17% since 1995, despite the fact that a total of 1,313 Ambassador licences (853 Standard Plate Equivalents) were issued, thus suggesting a current undersupply of 590 Standard Plate Equivalent taxicabs. Put another way, this measure suggests there is room for another 900 single shift Ambassador taxicabs.

Developing a New Model

A multi-variant regression analysis was performed on the demand indicator variables against the updated surrogate demand measure in an attempt to develop a more current model for taxicab licence issuance. The analysis shows that the relationship between demand for taxicabs and demand indicator variables can change over time. In 1998, convention delegates, Toronto employment, and TTC ridership in particular, were variables that appeared to strongly correlate to the surrogate demand for taxicabs.

Now, it appears that, while employment continues to be a strong indicator of demand, TTC ridership and convention delegates contribute to demand on a lesser extent. In their place, surrounding population, and more importantly, GO ridership present stronger variables that relate to surrogate demand for taxicabs. The resulting correlation coefficients are shown in the table below.

Figure 7: Correlation Coefficients – 1998 Model vs. Updated Surrogate Measure

Demand Variable	1998 Model Correlation	Current Correlation	Strength of Relationship
Convention Delegates	0.468	-0.069	Negative
Surrounding Population	0.228	0.475	Stronger
Toronto Employment	0.491	0.512	Stronger
TTC Ridership	0.612	0.011	Much weaker
Go Ridership	0.195	0.673	Much stronger
Employment - CMA	na	0.702	Strong

To the extent that correlation does not necessarily imply causation, further analysis was performed using these variables in order to attempt to develop a model that could be used on a go-forward basis for the prediction of the number of plates to issue in response to changes in relevant demand indicator variables. However, this task proved to be elusive. The period 1995 to 2011 was fraught with social, economic and global influences that do not easily lend themselves to prediction models. Key unpredictable events that occurred and had influence on taxicab demand included the September 11, 2001 attacks and its post effects; the credit crisis of 2008, and the euro-zone financial crisis of 2010.

As a consequence, no statistically valid prediction model on a go-forward basis could be developed at this time, and would require further data and analysis. However, it can be said that variables influencing demand for taxicab services changes with time, so historic models may no longer be valid. From the observations, it is probable that any such taxicab demand models are likely valid only in the jurisdiction from which the data is collected since influences appear to be unique.

Nonetheless, staff undertook research to identify taxicab demand models used in other jurisdictions, as described in the following section.

Schaller Model

ML&S staff have discovered a further taxicab demand model published in the United States. Bruce Schaller, Deputy Commissioner of the New York City Taxi and Limousine Commission, is a taxicab industry expert, and has performed an analysis of numerous cities in the US to predict the demand for taxicabs in his paper "A Regression Model of the Number of Taxicabs in U.S. Cities, 2005."

Schaller’s model also employs surrogate measures for taxicab demand. His model found the strongest correlation between taxicab demand and three observed factors: subway office commuters, airport taxicab trips, and the number of no-vehicle household in a city.

City staff have assembled the relevant data inputs to this model and have made some assumptions based on the number of airport taxicab trips made by Toronto licensed taxicabs. In order to apply this model to conditions in Toronto, some adjustments had to be made to the relevant data.

Figure 8: Schaller Model of Taxicab Supply Applied to Toronto

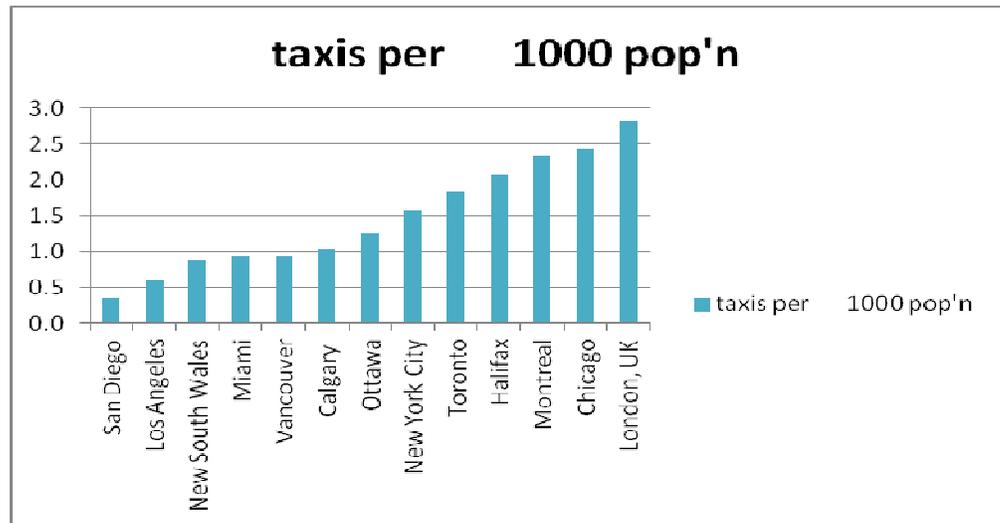
Variable	Co-efficient	TORONTO observed	Resulting taxi Demand
Subway commuters	0.01972	214,971	4,239
No vehicle house-holds	0.00447	254,618	1,138
Airport taxicab trips	0.0007	207,359	145
TOTAL			5,523

From this analysis, the Schaller model would suggest that taxicab demand in Toronto would be satisfied with 5,523 taxicabs Standard Equivalent Plates. This would indicate a current undersupply of taxicab licences in the order of 1,190 Standard Equivalent Plates.

Per Capita Comparisons

Another crude measure that cities can use to gauge the adequacy of their supply of taxis is a ratio analysis of the number of taxis to population. This measure does not factor other criteria that may affect taxicab ridership, but does provide a range of comparables.

Figure 9: Taxicab Supply amongst Selected International Locations



Comparing how many taxicabs each city has can be misleading because every city has its own factors that influence demand. What constitutes a taxicab is also an issue with this type of comparison. For instance, New York City and London license vehicles that are not technically taxicabs, but operate in a similar fashion, if these vehicles are included in a per capita comparison the ratio is dramatically affected.

SUMMARY OF RESULTS AND CONCLUSION:

A summary of the findings respecting the adequacy of the number of taxicabs in Toronto is presented in the following table.

Figure 10: Summary of Taxicab Supply Status - Based on Selected Demand Measure Models

Demand Measure Model	Over supply / (Under Supply)	
	Standard Plate Equivalents	Ambassador Equivalents (@0.65x Std.)
Coopers & Lybrand (1987)	(1,265)	(1,945)
Economic Planning Group (1997)	(307)	(472)
City of Toronto (1998)	(1,333)	(2,050)
Schaller Model (2005)	(1,190)	(1,830)
Updated Limited Taxicab Industry Demand Data (2012)	(590)	(900)

Note: Current supply of taxicabs is considered to be 4,333 Standard Equivalent Plates.

In all instances, all the indirect measures of demand suggest there is a current undersupply of taxicabs vis-à-vis changes in various demographic and transportation factors experienced in Toronto since 1995 (date of the last issuance of a Standard taxicab plate).

This observation is further bolstered by the fact that lease rates and plate values have continued to climb in spite of the issuance of 1,313 Ambassador licences, and that virtually all potential indicators of the demand for taxicabs such as population and employment have similarly increased during this period.