

TORONTO'S TAXICAB INDUSTRY REVIEW

Framework for Change

Licensing & Standards Committee
June 27, 2013

Toronto's Taxicab Industry Review

Since 2012, the City of Toronto has been reviewing Toronto's taxicab industry.

Purpose of the review is to:

- Analyze Toronto's taxicabs for customer service excellence, affordability, safety and viability
- Determine industry issues and opportunities and explore how to best resolve them

It is **critical** that the review be:

- **Participatory**
- **Transparent**
- And **Accountable**

Framework for Change

- This Framework provides direction for the taxicab industry on issues as heard through consultations. It strives to bring fairness, equity and balance to the industry
- Independent consultant, Taxi Research Partners' final report regarding the appropriate number of taxicabs for Toronto is appended
- The Framework is designed to guide consultations throughout the summer, and to facilitate discussion leading to the final report in September 2013, with recommendations for the taxicab industry

TAXICAB INDUSTRY OVERVIEW

- Scale of the Industry
- Types of Taxicab Licences
- Drivers, Lessees, Agents
- Brokerages and Garages

Scale of the Industry

- Toronto's taxicabs provide on-demand transportation and are a vital part of Toronto's transportation network
- 4,849 licensed Toronto taxicabs; 10,367 licensed drivers
- Estimate that more than 65,000 trips are taken in taxicabs every day in Toronto
- At an average fare of \$25 per trip - it estimates that \$1.5 M is generated through fare revenue each day
- Toronto's taxicab industry is estimated to account for more than one billion dollars when considering asset values and daily cash flows

Types of Taxicab Licences and Attributes

Ambassador Taxicabs (1,313)

- First issued in 1999
- Owner-operated model
- Owner cannot lease, transfer or sell taxicab

Standard Taxicabs (3,451)

- Original taxicab in Toronto
- Can be owner-operated, managed by an agent to be leased fully and/or rented by the shift
- Taxicabs can be sold subject to City approval: avg. market value \$210,000 *
* average is based upon all sale values reported to ML&S (\$1 to \$300,000)

Accessible Taxicabs (85)

- First issued as a separate licence in 2000
- Owner must drive, but can hire up to 3 additional drivers
- Owner cannot lease, transfer or sell taxicab

Drivers, Lessees, Agents

Drivers

- Licensed by the City to drive a taxicab (17 day training)
- Typically rent taxicabs by the shift – known as “shift” or “cash-in” drivers
- For owner-operated taxicabs, the owner is also the driver

Lessees (*Standard Taxicab Model Only*)

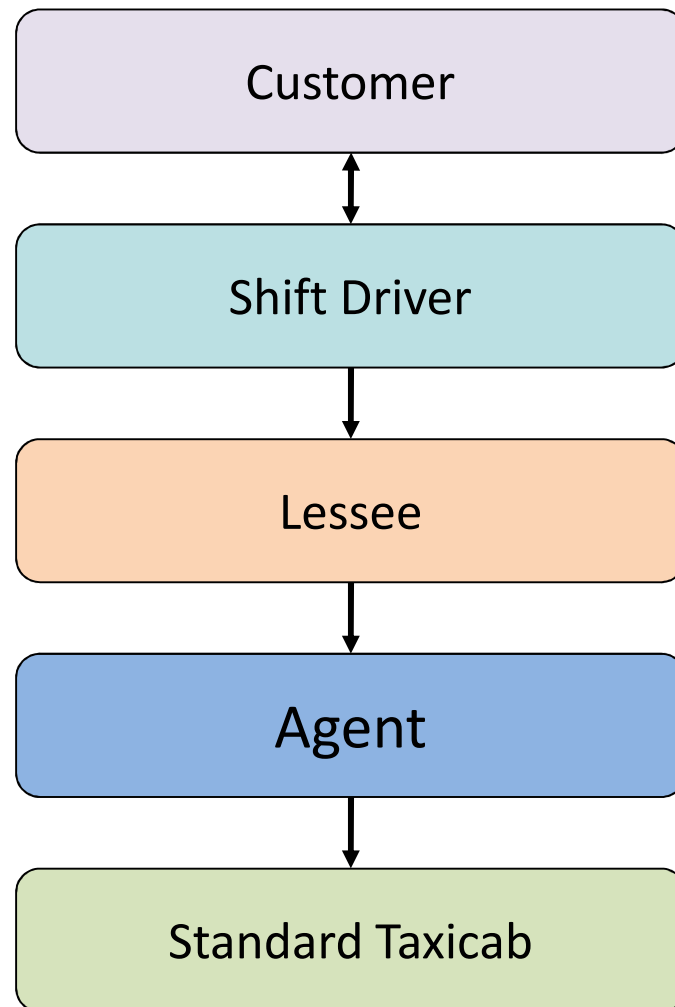
- Have a lease for the use of a Standard taxicab for longer than one shift/day
- Can only lease one taxicab
- Lessee must operate the taxicab, but can rent shifts to additional drivers
- Often, the lessee purchases the vehicle and equipment, but per the bylaw, vehicle ownership is put into the licence holders name

Cont'd - Drivers, Lessees, Agents

Agents (*Standard Taxicab Model Only*)

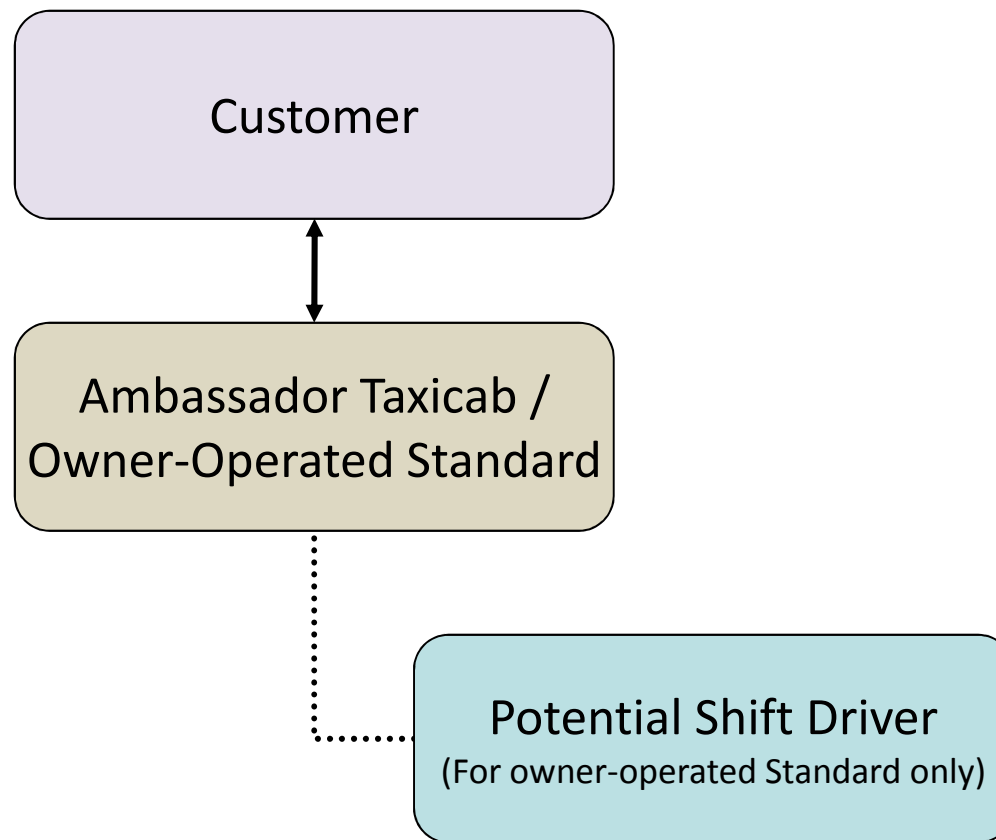
- Standard taxicab owner may designate an individual person licensed as a driver, owner, or taxicab broker as agent for his/her taxicab
- A person can be the designated agent for multiple owners
- Almost 2/3 of all standard taxicabs are reportedly managed by designated agents

Example of a Standard Taxicab Operating Model



Many comments have been made regarding the role of Agents

Example of an Owner-Operated Model



Brokerages and Garages

Brokerages

- Licensed by the City to offer dispatched service requests to taxicabs
- Taxicab operators pay the brokerages for this service
- Brokerages do not own taxicabs
- Some brokerages employ a person who acts as an Agent, so they can manage multiple leased taxicabs

Garages

- Maintain a fleet of vehicles by employing a person who acts as an Agent, to manage multiple leased taxicabs
- Often affiliate with a single brokerage
- Not licensed by the City specifically to operate taxicabs, but are licensed for other regulatory purposes as a “Public Garage”

REVIEW CONSULTATIONS

Taxicab Industry Review Consultations

- During Phase 1 and 2 of the Review - staff engaged more than 1,500 participants through 27 consultations from December 2011 through to Sept 2012
- 3,800 ideas for change were submitted
- The issues and recommendations from these consultations have helped to form the recommendations within the Framework

Major Issues Identified through Consultations

- Inequities between Ambassador, Accessible and Standard taxicab owners
- Impacts of non-driving industry participants, such as 'briefcase' agents
- Lack of on-demand metered accessible taxicab service in Toronto
- Issues of safety for taxicab drivers (fare jumping)
- By-law revision needed

FRAMEWORK FOR CHANGE

Number of Taxicabs

- Independent consultant (Taxi Research Partners) final report indicates that Toronto currently has enough taxis to meet demand
- This analysis was focused on customer service measures – i.e. - Passenger wait time and trip generation
 - Passengers currently wait an average of 9 minutes
- No new issuance is expected to be needed for several years
- The consultants model will be used for future analysis of issuance

Evaluation of Owner-Operator Principles

- The 1998 Taxi review identified the issue of ‘absentee owners’ and in response created an owner-operated licence type - the Ambassador taxicab
- In this review, staff compared owner operated taxicabs to non-owner operated taxicabs
- Results of this comparison showed that owner-operated taxicabs are safer, cleaner, provide better customer service, and are economically efficient

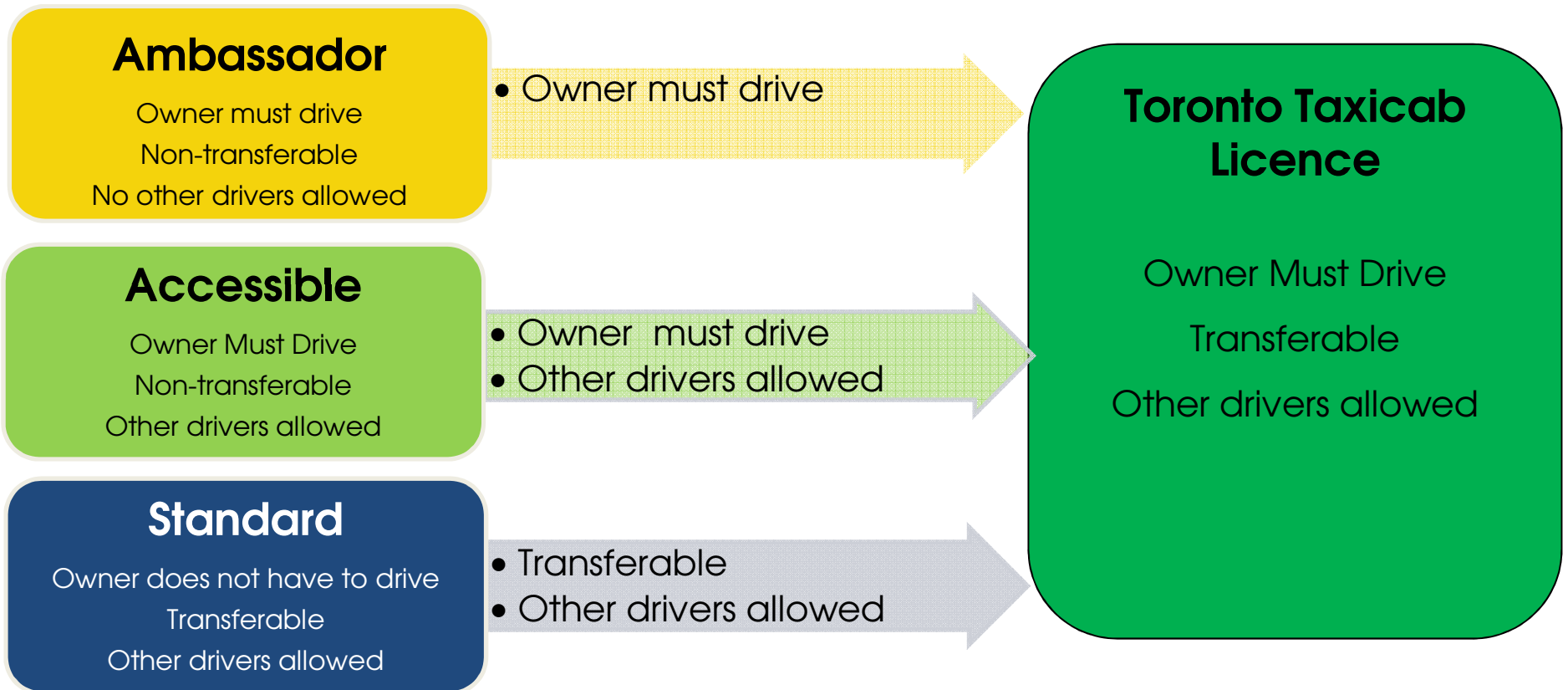
Changes to Licensing Structure Considered

1. **Maintain** the status quo
2. **Modify** the existing licence attributes but retain different licences
3. **Revert** all licences to Standard taxicab owner's licences
4. **Create** a new licence and harmonize

Recommended Change to Licensing

- Option 4 - Create a new licence and harmonize
- The Toronto Taxicab Licence
 - Owner-operated – full-time flexible driving hours – 2000 hrs / year
= 167 hrs/ month
 - Leasing not permitted
 - 24-hour operation
 - Shift drivers allowed (up to 3)
 - Transferable
 - Wheelchair Accessible Vehicle

Toronto Taxicab Licence



Interim Modifications to Current Licences – Ambassador and Accessible

- Modify Ambassador and Accessible taxicabs to allow for transferability
- Transition of Ambassador taxicab owners to enable a second driver (still only operate 12 hours/day) subject to technology installation
 - Allows for a second driver to cover in times of illness or for vacations

Interim Modifications to Current Licences - Standard

- Standard taxicabs will only be able to transfer custody and operational control of their taxicab once (no sub-leasing)
- Owners permitted to delegate custody and operational control directly to either:
 - Lessee – current conditions apply
 - Through a licensed Public Garage or Brokerage – if on a shift-rental basis only
- Discussions regarding “fleet operations”/role of “agents” for shift rentals will continue in the July consultations.

Transitioning to the Toronto Taxicab Licence

- Taxicab owners will be able to voluntarily exchange their licence for a Toronto Taxicab Licence depending on the applicable conditions; or
- A Toronto Taxicab Licence will be re-issued upon sale of any taxicab (Standard, Ambassador, or Accessible)

Wheelchair Accessible Strategy

- Long term goal of 100% wheelchair accessible taxicabs
- All new Toronto Taxicab licences, either through issue, or transfer will require a wheelchair accessible vehicle
- Initial goal is to double the number of wheelchair accessible taxicabs in Toronto before the Pan Am and Parapan Am Games in 2015
- Expect this to occur through transfers, however, the City will be monitoring pace to this goal and will need to have a strategy if this is not being met

Fares + Charges

- Recommended that the fare stays the same, although two options are presented in the report:
 - Reduce the drop by \$1
 - Reduce the drop by \$1 but increase distance charge (\$0.25/136m instead of \$0.25/143m)
- Allow drivers to charge a \$25 cleaning fee if the taxicab is soiled by the passenger

Improve Driver Safety

- Permit drivers to request payment in advance
- Mandatory requirement for credit and debit in an effort to decrease the amount of cash drivers are carrying
- Increase City's ability to investigate fare jumping, including partnership with Crime Stoppers
- Create the Taxicab Bill of Rights (passenger AND driver rights)
- Survey of the industry about mandatory shields is still ongoing

Improve Training

- All taxicab drivers to complete a simulator driving course to better equip drivers with defensive driving skills
- Toronto Taxicab Owners course to include an Accessibility component
- All drivers to undergo training on Accessibility

Technology Enhancements

- Taxicabs to be equipped with a passenger facing monitor that is connected to the meter and is able to communicate information both audibly and on-screen, such as:
 - the metered fare
 - the taxicab number
 - the location of the taxicab
- Taxicabs to be equipped with vehicle information technology to enable data collection for issuance analysis, and to audit owner driving hour requirements.

Cabstands

- Investigate feasibility of cabstands in front of hydrants in the downtown core
- Investigate feasibility of hail spots

INFORMATION SESSIONS

Info Sessions: June 21 + 24

- Staff have held two information sessions with taxicab stakeholders on the Framework
 - Explained recommendations/answered questions
 - Reinforced that the Framework is for further discussion
- Early input:
 - Cost and demand for wheelchair accessible vehicles
 - Role of fleet operators with the new licence
 - Consideration for drivers who may have a disability, which may impede them from being able to service passengers with disabilities
 - Ambassador only getting a second driver
 - General support for balancing the industry

NEXT STEPS

Framework Consultation

- Four broad consultations in July
- Smaller roundtable discussions with specific stakeholders:
 - Brokerages
 - Fleet operators
 - Owners
 - Drivers
- The Framework will also be posted online available for input online, through mail or by phone

Ongoing Work

Staff are continuing to:

- Review the Bylaw
- Work with Enforcement Staff on a strategy for issues raised through the consultation
- Analyze consultation input throughout the summer
- Compile results of Driver Safety Survey
- Final report expected September 2013

THANK YOU

More information on the Taxicab Industry Review can be found at:

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