

TORONTO'S TAXICAB INDUSTRY REVIEW

Taxicab Industry Review Final Report

Licensing & Standards Committee
January 23, 2014

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Report

- Staff report – includes recommendations that we will proceed through in this presentation
- Recommendations reference “Attachment 1” - the Final Report – with it’s recommendation # for further details
- In Attachment 1 – page 6 & 7 – rec’s and page #’s
- Includes 4 Appendices
 - A. Consultation overview
 - B. Consultant report on Appropriate number of taxis
 - C. Consultant report on Accessible taxicabs
 - D. Outline of bylaw amendments to address obsolete terms (Rec. 39)

Agenda

- Review – direction and process
- Industry – overview and roles
- Report
 - Licensing - Recommendations 1 – 6
 - Accessibility Strategy - Recommendations 7 – 11
 - Leasing Review - Recommendation 12
 - Addressing Other Industry concerns - Recommendation 13 – 30
 - Continued Industry Engagement- Recommendations 31 - 38

Review Timeline

Date	
May 2011	Direction to Review the Taxi Industry
September 2011	Report presented the Scope of the Review
December 2011	First industry consultation held
January – August 2012	Consultation Phase
October 2012	Report - Preliminary Report
March – June 2013	Consultation Phase
June 2013	Report - Framework for Change
July – November 2013	Framework Consultations

Committee Direction – Initial Scope of Review

1. The **effectiveness** of the current **Ambassador** taxicab owner program;
2. The **viability** of a **dedicated vehicle** for taxicabs;
3. A **strategy** for more effectively providing **accessible on-demand taxicab service**;
4. The appropriateness of the **present number** of taxicabs in the City;
5. The establishment of **comprehensive rules respecting licence/plate ownership and transferability**;
6. The re-evaluation of specific regulations with respect to **taxicab leasing, designated agents and the role of taxi brokerages** that are in line with the healthy viability of the industry;
7. Other by-law amendments deemed necessary to **better align the regulations with the structure** of the modern-day taxicab industry;
8. Municipal Licensing and Standards **shall consult** with industry stakeholders, including taxicab drivers, driver associations, taxicab owners, owner associations, taxi brokerages, the riding public, tourism groups, the Toronto Transit Commission, and accessibility groups.

Committee Direction – Additional Review components

9. Procure a consultant to assess **appropriate number of taxicabs**
10. Advance the creation of the **Taxicab Advisory Committee**;
11. Initiate improvements to the **Complaints and Compliments** process;
12. Recommend a **Driver's Bill of Rights**;
13. Review a **pre-payment or a deposit** arrangement;
14. Review the use of **protective shields**;
15. Review the use of **credit/debit card machines**;
16. Evaluate a **standard vehicle** to ensure driver safety, passenger comfort and **full accessibility**;
17. Undertake a **consultation process to determine driver support for a protective shield**;
18. **Conduct 3 additional** consultations in September, and **bring final report in October 2013**
19. Engage with the Chief Planner and review **locations of taxi stands** in downtown core and to identify issues she deems relevant to **City's transportation planning**;
20. Provide a **review of energy efficient hybrid and/or electric vehicles**

City Council Adopted Principles

September 2012 - L&S Committee amended and City Council subsequently adopted the:

Principles for Regulating the Taxicab Industry

1. Consumer Protection
2. Health and Safety of passengers and drivers
3. Well-being of the City of Toronto; and
4. Economic viability and sustainability of the taxi industry

CONSULTATION PROCESS

Toronto's Taxicab Industry Review

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

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

**Consultation has been the cornerstone of
this review**

Taxicab Industry Review Consultations

- Total of 40 consultations
- 4,500 participants
- 100+ smaller meetings with stakeholders
- 7 surveys with over 6,000 responses
- 1,000+ calls and emails to dedicated taxi review line
- 5,000 ideas for change
- Taxi Research Partners – 2 consultant's reports

- June 27 – Framework for Change was released with draft recommendations to improve the industry.

Dedicated website and submissions

Dedicated website: www.toronto.ca/taxireview

Dedicated email: taxireview@toronto.ca

Dedicated phone line: 416-338-3095

- Taxi Industry stakeholder list of 1406 – sent updates via email
- Dedicated email and website received over 1,500 submissions
- Dedicated phone line received over 120 voicemails
- 17 large proposals submitted

Surveys

- Passenger survey on taxi customer service – 60 responses
- Passenger survey / exit interviews – 43 responses
- Business community – 6 responses including Roy Thompson Hall and National Ballet School
- Mystery Rider survey – 100 responses
- TRP passenger survey – wait times and usage – 1,200 responses
- Driver safety survey – 3,616 responses
- Framework for Change survey – 995 responses

Meetings

- Individualized meetings with stakeholders

Including:

- Drivers
- Taxicab Owners – Standard, Ambassador, Accessible
- Organizations and industry representatives
- Brokers
- Fleet operators
- Vehicle manufacturers

Petitions

3 petitions have been submitted

- Petition signed by 100 individuals submitted through Spinal Cord Injury Association of Ontario and partners
- Petition signed by 400 drivers from Toronto Taxi Drivers Forum
- Petition signed by 1,800 drivers presented at November consultation

Consultations informing Framework

- 25 consultations from December 2011 – November 2012
- Round Tables, Town Hall format, Focus Groups
- Broad issues and stakeholder specific meetings
 - Taxi industry
 - BIAs
 - Tourism sector
 - Insurance industry
 - Accessibility stakeholders including Disability Issues Committee
 - TTC
 - Toronto Police Service
 - City Divisions: City Planning, Transportation

FRAMEWORK CONSULTATIONS

Framework Consultations

The Framework contained draft recommendations (June 2013)

- 15 consultations were held between July and November 2013
- Consultations held for specific stakeholders, including brokerages, fleet operators and taxicab drivers
- Meetings with various Taxicab industry organizations
- 995 responses to the survey on the Framework

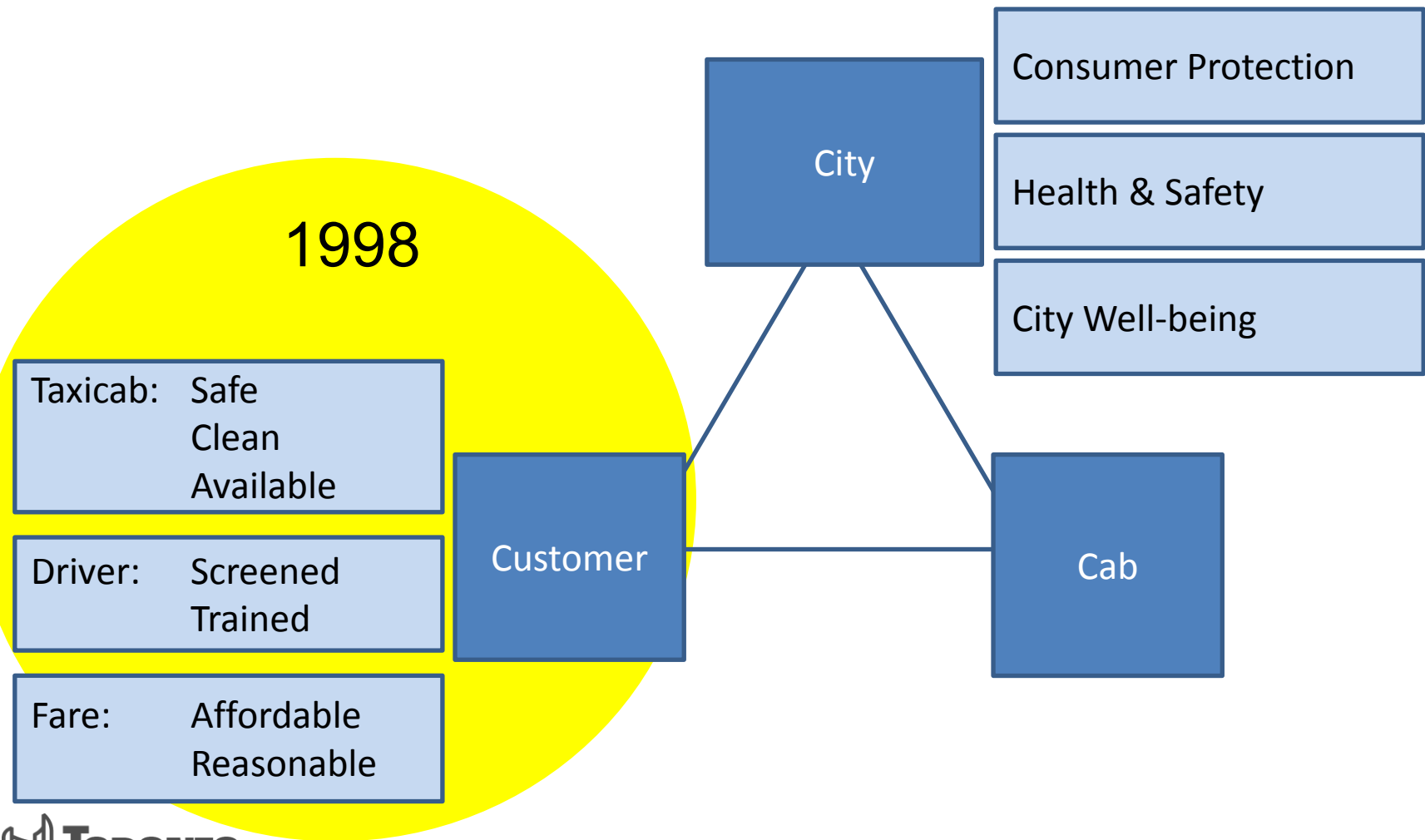
These inputs informed the final recommendations.

Taxicab Industry Review - Final Report

- Contains 40 recommendations to improve the taxicab industry
- The report recommends short term changes and long-term initiatives to deliver a taxicab service that is:
 - Safe
 - Accessible
 - Affordable
 - Viable
 - Customer service focused

TAXICAB REVIEW - 1998

The Public and the Industry



Task Force to Review the Taxi Industry - 1998

- Conducted in response to public demand for improved service
- Recommendations focused on vehicles, driver conduct and training
- Creation of the Ambassador Licence
- Changes to Standard Licence

1998 Changes to the Licence Structure

Absentee
Ownership

1998 Review

Owner-
Operator

- Created the Ambassador Licence;
- Grandfathered the Standard Licence;
- Changes to existing Standard Licences:
 - Lessees must operate full-time (2000)
 - End of multiple leasing by one person (2000)
 - One owner, one taxicab (2003)
 - Only licensed taxicab drivers may purchase a Standard Taxicab (2003)

TAXICAB INDUSTRY OVERVIEW

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
- More than 65,000 trips (estimated) are taken every day
- An average fare of \$25 per trip (10 km) - estimates that \$1.6 M is generated through fare revenue each day
- Toronto's taxicab industry is estimated to account for more than one billion dollars when considering market values and daily cash flows

Types of Taxicab Licences

Standard Taxicabs (3,451)

- Original taxicab licence
- Can be owner-operated, managed by an agent, leased directly, and/or rented by the shift

Ambassador Taxicabs (1,313)

- Owner-operated model
- Owner cannot lease, transfer or sell taxicab

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 and Lessees

Drivers

- Licensed by the City to drive a taxicab
- Rents taxicabs by the shift

Lessees *(Standard Taxicab Model Only)*

- Leases the use of a Standard taxicab (licence)
- Can only lease one taxicab and Lessee must operate the taxicab
- Can rent shifts to additional drivers
- Often, the lessee purchases the vehicle and equipment

Brokerages, Garages and Agents

Brokerages

- Connect passengers with taxicabs through dispatch
- Taxicab operators pay the brokerages for this service
- Brokerages do not own taxicabs

Garages/Fleet Operators *(Standard Taxicab Model Only)*

- Maintain a fleet of vehicles by employing a person who acts as an Agent to manage multiple leased taxicabs
- Not licensed by the City specifically to operate taxicabs

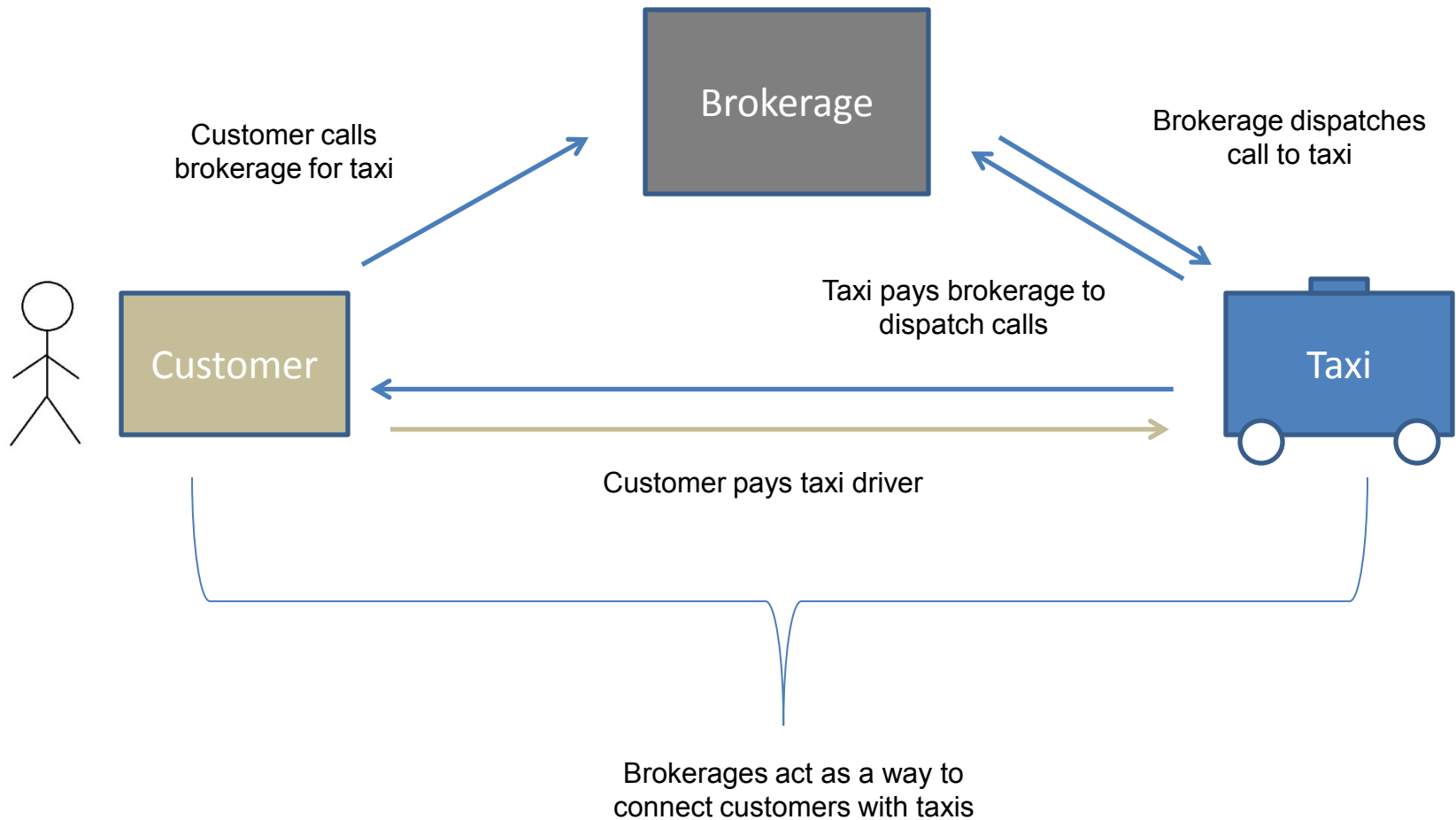
Agents *(Standard Taxicab Model Only)*

- Standard taxicab owner may designate a licensed driver, owner, or taxicab broker to act as agent for his/her taxicab (licence)
- A person can be the designated agent for multiple owners

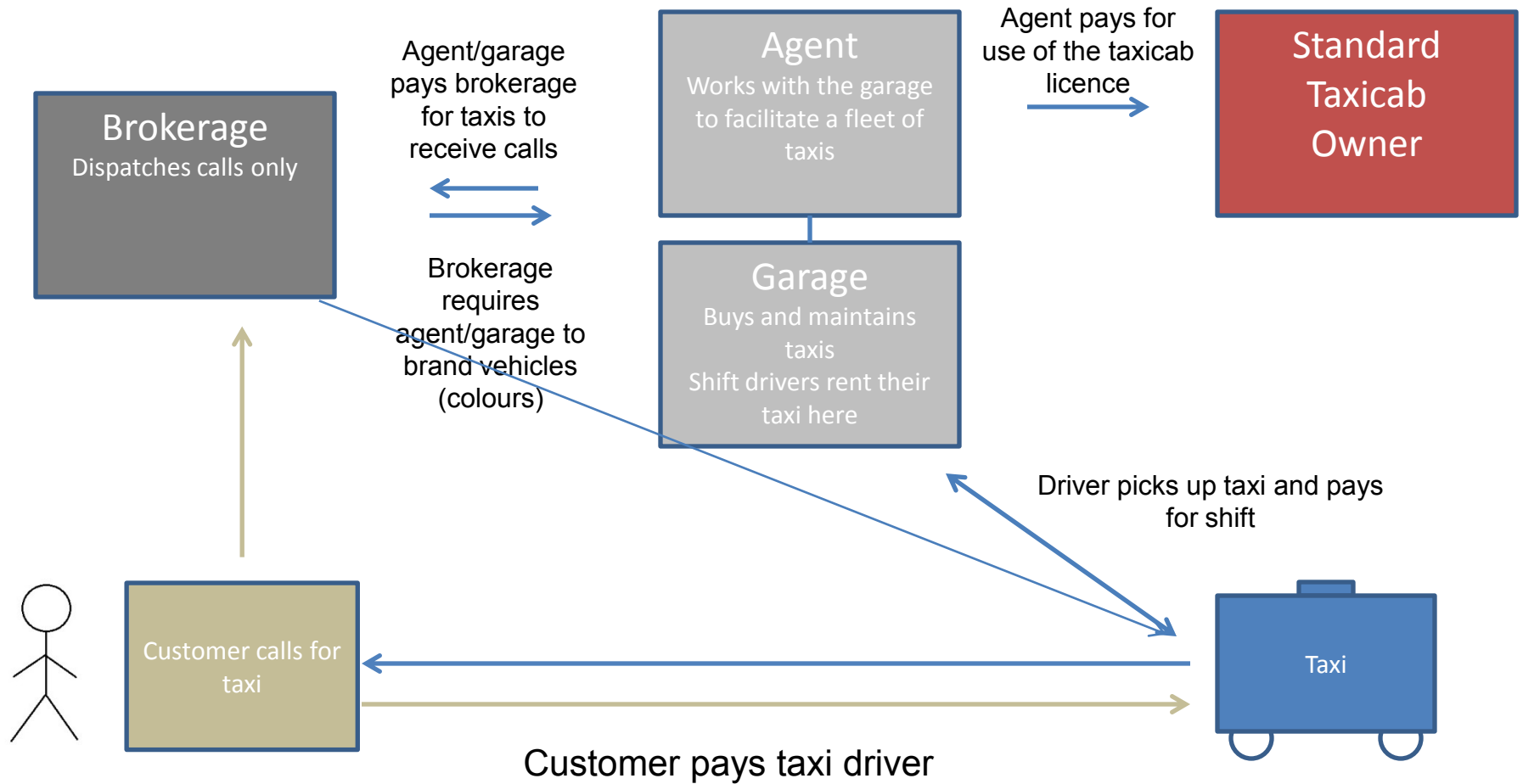
Taxicab Brokerages

Licensed to dispatch calls

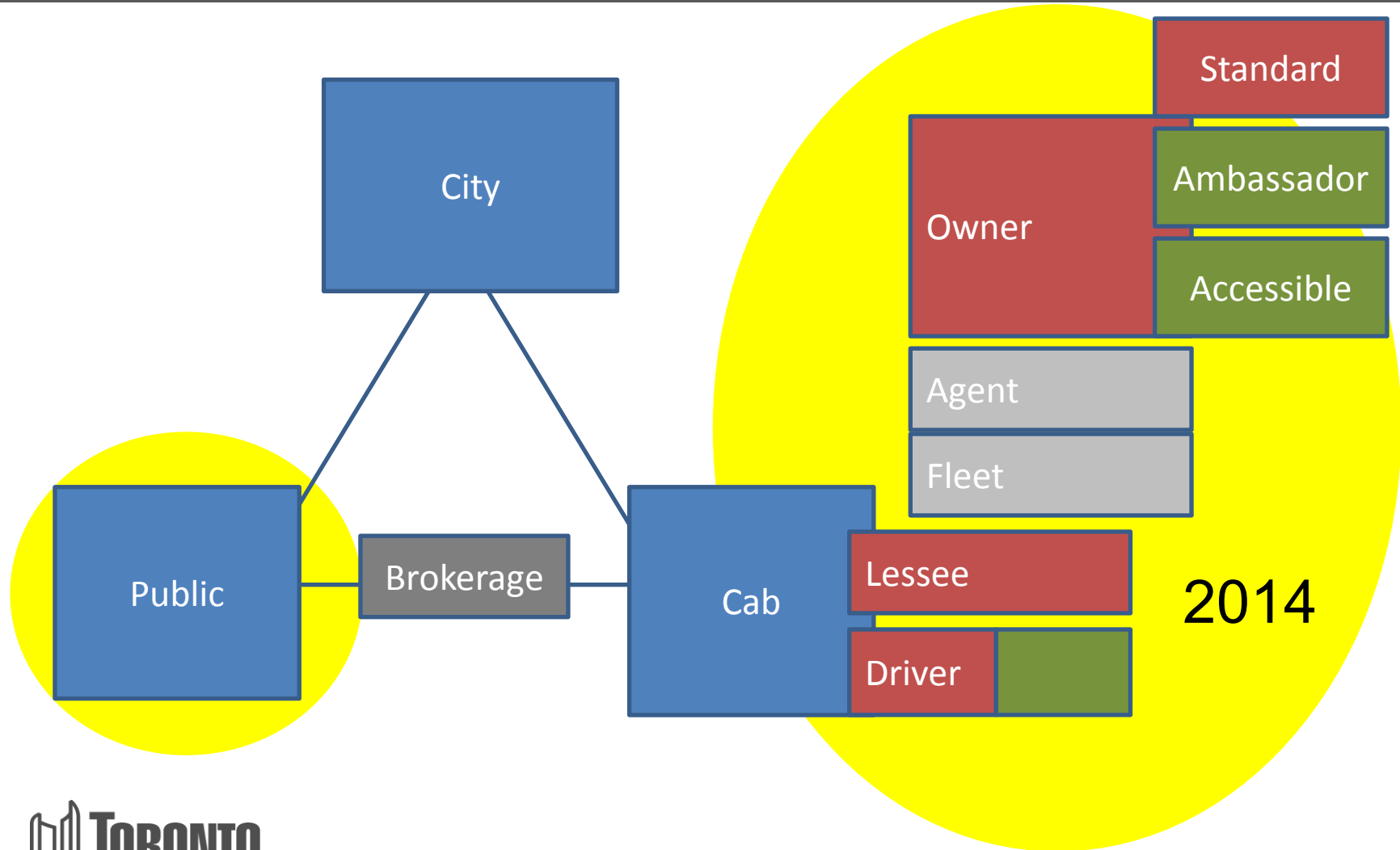
Do not own taxicabs



Taxicab Fleet Operation Model

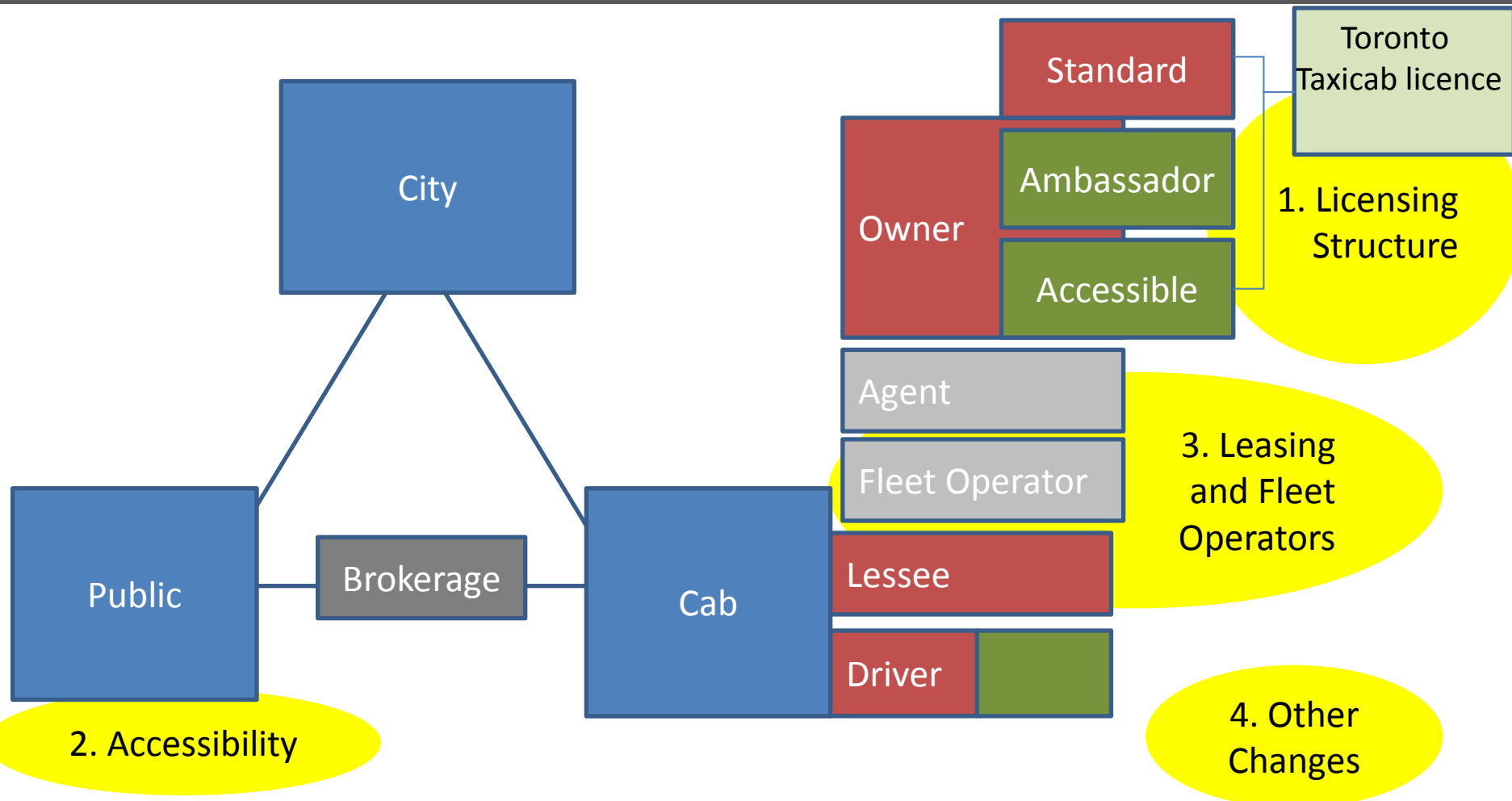


Spotlight on the Industry



THE REPORT

Focus of the Final Report



KEY RECOMMENDATIONS

Licensing Structure:
Recommendations 1 - 6

Review of Existing Licence models

- Undertook an assessment of the three licence types
- Heard many issues raised related to leasing, specific to the Standard Taxicab licence model
- Ambassador program showed improved standards of customer service and vehicle maintenance
- Research showed other jurisdictions reviewing the impact of leasing and benefits of owner operated models
- Considered the intent of the changes in the 1998 review

Principle of Owner-Operated

- Individual to whom licence was issued, is directly involved in the business and is accountable
- Minimizes operating layers, leading to a more economical operating model that maintains affordable fares for public
- Improved customer service, demonstrated by the Ambassador taxicab program
- Improved working conditions for drivers who will work directly with owners and improved safety for the public
- The path towards the owner operated model began in 1998 with the Ambassador, Accessible and Standard licence modifications

Principle of Transferability

- The City restricts the issuance of taxicab licences
- Where issuance is restricted, transferability permits flexibility
 - Individuals wishing to exit the industry
 - Individuals wishing to enter or advance within the industry
- Where transferability is not permitted, a driver's only option is to wait on a list for the City to issue new or re-issue licences
- Opens doors of opportunity, where new issuance is limited
- Existing property of Standard taxicabs (since 1963)

Principle of Leasing

- References permanent delegation of the taxicab from the owner
- Existing property of Standard taxicabs (1974)
- Perpetuates fare box revenue being distributed to non-participant / absentee owners who do not deliver service
- Not intended to include shift rental – which is an important component of service delivery and taxicab availability

Toronto Taxicab Licence

Ambassador

Owner must drive
Non-transferable
No other drivers allowed

- Owner must drive

Accessible

Owner Must Drive
Non-transferable
Other drivers allowed
Wheelchair Accessible Vehicle

- Owner must drive
- Other drivers allowed
- Wheelchair Accessible Vehicle

Standard

Owner does not have to drive
Transferable
Other drivers allowed

- Transferable
- Other drivers allowed

Toronto Taxicab Licence

Owner Must Drive
Transferable
Other drivers allowed
Wheelchair Accessible Vehicle

1. Toronto Taxicab Licence

Create a new licence - The Toronto Taxicab Licence (TTL)

- Owner-operated with minimum driving hours of 167 hrs/month
- Cannot be leased
- Shift drivers permitted
- Transferable
- 24 cumulative months of exemption/reduction from owner minimum driving hours
- 24-hour operation
- Wheelchair Accessible Vehicle
- Affiliation with a Brokerage

Harmonizing to the Toronto Taxicab License

Accessible Taxicab owners

2. Voluntary transition to TTL, commencing July 2014

Ambassador Taxicab owners

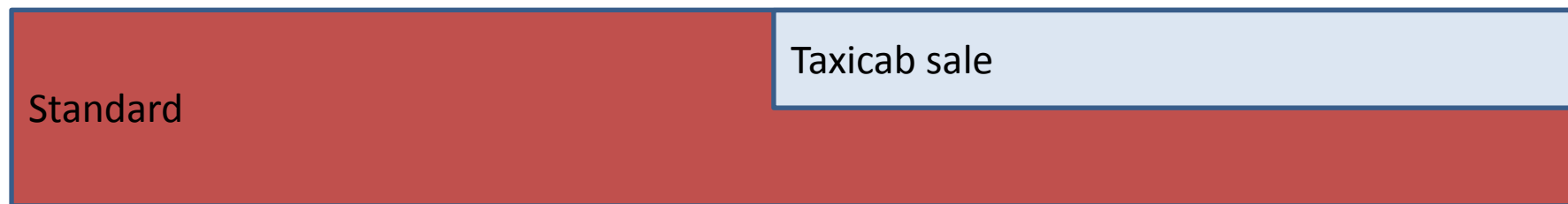
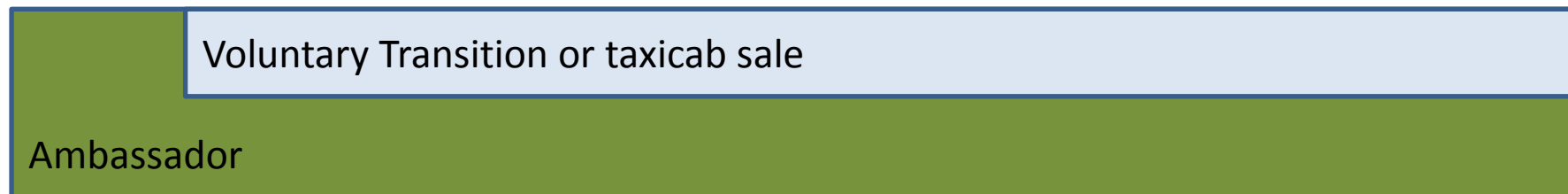
3. Voluntary transition to TTL, commencing July 2014
4. Permitted to sell taxicab, commencing July 2014, TTL will be issued

Standard Taxicab owners

5. At time of taxicab sale, commencing January 2019, TTL will be issued

Subject to the applicable conditions (6. training and 7. fee)

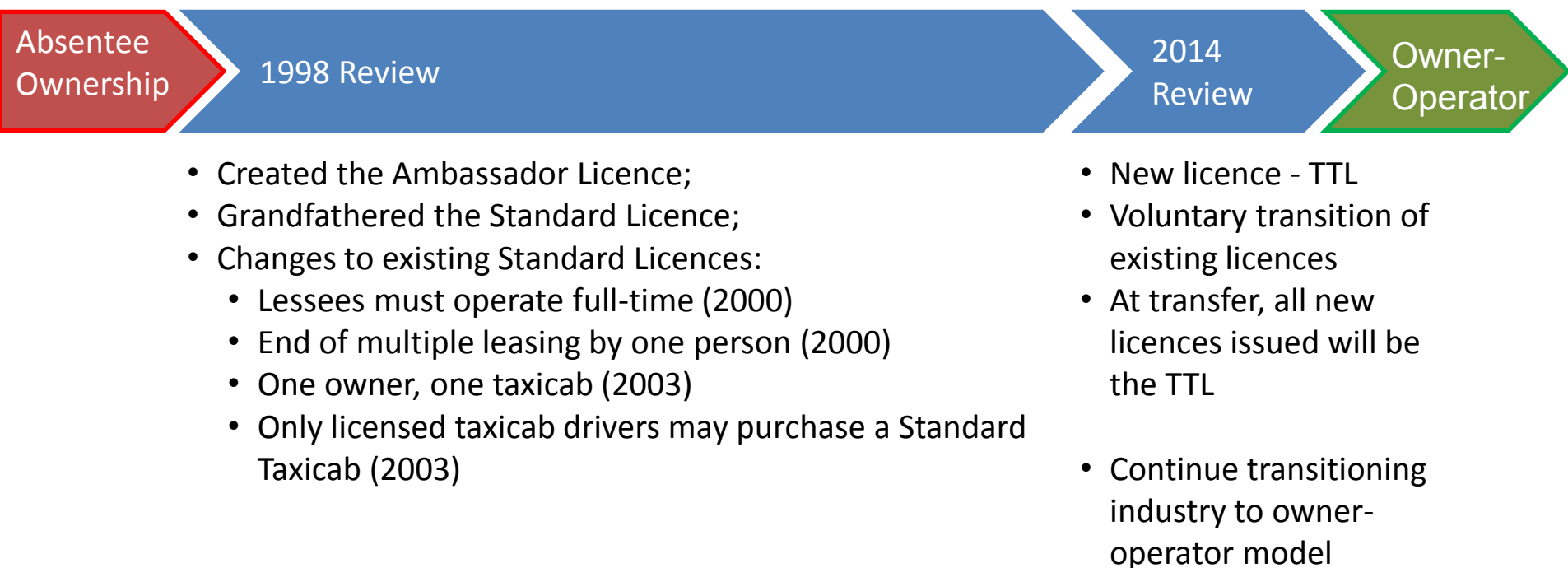
Transition timelines



Existing Taxicab Owners

- Current taxicab owners will not be required to change their taxicab, as no deadline for transition has been imposed
- Taxicab owners may continue to operate with their current licence as long as they choose
- Transition to the Toronto Taxicab licence will be upon sale of the taxicab or death of the owner, as per timeline

Changes to the Licence Structure



KEY RECOMMENDATIONS

Accessibility Strategy:
Recommendations 7 - 11

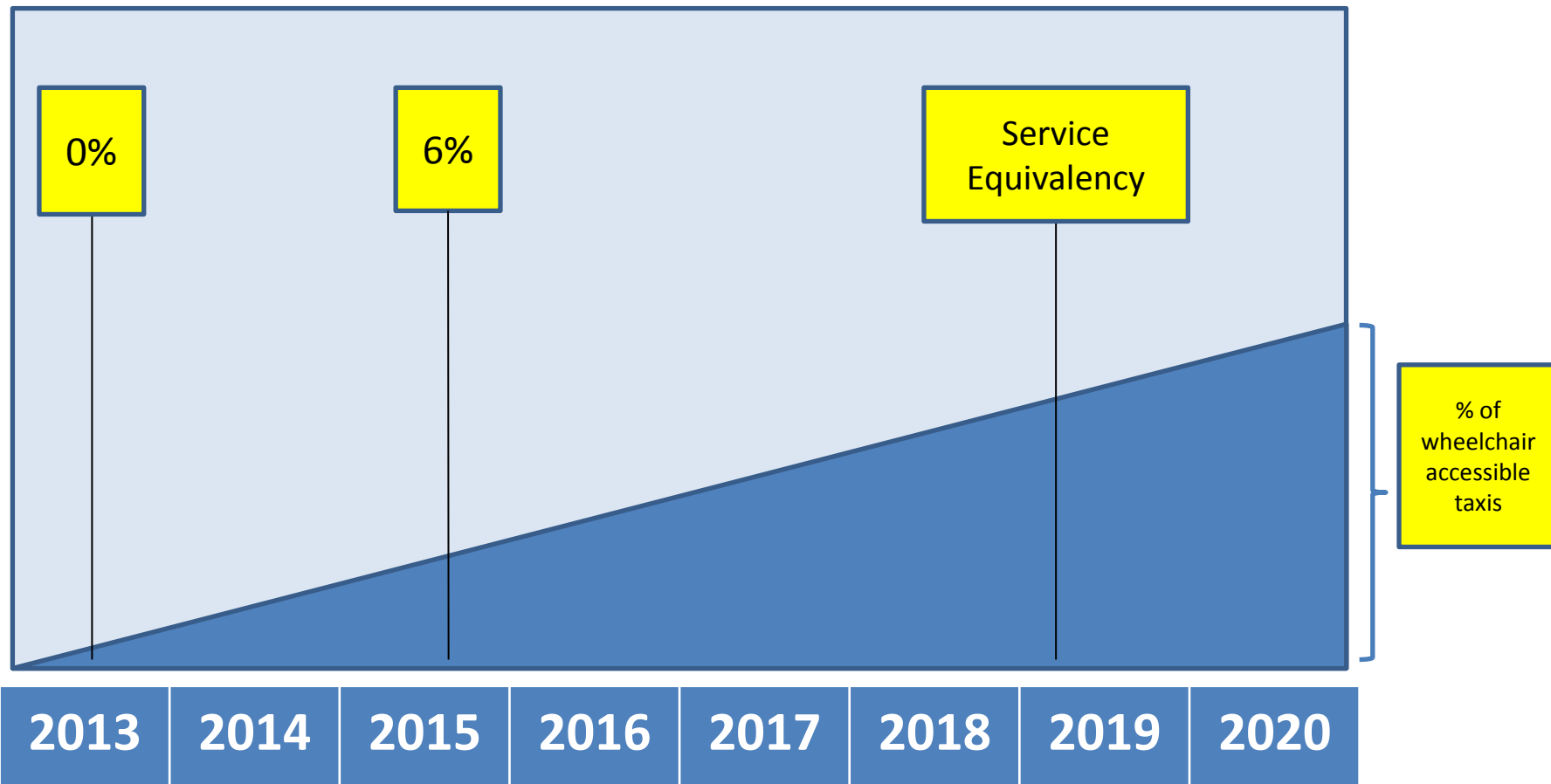
Accessible Taxicab Strategy

- Long term goal is for 100% of the taxicab fleet to be inclusive and accessible, including wheelchair accessible
- This means that all residents and visitors, irrespective of mobility or disability, will have access to equitable taxicab service, including the opportunity to hail one on the street

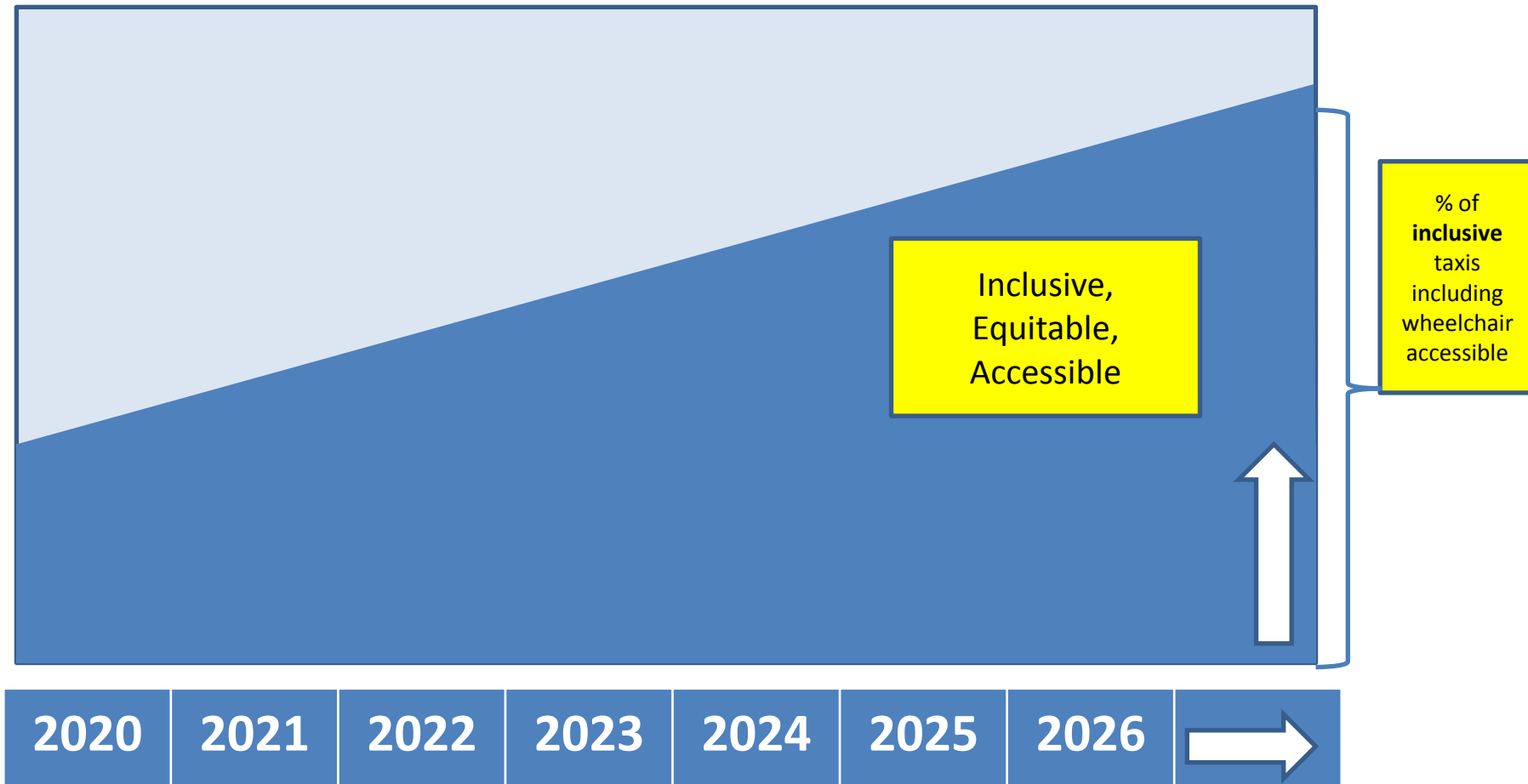
Accessible Taxicab Strategy

8. Direct that all new taxicab licences issued – require a wheelchair accessible taxicab
 9. Endorse goal to ensure 6% of Toronto taxicabs are wheelchair accessible by 2015 = 290
 10. Work with industry and brokerages to ensure wheelchair accessible taxicab service is available in the same amount of time as non-accessible by 2019
 11. Authorize issuance of 290 new taxicab licences for the provision of metered on-demand accessible service, as required
-
31. Endorse goal of 100% inclusive service, by directing creation of Vehicle Regulation working group

Accessible Taxicab Strategy



Accessible Taxicab Strategy – Vehicle Regulation Working group



Long Term – Inclusive Taxicab service

- Over the long term, plan for a taxicab fleet that can accommodate all people
- This considers all types of disabilities, mobility and sensory impairments, including wheelchair accessibility
- Inclusive can mean accommodating for: Strollers, walkers, wheelchairs, luggage, scooters, canes, etc.
- The implementation of vehicle technology to advance accessibility is also being discussed in this report

Accessible Taxicab vehicles



Currently
most popular
wheelchair
accessible
vehicle in
Toronto

Accessible Taxicab vehicles



Myth: All Taxicabs must be retrofitted



MV-1

Myth: All Taxicabs must be retrofitted



London Black Cab

Future: Inclusive taxicabs



Karsan

Future: Inclusive taxicabs



Karsan

FAQ: Cost of Accessible vehicles

- Taxi Research Partners evaluated the cost impacts of an accessible vehicle versus non-accessible vehicle
- Considered:
 - Extended vehicle service life
 - Servicing currently suppressed demand
 - New purpose-built vehicles becoming available
- Outcome: *“accessible taxi vehicles can be provided to the Toronto taxi fleet without significant cost impacts”*

FAQ: What is the demand?

- Various Canadian surveys and statistics range from 14.8% to 31.3% of the population reporting some type of disability, or difficulty that impairs mobility or senses
- The UNWTO estimates that by 2050, persons over 60 will account for 20% of the world population, with 1/5th of that over 80 years
- A Statistics Canada survey demonstrates that disability increases with age:
 - Ages 65 – 74 - rate of disability is 37%
 - Ages 75+ - rate of disability is 60%
- Current demand in Toronto for on-demand accessible service, is being served by flat rate providers

KEY RECOMMENDATIONS

Designated Agents / Fleet Operators / Leasing:
Recommendation 12

Review of Leasing

- Reportedly 76% of Standard taxicabs are being operated by someone other than the owner
 - 66% are operated by Designated Agents and/or Fleet Operators
 - Remaining are operating under lease agreements directly with the Standard taxicab owner
- One of the most common topics raised during the consultation process by everyone was the role of Agents

Review of Leasing

- Taxicabs have operated in fleets for decades
- Intended to mitigate the role of the middlemen, often referred to as “briefcase” agents
- Review the rules around leasing of taxicabs, including licensing Fleet Operators
- This will apply regulation to the role of common management of taxicabs by fleet operators

Facilitating Common Management

- First step will be to create a new licence: “Fleet Operator”
 - Place of Business (brick and mortar)
 - Record keeping, providing receipts, maintaining vehicles
 - Shared responsibility with owner for taxicab operation
- Amendments to the by-law will be required to recognize and facilitate the common management of taxicabs by fleets

This requires further consultation and will be subject of further review and future report – June 1, 2015

KEY RECOMMENDATIONS

Address Industry concerns, public safety and working conditions:

Recommendations 13 - 30

13. Changes to the Ambassador Licence

To provide operational flexibility until transitioned to TTL:

- Ambassador Taxicab owner be permitted to have a second driver, but not a second shift
- Ambassador Taxicab owner be permitted to flex their minimum driving requirement over the month (from 36 hrs/week to 156 hrs/month)

14. Flat Rate Accessible Transportation Providers

- These service providers have filled the gap left by the taxicab industry
- Concerns have been raised regarding the adequacy of insurance, vehicle standards, and driver training
- Direction to undertake a review into the operation and potential licensing of these service providers

Taxicab Vehicles

15. Alternative fuel and hybrid vehicles be approved an extension from five to seven model years
16. Recommending that the current number of non-accessible taxicabs be maintained
17. Adopt a passenger service level approach to determine when new licences should be issued
18. Adopt the Taxi Research Partner's Taxicab Demand model for projecting demand growth and future licence issuance and review every 3 years

19. Impact of the Airport Exemption

- This currently permits taxicabs from other municipalities, with GTAA permits, to pick-up fares within the City of Toronto
- City Council to engage with the Province to address the airport exemption

Improve Driver Working Conditions

- 20. Permit drivers to charge passengers a cleaning fee, if the taxicab is soiled by them (up to \$25)
- 21. Survey of the public about mandatory shields in taxicabs
- 22. Permit drivers to request payment in advance (up to \$25), with review in 2 years
- 23. Increase City's ability to investigate fare jumping
- 24. Partnership with Crime Stoppers
- 25. Create the Taxicab Bill of Rights (Passenger AND Driver)

Improve Driver Training, Public Safety and Service

- 26. All taxicab driver courses to include a simulator driving component to better equip drivers with defensive driving skills, effective January 1, 2015
- 27. All new and ongoing refresher training courses, for both drivers and owners, include enhanced accessibility training
- 28. All owners and drivers who operate wheelchair accessible taxicabs be required to take an accessibility refresher course every four years

Enhance Customer Service

- 29. Evaluate and undertake a pilot project, if feasible, to allow cabstands in front of fire hydrants in the downtown core
- 30. Undertake a pilot project to create “Hail Spots”, if feasible

KEY RECOMMENDATIONS

Continued Industry Engagement and consultation:
Recommendations 31 - 38

31. Vehicle Regulation Working Group

- The working group reviewing vehicle regulations to ensure accessibility, will include the consideration of mandating a dedicated vehicle for taxicabs, and will report back
- Working group will include:
 - Industry stakeholders
 - Accessibility stakeholders
 - Passengers

32. & 33. Brokerage data collection

- To enable the ongoing review of passenger service levels, and to project growth of demand for both accessible and non-accessible calls for service
- Staff will consult further with the Taxi Brokerages and report back with the appropriate amendments required to mandate additional record collection, as required

Vehicle Technology Working Group

34. Taxicabs to be equipped with a Passenger Information 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
35. Vehicle Information Technology to aid in evidence-based regulation, including the ability to identify the driver of the taxicab
36. Mandating of electronic payment technology in taxicabs

This group will report back with specifications and recommendations by January 2016

Review of Fares

- 37. Maintain current fare rates, and review in two (2) years
- 38. Review of current fare structure related to flat fees, discounts, and maximum processing surcharges will be undertaken by the Taxicab Advisory Committee

SUMMARY

What does this mean for the...

Passenger

- New technology that empowers and improves their experience
- Maintains fares
- Measures taxicab availability by passenger service levels / wait times
- Inclusively designed taxicabs that accommodate all people

What does this mean for the

Passenger who requires an accessible taxicab

- Ability to obtain a metered and on-demand accessible taxicab
- Equitable access to taxicabs to facilitate transportation to work, school and other activities

What does this mean for the...

Shift Driver

- Permissions to manage own work place – advance fares and cleaning fee
- Taxicab Bill of Rights
- Improving City response to fare jumping
- More opportunities to shift rent vehicles as Ambassador additional driver, and as Toronto Taxicab Licences are issued
- More opportunities to become taxicab owners
- More transparency with current fleet operations, pending Leasing review report back

What does this mean for the...

Accessible Taxicab Owner

- Accessible taxicab owner operation can continue
- Voluntary transition to the Toronto Taxicab Licence
 - Will provide enhanced flexibility to accept non-accessible work
 - Will permit sale of Toronto Taxicab licensed taxicab

What does this mean for the...

Ambassador Taxicab Owner

- Enhanced flexibility with shift hours and second driver
- Ambassador taxicab owner operation can continue
- Voluntary transition to the Toronto Taxicab Licence, if desired
- Ambassador taxicab owner permitted to sell their taxicab, at which time a Toronto Taxicab Licence will be issued

What does this mean for the...

Standard Taxicab Owner

- Standard taxicab owner operation continues
- No changes to current properties of the licence, subject to the forthcoming report on Leasing and Agents
- After January 2019, when a Standard taxicab owner sells their taxicab, a Toronto Taxicab Licence will be issued

What does this mean for the...

Taxi Brokerage

- Opportunity to provide accessible service, through TTL affiliation
- Provide City with data to determine passenger service levels and future licence issuance

What does this mean for the...

Fleet Operator / Agent

- Subject to the forthcoming review on Leasing and Agents
 - Common management of taxicabs would be permitted, and will be properly recognized and regulated as Fleet Operators, subject to the appropriate conditions
 - Will be an impact to agents who act solely as a conduit between Standard Taxicab owners and Lessees

MOVING FORWARD

We are committed to ongoing communication and engagement with the industry to continue to move taxicab service in the City of Toronto forward in the interests of the public

FINAL REPORT

- Vision for the future of taxicab service in Toronto
- Pragmatic approach to attaining equity in the industry
- Leader in the commitment to accessibility for the public

THANK YOU