



STAFF REPORT ACTION REQUIRED

The Taxicab Industry Review – Final Report

Date:	January 8, 2014
To:	Licensing and Standards Committee
From:	Deputy City Manager, Cluster B and Executive Director, Municipal Licensing and Standards
Wards:	All
Reference Number:	P:\2014\Cluster B\MLS\LS14001

SUMMARY

Guided by the City Council adopted *Principles for Regulating the Taxicab Industry* of consumer protection, the health and safety of passengers and drivers, the well-being of the City of Toronto, and the economic viability and sustainability of the taxicab industry, this report presents a series of recommendations, described in Attachment 1, which are intended to improve Toronto's taxicab industry and its' service to the public.

The Taxicab Industry Review commenced in December 2011 and since that time, the City of Toronto has, through extensive consultation and research, conducted a review of Toronto's taxicab industry.

In total, the Review has engaged more than 4,500 stakeholders, through more than 40 consultations, 100 stakeholder meetings and three issue-based surveys which have collectively had over 3,000 responses. Staff have also received and analyzed thousands of emails, phone calls, written proposals, and letters containing issues and recommendations as a part of the Review. This stakeholder engagement has been the foundation of the final recommendations.

In June 2013, the Framework for Change with preliminary recommendations for additional consultations was presented. During the summer and fall of 2013, staff held 15 consultations to specifically discuss and gain input on the Framework recommendations.

This report provides direction for modifications within the taxicab industry to address issues including accessibility, the licensing structure, driver safety, and technology.

As the culmination of the past two years of consultation and research, this final report presents a series of recommendations that include opportunities to be taken immediately to remedy industry identified issues, and some that provide for a phased implementation of initiatives to permit the industry to adjust and/or modify its business practices to accommodate.

This report also contains recommendations, and phased implementation approaches, to accommodate long-term strategies that enhance public safety, customer service, industry viability through efficiencies, and accessibility, through continued industry engagement with issue-specific focus.

RECOMMENDATIONS

The Deputy City Manager, Cluster B, and the Executive Director, Municipal Licensing and Standards, recommend that:

Toronto Taxicab Licence:

1. City Council adopt the creation of a new taxicab licence called the Toronto Taxicab Licence, including the properties as described in Attachment 1, beginning July 1, 2014 (Attachment 1 – Rec. 1)
2. City Council amend the properties of the Accessible Taxicab Licence by permitting Accessible taxicab owners to voluntarily surrender their current licences and be issued Toronto Taxicab Licences, subject to the applicable conditions and fee, effective July 1, 2014 (Attachment 1 – Rec. 2)
3. City Council amend the properties of the Ambassador Taxicab Licence by permitting Ambassador Taxicab owners to voluntarily surrender their current licences and be issued Toronto Taxicab Licences, subject to the applicable conditions and fee, effective July 1, 2014 (Attachment 1 – Rec. 4)
4. City Council amend the properties of the Ambassador Taxicab licence by permitting Ambassador Taxicab owners to sell their current Ambassador Taxicabs, where a Toronto Taxicab Licence may be issued to the purchaser, subject to the applicable conditions and fee, effective July 1, 2014 (Attachment 1 – Rec. 5)
5. City Council amend the properties of the Standard Taxicab Licence to transition the Standard Taxicab, at time of transfer, to the Toronto Taxicab Licence, subject to the applicable conditions and fee, effective January 1, 2019 (Attachment 1 – Rec. 6)
6. City Council direct the creation of a Toronto Taxicab Licence new owners training and refresher course by July 1, 2014 (Attachment 1 – Rec. 29)

7. City Council adopt amendments to Toronto Municipal Code Chapter 441, Fees and Charges, Appendix C, Schedule 12, to enact that the current fees for "Standard Taxicab Owner Licence" be applicable to the "Toronto Taxicab Licence"

Accessible Taxicab Strategy:

8. City Council direct that all new taxicab licences issued by the City, will require a wheelchair accessible vehicle (Attachment 1 – Rec. 8(1))
9. City Council endorse the goal that 6% of the Toronto taxicab fleet, representing 290 taxicabs, are available for metered on-demand wheelchair accessible taxicab service by 2015 (Attachment 1 – Rec. 8(2))
10. City Council direct the Executive Director, Municipal Licensing and Standards to engage with Taxi Brokers to provide that passengers who require accessible taxicabs can receive service in the same amount of time as passengers who do not require accessible taxicabs, by January 1, 2019 (Attachment 1 – Rec. 8(3))
11. City Council authorize the issuance of up to 290 new taxicab licences for the provision of metered on-demand wheelchair accessible taxicab service, as required, to advance the Accessible Taxicab Strategy, commencing July 1, 2014 (Attachment 1 – Rec. 17)

Taxicab leasing including licensing of Fleet Operators:

12. City Council direct the Executive Director, Municipal Licensing and Standards to conduct further consultation, and report back to the Licensing and Standards Committee by June 1, 2015, on the appropriate regulatory regime and necessary by-law amendments to facilitate common management of taxicabs, eliminate the role of designated agents and create a new licence category called "Fleet Operator". (Attachment 1- Rec. 7)

Addressing industry concerns, public safety interests and improving working conditions of taxicab drivers:

13. City Council direct the modification of the properties of the Ambassador Taxicab Licence by permitting a second driver to operate the taxicab for hours above the owner operated minimum hours and for no greater than the 84 eligible service hours of the taxicab, and to amend the owner's minimum driving hours from 36 hours per week to be 156 hours per month to enable operational flexibility, effective July 1, 2014 (Attachment 1 – Rec. 3)

14. City Council direct the Executive Director, Municipal Licensing and Standards to undertake a review of flat rate wheelchair accessible transportation providers and report back to the Licensing and Standards Committee (Attachment 1 – Rec. 9)
15. City Council amend the vehicle regulations in the by-law to allow all approved alternative fuel and hybrid vehicles an extension from five (5) to seven (7) model years (Attachment 1 – Rec. 10)
16. City Council adopt the recommendation to maintain the current number of issued non-accessible taxicab licences (Attachment 1 – Rec. 11)
17. City Council endorse the adoption of a ‘passenger service level’ approach to determining when new licences should be issued, effective January 1, 2015 (Attachment 1 – Rec. 12)
18. City Council adopt the Taxi Research Partners’ Taxicab Demand Model, as outlined in Attachment 1 - Appendix B, to be used to project demand growth in the number of annual taxicab trips, every three (3) years, beginning in 2015 (Attachment 1 – Rec. 13)
19. City Council engage the Minister of Municipal Affairs and Housing regarding the impact of the Airport Exemption in the City of Toronto Act to the Toronto Taxicab industry (Attachment 1 – Rec. 16)
20. City Council adopt the recommendation to allow taxicab drivers to charge a \$25 cleaning fee if a passenger soils the taxicab (Attachment 1 – Rec. 23)
21. City Council direct the Executive Director, Municipal Licensing and Standards to conduct a passenger survey in 2014 to understand the impacts and public opinion of mandating taxicab shields in Toronto taxicabs, and to report back to the Licensing and Standards Committee (Attachment 1 – Rec. 24)
22. City Council adopt the recommendation to allow taxicab drivers to request payment of a fare in advance, up to a maximum of \$25, when they deem necessary, and direct a review of its effects be undertaken in 2016 (Attachment 1 – Rec. 25)
23. City Council endorse the recommendation and commitment to improve the City’s ability to investigate fare jumping (Attachment 1 – Rec. 26)
24. City Council endorse the recommendation and partnership with Crime Stoppers to aid in the deterrence and solving of taxicab-related crime (Attachment 1 – Rec. 27)

25. City Council adopt the replacement of the current Passenger Bill of Rights, with the Taxicab Bill of Rights, which will enhance both passenger and driver rights (Attachment 1 – Rec. 28)
26. City Council direct that all taxicab drivers be required to complete a simulated defensive driving training as part of the new driver and refresher driver training courses, to aid in addressing public safety related to driver conduct, effective January 1, 2015 (Attachment 1 – Rec. 30)
27. City Council direct that enhanced accessibility training be included in all new and refresher taxicab driver and owner training courses, effective July 1, 2014 (Attachment 1 – Rec. 31)
28. City Council direct that all taxicab licensees who operate wheelchair accessible taxicabs be required to take an accessibility refresher course every four (4) years (Attachment 1 – Rec. 32)
29. City Council direct the Executive Director, Municipal Licensing and Standards to undertake an evaluation and a pilot program, if feasible, of using fire hydrants as cabstands in the downtown core (Attachment 1 – Rec. 33)
30. City Council direct the Executive Director, Municipal Licensing and Standards to undertake an evaluation and a pilot program, if feasible, of implementing Hail Spots (Attachment 1 – Rec. 34)

Continued industry engagement and consultation on issue-specific basis:

31. City Council direct the Executive Director, Municipal Licensing and Standards to create a working group to review taxicab vehicle regulations, focused on ensuring taxicab regulations enable inclusive use, including wheelchair accessibility, and the feasibility of mandating accessible vehicles for all of Toronto's taxicabs in the future (Attachment 1 – Rec. 8(4))
32. City Council direct the Executive Director, Municipal Licensing and Standards to undertake further consultation with Taxi Brokers on the mandating of brokerages to keep additional records of the date and time of pick-up for each taxicab trip and submission of records to the City (Attachment 1 – Rec. 14)
33. City Council direct the Executive Director, Municipal Licensing and Standards to undertake further consultation with Taxi Brokers on the mandating of brokerages to keep additional records of the date and time of each wheelchair accessible taxicab dispatch and pick-up and submission of records to the City (Attachment 1 – Rec. 15)

34. City Council direct the Executive Director, Municipal Licensing and Standards to create a working group and report back to the Licensing and Standards Committee in respect to technical specifications and the implementation of mandated passenger information monitors, to empower passengers and support accessibility, by January 1, 2016 (Attachment 1 – Rec. 18)
35. City Council direct the Executive Director, Municipal Licensing and Standards to create a working group and report back to the Licensing and Standards Committee in respect to technical specifications and the implementation of mandated vehicle information technology, capable of generating operator logs unique to each vehicle and operator, by January 1, 2016 (Attachment 1 – Rec. 19)
36. City Council direct the Executive Director, Municipal Licensing and Standards to create a working group and report back to the Licensing and Standards Committee in respect to mandating that all taxicabs, be equipped to accept debit and credit card payment using approved electronic payment technology, by January 1, 2016 (Attachment 1 – Rec. 20)
37. City Council direct that the current fare rates be maintained and that they be reviewed every two (2) years (Attachment 1 – Rec. 21)
38. City Council request the Taxicab Advisory Committee to review relevance of flat fees, discounts and maximum processing surcharges (Attachment 1 – Rec. 22)
39. City Council approve amendments to the City of Toronto Municipal Code, Chapter 545, Licensing, to delete obsolete sections and terms as described in Appendix D of Attachment 1, subject to such technical and stylistic amendments as required by the City Solicitor and the Executive Director, Municipal Licensing and Standards
40. City Council approve amendments to the City of Toronto Municipal Code, Chapter 545, Licensing, to reflect the recommendations above, subject to such technical and stylistic amendments as required by the City Solicitor and the Executive Director, Municipal Licensing and Standards and that in the event that in preparation of the by-law, additional issues arise which should be brought to the attention of Council, that a supplementary report be prepared for the consideration of Council.

Implementation Points

Recommendations contained within Attachment 1 are subject to different effective dates as noted within the report and summarized in the implementation section of the attached report.

Financial Impact

It is anticipated that there will be additional labour and non-labour expenses in the implementation of the numerous initiatives within this report and those arising through continued engagement with the industry.

These recommendations will be implemented over time and additional expenses will be absorbed within the gross 2014 Recommended Operating Budget for Municipal Licensing and Standards (ML&S) and are anticipated to be offset by the new fees. The additional expense to implement the recommendations is expected to be recovered through the associated new taxicab licensing fees.

In addition, ML&S is undertaking a comprehensive user fee review in 2014 for all of its user fees which will be addressed in the 2015 Operating Budget and reviewed for full cost recovery. **All fees, including those related to taxicabs will be included in this review.**

The proposed fees for the new Toronto Taxicab Licence are \$4,666.59 for the initial issuance and \$1,216.49 for annual renewal thereafter, based on the set rate for a similar business licence, the Standard Taxicab Owner Licence fees.

The projected issuance of the Toronto Taxicab Licence in 2014 is 145, with estimated revenue of \$0.675 million. For 2015, new issuance of licences is projected at 145, with estimated revenue of \$0.675 million plus renewal revenue of \$0.176 million, for total estimated revenue of \$1.53 million.

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

DECISION HISTORY

May 31, 2011, Licensing and Standards Committee requested that the Executive Director, Municipal Licensing and Standards, report back to the Committee on a plan for reviewing the taxicab industry.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.LS4.7>

September 9, 2011, the report "Industry Review Plan" was brought forward to the Licensing and Standards Committee by the Executive Director, Municipal Licensing and Standards. This report initiated what is now "Toronto's Taxicab Industry Review".

<http://www.toronto.ca/legdocs/mmis/2011/ls/bgrd/backgroundfile-40347.pdf>

October 2, 2012, City Council adopted the preliminary report from Toronto's Taxicab Industry Review and gave direction to report back ahead of the final report on the Taxicab Advisory Committee, Driver Bill of Rights and the complaints and compliments process.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.LS15.1>

February 20, 2013, City Council directed the Executive Director, Municipal Licensing and Standards, to open the Taxicab Advisory Committee meetings to the public and provide updates on its activities to the Licensing and Standards Committee as well as the Disability Issues Committee.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.LS18.5>

June 27, 2013, the Framework for Change, with 44 preliminary recommendations for improving the taxicab industry, was presented to the Licensing and Standards Committee. The committee directed the Executive Director, Municipal Licensing and Standards to engage the industry on these recommendations and prepare a final report.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.LS22.1>

ISSUE BACKGROUND

There are 4,849 licensed taxicabs operating in the City of Toronto and it is estimated that 65,000 trips are taken in taxicabs every day. Residents and tourists alike depend on taxicab service to get them where they need to go.

Toronto's Taxicab Industry Review began in 2011 and included three phases: consultation, research and production of the final report. The review has focussed on extensive consultation with direct and indirect stakeholders, related industries, the public and appropriate City divisions. The consultations and research informed the Framework for Change, which made preliminary recommendations for improving the taxicab industry.

Major issues arising from the consultations and through research have provided insight and identified opportunities for improvements to the industry.

Major issues identified during the review have included:

- Lack of metered on-demand accessible taxicab service in Toronto
- Concerns for the safety and working conditions of taxicab drivers
- Shortcomings of safe driving practices by Toronto taxicab drivers
- Perceived inequities between Ambassador and Standard taxicab owners
- Impacts of non-driving industry participants such as 'briefcase' agents
- Ambiguity in the by-law relating to the City's role in regulating the industry

Since the release of the Framework in June 2013, staff have held 15 consultations, stakeholder meetings and conducted surveys to gain input on the preliminary recommendations that address the major issues as identified through the consultations. The findings of this engagement process have shaped the final recommendations for improving the taxicab industry in Toronto.

COMMENTS

After extensive consultation, it became apparent that there are several opportunities for improving Toronto's taxicab industry.

Guided by the City Council adopted principles of consumer protection, health and safety of passengers and drivers, well-being of the City of Toronto and the economic viability of and sustainability of the industry, staff have prepared recommendations to address the issues as heard through the consultations.

Attachment 1 of this report outlines 35 recommendations that aim to create an accessible, fair and sustainable industry that is viable for participants and delivers a high level of customer service for all consumers.

Key recommended changes are:

- Phased in and long-term implementation of an inclusive and accessible taxicab fleet for the provision of metered on-demand taxicab service for all
- Require new taxicab owners to drive their taxicabs in a more cost effective model
- Mitigate the impact of operating layers to keep fares affordable
- Create a new licence category for Fleet Operators to facilitate common management
- Improve driver safety and rights
- Implement technology which will empower passengers, and provide for evidence-based regulation

Report Highlights

A balanced approach to regulating taxicabs ensures a safe, equitable and healthy industry that meets the needs of Toronto's residents and visitors.

Long Term Goal of 100% Accessible Taxicabs

People with disabilities, including those who rely on wheelchair accessible transportation, face significant challenges in obtaining affordable and on-demand taxicab service in Toronto. During the review, it became apparent that people who require a wheelchair for mobility cannot access Toronto's taxicab service.

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

The City of Toronto is committed to building an inclusive society and providing an accessible environment which ensures that all individuals have access to the City's services and programs in a way that respects the dignity and independence of people with

disabilities. Ensuring access to accessible taxicab service, including wheelchair accessible, is part of the City's commitment to being an inclusive place to live and visit.

To ensure the same level of service is provided for passengers who have mobility issues, including requiring the use of a wheelchair, it is recommended that Toronto set a long term goal of 100% accessible taxicabs, including wheelchair accessibility. This would mean that at a point in the future, all people, regardless of mobility or disability, would be able to obtain inclusive, accessible and equitable taxicab service, including the ability to hail a taxicab on the street.

This goal would be implemented through a measured approach.

The Pan American and the Para-Pan American Games will be hosted by Toronto in 2015. Ten thousand athletes, coaches and officials from 41 countries across the Americas and the Caribbean, and 250,000 visitors will be in Toronto during the Games. As part of the economic, social, cultural and community benefits that the Games will bring for Toronto residents and businesses, the City should ensure there are wheelchair accessible taxicabs to serve visitors, spectators and volunteers, which will then become part of the Games' legacy.

Currently the City does not have metered on-demand wheelchair accessible taxicab service, so, it is therefore recommended that all new licences issued, or licences transferred, will require a wheelchair accessible vehicle.

A goal of 6% wheelchair accessible taxicabs in Toronto has been set as a preliminary benchmark, to enable wheelchair accessible taxicabs in time for the Pan Am and Para-Pan Am Games. This is the equivalent of 290 wheelchair accessible taxicabs available for metered on-demand taxicab service by July 2015. This goal should be achieved either through the transfer of existing licences or new incremental licence issuance.

It is recommended that ML&S engage with taxicab brokers and other stakeholders to ensure the attainment of service equivalency by 2019. This would mean that passengers requiring wheelchair accessible taxicabs would be able to access accessible taxicabs in the same amount of time as people who do not require an accessible taxicab.

It is further recommended that an accessible vehicle working group including industry stakeholders be created to review vehicle regulations to ensure they are inclusive, and to make recommendations on the feasibility of mandating that all taxicab vehicles be made accessible, including wheelchair accessible, and including the consideration of a dedicated accessible vehicle with a report back to Council at a later date.

Toronto Taxicab Licence

Many taxicab industry stakeholders were adamant during consultations that there is an imbalance in the industry that prevents Toronto's taxicabs from delivering the best level

of service. Inequity in licensing regimes, unnecessary ‘middlemen’, and prohibitive regulations were identified as key issues.

To address these issues, staff evaluated several licensing approaches suggested by the industry. Bolstered by international case studies and research, it is recommended that the City create a new licence and harmonize all existing licences to the new Toronto Taxicab Licence over time.

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

The Toronto Taxicab Licence will:

- minimize the impact of operating models that encourage absentee ownership;
- limit the role for non-driving participants, which add operating costs and impact fares;
- enable owners to cover their operating costs without compromising driver or passenger health and safety; and
- provide opportunities for individuals wishing to enter or advance from a driver to an owner, and provide an exit strategy for owners wishing to leave the industry at a time of their own choosing.

Amendments to Existing Licences

In the interim, the City will revise properties of the current Standard, Ambassador and Accessible licences to address issues that have been identified and align them more closely with the principles of the Toronto Taxicab Licence.

Recommended changes to the current owner’s licences include:

- Ambassador taxicab owners will continue to drive their taxicabs; however, they will be able to rent to one other driver providing the taxicab continues to operate for only one shift per day. Their driving hour requirement will change from 36 hours/week to 156 hours/month, to permit operational flexibility.
- Ambassador and Accessible taxicabs are to be made transferrable to a Toronto Taxicab Licence.
- Standard taxicab owners will continue to operate under the same conditions, except that they will only be able to relinquish operation of their taxicab to either a Fleet Operator or a lessee, not both, thereby reducing the number of operating layers. This will be included in the review of leasing and licensing of Fleet Operators, and subject of a future report.

The Toronto Taxicab Licence will replace the current Standard, Ambassador and Accessible taxicab owner’s licences as the taxicabs are sold and the licences are transferred, pursuant to a phased implementation plan.

Fleet Operator Licence

Standard taxicab owners may only own one taxicab licence. However, 76% of Standard taxicabs are managed by someone other than the owner. Designated Agents currently manage 50% of Standard taxicabs through fleets and in conjunction with taxicab garages that maintain vehicles. The role of the Designated Agent has been utilized to facilitate these fleet operations, but without sufficient oversight. It has also resulted in the evolution of the "briefcase" agent, which the industry almost unanimously opposes.

The fleet operator plays a significant role in the industry, and was also identified as an area of concern, particularly by taxicab drivers. The role of these operators is currently unregulated, as the common management of Standard licensed taxicabs has not been adequately addressed. The final report makes a recommendation to consult further on the creation of a new business licence that recognizes and appropriately regulates the role of common management of taxicabs. It is anticipated that these Fleet Operators will also play a role in the new Toronto Taxicab Licence, as a conduit between owners and drivers.

The Fleet Operator Licence would allow for enforcement and regulation of the daily operations of Standard taxicabs. It would allow the City to audit and inspect records, and would require a place of business and operation, in compliance with land-use controls.

The new business licence would bring transparency to this role and assists in improving the working conditions for shift drivers. Permitting and regulating the common management of these fleets, may also benefit their procurement of fleet insurance.

Further consultation on the creation of this licence and the necessary by-law amendments necessary to enable common management of taxicabs will be reported back to the Licensing and Standards Committee by June 1, 2015.

Improve Driver Safety

Driving a taxicab is not always a safe job. Long hours spent working alone, often at night, carrying large sums of cash and dropping passengers off in unfamiliar or unsafe locations can put drivers at risk.

In order to permit that drivers are enabled to manage their own risk within their workplace, the taxicab, a recommended amendment to the By-law would permit drivers to ask passengers for payment in advance, at their discretion, up to a maximum of \$25. The effect of this on passengers, would be subject to review in two (2) years time.

The mandatory requirement for credit and debit machines in all taxicabs is also being recommended in an effort to decrease the amount of cash taxicab drivers carry, as a strategy to lower their risk of being a target of robbery. Further work on this is being recommended, as a part of the working group to review vehicle technology, and will be subject to a future report.

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

The opinions of Toronto's taxicab industry participants and passengers are varied when it comes to taxicab shields. Many experienced drivers claim that shields are not necessary and that drivers can and should manage customers using their own judgment and actions. Other drivers argue that a shield is the only physical safety protection measure available to them. In addition to debates over the effectiveness of a taxicab shield in deterring violent crime, drivers express concern over who would be responsible for paying for the installation of a shield and the impact a shield may have on customer service due to the physical barrier taking up space in the vehicle.

In order to gather a more fulsome understanding of industry participants' views on shields and other safety measures, a short, anonymous survey on taxicab driver safety was mailed to every licensed taxicab driver, owner and broker. More than 14,100 surveys and self-addressed stamped envelopes were sent. More than 3,600 completed surveys were returned to ML&S. Results show that approximately 56% of drivers were in favour of mandatory shields.

This report recommends that a survey of the public be conducted regarding the installation of mandatory shields, along with further consultation with the industry.

Improve Driving Training

All taxicab drivers are currently required to attend in-class training. During the review, staff heard that despite this, some taxicab drivers still engage in risky driving behaviours.

Training enhancements would require all taxicab drivers to complete a simulated in-car driving course to better equip them with defensive driving skills. The course would become part of the initial taxicab driver training and then be required every four (4) years thereafter. A significant advantage of simulator training is that scenarios can be tailored for taxicab specific issues such as driving in high traffic conditions with cyclists and pedestrians. Improved training has been identified as beneficial to risk ratings by insurance providers.

Subject to the endorsement of this recommendation, City staff will conduct further analysis to determine the most appropriate manner in which to integrate this component into the new taxicab driver and refresher course curriculum.

Enhance Customer Service with Technology

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

It is being proposed that the City develop a working group to review the technical specifications and make recommendations in respect to implementing mandated taxicab vehicle technology, including:

- Passenger Information Monitor: a digital screen that is connected to the meter and is able to communicate the fare, the taxicab number, the driver's picture, the location of the taxicab and other information to the passenger both audibly and on-screen.
- Vehicle Information Technology: will allow for the collection of data by the City, to determine the operator of a taxicab, ensure adherence to the owner driving provisions, and to assist in the assessment and determination of future licence issuance.
- Mandatory debit/credit terminals: to enhance driver safety and customer service

Summary

The Municipal Licensing and Standards Division is committed to ongoing industry engagement, to ensure the appropriate and necessary improvements to the regulations governing the industry will continue to be made over time.

The recommendations contained within this report are designed to enable operational flexibility, ensure the appropriate level of regulation to meet public expectations, contribute to a higher calibre of service for all consumers and improve working conditions for the participants.

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ATTACHMENT

Attachment 1: Taxicab Industry Review Final Report

TORONTO'S TAXICAB INDUSTRY REVIEW

FINAL REPORT

JANUARY 2014



2014 TAXICAB INDUSTRY REVIEW

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

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

Toronto's Taxicab Industry Review has been consultation driven. Starting with broad stakeholder engagement and narrowing down to specific consultation on draft recommendations as presented in the Framework, the 2014 Taxicab Industry Review has been an inclusive and participatory process.

TAXICAB REGULATION

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. This means ensuring consistent service for a reasonable fare.

Health and Safety: The City regulates the taxicab industry to ensure the health and safety of passengers and drivers. 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 taxicab vehicles and driver training by the City is needed to ensure safe service. Regulation also protects those in the industry from unsafe working conditions and unruly passengers.

City Well-Being: The City regulates the industry to ensure an adequate supply of taxicabs that meet the needs of residents and visitors to Toronto while not overburdening our streets. An adequate number of taxicabs operating with an affordable fare creates an on-demand transportation network, enhancing the economic and social well-being of the City.

REVIEW TIMELINE

January – August 2012	Consultation Phase
October 2012	Preliminary Report
March – June 2013	Consultation Phase
June 2013	Framework
July – November 2013	Consultation Phase

In total, over 4,500 internal and external stakeholders have been engaged through surveys and public consultations. Almost 20 formal proposals were submitted and more than 5,000 ideas have been shared through voicemail, email, online comments and surveys. Staff have meticulously reviewed and analyzed consultation information which formed the direction and scope of this report.

Major issues identified by stakeholders:

- Lack of on-demand accessible taxicab service in Toronto
- Issues of safety for taxicab drivers
- Inequities between Ambassador and Standard Taxicab owners
- Agents, taxicab garages, leasing and the effects the industry's multiple layers have on drivers

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

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

FRAMEWORK CONSULTATION FINDINGS

Since the Framework for Change ('the Framework') was released in June 2013, staff have held 15 consultations. These consultations were held across the City and focused on the recommendations presented in the Framework. Staff hosted dedicated consultations for taxicab brokerages, fleet operators and taxicab drivers to ensure input was heard from all stakeholders. Staff also met with organizations that represent industry stakeholders, including groups representing drivers, owners, brokerages and people with disabilities.

Overall, the taxicab industry has been divided in its opinion of the recommended changes. While some stakeholders support all the changes, others have said they would like to see no changes at all. Many stakeholders thought that some of the changes were good, while others should be revised.

Below is a summary of input on the recommended changes in the Framework. It lays out the feedback by stakeholder group, although it is important to note that these are the general responses from these stakeholders, and that there are also individual differences within each stakeholder group.

Accessibility Stakeholders

- Strong support for the provision of 100% wheelchair accessible taxicab service
- Strong support for technology that improves accessibility for people who have hearing or vision impairments
- Concerns that the implementation of wheelchair accessible service will take too long
- Support from the Disability Issues Committee and Spinal Cord Association of Ontario

Agents and Fleets

- Concern that the owner-operator principles of the new licence will negatively affect the way fleets currently operate
- Request to be licensed and recognized under the By-law as "Fleets"

- Request to be able to own more than one taxicab licence

Ambassador Taxicab Owners

- Many support the new licence
- Some requested that their licence be converted to a Standard Taxicab Licence
- Some concern that the second driver will not be financially feasible if the Ambassador Taxicab is only allowed on the road for 12 hours/day.

Drivers and Lessees

- Strong support for the new licence
- Support for technology enhancements
- Request to eliminate fleets and agents

Standard Taxicab Owners

- Disagreement with the new licence
- Concerns about loss of value in Standard plate due to accessible vehicle and owner-operator principles of the new licence
- Request to be able to bequeath taxicab licences to estates

Taxicab Brokerages

- Disagreement with the new licence
- Concerns about technology
- Disagreement with accessible vehicle requirements
- Disagreement with owner-operator principles

FINAL REPORT

This report addresses issues as heard through the broad consultations early in the Review and lays the foundation for improvements to the industry. It builds upon the Framework, and incorporates changes since its original release.

Guided by City Council's review principles of consumer protection, health and safety of passengers and drivers, the economic viability and sustainability of the industry and city well-being, staff have prepared this final report with recommendations for improving Toronto's taxicab industry.

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EXECUTIVE SUMMARY

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

The industry is estimated to account for more than one billion dollars per year including asset values and daily cash flows. There are 4,849 licensed taxicabs operating in the City of Toronto and it is estimated that more than 65,000 trips are taken in taxicabs every day. At an average fare of \$25 per trip, it can be estimated that \$1.62 million is generated through fare revenue each day.

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

THE TAXICAB BUSINESS

The Taxicab industry is unlike many other businesses. It provides a service to the public, operated in many cases by a group of individuals each of whom participates for his or her own business purposes.

As such, each adds a "layer" of operational expense and, while each individual contributes to the delivery of the taxicab service, they have specific purpose and self-interest.

The industry structure does not easily permit or enable itself to organize, or reorganize, as the case may be, to gain efficiencies.

For this reason, the manner in which the industry is regulated has a direct impact on the manner in which it operates, and this regulation is aimed at achieving a balance between enabling flexible business practices while ensuring the fundamental purposes of regulation, such as customer service and consumer protection, are achieved.

The number of licences issued to operate a taxicab in the City of Toronto is limited.

The number of taxicab licences issued is limited and determined by the City. By virtue of this limitation, the opportunity to become a taxicab owner is restricted, and a secondary market value ensues.

The expectations of the public are greater.

The taxicab service is unlike many others – it requires an individual to enter into a strange vehicle, being operated by a stranger, and with minimal/challenged opportunity to exit, should issues arise.

As a result, the public expects that the municipality has enabled sufficient regulation to ensure that the vehicle is safe and clean, the driver is screened, trained and knowledgeable, and the fare is reasonable and equitably charged.

Understanding the impact of change to these established businesses and operators, it is incumbent upon the municipality to take a measured and balanced approach to any change in regulation.

This report will outline a series of interim changes to address specific and immediate issues that have been identified. It will also outline a series of recommendations that will allow a straightforward transition.

The intent of this report is to outline a systematic and practical approach to change that will enable operating flexibility, implement regulatory oversight as needed, and set a course for the future of taxicab service in the City of Toronto.

TAXICAB INDUSTRY – HISTORICAL PERSPECTIVE

The regulation of the taxicab industry in the City of Toronto, or the former municipalities as they were previously known, dates back decades.

Throughout the years, various attempts to modify regulation to suit both the interests of the City, on behalf of its residents and visitors, and the industry, has resulted in a complex and often confusing operational and regulatory structure.

Some of the more significant changes that have occurred in the industry, and which are relevant to the discussions within this report, relate to the operating permissions of the various licences that form the industry. These changes relate to the permitting of transferability of the taxicab licence (1963); the permitting of leasing of the taxicab (1974); and the modifications made to the issuance of Standard Licences, such as ending the ability for corporations to own taxicabs, ending multiple ownership of taxicabs, mandating that only licensed taxicab drivers could purchase taxicabs, the elimination of spousal/estate transfers, and the creation of the Ambassador Licence class (1998).

PREVIOUS REPORT TO REVIEW THE TAXICAB INDUSTRY (1998)

The last major review and reform of the Taxicab industry in Toronto was in 1998, and was driven in response to a culmination of concerns expressed by the public, taxicab owners and drivers, the Toronto Board of Trade and the tourism industry. At the time, concerns included: the quality, safety and reliability of taxicabs and customer service quality deterioration; the impact of the growing number of individuals who act as middlemen in the delivery of taxicab services; absentee owners and passive investors in the chain of participants; and the hampering of many drivers' ability to earn a fair wage.

The goals of the Review were to: provide safe and secure service to the public; offer high quality customer service in clean, comfortable taxicabs; employ courteous, knowledgeable and experienced drivers; and permit people who work in the system to share fairly in the cost and benefits.

The basic goals of this Review are as relevant today as they were in 1998, and in fact, are the same foundational principles and goals for many taxicab industry reviews in other jurisdictions.

While fundamental enhancements to customer service have been advanced, operating conditions persist that negatively impact some industry participants and which, if left unaddressed, may compromise the public's expectations and safety.

THE TAXICAB INDUSTRY REVIEW (2014)

While the previous Review was primarily driven by the public, the current Review was primarily driven by the taxicab industry. The purpose of the Review, in broad terms, was to:

- analyze Toronto's taxicabs for customer service excellence, affordability, safety and viability; and
- determine industry issues and opportunities and explore how to best resolve them.

This report illustrates the impact that the 1998 Review reforms had in the improvement of the overall service provided to the public.

Through the recommendations adopted after the 1998 Review, there is evidence that the condition of the taxicabs, and the move of a larger component of the industry to an owner-operated model with the Ambassador program, has resulted in a significant improvement to the quality of service and protection of the public.

A significant volume of industry submissions during this Review have been focused on reversing decisions taken in the 1998 Review.

This current Review was primarily industry driven, where the interests and opinions of the varying stakeholders have been exhaustively sought and considered. It was necessary in this Review to consider the impact that the previous changes have made to the industry and determine an appropriate response to address the industry concerns, while being mindful of the public interest.

The City must continue with its commitment of service and safety to the public.

The public expects that when they enter a taxicab, it is safe and road-worthy, it meets a set of standards on maintenance and cleanliness, it is operated by a trained and knowledgeable driver, and the fare for the service is reasonable. Prior changes to the industry have played a significant role in achieving these service standards.

The City must set a path to incorporate accessibility into the industry, to ensure that the same level of service is provided to individuals requiring wheelchair accessible taxicabs.

The additional challenge of this Review was the necessity to determine a strategy to address the complete lack of metered on-demand wheelchair accessible taxicab service.

THE REVIEW PROCESS

The fundamental principle of the Review was to ensure a participatory, transparent and accountable process.

A comprehensive consultation phase, and ongoing stakeholder engagement at all steps of development of the report was conducted throughout the course of this Review.

This process included town hall meetings, round table discussions, individual meetings, surveys, online updates through a dedicated webpage, and receipt of written submissions. The extent of these consultations is outlined in Appendix A of this report.

There were hundreds of broad and specific concerns raised by the industry, the most significant of which were:

- Lack of on-demand accessible taxicab service in Toronto
- Issues of safety for taxicab drivers
- Shortcomings of safe driving practices by Toronto taxicab drivers
- Perceived inequities between Ambassador and Standard Taxicab owners
- Impacts of non-driving industry participants such as ‘briefcase’ agents
- Ambiguity in the By-law relating to the City’s role in regulating the industry

The most complicated and contentious issue of the Review is the existence of the various licence types.

The difference amongst the operational permissions/restrictions of each licence was a recurrent theme throughout the review process. It is one of the most significant changes.

THE ROLE OF THE CITY AS REGULATOR – APPROACH TO REGULATION

The City obtains its authority to regulate and licence businesses from the City of Toronto Act. It is generally held that the municipal authority is broad and purposive, though historically that purpose is focused on the fundamentals of public health and safety, consumer protection and controlling nuisance.

The Review strives to balance the need for appropriate regulation with the fundamental roles of regulation.

A goal of this Review has been to assess the City's approach to the regulation governing the industry, while allowing flexibility for the industry to operate and organize itself in an efficient and mutually beneficial manner. In achieving this balance, the City finds itself applying regulation more restrictively in some aspects, and more permissively in others.

The extent to which the City regulates is directly proportionate to the type of business being operated, and the potential risk to the public, should the regulation be insufficient.

While some may try to compare the taxicab industry to other regulated businesses, it has sufficiently unique impacts on the public that requires a more significant level of regulatory involvement.

GOALS OF THE REVIEW

The recommendations contained herein are intended to cumulatively achieve these three basic goals:

1. **Enhance customer service and consumer protection for residents and visitors**
2. **Enhance health and safety of passengers and drivers**
3. **Enable a sustainable and economically viable industry that meets the needs of the City**

The intention is that this package of recommendations will advance the gains made through the previous reforms, and work to facilitate improved customer service, including to those who require accessible transportation; enhance the public's and driver's safety by enabling technology and process; and by mitigating the economic cost of non-service delivery related expenses, in order to facilitate these goals without impacting the public through increased fares.

INDUSTRY OVERVIEW

The industry provides a simple service, but is structured in a complicated way, layered with unique licensing rules, primarily due to the limitation on the number of licences available.

To aid in the understanding of the recommendations contained herein and in support of the decision-making process, it is important to: (a) describe the roles of the participants in the industry, and (b) provide background into two key elements of the Standard License properties: transferability and leasing.

Taxicab industry participants

It is an important initial step to first understand the role of each of the industry participants, whether municipally licensed or not, and what their interests and objectives are. The complexities of the industry are exacerbated by the competing, and often conflicting, interests of the various participants.

Many individuals involved in the industry wear many hats.

It is not uncommon for an industry participant to represent many roles. An example of such may be the owner-operator of a brokerage, whom may also be an agent representing other Standard Licence holders, may be a Standard Licence holder themselves, and may/or may not also provide financing, insurance, and rental of equipment/point-of-sale terminals to drivers operating the vehicles they manage.

There are examples of individuals who hold an Ambassador Licence, but who also operate as an agent on multiple Standard Licences.

The following chart provides a brief outline, while more detailed definitions of the individual roles is provided in the report:

Industry Role	Number
Taxicab Drivers <ul style="list-style-type: none">• Licensed by the City.• Most rent taxicabs from owners, agents or taxicab garages on a shift basis.• Some lease taxicabs from licensed owners or agents.• Ambassador and Accessible Taxicab owners are also drivers.• No driver is allowed to operate a taxicab for more than 12 hours in a 24 hour period.	>10,000
Standard Taxicab Owner <ul style="list-style-type: none">• No new Standard Taxicab Owner Licenses issued since 1999.• Standard Taxicabs must be operated for 2 full shifts daily for at least 5 days during any 7-day period.• Owner may lease, transfer, sell or rent the taxicab to licensed taxicab drivers and agents.• New license holders may only own one Standard Taxicab.	3,451

Ambassador Taxicab Owner <ul style="list-style-type: none"> • First issued in 1999. • Must drive full-time (36 hours per week). • May not lease, transfer, sell or rent the taxicab. • May not hire any other drivers. 	1,313
Accessible Taxicab Owner <ul style="list-style-type: none"> • First issued in 2000. • Used exclusively to transport disabled passengers – most work for TTC Wheel-Trans. • Must drive full-time. • May not lease, transfer or sell the taxicab. • May hire 3 additional drivers who have passed an accessible driver training course. 	85
Agents <ul style="list-style-type: none"> • Must be licensed as taxicab drivers, owners, brokerages. • Enter agreements with Standard Taxicab owners to manage the operation of the taxicab, including arranging lease agreements or shift rentals with taxicab drivers. • A person may be an agent for multiple owners. • 2/3 of Standard taxicabs are managed by agents 	437
Lessees <ul style="list-style-type: none"> • Licensed taxicab drivers or owners. • Enter agreements with a Standard Taxicab owner to manage or operate a Standard Taxicab. • Lessees may only lease one taxicab and must drive it full-time. • Lessees may hire up to 3 additional drivers. 	891
Taxicab Brokerages <ul style="list-style-type: none"> • Licensed to receive requests for taxicab service and dispatch drivers. • Enter agreements with drivers and owners to provide dispatch service. • Do not own taxicabs. 	29
Taxicab Garages <ul style="list-style-type: none"> • Licensed as Public Garages. • Enter agreements with brokerages or agents to facilitate shift rentals and maintain taxicabs. 	

<p>Taxicab Fleets</p> <ul style="list-style-type: none"> • Defined in the by-law as '1 or more Standard Taxicabs that is <u>owned by one person or corporation</u>.' • The industry commonly refers to 'fleets' as those taxicabs commonly managed by one agent or operating out of one garage. • Since 2003, fleets have not been allowed and are being phased out (existing fleets are currently grandfathered). 	
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Taxicab Licence Attributes

There are two key elements that differentiate a Standard Licence from the Ambassador and Accessible Licences: transferability and leasing.

It is these two attributes that also contribute to that which is referenced as "plate value", and which provides for a secondary market of taxicab sales/licence transfers. The following is a summary of these two licence attributes to provide context to some of the recommendations for change that follow.

TRANSFERABILITY

In records dating back to 1956, the permission to transfer a licence was only allowed upon death of a licence holder in which case it would be transferred to his or her family or estate. The more permissive transferring of the licence now known as the Standard Licence dates back to 1963 when the Metropolitan Licensing Commission enacted the amendment to permit it. The intent for the change is unclear.

In 1998, the rules governing transferability were changed, such that the transferee must be a licensed taxicab driver and may only hold one licence. The intent was to encourage the direction towards owner-operator taxicabs, which on its own, has been met with minimal success.

The ability to transfer Standard Licences directly reflects on the manner in which licence issuance is restricted by the City.

The cap, or limit on the number of licenses (as permitted under COTA), which may otherwise be referenced as restricted entry, coupled with transferability rights, has had the net effect of commoditization of this City-issued business licence.

There are practical and operational aspects of permitting transferability.

The transferability of the restricted number of licences provides an entry opportunity for those wishing to advance within the industry from driver to taxicab owner. It has also permitted for a reasonable exit strategy for those wishing to depart the industry, where they may otherwise no longer be suited, or wish to operate a taxicab.

In the absence of permitting transferability of the licences, individuals would be left to wait on a list for up to decades for future issuance by the City.

To mitigate the stagnation that would result from non-transferability, an alternative would be to review the City's approach to issuance, and consider open entry, whereby anyone wishing to obtain a licence, subject to fulfilling the prescribed conditions, could do so. This would render transferability moot.

LEASING

Prior to 1974, the By-law governing taxicabs stated that the person to whom the licence was issued must be the person who operates the taxicab. In 1974, the Metropolitan Council amended the By-law, and thereby permitted that the leasing of taxicabs would be permitted on a daily, weekly, monthly, or yearly basis, subject to certain conditions (owner provides the vehicle and equipment, is responsible for the maintenance, and the lease cost would be approved by the Commission).

The intention to permit the operation of the taxicab by someone other than the licence holder was reportedly intended to address the shortage of taxicabs operating in what may be considered "off-peak", or less desirable service hours.

It is recognized that the availability of service at off-peak and other less than desirable times (inclement weather, etc.), is primarily conducted by shift drivers, and their role is fundamental to the ongoing sustainability of taxicab service.

The 1998 Review attempted to address some of the issues arising from leasing by adopting an approach more in accordance with owner-operator principles, with changes that included requiring that lessees must drive, and which thereby would disable "multiple" leasing. The unintended consequence of this, coupled with the failure to institute oversight of "agents", has resulted in the operation of "briefcase" agents, and resultant complaints of inappropriate business conduct by some.

The impact of leasing is the additional operating cost of a non-participant owner, with the distribution of farebox revenue being drawn away from service delivery and service providers.

While the intent of permitting rental on a shift basis addressed the issue of availability/service, it has, however, resulted in the more widespread abdication of responsibility by the owner, which has further resulted in an increase to absentee ownership, the view of the licence as that of a "pension", and added additional costs to the industry.

The aspect of leasing is often regarded as the foundational economic driver of the "plate value". The implications of permitting leasing have been the subject of numerous reports across various municipalities, and the elimination of leasing is interwoven with the shift toward the owner-operator model.

SUMMARY OF RECOMMENDATIONS

The following section summarizes the most significant recommendations, and relates to changes to the existing licensing structure, development of new licences to address existing gaps and facilitate future improvements, and a summary of the efforts to enable a more accessible taxicab service in the city.

Amendments to Existing Licenses

There are aspects of the existing licence types that ought to be modified to address specific needs/issues. The following sections outline the current conditions of the licence, some interim and long term modifications being recommended to each licence type to address specific issues, and the role of each in the future of taxicab service.

Recommendations - Accessible Licence

The Accessible Licence was developed in 2000, in answer to a need to service the Wheel-Trans contract through outsourced service providers. This licence requires the owner to operate, but further permits additional drivers. The issuance of the licence included a condition that proof of a service contract is provided, meaning that an individual could not receive an Accessible Licence solely for the purpose of providing metered on-demand wheelchair accessible taxicab service. Further, the licence class does not permit the use of the licence for picking up fares as other taxicabs can.

The operating model of the accessible licence is the one most closely aligned to the new taxicab licence that is being proposed. The fundamental difference between the existing and the proposed licence is to permit them to operate as "dual purpose" taxicabs. This will provide them with operating flexibility and enable the economics for provision of the service for the hours beyond those required by their respective contracts.

Permitting the Accessible Licence to be transitioned to the new licence, will enable dual purpose operation, and provide transferability of the licence for those wishing to exit the industry.

Recommendations - Ambassador Licence

The benefits of owner-operator taxicabs have been reviewed and reported on through the course of this Review, and by other municipalities around the world. The 1998 Review created this licence, with the intent of moving the Toronto taxicab industry toward owner-operator principles, while it further addressed changes to the Standard Licence to accomplish the same goal. After being in operation for the past 15 years, we have the benefit of reviewing the successes/challenges of this operating model.

The operating model of the Ambassador Licence espouses the benefit of an owner-operated non-leasable taxicab service. Throughout the course of the Review, a couple of key challenges with the licence rules were identified, and to remedy such, the following interim modifications to the licence are recommended.

Ambassador Licence to be amended to permit an occasional second driver, with whom they may share their 7 x 12 hour shifts. This will aid in addressing complaints of business impacts due to illness, and the current inability to accommodate vacation time. This will provide additional driving opportunities for shift drivers, who may wish to work part-time and directly for an owner.

Ambassador Licence to be amended to define the "full-time" driving equivalent as 156 hours/month. This will permit a flexibility of the monthly operating hours for Ambassador owners, which are currently set at a minimum of 36 hours/week.

Ambassador Licence to be amended to permit the voluntarily transition to the new licence, pursuant to the provision of a wheelchair accessible taxicab. Ambassador Licence holders may continue to operate under the Ambassador Licence rules, as modified, or they may voluntarily transition to the new licence, as

long as they provide a wheelchair accessible taxicab and continue to fulfill the requirements of the new licence.

Ambassador Licence to be amended to permit the transferability of the Ambassador Licence to the new licence, pursuant to the rules of the new Toronto Taxicab Licence, including the provision of a wheelchair accessible taxicab.

This is a more significant change which provides transferability to the Ambassador Licence holder. A more in-depth discussion regarding transferability is provided herein, though in very basic terms it permits industry flexibility and provides opportunities for individuals to enter and exit the industry. The result from the City perspective is the issuance to the transferee of the new Toronto Taxicab Licence, which requires the provision of a wheelchair accessible taxicab for metered on-demand taxicab service.

The permission of transition and transfer would enable the increase of 24/7 operating wheelchair accessible taxicabs, and provide for additional shift rental opportunities for drivers, who would work directly for owners.

Recommendations - Standard Licence

Prior to the creation of Metropolitan Toronto, the 13 individual municipalities issued their own licences. In March, 1956 the Metropolitan Licensing Commission was established, and the responsibility for regulating the taxicab industry was transitioned to them from the previous Board of Police Commissioners of the City of Toronto.

The Standard Licence, as it is now known, is representative of this original taxicab licence. As previously discussed, it has been subject to various changes in its operating permissions, throughout the past five decades. In keeping with the goals of the 1998 Review, changes were made that dealt with the manner in which the licences could be transferred, and limited the number that any one individual could hold.

The interim recommendations, as a component of the review into licensing of Fleet Operators, contained herein are intended to address the industry issues that have persisted, primarily with respect to the leasing and sub-leasing of the Standard Taxicab owner's licence.

Subject to further review, the Standard Licence will require the leasing of the taxicab, in cases of full-time lease agreements, to be only between an owner and lessee, not through an agent.

This will permit the continuation of the current lessee operations that exist, where the lessee may only lease one vehicle, which he or she must operate as prescribed. It eliminates the opportunity of "briefcase agents" adding a non-participant, unnecessary, and costly layer to the industry. It requires that owners are more closely affiliated with the licence that the City has issued to them.

Subject to further review, the Standard Licence will be permitted to lease the taxicab to a licensed Fleet Operator solely for the purpose of shift rental. The role of the fleet operator has been largely unrecognized and as such has not been subject to appropriate regulation. Despite the changes made in 1998 that prohibited multiple leasing, these operations have continued under the guise of "agents". Permitting a fleet operator to commonly manage multiple taxicabs on behalf of Standard Taxicab owners, for shift rental purposes, facilitates the majority of the "shift rental" opportunities for drivers.

ADVANCEMENT TO THE LICENSING STRUCTURE

Throughout the extensive consultative process, there was a recurrent theme for equity and fairness within the varying licence classes, and that there ought to be one taxicab licence for the City.

Though there were a number of dissenting opinions, many felt that the City ought to issue the Standard Licence with its existing attributes to the Ambassador Licence holders. As detailed previously and in this report, the Standard Licence model encourages non-participant operating layers, which ultimately result in additional costs, which are paid by customers via the fare, with no resultant improvement in service and/or driver well-being. The new proposed licence does not permit leasing on a permanent basis, includes an owner-operator driving component, but still provides flexibility for shift rental to drivers.

Create a new taxicab owner's licence – Toronto Taxicab Licence

Given the circumstances, a new licence was developed to capture the best attributes of each existing licence, and which would further the City's goals and fundamental purposes of regulation. Further, this licence enables the increase of 24/7 operating wheelchair accessible taxicabs, and provides for additional shift rental opportunities for drivers, who would work directly for owners.

The attributes of this licence are illustrated below compared to existing owner's licences:

Taxicab Owner's Licences

TAXICAB LICENCE	NUMBER OF LICENCES	24 HOUR OPERATION	OWNER MUST DRIVE	SHIFT RENTAL ALLOWED	LEASING ALLOWED	TRANSFERABILITY (ABILITY TO SELL TAXICAB)
Standard	3,451	✓		✓	✓ (Lessee must drive)	✓
Ambassador	1,313		✓			
Accessible	85	✓	✓	✓		
Toronto Taxicab Licence (TTL)	-	✓	✓	✓		✓

Transition existing licence classes to the Toronto Taxicab Licence, over time. As previously indicated, the existing licence classes would be provided the opportunity to transition their current licences at a time of their choosing, and subject to the conditions.

Given that any change in the structure of the industry impacts those currently participating in it, a phased transition is proposed. As has been previously outlined, Accessible and Ambassador Licence holders are being recommended to receive the permission to transfer their licence; with the condition that issuance to the transferee would be that of a Toronto Taxicab Licence.

Issuance of the Toronto Taxicab Licence, upon the transfer of a Standard Licence, to be delayed until January 1, 2019 to facilitate the requisite industry adjustments.

A gradual transition to the Toronto Taxicab Licensing operating model is necessary, in order to permit time for the industry to adjust and realign, as is necessary, to accommodate this new operating model.

Create a new business licence category – Fleet Operator Licence

Fleet operators have a long history within the industry, and fill the role of providing shift rental opportunities to shift drivers. They typically provide the taxicab and equipment, via agent agreements with Standard Licence owners. It is anticipated that they will have a role with the new Toronto Taxicab Licence, as they may be procured by the Toronto Taxicab Licence taxicab owner to secure shift rentals for the remaining service hours not operated by the owner.

Despite previous legislative changes, "fleet operators" and "garages" have continued to fill this need, and continue to conduct the leasing of plates as "agents". Since the licensing of agents was never instituted, this aspect of the industry, which manages more than 2/3 of the Standard Licences, has continued to operate unrecognized and unregulated.

This recommendation attempts to address the significant regulatory gap that exists through the recognition and licensing of these participants.

These fleet operators currently have a role in the current Standard Licence model, though they do so in an unregulated manner, under the guise of "agent". The proposed Fleet Operator licence will recognize the role they have been fulfilling, and permit them to engage in common management of multiple licences for shift rental purposes.

The regulation related to this licence would include such conditions as requiring a place of business, in accordance with land-use control by-laws, and operational requirements, such as maintaining records, maintenance of the vehicle, etc.

The recommended conditions of the Fleet Operator's licence have been outlined, but it is recommended that further consultation with the industry and stakeholders take place before implementation.

Fleet Operators and the Toronto Taxicab Licence

It is important to note that the owner-operator service hours (167 hrs/month) of the Toronto Taxicab Licence, equates to a 23% commitment to the total number of service hours on the taxicab, should the taxicab be made available for 24 hrs/day, 7 days/week service. Even when considering the owner driving commitment, it provides the opportunity for shift rental for 77% of the operational hours of the taxicab.

The licensing of fleet operators, and permitting them to commonly manage multiple taxicabs for shift rental, will permit the ongoing operations of these fleets, while providing time for them to adjust, as necessary, to an operating model that accommodates providing service to owner-operator taxicabs who would be eligible to offer their taxicabs for shift rental beyond their compulsory service hours.

ACCESSIBILITY STRATEGY

The AODA requires the City to have a strategy to achieve equitable metered on-demand taxicab service for those individuals requiring wheelchair accessible vehicles. The current state of this service in Toronto is non-existent, and as a result, the opportunity for flat rate service providers is filling the gap. These operators are neither licensed nor subject to any regulation regarding their fare; as such, individuals using the service are typically paying double or triple what a metered taxicab fare would cost an able-bodied person.

This report proposes a phased approach to achieving the provision of equitable metered on-demand wheelchair accessible service, through both the implementation of preceding licence amendments, and additional recommendations as follows:

Transitioning the current Accessible Licence to the new licence provides that the already accessible taxicab would be authorized to operate in a dual purpose fashion, thereby permitting the service to non-accessible fares, and providing an economic incentive to continued service hours, outside of those currently operated solely on contract.

Enabling both the transitioning and the transferring of the current Ambassador Licence to the new licence provides that in each instance, the new licence issued would be a Toronto Taxicab Licence, and would require that a wheelchair accessible taxicab be put into service.

An incremental issuance of new Toronto Taxicab Licences would be offered to those individuals on the driver's waiting list. The rate of issuance of the new licence from the existing licence holders would be monitored, and where that rate is not deemed to be sufficient to fulfill the needs of the community and the City, and, subject to the rules of the new licence issuance, incremental taxicab licences would be added to the current fleet.

The City will engage with licensed brokers to attain service equivalency for the provision of wheelchair accessible taxicab service. Understanding that the broker is dependent upon the owner of the taxicab, or the lessee/fleet operator, for the type of vehicle provided, it will take time for brokers to reach equivalent service. The City is enabling this responsibility by: (a) mandating all new licence issuance be placed on wheelchair accessible taxicabs, (b) providing existing licence holders the opportunity to transition to the new licence, (c) permitting existing licence holders to exit the industry and facilitate new licence issuance, (d) being prepared to issue new incremental licences, where the previous transitions have been insufficient, and (e) by permitting brokers to enter into agreements with other service providers to meet their requirement.

To advance the longer term vision of 100% accessible taxicab service, a working group will be created. This group would assess the current taxicab vehicle regulations and provide recommendations as to amendments that would enable greater accessibility, including, but not limited to, the potential of a specified/dedicated Toronto taxicab vehicle which meets all accessible and non-accessible service needs.

OTHER KEY RECOMMENDATIONS

In addition to the significant recommendations already discussed, and the report which outlines additional recommendations in detail, there are several recommendations that are intended to further

enhance customer service, driver safety, and industry viability, and which are important to highlight in this summary.

All taxicab drivers will be required to complete a simulated in-car driving course to better equip them with defensive driving skills, both at time of initial licensing and through refresher as deemed appropriate.

Accessibility training will be required for all drivers on wheelchair accessible vehicles, in addition to all new license applicants.

All taxicabs are equipped with a Passenger Information Module (PIM), which is a digital screen that is connected to the meter and is able to communicate the fare, the taxicab number, the driver's picture, the location of the taxicab and other information to the passenger both audibly and on-screen.

All taxicabs be equipped with Point-of-Sale terminals, to further both customer service and driver safety interests, and which includes a review of mandating a maximum surcharge to ensure consumers are protected.

All taxicabs be equipped with Vehicle Information Technology (VIT), which will ensure the City will receive appropriate data to ensure accountability as to: (a) who is operating a taxicab at any given time, and (b) identify the locations for demand (including hail demand) to aid in the forecasting of taxicab demand and future license issuance.

These technology enhancements will increase the availability, accessibility of taxicab service, enhance the protections of both drivers and passengers, and strengthen the City's ability to conduct evidence-based regulation.

Taxicab drivers be permitted to request fares in advance to a maximum of \$25, which enables the driver to mitigate his or her own risk, specifically as it relates to the recurring incidents and escalating safety risk presented by fare jumping.

The City will enable enhanced responses to fare jumping through investigation and partnering with the Toronto Police Service and Crime Stoppers.

SUMMARY AND NEXT STEPS

This report outlines a series of amendments to the industry that will endeavour to address some of the emerging industry issues in the short term, and providing a long-term vision of a more accessible, affordable, viable, safe, and customer service focused taxicab industry.

It will be critically important that the City commit to continued engagement with the industry.

There are recommendations in this report that will require additional participation with the industry, and the engagement of the requisite stakeholders.

There are many issues that have been identified by staff and which were brought forward by the industry, which this Review has not addressed. Through opportunities such as the Taxicab Advisory Committee, development of working groups, and continued liaison with the industry, it is the goal and intention of the Municipal Licensing and Standards division that the necessary engagement and appropriate improvements to the regulations governing the industry will be made over time.

TORONTO'S TAXICAB INDUSTRY

Taxicabs play an important role in the transportation network of the City of Toronto. Taxicabs provide door-to-door service, in a timely, safe and enjoyable manner, 24 hours a day, seven days a week. Residents and tourists alike depend on taxicab service to get them where they need to go.

If you call for a taxicab in Toronto, it will take an average of 9 minutes for the taxicab driver to pick you up – anywhere in the City.

When the taxicab arrives, the driver of the vehicle may have rented that taxicab for a shift, or it may be driven by the vehicle's owner. Both the vehicle and driver are licensed by the City, which ensures a consistent, equitable fare, a minimum vehicle standard and driver training along with appropriate insurance in case of an accident.

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

Toronto's taxicab industry is estimated to account for more than one billion dollars when considering asset values and daily cash flows. There are currently 4,849 licensed taxicabs operating in the City of Toronto and it is estimated that more than 65,000 trips are taken in taxicabs every day. At an average fare of \$25 per trip, it can be estimated that \$1.6 million is generated through fare revenue each day.

Who is driving my taxicab?

Toronto has three (3) types of taxicab 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.

Standard Taxicabs: If the taxicab has a Standard Licence, the driver may be the owner, the lessee or a shift driver. The owner may 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 his or her behalf. The owner or agent may lease the taxicab out full-time. In that case, the lessee must drive the taxicab on a regular basis and may 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 may not be on the road more than 12 hours a day.

Accessible Taxicabs: If the taxicab has an Accessible Licence, it must be operated by the taxicab owner full-time, but may also be driven by 3 additional shift drivers. Accessible Taxicabs must deliver service to people with disabilities exclusively through contracts. This provision in the By-law prevents Accessible Taxicabs from being able to pick people up through dispatched calls or street hails.

INDUSTRY ROLES

The taxicab business is simple in principle, but complicated in practice. 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 Drivers (10,000+)

Toronto's taxicab drivers attend 17 days of training to become licensed. They must learn customer service, safety and accessibility standards along with basic trip geography and major destinations.

Most taxicab drivers in Toronto rent taxicabs by the shift. A shift could be for one day, a weekend or one week. Most taxicab drivers shift rent their taxicab through a taxicab garage or fleet operator, which means that they pick up and drop off the taxicab at the garage.

Shift rental rates are set by the industry and are affected by costs to operate the vehicle and the ability to generate revenue. Current daily shift rental rates are reportedly about \$80 - \$120/day. The shift driver is also responsible for fuel costs and cleaning.

Alternatively, some drivers lease a taxicab from an owner, usually paying for the vehicle, insurance, and maintenance as part of the lease agreement. Drivers who lease must drive the taxicab and may hire up to three additional drivers to operate the taxicab on a shift basis. Current lease rates reported to the City average \$1250/month, but during consultations staff heard that lease rates are upwards of \$1,800/month.

Some taxicab drivers are also taxicab owners, as is the case with Ambassador Taxicabs and owner-operated Standard and Accessible Taxicabs.

Standard Taxicab Licences (3,451)

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. 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 may be leased or sold to a new owner. The Standard Taxicab was grandfathered in 1999 and no new licences are being issued, except upon sale of an existing Standard Taxicab.

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 within 12 months. New licence holders may only own one Standard Taxicab.

Ambassador Taxicab Owners (1,313)

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.

New Ambassador Licences were issued to full-time taxicab drivers whose names were on a waiting list for new taxicab licence issuance, called the Drivers' Waiting List. 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 Municipal Licensing and Standards (ML&S). In the event of the death of the Ambassador Licence holder, the taxicab licence must be returned to ML&S.

Accessible Taxicab Owners (85)

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 taxicab services for people with disabilities.

As a condition of issuance, owners must attend and pass the Accessible Owners Training Course. The owner must drive on a full-time basis (minimum of 36 hours per week) but may 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 allow any other person to manage or operate the Accessible Taxicab; and when the owner is no longer able to operate, the licence must be returned to ML&S.

Agents (437)

A Standard Taxicab Licence owner may designate an individual person licensed as a driver, owner, or taxicab broker as agent for his or her taxicab. Agents are not licensed directly by ML&S.

The agent's responsibility is to manage the operation of the taxicab on behalf of the owner. A person may be the agent for multiple owners. Almost 2/3 of all Standard Taxicabs are managed by designated agents.

The top 6% of agents operate 51% of the Standard Taxicabs that are being managed by agents. That means that 27 agents are managing 1,113 taxicabs in Toronto. During the consultations, there were many complaints about the role that agents play in the industry, particularly 'briefcase' agents.

Lessees (891)

A lessee is a licensed 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. Some leases are between taxicab owners and drivers, while others are between drivers and agents.

The lessee may only lease one taxicab and must drive it on a full-time basis (36 hours). The lessee may hire up to three additional drivers. Through consultations with the industry, staff heard that lessees typically pay for the vehicle, maintenance and insurance – although this is not permitted in the By-law.

Taxicab Brokerages (29)

Taxicab brokerages (or 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 may use various means to dispatch the service requests, including radio, computer, and handheld electronic devices. Brokers must keep records of all service requests, including how many calls were received on a given day.

Brokerages do not own taxicabs but are the main link between drivers and customers. Brokerage branding on the outside of licensed taxicabs is arguably the most identifiable element of a taxicab (second to the roof light). Many people mistakenly think that brokerages own the taxicabs that are branded with their colours, as is the case in other cities where a ‘taxicab company’ owns the taxicabs that are in its fleet.

Taxicab Fleets

This is a term used by many people in the taxicab industry, but there is no agreed-upon definition.

In the By-law, the City defines a ‘fleet’ as any Standard Taxicab owner (individual or corporation) who owns more than one Standard Taxicab.

Since 2003, taxicab fleets have not been permitted; this means that individuals who purchase Standard Taxicabs are only allowed to own one taxicab.

However, 32% of Standard Taxicabs are currently ‘grandfathered’ within a fleet model. The percentage of existing grandfathered taxicab fleets is decreasing because, as corporations dissolve, or people sell their licences, the new purchasers are only allowed to own one taxicab.

The taxicab industry often refers to fleets as the number of taxicabs that are commonly managed by one agent, or the number of taxicabs operating out of one taxicab garage. Agents are authorized to manage more than one Standard Taxicab and through consultations, staff heard that agents, operating as garages, often purchase vehicles in bulk and insure multiple taxicabs at a fleet rate.

Taxicab Garages

Taxicab garages maintain a number of taxicabs and are usually affiliated with a single brokerage, but sometimes work with multiple brokerages. Designated agents who manage multiple Standard Taxicabs are sometimes affiliated with, or work at, the taxicab garage. All taxicab garages must be licensed as a Public Garage. 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. In most of these cases, the garage maintains the vehicles and equipment. In consultations, staff heard that these arrangements are almost always a verbal agreement and very few receipts are issued.

1998 TAXICAB INDUSTRY REVIEW

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

A Task Force was created in response to concerns expressed by the public, taxicab owners and drivers, Toronto Licensing, the Board of Trade and the tourism industry respecting the state of the taxicab industry in Toronto.

Council approved these 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 Taxicab Industry Review identified a number of serious concerns with the taxicab industry and generated fifty (50) recommendations with the goal of reforming the taxicab industry.

The 1998 Taxicab Industry Review acknowledged that at the time, the properties of the Standard Taxicab Owner's Licence allowed for absentee owners, which in turn created a role for non-driving 'middlemen'.

The ability of an owner to earn an income without having to drive his or her taxicab, through leasing and shift rental, was thought to decrease the financial incentive for an owner to purchase and maintain a high quality vehicle.

Concerns were also raised that "deplorable working conditions for many drivers result from the current industry structure", including a low wage environment for drivers, exacerbated by the redistribution of farebox revenues to non-driving agents, lessees and owners. The 1998 Review also linked low driver income to the poor customer service being delivered.

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

1998 KEY RECOMMENDATIONS

Ambassador Taxicab Owner

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

Ambassador Licensed Taxicabs are solely owner-operated. The rationale supporting the creation of the Ambassador Taxicab Owner's Licence was to improve the quality of service and ensure that those who worked in the industry profited from it.

Standard Taxicab Owner

The 1998 Review resulted in changes to the properties of the Standard Taxicab Owner's Licence. These changes were intended to increase the direct knowledge and active participation of owners, and to minimize the negative effects of non-driving participants.

Major Changes to the Standard Licence:

- Lessees must operate taxicabs full-time (2000)
- End of multiple leasing by one individual (2000)
- One owner, one taxicab (2003)
- All people who want to purchase a Standard Taxicab must be a licensed taxicab driver (2003)

Newer Vehicles

The 1998 Review lowered the number of years a vehicle could be on the road. Standard Taxicab vehicles were lowered from 7 years to 5 years.

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.

REGULATING TORONTO'S TAXICABS

The nature of the taxicab industry lends itself to regulation. All around the world, taxicabs are regulated for similar reasons, and most jurisdictions experience similar challenges:

1. When residents or tourists enter a taxicab, they are placing themselves in an enclosed space with a person they have never met who will transport them in a vehicle. The City has an interest in ensuring residents and tourists have access to:
 - a. vehicles that are safe (seatbelts, brakes, heating/cooling)
 - b. drivers who have been screened and trained
2. Limiting the number of taxicabs reduces congestion on City streets (especially downtown where taxis congregate) and promotes industry viability. Research has also shown that an oversupply of taxicabs leads to dangerous driving behaviours and degradation of service including short fare refusals.
3. Regulating the fare means that the City is able to ensure consistent prices that are fair to both the public and the industry.

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) The City may pass by-laws respecting the following matters:

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.
11. Business Licensing.

Part III 86 (1) of COTA provides further authority to license businesses in Toronto, including requiring businesses to be licensed, putting conditions on a business licence and revoking or suspending such licences.

Part III 94 (1) specifically identifies taxicabs within COTA, which gives the City regulatory power to:

- (a) set a standard fare
- (b) provide for the collection of the fares charged for the conveyance, and
- (c) limit the number of licensed taxicabs.

Approach to Regulation

As part of the Taxicab Industry Review, staff have applied a critical lens to the extent to which the City is involved in the regulation of Toronto's taxicabs. It is important as the regulator to take a long-term and arms-length approach to regulation that sets public safety at the forefront and allows for industry innovation and viability.

Although the City regulates the taxicab industry, it does not actually deliver taxicab service. Throughout the Review, staff heard many suggestions that are beyond the scope of the regulator. These include: helping drivers and owners negotiate contracts, protecting brokerages from new technologies, and ensuring that drivers make a living wage.

Taxicabs provide private transportation service that does not fall within the purview of services delivered by the City, such as public transit. The City's interest in regulating the industry must remain within the scope of authority bestowed by the COTA and in accordance with applicable jurisprudence. Going beyond the scope of the City's authority may confuse the role of the City as the regulator, with the City as the service provider.

CURRENT LICENSING STRUCTURE

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

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

Over the course of the Taxicab Industry Review, thousands of comments were received from the industry and stakeholders about the taxicab licensing structure. Some of the strongest opinions expressed were regarding the Ambassador Taxicab Owner's Licence. Other opinions criticized the ineffectiveness of the 1998 reforms in addressing problems within the Standard Taxicab Owner's Licence business models.

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

STANDARD TAXICAB OWNER'S LICENCE

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

The 1998 Taxicab Industry Review acknowledged that at the time, the properties of the Standard Taxicab Owner's Licence allowed for absentee owners which in turn created a role for non-driving 'middlemen'. The ability of an owner to earn an income without having to drive his or her taxicab, through leasing and shift rental, was also thought to decrease the financial incentive for an owner to purchase and maintain a high quality vehicle.

Concerns were also raised that "deplorable working conditions for many drivers results from the current industry structure", including a low wage environment for drivers, exacerbated by the redistribution of farebox revenues to non-driving agents, lessees and owners. The 1998 Review also linked low driver income to the poor customer service being delivered.

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

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

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

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

Since these changes have been implemented, the direct involvement of Standard Taxicab owners in the taxicab industry has increased. Prospective new Standard Taxicab owners must first be licensed as taxicab drivers in order to be able to purchase a Standard Taxicab. Despite this effort to increase direct knowledge and active participation in the taxicab industry on the part of Standard Taxicab owners, the presence of designated agents and the ability to lease a Standard Taxicab allows absentee ownership to continue. In 2012, 75% of Standard Taxicab Owner's Licences were operated by an agent and/or a lessee. The proportion has held steady since 2010.

Concerns Raised through the Industry Consultations:

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

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

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

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

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

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

AMBASSADOR TAXICAB OWNER'S LICENCE

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

Ambassador Taxicabs are solely owner-operated and are not transferrable. The rationale supporting the creation of the Ambassador Taxicab Owner's Licence was to improve the quality of service and ensure that those who worked in the industry profited from it.

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

Concerns raised through consultations

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

Long Hours

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

Lack of an Exit Strategy

Unlike other businesses, including Standard Taxicab owners, Ambassadors cannot sell their business when they want to exit the industry. The Ambassador Taxicab owner may only sell his or her vehicle, which cannot then be used as a taxicab without a licence. Because the capital costs of taxicab vehicles and equipment tend to be amortized over a long period of time, some Ambassadors feel financially compelled to continue working longer than desired.

Many Ambassador Taxicab owners feel that the non-transferability of their licences limits their ability to exit the industry at a time of their own choosing. Without the incentive of the transfer of an owner's licence, an Ambassador Taxicab owner cannot sell his or her taxicab and equipment for sufficient profit to cover spent capital costs.

Long Term Sustainability

The inability for an Ambassador Taxicab to be made available 24 hours per day, may present issues with providing taxicab service at all times of the day. Additional taxicab owner's licences will eventually be needed to meet growth in demand. However, the uneven distribution of demand throughout the day

incentivizes Ambassador Taxicab owners, limited to driving no more than 12 hours per day, to only work during peak hours. This operating response could, in the long-term, create a decrease in passenger service levels during non-peak hours, and an oversupply of taxicabs during peak hours, should the Ambassador Taxicab Owner's Licence continue to be the only type of owner's licence issued by the City. 24 hour operation of a taxicab allows for service at all times of the day.

Inequity

Unfortunately, many Ambassador Taxicab owners expressed that they feel a deep sense of inequity because of the differences in properties between the Ambassador and Standard Taxicab Owner's Licences.

ACCESSIBLE TAXICAB OWNER'S LICENCE

Accessible Licences were first issued as a separate licence class in 2000 and were issued based on Toronto Transit Commission (TTC) Wheel-Trans' demand for wheelchair accessible taxicabs.

Accessible Taxicabs are currently used exclusively for people with disabilities. This exclusivity was mandated to ensure that the taxicabs were available to serve the needs of people with disabilities, but this has in turn limited the ability of Accessible Taxicabs to be available for on-demand service.

Currently, the majority of Accessible Taxicabs in Toronto are used exclusively for TTC Wheel-Trans service. This service is part of the TTC's requirement to provide wheelchair accessible public transit and is not comparable to usual taxicab service. This means that although Toronto has issued Accessible Taxicab Owner's Licences, these taxicabs are not available for dispatch or hail.

Throughout the Taxicab Industry Review, it became evident that there is a significant lack of accessible taxicabs available. Only 3.5 % of Toronto's taxicabs are wheelchair accessible and staff heard numerous accounts throughout the consultations of people unable to access wheelchair accessible taxicab service at a metered rate.

Concerns raised through industry consultations

Historically, there have been a number of barriers to on-demand wheelchair accessible taxicab service, the greatest being an overall shortage in the number of wheelchair accessible taxicabs available for metered on-demand service and lack of industry cohesiveness to address the shortfall. Higher capital and operating costs have been stated as the barrier to increasing the number of wheelchair accessible taxicabs.

Higher capital and operating costs: Wheelchair accessible taxicabs, including licensing fees and taxes, currently cost between \$57,000 - \$66,000 depending on the make and model. Daily expenses for gas are higher because wheelchair accessible taxicabs tend to be heavier than sedans, often with larger engines. Insurance for wheelchair accessible taxicabs may also be higher.

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

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

EFFECTIVENESS OF THE AMBASSADOR TAXICAB OWNER'S LICENCE

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

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

The effectiveness of the Ambassador Licence in achieving these ends has been evaluated by comparing quality of service and participant incomes.

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

QUALITY OF SERVICE

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

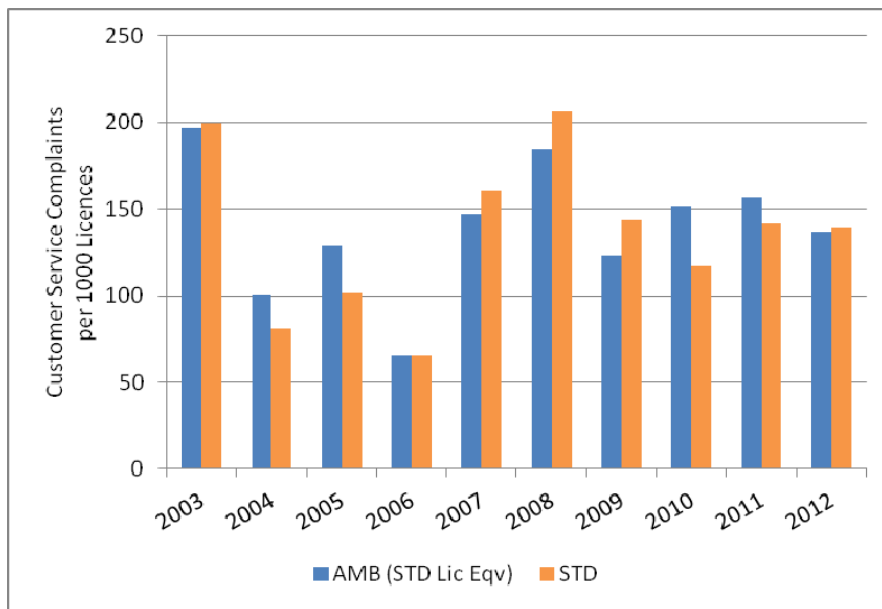
Customer Service: Complaints

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

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

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

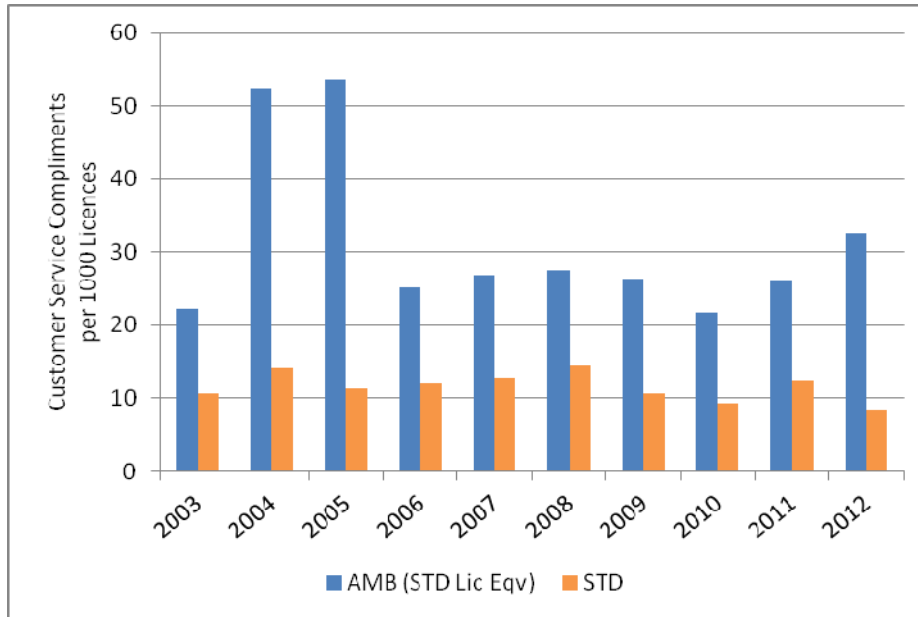
FIGURE 1: Annual number of customer service complaints, by owner's licence type



Customer Service: Compliments

Ambassador Taxicab owners, despite their less frequent contact with passengers, receive nearly three times the formal compliments as Standard Taxicab operators. Since 2003, ML&S has received 708 formal compliments concerning Toronto's taxicabs. Ambassador Licensed Taxicabs, representing approximately 25% of the taxicab fleet from 2003-2012, have received 36% of the formal compliments. On a per 1,000 licence equivalent basis, Ambassador Taxicab owners have received an average of 31 compliments and Standard operators, an average of 11 compliments.

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



VEHICLE CONDITION

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

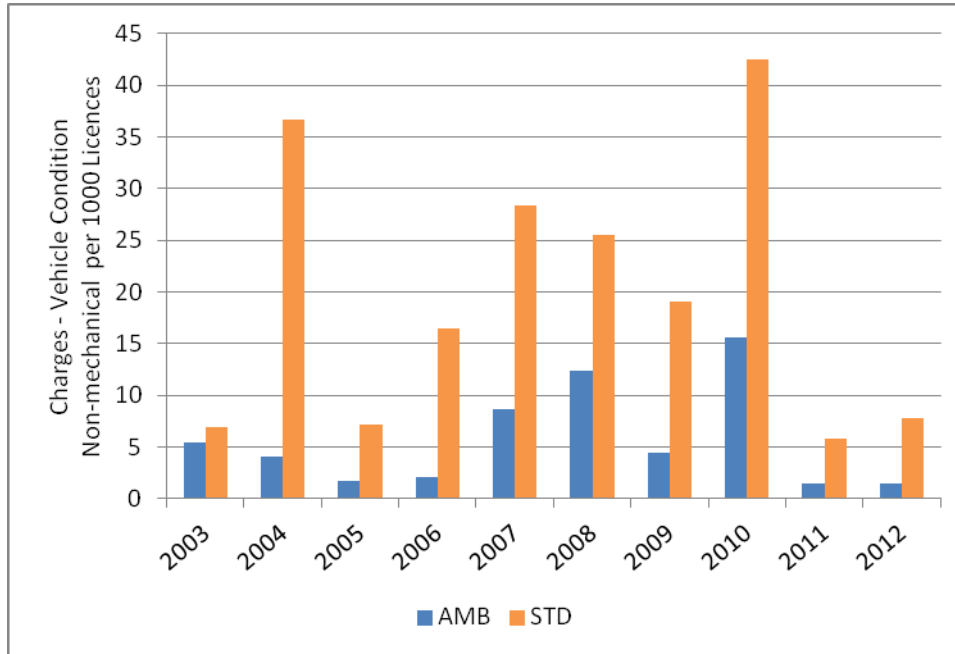
Charges against Ambassador Taxicab owners and Standard Taxicab owners are compared based on the total number of active licences, as owners are responsible for ensuring the quality of vehicle condition, regardless of how many hours per day the vehicle is being operated.

Vehicle Condition: Non-Mechanical

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

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

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

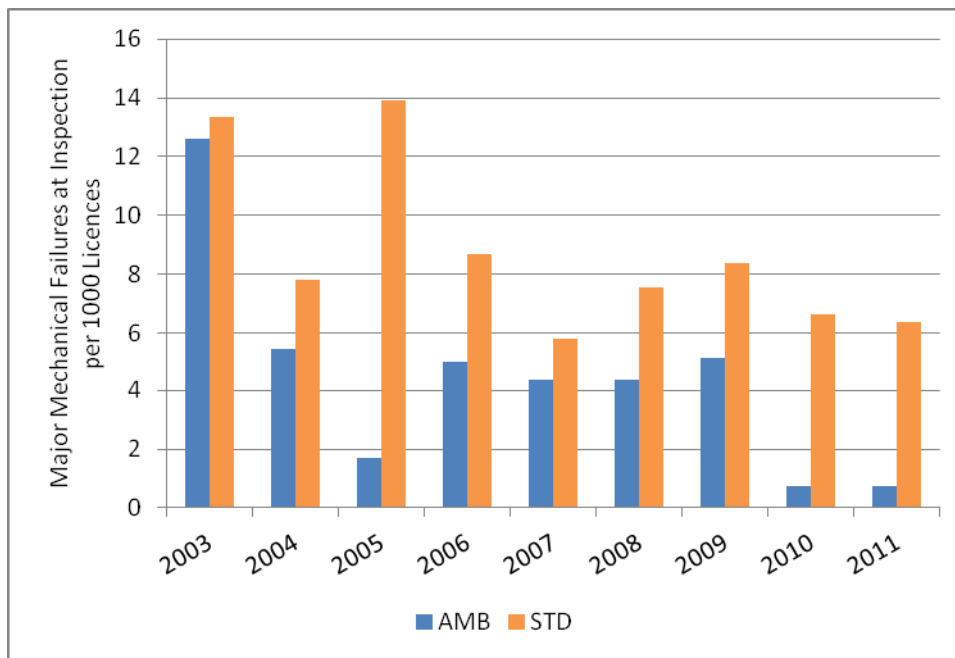


Vehicle Condition: Major Mechanical

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

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

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



OPERATOR PROFITABILITY

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

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

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

Taxi Research Partners (TRP) also collected data from drivers and owners concerning income and expenses. Shift drivers were estimated to earn \$31,159 per year. Ambassador Taxicab owners, who work approximately the same number of hours as a shift driver, were estimated to earn \$39,722 per year. Standard lessees with a second driver had an estimated income of \$40,370. Standard Taxicab owner-operators with second drivers were estimated as having a net annual income of \$60,360.

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

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

CONSIDERED CHANGES TO LICENSING STRUCTURE

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

A wide range of approaches to address the issues arising from the properties of the different types of taxicab owner's licences were considered. Four possible approaches to reform were evaluated in detail by staff and previously presented in the Preliminary Report (September 2012) and Framework (June 2013).

The four approaches considered were:

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

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

1. MAINTAIN THE STATUS QUO

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

2. MODIFY THE AMBASSADOR TAXICAB OWNER'S LICENCE

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

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

The Ambassador Licence would maintain its core owner-operator principle – owners would continue to be required to drive their taxicabs for a minimum number of hours per month. However, the Ambassador Licence would be modified to permit shift rental once the minimum driving hours were met (i.e., the Ambassador Taxicab would be permitted to operate 24 hours/day). The Ambassador Licence would also be made transferable to allow licence holders to exit the industry at a time of their own choosing.

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

3. REVERT AMBASSADOR TAXICAB OWNER'S LICENCES INTO A STANDARD TAXICAB OWNER'S LICENCES

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

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

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

In this example the properties of the existing Ambassador Owner's Licences would be modified to permit owners to rent out their taxicabs for up to 4 shifts per week, after driving for an approximate minimum 3 shifts per week.

4. CREATE A TRANSFERABLE 24 HOUR OWNER-OPERATED LICENCE AND HARMONIZE ALL LICENCES

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

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

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

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

FRAMEWORK

In the Framework, staff recommended Option 4: Create a transferable 24 hour owner-operator licence and harmonize all licences. This new licence is called the Toronto Taxicab Licence (TTL), which is a transferrable, wheelchair accessible licence that must be driven full-time by its owner, but may also be rented to shift drivers to enable 24 hour operation.

Since the release of the Framework there has been significant consultation with the industry on the TTL and the implementation of, and transition to, the new licence. Many stakeholders, especially drivers and Ambassador Taxicab owners, supported the creation of the TTL. These stakeholders expressed support for the owner-operator principles as well as the transferability of licences.

Others, especially fleet garages, brokerages and Standard Taxicab owners, disagreed with the creation of the TTL. These stakeholders thought that the TTL would negatively impact the current operation of fleets that are a significant component of the current operation of the industry.

RECOMMENDED CHANGES TO LICENSING STRUCTURE

Based on research, the evaluation of the impacts of the four options discussed above, and the consultation input, the recommended change to the licensing structure is to create a new licence, and modify the properties of the Ambassador and Accessible licences to harmonize them into the new licence through transfer. This new harmonized licence will be called the Toronto Taxicab Licence.

The Standard Taxicab Licence is recommended to transfer to the new Toronto Taxicab Licence beginning January 1, 2019, through the sale of Standard Taxicabs.

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

RECOMMENDATION 1. Create a new taxicab licence called the Toronto Taxicab Licence, beginning July 1, 2014

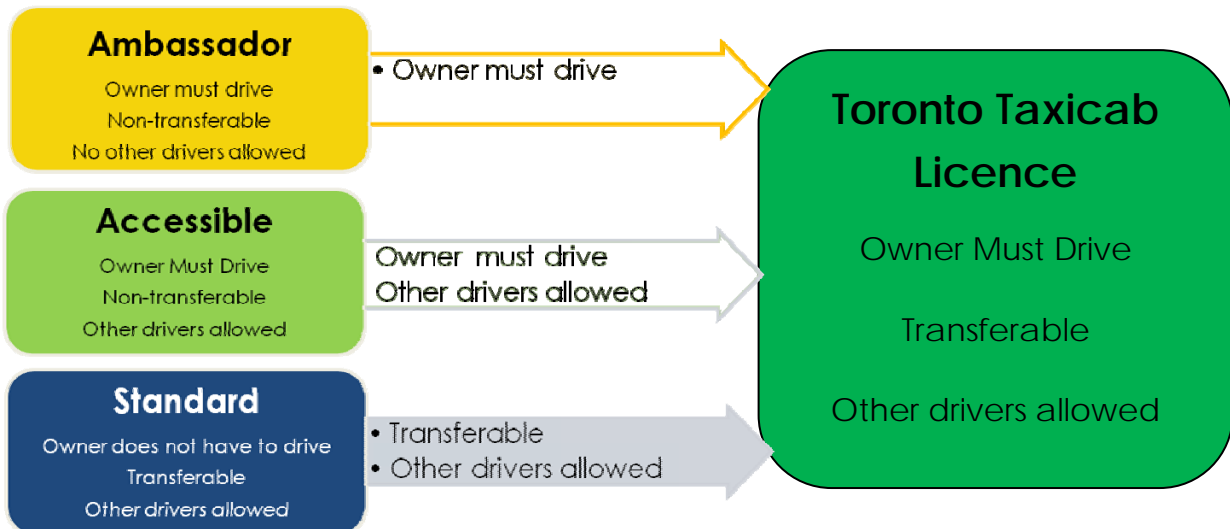
The proposed new owner's licence, referred to as the Toronto Taxicab Licence (TTL) holds many of the positive properties from each of the existing owner's licence types. The proposed properties of the TTL will minimize the creation of operating models that encourage absentee owners, limit the role for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

This licence harmonizes key operating aspects of the existing licences:

- The same owner-operator principles which inspired the creation of the Ambassador Licence form the core properties of the Toronto Taxicab Licence.
- The wheelchair accessible vehicle and 3 additional shift drivers are similar properties of the Accessible Taxicab Owner's Licence.

- The financial security and round-the-clock service provision arising from the ability to rent a taxicab to shift drivers, and the exit strategy and opportunity for new owners to enter the market provided by transferability are properties that have been incorporated from the Standard Licence.

FIGURE 5: Properties of existing licences compared to the Toronto Taxicab Licence



TORONTO TAXICAB LICENCE

The Toronto Taxicab Licence is a transferable licence that must be driven full-time by its owner, but may also be rented out to other drivers for a second shift. This licence requires the operation of a wheelchair accessible vehicle. **It is therefore recommended that, as of July 1, 2014, the Toronto Taxicab Licence be created with the following properties:**

1. A TTL owner may only hold one TTL, and may not hold any other taxicab owner's licence
2. A TTL owner must own, insure, maintain and be responsible for his or her licensed taxicab
3. A TTL owner must drive his or her taxicab for a minimum of 167 hrs within one (1) calendar month (i.e., 14, 12-hour shifts in a month)
4. A TTL owner must be affiliated with a licensed brokerage
5. A TTL owner may, in addition, rent his or her taxicab, on a shift basis only, to a maximum of three (3) licensed drivers who have passed the City of Toronto approved course
6. A TTL owner may sell his or her taxicab and its equipment after two years, and the City of Toronto may issue, at its discretion, the TTL in the name of the qualified purchaser, who must be an individual (no corporations)
7. A TTL owner may be granted a reduction in the minimum driving requirements up to 24 cumulative months
8. Upon death of a TTL owner, the licence may be transferred to the estate for 12 months

TORONTO TAXICAB LICENCE POLICY RATIONALE

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

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

Since 2003, the one owner-one plate regulation has been in place for all Toronto's taxicab owner's licences. While many industry participants have argued, both during this Review and during previous consultations, that they should be permitted to "build a taxicab company", evidence has shown that the move towards owner-operator principles has produced greater opportunities for new owners to enter the taxicab market, more active and direct participation on the part of owners, and better customer service for passengers.

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

2. A TTL owner must own, insure, maintain and be responsible for his or her licensed taxicab vehicle

All existing taxicab owners are responsible for their taxicabs, and they must own, insure and maintain their vehicles. The TTL is consistent with these regulations, by mandating that the taxicab owner maintains responsibility for the taxicab and must also own, insure and maintain the vehicle. These provisions ensure that the taxicab owner is ultimately responsible for the taxicab.

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

The proposed TTL is an owner-operator licence, and as such, owners will be required to operate the taxicab on a full-time basis. The By-law currently does not have a consistent definition of full-time. The by-law currently states that: an Ambassador Taxicab owner must operate his or her taxicab for a minimum of 36 hours during any 7 day period and that a lessee of Standard Taxicab must drive the leased taxicab "full-time" without prescribing a specific number of hours. Therefore, the minimum driving requirements for the TTL were set in keeping with common private and public sector definitions of full-time employment (40 hours per week with 2 weeks' vacation). The minimum is allocated over one (1) calendar month, in order to allow flexibility to accommodate vacation or prolonged periods of illness. The 167 hours within a month translates roughly to 38.5 hours per week, or 2,000 hours per year, an increase from the current Ambassador requirements. The minimum driving requirement of 167 hours per month means that the taxicab owner will operate the vehicle 23% of the time, leaving the taxicab available for shift drivers 77% of the time.

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

4. A TTL owner must be affiliated with a licensed brokerage

Currently the City of Toronto taxicab industry does not provide equitable taxicab service, particularly in support of providing metered on-demand wheelchair accessible vehicles.

The proposed TTL owner will operate a wheelchair accessible vehicle. It is imperative that these new wheelchair accessible vehicles are able to be dispatched to persons requiring a wheelchair accessible taxicab. It is recommended that all TTLs be affiliated with a brokerage until such a time that wheelchair accessible taxicab service is equivalent to non-accessible taxicab service.

One of the interim goals of the City is to ensure that all residents and visitors may attain equitable service, such that someone requiring a wheelchair accessible taxicab for metered on-demand service receives a suitable taxicab in the same amount of time, as someone who does not. This ongoing assessment will be undertaken by working with the industry, and particularly brokerages in the compilation and analysis of call data to determine the length of time in which it takes for an individual calling for a taxicab to receive the service.

Until such time as there is a sufficient supply of wheelchair accessible taxicabs, such that they can be easily procured from the street, such as hailed or at a cabstand, the role of the brokerage in connecting the passenger requiring the service, with the taxicab that can provide the service, will be critical and therefore, the affiliation of the service provider with the dispatch service necessary.

It is important to note that new types of brokerages are available for the TTL owner, including smartphone application based brokerages with which the TTL owner may contract. As well, there is no limit on the number of licensed brokerages, so a group of TTL owners could open their own brokerage to deliver the service.

This recommendation provides the means by which an individual passenger requiring a wheelchair accessible taxicab can call any brokerage of their choosing, and receive equitable service.

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

The proposed TTL will be permitted and encouraged to operate 24 hours per day. In addition, shift rental, or temporary delegation for shift rental, will be permitted, giving TTL owners the opportunity to offset expenses and deliver 24 hour service. Since shift rental places the taxicab in the temporary custody of a person other than the owners, for reasons of safety and regulatory enforcement, the TTL owner is required to keep records of all the drivers who shift rent the taxicab. These records must be made available to ML&S and are subject to audit and inspections. The number of licensed drivers is limited to three, in keeping with the current operational properties of Accessible Taxicabs, and will be conducted subject to the same provisions as specified in TMC Chapter 545-132-N, Leasing of accessible taxicabs.

6. A TTL owner may sell his or her taxicab and its equipment after two years, and the City of Toronto may re-issue, at its discretion, the TTL in the name of the qualified purchaser

The proposed TTL will be a transferable licence. That means that the TTL owner may sell his or her taxicab and its equipment to a qualified purchaser, and the City, at its discretion may re-issue that person a TTL. However, transferability will only be permitted after two years, in order to ensure that a direct and active

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

The TTL is an owner-operated taxicab, and as such, it cannot be leased to another person for its operation. This means that there cannot be absentee ownership of the TTL, as the owner will be required to work full-time. The intention of the TTL property of transferability is to allow owner-operators an exit strategy when they can or no longer wish to drive full-time. Transferability also allows more opportunities for drivers to become owners, because it provides for more an alternative for drivers who are waiting on the Driver's Waiting List for issuance.

If a TTL owner was previously an Ambassador or Accessible taxicab owner who has transferred into the TTL, the two year probationary period is waived, as these owners have already met these driving requirements in their previous licences. This means that an Ambassador or Accessible taxicab owner may transfer to the TTL and sell immediately, if desired.

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

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

- documented illness, infirmity or disability;
- documented caregiver for immediate family member who has a documented illness, infirmity or disability;
- extended vacation

'Owner must drive' principles are the foundation of the Toronto Taxicab Licence, and as such, exemptions from this requirement must be temporary in nature. If the taxicab owner cannot fulfil the minimum driving requirements in the long term, it is expected that the taxicab owner exit the industry by selling his or her taxicab.

ML&S recognizes that business operators may be faced with unplanned and uncontrollable life events that may affect the ability of the taxicab owner to fulfill the mandatory driving hours. The 167 hours is defined as the minimum driving hours in a month, which allows for flexibility within the licence operator rules.

However, it is recognized that some life events may be difficult to accommodate within the flexibility of 167 hours per month. As such, it is recommended that there should be a process to allow a TTL owner to be granted a reduction in the minimum driving requirements for up to 24 cumulative months.

The by-law currently permits the Executive Director of ML&S, or his or her designate, to exempt an owner of an Ambassador Taxicab from the current minimum hours of operation required in 545-148 (N.1), for reasons of illness or vacation, provided that notice of the illness or vacation is provided to ML&S within two weeks of its occurrence. Over the past 14 years, a number of Ambassador Taxicab owners have experienced extended periods of illness, infirmity or disability that have significantly impacted their ability

to meet the current minimum driving requirements of the Ambassador Licence. Others, by reason of advanced age, are not able to meet the minimum driving requirements without jeopardizing their health.

A TTL owner who acquires an owner's licence with the intention of fulfilling the owner-operator requirements should not be unduly penalized for health or other circumstances beyond his or her control. However, the intent is that if the TTL owner cannot fulfil the full-time driving requirements in the long term, that the owner must exit the industry by selling his or her taxicab.

The maximum period for which a TTL owner may be granted a reduction in the minimum driving requirements is 24 cumulative months. A reduction in the minimum driving requirements could range from a few hours per month, through to a complete exemption from the minimum driving requirement.

The Human Rights Code requires the City to consider individuals with disabilities when writing its policies. As the TTL is an owner-operated licence, it is important that the taxicab be operated by the owner. With this in mind, the City has considered the following accommodations as it relates to an exemption to the owner-operated requirements. This is to balance the intent of the owner-operator principles of the TTL with the rights of people who suffer from disabilities that would prevent them from operating their taxicab.

ML&S deems 24 months a reasonable amount of time to be exempted from the owner driving requirements of the TTL. Allowing an exemption for any longer would diminish the intent of the owner-operator principles of the TTL, while providing a shorter timeframe may unduly affect a taxicab owner's ability to make a living.

24 months for reduction in minimum driving requirements provides a timeframe above and beyond other jurisdictions. New York City allows a 6 month exemption, extendable one time for an additional 6 months for a total of 12 months, while other Ontario municipalities allow 'brief' exemptions. The current policy with the Ambassador Licence category allows for an exemption from the minimum driving requirements but does not detail the maximum length of time the driver may be exempted, though ML&S records indicate that most Ambassador Licences are exempted on average for 2-3 months.

Exemption process:

- The TTL owner must submit a notice in writing that details the reason for the exemption, within two weeks of its occurrence.
- This notice must be filed with ML&S.
- The notice must detail the reason for the exemption, the number of hours the taxicab will be exempted from the owner driving requirements and the estimated length of time the taxicab will be operated with reduced or eliminated owner driving hours.
- The TTL owner must then also submit a notice in writing, within two weeks, to ML&S when the owner is able to return to full-time driving requirements. This notice must detail the start date of the full-time driving status.

The intention of this exemption is that for the first 24 months, a TTL owner will submit a notice in writing for a reduction, or elimination of minimum driving hours for one of the three reasons listed above. Any reduction in the minimum driving hours will be considered the equivalent of one (1) month reduction. After the 24 months, if the taxicab owner is unable to drive full-time, he or she will be required to sell his

or her taxicab. If the TTL owner does not want to sell his or her taxicab at that time, he or she may surrender the licence to ML&S for safekeeping.

Safekeeping of TTL after 24 months of exemption has expired:

- If after the 24 cumulative months of reduced driving requirements, the taxicab owner does not want to sell his or her taxicab, but continues to be unable to meet the minimum driving requirements due to illness, infirmity, disability, caregiver status or extended vacation, the TTL may be returned to ML&S for safekeeping.
- TTL would not be able to operate until such time as the taxicab owner resumes driving full-time or sells his or her taxicab to another qualified purchaser.

The TTL must continue to be renewed annually if approved for a reduction in the minimum driving requirements, or if the TTL has been surrendered to ML&S for safekeeping. In the event that the TTL is not renewed, the TTL will be cancelled.

8. Upon death of a TTL owner, the licence may be transferred to the estate for 12 months

Upon receiving notice of the death of the owner of a TTL, ML&S may re-issue the licence for its unexpired term or may issue a new licence in the name of the estate of the said deceased owner pending disposition of the taxicab by the personal representative or representatives of such deceased owner.

The Toronto Taxicab Licence will be subject to the same estate provisions and processes as is applicable to the current Standard Taxicab Owner licence, as specified in TMC Chapter 545 -142 B, Sales and Transfers, Death of an Owner.

As referenced in TMC Chapter 545, section 142B(3): while the Toronto Taxicab Licence is in the name of the estate, his or her personal representative or representatives shall be deemed to be the owner.

During this 12 month period while in the name of the estate, the personal representative or representatives are exempt from the owner minimum driving hours and the taxicab may continue to be operated on a shift basis.

TORONTO TAXICAB LICENCE FEE

The Toronto Taxicab licence will operate in a similar fashion to that of the Standard Taxicab owner licence, and as such, the proposed interim license fee for new issuance and renewal are being modelled in line with the current fees for Standard Taxicabs.

The City will incur incremental cost as it undertakes work on the implementation of the new licence, the continued work arising from recommendations within this report, the development of the applicable training program, administrative modifications to documentation, and anticipated incremental enforcement needs. The additional revenue from the issuance of this licence is intended to account for these costs.

INTERIM CHANGES TO EXISTING LICENCES

Overtime, all taxicabs will be licensed as the TTL. The transition to the TTL will be different for each of the existing taxicab owner's licences and will be phased over a significant amount of time.

There are several interim recommendations for the existing Ambassador, Accessible and Standard Taxicab owners. These recommendations are a response to the issues as detailed during the consultations with the industry and aim to improve the operations of the existing licences until such time as they are transitioned to the TTL. By promoting owner operator principles, economic feasibility and owner flexibility, these changes reflect the principles of taxicab ownership as detailed in the TTL section.

RECOMMENDATION 2. Permit Accessible taxicab owners as of July 1, 2014 to voluntarily surrender their current licences and be issued Toronto Taxicab Licences

Accessible Owner's Licence

The current Accessible Owner's Licence has most of the proposed properties of the TTL. As such, it is recommended that, as of July 1, 2014, all individuals holding an Accessible Taxicab Owner's Licence be transitioned to the Toronto Taxicab Licence through voluntary surrender of the Accessible licence and an issuance of a TTL in the name of the current Accessible Taxicab owner.

The Accessible Taxicab Owner's Licence is already subject to full-time owner driving hours and is permitted to operate 24 hours a day with up to three licensed taxicab drivers. The significant difference between an Accessible Owner's Licence and a TTL is that once the licence has been reissued as a TTL, the taxicab will be permitted to pick up all passengers, not just people with disabilities. This means that currently Accessible Taxicabs will be more readily available to deliver accessible taxicab service on-demand.

In the past, some Accessible Taxicab Licences were issued directly to brokerages specifically to address the needs of the TTC Wheel-Trans contract and are not owner-driven. Accessible Taxicab Owner's Licences issued directly to brokerages are not eligible for a Toronto Taxicab Licence and cannot be sold.

Accessible taxicab owners who would like to surrender their current licence would be subject to the initial fee associated with the Toronto Taxicab Licence and would need to have completed all applicable training and associated requirements.

RECOMMENDATION 3. Modify Ambassador Licence provisions to permit a second driver and minimum driving requirement of 156 hours per month, as of July 1, 2014

Ambassador licensed taxicabs will continue to be allowed to operate only 12 hours in a 24 hour period. To address some of the issues raised through consultations with the Ambassador Taxicab Owner's Licence, it is recommended that the following properties of the Ambassador Licence be changed, coming into effect as of July 1, 2014.

- Ambassador Taxicab owners be required to drive his or her taxicab full-time, defined as 156 hours within any given month, to permit flexibility in the fulfillment of their minimum hours.
- Ambassador Taxicab owners be permitted to rent their taxicabs on a shift basis to a maximum of one (1) other licensed driver, provided the owner meets their minimum driving hours, and the taxicab does not operate for more than 84 hours/week.

RECOMMENDATION 4. Permit Ambassador Taxicab owners as of July 1, 2014 to voluntarily surrender their current licences and be issued Toronto Taxicab Licences

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

Ambassador taxicab owners who would like to surrender their current licence would be subject to the initial fee associated with the Toronto Taxicab Licence and would need to have completed all applicable training and associated requirements.

RECOMMENDATION 5. Permit Ambassador Taxicab owners as of July 1, 2014 to sell their current Ambassador Taxicab, where a Toronto Taxicab Licence may be issued to the purchaser

The proposed transition of current Ambassador Taxicab Owner's Licences to the TTL is through transfer or voluntary exchange until such time as all Ambassador Licences have been re-issued as TTL.

As of July 1, 2014, Ambassador Taxicab owners will be permitted to sell their taxicabs and equipment to a qualified purchaser who has completed the Toronto Taxicab Owner's training course and who will be issued a TTL.

DEATH OF AN ACCESSIBLE OR AMBASSADOR TAXICAB OWNER

Where the Accessible or Ambassador Taxicab owner has not exercised their right to transition or transfer their licence to the Toronto Taxicab licence prior to their death, the Accessible or Ambassador Taxicab owner will be subject to the same estate provisions and processes as is applicable to the current Standard Taxicab Owner licence, as specified in TMC Chapter 545 -142 B, Sales and Transfers, Death of an Owner.

Referencing TMC Chapter 545, section 142B(3): the Accessible or Ambassador licence is in the name of the estate, his or her personal representative or representatives shall be deemed to be the owner. In the event that the personal representative or representatives are licensed taxicab drivers, they may act to fulfill the minimum driving requirements of the Accessible or Ambassador Taxicab owner.

Referencing TMC Chapter 545 section 142B(6): the Accessible or Ambassador licence held in the name of the estate will indicate that upon the sale, transfer or other disposition of an Ambassador or Accessible taxicab by the estate, the licence issued will be that of a Toronto Taxicab Licence.

RECOMMENDATION 6. Transition the Standard Taxicab, through transfer, to the Toronto Taxicab Licence starting January 1, 2019

During consultations on the Framework, many stakeholders raised concerns that the TTL would create issues for the current operations of the industry. The Standard Taxicab plays a significant role in the industry, as 2/3 of all Toronto taxicabs are currently Standard Taxicabs. The majority of Standard Taxicabs operate through an agent who is commonly managing multiple taxicabs through a garage – this type of

management is often referred to as a ‘fleet’. It was expressed through consultations that the owner-operator principles of the TTL would negatively impact the common management of taxicabs and inadvertently end taxicab fleets.

The intent of the TTL is to promote owner-operator principles that have been proven to provide better customer service and better maintained vehicles. The owner-operator principles of the TTL also ensure that taxicab owners are directly invested and active participants in the industry. It is intended that the TTL may be managed as part of a fleet when the owner has completed his or her driving requirements, although many stakeholders thought this may not be feasible with the owner-must-drive provisions.

In order for the industry to adjust its operational model to the proposed TTL, it is recommended that the Standard Taxicab be transitioned to the TTL starting January 1, 2019. This allows for 5 years of operation of the TTL within the current Standard Taxicab operating structure and then a measured implementation of the Standard Taxicab to the TTL. This transition will be through sale of the taxicab, which means that no existing Standard Taxicab owners will be required to change the operation of their taxicab. Upon sale of the Standard Taxicab, starting January 1, 2019, the purchaser will be re-issued a Toronto Taxicab Licence.

Figure 6: Summary of Recommended Changes to Current Taxicab Owner’s Licences

Taxicab Licence	Current Licence Properties	Recommended Change	Reason for Change
Ambassador Taxicab Owner	Owner is the only person permitted to drive.	Allow second driver to operate, provided they meet their minimum driving hours, and the taxicab does not exceed 84 operating hours / week.	Allows Ambassador Taxicab owners operational flexibility, and to cover costs, such as while on vacation or ill.
	Flexible hours by the week.	Provide flexibility in minimum driving hours by allowing the hours to be completed over 1 month (156 hours per month).	Provides flexibility for the Owner to meet their minimum driving hours.
	No transferability.	Allow for transferability (issue a Toronto Taxicab Licence to new purchaser, subject to qualification).	Allows for exit strategy for Ambassador Taxicab owners that covers spent costs and provides options for drivers who want to become owners.

	No ability to exchange licence.	<p>Permit Ambassador Taxicab owners to exchange current licence for new Toronto Taxicab Licence:</p> <ul style="list-style-type: none"> • Must complete 5 day accessible taxicab training. • Must fulfill all provisions of Toronto Taxicab Licence, including a wheelchair accessible taxicab. 	Aids City objective to increase the number of wheelchair accessible taxicabs available for on-demand metered service.
Accessible Taxicab Owners	<p>No transferability of licence.</p> <p>No ability to exchange licence.</p>	<p>Allow for transferability (issue a TTL to new purchaser, subject to qualification).</p> <p>Permit Accessible Taxicab owners to exchange current licence for new Toronto Taxicab Licence:</p> <ul style="list-style-type: none"> • Must complete 1 day Accessible Refresher training. • Must fulfill all provisions of Toronto Taxicab Licence. 	<p>Allows for exit strategy for Accessible Taxicab owners that covers spent costs and provides options for drivers who want to become owners.</p> <p>Meets City's objectives to increase the number of wheelchair accessible taxicabs available for on-demand metered service by enabling dual-purpose operation.</p>
Standard Taxicab Owner	<p>Designated agents may manage multiple Standard Taxicabs on behalf of the owner.</p> <p>Standard Taxicabs are able to be leased, either directly from the owner, or from a designated agent. Lessees must drive the taxicab full-time and cannot lease more than one taxicab.</p>	<p>Standard Taxicabs may only be either:</p> <ul style="list-style-type: none"> • Managed by a licensed 'fleet operator'; or • Leased directly to a driver who must drive. • Managed and/or operated directly by the Standard Taxicab owner. 	<p>Cuts out the 'middle man' by reducing the number of operating layers. No longer able to have: Owner – Agent – Lessee – Driver arrangement.</p> <p>Reducing number of operating layers is a more economically efficient operating model – better for drivers and fare rates.</p>

	Standard Taxicabs are currently transferrable.	After January 1, 2019 all Standard Taxicabs sold, will be re-issued as a TTL, with all provisions (subject to qualification)	Meets City's objectives of owner-operated taxicabs and increases the number of wheelchair accessible taxicabs available for on-demand metered service
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RECOMMENDATION 7. Eliminate the role of designated agents and create a new licence category called "Fleet Operator" in its place, beginning June 1, 2015

In response to many of the issues heard through the consultations, and to reflect the operations of the industry, a new licence category is recommended – Fleet Operator. The new licence category regulates the role that some designated agents play in the industry today, namely, that designated agents are commonly managing multiple taxicabs, on behalf of taxicab owners. This management role allows for centralized operations that drivers utilize to rent taxicabs on a shift basis. Currently, 50% of Standard Taxicabs operate in this manner.

It is recommended that the new licence category of Fleet Operator, described below, be subject to additional consultation with the industry before its implementation in June 2015.

Background

The 1998 Taxicab Industry Review acknowledged that the properties of the Standard Taxicab Owner's Licence allowed for absentee owners, which in turn created a role for non-driving 'middlemen'.

The 1998 Review described "deplorable working conditions" and a low wage environment for drivers, exacerbated by the redistribution of farebox revenues to non-driving agents, lessees and owners. These issues were linked to poor customer service.

The ability of an owner to earn an income without having to drive his or her taxicab, through leasing and shift rental, was also thought to decrease the financial incentive for an owner to purchase and maintain a high quality vehicle.

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

A number of changes have since been implemented to improve the industry structure and resolve issues related to the operation of Standard Taxicabs. The intent of many of these changes was to minimize the negative effects of non-active participants.

End of multiple leasing

In 2000, lessees were mandated to operate their taxicabs full-time. This change ended the ability for a single individual to be party to multiple leases. The intention of this change was to distinguish clearly between the roles of a designated agent and a lessee, with the lessee being considered a taxicab operator, and the designated agent taking on the role of taxicab manager.

Agents and leasing remain significant issues within the industry

Although the 1998 Review sought to clarify the roles between agents and lessees by ending multiple leasing, staff heard through the recent consultations that many of the issues addressed in the 1998 Review persist today. Four operating levels are common: owner, agent, lessee and driver. Many drivers also revealed that often there are several other sub-leases occurring beyond these four operating levels.

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

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

Current roles of designated agents

Designated agents currently operate in two capacities. On the one hand, some designated agents commonly manage multiple Standard Taxicabs by organizing shift rentals on behalf of Standard Taxicab owners who do not wish to drive or manage their taxicab any longer. On the other hand, some designated agents only broker agreements between Standard Taxicab owners and lessees.

During consultations, both drivers and agents said that agents who commonly manage multiple taxicabs for the purposes of arranging shift rentals add value to the industry, but that agents who only broker deals between Standard Taxicab owners and lessees do not. The latter types of agents were referred to as 'briefcase agents'.

Many designated agents who manage multiple taxicabs requested to be licensed by Municipal Licensing & Standards. These agents said they wanted to be licensed in order to bring legitimacy to their work and also to be distinguished as stakeholders who are invested in, and add value to, the industry, compared to those agents who only broker agreements between Standard Taxicab owners and lessees.

FLEET OPERATOR LICENCE

When designated agents have agreements to manage more than one Standard Taxicab, the City will consider this role to be that of 'fleet operator'. When a fleet operator manages multiple taxicabs, there is a public benefit from recognizing and regulating how the taxicabs are being managed.

The intent of the new Fleet Operator category is to establish a business licence that would recognize and regulate the common management of taxicabs for the purposes of arranging shift rentals, and to provide oversight to ensure that these fleet operators are managing the taxicabs responsibly.

The proposed definition of a fleet operator is: a person who acts in respect of more than one owner's taxicab and who is licensed as such, or is required to be licensed as such. An owner may designate a fleet operator by submitting a notice in writing to ML&S, signed by the taxicab owner that designates the licensed Fleet Operator to manage the daily operations of the taxicab.

Anyone who manages more than one taxicab would have to be licensed as a Fleet Operator. The Fleet Operator is licensed to manage the daily operations of the taxicab. This would allow the City to regulate and monitor how the taxicab is managed on a daily basis.

Fleet Operators would be required to:

- rent taxicabs to licensed taxicab drivers on a shift basis only (where the taxicab is returned to the Fleet Operator at the end of the shift);
- maintain a list, for a minimum of one year, of licensed taxicab drivers who are renting taxicabs from the Fleet Operator, and submit to ML&S upon request;
- maintain records, for a minimum of one year, that detail which taxicab (identified by licence number) has been rented by which licensed taxicab driver, and submit to ML&S upon request;
- ensure the taxicab:
 - is maintained and free from mechanical defects;
 - is properly equipped as per the by-law;
 - has a clean exterior and interior;
 - is in good repair as to its exterior and interior;
- provide an itemized receipt to drivers for shift rentals, and maintain records of receipts for a minimum of one year;
- if a taxicab is equipped for electronic payment, fleet operators cannot prevent drivers from obtaining and using their own credit and debit terminal;
- be listed on the Certificate of Insurance that is submitted to the City of Toronto by taxicab owners;
- renew fleet operator licence annually with ML&S;
- provide to ML&S:
 - proof of affiliation, in the form of a lease or other agreement, with a licensed public garage, from which the fleet operator conducts his or her business and where his or her records are stored;

- a notice in writing, signed by the taxicab owner that designates the licensed Fleet Operator to manage the daily operations of the taxicab. The notice should include:
 - the full name of the owner;
 - the number of the licence for the taxicab;
 - the length of time the Fleet Operator has been designated to manage the taxicab;
 - the terms of the agreement, including consideration paid.

Fleet Operators would be subject to inspection and audit of all records as deemed necessary by ML&S.

Fleet Operators would not be permitted to enter into lease agreements with drivers, but a driver would still be able to lease a Standard Taxicab from an owner directly. This means that lease agreements may only be made between the Standard Taxicab owner and a driver – the lessee. Currently in the by-law, multiple leasing is not allowed, and this provision is maintained with the creation of the licence category of Fleet Operator. Standard Taxicab owner's who wish to lease their vehicles directly to an individual are still able to, but that lessee cannot then enter into an agreement with a Fleet Operator. The lessee must drive the Standard Taxicab full-time.

ML&S will be undertaking further consultation with industry stakeholders and report back with appropriate by-law amendments and regulatory regime by June 1, 2015

ACCESSIBLE TAXICAB STRATEGY

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

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

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

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

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

Legislated on-demand Accessible Taxicab service

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

Under AODA legislation, the City is required to:

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

The City of Toronto needs to increase its availability of wheelchair accessible taxicabs to both serve the needs of residents and visitors and to meet its obligations under AODA.

In consultation with the City of Toronto Disability Issues Committee, taxicab industry, other stakeholders and other jurisdictions, staff have outlined the following Taxicab Accessibility Strategy.

ACCESSIBLE TAXICAB STRATEGY

In the Framework, staff recommended a long term goal of 100% wheelchair accessible taxicab service in Toronto. After several consultations with stakeholders, the industry and vehicle manufacturers, it was decided that a multi-faceted approach be recommended to achieve accessible taxicab service in Toronto.

RECOMMENDATION 8. Adopt the Accessible Taxicab Strategy that will increase taxicab accessibility

The accessibility taxicab strategy takes into account significant concerns raised by the industry with regard to upfront capital costs and emerging market innovations of purpose built accessible vehicles and balances these concerns with the needs of residents. By proposing a multi-faceted and phased implementation of accessible taxicab service, the accessible strategy strikes a balance between accessible goals and industry viability. The accessible taxicab strategy proposes 4 concurrent recommendations to achieve accessible taxicab service:

1. All new taxicab licences issued will require a wheelchair accessible vehicle
2. Ensure 6% of Toronto taxicabs are accessible by 2015
3. Engage brokerages to provide that passengers who require accessible taxicabs can receive service in the same amount of time as passengers who don't require accessible taxicabs
4. Accessible vehicle working group to evaluate the feasibility of mandating accessible vehicles for all of Toronto's taxicabs in the future, regardless of licence type

1. All new taxicab licences issued will require a wheelchair accessible vehicle

As of July 1, 2014, all new taxicab licences issued in Toronto will be wheelchair accessible. This is because the new TTL is a wheelchair accessible licence. This aligns Toronto with Ottawa in its approach to achieving wheelchair accessible taxicab service.

There are currently 1,313 Ambassador Licences that will be transitioned to the TTL as well. This means that over 1/3 of Toronto's taxicab fleet will be wheelchair accessible even without new licence issuance. As the City decides to issue new taxicab licences, this percentage will continue to grow.

2. Ensure 6% of Toronto taxicabs are accessible by 2015

It is recommended that as an immediate first step, the City aim to have a minimum of 6% of the entire taxicab fleet wheelchair accessible by 2015.

As there is currently no supply of wheelchair accessible taxicabs, it is difficult to estimate the demand for wheelchair accessible taxicabs. Taxi Research Partners (TRP) analyzed other jurisdictions in North America and Europe for the demand for wheelchair accessible taxicabs. TRP was able to estimate from this research that 6% of Toronto's fleet would be the minimum amount of taxicabs required to start meeting accessible taxicab demand.

Using 6% as the minimum number of wheelchair accessible taxicabs needed in order to begin to implement the City's long term goal of a 100% wheelchair accessible fleet means that the City requires a

total of 290 wheelchair accessible taxicabs. As Toronto is hosting the Pan/Parapan Am Games in 2015, it is recommended that 2015 be used as the timeframe for achieving 6% of the fleet to be wheelchair accessible.

In order to achieve a 6% minimum by 2015, the City may need to consider issuing new Toronto Taxicab Licences to the Drivers' Waiting List, in the event that the processes of transfer and voluntary exchange do not result in the issuance of 290 TTLs, not including any taxicabs providing contracted wheelchair accessible service.

The determination as to the number of incremental licences issued will be based on the ongoing evaluation of the total number of TTLs issued through transfer and/or voluntary exchange.

3. Engage with brokerages to provide that passengers who require accessible taxicabs can receive service in the same amount of time as passengers who do not require accessible taxicabs, by January 1, 2019

Taxicab brokerages are licensed to dispatch taxicab drivers to passengers requesting a ride. In Toronto, taxicab owners pay brokerages to provide this dispatch service; brokerages do not own any taxicabs. The City licences brokerages so that customers are assured a licensed taxicab and licensed driver will come to pick them up.

Currently, this on-demand service is only available for non-accessible taxicabs, and not for passengers requiring accessible service. It is recommended that brokerages engage with the City to develop a plan for the delivery of dispatched on-demand metered accessible taxicab service.

For instance, in Toronto, the average wait time for a non-accessible taxicab is 9 minutes. This recommendation means that brokers would be responsible for ensuring that a metered and licensed accessible taxicab could, on average, be dispatched in the same amount of time. The City will continue engagement with the industry, including brokerages, in working toward the attainment of this goal by 2019. The review of brokerage data to monitor passenger service levels will provide the ongoing guidance as to the incremental need for additional wheelchair accessible taxicabs.

This will mean that brokerages will have to work with taxicab owners and fleet operators that are affiliated with their brokerage, to encourage a percentage of the owners to provide a wheelchair accessible taxicab

This can be achieved by working with the new Toronto Taxicab Licence taxicab owners, current Accessible owners when not on dedicated contract work, as well as partnering with Fleet Operators. Brokerages can also partner amongst themselves to ensure accessible taxicab service is delivered. During consultations, some brokerages indicated that they would like to become a dedicated brokerage for accessible taxicab service. This recommendation allows other brokerages to partner with dedicated accessible brokerages to ensure dispatched wheelchair accessible taxicabs are able to serve passengers as quickly as possible.

New data requirements will monitor how long passengers requiring wheelchair accessible taxicabs wait for accessible taxicabs in comparison to non-accessible taxicabs. This data will allow ML&S to monitor how well brokerages are delivering the service, and respond accordingly to support the service delivery, including, but not limited to, the issuance of new licences, as required.

There are currently no wheelchair accessible taxicabs available in Toronto for metered on-demand service, and as such, the City will continue to engage with brokerages and continue to monitor the service levels. It is anticipated that there will be enough accessible taxicabs over time, through the Ambassador Taxicabs transferring to the TTL and through new issuance of the TTL to support this goal. In light of this, the City will be engaging with **brokerages to meet service equivalency by January 1, 2019**. This allows for the new Toronto Taxicab Licences to become available and is also the length of time it takes for most taxicab vehicles to be replaced – in the case of voluntary transfer to/procurement of a wheelchair accessible vehicle.

4. Accessible vehicle working group to evaluate the feasibility of mandating accessible vehicles for all of Toronto's taxicabs in the future, regardless of licence type

During the consultations over the summer and fall of 2013, it became apparent that currently there are limited options available for purchasing wheelchair accessible vehicles. Most wheelchair accessible vehicles in Toronto are converted Dodge Caravans. That means that the Dodge Caravan has been converted by a third party conversion company, which changes the vehicle so that it complies with federal accessibility regulations and standards. This process costs between \$11,000 and \$22,000, and has been reported that it may reduce the life of the vehicle. It was also found that there is currently only one purpose-built accessible vehicle available in Toronto today, however, other purpose built accessible taxicabs are being developed, and it is anticipated that they will be available within the next year or two.

In the interest of achieving the long term goal that 100% of the Toronto Taxicab fleet is accessible, including wheelchair accessible, and in light of the emerging market for new purpose built vehicles, it is recommended that an accessible vehicle working group be formed. The scope of work for this group will be to assess the vehicle regulations, and study the feasibility of mandating that all vehicles adopt the concept of inclusive design, for all of Toronto's taxicabs in the future. These vehicle regulations should consider accessibility in its broadest sense, also including consideration of wheelchair accessibility and other mobility or assistive devices, as the minimum.

The working group will be comprised of taxicab industry stakeholders, passengers and accessibility stakeholders. The working group should report back in 2015 on its findings and recommendations for mandating inclusive regulations for accessible vehicles for all taxicabs. These recommendations will inform a staff report to the Licensing and Standards Committee that would discuss the feasibility of mandating all taxicab vehicles be accessible, regardless of licence type.

INCREASING OVERALL ACCESSIBILITY – INCLUSIVE DESIGN

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

- improvements to taxicab driver and owner training to increase knowledge of accessible service (explained further in the Training section);
- prohibiting extra charges for any type of mobility device (explained further in the Fares and Charges section); and

- Passenger Information Monitors in all taxicabs that can audibly announce location and fares (explained further in the Technology Enhancements section).

BRaille IN TAXICABS

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

Until other technology, such as the Passenger Information Monitor (PIM), is in place to communicate critical information such as the taxicab licence number and driver's name to persons with visual impairments, it is recommended that Braille be used as an interim solution. The Canadian National Institute for the Blind was consulted on this recommendation, and concurred with its deployment.

RECOMMENDATION 9. Review flat rate accessible transportation providers and report back to the Licensing and Standards Committee

Current flat rate accessible vehicles

Outside the scope of this Review, but still important to the delivery of accessible transportation, is the role of currently unlicensed accessible vehicles that provide flat rate, pre-arranged service.

These flat rate accessible vehicles are not licensed by the City, are charging flat fares and have been filling in for the service gaps in Toronto's wheelchair accessible taxicab service. These operators are providing on-demand transportation to people with disabilities at a flat rate which is usually higher than the meter rate. These accessible vehicles are similar to Accessible Taxicabs, but are different because they can be larger in size and charge a flat fee. These vehicles are currently unregulated, and as a result, there are no set standards for service, training and rates.

Although these types of accessible vehicles are not within the scope of the current Review because they are not operating as taxicabs, but instead operate with a flat rate and prearranged service, it is recommended that ML&S further explore the potential impact that their operations have on people with disabilities, and whether or not there is a need to regulate them municipally.

VEHICLE REGULATIONS

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

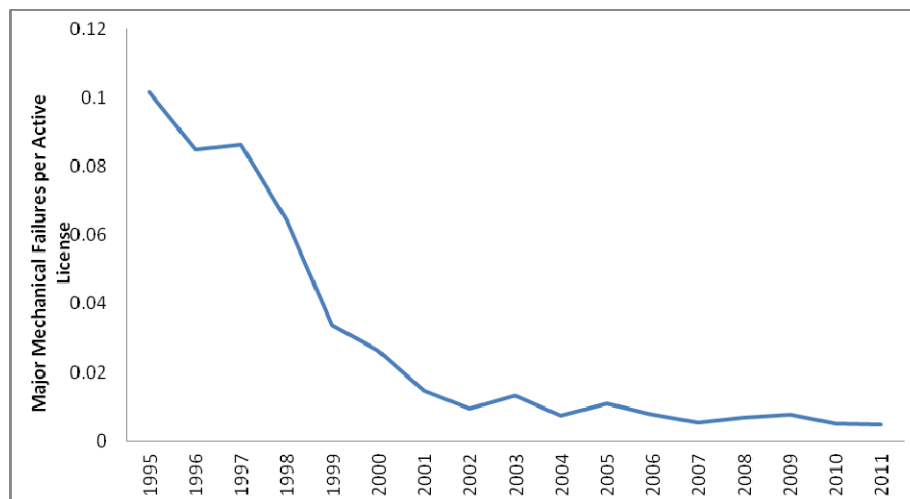
VEHICLE AGE RESTRICTIONS

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

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

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

FIGURE 7: Major Mechanical Failures (1995 – 2011), all taxicabs



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

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

RECOMMENDATION 10. Allow all approved alternative fuel and hybrid vehicles an extension from five (5) to seven (7) model years

ALTERNATIVE FUEL TAXICABS

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

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

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

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

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

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

As of January 2013, 10% of licensed taxicabs in Toronto are alternative fuel vehicles.

As directed by Licensing and Standards Committee on June 27, 2013, staff consulted with the Medical Officer of Health and the Toronto Atmospheric Fund (TAF) to review the potential environmental, health and job creation benefits of adopting alternative fuel vehicles. The Environment and Energy Office also reviewed potential vehicles that could be utilized as alternative fuel taxicabs.

The Medical Officer of Health recommended that the City take steps to encourage taxicab owners to purchase alternative fuel vehicles in an effort to decrease emissions.

TAF recommended that all taxicabs be transitioned to alternative fuel vehicles, with the exception of wheelchair accessible taxicabs, until such time that an alternative fuel wheelchair accessible vehicle is available. TAF estimates that if all taxicabs were alternative fuel that: \$18.8 M would be saved annually in fuel, annual greenhouse gas emissions would be reduced by 30,000 tonnes CO₂eq and 138 person years of employment would be stimulated every year by diverting fuel expenses into more productive uses.

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

The City currently allows for a longer age for some alternative fuels (natural gas) and not others (electric and propane gas). It is recommended that the model year extension from 5 to 7 years for natural gas fuelled vehicles be applied to all alternative fuel and hybrid vehicles which meet the City's vehicle specifications.

WHEELCHAIR ACCESSIBLE TAXICABS

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

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

DEDICATED VEHICLE

As part of the Taxicab Industry Review, stakeholders and Council requested an investigation of whether a dedicated vehicle would be of benefit to Toronto's taxicab industry.

City Council specifically requested a report on New York City's experience in commissioning a new dedicated vehicle – the Nissan NV200, aka, the "Taxicab of Tomorrow". In 2014, New York City will join a very small number of jurisdictions, including London, UK, which mandates one vehicle make and model for the majority of its licensed taxicabs.

New York City and the Taxicab of Tomorrow

In 2007, the Ford Motor Company announced it would be discontinuing production of the Crown Victoria, the dominant vehicle model used in New York City as a "Yellow Cab". In response, New York City Mayor Michael Bloomberg set a goal to make NYC's 13,000 taxicabs hybrids by 2012, in a project called the "Taxicab of Tomorrow." However, backlash from the taxicab industry, including a lawsuit, resulted in the cancellation of the hybrid program. Nonetheless, by February 2011, nearly one third of NYC taxicabs were hybrid vehicles.

In 2009, as Ford was winding down production of the Crown Victoria, the New York City Taxicab Licence Commission (NYC TLC) engaged in a project to leverage the size of the taxicab fleet, to replace all licensed taxicabs with a single make and model, purpose-built for use as a taxicab, beginning in 2014.

The NYC TLC convened stakeholder consultations to determine the major requirements of a purpose-built taxicab, and issued an RFP inviting designers and manufacturers to submit proposals. In November of 2010, New York City announced the three finalist manufacturers: Karsan, Ford and Nissan. In May 2011, Nissan was selected as the winner of the "Taxicab of Tomorrow" competition. The 10-year contract between the Nissan North America Company and New York City stipulates that Nissan will be the sole manufacturer for virtually all of New York City's 13,000 taxicabs.

The approved vehicle, the Nissan NV200, is a purpose-built taxicab, based on a small van design. The NV200 features sliding doors to eliminate interference with traffic, pedestrians and cyclists, grab handles to assist passengers entering and exiting the vehicle, airbags around passenger compartment, interior floor lighting and reading lights, a transparent roof, and more luggage room than the Ford Crown Victoria.

However, the NV200 model is not a purpose-built wheelchair accessible vehicle, and was in violation of the Americans with Disabilities Act. In December 2013, four disability rights organizations, the New York City Taxicab and Limousine Commission (TLC) and the Mayor's Office for People with Disabilities (MOPD) announced that they had reached an historic settlement agreement to phase-in wheelchair accessible yellow medallion taxicabs so that fifty percent (50%) will be accessible by 2020.

Dedicated vehicle for Toronto's taxicabs

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

During the consultation phase of the Review, however, nearly every stakeholder group voiced opposition to having a single make or model as the dedicated vehicle for Toronto's taxicabs. Owners and drivers are concerned that a dedicated vehicle would increase their operating costs, as they believe that the lack of market competition for their business would raise taxicab vehicle prices. The hospitality and tourism industry also considered a single dedicated vehicle a low priority.

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

At present, rather than try to meet all passenger needs and policy objectives through a single dedicated vehicle, the City should maintain its current approach to vehicle makes and models which allows taxicab owners to choose their taxicab vehicles within specified guidelines, until the Accessible Vehicle Regulation Working Group makes further recommendations that will be forwarded to the Licensing and Standards Committee (see Accessible Taxicab Strategy).

VEHICLE COLOUR

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

While there is some limited research which suggests that light colours, such as yellow, white or silver, may have lower rates of collisions, there is currently no significant evidence to warrant a mandated colour scheme based on safety considerations.

During the consultations, some taxicab industry participants and tourism industry representatives suggested that a mandatory colour or colour scheme would make licensed taxicabs more visible to residents and visitors, and distinguish Toronto taxicabs from out-of-town taxicabs for enforcement purposes.

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

At this time it is recommended that taxicab owners continue to be permitted to paint their taxicabs any colour they choose.

APPROPRIATE NUMBER OF TAXICABS

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

MEASURING THE APPROPRIATE NUMBER OF TAXICABS

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

Regulating the number of taxicabs

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

Too many taxicabs can cause traffic congestion and nuisance. As well, having too many taxicabs negatively affects driver incomes which can result in risky driving habits to secure fares. Setting a cap on the number of licensed taxicabs allows the City to ensure there are enough taxicabs to deliver service to residents and visitors.

RECOMMENDATION 11. Maintain current number of non-accessible taxicab licences

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

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

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

The objectives of the consultant's work were to:

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

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

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

Toronto Taxicab Licence

The creation of the Toronto Taxicab Licence, and the ability for Ambassador Taxicab owners to transition to the Toronto Taxicab Licence, will result in extra taxicab shifts in Toronto. This is because Ambassador Taxicabs are currently only permitted to operate 12 hours per day and if they are permitted to transition to the TTL and operate 24 hours per day, the effect will be additional taxicabs on the road, even without any new issuance. This will diminish the need to issue new licences to sustain service levels, this impact to demand will be considered when measuring any future need for taxicabs.

It is estimated that 100 Ambassador Taxicabs will transition to the TTL each year after they are permitted to do so. This will increase the total number of taxicabs available in Toronto.

The new TTL also requires a wheelchair accessible vehicle - this is expected to positively impact the demand for taxicabs in Toronto by allowing the new TTL taxicab owners to access a currently underserved market of consumers, namely, people who are currently not able to access taxicab service due to the lack of wheelchair accessible taxicabs. This is sometimes called suppressed demand.

Passenger service level

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

RECOMMENDATION 12. Adopt a 'passenger service level' approach to determining when new licences should be issued, by January 1, 2015

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

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

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

TRP's analysis found that Toronto's taxicab fleet is able to consistently deliver taxicab service at, or within less than 4 minutes of, the average stated desired wait time. TRP concluded that passenger service levels

in Toronto are quite high, indicating that there is currently an appropriate number of taxicabs in the City of Toronto.

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

It is recommended that the City maintain the current number of taxicabs and, as of January 1, 2015, adopt a 'passenger service level approach' to determine when more licences should be issued.

Predicting future demand for taxicab service

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

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

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

TRP's Demand Projection model required an estimate of the total number of taxicab trips taken by residents and visitors, and the identification of the pickup locations of those trips.

RECOMMENDATION 13. Project growth in the number of annual taxicab trips using Taxi Research Partners' Taxicab Demand Model every three (3) years, beginning in 2015

Projected taxicab trip growth over 10 years

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

In order to ensure validity, the Demand Projection model should be updated on a rolling basis, every three years, beginning in 2015, incorporating up-to-date forecasts of factors influencing demand for service in specific pickup location types, and using real taxicab trip data concerning the number of trips serviced each year, and pickup locations.

MEASURING PASSENGER SERVICE LEVELS

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

Recommendations 14 and 15 are to be implemented subject to further consultation and engagement with taxicab brokerages.

RECOMMENDATION 14. Mandate brokerages to keep additional records of the date and time of pick-up for each taxicab trip and submit records to ML&S upon request, subject to further consultation

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

Brokers currently must keep records of every car dispatched on a trip, the date and time of each dispatch and the place of pickup and destination. They must keep these records for a minimum of 12 months. It is recommended that Chapter 545-123 be amended to require every taxicab broker to keep additional record of the date and time of pick-up for each trip. This means that the City will be able to record when a trip is dispatched and when the taxicab arrives to pick up the passenger. This provides the number of minutes the passenger waited for a taxicab, and can be used to measure 'Passenger Service Level'.

It is further recommended that Chapter 545-123 require brokers to deliver the records of trips to ML&S upon request.

RECOMMENDATION 15. Mandate brokerages to keep additional records of the date and time of each wheelchair accessible taxicab dispatch and pick-up, subject to further consultation

Requiring brokerages to record the time a trip is dispatched, along with the time the passenger is picked up, creates a record of passenger service level by measuring how long the passenger waited for the taxicab to arrive. This allows the City to ensure taxicab service levels are meeting the expectations of Toronto residents.

In addition to this, it is necessary that brokerages keep additional records of the date and time of when a passenger requests a wheelchair accessible taxicab dispatch and pick-up. This will allow the City to monitor passenger service levels for people who require wheelchair accessible taxicabs, compared to people who do not require accessible taxicabs.

Accessibility for Ontarians Disability Act mandates that the City of Toronto must have a strategy to meet on-demand accessible taxicab service. The recommended Accessible Taxicab Strategy sets 'service equivalency' between accessible and non-accessible taxicabs as the measure for determining the appropriate number of wheelchair accessible taxicabs to meet demand. This means that a person requiring a wheelchair accessible taxicab should be able to call, and receive, a taxicab in the same amount of time as a person who does not require an accessible taxicab.

These records are critical to understanding the passenger service levels for people who require wheelchair accessible taxicabs, which can be used in determining when new licences should be issued.

Conduct passenger survey understand passenger expectations

It is also important that passenger services levels are in keeping with the expectations of passengers. Therefore, it is recommended that a passenger survey be conducted every three years, beginning in 2015, to ensure that passenger service levels are meeting the expectation of passengers.

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

RECOMMENDATION 16. Engage the Minister of Municipal Affairs and Housing regarding the impact of the Airport Exemption in the City of Toronto Act

Airport Exemption

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

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

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

TAXICAB LICENCE ISSUANCE

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

EVIDENCE-BASED APPROACH TO ISSUING NEW LICENCES

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

- measuring passenger service levels, including service levels for passengers requiring wheelchair accessible taxicabs (described above);
- projecting future demand and its impact on passenger service level; and
- issuing to the Driver's List.

ISSUING WHEELCHAIR ACCESSIBLE TAXICAB LICENCES

During the course of the Review, it became evident that Toronto has a significant lack of wheelchair accessible taxicabs. Although Taxi Research Partners (TRP) determined that there are currently enough taxicabs servicing non-accessible taxicab request, this is not the case for people who require wheelchair accessible taxicab service.

RECOMMENDATION 17. Authorize ML&S, on July 1, 2014, to issue up to 290 new taxicab licences, as required, to advance the Accessible Taxicab Strategy

The Accessible Taxicab Strategy outlines 4 concurrent approaches to achieving equity in taxicab service. One part of this strategy is for the City to ensure that 6% of Toronto's taxicabs are wheelchair accessible for the Pan Am/Para Pan games being hosted in Toronto in 2015.

It is anticipated that the transition of Ambassador Taxicabs to the TTL will achieve this goal without having to issue additional taxicab licences. It is estimated that 100 Ambassador Taxicabs will transition to the TTL per year.

The transition of the Ambassador Taxicab to the TTL is a passive transition, so it is important that ML&S have the authority to ensure that if not enough licences have transitioned to meet the 6% goal, that ML&S on July 1, 2014 may issue up to 290 new taxicab licences that would be able to deliver on-demand and metered wheelchair accessible taxicab service.

The issuance of these licences will be conducted subject to the same issuance and election provisions and processes as was applicable to the Ambassador and Accessible Taxicab licences, and as specified in TMC Chapter 545 –132, Issuance of taxicab owner's licences.

PROJECTING FUTURE DEMAND AND ITS IMPACT ON PASSENGER SERVICE LEVELS

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

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

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

TECHNOLOGY ENHANCEMENTS

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

RECOMMENDATION 18. Create a working group and report back to the Licensing and Standards Committee in respect to technical specifications and the implementation of mandated passenger information monitors, to empower passengers and support accessibility, by January 1, 2016

Passenger Information Monitor

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

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

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

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

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

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

In order to facilitate the implementation of this recommendation, the City should create a working group to establish minimum technical specifications for PIMs, including:

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

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

RECOMMENDATION 19. Create a working group and report back to the Licensing and Standards Committee in respect to technical specifications and the implementation of mandated vehicle information technology, capable of generating operator logs unique to each vehicle and operator, by January 1, 2016

Vehicle Information Technology

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

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

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

Operator logs

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

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

Drivers, as discussed above, must demonstrate full-time employment as a taxicab driver for at least 3 years, in order to apply to be placed on the Drivers' List.

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

The implementation of this recommendation should be preceded by the development of minimum technical specifications, a privacy impact assessment, and the establishment of approved vendor and product lists. It is recommended that a working group be formed that includes: Municipal Licensing & Standards, City Clerk's Office, Legal Services, Corporate Finance, Information & Technology and Purchasing & Materials Management in the design of the technical specifications and the privacy impact assessment of the vehicle information technology.

RECOMMENDATION 20. Create a working group and report back to the Licensing and Standards Committee in respect to mandating that all taxicabs, be equipped to accept debit and credit card payment using approved electronic payment technology, by January 1, 2016

Electronic payment technology

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

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

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

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

Given the growing use of debit and credit cards, and the need to decrease the risk of taxicab drivers carrying large amounts of cash, it is recommended that the By-law mandate that all licensed taxicabs be

equipped, with an approved electronic payment system to process debit and credit cards. The responsibility for ensuring an electronic payment system resides with the owner of the taxicab.

The City conducted a survey of the industry on the desire to mandate POS terminals in all taxicabs. Fifty-five (55%) of respondents said they believed that terminals that process credit and debit should be mandatory in all taxicabs (73% of brokerages, 41% of owners and 58% of drivers thought POS terminals should be mandatory).

Pre-approved vendors and product lists for consumer protection

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

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

The implementation of this recommendation will be preceded by a working group to review the specifications and implementation including the creation of a list of approved vendors and products.

FARES AND CHARGES

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

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

CURRENT FARE STRUCTURE

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

Initial drop

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

Distance charge

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

Waiting charge

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

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

TORONTO'S FARE COMPARED

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

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

IMPACT OF THE FARE ON DEMAND FOR TAXICAB SERVICE

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

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

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

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

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

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

RECOMMENDATION 21. Maintain current fare rates and review every two (2) years

Short fare refusals

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

Increased costs

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

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

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

RECOMMENDATION 22. Taxicab Advisory Committee to review relevance of flat fees, discounts and maximum processing surcharges

Flat fees, discounts and additional charges

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

Flat fees: Some brokerages negotiate flat fees with charge accounts. Taxicab drivers servicing these flat fee accounts must be paid by brokerages no more or less than what the metered rate would have been. Flat fees are also allowed if the taxicab is going more than five (5) kilometers outside of the City, and are to be negotiated between the driver and the passenger before the start of the trip. Taxicabs driving to the Lester B. Pearson International Airport are also able to charge a flat rate, according to the rates set by the City.

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

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

Regulating surcharges for debit cards

The 2011 staff report "Review of Method of Payment Fees in Taxicabs", examined a number of options to address electronic payment surcharges. The By-law provisions at the time only required customers to pay the amount shown on the meter. However, some owners and brokerages equipping taxicabs with electronic payment system were charging an additional fee (\$0.50 - \$1.50) for the use of electronic payment, despite no-surcharges rules preventing merchants from charging a fee on transactions made with Visa or MasterCard credit cards. Drivers expressed concerns that passengers were not aware of these fees, and would become upset and/or dispute the drivers' right to charge such a fee.

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

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

Chapter 545-150 (Q) requires that any taxicab equipped to accept electronic payment clearly indicate to the passenger upon entering or intending to enter the taxicab, the amount of fee charged for making payment with a debit or credit card. However, Chapter 545 is silent as to the amount of surcharge that may be passed along to passengers. Nonetheless, there is an expectation on the part of passengers that a taxicab ride will cost the same amount, regardless of which taxicab provides the fare, and this expectation includes the surcharges for specific payment options. Recent court decisions have determined that although debit surcharges may be passed along to consumers, credit card surcharges cannot. It is therefore recommended that a maximum processing surcharge amount be set for debit card payments and that this maximum amount be determined in conjunction with the Taxicab Advisory Committee.

RECOMMENDATION 23. Allow drivers to charge a \$25 cleaning fee if a passenger soils the taxicab

Cleaning fee

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

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

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

It is recommended that drivers be allowed to charge a cleaning fee, in circumstances where a passenger has soiled the taxicab to the degree that it requires cleaning before another fare can be picked up. The cost of one fare should be used as the appropriate fee. As it is estimated that the average fare in Toronto is \$25, this fee would accommodate for the loss of one other fare due to cleaning. This fee must be listed on the Tariff card that is displayed in all taxicabs, and must be appropriately reflected on the receipt in the "total fare charged", in accordance with TMC Chapter 545-150-L, Rates and Fares, Receipts.

DRIVER SAFETY

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

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

As well, many drivers spoke of the unfair treatment by owners, brokerages, garages and agents. Many drivers told city staff that they could not express their true opinions during the Review consultations in fear of retribution from taxicab owners, brokerages, garages and agents and requested separated meetings to discuss issues they face.

In consultations, drivers expressed a need for better working conditions, higher wages and benefits. As taxicab drivers are independent contractors in Toronto, it is for taxicab drivers to set the terms of their working agreements. Recent developments in Hamilton, Ontario provide precedence for taxicab drivers to form unions that would allow for them to bargain collectively for shift rates and other benefits if they choose to do so.

Safety measures to protect Toronto taxicab drivers

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

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

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

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

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

RECOMMENDATION 24. Conduct a passenger survey in 2014 to understand the impacts of mandating taxicab shields in Toronto

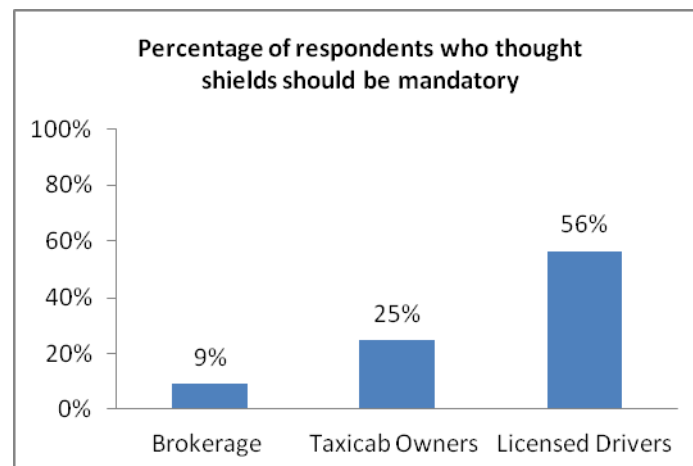
Taxicab shields

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

The opinions of Toronto's taxicab industry participants and passengers are varied when it comes to taxicab shields. Many experienced drivers claim that shields are not necessary and that drivers can and should manage customers using their own judgment and actions. Other drivers argue that a shield is the only physical safety protection measure available to them. In addition to debates over the effectiveness of a taxicab shield in deterring violent crime, drivers express concern over who would be responsible for paying for the installation of a shield and the impact a shield may have on customer service due to the physical barrier taking up space in the vehicle.

In order to gather a more fulsome understanding of industry participants' views on shields and other safety measures, on May 7, 2013 a short, anonymous survey on taxicab driver safety was mailed to every licensed taxicab driver, owner and broker. More than 14,100 surveys and self-addressed stamped envelopes were sent. More than 3,600 completed surveys were returned to ML&S.

FIGURE 8: Percentage of respondents who thought shields should be mandatory



This indicates that many drivers are divided on whether or not shields should be mandatory. It is recommended that staff conduct further research on the impacts of mandating taxicab shields with passengers and report back to Licensing and Standards Committee on the results of passenger input.

RECOMMENDATION 25. Allow taxicab drivers to request payment in advance, when they deem necessary, and review its effects in 2016

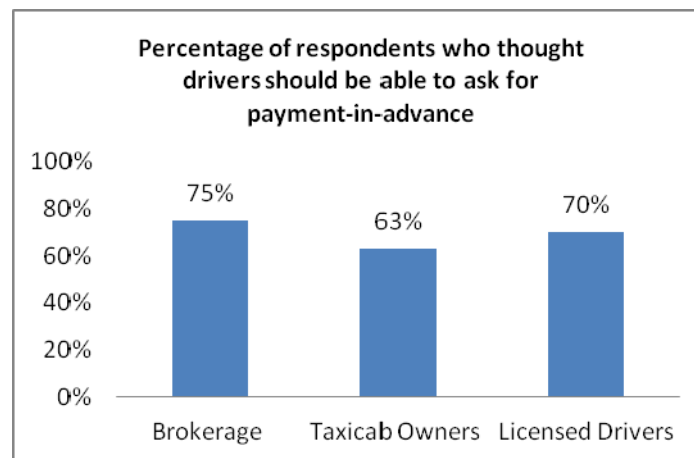
Payment in advance

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

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

As part of the Taxicab Driver Safety Survey, all licensees were asked if drivers should be able to request payment in advance. Overall, 70% of respondents said that taxicab drivers should be able to ask for payment in advance.

FIGURE 9: Percentage of respondents who thought drivers should be able to ask for payment-in-advance



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

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

The City will review the effect and impacts to passengers in 2016.

RECOMMENDATION 26. Improve City's ability to investigate fare jumping

Response to fare jumping incidents

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

Increasing capacity

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

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

RECOMMENDATION 27. Partner with Crime Stoppers to deter and solve taxicab-related crime

Partner with Crime Stoppers

Crime Stoppers is a charitable organization providing the public with the platform to provide anonymous tips to help solve crimes. Crime Stoppers is supported by donations and works by raising public awareness about a crime, such as through online photos and re-enactments. Crime Stoppers also solicits tips from the public to solve crimes. If a person's tips lead to an arrest, the organization pays a reward of up to \$2,000.

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

A partnership with Toronto's Crime Stoppers could involve:

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

CONCERNS OF PASSENGERS AND DRIVERS

PASSENGERS

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

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

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

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

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

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

DRIVERS

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

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

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

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

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

RECOMMENDATION 28. Improve the current Passenger Bill of Rights, by enhancing both passenger and driver rights and replace with the Taxicab Bill of Rights

Taxicab Bill of Rights


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

FIGURE 10: Proposed New Taxicab Bill of Rights

Taxicab Bill of Rights


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

Scan this QR Code to go to our website.




Welcome to your licensed Toronto Taxicab!

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



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



TAXICAB TRAINING

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

City of Toronto taxicab training

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

RECOMMENDATION 29. Create a Toronto Taxicab Licence new owners training and refresher course by July 1, 2014

Toronto Taxicab Licence training

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

RECOMMENDATION 30. Require all taxicab drivers to complete simulated defensive driving training beginning January 1, 2015 as part of new driver and refresher driver training courses

Simulated defensive driving training

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

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

It is recommended that every new driver complete a simulated defensive driving component as part of the City's training requirements, by January 1, 2016. It is further recommended that taxicab drivers also complete a simulated defensive driving component as part of their refresher training.

RECOMMENDATION 31. Enhance accessibility training in all new and refresher taxicab driver and owner training courses by July 1, 2014

Accessibility training

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

The implementation of the Accessible Taxicab Strategy and the issuance of the Toronto Taxicab Licence will increase the number of wheelchair accessible taxicabs. In addition, the City must move towards inclusive taxicab service. It is recommended that enhanced accessibility training be incorporated into all new and refresher taxicab driver and owner training courses, by July 1, 2014. This will ensure that the City has enough drivers and owners who are adequately prepared to deliver the service.

RECOMMENDATION 32. Require all taxicab licensees who operate wheelchair accessible taxicabs to take an accessibility refresher course every four years

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

ML&S will engage with various organizations familiar with accessibility considerations in the development of these courses.

SMARTPHONE APPLICATIONS FOR TAXICABS

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

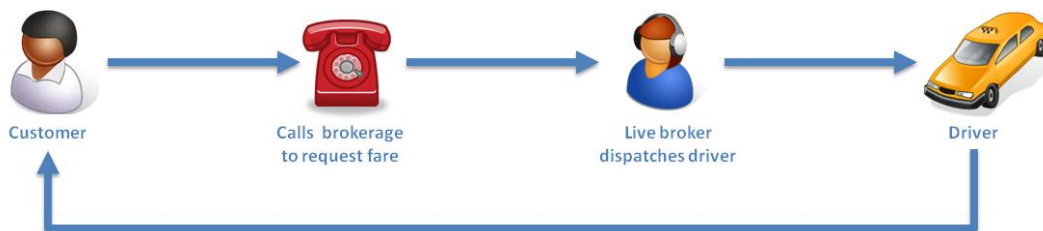
Smartphone applications in Toronto

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

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

FIGURE 11: Traditional Brokerage Model

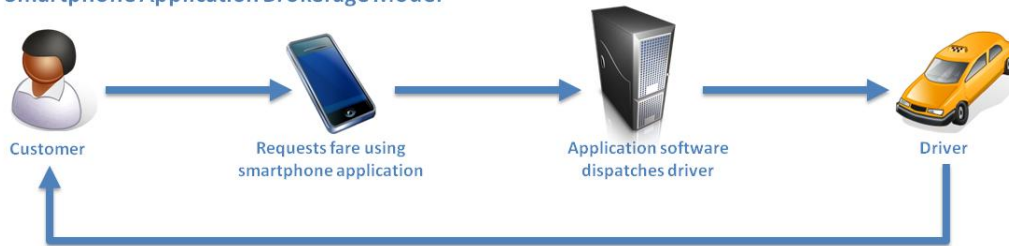
Traditional Brokerage Model



In the second case, application-based brokerages only use smartphone applications to receive requests for service and to dispatch those requests to drivers. In this model, both the passenger and driver use a smartphone application. When a passenger requests a taxicab using the brokerage's smartphone application, the brokerage's software identifies and notifies the nearest available driver of the request, based on the passenger and driver's locations, identified using GPS in both the customer's and driver's smartphones. Drivers, in this case, receive the request via the brokerages dispatch smartphone application, not traditional dispatch technology. Because the passenger does not interact with a live-operator at the brokerage, these applications are often referred to as 'peer-to-peer' applications.

FIGURE 12: Brokerages which only use Applications

Smartphone Application Brokerage Model



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

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

CABSTANDS

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

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

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

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

RECOMMENDATION 33. Evaluate and conduct a pilot project, if feasible, to explore the use of fire hydrants as cabstands in the downtown core as appropriate

Fire hydrants as cabstands: Hydrant-stands

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

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

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

Possible benefits from hydrant-stands include:

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

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

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

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

RECOMMENDATION 34. Evaluate the potential and approve a pilot project, as appropriate, for Hail Spots

Hail Spots

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

Hail Spots would be marked by signs that would notify residents and visitors to Toronto of good places to hail taxicabs. Taxicab drivers in turn, would know that people would congregate at these Hail Spots and would be more likely to cruise by. Hail Spots do not prevent taxicabs from picking up passengers in other locations, but instead identify places for people to hail taxicabs, that can help mitigate traffic congestion.

In December 2013, Hail Spots were recommended as part of the Downtown Transportation Operations Study in the Yonge and Dundas area in an effort to mitigate congestion. Hail Spots are intended to relocate taxicab activities from major arterial roads where lane blockages cause significant delays to collector roads where delays caused are less critical.

Working with Tourism Toronto and other City divisions, it is recommended that a working group be formed to assess Hail Spots and potential locations and that a pilot program be instituted and evaluated.

TAXICAB INSURANCE

Automobile insurance is regulated by the provincial government, and the City of Toronto has no authority to directly control insurance rates. As the regulator of the taxicab industry, the role of the City is to ensure that all taxicabs have proper insurance coverage before they are licensed to operate. This is to ensure, in the event of an accident involving a taxicab, that the driver of the taxicab, its passengers, other drivers and pedestrians are sufficiently covered against any bodily injury, death or property damage that may occur.

In order to obtain a licence from the City, every taxicab owner must first purchase \$2,000,000 worth of comprehensive automobile insurance to cover loss or damage resulting from bodily injury or death and loss or damage to property resulting from an accident involving a taxicab.

At the time of licence application, the taxicab owner must submit a certified copy or certificate of this insurance policy to ML&S. The policy must be endorsed to the effect that ML&S is given at least 10 days' notice in writing of any cancellation, expiration or variation in the amount of the policy. Both the copy of insurance and the certificate submitted to ML&S must include the name of the owner and the lessee, where applicable.

In the event that a taxicab owner is found to operate without the required insurance, or an existing policy is cancelled, ML&S staff have the authority under the By-law to suspend a taxicab owner's licence until such time as the taxicab owner is properly insured.

Access to taxicab insurance

Over the course of the Review, members of the taxicab industry expressed concerns about the high costs of obtaining taxicab insurance. In order to properly understand these concerns, staff held consultations with representatives of the insurance industry.

Staff heard that high premiums currently exist due to a tight taxicab insurance market in Toronto, with few insurance companies writing policies because of the perception that risk is high and insufficiently managed. Insurance industry representatives report that costs in the voluntary market currently range between \$4,000 and \$12,000 per taxicab and that for owners who cannot obtain taxicab insurance through the voluntary market, costs of obtaining insurance range between \$15,000 and \$20,000 per year.

Potential impacts of recommendations

Though the City has no authority to directly reduce rates, insurance industry representatives report that the City's licensing structure and regulatory mechanisms can have an indirect effect on insurance premiums. In developing the Final Report, staff considered how the recommendations could affect the taxicab industry's access to affordable insurance.

Licence structure

Insurance industry representatives report that one mechanism to obtain cheaper insurance through the voluntary market is to qualify for fleet rating by demonstrating that an operator owns or commonly manages five or more taxicabs.

Some members of the insurance industry expressed concerns that the proposed TTL, which requires each taxicab owner to drive for a minimum of 167 hours per month, may impede the ability of designated agents to operate as some currently do, managing five or more taxicabs without owner-operator principles, and accessing cheaper insurance solutions for those vehicles.

Other members of the insurance industry disagreed and pointed out that, currently, there are a number of individually owned and operated taxicabs that have joined cooperatives and other arrangements to commonly manage their risk, such that they are able to qualify for more affordable fleet rating. The proposed TTL could potentially lead to an expansion of existing cooperatives, or the development of other associations of taxicabs under common management, as members of the industry look for the most affordable insurance solutions available.

Accessibility requirements

Representatives of the insurance industry reported that the accessible vehicle requirement of the proposed TTL has the potential to increase the costs of insurance for taxicab owners. Because accessible vehicles are more expensive, the costs of insuring the vehicle, and paying for repairs in the event of an accident, are higher. As well, bodily injury claims for disabled or previously injured individuals involved in accidents are typically higher than claims for those without pre-existing conditions.

Risk mitigation

There was widespread agreement among insurance representatives that risk management is the key to encouraging sustainable and affordable insurance solutions for taxicabs in Toronto. Where it can be demonstrated that risk is being properly managed, more insurers will be compelled to enter the market, leading to more competitive premiums over time.

As the regulator, the City has an opportunity to provide some of this risk management at the licence issuance and renewal stages, and by ensuring that all drivers have adequate training.

To achieve this, staff are recommending simulated defensive driver training for all new licensed drivers, as well as part of their refresher training, to ensure that drivers are not engaging in risky behaviour. In addition to in-class training, this will assist in mitigating the number of taxicabs involved in accidents, and the severity of accidents that do occur.

To ensure that the risk of accidents in accessible vehicles is managed, staff are recommending greater accessible training in all new taxicab owner and driver training courses. As well, staff are recommending that all accessible taxicab drivers be required to attend a one-day refresher training course every four years.

TAXICAB ENFORCEMENT

Enforcement of the high standards set for Toronto's taxicabs is carried out by both ML&S staff and the Toronto Police Service. Both ML&S staff and Toronto Police may issue tickets for by-law infractions. Toronto Police can also issue tickets for offenses under the Highway Traffic Act.

ML&S enforcement

ML&S accepts complaints as well as investigates and enforces by-laws for businesses, such as taxicabs, that are required to be licensed in the City of Toronto. This enforcement can take place through the inspection of taxicabs at the vehicle examination centre to ensure that vehicles are properly licensed, have the proper markings as well as to ensure that the vehicles are physically and mechanically fit for operation on the road.

Enforcement also takes place on the road, where Municipal Licensing Officers (MSOs) may request the licence of the taxicab operator to ensure that the vehicle and the operator are properly licensed as per the By-law. The enforcement officer may also carry out an inspection of the vehicle on the road to ensure compliance with the By-law. Investigation and enforcement activities are carried out in order to maintain the health and safety of the public.

In 2013 there were over 16,000 inspections of taxicabs drivers, owners and brokers. More than 9,000 employee hours were spent on taxicab related inspections in 2013.

Taxicab stakeholder enforcement issues

Taxicab industry stakeholders expressed the following issues with enforcement through consultations.

Ticketing: Licensees felt that they received too many tickets from Municipal Standards Officers (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 for similar infractions.

Improving communication about enforcement: Participants asked for a more accessible complaints process, making it easier to file and track complaints, compliments and comments. Various members of the industry expressed a desire to issue complaints about other licensees for unfair or illegal business practices.

Taxicab stakeholders expressed that they wanted to improve the industry relationship with police through partnership organizations like Crime Stoppers.

Enforcement of illegal operators: Stakeholders suggested that MSO enforcement should focus on eliminating "bandit" taxicabs – vehicles illegally operating as taxicabs - both from passengers who hail them on the street and from advertisements at local stores and in community newspapers.

ENFORCEMENT STRATEGY

The proposed enforcement strategy aims at strengthening relations between ML&S and the Toronto Police Service as well as relations between MSOs and taxicab industry stakeholders in the interest of public safety. The following 5 points are included in the Enforcement Strategy.

Potential increase to dedicated enforcement staff: As additional taxicab shifts are put on the road, there may be an impact to the number of staff dedicated to enforcement. The additional enforcement staff would be hired through the projected increase in licensing fees resulting from the increased taxicabs.

ML&S to continue to strengthen and build relationships with Toronto Police: ML&S continue to work with Toronto Police Service (TPS) to understand the By-law through existing Training at the Police College by ML&S staff. ML&S to facilitate communication through ‘Townhall’-style meetings between the taxicab industry and the TPS.

ML&S to continue to strengthen and build relationships with the taxicab industry: Work with taxicab industry stakeholders to achieve compliance through education about infractions. Continue to update all taxicab training courses with relevant information pertaining to by-law amendments related to Toronto Municipal Code, Chapter 545 as it pertains to the industry. Also, post by-law amendments on the ML&S website with clear language interpretation for accessibility.

Improve on the road enforcement: Focus on strict enforcement of priority service for people with disabilities, fare refusals with special attention to passengers refused due to disability and/or a guide dog or other service animal. Enhance the enforcement of ‘bandit taxicabs’ - illegal operators, out of town taxis and private vehicles operating as taxis – through increased efforts and staff.

Focus on public safety: In the interest of public safety and consumer protection, customers hiring taxicabs must be aware of how to identify licensed taxicabs. Develop public relations announcements on how to identify properly licensed taxis. Promote TOTaxis Portal as an easy to use and transparent complaints process with the capability of answering the public's questions regarding illegal and legally operated taxicabs.

Enforcement Strategy outcomes

- Build partnerships with TPS the taxicab industry and CrimeStoppers.
- Enhance public safety through public awareness campaigns on how to identify licensed Toronto taxicabs.
- Enhance ways for the public and the industry to report illegal taxicab operators.
- Establish consistent interpretation and the intent of the licensing By-law and articles focused on the taxicab industry.
- Train ML&S administrative and enforcement staff involved in the taxicab industry in order to ensure consistent interpretation, implementation and enforcement of the applicable licensing By-law.
- Provide clear and accessible language for stakeholders and the public to understand the By-law.
- Standardize operational procedures and practices for enforcement.

BY-LAW REVIEW

The relevant articles of Chapter 545 that regulate the taxicab industry contain several sections and terms which, over the years, have become outdated and/or are no longer in force.

RECOMMENDATION 35. Delete obsolete sections and terms in Chapter 545 as per Appendix D

Staff undertook a review of the By-law to identify those sections or terms which are now obsolete and which should be amended or deleted. The recommended changes are grouped into five categories:

1. Sections/terms that are obsolete due to changes in technology
2. Sections/terms that are obsolete due to changes in City policy or organizational structure
3. Sections/terms that are obsolete due to changes in provincial policy
4. Sections/terms that are obsolete due to the expiration of transition provisions
5. Miscellaneous

None of the changes recommended as a result of this by-law review have an effect on, or give effect to, the policy recommendations included in the final report. The changes recommended in this section are only intended to update the By-law so that it includes current provisions.

A full list of proposed amendments and explanations, are attached in Appendix D.

Subject to the outcome of this report, and its recommendations, additional by-law amendments will be carried out.

IMPLEMENTATION

	Recommendation	Effective Date
1.	Create a new taxicab licence called the Toronto Taxicab Licence	July 1, 2014
2.	Permit Accessible Taxicab owners to voluntarily exchange their current licences and be issued Toronto Taxicab Licences	July 1, 2014
3.	Modify Ambassador Licence provisions	July 1, 2014
4.	Permit Ambassador Taxicab owners to voluntarily surrender their current licences and be issued Toronto Taxicab Licences	July 1, 2014
5.	Permit Ambassador Taxicab owners to sell their current Ambassador Taxicabs where a Toronto Taxicab Licence may be issued to the new purchaser	July 1, 2014
6.	Transition the Standard Taxicab Licence, through transfer, to the Toronto Taxicab Licence	January 1, 2019
7.	Eliminate the role of designated agents and create a new licence category called "Fleet Operator" in its place	June 1, 2015
8.	Adopt the Accessible Taxicab Strategy that will increase taxicab accessibility <ol style="list-style-type: none"> 1. All new taxicab licences issued will require a wheelchair accessible vehicle 2. Ensure 6% of Toronto taxicabs are accessible by 2015 3. Brokerages provide that passengers who require accessible taxicabs can receive service in the same amount of time as passengers who don't require accessible taxicabs 4. Accessible vehicle working group to evaluate the feasibility of mandating accessible vehicles for all of Toronto's taxicabs in the future, regardless of licence type 	July 1, 2014 By 2015 January 1, 2019 2015
9.	Review flat rate accessible transportation providers and report back to the Licensing and Standards Committee	Immediate
10.	Allow all approved alternative fuel and hybrid vehicles an extension from five (5) to seven (7)	Immediate

	model years	
11.	Maintain current number of non-accessible taxicab licences	No change
12.	Adopt a 'passenger service level' approach to determining when new licences should be issued	January 1, 2015
13.	Project growth in the number of annual taxicab trips using Taxi Research Partners' Taxicab Demand Model every three (3) years	2015
14.	Mandate brokerages to keep additional records of the date and time of pick-up for each taxicab trip and submit records to ML&S every month	Immediate
15.	Mandate brokerages to keep additional records of the date and time of each wheelchair accessible taxicab dispatch and pick-up	Immediate
16.	Engage the Minister of Municipal Affairs and Housing regarding the Airport Exemption	Immediate
17.	Authorize ML&S to issue up to 290 new taxicab licences, if necessary, to advance the Accessible Taxicab Strategy	July 1, 2014
18.	Passenger information monitor which meets a minimum set of specifications	Report back by January 1, 2016
19.	Vehicle information technology capable of generating operator logs unique to each vehicle and operator that meets a minimum set of specifications	Report back by January 1, 2016
20.	Taxicabs be equipped to accept debit and credit card payment using approved electronic payment technology	Report back by January 1, 2016
21.	Maintain current fare rates and review every two (2) years	Immediate
22.	Taxicab Advisory Committee to review relevance of flat fees, discounts and processing surcharges	Immediate
23.	Allow drivers to charge a \$25 cleaning fee if a passenger soils the taxicab	Immediate, subject to updated tariff card in taxicab
24.	Conduct a passenger survey to understand the impacts of mandating taxicab shields in Toronto	2014

25.	Allow taxicab drivers to request payment in advance, when they deem necessary, and review its effects in 2016	Immediate, subject to updated tariff card in taxicab
26.	Improve City's ability to investigate fare jumping	Immediate
27.	Partner with Crime Stoppers to deter and solve taxicab-related crime	Immediate
28.	Improve the current Passenger Bill of Rights, by enhancing both passenger and driver rights and replace with the Taxicab Bill of Rights	Immediate
29.	Create a Toronto Taxicab Licence new owners training and refresher course	July 1, 2014
30.	Require all taxicab drivers to complete simulated defensive driving training as part of new driver and refresher driver training courses	January 1, 2015
31.	Enhance accessibility training in all new and refresher taxicab driver and owner training courses	July 1, 2014
32.	Require all taxicab licensees who operate wheelchair accessible taxicabs to take an accessibility refresher course every four years	Immediate
33.	Evaluate the feasibility of fire hydrants as cabstands in the downtown core	Immediate
34.	Evaluate the feasibility of Hail Spots	Immediate
35.	Delete obsolete sections and terms in Chapter 545 as per Appendix D	Immediate

NEXT STEPS

The final report of the Taxicab Industry Review lays out several recommendations that strive to create a more balanced, equitable and accessible taxicab industry.

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

The implementation of the proposed changes to the industry will happen in the short, medium- and long-term. Some recommendations will make positive impacts quickly, while others will take longer to have an effect, as outlined in the implementation section.

The Taxicab Industry Review has come to a close, however the implementation and ongoing policy, licensing and enforcement work continues with the industry. Items will be carried forward through:

- The Taxicab Advisory Committee (TAC)
 - Ongoing meetings and work plan
 - Annual updates from the Executive Director of ML&S on the findings of the TAC
- Review of the licensing fees
 - As part of the larger user fee review for ML&S, taxicab licensing fees will be reviewed and updated accordingly
- Evaluation of recommendation implementation and success
 - A yearly evaluation on the status of the recommendations contained within this report
- Continued industry and stakeholder engagement
 - Continued engagement to address ongoing and emerging issues not contained within the final report

APPENDICES

Appendix A:

Overview of Consultation process and findings

Appendix B:

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

Appendix C:

Taxi Research Partners' *"Review of Accessible Taxicab operations for the City of Toronto"*.

Appendix D:

Proposed By-law Amendments