



**TORONTO
TAXI
ALLIANCE**

TTA POSITION PAPER

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INTRODUCTION

As City of Toronto staff prepares to make recommendations to the Licensing and Standards Committee and City Council as part of its Taxicab Industry Review process, it is exceedingly important to recognize the past reforms and the industry advances, with the glaring exception of the failed creation of the Ambassador permit.

The Toronto Taxi Alliance believes it is important to reflect on where the taxicab industry is today measured against the challenges facing the industry back in 1998.

In 1998, the City of Toronto and the Toronto Taxi Alliance came together to support two of the three major reforms. Two agreed upon reforms improved the reality and the perception of taxicabs and greatly enhanced the experience for the riding public. The third major reform, the ambassador program, had the unintended effect of creating a two-tiered system.

To address the poor quality of vehicles, the uneven training of drivers and customer complaints, the successful 1998 reforms improved the industry by limiting vehicle life, enshrining a Passenger Bill of Rights and enhancing driver training.

Beyond the legislated requirements of the revised by-law, the industry has matured and evolved in order to provide high levels of customer service. There has also been a concerted effort in the industry to provide more transparency to the riding public and a continuous level of training that frequently surpasses the minimums regulated by the City of Toronto. Even the interim staff report recognizes the advances in the industry.

The taxi industry has modernized their dispatch systems by utilizing computer dispatching and GPS tracking of vehicles. Taxi brokerages are using smart phone applications and point of sale terminals have been already introduced into many vehicles, all in an effort to improve customer service and driver safety.

We have also begun to upgrade our fleets as the industry recognizes the importance of reducing our environmental footprint and has aggressively moved to hybrid vehicles and replaced the traditional 6 & 8 cylinder full size sedan cars with 4 cylinder mid-size vehicles. With higher vehicle standards, the major failure rate during inspections of vehicles has significantly reduced. Customer complaints about vehicle quality have dropped significantly over the years despite customers having greater access to multiple platforms to access the complaint process.

With all these improvements to the industry, there has been a significant reduction in the yearly turnover rate of drivers.

However, the Toronto Taxi Alliance contends that the introduction of the Ambassador permit program has been an abysmal failure and has created a second-class of owner-drivers that do not enjoy the same rights and protections of those driving standard plate vehicles.

The Toronto Taxi Alliance takes exception with staff's draft recommendations because it seeks to reform an industry that is fundamentally sound, with the exception of the two-tiered system created by the 1998 creation of the Ambassador permit. Quite simply, Ambassador permits should be made into current Standard type plates. Many of the draft reforms are unnecessary.

Reforms like the owner-driver requirements on a new TTL plate, the 100% accessible vehicle requirement, the introduction of Vehicle Identification Technology (VITs) and the legislative effect of eliminating fleet garages will destabilize a vital Toronto industry and reverse the customer service improvements made since 1998.

TTL PLATE

The Toronto Taxi Alliance is opposed to the formation of a new TTL plate.

The injustice of a dual plate system should end.

The TTA endorses the conversion of Ambassador permits into current standard type plates.

The conditions recommended for the TTL plate are unnecessary and would adversely affect our industry. The mandate of the plate owner having to drive fulltime, the inability to lease fulltime, and the wheelchair accessible vehicle requirement are the most troubling conditions.

These recommendations are the seeds to the creation of a new third class of permit. The current industry conflicts over having two classes of permits which will be even greater with the introduction of a third class type of permit with yet another, new and different set of rights and obligations.

After careful analysis of the draft report from staff and consulting with our membership, we believe that the TTL makes retirement more onerous or even impossible for cab drivers and plate owners who work long and hard, without a safety net, to provide taxi service to the City. Those on the verge of retiring will see their quality of life diminished in retirement because of the recommendations in the plan.

This also affects families and their estate planning. Women, who supported their husbands in the industry through unpaid work at home with children, budgeted for retirement based on the standard plate having a market value. The owner-driver model also known as the Ambassador model does not fully compensate drivers and their families for the value that they bring to the industry.

We believe that under the TTL plan the “goodwill” that every cab driver, plate owner, brokerage, and fleet operator creates will be lost or squandered. Stakeholders invest a tremendous amount of capital and sweat equity every day into this industry.

Along with greater transparency the TTA supports split ownership, multiple leasing, spousal transfers, and the ability to incorporate.

Split ownership recognizes the individual who has made investment in the vehicle versus the plate or permit holder. **Multiple leasing** allows a fleet operator to transparently and more accurately reflect his ownership and investment in the vehicles that he rents to shift drivers. **Spousal transfers** would allow, on the death of plate owner, a no-penalty transfer to the beneficiary of the estate and the continuation of the business, as any other business licensed by the City. Every other business is allowed to **incorporate**. The taxi industry, like any other, should be afforded the same tax benefits and cost reductions associated with incorporation. The taxi industry needs the same flexibility in designing their business models as any other industry.

The recommendations will remove choice and cause real harm to those in our industry who are shift drivers. The plan will limit the number of shifts for shift drivers and increase costs to the shift driver because there will be fewer cars available. Owners, who would now be mandated to drive a TTL plate, will take the best shifts, and will remove their cars from fleets which reduces access to shift drivers and eliminates 24 hour service for the public.

The TTL accelerates the death of fleet operators which can't continue to exist under the conditions imposed by the TTL. Fleet operators are the very definition of owner operators. They own cars, many own plates and they operate shift services that marry cars to drivers during high and low demand periods of the day and week.

Fleet operators are essential and were created to provide 24/7 service to the public, a policy initiated by the City. The TTL plate accelerates the demise of an important city function and will hurt customer service levels by reducing the number of vehicles available during non peak hours.

People take our cabs because we offer a valuable, reliable, safe service. Most of our members started as drivers. We have extensively consulted with our members and our TTA members **unanimously support the transfer of ambassador permits to current standard type plates.**

History has proven that the Ambassador permit experiment has failed. The only fair thing to do is right the wrong of the past and allow the transfer from Ambassador permit to **current standard type plate. The standard plate has stood the test of time.**

ACCESSIBILITY

The TTA believes in the principle of service equivalency, which means an able-bodied customer and special needs customer wait the equivalent amount of time for service calls.

The TTA would support creating incentives for waiting list drivers to take non-transferable W permits in order to serve the accessibility community. The TTA supports the issuance of wheel chair accessible dual purpose

vehicle permits.

The possible conditions and benefits to a W permit holder would include but not be exclusive to;

- Specialized driver training
- Commitment to provide accessible service for the life of the vehicle
- The driver must join a brokerage for access to the public
- The permit is not transferable
- Brokerages will prioritize service for the accessible community
- The driver maintains seniority on the standard plate wait list
- Dual purpose permits would allow operators to transport able bodied passengers
- The brokerage would be responsible for reporting the service equivalency levels to the City

The program could include other incentives and obligations on the part of the new W permit holder.

We believe that the wheelchair accessible 100% requirement creates an unreasonable threshold for demand that doesn't exist. The report addresses the anticipated demand for the 2015 Pan Am Games, a 3-week event. The Vancouver Winter Olympics experience may offer some insight into Toronto's future, post-Pan Am Games. In preparation for the Games additional wheelchair accessible taxi licenses were issued.

Currently, 15% of the Vancouver taxi fleet is defined as wheelchair accessible. Yet only 10% of their fares are considered non-ambulatory customers who require specialized equipment. Thus, only 1.5% of all fares come from the non-ambulatory customer category.

Fortunately for Vancouver taxi operators, many of these accessible vehicles are now being used to take skis back and forth to Whistler. This is hardly the intended use for wheelchair accessible vehicles.

PAN AM GAMES

TTA supports allowing all licensed wheelchair accessible taxi cabs in the Golden Horseshoe area to operate anywhere in Toronto during the Pan Am games. The Broker members of TTA are prepared to coordinate the service, as necessary, with brokers in other municipalities to provide service.

Many wheelchair accessible taxicabs are inaccessible for many ambulatory passengers who prefer a sedan type vehicle. The continuum of disabilities includes more than people utilizing wheelchairs.

COSTS

As you know wheelchair accessible vehicles have higher capital and operating costs. These ongoing costs include additional insurance, increased fuel consumption, and higher vehicle maintenance. These increased costs will be borne by the driver. If, as a result, driver income is reduced, there will be a need to increase fares.

ENVIRONMENTAL IMPACTS

The recommendation of 100% wheelchair accessible vehicles which meet Canadian D409 standards, flies in the face of City Council's adopted Climate Change Plan, particularly the section regarding vehicle fleets. The 100% accessible vehicle requirement consumes more fuel, exhausts more carbon, and has a larger life-cycle carbon footprint. We want choice in vehicles in the industry and think it's wrong to create supplier monopolies based on one type of vehicle. Sole-sourcing a wheelchair accessible vehicle type will adversely affect costs.

TECHNOLOGY

The driver and vehicle technology recommended is unnecessary. Brokerages already have the ability to provide the information the City wants without additional cost requirements. We believe costs will go up for industry as well as the City.

Taxi drivers and owners are not criminals. They take offence at the suggestion that there is a need for the equivalent of an electronic ankle bracelet on all drivers in the form of Vehicle Identification Technology (VITs). What other industry that the City of Toronto licenses requires this of business operators? There are no other electronic surveillance devices required that we could find.

By introducing VITs you are adding cost to drivers. Additionally, we believe there will be hidden costs to the City budget for information you can already obtain from brokerages.

An unintended consequence of the recommendation is that you will increase costs to taxpayers and marginalize cab drivers.

If the true purpose of the VITs is to collect data to determine when to issue new plates, brokerages can provide customer service level information utilizing their already existing technology today.

Does the imposition of minimum hours worked cross the threshold of the independent contractor status? Does that turn the City from “Regulator” into the “Employer”? What other licensed business does the City mandate minimum hours worked?

CONCLUSION

The Toronto Taxi Alliance represents the vast majority of plate owners, drivers, brokerages, fleets, agents, and Ambassador permit holders.

The member Brokerages of the TTA represent more than 4,000 of the 4,800 taxis on the road. The Fleet Association, members of the TTA, manage over 800 vehicles most of which operate under the auspices of a brokerage. Currently, 600 Ambassador drivers have joined us. The number is growing daily.

We think that Municipal Licensing & Standards staff and City Council should focus on the one major issue plaguing the taxi industry today – the inequity between ambassador plate owner-drivers, and standard plate drivers.

We support a single current Standard type plate that allows for spousal transfer, multiple leasing, split ownership, and the ability to incorporate.

We believe that standard plate owners should not be mandated to be only a full time driver operator. That is a regressive step for the industry. We support the inclusion of fleet garages as an important part of the taxi industry and object to recommendations that will squeeze them out.

We support service equivalency for non-ambulatory passengers. In order to realize the accessibility targets for the 2015 Pan Am/Parapan Games, we suggest that all licensed wheelchair accessible vehicles in the Golden Horseshoe be permitted to carry passengers in Toronto and that brokerages will facilitate passenger needs. To put an unrealistic demand

of 100% accessible vehicles to satisfy the needs of a 3-week event is folly. The TTA would support creating incentives for waiting list drivers to take non-transferable W plates in order to serve the accessibility community.

We want choice in accessible vehicle styles and think that all D409 compliant vehicles should be permitted to operate to prevent a vehicle supplier monopoly in Toronto.

The Vehicle Identification Technology (VITs) that is being proposed is unnecessary and cost prohibitive. The brokerages have the information that the City of Toronto requires for vehicle and driver shifts and we will share that with staff as needed.

The TTA questions whether the city's imposition of minimum hours crosses the threshold of independent contractor and turns the city into an employer not a regulator.

The taxi industry needs an end to the inequity created in 1998. The City should be working as a partner to grow this vital form of transportation and business and not find ways to undo the gains made in the last 15 years and previous.

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