



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 15.3.1**  
**Halifax Regional Council**  
**January 14, 2020**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed

**SUBMITTED BY:**

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Councillor Nicoll, Chair of the Transportation Standing Committee

**DATE:** December 18, 2019

**SUBJECT:** **Vehicle for Hire Licensing Program Review – Regulating Brokers and Transportation Network Companies**

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**ORIGIN**

December 12, 2019 meeting of the Transportation Standing Committee, Item 12.1.2.

**LEGISLATIVE AUTHORITY**

*Administrative Order 1, Respecting the Procedures of the Council, Schedule 7, Transportation Standing Committee Terms of Reference, section 4 (b) which states: “The Transportation Standing Committee shall oversee and review of the Municipality’s Regional Transportation Plans and initiatives, as follows: overseeing and reviewing the Regional Transportation policies, bylaws and functional plans”.*

**RECOMMENDATION**

The Transportation Standings Committee recommends that Halifax Regional Council:

1. Direct the Chief Administrative Officer to prepare amendments to By-law T-1000 and Administrative Order 39, to regulate Transportation Networking Companies and introduce a new licensing requirement for brokers as set out in the Discussion section of the supplementary staff report dated November 22, 2019, for Council’s consideration; and
2. Direct the Mayor write a letter to the Province to request the required amendments to the Motor Vehicle Act to enable the Municipality to charge Transportation Network Companies a per-trip fee and request the Province allow Transportation Network Companies’ drivers and taxi drivers to drive on a Class 5 license.

**BACKGROUND**

At their December 12, 2019 meeting, the Transportation Standing Committee considered the supplementary staff report dated November 22, 2019 regarding Vehicle for Hire Licensing Program Review – Regulating Brokers and Transportation Network Companies and received a presentation from staff.

For further information, refer to the supplementary staff report dated November 22, 2019.

## **DISCUSSION**

The Transportation Standing Committee considered the supplementary staff report dated November 22, 2019 and approved a recommendation to forward to Halifax Regional Council, as outlined in the 'Recommendation' section of this report.

For further discussion on this item, refer to the supplementary staff report dated November 22, 2019.

At their December 12, 2019 meeting, the Transportation Standing Committee also requested a further supplementary staff report, to accompany this transmittal report to Halifax Regional Council, regarding concerns raised in correspondence with relation to the expense and usefulness of vulnerable sector checks; potential restriction of brokers and Transportation Network Companies from providing other services, such as leasing and purchase financing as a condition of broker licenses.

## **FINANCIAL IMPLICATIONS**

As outlined in the supplementary staff report dated November 22, 2019.

## **RISK CONSIDERATION**

As outlined in the supplementary staff report dated November 22, 2019.

## **COMMUNITY ENGAGEMENT**

The Transportation Standing Committee meetings are open to public attendance, a live webcast is provided of the meeting and members of the public are invited to address the Standing Committee for up to five (5) minutes at the end of each meeting during the Public Participation portion of the meeting. The agenda, reports, video, and minutes of the Transportation Standing Committee are posted on Halifax.ca.

For further information on community engagement as it relates to this item, refer to the supplementary staff report dated November 22, 2019.

## **ENVIRONMENTAL IMPLICATIONS**

As outlined in the supplementary staff report dated November 22, 2019.

## **ALTERNATIVES**

The Transportation Standing Committee did not provide alternatives.

For further information on alternatives as it relates to this item, refer to the supplementary staff report dated November 22, 2019.

## **ATTACHMENTS**

**Attachment 1** - Supplementary staff report dated November 22, 2019

**Attachment 2** – Staff presentation dated December 12, 2019

**Attachment 3** – Staff recommendation report dated January 25, 2019

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Judith Ng'ethe, Legislative Assistant, Municipal Clerk's Office 902.490.6517

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P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 12.1.2 (i)**  
**Transportation Standing Committee**  
**December 12, 2019**

**TO:** Chair and Members of Transportation Standing Committee

**- Original Signed -**

**SUBMITTED BY:**

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Kelly Denty, Director, Planning and Development

**- Original Signed -**

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Jacques Dubé, Chief Administrative Officer

**DATE:** November 22, 2019

**SUBJECT:** **Vehicle for Hire Licensing Program Review – Regulating Brokers and  
Transportation Network Companies**

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### **SUPPLEMENTARY REPORT**

#### **ORIGIN**

On February 12, 2019, the following motion of Regional Council was put and passed regarding item 14.3.3:

*“THAT Halifax Regional Council direct the Chief Administrative Officer (CAO) to:*

*2. Prepare a supplementary report relative to regulating Transportation Network Companies (TNCs) such as Uber or Lyft;”*

#### **LEGISLATIVE AUTHORITY**

- *Motor Vehicle Act*, R.S.N.S., 1989, c. 293, subsections 305(1), and 306(1)
- *Halifax Regional Municipality Charter*, 2008, c. 39, subsections 94(1), 96(2), 96(4) and clause 188(2)(f)
- *By-law T-1000, Respecting the Regulation of Taxis, Accessible Taxis and Limousines*
- *Administrative Order 39, Respecting Taxi and Limousine Regulation*
- *By-law A-100, Respecting the Appeal Committee*

**RECOMMENDATION ON PAGE 2**

## **RECOMMENDATION**

It is recommended that the Transportation Standing Committee recommend that Regional Council:

1. Direct the Chief Administrative Officer to prepare amendments to By-law T-1000 and Administrative Order 39, to regulate Transportation Networking Companies and introduce a new licensing requirement for brokers as set out in the Discussion section of this report, for Council's consideration; and
2. Direct the Mayor write a letter to the Province to request the required amendments to the *Motor Vehicle Act* to enable the Municipality to charge Transportation Network Companies a per-trip fee.

## **BACKGROUND**

Further to their consideration of a staff report to the Transportation Standing Committee dated January 25, 2019, on February 12, 2019, Regional Council requested the Chief Administrative Officer prepare a supplementary report on HRM's ability to regulate Transportation Network Companies (TNCs) such as Uber and Lyft.

This request follows the "Taxi and Limousine – Vehicle for Hire Industry Review" report created by Hara Associates Inc.<sup>1</sup> which reviewed the taxi industry in HRM and, among other recommendations, recommended that taxi brokers be licensed by the Municipality. The license would require brokers to submit data collected from their dispatch system. As TNCs function as brokers, they should also be licensed.

The existing TNC business model would not align with the structure of HRM's By-law T-1000, Respecting the Regulation of Taxis, Accessible Taxis and Limousines. Changes to the By-law are necessary for TNCs to operate in the Municipality. TNCs connect passengers to vehicles via a mobile application. The application allows the identification of the driver and vehicle, ratings of drivers and accepts payment by credit or debit card only in advance of the trip. Many TNC drivers are part-time workers and operate on average, 25 hours a week.

Conversely, in the taxi industry, taxis can be hailed, dispatched, sit in taxi stands and accept payments including cash at the end of the trip. The majority of the drivers operate on a full-time schedule of up to 40 hours a week. Although both TNCs and the taxi industry operate vehicles for hire, their business models are different and therefore need to be regulated differently.

Staff's review of the vehicle for hire industry included a citizen survey, which attracted 13,400 respondents with 88% of the respondents requesting that Uber or Lyft be permitted to operate in the region with almost 73% citing safety as their number one concern. Additionally, the survey indicated there is a lack of vehicle for hire service in suburban and rural areas as well as at peak times such as evenings and weekends. The survey results indicate that the current supply of vehicle for hire transportation options is not meeting consumer demands.

Staff have completed a jurisdictional scan of nine Canadian Municipalities that currently license TNCs and brokers. All municipalities surveyed require reporting to be submitted on a regular basis from both the TNCs and brokers. Regulating both business models with similar reporting requirements will ensure staff will receive consistent information.

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<sup>1</sup> <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/190730rc1519.pdf>

The data collected from TNCs and brokers will benefit various HRM Business Units. This data would be used to assist in the enforcement of driver compliance, inform potential congestion, climate and transportation studies, ensure safety of passengers, and inform staff on areas where future improvements can be made.

## **DISCUSSION**

Regulating TNCs in HRM will have a direct impact on several Regional Council strategic priorities such as the *Integrated Mobility Plan*, the *Moving Forward Together Plan* and the forthcoming Climate Action Plan (HaliFACT 2050). TNCs present both opportunities and challenges to HRM programs as they relate to Transit, Curbside Management and Parking, and Diversity and Inclusion. The potential opportunities and challenges to each program are outlined in the following paragraphs.

### **Halifax Transit – Potential Opportunities**

#### ***Ridership***

The introduction of TNCs may provide transportation options and supplement transit service in low ridership areas, low ridership periods or in areas that are difficult to serve with transit altogether. Effectively, TNCs may create opportunities to extend the reach of public transit by providing enhanced first mile/last mile opportunities, and potential enhancement of paratransit service for those who are unable to take the conventional transit service.

#### ***Partnership Potential***

There are examples across North America of transit agencies which have entered into agreements with TNCs to supplement existing transit service and, in some cases to introduce service in places where no transit service currently exists. Some examples of these innovative partnerships include:

- CapMetro (Austin, TX)
- Innisfil Transit (Innisfil, Ontario)
- Omnitrans (San Bernadino, CA)
- NYC Transit (New York City, NY)
- SEPTA (Philadelphia, PA)
- MBTA (Boston, MA)

However, recent research indicates these partnerships have been received with mixed results.<sup>2</sup>

#### ***Transportation Demand Data***

One additional opportunity is to develop a data sharing agreement between HRM and the TNCs. This information could be used to inform significant transportation planning decisions, including transit scheduling and service planning. Accurate data will be required to make changes to regulations regarding TNCs, brokers, as well as changes to the current transportation services provided. Establishing a data sharing agreement is often the biggest hurdle as TNCs have been hesitant to share data due to concerns about privacy<sup>2</sup>. Amendments to By-law T-1000 should include data sharing requirements for both TNCs and brokers.

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<sup>2</sup> National Academies of Sciences, Engineering, and Medicine 2019. *Partnerships Between Transit Agencies and Transportation Network Companies*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/25425>.

## **Halifax Transit – Potential Challenges**

### ***Ridership***

As TNCs are relatively new in North America, many earlier studies appear to be inconclusive on their potential impact on transit ridership and mode split, though more recent studies suggest a negative effect on ridership, especially for buses.

Notably, a study completed in 2018 compiled results from 22 American Metropolitan areas from 2002 to 2018 noted that, even once adjustments were made to consider fare changes, gas prices, transit service cuts, and rates of employment, there was a correlation between the growth of TNC firms and the decline of transit ridership, noting that the steepest decline appeared to be from 2015 onwards.<sup>3</sup> Conversely, a separate 2018 study provided more context specific results. This study concluded that ride-hailing increased ridership in smaller transit agencies and may extend the reach of transit; however, the presence of TNCs reduced overall ridership in smaller metro areas and larger transit agencies that already had above-median ridership.<sup>4</sup>

### ***Ridership / Revenue Relationship***

If the arrival of TNCs in the Halifax Transit service area results in significantly decreased ridership, there would be a correlating reduction in the cost recovery of service. This loss of revenue may threaten the viability of transit service in some areas and may result in the reduction of service, and potential elimination of routes if they continuously fall below ridership standards. The Municipality plans to invest significant resources into transit over the next few years; the cost benefit of that investment may be reduced if ridership decreases markedly.

### ***Congestion / Transit Travel Time***

As has been the case in other jurisdictions, the introduction of TNCs into HRM may increase traffic congestion. This would impact the operating speed and reliability of transit vehicles and could make transit less attractive to riders who may consider other transportation options. This shift would make it more challenging for the Municipality to achieve the sustainable mode share goals set out in the Regional Plan and the Integrated Mobility Plan.

## **Curbside Management & Parking – Potential Opportunities**

### ***Curbside Management***

With the approval and adoption of the Integrated Mobility Plan (IMP), staff in Parking Services has endeavoured to develop a curbside management framework. Curbside management seeks to inventory, optimize, allocate and manage curb spaces to maximize mobility and access for all curb demands.

TNCs present a unique opportunity to pilot concepts made popular in other jurisdictions including designated loading or drop off locations exclusively for them to facilitate safe and reliable passenger pick-ups and drop-offs and decrease congestion. Positively, a strong curbside management framework is created with accurate data. Requiring brokers and TNCs to provide monthly data reporting should allow staff to base recommendations on current challenges and opportunities at the curb.

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<sup>3</sup> Graehler, Mucci, and Erhardt (2018) *Understanding the Recent Transit Ridership Decline in Major US Cities: Service Cuts or Emerging Modes?* University of Kentucky.

<sup>4</sup> Hall, Palsson, Price (2018) *Is Uber a substitute or Complement for Public Transit?*

If Council were to direct staff to prepare amendments to the applicable regulatory documents to enable regulation of TNCs, staff would recommend working with those businesses to create dedicated passenger loading zones in the downtown core and high-demand destinations such as shopping malls and sport complexes.

### ***Parking***

Parking, with respect to TNCs, presents an opportunity to: i) lower parking generation rates, ii) reduce or eliminate parking space minimums and potentially introduce parking maximums with some land uses, and iii) replace parking spaces with different land uses and economic development opportunities. Introducing TNCs services could also result in a reduction in individual car ownership.<sup>5</sup>

The benefits of not driving your own vehicle downtown include: not spending time looking for parking, not paying for parking, and possibly being dropped off closer to your destination.

## **Curbside Management & Parking – Potential Challenges**

### ***Congestion at the Curb***

One challenge is that currently there is no framework in place for managing the curb space. If in the future, an all-encompassing framework is not created, there is the potential for additional impacts to congestion due to conflicts between parking, pick-ups/drop-offs, cruising for spaces and awaiting calls for riders.

Drop-off, pick-up and delivery demands in cities are putting perhaps the most pressure on curbsides. Managing these areas has become a top concern of parking officials, as they try to strike the right balance for accessible parking, and the many other uses demanding a space in the public right-of-way.<sup>6</sup>

Increased demand for access to the curb to load/offload passengers may result in more vehicles stopping in unprotected bike lanes, or in gaps in protected bikeways or bus lanes. If curbside loading of people and goods is prioritized over other modes of transportation, it may result in less space available for pedestrian amenities, bike parking, and parking for shared micromobility including bike share systems, electric assist bicycles and electric scooters. There is also the potential for unpredictable behaviour of TNC drivers stopping to pick-up and offload passengers. Because there is no added time at the end of a TNC trip to complete a financial transaction, as is the case with taxis, drivers may be tempted to make short stops in locations where a taxi might not. There could be a higher risk that drivers will obstruct crosswalks, bike lanes, sightlines to crosswalks, etc. when stopping to load/offload passengers.

### ***Parking***

Research suggests that private parking companies at airports have seen significant losses in revenue due to TNC adoption. This could have a negative impact on the private parking industry locally.

## **Diversity & Inclusion – Potential Opportunities**

### ***Employment***

TNCs provide the opportunity to those looking for part-time employment to work evenings and weekends and earn additional income. This flexibility may be of benefit to people otherwise having difficulty entering the labour force, whether they be new immigrants or from marginalized groups.

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<sup>5</sup> Henao, A., Marshall, W. E. (2019). The impact of ride hailing on parking (and vice versa). Retrieved from <https://www.jtlu.org/index.php/jtlu/article/view/1392/1227>

<sup>6</sup> <https://www.govtech.com/fs/Uber-Lyft-and-Other-Mobility-Options-Shaking-Up-Parking.html>

### ***Accessibility***

As discussed later in this report, a portion of a proposed per trip fee (\$0.07 of \$0.20) is to be assigned to an accessibility fund. The fund may be allocated to assist Halifax Transit with transportation programs including the Access-a-Bus Program, or it may fund a wheelchair accessible HRM fleet vehicle to ensure all HRM staff members are able to travel during working hours. There are many possibilities related to an accessible fund and it will provide those who are reliant on fully accessible vehicles with transit options.

### ***Language Barriers & Technology***

TNCs rely on a mobile application-based system for passengers and drivers that allows an easy way for bookings to be completed. If there is a language barrier and a resident is looking for a TNC in their area, most mobile applications have the ability to work in the language of your choice as long as the mobile device is set to that language. This may reduce communication errors between drivers and passengers and ensure that all using the system understand the request.

### **Diversity & Inclusion – Potential Challenges**

#### ***Marginalized Communities***

Feedback from residents states that communities outside of the core of HRM have difficulty with transportation options. If TNCs are not required to provide service to suburban and rural areas of HRM, this disparity will only continue.

There is also the potential risk for further disparity for marginalized groups through the limited payment options. While TNC vehicles may take various forms of payment, the majority of companies require access to a credit card to complete a transaction. This is done through a mobile application which also may put some residents at a disadvantage who may not have access to the technology.

#### ***Accessibility***

Currently, there is a limited number of accessible taxi operators who have wheelchair accessible vehicles. As TNC operators use their own vehicle, there may be a limited number of vehicles that are able to serve those requiring a wheelchair accessible vehicle.

### **Proposed By-law Amendments for Brokers and TNCs**

Staff have taken into consideration the opportunities and challenges from the relevant HRM priorities as outlined above and recommend that by-law amendments be adopted to regulate TNCs and brokers.

#### ***Licensing of Brokers***

According to Hara Associates, the first step in facilitating TNCs is to licence brokers. This is not presently addressed in By-law T-1000. Brokers are not currently licensed in the region and are not required to provide any reporting to the Municipality. Most taxi drivers are affiliated with a broker but there are some independent owner/operators who are not and would be impacted by this change.

Staff recommends that all independent owner/operators that do not want to be affiliated with a broker/dispatcher become a broker if they wish to remain independent. All brokers will be required to pay an annual fee and provide data on trips, drivers, and vehicles. The impact associated with requiring all independents to become their own broker or join a brokerage is an added cost to the small business owner to source the data collection network and pay the annual fee.

Staff recommends that brokers ensure all taxi drivers and owners have a valid taxi driver or owner license issued by the Licensing Authority.

***Fees***

Staff recommends the introduction of a licensing fee for brokers. Some jurisdictions charge taxis a per-trip fee similar to what is charged to a TNC, but staff are not recommending this at this time. Staff suggest an annual fee of \$300.00 based on the fee in most similar jurisdictions as noted in the following table:

<b>Location</b>	<b>Annual Broker Fee</b>
Winnipeg	1 – 10 Vehicles = \$2000 11 – 25 Vehicles = \$5,000 26 – 100 Vehicles = \$20,000 100+ Vehicles = \$40,000
Ottawa	1 – 24 Vehicles = \$839 25 – 99 Vehicles = \$2568 100+ Vehicles = \$7,545
Regina	\$375
Toronto	\$250.64
Brampton	\$400
London	\$400

***Reporting***

Data is the key to future evidence-based decision making. Currently, the Licensing Authority (LA) does not have any reporting mechanism. An integral part of licensing brokers is the requirement of data collection and sharing with the LA information on trips, drivers, and vehicles. This data would be used to assist in the enforcement of driver compliance, inform potential congestion, climate and transportation studies, ensure safety of passengers, and inform staff on areas where future improvements can be made. In addition, this data is critical to monitoring the success of Regional Council’s strategic priorities such as the IMP. If accurate data is not provided, then staff are unable to measure the impact on municipal services and activity in the right-of-way.

Staff recommends that by-law amendments require brokers to regularly share their data with the Municipality. This data will need to be reviewed and analyzed by staff. Due to the volume of data provided, allocation of staffing resources will need to be considered including those needed for related enforcement activities.

Data should include, but will not be limited to:

- The total number of trips provided;
- The total number of drivers;
- The total number of vehicles;
- The trip pick up and drop off locations; and
- The average wait time for a call to be actioned.

The data would have to be retained by the broker for a minimum period of 2 years and be provided on demand for investigations, transportation research or audit purposes within 48 hours.

**Proposed By-law Amendments for Transportation Networking Companies**

***Licensing of TNCs***

According to the citizen survey, of the over 13,400 respondents, 88% want Uber or Lyft to operate in the region. The TNC business model does not align under the structure of the current by-law. Changes to licensing are necessary for TNCs to operate in the Municipality.

**Fees**

Staff recommends the introduction of licensing fees for TNCs. Based on fees levied by other jurisdictions, staff suggest an annual flat rate licensing fee of \$25,000 is appropriate. However, this amount will be reviewed in consideration of the cost being a barrier to entry for start up TNCs. In addition, staff recommend the collection of a \$0.20 per-trip fee.

The *Motor Vehicle Act*, which provides the Municipality with the authority to regulate vehicles for hire, does not include the authority for a per-trip fee. To enable this, an amendment to the *Motor Vehicle Act* is required. Should legislative authority be granted, staff recommend \$0.07 of this fee be allocated to an accessibility fund which may be used for various accessible transportation programs; the other \$0.13 of the per-trip fee will offset the cost of administering the licensing program. Allocation of a portion of the fund for accessibility is dependent on the Province of Nova Scotia also amending the *HRM Charter* to allow the funds be granted to for-profit businesses that provide accessible taxi services.

The following is an overview of the applicable fees for TNCs in other jurisdictions:

<b>Location</b>	<b>Fees</b>
Saskatoon	1 – 10 Vehicles = \$2,500 11- 50 Vehicles = \$12,500 51+ Vehicles = \$25,000  Per trip fee = \$0.20 Accessibility surcharge = \$0.07
Winnipeg	1 – 10 Vehicles = \$2,000 11 – 25 Vehicles = \$5,000 26 – 100 Vehicles = \$20,000 100+ Vehicles = \$50,000  Per trip fee = \$0.20 Accessibility surcharge = \$0.07 Safety surcharge = \$0.03
Guelph	1 – 24 Vehicles = \$807 25 – 99 Vehicles = \$2,469 100+ Vehicles = \$7,253  Per trip fee = \$0.20 Accessibility surcharge = \$0.07
Ottawa	1 – 24 Vehicles = \$839 25 – 99 Vehicles = \$2,569 100+ Vehicles = \$7,545  Per trip fee = \$0.11 Accessibility surcharge = \$0.07
Regina	1 – 10 Vehicles = \$2,500 11 – 25 Vehicles = \$12,000 51+ Vehicles = \$25,000  Per trip fee = \$0.20 Accessibility surcharge = \$0.07
Vancouver	Annual licence fee \$5,000 Application fee \$200 Per vehicle annual fee = \$155  Per trip fee = \$0.30

<b>Location</b>	<b>Fees</b>
Toronto	Application fee \$20,000 Annual fee per driver= \$15  Per trip fee = \$0.30
Brampton	Application fee \$20,000  Per trip fee = \$0.30
London	1 – 50 Vehicles = \$1,000 51 – 100 Vehicles = \$5,000 101 – 500 Vehicles = 10,000 501 – 1000 Vehicles = \$15,000 1000+ Vehicles = \$50,000  Per trip fee = \$0.20 Accessibility surcharge = \$0.07

***Driver Requirements***

Drivers Licences are legislated by the Province of Nova Scotia. Currently, the Province requires individuals to have a Class 4 licence to operate a vehicle for hire. Based on this requirement, the regulation of drivers intending to drive for TNCs must be the same. The minimum requirements for a Class 4 licence are:

- Age 18 years,
- 1 year’s experience with at least a Class 5 licence,
- Successfully complete written test for a Class 4 vehicle,
- Provide satisfactory medical and optical reports upon application and periodically thereafter, and
- Successfully demonstrate driving ability in a Class 4 vehicle.

While staff recommend that a Class 5 is appropriate, the Province has indicated that they are considering revisiting the licence requirements for the Class 4 Licence. In addition to the Class 4 license requirement, licensing of TNC drivers should also include:

- A Criminal Record Check, Vulnerable Sector Check, Child Abuse Registry and drivers abstract dated within 30 days of applying to the TNC; and
- Approval by the TNC to operate as a driver.

All documentation must be provided to the TNC prior to becoming a driver.

***Insurance***

Staff recommend that TNCs be required to obtain and maintain Commercial General Liability Insurance up to five million dollars (\$5,000,000.00) inclusive per occurrence for bodily injury, death and damage to property including loss of use, that includes:

- (i) blanket contractual liability; premises, property and operations liability; and
- (ii) products and completed operations liability.

The Commercial General Liability policy must be in the name of the TNC.

In addition, the TNCs must obtain and maintain Non-Owned Automobile Insurance with limits of not less than one million dollars (\$1,000,000.00) combined single limit.

### ***Reporting***

Licensing the TNCs requires providing data on trips, drivers, and vehicles. This data will be used to assist in the enforcement of driver compliance, inform potential congestion, climate and transportation studies, ensure safety of passengers, and inform staff on where future improvements can be made. In addition, this data is critical to monitoring the success of Regional Council's strategic priorities such as the IMP. If accurate data is not provided then staff are unable to measure the impact on municipal services and activity within the right-of-way.

As in the case of brokers, staff also recommends by-law amendments to require TNCs to regularly share their data with the Municipality. The data is to include, but not be limited to:

- The total number of trips provided;
- The total number of drivers;
- The total number of vehicles; and
- The trip pick up and drop off locations

The data must be retained by the TNCs for a minimum period of 2 years and be provided on demand for investigations, transportation research or audit purposes within 48 hours.

### **Regulatory Impact Assessment**

In keeping with AO 2017-002-ADM, *The Charter of Governing Principles for Regulation Administrative Order*, a Regulatory Impact Assessment has been completed. It was determined that regulation is the best approach.

Given these proposed policy changes, it is difficult to determine the distributional impacts of these changes. While traditional taxi firms may *initially* experience a fall in demand, there is likely to be a considerable consumer surplus from the introduction of TNCs via greater responsiveness to consumer preferences. Consistent with findings in larger urban centres, consumers are the principle beneficiary of TNC introduction while existing industry disruption will depend on the existing level of service.

No business impact assessment (BIA) was conducted due to the fact that there are not additional regulations falling onto the industry, merely new market entrants. It is outside of the BIA tool scope to determine cross-industry distributional impacts. As the proposed by-law amendments would impose an impact to brokers who are currently not regulated, a further BIA on that aspect will be included in the report that accompanies the by-law amendments.

### **Impact on the Taxi Industry**

Introducing TNCs will have various impacts on the taxi industry. The taxi industry may lose customers and drivers to TNCs, potentially impacting the income of both the drivers and the brokers. Drivers who are currently not operating under a broker may be required to work under a licensed broker because reporting capabilities may be limited as an independent driver. As is typically the case when additional competition enters a market, TNCs may cause the taxi industry to provide improved service.

### **Conclusion**

In conclusion, staff recommend that TNCs and taxi brokers be regulated in HRM. The benefits to regulating TNCs and brokers would be:

- Potential increased supply to service provided during peak hours, evening and weekends;
- Improved competition among service providers;
- Providing citizens an alternative and flexible mode of transportation;
- Providing additional job opportunities, which will provide employment for short-term workers seeking temporary jobs; and

- Providing data that can be analyzed in relation to enforcement, congestion, potential transit opportunities, and improvement of service for persons with disabilities.

Several potential impacts and challenges have been identified in this report, affecting: transit ridership and revenue, congestion in the right-of-way as well as congestion at the curb, lack of service to marginalized communities, and not improving accessible transit options. If TNCs do not comply with the proposed regulations when entering the market, they may be prohibited from conducting business in the municipality. The potential impact to the Municipality is unknown at this time without substantial data. Staff recommend a review of the data be completed within a two year period to measure the impacts and make recommendations to Council concerning any further actions.

**FINANCIAL IMPLICATIONS**

Additional staff resources are expected to be required to analyze the submitted data from the TNC companies and brokers. With the introduction of licensing fees to TNCs and brokers, there will also be a new source of revenue.

The financial implications will be better understood as the amendments to By-law T-1000 and Administrative Order 39 are developed. If additional resources are required as a result of the amendments, staff will provide an update at the time the amendments are tabled at Regional Council.

**RISK CONSIDERATION**

There are potentially significant risks of impact to strategic priorities established by Council, including but not limited to: the Integrated Mobility Plan (IMP), Moving Forward Together Plan (MFTP), and Climate Action Plan -HalifACT 2050. At a high level, these risks have been considered in the table below.

<b>Recommendation: Regulating TNCs based on existing Provincial legislation</b>				
<b>Risk</b>	<b>Likelihood (1-5)</b>	<b>Impact (1-5)</b>	<b>Risk (L/M/H/VH)</b>	<b>Mitigation</b>
Impact to potential revenue and operations; collection of a per-trip fee and the inability to establish an accessibility fund	5	4	Potential Impact to Revenue - Very High Operations will also be impacted	Request the Province of Nova Scotia to: 1) amend the Motor Vehicle Act to allow for a per-trip fee to be charged, and  2) awaiting decision regarding the amendment to the HRM Charter to allow the accessibility fund to be made available to private businesses that provide accessible taxis
IMP: Transit ridership (MFTP), congestion, curbside usage, achieving mode share targets	5	5	If data collected shows that transit and active transportation trips are diminishing and vehicle trips are increasing due to TNCs then there is a high risk to	A review of the data collected will need to be analyzed over a period of two years to effectively measure impacts to the IMP.

			achieving the mode share targets	
Climate Impact – HalifACT 2050	3	4	If the data collected shows that transit and active transportation trips are diminishing and vehicle trips are increasing due to TNCs, then there is a risk to succeeding in achieving climate mitigation goals	Explore using per-trip fees oriented toward climate objectives (e.g., based on typical GHG emissions by vehicle type). Investigate requiring the vehicles used in the industry to be cleaner, i.e. electric vehicles

Some of the proposed by-law amendments could pose moderate to high risks to holders of existing taxi owner licences, and may result in litigation. Conversely, there is a risk that the perceived lack of service and other issues noted through various consultations will continue should the vehicle-for-hire industry not include TNCs.

**COMMUNITY ENGAGEMENT**

Citizens, industry, Council and staff were contacted by Hara Associates. The online citizen survey resulted in 13,400 responses clearly supporting TNCs. National jurisdictional scans were completed by both Hara Associates and staff. In addition, advocacy groups in support of TNCs have also been consulted.

The external stakeholders include but are not limited to: The Province of Nova Scotia, Halifax International Airport Authority, the taxi and limousine industry, TNCs, and citizens.

**ENVIRONMENTAL IMPLICATIONS**

There are environmental implications from the potential increase in vehicle trips, trip kilometres and idling associated with providing a vehicle-for-hire service, thereby increasing green house gas emissions.

**ALTERNATIVES**

The Transportation Standing Committee may choose to:

1. Not recommend that Regional Council direct the Chief Administrative Officer to prepare amendments to By-law T-1000 and Administrative Order 39, to regulate TNCs and brokers. This may impact the reputational risk of HRM as this service has been so highly requested by citizens.
2. Recommend that Regional Council not request legislative changes from the Province of Nova Scotia to enable the per-trip fee, and instead cover the cost of regulating TNCs by setting a general tax rate increase, an area rate, or a uniform charge.

**ATTACHMENTS**

None.

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Hilary Hayes, Supervisor Licensing, Buildings and Compliance, 902.490.2550

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**HALIFAX**

**Vehicle for Hire  
Licensing Program  
Review –  
Regulating Brokers and  
Transportation  
Networking Companies**

Transportation Standing Committee

December 12, 2019

# Presentation Overview

- Recommendations
- Background
- Potential Opportunities and Challenges
- Proposed amendments to By-law T-1000 and Administrative Order 39

# Recommendations

- Prepare amendments to By-law T-1000 and Administrative Order 39, to regulate Transportation Networking Companies and introduce a new licensing requirement for brokers as set out in the Discussion section of the report, for Council's consideration; and
- Request the Mayor write a letter to the Province to request the required amendments to the *Motor Vehicle Act* to enable the Municipality to charge Transportation Networking Companies a per-trip fee.

# Background

- Hara Associates Inc. report “Taxi and Limousine – Vehicle for Hire Industry Review” recommended that:
  - Taxi brokers be licensed by the municipality; and
  - That HRM review licensing TNCs and the terms which they would be permitted to operate
- Citizen Survey
  - 13,400 respondents
  - 88% of respondents requesting that Uber or Lyft be permitted to operate in the region

# Potential Opportunities - Transit

- TNCs may provide enhanced first mile/last mile opportunities with public transit
- There are examples across North America of transit agencies entering into agreements with TNCs to supplement existing transit service and, in some cases to introduce service in places where no transit service currently exists.
- Data collected from TNCs and brokers will provide information to inform transportation planning decisions

# Potential Challenges – Transit

- If TNCs in the Halifax Transit service area results in significantly decreased ridership, there would be a correlating reduction in the cost recovery of service
- An increase in congestion from TNCs may impact the operating speed and reliability of transit vehicles

# Potential Opportunities – Curbside Management & Parking

## *Curbside Management*

- Potential to pilot designated loading or drop off locations
- Accurate data will assist in creating a strong curbside management framework

## *Parking*

- Parking space minimums may be reduced or eliminated. The space may be used for different land uses and economic development opportunities.
- Introducing TNC services may also result in a reduction of individual car ownership

# Potential Challenges – Curbside Management & Parking

## *Curbside Management*

- Drop off, pick-up and delivery demands in cities are putting pressure on curb space
- Increased demand curbside may result in more vehicles stopping in unprotected bike lanes or gaps in bus lanes

## *Parking*

- Research suggests that private parking companies at airports have seen significant losses in revenue. This could have a negative impact on the private parking industry locally

# Potential Opportunities – Diversity & Inclusion

- TNCs provide the opportunity to those looking for part-time employment to earn additional income
- A portion of a proposed per-trip fee is to be assigned to an accessibility fund. This may be allocated to the following:
  - Access-a-Bus program
  - Fund a wheelchair accessible HRM fleet vehicle
  - Provide grants to accessible taxi owners

# Potential Opportunities – Diversity & Inclusion Cont'd

- Residents who own an accessible vehicle may apply to become a TNC driver, thus increasing accessible vehicle options
- TNCs rely on a mobile application-based system which may reduce communication errors between drivers and passengers
- The introduction of TNCs may increase the number of female drivers

# Potential Challenges – Diversity & Inclusion

- TNCs must provide service to suburban and rural areas of HRM
- Limited payment options via credit card and mobile app may disadvantage residents who do not have access to the technology
- TNC drivers use of own vehicles may result in limited supply to those requiring a wheelchair accessible vehicle

# Proposed By-law Amendments

## Licensing of Brokers

### Fees

- Staff recommends the introduction of a licensing fee for brokers.
- Some jurisdictions charge taxis a per-trip fee similar to what is charged to a TNC, but staff are not recommending this at this time.
- Staff suggest an annual fee of \$300.00

# Proposed By-law Amendments Licensing of Brokers

## Reporting

- Staff recommends brokers be required to regularly share their data with the Municipality.
- This data will need to be reviewed and analyzed by staff. Due to the volume of data provided, allocation of staffing resources will need to be considered.

# Proposed By-law Amendments Licensing of Brokers

## Reporting Cont'd

- Data should include, but will not be limited to:
  - The total number of trips provided;
  - The total number of drivers;
  - The total number of vehicles;
  - The trip pick up and drop off locations; and
  - The average wait time for a call to be actioned.

# Proposed By-law Amendments

## Licensing of TNCs

### Fees

- Staff suggest an annual flat rate licensing fee of \$25,000
- In addition, staff recommend the collection of a \$0.20 per-trip fee
  - An amendment to the Motor Vehicle Act is required to provide the Municipality with the authority to charge a per-trip fee
  - Should legislative authority be granted, staff recommend \$0.07 of this fee to be allocated to an accessibility fund

# Proposed By-law Amendments

## Licensing of TNCs

### Driver Requirements

- The Province of Nova Scotia requires individuals to have a Class 4 licence to operate a vehicle for hire. Based on this requirement, the regulation of drivers intending to drive for TNCs must be the same
- While staff recommend that a Class 5 is appropriate, the Province has indicated that they are considering revisiting the licence requirements for the Class 4 Licence

# Proposed By-law Amendments

## Licensing of TNCs

### Driver Requirements Cont'd

- In addition to the Class 4 license requirement, licensing of TNC drivers should also include:
  - A Criminal Record Check, Vulnerable Sector Check, Child Abuse Registry Check and drivers abstract; and
  - Approval by the TNC to operate as a driver.
- All documentation must be provided to the TNC prior to becoming a driver.

# Proposed By-law Amendments

## Licensing of TNCs

### Insurance

- Staff recommend that TNCs be required to obtain and maintain Commercial General Liability Insurance
- The policy must be in the name of the TNC.
- In addition, the TNCs must obtain and maintain Non-Owned Automobile Insurance

# Proposed By-law Amendments

## Licensing of TNCs

### Reporting

- Staff recommends TNCs be required to regularly share their data with the Municipality.
- This data will need to be reviewed and analyzed by staff. Due to the volume of data provided, allocation of staffing resources will need to be considered

# Proposed By-law Amendments

## Licensing of TNCs

### Reporting Cont'd

- Data should include, but will not be limited to:
  - The total number of trips provided;
  - The total number of drivers;
  - The total number of vehicles;
  - The trip pick up and drop off locations; and
  - The average wait time for a call to be actioned.

# Impact on the Taxi Industry

- Loss of customers and drivers to TNCs
- Drivers not operating under a broker required to work under a licensed broker
- Additional competition may drive the taxi industry to provide improved service

# Conclusion - Benefits

- The benefits to regulating TNCs and brokers would be:
  - Potential increased supply to service provided during peak hours, evening and weekends;
  - Improved competition among service providers;
  - Providing citizens an alternative and flexible mode of transportation;
  - Providing additional job opportunities, which will provide employment for short-term workers seeking temporary jobs; and
  - Providing data that can be analyzed in relation to enforcement, congestion, potential transit opportunities, and improvement of service for persons with disabilities.

# Conclusion – Impacts and Challenges

- Several potential impacts and challenges have been identified in this report, affecting:
  - Transit ridership and revenue,
  - Congestion in the right-of-way as well as congestion at the curb,
  - Lack of service to marginalized communities; and
  - No improvement to accessible transit options.
- The potential impact to the Municipality is unknown at this time without substantial data.
- Staff recommend a review of the data be completed within a two year period to measure the impacts and make recommendations to Council concerning any further actions.

# Alternatives

The Transportation Standing Committee may choose to:

- Not recommend that Regional Council direct the Chief Administrative Officer to prepare amendments to By-law T-1000 and Administrative Order 39, to regulate TNCs and brokers. This may impact the reputational risk of HRM as this service has been so highly requested by citizens.
- Recommend that Regional Council not request legislative changes from the Province of Nova Scotia to enable the per-trip fee, and instead cover the cost of regulating TNCs by setting a general tax rate increase, an area rate, or a uniform charge.

# Recommendations

- Prepare amendments to By-law T-1000 and Administrative Order 39, to regulate Transportation Networking Companies and introduce a new licensing requirement for brokers as set out in the Discussion section of the report, for Council's consideration; and
- Request the Mayor write a letter to the Province to request the required amendments to the *Motor Vehicle Act* to enable the Municipality to charge Transportation Networking Companies a per-trip fee.



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 4.1**  
**Transportation Standing Committee**  
**February 5, 2019**

**TO:** Chair and Members of the Transportation Standing Committee

**SUBMITTED BY:** ORIGINAL SIGNED  
\_\_\_\_\_  
Kelly Denty, Director, Planning and Development  
  
ORIGINAL SIGNED  
\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** January 25, 2019

**SUBJECT:** Vehicle for Hire Licensing Program Review

**ORIGIN**

On May 9, 2017, the following motion of Regional Council was put and passed regarding item 14.4.2:

*THAT Halifax Regional Council direct staff to:*

*2. Create a Request for Proposal (RFP) toward an in-depth industry review and jurisdictional scan including recommendations not limited to the following:*

- Incorporating new industry technologies, e.g., in taxi video / audio recording systems, GPS real-time tracking systems, smartphone applications; etc.*
- License restrictions;*
- Sensitivity and Safety Training;*
- Passenger/Driver safety measures, e.g., in car shields, emergency alarm buttons and passenger trip logs;*
- Standards of professional, moral and ethical conduct of license holders; and*
- Conditions that would result in an automatic suspension or revocation of a license*

On September 19, 2017, the following motion of Regional Council was put and passed regarding item 14.2.1:

*THAT Halifax Regional Council:*

*4. Request a staff report to the Transportation Standing Committee that will, after consultation with the Taxi & Limousine Liaison Group, taxi operators, dispatch companies, accessibility groups, and the Accessibility Advisory Committee to present options for the development of a service delivery contract or other arrangements with taxi operators and dispatch companies that will support a sustainable framework to ensure the 24-hour provision of an accessible taxi service.*

On June 28, 2018, the following motion of the Transportation Standing Committee was put and passed regarding item 10.3.1:

*THAT the Transportation Standing Committee request a staff report to assess options for improving gender diversity of taxi drivers in HRM, including the option of creating a new category of Taxi Owners Licences to be issued to females only with consideration to the following:*

- *That the proposed new category would offer owners licenses to females without requiring them to be placed on a wait list; and*
- *The completion of a jurisdictional scan and consultation with the Taxi and Limousine Liaison Group.*

### **LEGISLATIVE AUTHORITY**

- *Motor Vehicle Act, R.S.N.S., 1989, c. 293, section 305(1)*
- *By-law T-1000, Respecting the Regulation of Taxis, Accessible Taxis and Limousines*
- *Administrative Order 39, Respecting Taxi and Limousine Regulation*
- *By-law A-100, Respecting the Appeal Committee*

### **RECOMMENDATION**

It is recommended that the Transportation Standing Committee recommend that Regional Council direct the CAO to:

1. Prepare amendments to By-law T-1000 and Administrative Order 39, as identified in Attachment A of this report, for Council's consideration.
2. Prepare a supplementary report relative to regulating Transportation Network Companies (TNCs) such as Uber or Lyft.
3. Request the Mayor write a letter to the Province to request the required amendments to the *HRM Charter* to enable the Municipality to provide business grants for vehicle purchase or conversion and to provide a subsidy, per trip fee, to all accessible taxi license holders.

### **BACKGROUND**

Vehicles for hire transport passengers from one destination to another for a fee. In HRM, the vehicle for hire industry includes taxis, accessible taxis, and limousines. Taxi owners are business owners who operate vehicles that are also their personal vehicles. The licensing system is based on an owner/operator system.

The Licensing Authority issues vehicle for hire licenses, processes application or renewal paperwork to ensure that drivers and owners have completed all regulatory checks and passed vehicle inspections. The Licensing Authority's role is to balance service to the public with licensing the industry.

A number of recent incidents occurred relative to passenger safety and driver safety leading to Council's request for a review of the vehicle for hire industry. The last comprehensive review of the municipal taxi licensing program occurred in 1994 by the former City of Halifax. The population of HRM has grown considerably since 1994 and along with it, the public's demand for better service from the taxi industry.

In keeping with Council's May 2017 motion, Hara Associates was contracted to carry out a review of the taxi industry and to perform a jurisdictional scan. During 2018, they met with many industry members and community organizations who use the taxi service. Their report is included as Attachment B to this report. Attachment C contains a full list of Hara Associates' recommendations with staff's response on each.

Staff sought public engagement on the current service from the taxi industry through an online citizen survey that received responses from over 13,400 respondents over a period of three weeks from September 20 – October 11, 2018. See attachment D.

Staff also contacted a number of municipalities across the country to gain more context on the various issues discussed in this report. Those municipalities were: Saskatoon, Saskatchewan; Winnipeg, Manitoba; London, Brampton, Markham, Sudbury, Chatham-Kent, Guelph, Windsor, Oakville, Vaughn, and Waterloo, Ontario.

The Discussion section of this report outlines the following areas of review: safety, taxi zones, supply vs demand, accessible service, and preparation for transportation network companies like Uber and Lyft, gender diversity as well as general housekeeping items in both By-law T-1000 and Administrative Order 39. The purpose of this report is to receive advice from the Transportation Standing Committee to Regional Council on suggested changes to the vehicle for hire regulations such that staff may prepare the necessary amendments for Council's consideration.

## **DISCUSSION**

Staff recommendations are based on the consultant's findings, industry engagement, online citizen survey, and national jurisdictional scan. The following section discusses recommended by-law and Administrative Order amendments that are necessary to help improve safety and enhance service delivery for customers.

### **Safety:**

#### **(a) Cameras and global positioning systems**

At the time this report was requested, a number of recent incidents occurred relative to passenger safety. There had also been past incidents involving driver safety.

The installation of cameras in vehicles to record activity during a ride can result in a higher level of confidence of safety for passengers. Currently, By-law T-1000 does not require taxis to have cameras, however, they are not prohibited and owners may choose to install them if they wish. From the citizen survey, 54% of respondents stated that they felt safer with cameras in taxis and Hara Associates recommend installation with a cost recovery process.

Based on the jurisdictional scan, a number of municipalities have removed the requirement for cameras in the last few years. Lack of memory storage and access to the files during an investigation were cited as significant issues as well as the possibility of cameras not working or being altered so they cannot work. It could be perceived as an unlevel playing field with the potential for Transportation Network Companies to operate in the municipality and no requirement for cameras as well as ultimately not necessarily providing a safer environment for passengers. For these reasons, staff do not recommend cameras be mandatory in taxis. The Taxi and Limousine Liaison Group was not clear in their support of mandatory cameras. They indicated that having cameras would allow passengers to feel safer. They noted that cameras would help drivers feel safe. The camera footage could be used for either the passenger's case or as evidence of support for the driver. They had concerns, however, with investigation timing and memory/storage of footage. They said that about 15% of taxis in the region have cameras now.

Staff recommends that all taxis have global positioning systems (GPS). According to the citizen survey 54% of respondents would feel safer with this feature. As of the writing of this report, most brokers have GPS in tablets that are installed in vehicles.

**(b) Mandatory training**

Currently, there is no centralized training for drivers and owners provided by the Municipality. After applicants have submitted their application paperwork and have satisfactory criminal record checks and driver abstracts, they are required to pass an English language test and three knowledge-based tests: Streets and Roads, Common Locations and By-law/Administrative Order. Once driver applicants pass all three tests, they receive a conditional driver's license and have up to 12 months to complete the Taxi and Limousine National Certification through the Tourism Industry Association of Nova Scotia.

Staff recommends that the by-law be amended to require all drivers complete a training course as a requirement for a taxi driver's licence and allow for additional training where deemed necessary to update industry practices for the renewal of driver's licences. A by-law amendment requiring all drivers to complete a winter driving course is also recommended.

The intention is for training with live instructors, supplementing the current required completion of National Certification. Live training could provide the opportunity for interaction with persons with disabilities, guide dog demonstrations, interaction with officers responsible for by-law enforcement, and emphasis on key messages such as gender and cultural relationships, and practical discussion of the implications of the code of conduct in the by-law. The training could include the development of an updated driver training video with the participation of disability advocacy organizations, experienced HRM drivers, and other stakeholders.

Hara Associates recommended training and the Taxi and Limousine Liaison Group have been advocating for a training program for drivers to help prepare for testing. Relative to this training, staff would outsource this through an RFP and drivers would pay for the training directly to the service provider.

**(c) English language testing – Canadian Language Benchmark level 5**

Currently, English language testing is mandatory for all taxi driver applicants. The English language testing is carried out primarily by a local educational company. The current test is a very basic test that does not meet the needs of the public in terms of applicants not being properly prepared to communicate in this service industry. Results are in the form of a pass/fail based on a 15-minute discussion about a street scene.

Recently, staff have used the Canadian Language Benchmark level 5 as an assessment of English language proficiency which the Language Assessment Services of Nova Scotia also uses for newcomers. By comparison, in the Occupational Language Analysis of the Canadian Language Benchmark, hotel front desk agent and event coordinator jobs both have lower Canadian Language Benchmark levels of 4.

Staff recommends amending the by-law to state that the Canadian Language Benchmark level 5 is the level of English language proficiency that is required. The level would not increase at the end of the one-year conditional taxi driver's license period as recommended by Hara Associates. The Taxi and Limousine Liaison Group supported this recommendation.

Staff also recommends working with the Immigrant Services Association of Nova Scotia to assist newcomers with preparation to work in the industry.

**Taxi Zones:**

**(d) Elimination of zones**

Currently, there are three taxi zones in HRM: Halifax, Dartmouth, and County. Taxi owner licenses are associated with one of these zones and owners primarily operate within one of these zones except for the night time provision on Thursday through Sunday nights from 12 a.m. – 5 a.m. when zoning is not in effect.

These zones are not applicable to limousine and accessible owner licenses. Generally, customers do not understand the zone system and have been refused service because of zone issues.

Hara recommends a two-zone system: urban and rural which would allow for easy entry into a taxi owner license through the rural, formerly County zone. However, in the past year only seven of 48 people accepted offers from HRM for a County zone taxi owner's license indicating that having a rural zone for entry into an owner license is not effective.

Staff recommends the elimination of all zones allowing taxi owners to operate freely throughout HRM, thereby allowing them to pick up customers in all of HRM and reducing customer confusion.

Relative to the elimination of all zones, Hara Associates stated that this would bring about significant service improvement. Trip refusals would decrease as taxis are free to accept calls in the area where they dropped off a passenger. Deadheading by taxis returning to home zones will be reduced. With reduced deadheading, system capacity to serve peak demand hours will increase.

The elimination of zones will cause redistribution of fare income among taxi owner license holders. Current owners in the Dartmouth and County zones would likely gain at the expense of the Halifax zone owners. The net result would be an equalization of taxi operating profitability with vehicles serving all of HRM.

The majority of the Taxi and Limousine Liaison Group supported removing zones.

### **Supply vs Demand:**

#### **(e) Increase taxi owner license limitation**

Currently, according to the T-1000 by-law, each zone has a limit on the number of taxi owner licenses that can be granted at any time as follows:

- Halifax zone - 610 licenses
- Dartmouth zone - 200 licenses
- County zone - 190 licenses

According to the by-law, the total number of taxi owner licenses is capped at 1,000.

The limitation of 1,000 owner licenses has been in place since 1996 when the population was 342,966. According to the last Census of 2016, the current population of the Halifax region is 403,390.

There is a waitlist for all three zones. Most taxi drivers apply to be on all three zones but most want to work in the Halifax zone. The Halifax zone has nearly 500 taxi drivers on the waitlist for a taxi owner license. Some individuals have been on the waitlist for 13 years. Taxi owner licenses are not transferrable and return to the municipality upon the retirement or death of the license holder. Individuals on the waitlist are offered taxi owner licenses as they become available in the order of their seniority on the waitlist. Many drivers have private leasing arrangements with existing taxi owner license holders. Through discussions with Hara Associates, it is staff's understanding that the arrangement rates are high making it difficult to earn a living driving a taxi.

Should the recommendation of eliminating zones be accepted, there would no longer be three separate waitlists.

Staff recommends that the limitations on owner licenses be increased from 1,000 to at least 1,600. Hara Associates and the national jurisdictional scan show that limitations are necessary for the industry to thrive. In HRM, with the owner/operator system, one taxi driver can get one taxi owner license. The 1,600 cap recommendation stems from the combined waitlists of 500 taxi drivers and room for more. Taxi drivers on any waitlist, who are in private leasing arrangements with other owners, could then get an owner license directly from HRM thus allowing them to increase their earnings. A new single waitlist would be created for the whole region once the 1,600 is exhausted. Increasing limitations and elimination of zones could provide

the opportunity to clear the existing waitlists and in doing so, also address the opportunity for improved gender diversity of taxi drivers as discussed later in this report.

Currently, dispatchers are not able to meet demand. With the limitations increase, this should assist dispatchers in meeting the demand with more driver/owner licenses being issued. The citizen survey showed 75% of respondents indicate there were not enough taxis in HRM and that long waits or no shows are the biggest issue with taxi service in the region.

Existing owners could be negatively affected financially as a result of increasing limitations because there would be more owner licenses in the market, and those currently in private lease arrangements may instead choose to obtain their own owner's license directly from HRM. It should be noted that this has been a contentious issue in other jurisdictions where taxi drivers have threatened or taken legal action against municipalities that have increased or eliminated caps on taxi licenses. However, staff advises that increasing limitations is expected to result in an overall improvement of the service provided by the industry.

The Taxi and Limousine Liaison Group were mostly in support of increasing limitations to increase supply to service citizens and reduce private leasing arrangements. Some stated that income levels could be adversely affected.

### **Accessible Service:**

#### **(f) Accessible improvements**

There are two aspects of accessible transportation; public and private. HRM is responsible for providing public transportation services and this is accomplished through Halifax Transit, hence the strategic review of Access-A-Bus. The Transportation Standing Committee received a report<sup>1</sup> on the Access-a-Bus Continuous Improvement Service Plan at their January 24, 2019 meeting. As noted in that report, Halifax Transit is investigating flexible mobility options, universal service and decreasing wait-list times to same day bookings. Halifax Transit will review the need for a supplementary plan for ambulatory or accessible passengers in approximately six months time.

Private accessible transportation via taxi services can be addressed through the taxi licensing program. Currently, there are 16 accessible taxi owner licenses. In the past, there have been as many as 57 accessible taxi owner licenses in HRM. The accessibility community and members of Council have expressed concern that there is a lack of accessible taxis operating in HRM to serve passenger demand.

#### **On-demand accessible 24-hour service**

The term "on-demand accessible 24-hour service" refers to service that is available on request in the same way as people who do not need accessible taxis may request a taxi, e.g. by telephoning for one or by hailing one on the street. This is an important distinction, as accessible service is often provided by specialized transportation service providers, and are otherwise booked in advance, and are not available to the general public on demand.

HRM does not have the authority to mandate the hours of operation of private operators. In HRM, taxis are generally the personal vehicles of the operator and are not fleet vehicles. They are maintained personally and not through a fleet service. Demand for the service drives the requirement and the hours of operation required. The highest demand is typically during standard business hours. Late or early morning hours are not popular and if an operator has been working all day they are not likely to be available on a 24-hour, on-demand basis for any passenger.

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<sup>1</sup> Report available online at <https://www.halifax.ca/sites/default/files/documents/city-hall/standing-committees/190124tsc1212.pdf>

### Operating Costs

Accessible taxis are typically, but not always, dual-use vehicles – they can seat a passenger in a mobility device or carry passengers that do not use devices. As per Administrative Order 39, *“an accessible taxi must provide ease of entry to or egress from the vehicle in a safe and dignified manner by means of an on-board lift or ramp, and conforms with all sections of Canadian Standard Association D409-02: “Motor Vehicles for the Transportation of Persons with Physical Disabilities”*. As a dual-use vehicle, it improves affordability as it adds flexibility to the operator to carry a wider spectrum of passengers. However, accessible vehicles are expensive to purchase and expensive to maintain as they have more moving parts to break down and as a heavier vehicle, they burn more fuel. The operating cost of these vehicles is higher. There is more deadheading with accessible service given that drivers must go where the client is and possibly not get a return fare from the drop off location. Drivers, by virtue of providing accessible service, need to spend more time with the client to ensure safety of travel, meaning that fewer calls can be taken or possibly working longer hours.

In 2010, the Province offered a funding program, Accessible Transportation Assistance Program (ATAP), for which accessible taxi owners could apply. Taxi owners could purchase CSA Standard D-409 Motor Vehicles for the Transportation of Persons with Physical Disabilities compliant vehicles and operate accessible taxis. After three years of offering the program, taxi owners were no longer eligible for the funding.

From 2010-2012 taxi owners were eligible for 50% of the total cost of the vehicle and conversion. In 2012-2013, the criteria were changed to 100% of the conversion cost to a maximum of \$15,000. Three taxi owners were provided grants in 2010 and 2011 with five being provided grants in 2012. Unfortunately, the vehicle purchase/conversion funding program did not achieve a long-term solution to the accessible taxi supply issue.

In 2015, staff recommended amendments to sections 7, 8, 9 of By-law T-1000 and Administrative Order 39 such that conventional owner licenses would no longer be offered when one is returned and instead, requiring only accessible taxi owner licenses going forward. On October 22, 2015, the Transportation Standing Committee did not approve proceeding to Regional Council with this recommendation. Today, any licensed taxi driver can immediately obtain an accessible taxi owner license covering all zones (and without having to put their name on a waitlist) yet the number issued is in constant decline. There are not enough accessible taxis operating in the region given the number of potential clients. According to Halifax Transit, their Access-a-Bus program has 4,000 people registered with 2,000 of those as active users.

### Financial Incentives

Given the demand for accessible taxi service and the inherent costs with operating the service, staff recommend that the Municipality should consider offering a two-year funding program as an incentive to improve accessible taxi service in HRM. The program would provide one-time grants to new accessible taxi owners to purchase or convert their vehicle to become D-409 compliant as well as a per trip subsidy. The Municipality would need to request an amendment to the *HRM Charter* to enable this program as section 71(2) of the *HRM Charter* currently prohibits the provision of direct financial assistance to a business or industry.

The Taxi and Limousine Liaison Group supported this type of incentive approach as a possible solution to help offset the extra costs of operating an accessible taxi.

As an alternative to incentive funding described above, the Municipality could choose to procure accessible taxi services to supplement its current Access-A-Bus service. The use of taxis to supplement conventional transit is discussed in the Access-A-Bus Continuous Improvement Service Plan report referenced above. The program could also be a two-year pilot with an option to renew contracts after the first year. The timing of the completion of the standard procurement process for this would be in the range of five months to a year from posting the request for proposals to having the contract in place. Should Council wish to consider this option in more detail, a supplementary report including financial implications would be needed.

At the time of this report, the Province of Nova Scotia was also investigating whether there would be an adjustment to the guidelines of the current program to allow taxi drivers to purchase or convert vehicles to operate as accessible taxis.

**Preparation for Transportation Network Companies (TNCs):**

**(g) Preparing to regulate Uber or Lyft**

Currently, there are no ride sourcing or transportation network companies, like Uber or Lyft, operating in HRM. There have been short-lived attempts by Uber but nothing sustained in the last couple of years. Uber is interested in the growing Halifax market and expressed that interest during the citizen survey timeframe by sharing the link with their customers who live in the region and have the Uber app. There was a 3,000 jump in respondents following sharing the link.

According to the citizen survey, of the over 13,400 respondents, 88% want Uber or Lyft to operate in the region with almost 73% citing safety as the number one reason. Citizens said that availability, dependability through the app showing potential passengers where the driver is, who the driver is and the type of vehicle were essential to feeling safer. Citizens stated that taxis were too expensive and that ride sourcing would be better. Citizen response through the survey is clear in their desire for better service and in wanting Uber, Lyft, etc.

It is inevitable that ride sourcing will come to the region as it has to all major destinations in Canada. Hara Associates recommended that the Municipality prepare for the operation of TNCs. The Taxi and Limousine Liaison Group also supported this approach.

Staff advise that the considerations involving the Municipality's response to allowing ride sourcing in the region are complex enough that a separate report on this item alone is necessary. HRM staff involved in licensing, transportation planning and Halifax Transit will collaborate to develop the report and recommend the necessary by-law amendments for the Committee's consideration.

**(h) License brokers and licensing fees**

According to Hara Associates, the first step in facilitating TNCs, is to license brokers/dispatchers. Currently, brokers/dispatchers are not licensed in the region and are not required to provide any reporting to the Municipality. Staff recommends that brokers/dispatchers be licensed. As part of the recommendation, a fee structure would be developed for brokers/dispatchers including limousine owners and a reporting system. According to the national jurisdictional scan, taxis and limousines operate under brokers across the country. In HRM, there are some independent owner/operators who are not affiliated with brokers. Staff advise that all independent owner/operators should be affiliated with licensed brokers. Broker fees will be included as part of a supplementary report to Council regarding TNCs.

Staff also recommends an increase to all licensing fees. This is contingent on regulations which are yet to be drafted for the *Traffic Safety Act*, which was passed in the Provincial Legislature on October 11, 2018 but has not yet been proclaimed into force. Under section 305(4)(a) of the existing *Motor Vehicle Act*, the maximum annual license fee HRM can impose is \$50 per vehicle.

**Gender Diversity Motion:**

**(i) Increase limitations to allow for taxi owner licenses for gender diversity**

Currently, there are 36 female drivers licensed in HRM. There is no waitlist for taxi driver's licenses, only for owner licenses. There are 25 females with taxi owner licenses. On the Halifax waitlist, there are 13 females who have been waiting for five years thus far. In the current system, those female drivers would have approximately another eight years to wait to get an owner's license.

According to the national jurisdictional scan, no municipality in Canada has a separate gender-based category of taxi owner licenses. However, the citizen survey showed that 66% of respondents would like to have an all-female taxi service because passengers would feel safer.

As noted above, staff recommends increasing taxi owner license limitations to 1,600. This will provide the opportunity for any female who holds an active taxi driver license and is currently on a waitlist in HRM to apply for an owner license. With the increase of 600 from the current 1,000 licenses, there should be more opportunities for owner licenses above and beyond the current waitlist number of 500. The Taxi and Limousine Liaison Group supported this recommendation.

Other options to improve gender diversity in the taxi industry potentially include creating a separate category of taxi owner licenses for females only; or amending the by-law to provide females with priority on the waitlist for taxi owner licenses as they become available. These options would, however, require further legal analysis.

### **Housekeeping items for By-law T-1000 and Administrative Order 39:**

Apart from the licensing program changes described above, there are a number of recommended administrative amendments to the By-law and Administrative Order which are described in more detail in the following section.

#### **Additions for drivers/owners**

- (1) Currently, there is no automatic refusal for Criminal Record Checks that have offenses listed. Staff recommends prohibiting individuals from obtaining a taxi driver's license should they have a conviction of a major criminal offense or major driving offense in the past 10 years. Currently, Criminal Record Checks are completed for new applications and renewals for taxi driver/owners. Staff recommends that any major conviction, for example, driving while impaired, sexual assault, murder or manslaughter would result in a taxi license being revoked or not issued.
- (2) Currently, Criminal Record Checks with Vulnerable Sector Checks must be completed for all driver applicants and driver/owner renewals. Staff recommends that the Child Abuse Registry Check also be completed because vehicles for hire can transport children. The application results can be delayed which will not delay the renewal of a license. A conditional license will be issued until the results are returned and satisfactory.
- (3) Currently, the by-law states that a Criminal Record Check/Vulnerable Sector Check must be valid for 30 days at time of application. Staff recommends increasing that timeframe to receive the results from the Criminal Record Check to four months to accommodate the need for more fingerprinting as a result of Halifax Regional Police requiring that all vehicle for hire Criminal Record Checks now require a Vulnerable Sector Check. A conditional license can be issued until a satisfactory Criminal Record Check is submitted to the Licensing Authority without the license being automatically suspended after the 30 days has expired as per section 12.4 (a).
- (4) Currently, forms of payment for vehicles for hire are not listed in the by-law. The citizen survey comments showed that many drivers are only accepting cash. Staff recommends that all taxis and limousines must have working debit and credit card machines for passengers' use.
- (5) Currently, there is no vehicle age restriction for taxis or limousines. The national jurisdictional scan showed that all municipalities contacted have age restrictions. Staff recommends that the vehicle age for both taxis and limousines should be no older than 7 years at time of licensing. The jurisdictional scan indicated that a maximum age for a vehicle should not exceed 10 years of service. Having an age requirement will improve industry standards.
- (6) Currently, it is a provincial law to not use handheld cell phones while operating a vehicle. Staff recommends that the by-law should also provide that no driver should speak on cell phones, even using headsets, while transporting a passenger. This supports good customer service.
- (7) Currently, a Motor Vehicle Inspection must be valid at the time of a taxi or limousine inspection. Staff recommends that at the time of a taxi or limousine inspection, the Motor Vehicle Inspection permit

must be at least 30 days from expiry which will ensure that the vehicle is in good mechanical condition.

### **Administrative**

- (8) Currently, taxi rate reviews are completed yearly with a report going to Council regardless of the decision to raise the rate or maintain the rate. Staff recommends amending Administrative Order 39 regarding rate review to be completed every year but a Council report is only triggered if there is intention to raise the meter rate. This would result in fewer reports to Council given the industry's desire to not increase meter rates.
- (9) Currently, the limousine requirements are so outdated in Administrative Order 39 that any newer car would have the features listed in the Administrative Order. Over the past three years, the number of pre-inspections of vehicles has increased. In following the current by-law, vehicles barely meeting the current standard are being accepted as limousines which is altering the fleet of limousines for citizens and visitors to the region. Staff recommends amending Administrative Order 39 to reflect the ever-changing car industry enhancements to increase the limousine standard, not to reduce it. The Licensing Authority will have the discretion to compile and update a list of vehicles that are acceptable as limousines. Examples of vehicles on the list are: Acura, Genesis, Lincoln, Jaguar, Lexus, BMW, Mercedes, Cadillac, Audi, Infiniti and Tesla. From Schedule 5 of Administrative Order 39, sections 4.1 should reference sport utility vehicles having three rows of seating and leather interior. 4.1 (d) listing the outdated requirements should be removed. Staff recommends making these amendments to Administrative Order 39 as per limousine industry suggestions, supported by the Taxi and Limousine Liaison Group.
- (10) Remove hotel standards references from By-law T-1000 and Administrative Order 39. The National Certification program offered by The Tourism Industry Association of Nova Scotia replaced the standards.
- (11) Currently, only smoking and e-cigarettes are noted in the by-law as prohibited in a vehicle for hire. Staff recommends adding cannabis and vaping to non-smoking sections of the by-law.
- (12) Currently, there are five pages of different rates for trips to and from the airport in Schedule 3 of Administrative Order 39. Staff recommends simplifying Administrative Order 39 to state that when operating from the airport under a license from the Halifax International Airport Authority, taxis shall charge the rates as set by the Halifax International Airport Authority.
- (13) Currently, the wording in the by-law references having to provide a medical letter for service animal refusals. Staff recommends strengthening the section of the by-law that a current medical letter must be on file with the Licensing Authority prior to refusal of service for transporting a service animal.
- (14) Remove crossed out images of roof lights in Administrative Order 39.
- (15) Remove section in Administrative Order 39 regarding open zones on weekends as it is no longer applicable based on the elimination of zones.
- (16) Currently, in Administrative Order 39, there are no limitations relative to the number of accessible licenses an individual or corporation can have. Staff recommends amending the Administrative Order to clearly indicate that individuals and corporations can also have unlimited accessible licenses.

### **Summary:**

In May 2017, Regional Council directed staff to undertake a Request for Proposal (RFP) toward an in-depth industry review and jurisdictional scan of the vehicle for hire industry. The review that was completed by Hara Associates was the first full scale review of the industry since 1994. The national jurisdictional scan was completed regarding the major areas of this report: safety, taxi zones, supply vs demand, accessible service, and preparation for transportation network companies like Uber and Lyft.

Staff sought public engagement through an online citizen survey that reached over 13,400 respondents. Staff also consulted with the Taxi and Limousine Liaison Group regarding the themes of this report.

Staff is seeking advice from the Transportation Standing Committee to Regional Council on the suggested changes to the vehicle for hire regulations such that they may prepare the necessary amendments for Council's consideration.

### **FINANCIAL IMPLICATIONS**

There are no direct financial implications to this report. Should Regional Council direct staff to amend By-law T-1000 and Administrative Order #39, budgetary impacts concerning this item will be included in the staff report that contains the regulatory amendments for Council's consideration.

If the amendment to require drivers to complete a training course (#2 of Attachment A) is approved, there would be a one-time cost of approximately \$90K to develop the training materials. HRM would need to outsource training for taxi drivers including the cost of an educational video. A potential source of funds for one-time costs would be the General Contingency Reserve Q421. Taxi drivers would be required to pay the training provider a fee for the training, likely in the range of \$100 - \$250.

If the amendment to increase the limitation of taxi owner licenses is increased from 1,000 to 1,600 (#6 of Attachment A) is approved, there would be an expected increase in license fee revenues of \$30K per year.

Subject to amendments to the *HRM Charter*, HRM could develop a grant and subsidy program to help offset operator's costs and incentivize more operators to offer an accessible taxi service. Planning and development has identified a cost of \$500K in their 19/20 business unit presentation as an over the line budget item for Council's consideration. The details of this program are in the early stages of development but based on some preliminary assumptions, below is a possible example of what this program could be.

#### Example:

For the accessible service two-year pilot program, the cost is estimated based on providing \$10,000 to new accessible taxi owners to help purchase or convert their vehicle to become D-409 compliant. Up to eight new grants would be issued for a total grant of \$80,000. Accessible taxi owners would also receive a \$10 per trip subsidy. Based on the existing 16 accessible taxi owner license holders plus the eight new license holders completing six trips per day, the on-going operating subsidy would be \$1,440 per day. Over 365 days per year with 24 taxis completing 6 trips per day, the subsidy could total a maximum of \$525,600. The total cost of the grant plus the per trip subsidy would total \$605,600 in year 1 and \$525,600 in year 2. Amendments to the *HRM Charter* would be required to fund and deliver this program in the manner described.

### **RISK CONSIDERATION**

The risks considered rate is medium. Some of the proposed amendments may be contentious to holders of existing taxi owner licenses and could therefore result in litigation. There is also a risk to the public and industry if vehicle for hire service remains at status quo given the perceived lack of service and issues noted through various consultations.

### **COMMUNITY ENGAGEMENT**

Hara Associates interviewed industry members and community organizations, Council members, staff, and the Accessibility Advisory Committee.

Staff contacted a number of municipalities across the country to have more context on various vehicle for hire issues.

Staff sought public engagement through an online survey that reached over 13,400 respondents over a period of three weeks from September 20 – October 11, 2018. The survey was administered through Survey Monkey on halifax.ca. Attachment D contains the survey executive summary results and representative

comments. The ride sourcing company, Uber, sent the survey link to it's list of app holders in this region which caused the number of survey respondents to increase by 3,000.

Because of the Transportation Standing Committee motion regarding all-female taxi owner licenses, there was a question specific to this issue on the survey.

Generally, the comments received from the online citizen survey related to the following items:

- If citizens do not take taxis, it is because of access to a car or perceived taxi expense
- There are not enough taxis after 6 p.m.
- Most people using taxis do so through a dispatcher / broker
- Uber is a necessity
- Downtown Halifax is the greatest demand
- Mostly not pleased with the level of service in a taxi
- Respondents would prefer an all-female taxi service
- Feeling of safety with Uber, in-car cameras and GPS systems

Regarding the themes of service and drivers:

- Poor quality of service from taxis
- Poor quality vehicles
- Not enough taxis especially during weather events, large events, sporting events, New Years Eve, weekend nights
- Too expensive
- Long waits
- Not feeling safe
- Uber would solve the problems
- Drivers only accept cash
- Drivers will not go outside of the downtown core
- Drivers are rude

Staff met with the Taxi and Limousine Liaison Group to review the high-level recommendations for this report.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications related to the recommendations contained within this report.

## **ALTERNATIVES**

1. The Transportation Standing Committee may recommend that Regional Council not direct staff to initiate amendments to By-law T-1000 and Administrative Order 39. Maintaining the status quo would mean continuing the current taxi and vehicle for hire licensing program for the citizens of and visitors to HRM.
2. The Transportation Standing Committee may recommend that Regional Council direct staff to prepare amendments to By-Law T-1000 and Administrative Order 39, as identified in Attachment A, subject to such modifications as the Transportation Standing Committee may recommend.
3. The Transportation Standing Committee may request a supplementary report from staff on any aspect of this report.

**ATTACHMENTS**

- Attachment A - Summary of Proposed Amendments to By-Law T-1000 and Administrative Order 39  
Attachment B - The Hara Report  
Attachment C - The Hara Report recommendations  
Attachment D - Citizen survey executive summary results and representative comments. Full results with comments available in an electronic version upon request.
- 

A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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**Attachment A - Summary of Proposed Amendments to By-Law T-1000 and Administrative Order #39**

1. Require all taxis have global positioning systems (GPS).
2. Require all drivers to complete a training course, including sensitivity training, as a requirement for a driver's licence and allow for additional training where deemed necessary to update industry practices, for the renewal of driver's licences.
3. Require all drivers to complete a winter driving course.
4. Require all drivers to pass the English language testing by meeting the acceptable standard of Canadian Language Benchmark level 5.
5. Eliminate the existing three zones (Halifax, Dartmouth and County) that are currently in place. Only have one zone that applies across the municipality.
6. Increase the limitation on taxi owner licenses from 1,000 to 1,600.
7. Prohibit individuals from obtaining a driver's license should they have a conviction of a major criminal offense or major driving offense in the past 10 years. For renewals, any major incident for example driving while impaired, sexual assault, murder or manslaughter would result in a taxi license being revoked.
8. Require Child Abuse Registry checks be completed for all drivers and conditional license in place until results are returned.
9. Extend the timeframe for receiving the results of a Criminal Record Check/Vulnerable Sector Check from 30 days to four months.
10. Require all vehicles for hire to have debit and credit card options for payment.
11. Require the vehicle age of all taxis and limousines to be no older than 7 years at time of licensing.
12. Prohibit the vehicle for hire drivers from speaking on cell phones and using headsets while transporting a passenger.
13. Require at the time of inspection, the Motor Vehicle Inspection must be at least 30 days from expiry.
14. Amend Administrative Order 39 regarding rate review process that would only require a report to Regional Council should an increase be recommended by staff.
15. Amend Administrative Order 39 regarding limousine vehicle requirements. Clarify and improve the standards for what vehicles would be acceptable as limousines.
16. Remove hotel standards references from By-law T-1000 and Administrative Order 39.
17. Add cannabis and vaping to non-smoking sections of the by-law.
18. Taxis shall charge the rates as set by the Halifax International Airport Authority from the airport.
19. Require a current medical letter on file with the Licensing Authority prior to refusal of service for transporting a service animal.
20. Remove crossed out images of roof lights in Administrative Order 39.
21. Confirm there are no limitations to the number of accessible licenses an individual or corporation can have.

Attachment B

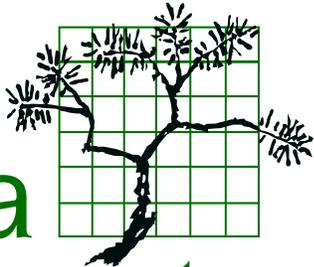
## Halifax Regional Municipality

# *Taxi and Limousine Vehicle for Hire Industry Review*

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Hara  
Associates



**Taxi and Limousine  
Vehicle for Hire Industry  
Review**

Prepared for:

**Halifax Regional Municipality**

By:

**Hara Associates Inc.**

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Hara Associates Reference: 1569  
August 7, 2018

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## APPENDIX A: Interview Respondents

## Executive Summary

References to recommendations in this Executive Summary are abbreviated. The full text of recommendations is listed in Chapter 9.

This study reviews regulations governing the taxi and limousine industry in Halifax Regional Municipality (HRM). Principal issues are passenger and driver safety, accessible taxis for on-demand dispatch and support to the public transit Access-A-Bus service, managing taxi supply, and taxi operating zones. Related issues include driver qualifications and training, and appeals of licence suspensions and revocations. Also addressed is an issue raised strongly by some taxi drivers: strengthening the owner-driver system and giving more drivers access to owning their own *roof light* (the licence to operate their own taxi).

Analysis is based on multiple lines of evidence. These include:

- Experience reported by HRM stakeholders (listed in Appendix A).
- Structural analysis of HRM's vehicle-for-hire industry.
- Comparison to practices in other cities.
- Data kindly provided on a confidential basis by individual taxi companies.

For key recommendations, alternative options are also offered and analyzed.

### The Current System: Taxis in HRM

HRM is a very large municipality. At 5,490 sq. km. it is 8.7 times as large as the City of Toronto and twelve times as large as Winnipeg. HRM faces the challenge of both regulating taxi service in an urban core, and trying to promote taxi service in its rural and small community areas.

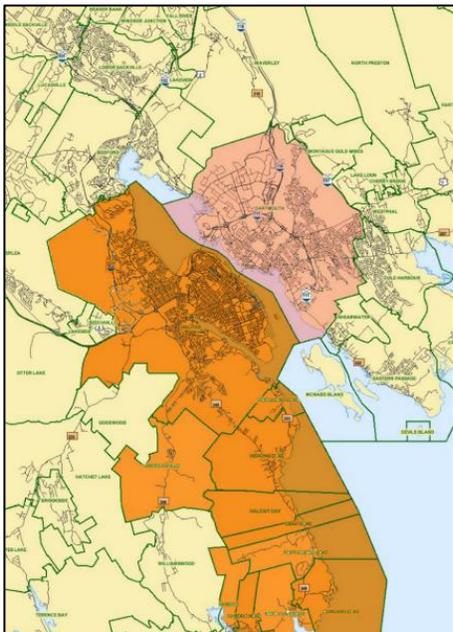


Figure 1-1: Halifax and Dartmouth  
Taxi Zones

As do most cities, HRM limits the total number of taxis. Limits on the number of taxis are related to the unique vulnerability of the taxi industry to excessive numbers of new taxis during economic downturns (details in Chapter 5).

HRM licenses 1,000 conventional taxis, divided into three operating zones that roughly reflect the former municipalities of the region. There are 610 taxis in Halifax zone, 200 in Dartmouth, and 190 in the County. Figures 1 and 2 show the boundaries.

Taxis may transport passengers within their zone, or between zones. They may not transport passengers *within* a zone for which the taxi is not licensed. This rule is relaxed on weekends from midnight to 5 a.m. to facilitate the closing of HRM's entertainment districts.<sup>1</sup> Wheel-chair *accessible taxis* may operate in all zones and are available in unlimited numbers to any who are willing to bear the extra cost of operating one.

<sup>1</sup> The restriction is lifted from midnight to 5 a.m. on beginning Thursday night (Friday morning) through Sunday night (Monday morning), plus an additional night when Monday is a statutory holiday.



Figure 1-2: Halifax, Dartmouth, and County Tax Zones

HRM is also an *owner-driver* system. Taxi drivers who own their own vehicles are thought to be more committed to the industry and provide better service. The Bylaw requires that a taxi owner’s licence (*roof light*) be held by a licensed taxi driver, with grandfathered exceptions.

Roof lights are not transferable. When a driver can no longer pass the provincial health exam for commercial drivers, the licence is returned and given to the top driver on the waiting list for each zone. 86% of roof lights are held by single individuals today. Table 1 shows the roof lights held by multi-owners in each zone.

Table 1 – HRM Taxis Today						
HRM Taxi Zone	Taxi Owner Licences Issued	Licences Held by Multi-Owners	Drivers on Wait List	Longest Wait	Monthly Lease for Roof light*	Major Dispatch Companies
Halifax	610	Blue Line Leasing: 57 Individuals: 24	472	November 2004	\$300 - \$500	Casino, Yellow
Dartmouth	200	KGB Industries: 2 Individuals: 19	273	January 2013	\$100 - \$200	Bob’s
County	190	Individuals: 2	41	March 2017	\$0 - \$100	Satellite
Accessible Taxis	23	9	n/a	n/a	n/a	n/a

*\*As reported in interviews, not verified*

Holders of roof lights must hold a taxi and limousine driver licence, but are not required to operate the taxi. They may lease the roof light to another driver. Over time, demand for taxis in HRM’s urban core has grown, and the limited number of roof lights in downtown zones have become a valuable commodity. Stakeholders report that a Halifax zone roof light leases for \$300 to \$500 per month.

Dartmouth zone roof lights lease for somewhat less. The relative value is reflected in the length of the waiting list to receive one. For the more valuable Halifax zone, the driver on top of the list has been waiting almost 14 years. The top of the Dartmouth list has waited 5 years. HRM does not receive any of the roof light lease – it is money paid in a private arrangement between the lessee and the roof light holder.

The top driver on the County list has waited one year. However, some of this wait has been caused by administrative delays during staff turnover. Typical County wait-times are around three months.

Another feature of the zone system is the limited number of taxi dispatch companies in each zone. The majority of taxis in Halifax zone work with either Casino Taxi or Yellow Cab. The other zones are dominated respectively by Bob's Taxi (Dartmouth) and Satellite Taxi (the County). Other smaller taxi companies do exist, especially in County zone. It is common for smaller companies to rely on cell phones, the internet, and e-mail for reservations and dispatch.

In HRM, the taxis and taxi drivers *do not* work for the taxi companies. Instead the taxi dispatch companies *sell dispatch service* to the taxis. Taxi drivers are free to work with any company they wish, however they will tend to work with a company that has a dominant share of customer requests in the zone for which the taxi is licensed. This has implications for how the system works, and how service can be improved.

### **Is HRM well-served?**

Stakeholders report that the significant taxi shortages experienced in past years have mostly abated, due to the changing nature of the downtown entertainment district and the Bylaw amendments to permit all taxis to serve the downtown after midnight on weekends.

However, shortages do remain on weekend nights, on holidays, and when cruise ships arrive. One taxi company reports it still can't serve 40% to 50% of the calls it receives weekend nights. The unreliable service has an impact on customer behaviour: Another company reports that once a taxi arrives, there are 15% to 17% no-shows by customers on a Friday night. This dysfunctionality causes drivers to withdraw from the dispatch market, worsening the situation.

A comparison of taxis per capita to other Canadian cities suggests the problem is not the total number of taxis, but when they are working. Figure 3 shows Halifax has one of the highest numbers of taxis per capita. The high number is partly because HRM taxis are single-shifted, as opposed to running around the clock with multiple drivers. However, this also creates the potential flexibility to have more of the fleet working weekend nights.

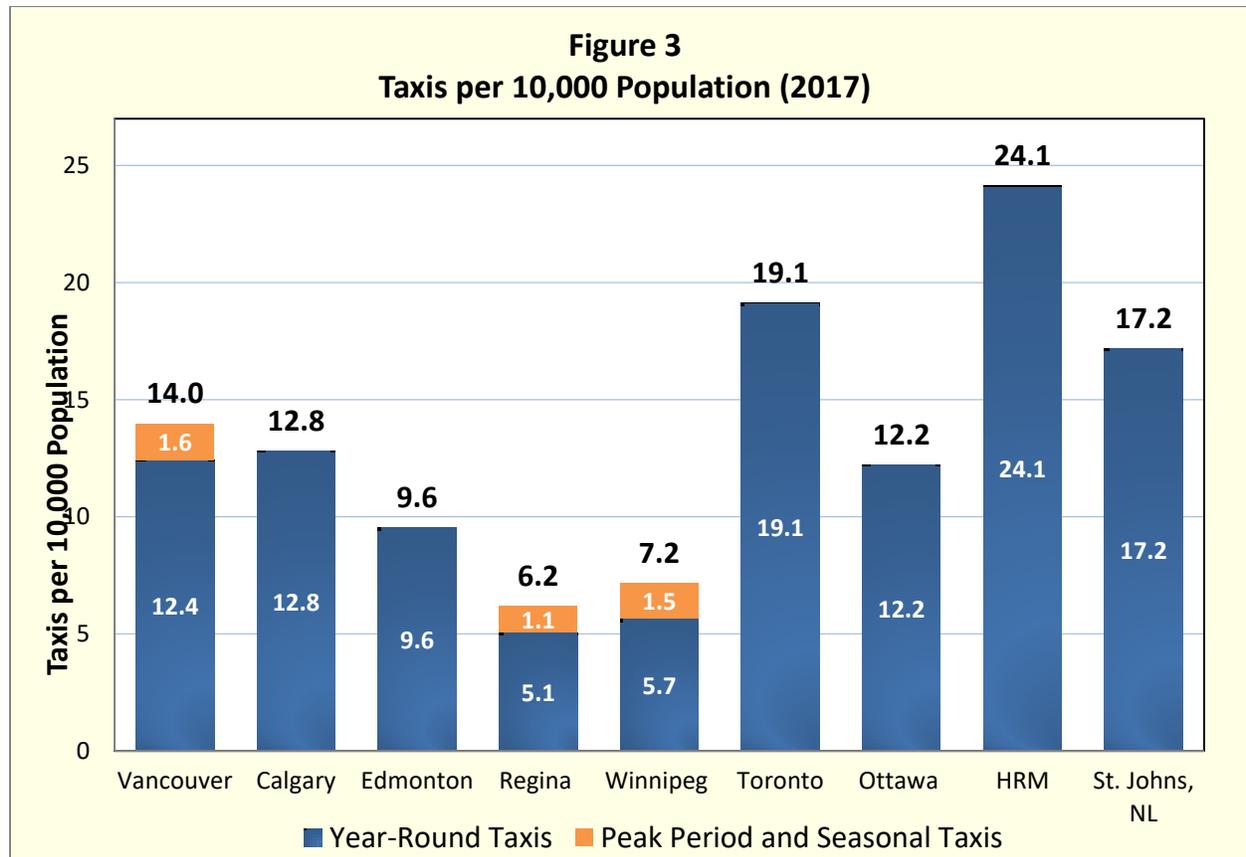
Given the overall adequacy of supply, the problem is found to be structural as opposed to a shortage in the quantity of taxis licensed. Late evening shortages are partly attributable to the success of HRM's owner-driver system in raising driver incomes, so that they choose to work shorter hours.

One recommendation made to address this is to add a one dollar per trip premium for weekend nights as an incentive for some drivers to shift their hours. However, broader structural changes are also needed to make it feasible to operate part-time taxis. The challenge is to do this without under-mining current taxi driver income.

## Achieving More Flexible Supply, While Protecting Current Driver Incomes

A key recommendation is that HRM seek authority from the province to create a class of supplemental taxi licence available on demand by those willing to pay an extra fee per trip (e.g. 70 cents). The meter rate would remain the same, and existing taxis would be exempt from the fee. Advantages of this measure include:

- Allowing part-time taxis to be provided without spending years on the wait list or paying prevailing private lease fees for roof light (\$300 to \$500 per month in the Halifax Zone).
- Protecting current profitability of taxis in the same way that tariffs protect domestic industry.



- Removing barriers to starting new rural and small community taxi service caused by the licence wait list.
- Allowing taxi supply to expand automatically to increased demand, such as recurrences of the downtown demand that triggered previous shortages.
- Providing a potential source of revenue to fund a better accessible taxi service.
- Providing an option to have your own roof light to drivers who are currently leasing a roof light. Such drivers would still retain their position on the waiting list for a traditional licence.

Provincial legislation would be helpful to resolve ambiguities over HRM’s authority to charge fees per trip for licensing. A request for such legislation fits within the larger theme of adjusting municipal powers to deal with the sharing economy. For example, Ontario has given its municipalities power to raise levies from accommodation sharing apps such as Airbnb. In addition, seeking amendment to provincial legislation also affords an opportunity to raise the present legislative cap on license fees of

\$50. The \$50 is lower than fees currently charged by many municipalities and does not permit recovery of the costs of regulation and enforcement.

### **Passenger and Driver Safety**

Well publicized incidents of alleged sexual assault have raised concerns about passenger safety, particularly for women. Driver safety is also an ongoing concern, as is a desire to enhance the confidence of the travelling public in the industry.

A requirement for cameras inside taxis is recommended. Taxi cameras differ from consumer cameras and are a widely used solution. Features include encryption to restrict access to police and the Licensing Authority, auto-wipe after a set time as an additional privacy protection, recording clear images in low light conditions, and theft and fire resistance of the image storage device.

A taxi camera that meets all specifications is more expensive than consumer cameras. A ten cent increase per trip on the meter is recommended to help the industry recover the cost over a five year period.

Training with live instructors is also recommended as a taxi driver licensing requirement. The training would respond to multiple reports of trip refusals to guide dogs, and other concerns raised by stakeholders. The curriculum would include an introduction of drivers to users of service animals, initial contact with Bylaw enforcement officers in a non-enforcement situation, and cultural and gender issues. Co-development of the course curriculum with driver representatives and disability community advocates is suggested as a model to develop effective materials that drivers can relate and respond to.

Recent administrative improvements to language testing are found to be good, and a further language requirement is suggested after completion of a driver's one year interim licence.

### **Accessible Service Declining**

The number of accessible taxis in HRM is found to be declining, from a peak of 60 licences (6% of the fleet), down to 23 today (2.3%). In most cities, 10% to 20% of the fleet must be accessible to provide on-demand dispatch service that is comparable to other customers. The peak of 60 was achieved by giving a roof light to drivers willing to provide the service, allowing them to bypass the waiting list. There was also provincial assistance in purchasing an accessible vehicle (now discontinued).

Drivers are not renewing their accessible licences because the extra costs of operation outweigh the savings from not having to lease a roof light. In addition to purchase and maintenance of a more expensive vehicle, there is also more time to get to a call, and additional time to escort the passenger and secure their mobility device.

The decline in accessible taxis has consequences for both on-demand service through taxi dispatch, and the availability of contract vehicles to provide cost-effective service for Access-A-Bus.

In other cities with richer taxi markets, a free roof light is sufficient by itself to motivate service. For HRM, achieving accessible taxi service requires additional measures.

A combination of measures is recommended that sets goals for the percentage taxis to be accessible, while providing assistance to the industry to help achieve those goals. It is noted that accessible taxis offer significant cost savings to Access-A-Bus while at the same time being quite profitable to providers. The absence of partner firms for Access-A-Bus is attributed to a lack of awareness of how the present Bylaw permits fleet operations by accessible taxis.

Recommendations include:

- Amending the Bylaw to clarify that multiple accessible taxis can be operated by a single company or person, and communicating this change to potential fleet providers who may wish to take advantage of Access-A-Bus contracts.
- Establishing an Accessible Taxi Support program to provide financial assistance, especially for the purchase of new or replacement accessible vehicles. Partial funding may come from the per-trip fee licences recommended by this report. The HRM Charter restricts how such assistance can be delivered, requiring suggested work arounds or an HRM Charter amendment.
- Setting phased-in fleet requirements for taxi companies with an ultimate objective of 10% of each company's taxi fleet being accessible vehicles.
- Including availability of accessible vehicles for general dispatch as a consideration in future requests for expressions of interest, or requests for proposals, issued by Access-a-bus.
- Adding another 10 cents per trip to the meter to assist the industry in the cost of providing additional accessible taxi service.

Nova Scotia adopted the *Act Respecting Accessibility in Nova Scotia* in 2017. It provides that the province may adopt standards related to the provision of transportation services. These standards have not yet been set, but the above strategy anticipates the kinds of requirements implemented in other provinces with similar legislation.

### **Taxi Zones & Trip Refusals**

Another concern raised by stakeholders was the high number of trip refusals by taxis, especially when asked to take a trip between zones during a busy period. Although the Bylaw does not allow trip refusals, this practice is reported as common.

The report attributes much of the trip refusal issue to the Zone system. Because the zone compartmentalizes the dispatch companies, when drivers take a passenger out of the taxi's home zone, they have trouble getting a paying trip back. In the case of Halifax and Dartmouth, this may also mean an extra bridge toll back paid out of the driver's own pocket.

Other issues with the present zone system are:

- Poor service to Cole Harbour and neighbouring communities outside of Dartmouth.
- Wasted system capacity during busy periods by excessive dead-heading on the return trips between zones.

Four options for Zone reform are assessed:

- A. A conservative option that modifies existing zones to solve service issues in communities like Cole Harbour:
- B. A more aggressive policy that merges the Halifax and Dartmouth Zones.
- C. Merger of all zones into one.
- D. Two zones, a Central Zone operated according to urban taxi rules, and a surrounding Restrictions-Free Zone to promote service to small communities and rural areas in HRM. The Central Zone would merge Halifax, Dartmouth and the surrounding urbanized area of the County. The Restrictions-Free Zone would have no limit on the total number of taxis, or

associated waiting list. Any qualified individual would be able to start a taxi service in the surrounding areas without having to put their name on a waiting list.

Options for merger include a one year delay to allow drivers and taxi companies to prepare for the change, including the increased competition between taxi company dispatch services.

Concern that any merger of zones will cause loss of service to the County and Dartmouth zones is found to be overstated. Under merger, there will be some movement to the downtown core because business is richer there, as evidenced by the higher lease payments for a Halifax zone taxi. However, the problem is self-correcting. Taxis will only move until their availability and profitability is evened out between the former zones.

A greater potential issue is the impact of any merger on taxi driver and roof light holder incomes. There would be a redistribution of income between roof light holders of different zones. For example if all zones are merged, then the lease values of all roof lights will also move to a single average. Halifax zone roof light holders would lose roughly \$100 to \$150 per month, Dartmouth holders would gain as much as \$125 per month, and County zone holders would gain as much as \$275 per month. Drivers who use their own roof light would gain or lose the equivalent amount in net incomes. Drivers who lease a roof light would, after an adjustment period, be unaffected. The change in their income would be offset by the change in the lease payments paid on a roof light.

This report recommends Option D, the creation of a single Central Zone that includes Halifax, Dartmouth and the surrounding urbanized parts of the County. All 1,000 conventional taxis would be included, except for current County zone roof light holders who choose to remain in the surrounding Restrictions-Free Zone. The Restrictions-Free zone would have no limit on entry or corresponding waiting list. Qualified individuals who wished to provide service in this zone would be free to do so without delay.

Option D would bring about significant service improvement. Trip refusals would decrease as taxis are free to accept calls in the area where they dropped off a passenger, and dead-heading by taxis returning to home zones was reduced. The reduced dead-heading would also increase system capacity at peak demand hours.

Option D would result in the redistribution of income among roof light holders as noted above. However the magnitude of these changes is low compared to that accepted by other regional municipalities when choosing to merge taxi zones as part of regionalization.

## **Licensing Appeals**

Concern over the appeals process arose during an appeal of the suspension of a taxi driver who had been charged with sexual assault of a passenger. The criminal case was in process at the time of the suspension hearing. Councillors felt they were placed in the awkward position of deciding on the suspension appeal while the criminal case for the same offence was still in progress.

It is found that that HRM Council has an obligation to hear appeals of licence suspensions and revocations through a Standing Committee of Councillors (e.g. the Appeals Committee). However the hearings process can be improved by changing the Bylaw so that Councillors are deciding on professional behaviour defined by a revised Code of Ethics rather than pre-judging criminal cases. For example, it is recommended that having sex with passengers during or at the end of a trip, even on a consensual basis, be prohibited. In addition, it is recommended that an administrative level of review of be introduced. This availability of an administrative review available to licensees will reduce the number

of cases reaching Councillors, and provide assurance that a case has been well considered before reaching the Standing Committee.

### **Strengthening the Owner-Driver System**

A complaint raised by some taxi driver representatives was that the HRM's owner-driver system is not working as intended. It is not allowing enough of them to become owners (holders of a roof light). Because the Bylaw does not require the holder to actively drive a taxi, many roof lights are now leased out by those who are either retired, or have moved on to other industries. As years pass with an aging population, more drivers withdraw and lease their roof lights. This means more and more active drivers are leasing the roof light, rather than having their own.

These driver representatives want the Bylaw changed so that there is an active requirement to drive the roof light. When an individual ceases to be an active taxi driver, they propose the roof light go to the next person on the waiting list. This would increase the number of taxis driven by an owner-driver, and accelerate turnover on the waiting list.

The study finds the complaint of driver representatives to be largely valid. Many current drivers cannot acquire their own roof light, and must pay monthly lease fees to others. It is recommended that a requirement for active driving to renew a taxi owner's licence be phased in. A phase in period of five years is suggested in order to respect that many of those leasing out their roof lights will be retired drivers who see the lease revenue as part of their retirement income. There are also related impacts on those who are on the waiting list for owner's licences.

Enforcement of an active driving requirement is now administratively feasible, at least with access to computer dispatch records. This raises the issue of bringing taxi companies into the Bylaw.

### **Preparing for the Future: Bringing Taxi Companies into the Bylaw**

Unlike many other large cities, HRM does not currently include taxi companies in its regulations. There are compelling reasons for bringing taxi companies into the Bylaw. These include setting targets for accessible taxis as part of individual fleet composition, requiring equipment and dispatch procedures that respond to drivers in dangerous situations, data sharing to support enforcement of driver regulatory requirements, administering the proposed supplemental licensing of taxis on a fee per trip basis, and maintaining quality of customer service.

Perhaps the largest reason to regulate taxi companies is outside the present scope of this report. A new kind of vehicle-for-hire service that is challenging municipal regulators around the world: *Transportation Network Companies* (TNCs) such as Uber and Lyft. These new services use private personal vehicles that are connected and dispatched to passengers through smartphone apps.

If HRM is to have control over whether companies like Uber and Lyft operate, it must begin licensing the underlying activity of connecting (brokering) customers to on-demand vehicles-for-hire. This category also includes taxi companies.

### **The Future of Unaffiliated Drivers**

It is recommended that newly issued licences include a requirement to work with a dispatch company. The rise of smartphone apps has made the separation between dispatch and street-hail markets less relevant, while regulatory and service innovations draw on the use of the driver and trip data automatically recorded by modern dispatch systems.

The requirement is for new taxi owner's licences only, so that existing drivers who work without a dispatch company may continue to do so as long as they want.

### **Review Recommended for TNC Issues**

The study focusses on improving regulation of the present taxi and limousine industry. However, consultations inevitably raised the topic of TNCs such as Uber and Lyft. The chapter "Preparing for the Future" includes a review of TNC operation, along with their risks and reasons for popularity. Issue areas are identified in light of the experience of other jurisdictions. A review of whether or not HRM wishes to license TNCs is recommended, inclusive of the issues identified.

### **Other Issues**

It is recommended that consideration of talking taximeters to assist the vision impaired be deferred for two years until availability issues resolve themselves, and in consideration that alternative smartphone apps may become more functional and universal. Clarifications of the relationship between the Bylaw flat rates for the airport, and the airport's independent authority, are also recommended.

A cancellation fee for taxi customers booking through a taxi company app is recommended. This is intended as a benefit to both passengers and drivers to avoid no-shows and increase mutual assurance of dispatch arrangements on busy nights. As taxi apps gain greater usage, reduced no-shows will add to system capacity during peak demand periods.

# 1 INTRODUCTION

This study reviews regulations governing the taxi and limousine industry in Halifax Regional Municipality (HRM). Issues include:

- **Service delivery to residents, businesses, and visitors.** Is the present system serving customers? Are there times or locations where residents and visitors are not well served?
- **Passenger and driver safety.** Do practices and required equipment provide a safe environment for both passenger and driver, and promote confidence in the vehicle-for-hire industry? Should taximeters have voice features to accommodate the vision impaired?
- **Driver qualifications and training.** Do the present requirements for obtaining a vehicle-for-hire driver licence ensure a good quality service to all users?
- **Licensing and Appeals.** Does the present system and regulations for revoking licences, and hearing associated appeals, serve HRM?
- **Accessible Services.**
  - *On-demand taxi service.* Is the current response time and availability adequate? Is there sufficient incentive to motivate individuals to provide an accessible taxi service?
  - *Support to public transit.* Is there an adequate supply of accessible taxis to fulfill the potential for cost-savings and service improvements by HRM's Access-A-Bus service?
- **Re-examining the management of taxi supply.** Does the present system of limiting the number of taxis in a Halifax zone, a Dartmouth zone, and a County zone, serve HRM well? Should zones, or limits on taxi numbers, be amended or removed?

While the most contentious issues concern taxis, issues related to driver licensing are relevant to both taxis and limousines.

## Terminology

The licence to operate a taxi or limousine as a business is distinct from the licence to drive the vehicle. In HRM, the bylaw uses the term *owner's licence* and *driver's licence* to make this distinction. In the case of taxi licences, a commonly used HRM industry term for the vehicle owner's licence is *roof light* – referring to the lighted sign taxis are required to place on their roof.

## Owner-Driver System and Additional Issue Raised by Drivers

An important feature of HRM's vehicle-for-hire regulation is the orientation towards *owner-drivers* for taxis. An owner-driver is an active taxi driver who also holds a licence to own and operate their own taxi. Owner-drivers are thought to have greater long-term commitment to the industry, and to provide better service.

Sections of HRM's Bylaw are intended to promote owner-drivers. For example, the Bylaw requires that the holder of an owner's licence be a licensed taxi driver.

During stakeholder consultations, a complaint raised by some taxi drivers is that the HRM's owner-driver system is not working as intended. Because the Bylaw does not require the holder to actively drive a taxi, many roof lights are now leased out by those who are either retired, or have moved on to other

industries. As years pass with an aging population, more drivers withdraw and lease their roof lights. This means more and more active drivers are leasing the roof light, rather than having their own.

### Methodology

Hara Associates' Regulatory Program has been serving vehicle-for-hire regulators for more than twenty years. Past clients have included Washington, DC, Los Angeles, Regina International Airport, Stanfield International Airport, Edmonton, Sudbury, Calgary, Wood Buffalo, Mississauga, Hamilton, Province of British Columbia, the Regional Municipality of Ottawa-Carleton, the new City of Ottawa, and the Regional Municipality of Waterloo. Hara Associates was also privileged to advise the former City of Halifax on reforming vehicle-for-hire regulation in 1994.

While the vehicle-for-hire industry shares many common elements among cities, each city is unique. Multiple lines of evidence were explored to assess HRM's industry. These included:

- Experience reported by HRM stakeholders (listed in Appendix A).
- Structural analysis of HRM's vehicle-for-hire industry.
- Comparison to practices in other cities.
- Data kindly provided on a confidential basis by individual taxi companies.

### Importance of Vehicles for Hire to HRM

HRM's vehicle-for-hire industry is a significant employer. It includes 1,460 drivers plus associated employment in taxi and limousine firms, vehicular maintenance and servicing. Groups which use taxis and limousines intensively are business people, the elderly, young adults, low income earners, and those who have chosen not to own a vehicle.

The taxi industry also plays strategic roles in the city's economic development:

- **Vital Service.** It is a vital service for business travellers, both as an airport connection and within the city.
- **Communicates Effectiveness of City Administration.** It is a significant means by which business travellers assess the quality of civic administration, and the likely ease of doing business within the city.
- **Necessary to Promote Halifax as a Destination.** Poor availability of taxis compromises a city's ability to compete for large conferences and events, as well as tourism.
- **Positive Factor in Public Transit Usage.** Taxis complement public transit; they are not a substitute. When people organize their lives to make less use of cars, they rely on a package of public transit and the availability of taxis when they need quick service. A better taxi service means more public transit usage and less reliance on private vehicles.
- **Reduced cost of road infrastructure.** Good taxi availability, especially downtown, increases public transit commuting, reducing peak traffic volumes and associated road infrastructure costs.

### Organization of Report

Following this introduction, Chapter Two assesses whether HRM is well-served in light of comments and information gathered from stakeholders. Service issues for customers are identified, as are concerns by industry participants.

Chapter Three addresses a key area motivating this study: passenger and driver safety. This includes issues of driver training and testing, vehicle equipment, code of conduct, and the process for licence revocation and appeals.

Chapter 4 examines whether present borders of taxi zones need to be changed or eliminated.

Chapter 5 looks at how HRM's management of taxi supply could be improved. A choice of paths to improvement is offered, ranging from minimal improvements to the current system to options that offer greater potential improvements at the cost of greater change.

Chapter 6 reviews accessible taxi service issues. Recommendations address better on-demand taxi service, and better support to Access-A-Bus.

Chapter 7 looks to the future and the question of whether HRM wishes to licence service by Transportation Network Companies such as Uber, Lyft, or equivalent local firms.

Chapter 8 looks at other issues that arose during the review and Chapter 9 provides a list of recommendations made in the report.

## 2 Is Halifax Regional Municipality Well Served?

This chapter reviews the performance of HRM's taxi service in light of comments by stakeholders. While the focus is on service to customers, driver representatives also raised significant concerns about the present structure of the industry and ability of drivers to gain control of the roof light of the taxi which they drive. The assessment below is divided into customer service issues and driver concerns.

### 2.1 CUSTOMER SERVICE ISSUES

Halifax experiences shortages of taxis on weekend nights, although the stakeholders report that the shortages have declined significantly in recent years.

Yellow Taxi reported it used to take 2 or 3 hours to get everyone out of downtown. In 2017 HRM opened the zones to allow county and Dartmouth cabs into downtown between midnight and 5 a.m. on weekends.<sup>2</sup> Some changes in the operation of the downtown bar area (the Downtown Halifax Business Commission indicates \$1 pitchers were banned) combined with the change in zone restrictions, has significantly improved the situation. It is reported that it now takes less than an hour to get everyone a ride.

However, Yellow Taxi reports it still can't respond to 40% to 50% of the calls it receives weekend evenings. Casino Taxi reports that although average service levels are good (92% get service within 10 minutes), service on weekend nights is problematic with longer customer wait times resulting in 15% to 17% customer no-shows on a Friday night. This is frustrating for drivers, and further reduces the capacity of the system. Other stakeholders report service at night, especially on the weekend, remains less than optimal.

Other service deficiencies were also reported:

- The airport noted that it is difficult to get enough taxis to serve planes arriving between midnight and 4 a.m.
- Many stakeholders reported that inclement weather slows service, and one suggested some taxi drivers pull off the road on snowy days to avoid the risk of an accident.
- The Downtown Halifax Business Commission indicates problems remain on holidays (New Year's, Valentine's) and in bad weather.
- Cheque days and cruise ship days were also identified as high demand periods.
- Taxi companies and users both report that service in some communities is a challenge, with Cole Harbour mentioned most frequently.
- Many stakeholders reported trip refusals, most frequently refusals to travel from the Halifax zone to other zones. Dartmouth is a challenge because Halifax taxis want to recover the bridge tolls to and from Halifax. Some refusals are simply to any area outside the Halifax zone where the taxi would have to deadhead to return to Halifax.

Some stakeholders suggested some evening problems relate to the owner-driver system, with drivers heading home after working a shift, with no second driver to work the remaining hours. Some suggested part-time drivers might help resolve the issues, working just peak periods.

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<sup>2</sup> The restriction is lifted from midnight to 5 a.m. on beginning Thursday night (Friday morning) through Sunday night (Monday morning), plus an additional night when Monday is a statutory holiday.

## Zone System and Trip Refusals

When the HRM was formed out the former municipalities in the region, there was a choice of merging the separate taxi operating areas into one, or keeping them separate. HRM opted for separation, so that taxis are now licensed separately to one of three zones, corresponding roughly to the former municipalities (Table 2.1). The zone system is described in detail in Chapter 4.

<b>HRM Zone</b>	<b>Licensed Taxis (Does not Include Accessible Taxis)</b>	<b>Major Dispatch Companies</b>
Halifax	610	Casino, Yellow
Dartmouth	200	Bob's
County	190	Satellite
Accessible Vehicles (all zone)	23	

The four major dispatch companies are each focused within a zone, although Bob's does include some County licences, predominantly to serve the Cole Harbour area, and Yellow has some County taxis it dispatches.

Stakeholders had divergent views of the impact of zones on service quality. Satellite, the County focused dispatch company, was the most supportive of the zones, suggesting Bedford and Lower Sackville would not receive enough service if the zones were eliminated. They argued all taxis would head downtown where trip density is greater. However, they did note that Cole Harbour and other parts of the County zone east of Dartmouth were not their focus and did not receive good service because the current zone system isolated that area from the balance of the County system.

Bob's, the Dartmouth based dispatch system, noted that they serve Cole Harbour, but it was difficult to identify a county licensed vehicle to respond in that one area when most of their calls were coming from Dartmouth.

Blue Line, a taxi leasing company with historical rights to 57 roof lights, reported that the easing of zone restrictions on weekend evenings made a big difference in solving taxi shortages on weekend nights. However, Blue Line suggested zones be retained at other times to ensure taxis are available in suburban communities.

One Councillor suggested the zones add confusion – that some people don't know who to call for service in a specific area since each taxi company has the majority of its cars licensed for one zone.

It appears that many trip refusals are directly related to the zone system. Drivers refuse to leave their zone, particularly for long trips, when they know they will likely have to deadhead back. The issue is compounded by Bridge Commission tolls. Although tolls are included in the charges to a customer, a taxi returning empty must pay the toll out of the driver's pocket. One user reported a dispute with a driver seeking to add two bridge tolls to the fare to cover the return to Halifax zone.

The Cole Harbour service problems also relate to the zone system as Cole Harbour is in the County zone, but adjacent to the Dartmouth zone and distant from the other communities in the County. Bob's provides service to the area from Dartmouth, but often can't dispatch the closest car. Instead it needs to search for a County car to dispatch.

Drivers and Casino indicate that it is difficult to get the HRM to pursue enforcement of zone violations, or trip refusals that result from not wanting to deadhead back to the home zone. A complainant must

provide the proof that a violation occurred, but that is difficult to do. In the past HRM was reported to use “mystery shoppers”, but not recently.

A transportation planner also pointed out some of the implications of the airport acting as a fourth zone. The airport is on federal land, so it can set its own rules. It allows any taxi to drop off passengers at the airport, but grants permission to selected taxis, who pay a fee to the airport, to pick up passengers. The planner cited a study of airport traffic showing that three-quarters of taxis bringing customers to the airport went back downtown deadheading. The same occurs between Halifax and Dartmouth, which is not good if the goal is to minimize traffic.

One Councillor suggested if separate urban and rural zones are required, the current zones don't match this need, and the Urban Transit Service Area in the Regional Plan might make a more appropriate boundary.

## **Safety**

Safety was raised as an issue by virtually all stakeholders. A well-publicized sexual assault charge against a driver reinforced concerns about both driver and passenger safety. In particular, some expressed concern for young women alone in taxis. Recent attempts to launch a female driver only cab company may be a reaction to this concern.

All taxis working with the major dispatch companies now have panic or emergency buttons that attract attention at the dispatch, although there was some concern it had not yet been activated on the newly installed dispatch systems.

Virtually all stakeholders expressed support for in-car cameras, with proper protection of privacy. There was wide support for a fare increase to allow recovery of the costs of the camera system, although a couple of stakeholders thought there was a public interest, and HRM should pay at least half the cost from general revenue.

There was far less agreement on the need for dividers or screens to physically separate passengers and drivers. Both drivers and passengers thought this was not required, and drivers expressed concern related to the frequent use of taxis as personal or family vehicles when not working.

Some drivers thought the problem was driver attitude, and the answer was better education and better enforcement, rather than more equipment of either kind.

## **Appeals process**

A driver who is suspended currently has the right to appeal that suspension to the Appeals Committee of Council. Concern over the appeals process arose during an appeal of the suspension of a taxi driver who had been charged with sexual assault of a passenger. The criminal case was in process at the time of the suspension hearing. The suspension was a response to the same incident. Councillors felt they were placed in the awkward position of deciding on the suspension appeal while the criminal case for the same offence was still in progress.

The Advisory Council on the Status of Women reflected a general agreement that the Taxi Driver Code of Ethics needs to be enhanced so any suspension could be carried out based on violating the Code of Conduct, not based on a still unresolved criminal charge. All stakeholders agreed that it must be possible to suspend a driver immediately for serious offenses, not wait until a criminal charge is determined - a process which could take years.

## **Driver Training**

A new taxi driver must now pass a written test to receive their licence. The City issued an RFP to establish a formal training program, but did not receive a successful bid. Most stakeholders believe that some form of training is required.

The key concepts identified are:

- Recognizing that many drivers are recent immigrants, training in Canadian cultural norms, particularly as they relate to treatment of women and the Canadian Bill of Rights.
- The Code of Conduct governing Taxicab passengers and operators.
- Language testing, with a slightly higher requirement than in the past.
- Use of GPS and very basic knowledge of the City without GPS.
- Training on service to the disabled.

There were suggestions for additional driver requirements that were not supported by other stakeholders. These included 5 years' experience with a Nova Scotia driver's licence, and a full knowledge of the city.

## **Accessible Taxis**

Advocates for an accessible taxi service stated, as a human rights principle, that the disabled have a right to the same services as the able bodied, at the same fare. They note that Access-A-Bus requires advance booking up to seven days ahead of time, so it does not provide the same service as an on-demand taxi. The province recently adopted an Accessibility Act that requires service standards be set for transportation services, including taxis. These standards are expected to be set in the next few years.

There was a consensus that HRM's current approach to accessible taxis is not working. HRM allowed unlimited accessible taxis, without zone restrictions, in the hope of establishing an accessible taxi industry. Initially there were 65 accessible taxis licensed, but many have not renewed. There are now 23 remaining in service. Drivers and dispatch companies indicated the vehicles are expensive, and don't make good family cars. They are also expensive to operate, including time to get to the client and extra time to board and secure the mobility device. Casino reported there were only 331 accessible ride calls in a month, with fewer now as the response time has increased because of fewer vehicles. Casino needed to set a policy that accessible taxis cannot refuse a wheelchair ride request – as accessible taxis were dodging the accessible taxi requests to take more lucrative calls.

There used to be a provincial subsidy to encourage the purchase of accessible vans, but that is no longer in effect. Both Casino and Yellow argue the economics of accessible service just don't make sense and that use of the taxi industry for accessible service would need funding.

There was discussion that all new licences should be for accessible vehicles (a proposal that had been rejected by the industry and Council in 2015), but even accessibility advocates suggest 25% of the fleet would be enough to provide a comparable level of service.

A related issue is the provision of Access-A-Bus service using accessible taxis in place of accessible public transit vans. Halifax Transit has invested significantly in making its conventional service wheel-chair accessible. However, not all persons with disabilities are able to use the improved service. Access-A-Bus is a shared ride, door-to-door transit service for persons who are unable to use the conventional transit system due to physical or cognitive disabilities.

Advocates point out that Access-A-Bus trips cost more to provide than taxi rides. Access-A-Bus reports their average cost is \$36.52 per trip, while a taxi trip the same distance only costs \$17.62. Advocates suggest you could double the number of Access-A-Bus trips if taxi service replaced use of the Access-A-Bus vans.

Access-A-Bus argues expansion of service is warranted. Access-A-Bus only provides one hour of service for every 7 hours of regular transit service, while other cities tend to provide 1 hour of para transit service for every 4 hours of regular bus service.

The small and shrinking supply of accessible taxis makes it difficult for Access-A-Bus to pursue a strategy of lower costs and increased service volume through greater use of accessible taxis. Access-A-Bus did issue an RFP to purchase accessible taxi service to complement its services. Yellow did respond to the Access-A-Bus tender but was unable to guarantee it could provide the number of vehicles needed each day as the drivers are independent operators.

Advocates also noted there can be issues with guide dogs, particularly when taxi drivers are allergic to the dogs. They suggested dispatchers should keep notes on which drivers have allergies and not send them to passengers with guide dogs. This would also provide a way to resolve disputes.

## **Limousines**

The airport is served by a substantial number of licensed limousines, but notes that the bylaw does not adequately define what a limousine should be. By referring back to the manufacturer's definition of what is a "luxury" vehicle, it allows many vehicles to qualify that do not meet a common understanding of a luxury vehicle. This does not result in the "luxury" service the airport wants to promote.

It has also helped limousines to provide a wider range of services than they did in the past. Some taxi drivers expressed concern limousines are taking trips that taxis have traditionally provided, and that they are charging the same rates as taxis, sometimes even using taxi meters. This is a particular problem at the airport where the airport sets the rules, but it is reported to be in practice at downtown hotels as well.

## **Other Issues**

Stakeholders raised some additional issues:

- Taxis should be able to park in any legal parking area. Currently they may only park at a taxi stand.
- Taxis should be permitted to stop in a no stopping zone to pick up or drop off a passenger.
- Taxi roof lights should go off when they are occupied so it is clear they are unavailable for hire. This would be particularly useful for street hailing. This is already required by the Bylaw. However stakeholders raised the issue based on their on-street experience.
- Dispatch systems should keep a record of driver allergies to dogs, to limit claims that service animals cannot be accommodated.
- The blind and low vision advocates suggest the introduction of speaking meters.

## **Transportation Network Companies (Uber and Lyft)**

A number of stakeholders, particularly those related to the tourism industry, commented on the Transportation Network Company (TNC) concept, generally by reference to Uber. TNCs are also popularly termed *rideshare* or *ridehail*.

Some users wanted to know why Uber was not in Halifax yet, and some stakeholders, largely in the industry, expressed concern that TNCs would do serious damage to the taxi industry if they did come to Halifax. Some noted that the taxi industry was already learning from the TNCs and should continue to do so. All the major dispatch companies have introduced an app with at least the basic features – the ability to order a ride and the ability to watch the vehicle approach. Some include features like notification that the vehicle is arriving, payment through the app, and driver rating.

Some suggested the taxi industry could “borrow” the concept of variable pricing from the TNCs, particularly higher fares at bar closing and on a rainy days, and lower fares off-peak when additional trips might be generated.

## 2.2 DRIVER CONCERN: ABILITY TO OWN YOUR OWN LICENSED TAXI

As discussed in the introduction, the licence to operate a taxi or limousine as a business is distinct from the licence to drive the vehicle. In HRM, the bylaw uses the term *owner’s licence* and *driver’s licence* to make this distinction. The industry term for an owner’s licence is *roof light*.

The number of licensed taxis in each zone is controlled under HRM’s bylaw. This approach has been in place for about thirty years and was designed to protect and improve taxi driver income by preventing an excessive numbers of taxis. The intention was also that taxi owner licences must be held by a licensed taxi driver, and each licensed driver be limited to ownership of one taxi owner licence, creating an owner-driver taxi system. Pre-existing multiple licence holders, such as Blue Line, were grandfathered into the system at the time of closure of the number of taxi licences.

Most industry stakeholders support the retention of limits on the number of licences issued, although Yellow indicated there is need for a system to release new licences regularly, perhaps twice a year, to reflect growth. (This issue of managing taxi supply is discussed in Chapter 4).

*Driver representatives expressed strong concern that the system is not working as originally intended.* Because the number of licences is fixed and held by the original owners or owner-drivers, new drivers who wish to have a taxi licence for their own taxi must lease the licence (roof light) from the original holders. Halifax Zone roof lights lease for between \$300 and \$500 per month, while Dartmouth roof lights lease from a reported \$100 to \$200 per month. While these amounts can be read as an indicator of success for raising the level of profitability of driving taxis, for many of today’s drivers these payments are a *cost*. The only alternative is to place one’s name on a waiting list. The wait for a Halifax or Dartmouth roof light can be as long as 18 years. Because of their lease value, licences are not returned to the city for redistribution until the original holder is either deceased or no longer has the health to hold a commercial driver’s licence.<sup>3</sup>

Retaining a taxi owner’s licence does not require being an active taxi driver, only that the holder remain in sufficient health to hold a taxi driver’s licence. Over time, as the original drivers age, this means that increasing numbers of drivers withdraw from active service and lease their plates to others.

For the increasing number of drivers without an owner’s licence, this means the owner-driver concept is not attainable for them. Driver representatives argue that when a licence holder withdraws from active driving, their licence should be returned to the City, and issued to a new driver on the wait list. They view the paying of up to \$6,000 per year to lease a licence as very unfair. To further add to their burden, active drivers may have to buy a car, transfer it nominally to the holder of the owner’s licence, and pay

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<sup>3</sup> Class 4 or better.

the insurance for both licence owner and driver, leaving them with higher insurance costs and a car they bought but no longer own.

Driver representatives also allege that there are multi-roof light owners with up to 25 roof lights, in addition to those grandfathered into the system at the time of closure. While the bylaw rules do not permit such registration (other than for accessible taxis), it is possible that agents exist who manage multiple roof lights for retired drivers, with the same net effect. From the perspective of driver's who entered the system in recent decades, the present HRM system appears indistinguishable from cities where taxi licence ownership is concentrated in the hands of a few.

This issue is analyzed in Chapter 7, under the heading *Strengthening HRM's Owner-Driver System*.

## 3 PASSENGER AND DRIVER SAFETY

This chapter addresses improved safety for passengers and drivers. Relevant context is a well-publicized allegation of sexual assault of a passenger by a taxi driver, and subsequent issues that arose around the suspension of the driver's taxi driver licence while the criminal trial was in progress. Stakeholder interviews indicated a high awareness of the incident remains among users, especially among women.

Users also raised other concerns. Passengers with visual impairment who use guide dogs reported multiple examples of trip refusals by drivers, although the present Bylaw requires drivers to accept and transport them. A more general concern expressed by stakeholders was the desire for greater assurance of language skills among drivers, and greater cultural sensitivity, particularly around gender.

While the need for passenger safety is high in stakeholder minds, an equally important concern is the safety of drivers. Driving taxi is one of the more dangerous occupations.<sup>4</sup> Drivers risk assault, robbery, and occasionally death, in the course of their work. A perennial concern in the regulation of taxis is ensuring that vehicle equipment, driver training, and dispatch procedures support the safety of the driver.

Recommendations below are grouped by:

- Vehicle equipment and related safety practices.
- Taxi driver licence requirements.
- Licence suspension and revocation procedures.

### 3.1 CAMERAS, VEHICLE EQUIPMENT, AND SAFETY PROCEDURES

#### Cameras

A camera recording the inside of a taxi is a deterrent to poor behaviour by either driver or passenger. Studies suggest that the cameras significantly reduce assaults on drivers when all taxis are required to have them.<sup>5</sup> Canadian municipalities that require cameras in taxis include Edmonton, Winnipeg, Victoria, Vancouver, Toronto, and Ottawa. HRM does not require them.

Common regulatory requirements for taxi cameras make them different, and more costly, than the consumer cameras commonly installed by individuals. In particular, an acceptable taxi camera includes features protecting the privacy of individuals and ensuring a chain of custody of evidence sufficient to serve in court. Features may include:

- Ability to see both front and back seats (sometimes met with dual camera heads).
- Good resolution in low- light conditions typical of a taxi interior at night.
- Secure data storage separate from the camera, so that the record cannot be snatched with the camera.
- Fire and assault resistant data storage.
- Encrypted storage accessible only to the police or bylaw officer specifically authorized.
- Auto-wipe features after a set period of time (a further privacy protection).

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<sup>4</sup> For example see: "Work-Related Violent Deaths in the US Taxi and Limousine Industry 2003 to 2013: Disparities within a High-Risk Working Population". Menendez et al. *Journal of Occupational and Environmental Medicine*. August 2017.

<sup>5</sup> For example see work sponsored by the U.S. National Institute for Occupational Safety and Health (NIOSH): "Effectiveness of Taxicab Security Equipment in Reducing Driver Homicide Rates." *American Journal of Preventative Medicine*. 2013 Jul; 45(1): 1-8

### 3-2 Passenger and Driver Safety

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- Special record feature activates more intensive coverage when driver presses a trouble button.
- Additional forward facing cameras (reduces insurance costs, but less common because of privacy concerns for pedestrians on the street).

Cameras make it easier to resolve complaint investigations. In combination with GPS tracking of taxis, a passenger who wishes to make a complaint or criminal charge need only recall the approximate time and location of pick-up or drop-off. They do not need to recall the taxi registration number or the driver, or even the taxi company. Examination of company GPS records can narrow the taxis concerned to 3 or 4 relevant vehicles. The encrypted camera records from those taxis can identify the particular taxi concerned, and provide evidence of the event.

Users interviewed by the study team were supportive of cameras, especially after being made aware of protections for privacy.

Drivers were also supportive, but raised the question of who would pay. Driver support was based on the desire that passengers, especially women, have high confidence in the industry. The presence of a camera record also protects drivers in the event of an unfounded allegation.

A technical issue raised by drivers was how their personal privacy would be protected for off-duty use of the taxi as a personal vehicle.

On cost, a fully featured taxi security camera can cost as much as \$1,200. Most drivers suggested that HRM should fund all or part of the cost. On the other hand, the cost of providing vehicle and equipment to meet regulatory requirements is part of the cost of doing business that is supposed to be covered by the meter rate. Adding 10 cents to the meter for each trip would more than recover the cost of a taxi camera over a life-span of five years. Cameras typically last longer and may be moved from an old taxi to a new taxi.

*Recommendation 3.1: That HRM require the installation of cameras in all taxicabs, consistent with a list of models and manufacturers approved by the Licensing Authority. Features of approved models shall include encryption of records; a means to restrict access to police or designated officers of the Licensing Authority; and other features to protect the privacy of passengers and drivers. Approval of the Licensing Authority may also take into consideration assistance offered by supplier(s) to enable police and Licensing Authority access to camera records and provision of means to inspect and assure camera functionality.*

*Recommendation 3.2: That the requirement for cameras be phased-in over a 12 month period to allow the taxi industry time to develop the capacity to order and install the required cameras.*

*Recommendation 3.3: That HRM add an additional 10 cents to the fixed charge on taxi meters at the beginning of the 12 month period to assist the industry in paying for the ongoing cost of acquiring, maintaining and replacing cameras.*

Hara Associates believes that HRM passengers will find the additional security and assurance provided by cameras well worth the additional ten cents per trip. Additional benefits will be fewer assaults on drivers and a more accurate record supporting investigation of passenger complaints.

## Other Safety Measures

From the perspective of the driver, it is important that a vehicle be equipped to alert others when the driver is being threatened or assaulted. A common feature is a trouble button or switch where the driver can notify dispatch silently when an incident is occurring. Dispatch should have procedures in place to confirm the alert, and take appropriate action to bring help to the driver. In combination with real-time GPS tracking, delivering help is also effective. Modern taxi dispatch systems now include GPS tracking, and recording, as part of the features of any size dispatch system.

The four taxi companies serving HRM all stated they had such equipment and procedures in place for their vehicles. Taxi drivers interviewed confirmed the active effectiveness of these procedures. A typical procedure is to call back the driver by cell-phone to confirm the alarm. No answer indicates that assistance is needed.

It is positive that these procedures are in place. However we note that:

- Because taxi companies are not licensed by the Bylaw, there is no basis for requiring the existence of the procedures for any new company that might emerge.
- HRM's present owner-driver system means drivers are free to choose not to use a dispatch service and operate independently. Such vehicles do not have the same level of protection in the case of incidents.

*The above raises the issue of establishing licence conditions for taxi companies, and whether to require all taxis to affiliate with a taxi company or cooperative central dispatch. Since these issues arise in a number of contexts, they are addressed together in Chapter 6: Preparing for the Future.*

## 3.2 DRIVER LICENSING AND TRAINING

### HRM's Current Driver Requirements

HRM uses a graduated licensing process for drivers. The same licence enables the driver to operate either a taxi or a limousine. Drivers who meet initial requirements receive a one year, non-renewable, Conditional Driver's Licence. During that year, the driver must fulfil additional requirements, including further testing, in order to advance to a full Driver's Licence.

Requirements for a Conditional Driver's Licence are:

- **A Nova Scotia commercial driver's licence** (Class 4 or better, as opposed to the most common Class 5 for personal vehicles).
- **An acceptable result on a vulnerable sector Criminal Record check.** Note that not all offences or charges are relevant to taxi and limousine driving. For example, a marijuana conviction from 30 years ago would not usually be considered relevant. Where needed, cases are reviewed by Licensing Authority officers.
- **An acceptable driver's abstract.**
- **Successful completion of an English Language Competency Test.**
- **A pass score (70%) on each of three written multiple choice tests.** Each test allows a maximum of one hour for completion. The test areas are:
  - Bylaw and Administrative Orders governing taxi and limousine operation.
  - Streets and Roads.
  - Buildings and Common Locations.
- **Viewing a sensitivity training video.** This is shown following the writing of the exams.

### *3-4 Passenger and Driver Safety*

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To obtain a full Driver's Licence, the driver has one year to complete the *National Standards Certification Program* for Taxicab and Limousine Drivers. At the national level, this is a voluntary certification program offered by the Canadian Tourism Resource Council. HRM has adopted this program as a required standard. It is administered in HRM by the Tourism Industry Association of Nova Scotia (TIANS). Obtaining the certification requires:

- **Passing a Multiple-Choice exam** of 125 questions focussed on professional practice and treatment of passengers.
- **Completion of 600 hours of service.**
- **(Optional) Successful completion of a performance evaluation.** In HRM TIANS may call the driver in and/or take a trip posing as a customer. The evaluation trip is taken at a separate time, sometime after the successful completion of the exam.

*The graduated process used by HRM, and the incorporation of the national standard maintained by the Canadian Tourism Resource Council, are both valuable features of vehicle-for-hire driver licensing.* However, further improvements are possible to respond to issues raised by HRM user stakeholders. In particular, there are the issues of language testing, and *live* driver training.

### **Training with Live Instructors**

The present HRM requirements have the advantage of cost-effective use of national standards and computer-assisted testing through the use of question banks. The National Certification Program maintained by the Canadian Tourism Resource Council is a valuable addition that promotes professionalism among drivers, but also largely relies on multiple choice testing.

Interaction with living trainers, whether in person or on-line, can have a higher impact on driver knowledge and professionalism. The presence of a live trainer has these advantages:

- **Communicates importance HRM places on the message.** The commitment of time for instruction gives greater weight to the expectation that the message will be heard and that HRM cares about the topic. Sitting the individual in front of a video, also communicated, but does not carry as much social weight.
- **Identifies enforcement officers and promotes positive relationship on the streets.** Meeting officers in a class-room situation first, rather than in an enforcement situation, identifies who the drivers may meet on the street and what their respective roles are. In addition, it promotes the positive message of sharing the streets, and the collective interest in promoting business volume through the collective enforcement.
- **Promotes empathy and understanding of persons with disabilities and the elderly.** Meeting a person with vision disabilities, and having them demonstrate the difference between a guide dog and a pet, will help drivers understand the bylaw requirement to accept service animals and serve customers with disabilities more effectively.
- **Hearing from peers helps.** Having a senior driver explain to new drivers the reasons why it is good to adhere to the professional practices embodied in the Bylaw is also helpful.

Within a live instructor context, videos are still an excellent tool. In particular, videos developed locally by taxi drivers and advocacy organizations working together will craft messages that work for drivers in that region.

Most large Canadian cities have driver training requirements that include class-room sessions with trainers. The length of these requirements can range from half a day to weeks. Cities where the value of

limited taxi licences are high, can set significant training requirements and still have many interested drivers. More recently, there has been downward pressure on the value of taxi driver licences, especially in cities where TNCs, like Uber or Lyft, have been licensed. This has resulted in a desire to reduce the training costs imposed on the taxi industry. Toronto, for example, eliminated its 17 day program for taxi drivers in 2016 in order to level the playing field with the newly licensed TNCs. In short-time however, Toronto's taxi industry experienced issues with untrained new drivers. The industry itself resurrected a joint required training program of its own through the local Centennial College.

For HRM, a training requirement with live instructors of a half day to a full day would help address concerns expressed by stakeholders on trip refusals for service animals, and on gender and cultural sensitivity. Drivers consulted in stakeholder interviews were largely supportive of having this requirement for new taxi drivers. There was also some support among current drivers for cycling current drivers through an abbreviated form of such a course.

*Recommendation 3.4: That the Bylaw be amended to empower the licensing authority to set attendance at an acceptable training course as a requirement for a Driver's Licence and, where deemed necessary to update industry practice, for renewal of Driver's Licences.*

*The intention is for training with live instructors, supplementing the current required completion of National Certification testing administered by the Tourism Industry Association of Nova Scotia. Live training would provide the opportunity for interaction with persons with disabilities, guide dog demonstrations, interaction with officers responsible for Bylaw enforcement, and emphasis on key messages such as gender and cultural relationships, and practical discussion of the implications of the code of conduct in the Bylaw, such as sex and conduct with passengers.*

Hara Associates notes that there have been recent efforts to develop such a training course by the Licensing Authority. A lack of fully responsive bidders was a contributing factor to the project not proceeding. An issue may have been the high degree of delegation envisioned in the bidding process. Having the Licensing Authority take responsibility for developing the curriculum and retaining records of course completion, would make it easier to obtain contract trainers for segments, and be more appropriate given the suggested participation of enforcement officers and advocacy organizations. This approach would likely impact the Licensing Authority's budget requirements, depending on the cost recovery from course fees and other vehicle-for-hire licence fees.

*Recommendation 3.5: That Council direct the Licensing Authority to develop an updated driver training video with the participation of disability advocacy organizations, experienced HRM drivers, and other stakeholders.*

Hara Associates notes that one taxi company, Casino Taxi, has recently developed its own training video that has received positive comments from drivers and HRM organizations representing persons with disabilities. This positive initiative may serve as an example for what may be achieved in HRM in a short training video addressing industry-wide training requirements for drivers.

## **Language Skills**

Driving vehicles for hire is generally recognized as an entry level occupation available to newcomers to Canada. Regulators face a challenge in determining a language standard that is sufficient for good service, without closing the industry to new Canadians and cutting off a principal source of supply of

vehicle-for-hire drivers. This is a national concern that faces many industries. Over time, a national system of occupational language standards and testing has been developed.

This national language standard is maintained by the Centre for Canadian Language Benchmarks (CCLB) with assistance from both the federal government and provincial governments, including Nova Scotia. Funding is currently provided by Immigration, Refugees and Citizenship Canada, Human Resources and Social Development Canada and the provincial Governments of Alberta, British Columbia, Ontario, Nova Scotia and Saskatchewan.

HRM's bylaw empowers the Licensing Authority to set a language requirement for licensing. The requirement has been recently updated to use CCLB standards, and to require applicants to obtain certification by testing centres within HRM employing that standard. At present, these are the East Coast Language College, or Language Assessment Services of Nova Scotia.

The required standard for drivers is level 5, a common CCLB standard used for taxi drivers.

Hara Associates supports the adoption of the CCLB language standard of level 5 for entry taxi drivers. However, higher standards are possible, especially in the context of HRM's graduated licensing approach. For example, the City of Edmonton adopted Level 5 as the required minimum for new taxi drivers, with the requirement that the drivers achieve Level 7.0 within one year. Level 5.0 requires only basic functionality, such as understanding "Take me to 52 Elm Street." Level 7.0 requires a greater understanding of context, such as ". . . but first I want to stop at the dry cleaner's".

*Recommendation 3.6: That HRM consider amending the Bylaw to allow the Licensing Authority to set a second language requirement for obtaining a full driver's licence for taxis and limousine. The second language requirement would permit the current entry level language requirement for driving to continue, but expect a somewhat higher standard be achieved before the end of the one year conditional driver licensing period.*

### **3.3 APPEALS OF LICENCE SUSPENSIONS AND REVOCATIONS**

When a driver contravenes the bylaw, or becomes otherwise unsuitable as per Section 44.1 and 44.2 of the Bylaw, the driver's licence may be suspended or revoked by the Licensing Authority. Such administrative actions may be appealed to the Appeals Standing Committee of HRM Council.

Concern over the appeals process arose during an appeal of the suspension of a taxi driver who had been charged with sexual assault of a passenger. The criminal case was in process at the time of the suspension hearing. Councillors felt they were placed in the awkward position of deciding on the suspension appeal while the criminal case for the same offence was still in progress.

One question that arose in stakeholder interviews was whether the appeals needed to involve Councillors, or whether hearing such appeals could be moved to the provincial level. For example, the Nova Scotia Utility and Review Board hears appeals on property assessments.<sup>6</sup>

The Halifax Regional Municipality Charter<sup>7</sup> and provisions of the Motor Vehicle Act<sup>8</sup> both effectively require that appeals of licence suspensions and revocations must be heard by Regional Council or a Committee of Council.

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<sup>6</sup> The first level of appeal of property assessments is to the Nova Scotia Assessment Appeal Tribunal (NSAAT). Appeals of NSAAT decisions are to the Nova Scotia Utility and Review Board.

<sup>7</sup> *Halifax Regional Municipality Charter*

Moving the appeal of taxi and limousine licensing decisions to a provincial body would require amendments to the Municipal Charter, the Motor Vehicles Act, and the legislation governing the selected provincial body. While this may be possible, it is difficult to form a good governance argument for doing so. HRM is responsible for the licences it issues and, unlike property assessments, not in direct conflict of interest.

An alternative approach combines two remedies:

- **Ensure Councillors are ruling on the right question.** For example, it is not necessary for the Appeals Committee to decide if a criminal act took place. What should be at issue is whether the licensee's actions violated the Bylaw. Thus, if the Bylaw includes requirements for professional conduct and avoiding behaviour placing the reputation of the industry at risk, then a suspension may occur on that basis. It is not necessary to decide whether or not a sexual assault took place. The decision is whether or not a driver behaved unprofessionally, or in a manner that placed the industry's reputation at risk. In plainer language, if it is unprofessional for drivers to make sexual advances to passengers when providing vehicle-for-hire service, then it is grounds for suspension or revocation regardless of whether a criminal act took place.
- **Ensure the option of an administrative review.** Before reaching the Appeals Committee of Council, there should be an administrative level of review, where an officer of the Licensing Authority not directly involved with the disciplinary action reviews the case. This has the benefit of assuring members of the Appeals Committee that any case that reaches them has already been subject to independent review with representatives of the appellant having had the opportunity to make their case. In addition, the availability of an administrative review may be sufficient to catch errors, or satisfy appellants of due process – reducing the number of cases taken to the level of the Appeals Committee of Council.

*Recommendation 3.7: That the Bylaw be amended to:*

- *Add to the code of ethics words to the effect the driver shall behave respectfully and provide an environment free of harassment, including sexual harassment or harassment based on race or religion.*
- *Add reciprocal language to the effect that a driver is entitled to a respectful environment free of sexual harassment or harassment based on race or religion, and that a driver may refuse service if passengers do not respect this requirement.*
- *Add to the code of ethics words to the effect that drivers, when on duty, shall not behave in manner that places at risk the confidence of the public in HRMs vehicle-for-hire industry.*
- *Add specific provision to the Bylaw prohibiting drivers from having sex with passengers during the course of transporting them, or immediately after*

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- 60(2): "Where the power to issue, refuse, suspend, cancel or revoke licences and permits is delegated by policy, provision for an appeal of such issuance, refusal, suspension, cancellation or revocation to a standing committee or to the Council must be included in the policy."
  - 188(2) (f): ... "the Council may, in any by-law ...where decision making is delegated by by-law to a person or committee other than the Council, provide for an appeal of the decision, the body that is to decide the appeal and related matters".

<sup>8</sup> 305(2)(e): . . . authorize the traffic authority or other official to revoke any license issued under such regulations or bylaws but an appeal from any revocation so authorized may be taken to the council of the city, town or municipality or to the police commission or other committee specified in such regulations or bylaws.

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### *3-8 Passenger and Driver Safety*

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*having escorted or assisted the passenger to their door. In addition, drivers should be prohibited from accepting sex in exchange for vehicle-for-hire services.*

Recognizing driver rights as well as passenger rights is helpful in ensuring drivers feel respected and are supportive of the Bylaw. It is particularly helpful in driver training courses where the Bylaw requirements are communicated to drivers.

The prohibition of sex with passengers is a specific application of the more general prohibition against behaving in a manner that places at risk the confidence of the public in the industry. Having sex with a passenger during the course of a trip or at the end, even if on a consensual basis, places the industry at risk. The question of consent may be disputed at a later point of time, including by third parties. It is for the protection of the public confidence in the industry, as well as passengers, that a general prohibition is called for. In the event of a licence suspension appeal, Councillors on hearing licence appeals should not be expected to decide on consent. That is for the courts. Instead, the question is whether the driver behaviour was contrary to the bylaw. An injunction against sex with passengers is more straightforward to apply. The presence of recommended cameras in taxis (with associated security and privacy features) will also assist in decision making on appeals.

To be effective, wording in the Bylaw must apply to the whole of the trip, including any requested assistance by the passenger to their door or immediately thereafter. A taxi driver may not evade the Bylaw requirement simply by turning the meter off, or booking off from their dispatch system.

The rule against sex with passengers would be important to communicate in the recommended training course for new drivers, along with the reasons for it. Additional context could be provided regarding current Canadian case law and the relationship between inebriation and consent. Communicating a change in the bylaw would also be a reason for providing required training for experienced drivers renewing their licence.

## 4 TAXI ZONES

This chapter reviews whether HRM taxi zone system is in need of reform. Four options for change are identified, ranging from an incremental change to current zones, to significant reform amalgamating zones. Each option is assessed for its impact on service quality and income to industry stakeholders. The chapter concludes with a recommended option.

### 4.1 THE ZONE SYSTEM

HRM is a very large municipality. At 5,490 sq. km. it is 8.7 times as large as the City of Toronto and twelve times as large as Winnipeg. A trip from downtown Halifax to Trafalgar in the north-eastern corner of the HRM is a 123km trip expected to take 1 hour and 53 minutes according to Google Maps. HRM faces the challenge of both regulating taxi service in an urban core, and trying to promote taxi service in its rural and small community areas. This challenge is shared with other municipalities where former urban and rural municipalities have been amalgamated, notably in Ontario where the province has had a policy of regionalizing municipal governments.

HRM's 1000 conventional taxis are divided into three operating zones. The borders of the zones are largely historical, set when Halifax Regional Municipality was established by amalgamating Halifax, Dartmouth and the surrounding municipalities. 610 taxis are licensed to operate in the Halifax Zone, representing the former City of Halifax and nearby neighbourhoods to the south (Figure 4.1). 200 are licensed to the Dartmouth Zone, corresponding to the former City of Dartmouth, and 190 are licensed to operate in the remaining County Zone (Figure 4.2).

During most of the week, taxis may transport passengers within their zone, or between zones. They may not transport passengers *within* a zone for which the taxi is not licensed. This rule is relaxed for weekend nights from midnight to 5 a.m. in order to facilitate the closing of HRM's entertainment districts.<sup>9</sup>

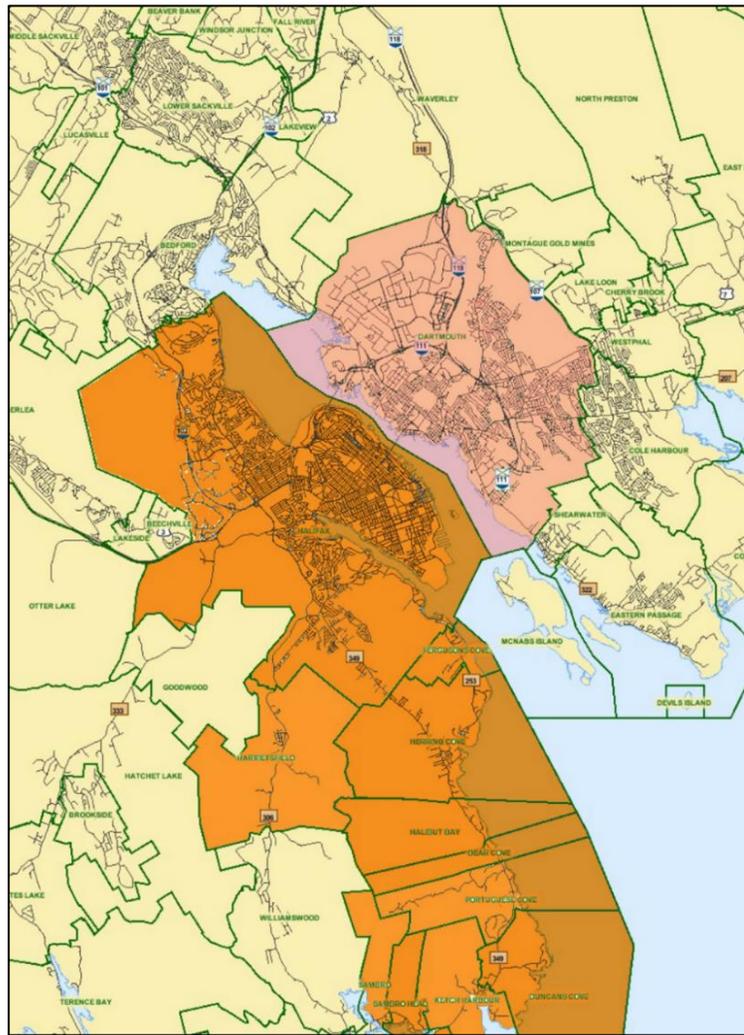


Figure 4-1 Halifax and Dartmouth Taxi Zones

<sup>9</sup> The restriction is lifted from midnight to 5 a.m. on beginning Thursday night (Friday morning) through Sunday night (Monday morning), plus an additional night when Monday is a statutory holiday.



Figure 4-3

## 4.2 KEY CONSIDERATIONS

### Does the Zone System Protect Service Quality in the County?

When municipalities amalgamate, one decision that must be made is whether to merge taxi licences into a single operating area, or to maintain the separation. Ottawa, for example, chose to merge its taxis into a single operating area. Ottawa may be a good comparator to HRM because a large part of that regional municipality remains rural. In Ottawa all zones within the urban area were merged over a five year period, and the rural areas were left unregulated so informal services could continue without the need for an urban taxi licence that was too expensive to facilitate informal or part-time service.

From a service perspective, the question arises whether having one zone would result in all taxis rushing to the richer urban core, leaving other areas underserved. In HRM, this argument is made with respect to maintaining a County zone to keep taxis in the communities of Bedford and Lower Sackville, the urban portions of the County area. The argument is also made for keeping taxis in Dartmouth zone, as opposed to downtown Halifax.

While there is some truth to this concern, the impact is limited. To see the dynamics involved, it is helpful to review the different lease values that are paid to lease a taxi owner's licence in each zone. (Table 4.1). The lease payment is a private payment from an active taxi driver to the holder of a taxi licence for the use of the licence (i.e. roof light). The holder of the roof light is either a former driver who is no longer active or less active, or one of the holders of a multiple licence that were grandfathered into the system when the owner-driver system was established.

A higher lease cost means that taxis in that zone are busier and more profitable, causing licence holders to be able to ask a higher lease price for the right to operate a taxi. Thus the Halifax zone is the busiest at present. The Bylaw also establishes a waiting list for those who wish to acquire a taxi owner's licence. The length of the waiting lists for each zone also reflects their respective value.

Table 4.1 – HRM Taxis by Zone							
HRM Zone	Taxi	Taxi Owner Licences Issued	Licences Held by Multi-Owners	Drivers on Wait List	Longest Wait	Monthly Lease for Roof light*	Major Dispatch Companies
Halifax		610	Blue Line Leasing: 57 Individuals: 24	472	November, 2004	\$300 - \$500	Casino, Yellow
Dartmouth		200	KGB Industries: 2 Individuals: 19	273	January, 2013	\$100 - \$200	Bob's
County		190	Individuals: 2	41	March, 2017	\$0 - \$100	Satellite
Accessible Taxis		23	9	n/a	n/a	n/a	n/a

*\*As reported in interviews, not verified*

If zone boundaries were removed, there would indeed be a natural movement of taxis towards the Halifax zone. However, that move is self-limiting. As more taxis move to the downtown, the profitability of working that area declines, while profitability rises in the other zones as fewer taxis are there to serve. *The net result is an equalization in taxi profitability, with taxis serving all zones.*

The same process can be viewed from the perspective of individual taxi drivers. Taxi drivers develop a better understanding of their business as they gain experience. They learn when and where calls will come. The modern dispatch systems and apps also help drivers know where to position themselves to minimize their wait time. While many taxis will go to downtown to get rides for peak times, others will position themselves where there is less competition, to get the next ride without having to wait out everyone else in the dispatch waiting list. The process results in taxis spreading themselves out so they all get fares with the same kind of wait time. This doesn't work perfectly – some drivers are smarter than others, and some dispatch systems are more effective than others. However, municipalities like Ottawa that have eliminated zone systems have found it to be true generally – the suburban areas still have drivers who prefer working there. If the service level goes down so people are waiting, some drivers relocate there to take advantage of the available business, restoring the level of service.

In summary, there is some reduction in service to areas outside the core when barriers are removed, but service soon finds a new equilibrium. If taxis find it profitable to serve an area before the zones are removed, there will still be taxis serving those areas afterwards to gain the benefit of that business. As for the downtown core, the reason some taxis would redistribute themselves to downtown is, ultimately, because they are needed there. This is indicated by shortages reported.

### **Impact of Removing Zones on Driver Income and Roof light Leases**

From a practical perspective, the largest issue with merging zones is the impact on the income of those holding taxi owner's licences. Taxi lease rates (or equivalent earnings if the driver holds an owner's licence) will equalize to a common average. Lease rates for former Halifax zone licences would fall, and lease rates for the other zones would tend to rise.

The result would be approximately an average of the current lease rates in each zone, weighted by the number of taxis in each zone. Based on the range of lease values reported by stakeholders, the lease value of an HRM roof light would fall 25% to 35% (roughly between \$100 and 150 per month), while holders of county roof lights would gain as much as a few hundred dollars a month. Dartmouth roof light holders would gain on the order of \$125 per month.

The impact on taxi driver income would depend on whether or not they hold the right to a roof light. HRM was established as an owner-driver system, but many drivers must now lease their roof light from former drivers or multi-licence holders who were grandfathered into the system.

- **Drivers with no roof light are unaffected in the long run.** The lease rate they pay will rise or fall, but be offset by an equivalent rise or fall in the revenue generated by the taxi. Drivers who are in a long term lease contract will gain or lose until their lease contract expires, and can be renewed at the new prevailing market rates.
- **Inactive former drivers** who are leasing their roof light will gain or lose by the amounts cited above in the form of gains or losses in the monthly rental rate their roof light commands for their original zone
- **Active drivers with a roof light** will gain or lose net income from taxi fares equal to the gain or loss in monthly rental rate their rooflight for their original zone (i.e. because they effectively lease the rooflight to themselves). .

The redistribution of income between licence holders in different zones is inevitably contentious. For larger Canadian cities with richer markets, taxi lease rates are typically in the thousands of dollars, rather than the hundreds. Vancouver, for example, has taxi lease rates reportedly as high as \$5,000 per month. When regionalization occurs and the question of merging taxi jurisdictions is faced, the income impacts are correspondingly larger as well.

### **Zone System, Rural Service, and Service Innovation**

In the context of promoting rural service, the zone system is not the main issue. Even with a separate county zone, service is not good to many areas. The principal taxi company providing dispatch to the County zone focusses on urbanized areas close to the Halifax Dartmouth zones, although they will answer requests to other parts of HRM. In addition, the bulk of taxis licensed to the County are part of the airport fleet, and are not usually available for dispatch calls to parts distant from the airport.

The most significant barrier to better rural service comes as an unintended consequence of the limits on the total number of licences, and the owner-driver requirements. Smaller communities often struggle to have *any* local taxi service. When a service is launched, it is usually by a local person who is willing to provide the service *now*. If that person must wait to get to the top of a list, that person may have found something else to do in the meantime. This is true even for waits as short as a few months.

The rural problem is also a challenge if an individual is willing to put together two or three taxis and drivers in order to provide coverage at most hours of the day. If a person wished to launch a small operation in the County zone, they must first find three local drivers with a commercial driver's licence that are willing to put their names on the waiting list. The business launch would be delayed by 3 to 6 months until those names came to the top. During this period, if any of the individuals found other things to do, the place on the waiting list would be lost. This would impact the other participants, since there would be one less vehicle then needed. Even if a new local driver was located, there would be a further delay as the new driver went to the bottom of the list and started over. The same issue would occur for any replacement drivers if an active driver withdrew. In even smaller communities it is sometimes an individual that offers to provide taxi service to supplement their income from other activities that have some flexibility in their timing. Taxi licensing requirements can provide barriers to entry that prevent such services from operating.

The delay and ongoing uncertainty of being able to launch and keep a few taxis on the road likely discourages potential service providers in HRM's smaller communities.

Similarly, anyone thinking of launching an innovative or special service faces the same obstacles. The must locate and organize other participating drivers, and survive the waiting list with at least most of the group. For example a recent effort to launch a female taxi driver service, Lady Drive Her, reportedly experienced these obstacles in acquiring licences to launch the service at the desired scale of multiple taxis. The service did launch, but is presently advertising only limousine service.

*The issue of enabling new launches of rural service and innovative services affect recommendations on zones addressed in this chapter, and also recommendations on managing taxi supply in the next chapter.*

## **Zone System and Trip Refusals**

The zone system currently results in drivers refusing many trips. If a taxi takes passengers out of the taxi's home zone, they generally cannot obtain a fare in the other zone and must return to their home zone empty. This leads to some drivers refusing to take passengers to destinations out of their home zone. Cole Harbour is a particular problem as it is far from the other urban areas in its County zone, and cannot be served by Dartmouth cabs that are next door. Halifax zone taxis are reported as often resisting crossing even to Dartmouth when they will need to pay a second bridge toll out of their own pockets on their way back to Halifax (in the absence of a paying passenger). This is becoming a growing problem as the urban area extends outside the old boundaries of Halifax and Dartmouth.

The difficulty drivers experience getting return trips to their home zone may be largely attributed to the zone system. The zones, based on former municipality borders, perpetuate the historical division of HRM's taxi market between taxi companies. Halifax has two taxi companies offering dispatch. Dartmouth and the County have one company each dominating business in their respective zones. Thus a Yellow cab going to Dartmouth has a low likelihood of getting a return passenger, because Dartmouth passengers are largely phoning Bob's taxi. Even if Dartmouth and Halifax zone companies agreed to cooperate, telephone dispatchers do not necessarily know the destination that passengers have in mind, and would be required to send a home zone taxi unless they knew with certainty that the trip was between taxi zones. This latter issue may be reduced as the use of smartphone apps becomes more prevalent. Smartphone apps typically record the passenger's intended destination.

In contrast, many Canadian cities have large river valleys or geological features dividing their cities, whose gaps are physically larger than the span of bridges between Dartmouth and Halifax. Taxis in these cities move back and forth over these boundaries with much greater ease in a unified zone, with major taxi companies offering city wide service.

## **Impact of Zone Merger(s) on Taxi Companies**

Another consideration affecting the merger of taxi zones is the potential impact on taxi companies. From a consumer perspective, there would be more competition as taxi dispatch companies would be free to offer their taxi services across merged zones, competing head-to-head as the borders between traditional zones were removed.

For the present taxi companies, zone merger is a two-edged sword that introduces significant uncertainty. Recall that, in HRM, taxi companies do not have their own taxis. They sell dispatch services to taxi drivers. One concern of smaller companies, such as Bob's Taxi or Satellite Taxi, is that their clients might switch en masse to the larger firms of Casino or Yellow. On the other hand, Casino or Yellow might be concerned that Bob's or Satellite could use their regional base of customer calls as a base, and aggressively enter the Halifax market, courting consumers and drivers through advertising and a competitive deal.

Overall, the gains in system efficiency by a merger would result in more taxi calls, and greater value in dispatch service. The overall value of the taxi dispatch market would become bigger, while the competitive share of individual companies would depend on the outcome of a transitional period of competition. We note that in large municipalities with merged zones, it is still typical to have taxi companies which specialize in serving particular regions.

To encourage a rational and well-thought out competitive response to zone merger, a time-delay in implementation is desirable. This will allow individual taxi firms to consider their options, communicate with their drivers, and prepare for the change in environment.

### 4.3 ANALYSIS & RECOMMENDATIONS

At minimum the present Zone boundaries need to be modified to account for the expansion of urbanization beyond the former borders of Halifax and Dartmouth. Cole Harbour and neighbouring communities are poorly served, while available nearby taxis in Dartmouth are blocked by the zone border.

There are also broader issues of whether the zone system is more hindrance than help in maintaining service levels in Dartmouth and the County. The zone restrictions also contribute to poor service to the downtown before midnight on weekend nights.

Choosing how much to change the zone system involves trade-offs between improved service, and the disruption caused by redistributing income among roof light holders, many of whom are working or retired taxi drivers. Removing zones would cost Halifax zone roof light holders between \$100 and \$150 per month in lost income, while distributing the gains among Dartmouth and County roof light holders.

We may define four principal options:

- **Option A: Add Cole Harbour and neighboring communities to the Dartmouth Zone.** This option keeps the three zones, but adjusts borders to match the expanded urbanization of HRM. Communities to be added include Cole Harbour, and communities South of Cole Harbour. Consideration might also be given to adding Westphal, the community just north of Cole Harbour. The street density in Westphal indicates a continuation of the same urban agglomeration.

In parallel, it would make sense to allow taxis that were previously working in Cole Harbour and surrounding communities, to convert to a Dartmouth zone licence. Allowing this would ensure that taxi supply in the Dartmouth zone expands along with the population of the expanded zone. It also gives respect to the taxi drivers who were already working to serve these neighborhoods (e.g. a number of taxis working with Bob's Taxi).

*This step would be administratively challenging.* There would be an incentive for any County zone taxi to represent itself as having worked these communities, in order to convert to the more valuable Dartmouth zone licence. An application and screening process would be required. There are no official records of where a taxi has worked. While some cities require taxi drivers to keep a daily record of their trips, HRM does not. Data does exist in company dispatch computer records. However, access would have to be provided on a voluntary cooperative basis, since HRM does not regulate taxi companies at present. A cooperative plan would have to be established earlier, as data of this nature is often dropped from computer systems after 90 days. A further complication is that the communities where a taxi works are chosen by the *driver*, who may or may not be the holder of the roof light.

- **Option B: Merge the Halifax and Dartmouth Zones.** This option would include the additional communities suggested in Option A, plus removing the zone boundary between Halifax and Dartmouth. This compromise removes the worst distortions of the zone system, while leaving



Figure 4-4: Suggested Implementation of Option D - Central Zone and Restrictions-Free Zone

the County as a separate zone. The option also minimizes the disruptive redistribution of income between drivers, as the Dartmouth and Halifax roof lights both command a value, and there are three times as many Halifax zone taxis as Dartmouth taxis. Pooling the profitability by merging the urban zones would reduce Halifax taxi income slightly, while increasing the income to Dartmouth zone taxis by approximately 3 times as much.

The administrative challenges noted for Option A, also exist for Option B.

- Option C: Merge all Zones.** This option is administratively the simplest, and would significantly reduce trip refusals. Taxis would be happier to take longer trips if they had the opportunity to accept any call in the area where they ended up. The probability of getting such a call would increase as taxi dispatch companies and customers adapt to the greater freedom that was now available. The removal of zones would also sharpen competition between companies, a mixed blessing for taxi dispatch companies, but perhaps a positive impact for customers.

A disadvantage of Option C is that it would be no longer possible to get a conventional taxi licence in 3 to 6 months via the County waiting list. The merged zones would mean a consolidated waiting list and a longer wait time. This disadvantage is reduced if one of the recommendations of the next chapter is adopted. The next chapter is on managing taxi supply. It includes a proposal for supplemental licences based on fees per trip, which would allow more immediate access to an owner's licence for all zones.

- Option D: One Central Zone and One Restrictions-Free Zone for the rest of HRM.** Similar to Option C, this option establishes a single urban zone where the rules of limits on the number of taxis and waiting lists would continue to apply. The urban zone would encompass the present Halifax and Dartmouth zones, plus nearby communities in the County Zone whose road density makes them part of the continuous urban form developing around the old cities. Included would be Cole Harbour and neighbouring communities, plus communities developing around highways to the north of the old cities of Halifax and Dartmouth.

The rules would be different outside the Central Zone in recognition of the challenge encouraging enough taxi service in small and rural communities. There would be no limit on the

aggregate number of taxis in the No-Restrictions Zone. Any qualified person who wished to offer taxi service could do so immediately, without having to put their name on a waiting list. Taxis licensed to the central zone could operate freely in the unrestricted zones, including trips from point to point within it. Taxis licensed for the unrestricted zone could go to and from the central zone, but *not* take trips between points within the central zone. (The ability to serve trips within the Central Zone is the distinguishing feature of Central Zone taxis.)

The idea of Option D is two zones, one with urban taxi rules, and one with rural taxi rules. The specific borders are a matter for separate discussion. A suggested central zone is illustrated in Figure 4.4. In addition to the present Dartmouth and Halifax Zones, it includes these communities, as defined by HRM's 2017 community GIS definitions:

- Fletchers Lake
- Fall River
- Waverley
- Montague Gold Mines
- Lake Loon
- Westphal
- Cole Harbour
- Cow Bay
- Shearwater
- Eastern Passage
- Windsor Junction
- Lower Sackville
- Middle Sackville
- Lucasville
- Bedford
- Hammonds Plains
- Beechville Lakeside

The above list was developed by examining the density of the road network in communities adjoining the current Halifax and Dartmouth zones.

For simplified administration, the present 1000 conventional taxis would be assigned to the central zone, except for taxis in the present County zone who wished, at their choice, to opt for the Restrictions-Free Zone. In addition to administrative simplicity this offers flexibility to smaller County zone taxis and taxi companies whose operating zones may have been cut in half by the newly expanded Central zone border. For example, taxis currently serving Enfield and Elmsdale would find themselves in the suggested Restrictions-Free zone, but could elect to retain Central Zone licences and continue to serve their present market area undisrupted.

This option places the airport in the Restrictions-Free-Zone. The present airport taxis are licensed for the County Zone. These taxis would receive the merged Central Zone licences along with the other County Zone taxis and be free to operate as they operate now. Placing the Airport in the Restrictions Free Zone allows the airport to replace any taxis that may choose to leave the airport feet. The Restrictions-Free-Zone licenced taxis at the airport would still be able to do cross-zone - border trips from the airport, as County taxis do now when taking passengers to the current Halifax and Dartmouth zones. The airport would also have more and in retaining taxis to serve airport customers living outside the newly merged Central Zone.

*Recommendation 4.1: Hara Associates recommends establishing a two zone system, a Central Zone operating under urban taxi rules, and a surrounding Restrictions-Free Zone where any qualified person wishing to operate a taxi may do so immediately without placing their name on a waiting list (Option D). The latter zone reflects the challenge in encouraging taxi service in small and rural communities. The two zone system reflects the combined rural and urban character of HRM's very large geographic area. Within the central area, merging the current zones would bring about significant service improvement. Trip refusals would decrease as taxis are free to accept calls in the area where they dropped off a passenger.*

*Dead-heading by taxis returning to home zones will be reduced. With reduced dead-heading, system capacity to serve peak demand hours will increase.*

*There would be a moderate shift in taxis between urbanized parts of the current County zone and the downtown. This move would be small and self-limiting as taxis moved to a common average level of profitability in serving all areas within the Central Zone.*

*As with other options that merge zones, there will be redistribution of income among taxi roof light holders. Current roof light holders in the Dartmouth and County zones would gain at the expense of Halifax Zone roof light holders. However, the size of these income shifts are small relative to the impacts that other Canadian municipalities have absorbed when merging zones in a regional municipality.*

*Recommendation 4.2: In the event that zones are merged (Options B, C, or D), there should be a one year delay in implementation to allow taxi companies and drivers to prepare for a change in the competitive landscape.*

*Recommendation 4.3: In the event that zones are merged, the waiting lists for those zones should be merged so that seniority is based on the date the individual was placed on the individual zone list.*

The merger of zones that include the County would have the effect that it would be no longer possible to get a conventional taxi licence in 3 to 6 months via the County. The next chapter is on managing taxi supply. It includes a proposal for supplemental licences based on fees per trip, which would allow more immediate access to an owner's licence for all zones. This proposal will also address the issue of barriers to rural service discussed in this chapter.

## 5 MANAGING TAXI SUPPLY

The previous chapter discussed taxi zones. A separate question is the adequacy of the number of taxis. At present, the total number of HRM conventional taxis is fixed in the Bylaw at 1,000. Is this enough for taxis for HRM today? Should there be a means of atomically adjusting the number so that past shortages of taxis do not recur? This chapter discusses the adequacy of HRM's taxi supply. Options for managing taxi supply are identified and assessed. The concluding section of the chapter recommends a preferred option for determining the number of taxis to be licensed.

### 5.1 KEY CONSIDERATIONS

#### **Why do we set limits to taxi supply?**

Setting limits to the number of taxis is a common practice across North America. The question is periodically revisited by many cities. There were well documented experiments in deregulation in the 1970s in the United States. Most of those jurisdictions returned to limiting the number of taxis.

The reason that cities limit taxis is the industry's unique vulnerability to excess entry during economic recessions. In the absence of regulatory restrictions it is easy for the unemployed who have a vehicle to enter the taxi business, resulting in too many taxis sharing a declining revenue base. There are negative consequences for service quality, public safety, and the income of experienced drivers who had committed themselves to the industry. The former City of Halifax was among the last of larger North American jurisdictions to limit the number of taxis. It did so in the context of declining driver incomes and a recent economic recession (Text Box 1).

#### **Are shortages quantitative or structural?**

As discussed in Chapter 2, HRM is not experiencing the degree of taxi shortages that occurred in previous years. However, it is still difficult to get a taxi on weekend or holiday nights and, to a lesser extent, during rush hours, in late evenings on other nights and during inclement weather.

It is important to note that any fixed limit to the number of taxis is a rough compromise. The optimal number of taxis for Friday night is much higher than it is at 10 a.m. on a weekday. If a limit is set that accommodates all demand at peak, then there will be too many taxis at off-peak. Thus any relevant limit to taxi numbers will result in some degree of shortage in periods of peak demand.

Solutions to this problem involve changing the *structure* of taxi supply limits, rather than just adjusting the global number of taxis. The most obvious solution is to licence part-time taxis. There are practical enforcement reasons why this is not often done. However, weekend night taxis have been introduced recently in Vancouver. Another solution is having a special class of taxi licences that pays the municipality an extra fee per trip, ensuring that it only operates in the busiest and most profitable times. These possibilities are discussed further in this chapter.

#### **Owner-Driver Income vs. Taxi Supply**

In any taxi system where the licence to operate a taxi commands a private market lease value, as in HRM, it can be shown there is a combination of more taxis and lower meter rates that is sustainable. Expanding to this point will reduce the revenue per taxi, since taxis become more profitable when they are intensively utilized and customers are forced to wait.

## 5-2 Managing Taxi Supply

In the case of an owner-driver system like HRM, this means reducing the incomes of the remaining active owner-drivers, or owner-drivers who rely on the licence lease revenue for part of their retirement income. *There is a policy trade-off between taxi availability and objectives for taxi driver income.*

The trade-off is different in municipalities that allow control of taxi licenses to be held by someone other than the driver. In such municipalities, control over the licences is becomes concentrated into a few hands as taxi companies seek to gain control over their fleet. In such systems, the initial drivers benefit from buyouts, but the subsequent generation of drivers lose any benefits of higher fare revenue or higher payments for the lease of a taxi licence (roof light). In this latter case, the principal trade-off is between taxi availability and the vested rights of those who have acquired most of the licences. The situation is complicated by those who may have bought into the system at full price late in the game. This includes owners of new or expanded taxi companies, and some taxi drivers who may have saved to buy a taxi licence at full price.

Table 5.1, reproduced from the previous chapter, shows that the lease rate for HRM taxi owner's licences (roof lights) is moderate. Halifax zone has the highest monthly lease value reported to be between \$300 and \$500 a month.

The table also shows that HRM's taxi roof lights are largely held individually. Overall, 86% of taxis are operated by a single owner. The owner may be an active driver, or someone who leases the roof light rights to an active driver. Of the rest, 57 are held by Blue Line Car Leasing, a company who rents taxis with roof lights to interested drivers. Blue Line is a family business that pre-existed the closure of HRM's taxi system and was grandfathered into the present system. There are an additional 24 roof lights held by other individuals with more than one roof light. In the Dartmouth zone, 89% of roof lights are held individually. In the County, the proportion is 99%.

Table 5.1					
HRM Zone	Taxi Owner Licences Issued	Licences Held by Multi-Owners	Wait List	Longest Wait	Monthly Lease*
Halifax	610	Blue Line: 57 Individuals: 24	472	November, 2004	\$300 - \$500
Dartmouth	200	KGB Industries: 2 Individuals: 19	273	January, 2013	\$100 - \$200
County	190	2	41	March, 2017	\$0 - \$100
Accessible Vehicles	23	9	n/a	n/a	n/a

*\*As reported in interviews, not verified*

### Expanding Taxi Supply While Preserving Roof light Income

While there is a trade-off between simply expanding the number of taxis and driver incomes, there are alternatives where it is possible to expand the number of taxis in ways that protect the desired level of income of existing licence holders. In general, this involves setting terms and conditions for the expanded licences that are different than the existing licences.

For example, if the annual lease value for a Halifax roof light was \$5,000, and limits to taxis were removed, the lease value would drop to \$zero. No one would pay \$5,000 to a private party to lease a licence if they could go directly to the municipality and obtain their own licence for a nominal licence

### ***Policy Origins of Regulatory Limits to the Number of Taxis***

*The taxi industry experiences economic recessions differently from other industries. In most industries, supply tends to contract along with demand during a recession. In the taxi industry, supply expands during a recession, even as demand for taxis shrinks. In the absence of regulation, the industry is easy to enter for anyone with a vehicle.*

*The result is a flood of entrants. Income for each taxi falls as more vehicles share less revenue. The following 1933 editorial from the Washington Post illustrates civic reaction to the increase in taxis caused by the great depression:*

*Cut throat competition in business of this kind always produces chaos. Drivers are working as long as sixteen hours per day, in their desperate attempt to eke out a living. Cabs are allowed to go unrepaired*

*Together with the rise in the accident rate there has been a sharp decline in the financial responsibility of taxicab operators. Too frequently the victims of taxicab accidents must bear the loss because the operator has no resources of his own and no liability insurance. There is no excuse for a city exposing its peoples to such dangers.*

*In an otherwise well regulated environment, the immediate threats to public safety described in the Washington Post editorial may not occur. However, a decline in service quality will be felt by customers, and there will be a sharp decrease in income for drivers. Taxi drivers usually collect their income as a residual of revenue minus their gas and fixed expenses. A 20% decline in gross revenue per taxi can mean an even larger decline in net personal income. Income pressure will cause drivers to drive longer hours—exacerbating the excess supply from new entrants. This misery will find representation before the regulator and before elected representatives—resulting in the caps on taxi numbers seen in most jurisdictions today.*

*This story has been repeated in recent times. Calgary, Edmonton, and the former City of Halifax have all adopted taxi plate limits in the last thirty years. Halifax was the most recent in 1994 (prior to amalgamation into Halifax Regional Municipality). In each case, there was an economic recession, and the City Council was faced with large numbers of taxi drivers protesting low incomes and excess numbers of taxis.*

#### **Text Box 5-1**

fee. However, if new licences were only available from the municipality for a \$5,000 annual fee (same as the private lease fee), then the existing licence value would be preserved.

Other approaches that preserve the lease value of existing licences are also possible, including the per-trip fee option discussed further below.

### **Rising Driver Incomes and Late Night Taxi Supply**

There is a relationship between rising driver incomes and late night taxi shortages. Policies aimed at raising driver incomes, such as the owner-driver model, can have the unexpected result of creating late night shortages for all nights, including weekdays. Drivers typically work long hours. As income rises, they will tend to shorten them to more reasonable levels – perhaps a 10 hour shift instead of a 12 hour

shift. At the same time, in a system that is well supplied with taxis, the most efficient solution is a single-shifted taxi. In such cases, when the driver goes home, the taxi goes home. There is no second shift on the taxi. Second shifts on taxis only become common when supply is tight enough to make the extra cost of managing a second shift worthwhile. As a result, there may be service shortages on Wednesday nights, after many drivers have gone home.

HRM's present situation has elements in common with the City of Edmonton. There too, an owner-driver system was successfully established. As the city grew, and the number of taxis did not keep pace, owner-driver incomes rose and late night shortages began to occur.

## 5.2 ARE THERE ENOUGH TAXIS?

Do the peak period shortages experienced by HRM indicate more taxis are needed, or do they indicate that a change in the licensing structure is necessary to accommodate the gap between off-peak requirements and peak demand?

Compared to other cities, HRM has a generous proportion of taxis per capita (Figure 5.1) HRM's number is the highest of the cities shown. The relative position is somewhat overstated as taxis in HRM are typically single-shifted, while taxis in cities like Toronto and Vancouver run on a 24 hour basis. In one sense, a double-shifted taxi is twice the supply of a single shifted taxi. However, the single shifted taxi also has advantages in that drivers will tend to allocate themselves so that a higher proportion is in service during peaks. Bearing this in mind, HRM seems relatively well provisioned.

A second indicator is the prevailing lease rates on a taxi licence. A high lease rate for a taxi licence indicates tight supply, since it is the high revenue from busy taxis that supports the high lease rate. Vancouver, for example, has lease rates reportedly as high as \$5,000 per month. In contrast, HRM lease rates are one twelfth that level or less.

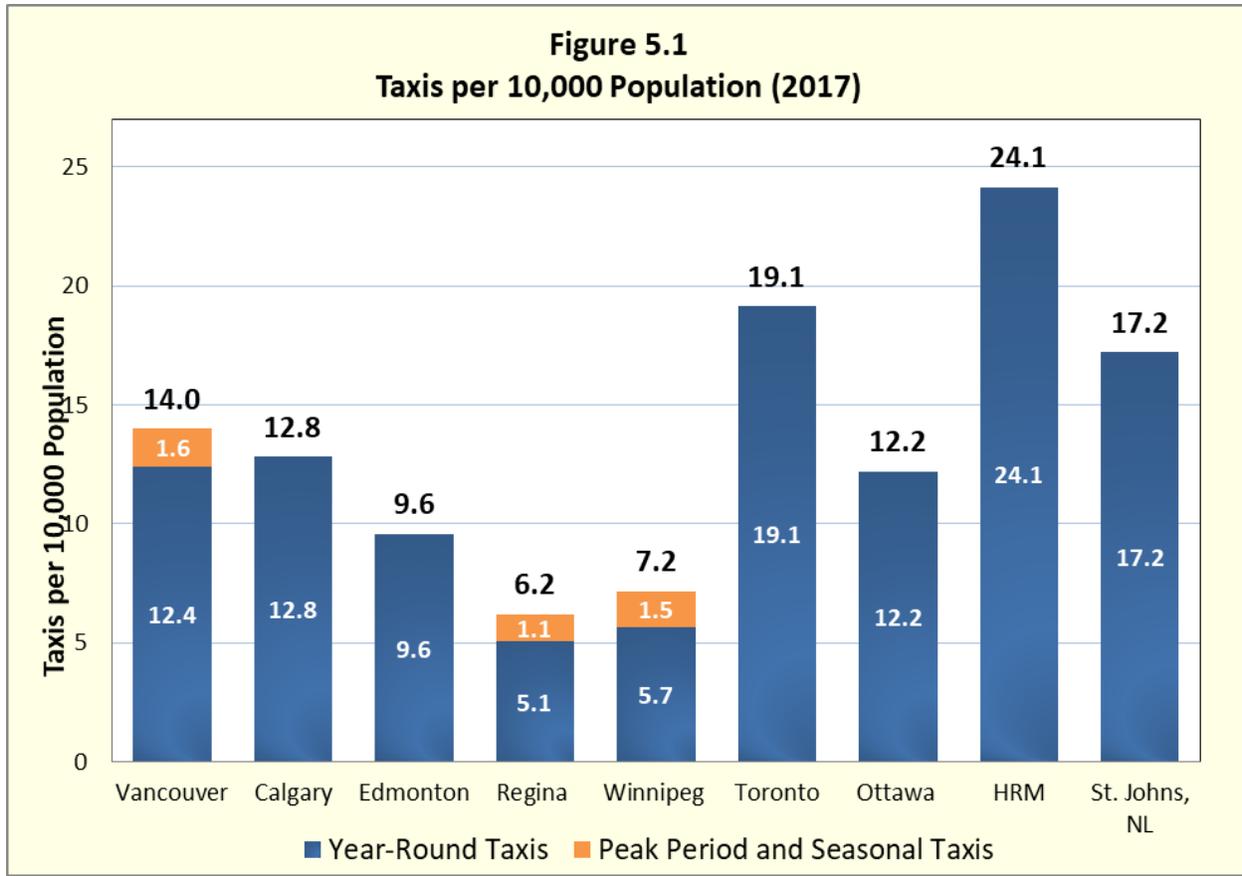
*Overall, it appears that HRM has enough taxis in the global sense. What is needed is:*

- *A change in licensing structure to directly or indirectly enable more part-time taxis to cover peak demand periods.*
- *A method of automatically adjusting taxi supply so that more severe shortages, as were present historically, can be met with increased supply.*

Structural solutions to late night shortages can be divided into traditional, and innovative.

Two traditional solutions are:

- **Add a night premium to the meter rate.** This approach re-allocates existing supply by providing an incentive for drivers to shift their hours to work the less desirable late-night entertainment scene on weekends. It is particularly suitable for single-shift taxi jurisdictions like HRM. In cities where taxis are already working 24 hours, all taxis are already on duty and a night premium has little impact on supply.
- **Add part-time taxis.** It is also possible to add taxis licensed just to serve weekend nights. This approach has been little used historically because of enforcement issues. In the past, it has been difficult to stop part-time taxis from operating at other times when they are not licensed. It took a high level of on-street presence of bylaw or police officers enforcing this rule. Las Vegas was an exception that proves the rule. Financed by a per trip fee on the meter, Las Vegas has the capacity for high levels of enforcement – also used to support a well regulated environment for its tourist industry. Las Vegas has had part-time taxis for many years.



In the context of modern dispatch technology, part-time taxis have become more feasible. Modern dispatch systems know where a taxi is, and when it has a customer. Thus for taxis linked to a modern dispatch system, and with records sharing with the regulator, part-time taxis become much easier to administer. Vancouver, for example, has recently added part-time taxis to better serve weekend night demand. Vancouver taxis already run 24 hours, so that the night premium option did not offer a solution to this issue.

Part time taxis make use of potential drivers who are not interested in full-time taxi driving. For example, in the former City of Halifax, prior to taxi licences being limited, fire fighters were noted for putting on a roof light and earning extra money on weekend nights after their shifts had ended.

A disadvantage of part-time taxis is that they are a rough tool that tackles only big periods of short supply, such as weekend nights. Shorter periods, such as 8a.m. to 9a.m. on a rainy weekday, are not addressed.

While part-time taxis offer some attractions, they rely on utilizing the new features of dispatch technology, and sharing of information by brokers, to be effective. If HRM is to take that step, there are additional options which take advantage of the same new technology, but provide a more effective solution for improving service quality in a number of areas.

Less traditional solutions are also available to HRM for managing taxi supply and responding to shortages. Setting a specific number of taxis needed by a system has always been more art than science. The usual solution is to start with the status quo and adjust the number of taxis on a relative basis, such as growth in population or growth in GDP. There is nothing to say that the status quo was actually the best number to start – it simply holds in place the incomes and level of profitability currently being experienced by the taxi industry (including the revenue supporting roof light leases). Ideally, a taxi

regulator would like to avoid setting an exact number of taxis required, while still protecting a target level of income to the industry. Two methods that do this are *entry regulation through annual fees*, and *entry-regulation through fees per trip*.

### 5.3 ENTRY REGULATION BY ANNUAL LICENCE FEE

An alternative approach to entry management does *not* require the regulator to determine the desired number of taxis. Instead, conditions are set so that more taxis can enter the market if market conditions are profitable enough to so warrant. This allows the industry to adjust its own numbers, while protecting the desired degree of profitability and guarding against the excessive entry during recessions, as noted in Text Box 5-1.

One form of this approach is to set an annual licence fee per vehicle for new entrants that differs from the fee for pre-existing operators. For example, if a taxi licence leases for \$5,000 annually in HRM, then the regulator could offer any number of additional taxis provided they were willing to pay a \$5,000 annual fee for each taxi. Existing taxis would be exempt. (\$5,000 annually is a mid-point in the range reported for a Halifax Zone roof light).

Although the \$5,000 example is a stiff fee, it matches present market conditions. Alternatively, the regulator could also choose to protect only a portion of the present profitability by offering a lower annual fee, such as \$3,000 (closer to Dartmouth lease values) – depending on the level of income it wished to protect among present taxi operators. This would effectively reduce the lease value of taxi licences, since no one would lease a privately held taxi licence for \$5,000 when one could be had directly from the regulator for \$3,000.

A licence fee based system would allow the industry to gradually expand to meet potential demand, while protecting the level of profitability that currently exists. Thus if the downtown nightlife of HRM experiences a resurgent demand for taxis, as occurred some years ago, the industry can expand supply to accommodate the additional demand, without waiting for the regulator, or having the regulator force an expansion that might be too much.

An entry price based approach also allows for competition and innovation within the industry. If a new provider has a service they believe is better, and will generate more revenue from consumers than existing providers, they are free to take out new licences from the regulator. They are not required to have participating drivers go through the delay and uncertainty of the waitlist. Drivers who wish to form their own cooperative taxi companies may similarly do so. New companies would also be free to discover that their ideas are not valid, and could withdraw the taxis and cease paying the annual fee. Similarly, potential taxi services in small and rural communities can launch immediately. Although the annual fee for the new licences is expensive, the new companies can also ask their drivers to get on the waiting list – but operations may begin immediately.

In the context of retaining a County zone (see zone options in the previous chapter), a lower annual fee (say \$1,000) could be set for additional County zone licences obtained this way.

This approach is innovative for the taxi industry, although similar approaches have been taken in other quota and licensing areas. One jurisdiction that has implemented this approach is the State of Victoria, Australia. After an extensive review of world practices, the State of Victoria removed its taxi limits, replacing them with high annual fees for new licences. Existing taxi licences were exempt.

The Australian move was not well supported by the taxi industry because the regulator had intentionally chosen to set its own annual fee at a lower level than prevailing licence lease rates in the industry.

However, revenue from new taxis entering the market was used to fund service improvements and fund partial compensation to the existing licence holders.

In summary, entry-price regulation through licence fees offers these advantages:

- **Flexible supply.** The industry is free to increase the number of taxis at a rate that business justifies.
- **Protection of historic investment by industry.** The value of present taxi licence leases can be protected to the degree selected.
- **Permits competition and innovation.** New firms or driver cooperatives are free to enter the industry immediately, rather than waiting months or years on the wait list, if they are willing to pay the additional fee for the licence.
- **Promotion of service in small communities.** The cost of entry is known to potential small firms wishing to enter, without waiting for new licences to be released under a fixed taxi numbers regime.
- **Revenue generation.** Revenues generated by new entrants can be used to pay regulatory costs, or fund service improvements such as an accessible taxi service.

Disadvantages are:

- **Risk of innovation.** There is only one other known example of this type of regime to learn from. Implementation will be learning by doing.
- **Potential large up-front costs for new entrants.** Although the fee required of new taxis is representative of what existing taxi drivers are already paying for monthly licence leases, the upfront cost of the annual fee may discourage new taxi operators.
- **No part-time flexibility.** The approach focusses on adding full-time taxis to the fleet. A new driver intending to operate part-time would still pay the full deterrent price for annual licence fee.

### Annual Fees and Legislative Cap to HRM Licence Fees

A practical difficulty for HRM to apply entry regulation through annual fees is that the annual municipal licence fee permitted by the Nova Scotia Motor Vehicles Act is limited to \$50 per vehicle.<sup>10</sup>

We note that the cap of \$50 licence fee per vehicle has broader implications. For example, it severely restricts the options of HRM to recover costs of regulation vehicles for hire through licence fees. While a full comparison to licence fees in other municipalities was not within the scope of this work, Hara Associates notes that it is familiar with Canadian municipalities with much higher fees, and which have a policy of full cost recovery of regulation and enforcement through vehicle for hire licence fees.

Separately, we note that jurisdictions that have admitted TNCs such as Uber and Lyft have typically charged significantly higher licence fees to those types of operation.

## 5.4 ENTRY REGULATION BY FEE PER TRIP

A similar innovative approach is to regulate supply by charging new entrants a fee per trip. Meter rates would remain unchanged, and existing providers would be exempt. However, additional taxis licensed

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<sup>10</sup> Section 305(4)(a).

under this regime would be required to pay an extra fee per trip. The burden of the fee is borne by those fielding the additional taxis, since the meter rate is unchanged.

The fee would deter excess entry in recessions, and ensure that entry only occurred when taxi demand was sufficient to generate enough profit for new entrants to cover the fee. For the new entrant who was willing to pay the per-trip fee, there would be no waiting or wait list. Once they pass their criminal record check and provide a safe vehicle, they may have the licence.

Depending on whether zones were retained (see previous chapter), the fee per trip might vary by zone.

If the objective was to preserve the present level of profitability of the industry, then the fee per trip would be set equal to or above the annual roof light lease rate, divided by the annual number of trips. For example, if zones were merged as recommended in the previous chapter, annual lease values for all licences would likely move to an average of around \$3500. A per-trip fee of 70 cents, charged only to those who wanted a licence right away under these terms, would likely be enough to preserve the \$3500 annual private lease value of existing licences. If a separate County zone is continued, a nominal fee of 10 cents per trip would be reasonable for those wishing to launch new taxis in the County, without going through the waiting list process.

While the use of per trip fees for entry regulation is innovative, government collection of fees per taxi trip is not. For example, the State of New York has long levied a fee per trip on New York City taxis to fund public transit and transportation infrastructure. Using modern technology, the Washington DC Taxi Commission levies a fee of 25 cents per trip on all vehicles for hire (including TNCs). The fee is collected electronically as a net deduction from each driver's credit card receipts, and is used to cover the cost of the Commission. A side benefit of this system for drivers is that credit card receipts net of deductions are placed directly in each driver's bank account. To achieve this system, the Washington Commission required all taxis to have meters and equipment to accept credit card transactions that are processed centrally.

To function as an entry management tool, the per trip fees paid by new entrant taxis would have to be higher than the 25 cents charged by the DC Commission. The DC example is also interesting for HRM, in that it was implemented in the context of many independent owner-drivers, and relied on credit-card aggregators to supervise implementation of the required equipment and software. In the context of bringing taxi companies under regulation, simpler approaches to collecting fees are possible since the dispatch systems record the number of trips (meter-on), whether or not the call is a dispatch or street-hail. However, to collect per-trip fees in the modern way through taxi company dispatch systems, it is necessary to licence to taxi companies (discussed in Chapter 7).

The advantages and disadvantages of this approach are the same as for entry price limitation by annual fees. However, there are additional advantages:

- **Better coverage of peak periods.** By charging per trip, new taxis are free to allocate themselves to any time of day or length of shift they desire, rather than filling fixed hours. Part-time taxis can be brought in for peak-periods only, when customer demand generates revenue to justify the fee per trip in combination with other operating costs.
- **Easier for new entrants.** Payment is remitted as revenue is generated rather than in an up-front annual fee.
- **Effectively lower fees for rural areas.** Since fees are paid on per trip basis, a rural or small community taxi would pay less, since it would typically have fewer trips per day.
- **Allows taxi drivers a quick path to acquiring their own roof light.** Taxi drivers who do not wish to wait for their name to come to the top of the waiting list for a traditional licence, have the

option of obtaining their own licence immediately. While the cost for the alternate licence would be comparable to the payments they make on the roof light they lease now, they would have their own roof light. With their own roof light, they have the freedom to manage their own business, including dealing with insurance without signing their vehicle over to another roof light holder. At the same time, they could maintain their place on the current waiting list for a traditional (and lower cost) owner's licence. When a traditional licence becomes available, they could cease to renew the more costly fee-per-trip licence.

- **May be integrated with modernized credit card processing.** The implementation of this regime can be combined with modernization of taxi credit handling, as in the Washington DC example. In this case, there may be capital costs of meeting new equipment standards, offset by subsequent savings in handling costs and reductions in the percentage fees charged for credit card payment processors. Drivers too may benefit from prompt payment of credit card fares, resulting in reductions in driver resistance to customer use of credit cards.
- **Potential extension to TNCs and funding for accessible taxis.** If HRM decides, at a later date, to allow TNCs like Uber and Lyft to operate, the fee-per-trip fee for new taxis could also be extended to TNC vehicles. This would be consistent with the policy objectives of preserving a floor level of profitability for existing taxis, and reducing the risk of excess entry of new vehicles-for-hire during an economic recession. It would also increase the potential funding available for accessible taxis, since TNCs typically do not provide accessible service.

TNCs are challenged to provide wheelchair accessible service, since TNCs rely on private household vehicles and few households own wheel chair accessible vehicles. The responsibility tends to continue to fall on taxis. Thus TNCs have paid a fee per trip to some municipalities to support accessible taxis, in consideration of this gap in their service.

## Per Trip Fees and Limits to Municipal Jurisdiction

Overall, the fee-per-trip approach to entry management offers many advantages and is superior to charging a higher annual licence fee to new additional taxis. The strongest advantage is that per-trip fees to new taxis allow part-time taxis, solving peak period shortages, while continuing to offer shelter to the income of existing taxi drivers.

However, there is the issue of whether HRM, or any municipality, is able to charge a per-trip fee for this purpose. Like other municipalities, HRM can charge licence fees, but is limited in the ways that it can tax. Canadian court precedents have clarified the distinction between a licence fee and a tax: a licence fee must be associated with the costs of administering the associated regulatory program.

It is arguable that as long as the revenue per trip from fees, plus other licensing fees, does not exceed the total costs of the vehicle-for-hire bylaw enforcement, then the fee is acceptable. It is also arguable that the cost of fees per service paid to accessible taxis to encourage service provision could be counted as part of the eligible cost-base to be recovered through licence fees.

However, the fee per trip still *looks* like a tax. The case law around these issues appears uncertain. In the context of TNC's, other cities have found a way around the problem by making a per-trip fee paid by Uber and others *voluntary*. It is voluntary in the sense that an alternative of a high licence fixed fee is also made available. Calgary and Ottawa are two examples of the "voluntary" approach. However, this approach has tended to limit per-trip fee contributions to pennies per trip, rather than the more substantive amounts discussed.

Provincial governments are not constrained this way. Thus Quebec charges Uber a sliding scale from \$1.10 to \$1.26 per trip. A number of U.S jurisdictions have also been more aggressive in per trip fees on TNCs with fees ranging from 20 cents to 60 cents per trip.

*To implement per trip fees for a new class of supplementary taxi licences, a surer course would be for HRM to seek provincial legislative amendments to explicitly permit this form of fee. For greater assurance, the new authority should include the power to use the revenues to fund both regulatory costs and programs supporting or promoting wheel chair accessible vehicles-for-hire.*

Seeking this authority may receive a welcome understanding within the broader framework of legislative changes to address *sharing economy* issues. For example, Ontario recently empowered municipalities to exercise levies on Airbnb and other shared accommodation services. Similarly, HRM may wish these powers in order to have the option to charge per-trip fees to TNCs, should TNCs be licensed. (See further discussion in the Chapter on Preparing for the Future).

It is also likely that HRM will wish to seek legislative changes in this area in any circumstance, in order to lift the \$50 provincial cap on municipal vehicle licence fees discussed in the previous section.

## 5.5 ANALYSIS AND RECOMMENDATIONS

At present, HRM's taxis are fixed at 1000, with no provision for adjustment. Although relatively well provided with taxis now, there is nothing to say that vehicle-for-hire requirement may not change in the future and more severe shortages emerge. Ideally, a method of adjusting supply would allow quick response to changing conditions, and also encourage more taxis to work the late evening hours where shortages remain.

There are two principal paths forward, depending on HRM's appetite for change.

- **Option A: Traditional Formula.** Any method of adjustment would offer an improvement over the present fixed numbers of taxis. A formula, with its occasional release of new licences, would help the HRM adjust to growth and offer quicker turnover of the waiting list – a concern for drivers who do not have their own roof lights now.

If this approach is desired, Hara Associates suggests a simple formula, such as expanding the number of taxis proportionate to HRM's population growth. In our experience, more complex formula are possible but add only marginally to the accuracy of the result, and are subject to technical error by administrative staff charged with maintaining the formula.

Whether complex or simple, formulas will have difficulty responding quickly to unexpected changes, such as changes in HRM's night-life, which led to taxi shortages several years ago.

- **Option B: Entry Management through Cost of Entry.** Here, the regulator does not try to determine the exact new number of taxis required. Instead, the regulator determines a level of profitability in the existing industry that it wishes to protect, and then sets conditions where new entrants will not find entry attractive unless they can meet or beat that level. Historical licences are exempt from the new costs of entry.

This method may be applied in two ways: either as an additional annual licence fee for new licences, or an additional fee per trip paid by new entrants. The first is within the present municipal powers of HRM, the second may require changes to the City Charter to put it on firm legal footing. However, the second method offers significant additional advantages, including offering the flexibility of part-time supply, and easy entry for rural and innovative services.

*Recommendation 5.1: That HRM consider seeking provincial legislative amendments to clarify its authority to charge per-trip fees for vehicle-for-hire licences, including TNCs like Uber and Lyft, as well as taxis. The authority should permit the fees collected to be used to fund accessible vehicle-for-hire service for persons in wheelchairs and other mobility devices. With this authority, HRM should plan to implement a regime where supplemental taxi licences, in addition to the present 1000*

*owner's licences, would be made available to operators willing to pay a fixed fee per trip, in addition to the licence fees paid by the historical licence holders.*

*Needed legislative changes would include lifting of the provincial restriction of \$50 per vehicle on municipal vehicle-for-hire licence fees. Lifting this cap would also increase the options for HRM to recover the cost of vehicle-for-hire regulation and enforcement from licensees.*

*Recommendation 5.2: In the event that HRM prefers a more traditional formula, Hara Associates recommends expanding the number of taxis in proportion to population growth. This formula is an improvement over the current fixed levels, and is simple to administer.*

*Recommendation 5.3: To address present shortages in service on weekend nights, it is recommended that a night premium of \$1.00 be added to meter rates for trips occurring on weekend nights (Friday 7 p.m. to Saturday 5 a.m., and Saturday 7 p.m. to Sunday 5 p.m.) The night premium will encourage more drivers to shift their hours, reducing the shortages that occur at these times.*

## **Apps and Cancellation Fees**

Taxi companies report a high proportion of no-shows by customers on dispatch calls during weekend nights. This is a common occurrence in cities with taxi shortages at that hour. Customers faced with the uncertain arrival of a taxi and long delays, will seek alternative ways home while they are waiting, such as friends or flagging a taxi on the street. Some customers may even phone more than one taxi company and take the first to arrive. This natural behaviour by customers affects reliability of taxi service. Taxi drivers, knowing the likelihood of a no-show, will be less willing to accept dispatch calls, or may abandon the call if someone flags them on the street.

The net effect is also a degradation of total system capacity. Taxis waste time going to no-shows at the very times when customer demand is at its highest.

One thought to increase capacity at peak demand, and reduce the no-show problem, is to charge a trip cancellation fee. A trip cancellation fee is not part of the traditional taxi rate structure. Under classic technology – how do you collect a fee from a passenger who is not there? It is also not customary to ask a customer for a credit card guarantee when they phone to book a taxi. Doing so risks customer resentment and security concerns over retention of the credit card number.

However, under smartphone app technology, a cancellation fee may make sense. It is standard practice among TNCs like Uber or Lyft, and is equally applicable to taxi apps. In exchange for the convenience of integrated and automatic credit card payment of fares, customers provide their preferred credit card information when setting up an account. As part of the terms of the contract, the customer is made aware that cancelling a request will incur a cancellation fee. Customers are also warned before they confirm a cancellation on their smartphone. To allow for keyboard error on the phone, cancellation is usually free within the first minute or two of confirming the initial request for a vehicle.

Not all taxi companies with apps have integrated credit payment. However, for a company that does, *a reasonable cancellation fee is actually a service to the customer.* It gives assurance to the taxi driver that the customer will not be a no-show on a Friday night. In turn, the taxi driver who has accepted the call will definitely come. In a well-functioning app, the customer's request is not confirmed until a specific taxi driver has committed to come.

Interestingly, among those interviewed for this study, HRM taxi users who used taxi apps for booking taxis reported fewer problems with a shortage of taxis on weekend nights. This apparently happens

because their identity was linked to the call through their app account (even without a cancellation fee) and because the taxi apps bypassed dispatch and assigned them directly to the next available taxi.

*Recommendation 5.4: Add a \$5 cancellation fee to the taxi and limousine fee schedule for taxis booked through apps of eligible taxi companies, whose apps:*

- *Obtain customer agreement to the fee in advance.*
- *Record customer consent electronically as per an account agreement.*
- *Provide for confirmation of service by a particular vehicle and an estimated arrival time, prior to confirming the trip; or allow free cancellation within a reasonable time after the customer receives notification of the specific vehicle and expected arrival time.*

The advantages of this recommendation are:

- It increases total taxi supply on weekend nights by reducing the wasted system capacity answering no-shows.
- It provides customers with a greater assurance of prompt service during busy periods.
- It reduces losses in driver income due to no shows.
- It prepares taxi drivers and taxi companies for potential competition with TNCs by giving the same advantages in eliminating the waste of capacity from no-shows and increasing quality of service.

These advantages will increase as the use of apps becomes more common, and payment systems are increasingly integrated with the apps.

## 6 ACCESSIBLE TAXI SERVICE

This chapter discusses two separate but related issues:

- **Accessible on-demand taxi service.** This is the availability of *on-demand* taxis accessible to persons using wheelchairs or other mobility devices (*accessible taxis*). The passenger pays the *meter rate*. A public policy principle is that the meter rate for an accessible taxi should be no different than that paid by other customers. This principle is embodied in HRM's Administrative Order governing meter rates.
- **Contract service to public transit.** The availability of accessible taxis to serve public transit needs in HRM, in this case Access-A-Bus. Access-A-Bus fulfils the accessibility requirements of HRM public transit for passengers who are unable to use the conventional transit system due to physical or cognitive disabilities. Here, accessible taxis can be used as a cost saving and quality enhancing measure. The cost of using an accessible taxi is roughly half the cost of a trip served by a regular multi-passenger accessible bus, and service is door-to-door. For Access-A-Bus, the passenger pays the *bus fare*, but may have to book the trip up to 7 days in advance and arrival time is within a 30 minute window.

The questions are related, since if there are not enough accessible taxis in the taxi dispatch pool, there may also not be enough accessible taxis to answer potential contract demand from Access-A-Bus. This is HRM's situation today.

### 6.1 ACCESSIBLE ON-DEMAND TAXI SERVICE

#### The Basics

Answering an accessible taxi request costs more than serving a conventional taxi request. The vehicle itself, usually a converted van with a ramp, costs \$35 thousand to \$50 thousand, more than the usual taxi sedan, and does not last as long. The driver also faces these additional costs:

- Extra time to pick up passengers. With fewer accessible taxis, they tend to be further from a passenger when the request is received by dispatch.
- Additional time on each call, assisting the passenger to the vehicle, opening and stowing the ramp, and tying down and releasing the wheelchair. Some estimates suggest it can take twice as long, which may not be a major problem in slow periods, but can impact revenues significantly at busier times.
- Additional training to ensure the accessible taxi driver provides safe and respectful service.
- Additional fuel for the heavier vehicle and increased maintenance costs for the accessibility components.

Because of the additional cost, and the requirement to charge the same meter rate, it is not feasible to provide a separate taxi service where accessible taxis serve only accessible taxi requests. The universal choice is to mix accessible taxis into the regular taxi dispatch pool, where they serve all types of customers and are available, as a priority, to answer accessible taxi requests.

The challenge is to have enough accessible taxis so that one is likely to be near the passenger when an accessible taxi request is made to dispatch. A target for accessible taxis of between 10% and 20% of the taxi fleet is usually sufficient to provide an average dispatch response time comparable to that experienced by other passengers.

Having a high enough proportion of accessible taxis also has a positive feedback on costs. The more accessible taxis there are, the closer one is likely to be to the caller, reducing pick-up time. In addition, more accessible taxis means there are more to share the extra cost of serving a given volume of accessible taxi requests.

### **HRM's Declining Number of Accessible Taxis**

To provide an incentive to provide accessible taxis, HRM amended its bylaw so that accessible taxis were not subject to the limits on the total number of taxis. Any driver who wishes to avoid the waiting lists for a conventional taxi owner's licence may have a roof light immediately by providing an accessible taxi as a vehicle. By obtaining their own roof light, the driver is also able to avoid paying to lease a roof light from a historical holder (a saving of \$300 to \$500 per month for Halifax zone). This effort was complemented by a provincial subsidy for the purchase of such vehicle. The provincial subsidy has now ended.

Initially the approach was reasonably successful, with over 60 licences issued, about 6% of all licences. Although short of the 10% to 20% usually required, it was a good start. However, many owners found that providing the service did not pay. The extra costs more than outweighed the savings from not paying a roof light lease. Many accessible taxi licences have not been renewed. There are currently only 23 accessible taxis in HRM, down from the more than 60 previously. At only 2.3% of the fleet, these 23 are not enough to provide a timely response to requests for service.

As the number of accessible taxis declines, there is also a negative feedback effect. The remaining taxis have to travel further to serve an accessible call, and receive a greater share of them, resulting in costs rising further. This encourages more accessible taxi drivers not to renew their licence, or to avoid dispatch requests for accessible service.

### **Nova Scotia's Act Respecting Accessibility**

Nova Scotia adopted the *Act Respecting Accessibility in Nova Scotia* in 2017. It provides that the province may adopt standards related to the provision of transportation services. These standards have not yet been set, but based on similar work in other provinces, the standards are very likely to require the provision of accessible transportation services whenever transportation services are provided to the public, such as the service provided by the taxi industry. The standards are likely to suggest passengers requiring accessible service should receive that service at the same price, and with comparable (though not identical) response times as the regular taxi industry. The recommendations in this report are intended to achieve this.

### **HRM Has Limited Choices**

HRM is in a difficult position. The usual methods for cities to achieve acceptable accessible taxi service are problematic. Methods include:

- **Offering free roof lights.** In cities where the taxi market is richer and taxi supply is tight, the lease rate on a taxi licence may exceed a thousand dollars a month. In such cases, drivers and taxi companies will happily provide an accessible taxi, and take their share of the extra costs of providing accessible service.

HRM is already providing unrestricted roof lights for accessible taxis. However the market is not rich enough to offset the higher costs of operation. This is evidenced by drivers not renewing, and the declining numbers of accessible taxis in HRM.

- **Imposing a percentage fleet requirement on taxi companies.** In this approach, taxi companies are required to provide a certain level of service, commonly measured as the percentage of

vehicles in the fleet. Alternative measures are a percentage of hours of service, or a percentage of total trips served (both conventional and accessible) by the accessible taxis in the fleet. The target of this policy is the taxi company fleet, rather than the individual taxi. It is difficult to require a single taxi to be 20% accessible.

This approach is consistent with the philosophy that accommodating persons with disabilities is part of the cost of doing business for all businesses, rather than a special activity requiring government subsidy. If the market is not rich enough to make accessible taxis a paying proposition on their own, then the taxi company must either add accessible taxis at its own expense, or offer discounts on its dispatch services to accessible taxis who list with the company, possibly recovering the cost by raising dispatch fees charged to conventional taxis. To be fair and workable, the requirement must be imposed on all taxi companies as a regulation.

For HRM, this approach is problematic as an unintended consequence of the owner-driver model. In other cities, taxi companies are a mixed business. They sell their dispatch services to taxis whose owners have their own roof lights, but they also have their own licensed fleet that they rent to drivers. For that kind of company, the extension of fleet operations to more accessible vehicles is just an incremental step.

In HRM, the owner-driver model means that taxi companies are almost exclusively dispatch operations connecting drivers with passengers. The actual customer of the taxi company is not the passenger, but the taxi driver who pays a dispatch fee to the company of their own choosing. The fleet operations that do exist are largely separate from the taxi companies, such as Blue Line, which leases taxis to drivers but does not dispatch.

In addition, HRM does not presently licence taxi companies, so there is no instrument to set accessible taxi fleet requirements. An amendment to the Bylaw, under the general business licensing powers of HRM, could change this. But a physical challenge would remain for how taxi companies would comply. Companies would have to either get into a new business of fleet operations, or enter into an entirely new kind of relationship with their driver/customers.

- **Requiring all taxis to be accessible.** This approach can work for an owner-driver system like HRM, but has major drawbacks. London, England is an example of a rich taxi market where this is done. However, the accessible taxis in London's case are not converted family vans, but more expensive purpose built vehicles that attempt to accommodate multiple kinds of passengers. The requirement also only applies to the famous London cab that serves the street hail market, not all dispatch vehicles-for-hire. If adopted, plans to achieve 100% accessible taxis are usually implemented slowly. As conventional taxi licences are not renewed (as when the owner is no longer able to drive in HRM's case), the new licences made available to the waiting list require that they be filled by an accessible taxi.

*From a customer service perspective, a fleet of 100% accessible vehicles is not necessarily a good idea. Disability comes in a variety of forms, and requires diversity in available fleets to serve everyone's needs. Many seniors have varying levels of mobility. For example, many have difficulty entering the high floor of a van and prefer to be served by a conventional sedan taxi. A diversity of vehicles is necessary to serve a diversity of disabilities and customer needs.*

HRM has recently rejected the 100% approach. A 2015 consultant's report recommended eventual conversion of the fleet to 100% accessible by requiring new licences issued to the waiting list to be for accessible vehicles only. There was strong objection from the industry, including those on the waiting list who saw the extra \$35,000 to \$50,000 cost of an accessible vehicle as effectively expropriating the value of their years spent on the list. In the end, Council did not accept this plan.

Another factor is preserving the cost competitiveness of the taxi industry in the face of potential competition from TNCs like Uber and Lyft. Imposing the extra cost of an accessible vehicle on all vehicles, rather than just 10% to 20% of the fleet, is a significant burden. Toronto had adopted a graduated 100% accessible taxi plan, but has withdrawn the plan after licensing TNCs to operate.

- **Subsidy or financial assistance.** An alternative approach is to offer financial assistance to offset the additional cost of providing accessible taxi service. The most common approach is to assist in the purchase of an accessible vehicle. In previous years, the Nova Scotia provincial government provided assistance of up to \$10,000 per accessible taxi in HRM. This program began around 2005 when HRM had lost its last accessible taxi, and had no accessible taxi service. Taxis are no longer eligible under Nova Scotia's current Accessible Transportation Assistance Program.

A payment per trip also offers advantages, but is more difficult to administer. A payment per trip goes directly to the driver to off-set the extra costs of serving each accessible taxi request. This encourages drivers to respond to the calls, rather than hiding from dispatch or choosing not to list with a dispatch service. Administration costs can be managed if trip volumes and requests are provided electronically by taxi dispatch companies, whose systems normally record requests for particular vehicle types, as well as the vehicle and operator.

In the past, financial assistance has not been the first choice of municipalities. For larger cities, it has made more sense to take advantage of what was otherwise a negative situation: the high roof light lease values from an overly restricted taxi system. The tool of choice was simply to offer the very valuable roof light in exchange for accessible service. However, the environment is now changing as the taxi industry faces competition from TNCs (both legal and illegal), and the value of roof lights decline.

*In HRM's case, the City Charter does not allow direct payment of subsidies to private parties. However, purchases of services can provide equivalent assistance.* For example, financial assistance for the purchase of a vehicle could be delivered as the purchase of an accessible taxi being available on dispatch duty for "X" shifts in the first year. Standby fees are a common practice in many industries, and represent the purchase of a real service. Other legitimate work-arounds may also be possible.

*In summary, HRM has limited choices.* The most common choice of providing roof lights in exchange for accessible service has already proven insufficient to off-set the extra cost of the service. Accessible taxis are withdrawing from service. Gradually moving to where all taxis are required to be accessible is not good from a customer service perspective since there is a diversity of disabilities that require different accommodation, including the elderly with poor mobility who may require the low floor of a regular sedan. 100% wheelchair accessible vehicles are also a significant cost burden on the industry when 10% to 20% in the dispatch pool is all that is usually required to provide dispatch response times for accessible taxi requests that are comparable to the response times received by other customers. City Council has also recently rejected the 100% approach after strong objections from the industry.

*Two approaches that may work, especially in combination, are setting percentage requirements for accessible taxis in taxi company fleets as a whole, and providing the industry with financial assistance to help achieve this goal. Percentage requirements would have to be phased in gradually, in consultation with taxi companies, since it involves a major shift in operations from the purely dispatch business that HRM taxi companies currently conduct. Financial assistance would have to be structured indirectly to be consistent with the City Charter's prohibition of subsidies or, alternatively, the City Charter would need to be amended to allow support to accessible taxi service.*

We note that financial assistance need not involve the entire cost of providing accessible taxi service. While the present value of roof light (e.g. the \$300 to \$500 paid for Halifax zone) is not enough to retain

an individual accessible taxi, requiring the entire taxi fleet of HRM to meet a percentage accessible requirement effectively spreads the cost over all types of taxis. For example, a 10% accessible fleet requirement effectively spreads the cost of one accessible taxi across ten taxis, making the burden much more supportable.

Another possible form of financial assistance can be delivered indirectly in the form of Access-A-Bus contracts to accessible taxis. This topic is addressed below, before providing an integrated set of recommendations to address both accessible taxi service, and Access-A-Bus support.

Without the direct or indirect financial assistance described above, HRM will not be able to persuade taxi operators to provide accessible taxi service. Given the higher costs of operation and the principle that the meter rate is the same as for all other customers; there are insufficient net returns to motivate the provision of accessible taxi in HRM.

## **6.2 ACCESSIBLE TAXIS AND ACCESS-A-BUS**

### **Available Savings**

Public transit paratransit service, such as HRM's Access-A-Bus, traditionally rely on buses able to accommodate multiple wheelchairs/mobility devices. These buses also accommodate other passengers whose needs cannot be met by regular transit service. HRM has also invested significantly in its regular transit service to make it accessible to mobility devices. However, there remain those who require additional assistance, or cannot easily reach a bus-stop (especially in winter).

Taxis and accessible taxis offer cost advantages over multi-passenger vehicles. The cost of an accessible taxi at the meter rate is typically around half the cost per trip of an accessible bus. Better use of accessible taxis by Access-A-Bus has been strongly advocated by citizen stakeholders, who estimate that a typical Access-A-Bus trip for a mobility device user would cost \$14.51 by the meter for an accessible taxi, while it costs Access-A-Bus \$36.95 using multi-passenger buses.<sup>11</sup> Even allowing for the fact that an accessible taxi trip may cost more than the meter indicates, there are substantial savings available from better use of accessible taxis.

### **Unique Challenges for Access-A-Bus in Using HRM Accessible Taxis**

Many other cities purchase a portion of their para-transit trips from taxis, in some cases from both accessible and sedan taxis. This reduces the cost of providing para-transit services (or allows providing more service for the same cost), and it also helps support the accessible taxi industry by providing a steady stream of income.

Some cities use taxis to cover peak periods so they can keep a steady number of vans busy the rest of the time. Others build taxis into their regular service delivery and give taxis "routes" containing a number of sequential trips. This is particularly helpful for the taxis. Even though they only receive the standard taxi fare, they do not have gaps between trips as usually occurs during a normal taxi day. *The full utilization during the day makes the operation of an accessible taxi very attractive at meter rates, even though it is not profitable on regular taxi service due to the periods of slack activity.* Taxi companies tend to rotate the para transit work among their accessible taxis to give each of them the opportunity to benefit, helping with the economics of all accessible taxis.

Access-A-Bus did try to engage the taxi industry in HRM but was unable to identify a group of accessible taxis it could work with. Access-A-Bus wants to work with a company or group that could arrange to

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<sup>11</sup> HRM Paratransit: A User's Strategic Review. Post, Gerry, for Mayor Mike Savage and CAO Jacque Dubé, Oct 18, 2017.

provide the accessible taxis as required, without having to deal with each taxi operator individually. Working through a taxi company or similar broker is a common approach by para-transit agencies. In some cities the agency pays 10% to 15% more than the taxi fare in order to cover the broker's administrative fee. That may be a useful element in HRM, making it worthwhile for a broker or fleet owner to administer and manage a service to meet Access-A-Bus' requirements.

*Given that working with para-transit is potentially profitable for the taxi industry, the question arises: Why have no suitable partners emerged for Access-A-Bus to work with?*

The answer appears to be a combination of lack of information and industry culture. Up to this point, HRM's owner-driver model has carried over into the accessible taxi industry so that most accessible taxis are individually owned. In one case, one individual holds two accessible roof lights. Taxi dispatch companies exist in HRM, but they don't have the usual role of taxi brokers, scheduling drivers and committing them to work. The by-law does allow one person or company to own multiple accessible taxi licences, but the relevant sections of the Bylaw are not clear. As a result, the ability to operate a fleet of accessible taxis by one individual or company is not well known. Clarifying the bylaw wording, communicating the intent to potentially interested parties, and providing an administrative fee as part of an Access-A-Bus contract, could be enough to create a suitable contractor (or two – as having more than one contractor is always an advantage).

Incorporating accessible taxis into the Access-A-Bus service would be beneficial to both Access-A-Bus and the accessible taxis. It would allow Access-A-Bus to reduce its costs – or increase the number of trips it carries. It would play an important role in building a sustainable accessible taxi industry by providing some very lucrative work for the accessible taxis. Whether part of the Access-A-Bus contract or a term of the relationship between brokers and their accessible taxis, accessible taxis who receive some work from the Access-A-Bus contract should be required to work some shifts as accessible taxis in regular service to serve the public with on-demand accessible taxi service. This objective might be supported in an Access-A-Bus contract either as a requirement of initial bids, or a rated feature of bids submitted.

### **6.3 SUGGESTED APPROACH TO ACCESSIBLE TAXIS**

Creating a sustainable accessible taxi industry, capable of responding to customer calls in a timely way, will require some significant effort. Hara Associates suggests an approach that combines phased in requirements to achieve accessible taxis as a target % of the fleet, combined with financial and other assistance to help the industry reach that goal.

*Recommendation 6.1: Establish an Accessible Taxi Support program to provide financial assistance to the provision of accessible taxi service. To meet the requirements of the City Charter, such assistance may be delivered in the form of purchase of service, such as paying a stand-by fee for being available by dispatch for accessible taxi requests for a given number of shifts or hours.*

Funding for this program may come from HRM's general revenue, plus any new fees raised from the vehicle-for-hire industry, such as the recommended per-trip fee for supplemental taxi licences recommended in the previous chapter. In the event that TNCs are allowed to operate in HRM, licence fees and per trip fees from TNCs would also be an appropriate source of funding. TNCs typically do not provide accessible service themselves, and so would be relying on the taxi industry to fill this gap.

The most effective form of support would be assistance in the up-front cost of purchasing or replacing an accessible vehicle. When or if funding permits, a fee per trip support would address the extra cost of accessible trips paid by drivers.

Priorities for allocation of limited funds should include:

- Replacement vehicles for current accessible taxi operators who have remained with the system, and whose vehicles come of age to be replaced.
- Assistance to taxi companies to acquire and operate accessible taxis, and who are willing to use those vehicle(s) to commit to providing 24 hour availability of accessible taxi service through their dispatch and apps.<sup>12</sup>

Assistance of at least \$15,000 per accessible vehicle is suggested. The last provincial subsidy was \$10,000, however it may not be enough given the passage of time and the apparent rate of non-renewal of accessible taxis that entered service with that subsidy. The assistance required is also dependent on the adoption of targets for individual taxi fleets recommended below. If individual taxi fleets are required to have accessible taxis in their fleets, they may offer more favourable terms to those taxis, sharing in the financial support of the service.

*Recommendation 6.2: Establish a target % of the taxi fleet to become accessible taxis, and a timetable by which that target is to be achieved.*

Hara Associates suggests an initial target of 10%. This is at the bottom end of what is usually needed to provide accessible taxi service with comparable response times to the service received by other customers. However it is higher than the present 2.3%. Interim targets of 4% for the end of 2019 are suggested, rising 2% each year until 10% is achieved in 2022. In 2022 the goal should be reviewed in light of success in achieving 24 hour accessible taxi service with response times comparable to other taxi dispatch requests.

The setting of targets may also be informed by the forthcoming provincial standards for transportation arising from the *Act Respecting Accessibility in Nova Scotia* (2017).

*Recommendation 6.3: Require taxi companies operating in HRM to achieve percentage accessible taxi fleet targets consistent with the overall goals. The metric used may be specified either as a % of contracted or owned dispatch taxis, or as a % of trips served by accessible taxis.*

This measure requires bringing taxi companies under licensing and regulation, an issue discussed further in the Chapter on Preparing for the Future. Although it is common practice to specify goals as a percentage of the fleet, it is more functional to specify them in terms of percentage of trips served. This is a percentage of *all* trips served, both conventional and accessible. Measuring this way avoids having accessible vehicles that are simply parked most of the time, or counting vehicles that were added at the last moment to meet a count at a specific date. The necessary data is normally recorded by dispatch systems, so that measurement involves the cost of designing a data report to regularly extract existing data.

*Recommendation 6.4: In conjunction with setting goals for the % of accessible taxis in taxi fleets, consider a small addition to the general meter rate to assist the industry in meeting the additional costs. Hara Associates suggests 10 cents per trip.*

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<sup>12</sup> Allowance would have to be made for maintenance and operational failures. For larger companies, at least two accessible taxis under their direct control would be preferable. Note that direct control is a feature of taxi companies taking on direct responsibility for the operation of the vehicle. In HRM's current structure, the vehicles are controlled by the individual roof light owners who are free to determine their own hours of work and move between taxi company dispatch services.

In the context of requiring each taxi company's fleet to fulfil a target % of accessible taxis, the extra cost of providing accessible service will likely be spread, directly or indirectly, by the whole industry. For example, taxi companies may seek to recover part of the extra cost of accessible taxi operation by increasing the dispatch fees charged to conventional taxis.

With a 10% fleet target for accessible taxis, income from ten taxis (including the accessible taxi) will be supporting the additional operating costs of one accessible taxi. A rough calculation suggests that ten cents on the meter per trip would yield a conservative estimate of \$3600 additional income per year across ten taxis. This is a significant sum relative to the incremental cost of operating one accessible taxi, and would materially contribute to the industry's capacity to support the suggested targets.<sup>13</sup>

A small meter rate change would also be an important signal to the industry of the participation and interest of the city at large in contributing towards achieving the goal of effective accessible taxi service.

*Recommendation 6.5: Amend the Bylaw to clarify that multiple accessible taxis may be operated by an individual or company. Reach out to potential suppliers of fleet accessible taxi services to Access-A-Bus to communicate the intention of the Bylaw change.*

Although permitted at present, understanding this possibility requires the joint reading of more than part of the Bylaw. This may explain the absence of firms willing to contract with Access-A-Bus for what is normally a profitable opportunity well worth the effort.

The recommended outreach may be conducted as part of the Accessible Taxi Support Program. Potentially interested parties include taxi companies, drivers who may wish to form cooperatives, taxi fleet rental companies, limousine fleet operators, and other fleet operators within HRM. We note that larger limousine fleet operators (e.g. those who currently operate fleets out of the airport) may be well positioned to add accessible taxis to their existing fleet management systems, and to work with Access-A-Bus to accept and allocate pick-up schedules for multiple vehicles. Similar reasoning applies to other fleet operators in other industries within HRM.

*Recommendation 6.6: In future Access-A-Bus calls for expressions of interest or bids in the contract provision of accessible taxis, include as a feature of interest making contract taxis available for the general dispatch pool when not used by Access-A-Bus.*

Without constraining Access-A-Bus, we note that provision of a fully packed schedule of pick-ups at meter rates, plus the usual 10% to 15% to the company for organizing, is an attractive contract. Participating companies may feel well able to offer commitments to put their accessible taxis into taxi company dispatch pools during shifts not used by Access-A-Bus. This would also help provision of accessible taxis during hours when Access-A-Bus service is not available. With the adoption of accessibility targets for individual taxi companies, there would also be a ready market to accept those vehicles.

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<sup>13</sup> A full-time taxi makes quite a few trips in a year. The quantity varies between cities depending on the tightness of taxi supply and the average length of trips. Taxi driving also involves longer hours, and a longer work-week, than most jobs. In HRM trips are likely at least 12 per day. Depending on the skill and experience of the driver, some taxis may do significantly more. Assuming 300 working days a year for rough calculation, ten cents per trip amounts to assistance of \$360.00 per taxi per year. Multiplying by 10, consistent with the 10% fleet goal, yields \$3600. This estimate is indicative of scale only – more accurate estimates may be made with access to average taxi trip volumes in HRM. At present, this information is not public, and was not available to this study.

## **Advisory Committee**

An advisory committee of industry and user representatives would be helpful to guide the implementation of the above program. HRM has an established Taxi and Limousine Liaison Group that includes participation from the Advisory Committee on accessibility. For this particular program, it would be helpful to have additional participation from taxi companies, accessible taxi drivers, and accessible taxi users.

*Recommendation 6.7: That a working group should be struck through the Taxi and Limousine Liaison Group to assist in the implementation of the Accessible Taxi Support program, and the monitoring of success in achieving the goals for a % of the taxi fleet. It is suggested that membership in the working group be extended to include additional representatives of accessible taxi users, accessible taxi drivers, and taxi companies.*

## 7 PREPARING FOR THE FUTURE

The review focussed on regulation of the present taxi and limousine industry. However, a challenge that faces cities around the world is the development of a new kind of service based on the use of private personal vehicles. These vehicles are connected and dispatched through smartphone apps such as Uber and Lyft. While marketed as *shared ride*, a common regulatory term for this new business model is *Transportation Network Companies* (TNCs). Questions on whether TNCs would or should be allowed to operate in HRM were raised by stakeholders, including a good number of HRM Councillors.

This chapter addresses additional steps to strengthen the taxi and limousine industry, in advance of any decision about whether TNCs should be allowed to operate in HRM. Topics include:

- Bringing Taxi Companies into the Bylaw.
- Strengthening HRM's Owner-Driver system.
- The Future Role of Unaffiliated Drivers.

Following this discussion, the business model of TNCs is reviewed along with the reasons for popularity of these services. A list of issues is identified that HRM may wish to consider before deciding whether, or on what terms, TNCs should be admitted to HRM's vehicle-for-hire market.

### 7.1 BRINGING TAXI COMPANIES INTO THE BYLAW

An unusual feature of HRM's taxi and limousine bylaw is that it does not license taxi companies. Only individual vehicles and drivers are licensed. Many large Canadian cities do require their taxi companies to be licensed. Examples include Victoria, Vancouver, Edmonton, Calgary, Regina, Toronto, Ottawa, and St. John's.

Regulation of brokers is undertaken to ensure safety and good service, support law enforcement, and facilitate the function of the overall bylaw. Typical regulatory areas for taxi companies include:

- Accessible taxi service (dispatch priorities and fleet composition).
- Data retention and sharing (including taxi trip records for police, GPS trip records and, in the case of Calgary, performance monitoring of dispatch response times and accessible taxi dispatch response times).
- Maintenance of driver safety practices and systems (such as dispatch response to drivers threatened or under assault).
- Ensuring vehicles have a working credit card payment system.
- Providing a repository for lost and found passenger items.
- Customer service standards, such as ensuring customer notification of a delay.
- Modern standards related to consumer protection and the functioning of taxi dispatch apps.

Taxi companies are usually licensed as *taxi brokers*, the activity of connecting passengers with vehicles. Although it is common to think of taxi companies as dispatchers, dispatch can be sub-contracted. Smaller companies may use dispatch services that serve multiple companies. Taking telephone calls is also increasingly sub-contracted, sometimes to overseas operations. The essential point of accountability is the agent with whom customers are dealing – the taxi broker. The broker is accountable for the performance of any sub-contracted dispatch or call-taking services.

## **Regulating Taxi Brokers Necessary to Preserve HRM's Choices on TNCs**

In the context of TNCs, HRM needs to regulate broker activity if it wishes to preserve its power to choose whether or not TNCs operate, or under what conditions. TNCs function as brokers, connecting passengers and local vehicles. If brokers of all types are not regulated, then there are little grounds to prevent or regulate TNC operation. Without direct regulation of brokers, the point of enforcement would be limited to stopping and charging individual unlicensed drivers. Given the social legitimation of the *sharing economy* and the unmarked nature of the vehicles, the numbers of offending individual participants can grow large. Enforcement costs can be prohibitive. In other cities, TNCs have also funded the legal fees for the defence of each driver charged, further increasing enforcement costs.

It should be understood that the issue is not just bringing large firms like Uber and Lyft, under control. The basics of setting up a TNC are within reach of many with the software and Internet expertise. Local operations can emerge, as has happened in Toronto and Edmonton where TNCs are licensed. TNCs also emerge to serve small or ethnic communities. In Vancouver, where TNCs are not licensed, there are as many as five active TNCs serving the Chinese community.

HRM Administration also reports it has received more than one enquiry from local parties interested in setting up a TNC.

If TNCs are not subject to regulation, the public is at risk from unlicensed operators with no obligation to ensure the unlicensed vehicles they send are safe for passengers.

## **Recommendations in this Report That Call for Taxi Broker Regulation**

Several recommendations in this report are based on the capabilities of modern dispatch systems to provide GPS trip records vehicle location. Some also require direct participation of taxi companies to be effective.

These include:

- Setting and achieving targets for accessible taxis as a percentage of HRM's taxi fleet.
- Ensuring that new and existing taxi companies have procedures and equipment to respond to driver distress signals.
- Implementing a per-trip fee for supplemental taxi licences, a policy which allows taxi supply to increase to meet demand while protecting current driver incomes, and which enables new rural services to start more easily.
- Facilitating the management and enforcement of zones, should zones be retained.

## **Transportation Planning and Managing Future Congestion**

Another significant reason for bringing taxi brokers into regulation is present and future transportation planning. HRM transportation planning made it clear that the movement data from taxi trips, with suitable protections for personal privacy, is needed information to plan the growth of the HRM's infrastructure and traffic management.

While this data might be categorized as "nice to have" in the current context, future considerations make it vital. Consider for example the likely eventual arrival of the driverless car. While it is not clear how soon this will happen, the likelihood is that it will happen. In that event, it will be cheaper to keep taxis and other commercial vehicles operating on the road, than parking them and pay parking fees. The potential result is grid-lock downtown as driverless cars, cheap to operate, congregate to be near customers when called. HRM is a widely dispersed municipality, but the urban core of Halifax and

Dartmouth is already scarce of street space and parking. Congestion management policies will require the ability to monitor the position and movements of commercial vehicles.

For all of the above reasons:

*Recommendation 7.1: Taxi companies should be brought into the Taxi and Limousine Bylaw by requiring a licence for brokers of on-demand service by vehicles-for-hire.*

A further reason for this recommendation is to facilitate the measures proposed below for strengthening HRM's owner-driver system.

## **7.2 STRENGTHENING HRM'S OWNER-DRIVER SYSTEM.**

As noted earlier, HRM's system promotes owner-drivers. An owner-driver is an active taxi driver who also holds a licence to own and operate their own taxi. Owner-drivers are thought to have greater long-term commitment to the industry, and to provide better service.

HRM's bylaws encourage owner-drivers by:

- Limiting the number of licences that can be issued in each zone.
- Requiring that licence holders also hold a taxi driver's licence.
- Allowing a maximum of one licence per person (with some grandfathered multiple licence holders), and
- Prohibiting licence transfers.

Exceptions are accessible taxis that may be operated in unlimited numbers by anyone willing to do so.

*As discussed in Chapter 2, driver representatives expressed strong concern that the system is not working as originally intended.* Because the number of licences is fixed and held by the original owners or owner-drivers, new drivers who wish to have a taxi licence for their own taxi must lease the licence (roof light) from the original holders. Halifax Zone roof lights lease for between \$300 and \$500 per month, while Dartmouth roof lights may lease for from \$100 to \$200 per month. While these amounts can be read as an indicator of success for raising the level of profitability of driving taxis, for many of today's drivers these payments are a *cost*. The only alternative is to place one's name on a waiting list. The wait for a Halifax or Dartmouth roof light can be as long as 18 years. Because of their lease value, licences are not returned to the municipality for redistribution until the original holder is either deceased or no longer has the health to hold a commercial driver's licence.

For the increasing number of drivers without an owner's licence, the owner-driver concept is not attainable. Driver representatives argue that when a licence holder withdraws from active driving, their licence should be returned to the City, and issued to a new driver on the wait list. They view the paying of thousands of dollars each year to lease a roof light as unfair. To further add to their burden, active drivers may have to buy a car, transfer it nominally to the holder of the owner's licence, and pay the insurance for both licence owner and driver, leaving them with higher insurance costs and a car they bought but no longer own.

HRM's present system calls for a taxi owner's licence to be returned and re-issued to the waiting list when the present owner no longer maintains a taxi driver licence or when their health condition no longer permits them to drive a taxi. *There is no requirement to drive the taxi.* As drivers get older or find other interests, they tend to retain the taxi owner's licence (the roof light) and lease it out as described.

The link to health, rather than activity, as a taxi driver, appears to be driven by administrative practicalities. In Nova Scotia, driving a taxi calls for at least a Class 4 commercial licence. That licence

requires a medical examination at the first application, at every renewal, and annually after age 64. The provincial driver licensing system acts as the underlying mechanism for enforcing these sections of the Bylaw.

Changing the requirement for roof light renewal to being an active taxi driver requires a means of validating taxi driving activity. In the past this has not been feasible because:

- **Absence of Driver Trip Records.** Some cities require drivers to keep written records of trips taken, including time, origin, and destination. Keeping and retaining these records involves significant effort. Faking records is at least equally tedious. HRM does not have this requirement in its Bylaw.
- **Traditional voice dispatch did not retain trip records.** Prior to computer dispatch, the records of trips kept by taxi companies would be spotty and not retained after day's end except for corporate accounts.
- **Taxi companies are not licensed in the present Bylaw.** Even where taxi dispatch records are kept, HRM does not have the right of access to the data to validate claims of driver activity.

The technological picture has changed with the computer dispatch of recent years. Driver identity is or can be routinely recorded automatically along with a full trip record. Where cities require trip records, these can be kept and/or remitted electronically. The trip record includes both hail fares and street-hail, since a modern dispatch system normally records whether the meter is on in order to inform dispatch of whether the taxi is available.

*If brokers are brought within the jurisdiction of HRM's vehicle-for-hire bylaw, then changing the Bylaw to require roof light holders to be active taxi drivers can be administratively feasible and practical.*

While taxi companies have the installed capacity to support monitoring driver hours, there is a likely substantive cost in HRM maintaining the staff and software to receive the data and audit taxi driver hours from the data. Supporting this cost makes more sense in combination with using other broker taxi trip data as well.

### **The Other Side of the Issue: Retired Drivers**

HRM's approach was largely successful in originally placing roof lights in driver hands. This is evidenced by the 86% to 99% of roof lights being held by single operators, depending on the zone. These numbers also suggest that many of the inactive taxi drivers leasing their roof lights are older, and may view the income from leasing as part of their retirement income, deserved after years of service.

Imposing an active driver requirement will force retired drivers to make a choice between returning to active driving (for at least the minimum required hours), or giving up the income and returning the owners licence to be reissued to a driver on the waiting list. Even if the roof light owner chooses to return to active driving, they may feel badly treated at having been forced to make this choice and return to work. In addition, some active drivers who currently lease their roof lights may lose their jobs if the roof light holder returns to active driving.

A further consideration is those on the waiting list. Those at the top of the Halifax Zone waiting list have been waiting as long as 13 years. After that length of time, not all of those are still active drivers, or interested in driving. This is good news for active drivers further down the waiting list. However, those at the top of the list may feel badly treated after paying to maintain their active driver status for so many years and then receiving a roof light that they are not in a position to use.

Strengthening the owner-driver requirements therefore involves a trade-off. On one hand there is the health of the system and the legitimate complaints of long term taxi drivers who have no roof light of their own. On the other hand there are the expectations of retired drivers who derive income from leasing the roof lights, and individuals on the waiting list who have paid to maintain their driver status for many years in the expectation that they would receive a revenue-yielding asset.

### **Impact on Independent Drivers**

A further complication is that HRM does not require drivers to work with a dispatch company. They are free to work with street-hails alone, plus personal business developed through their cell phones and other means.

To maintain this choice, while also requiring evidence of active driver status to retain a roof light, the bylaw would have to require independent drivers to record and make available daily records of individual trips taken, or similar record, for audit. This is a significant paper-burden, although it could be minimized by contracting with a taxi company for trip record keeping alone, or by independent drivers forming a cooperative to provide this same minimal service.

### **Policy Options**

If access to driver records through regulation of brokers is achieved, then options for addressing the owner-driver issue include:

- Option A: **No action**, maintain the status quo.
- Option B: **Deferred action**. Enact an active driving requirement but delay implementation for two to five years in consideration of retired drivers who may rely on roof light lease revenue for income. The Bylaw would also require taxis operating without a dispatch company to record and have available a daily record, written or electronic, of trips taken.
- Option C: **Immediate action**. Enact an active driving requirement, subject only to a one year delay, to allow drivers without a dispatch company to develop a record of activity through a daily record of trips taken.

Of the above, Hara Associates recommends Option B, deferred action. Some action is necessary to restore the owner-driver principal underlying HRM's system. Option B offers some consideration to current retired drivers, and also provides some comfort to those on the top of the waiting list who may receive a roof light in the coming year or two, and wish to lease it out for the remainder of the implementation period.

*Recommendation 7.2: To strengthen the owner-driver system, amend the Bylaw to require, for renewal of a taxi owner's licence, a cumulative 1200 hours of active taxi driving during the previous licensing period. This recommendation is contingent on bringing taxi companies into the Bylaw in order to have administrative access to dispatch records, and requiring roof light owners operating without a dispatch company to provide daily trip records, written or electronic, to substantiate an equivalent claim of active driving.*

*This recommendation is intended to apply to taxi owner licences held singly under the current Bylaw (i.e. one licence – one owner). There are a number of taxi owner licences held as multiple licences by one owner (e.g. Blue Line Leasing), whose historical rights were grandfathered into previous Bylaw*

*amendments. The rights of these licences are not intended to be affected by the above recommendation.*

### **7.3 THE FUTURE ROLE OF UNAFFILIATED DRIVERS**

As noted above, the present Bylaw allows taxi drivers to operate without using a dispatch service from a taxi company. Allowing this option made sense when street-hail was a very separate market from dispatch. It also makes sense in the context of the present zone system when, depending on the zone, there may be only one major taxi dispatch company to choose from. Giving taxi operators the choice of not using a dispatch company protects drivers from potential exploitation when a single dispatch company is dominant.

The separation of street-hail and dispatch markets is one of the many things changing under new technology. With smartphone apps becoming increasingly functional, it becomes more convenient to call for a taxi using an app, even when standing on a street corner. With picture ID of the customer and driver in the app, it is easy for each party to identify the other. The ability to switch to direct text messaging between passenger and driver also helps coordinate on-street pick-up.

Other factors changing the picture are the need for trip records and data sharing for traffic planning, the use of taxi dispatch and GPS to respond immediately to drivers being assaulted, the use of GPS dispatch records to identify taxis in the event of a customer complaint, and the potential for verifying active driver hours qualification on roof light renewal.

All of these trends suggest that preserving a niche for independent taxi driving is costly in customer service, in driver safety and, in meeting the broader needs of transportation planning, and in future congestion management.

On the other hand, there are currently drivers and roof light owners who have developed their businesses on the basis of an independent operation without dispatch service. Removing this niche would fundamentally alter their lives and business. In consideration of this, any measure to remove this niche should be phased in as a condition of new licence issue only.

*Recommendation 7.3: Any new taxi licences issued to the waiting list, or through the recommended new fee-per-trip option, should require affiliation with a licensed taxi company. Affiliation ensures an electronic record of trips for driver and customer safety, supports driver safety through dispatch systems responses to emergency signals; and gives access to other benefits of computer dispatch and automatic record keeping. This recommendation is contingent on merging of some or all taxi licensing zones, in order that taxi drivers have a competitive choice on their selection of taxi company for affiliation.*

### **7.4 CONSIDERING TNCS**

Transportation Network Companies such as Uber and Lyft are a major force changing the vehicle-for-hire industry around the world. For those who do not live in jurisdictions where they are legal and active, it is difficult to distinguish between headlines regarding uninsured operations and violent protests, and the popularity indicated by widespread use. Viewpoints range from the desire to prevent TNCs from operating, to the sense that licensing and regulating TNCs is an inevitably adding choice to local passengers, and meeting the expectations of tourists and university students who ask, "Where is my Uber?"

## Understanding TNCs

TNCs are a new kind of vehicle-for-hire service, based on the use of private personal vehicles. These vehicles are connected and dispatched through smartphone apps such as Uber and Lyft. While marketed as *shared ride*, a common regulatory term for this new business model is *Transportation Network Companies* (TNCs).

The drivers and vehicles who provide service through TNCs are local residents. As per the *sharing* concept, this may be individuals who are already making a trip and are offering to take a paying passenger. This may include regular work commuters who use the TNC app to take on additional passengers travelling in the same general direction. Alternatively, the drivers may work the service full-time to provide or supplement their income, just like a taxi driver. Many may be former taxi drivers who find the TNC app a more convenient way of working.

TNCs themselves may be large companies like Uber or Lyft, or local start-ups. They may also be small companies operating from another country – an issue for customer safety and regulatory oversight. A local office is not necessary unless required by regulation. The TNCs function via the Internet. A large company may visit a city once to recruit drivers so that the company can launch good service at scale. Once service is established, the operational requirement for a local office is minimal.

TNCs can also operate with licensed taxis or licensed limousines. However, the primary regulatory issue is about the use of unlicensed private vehicles. At issue, for example, is Uber's UberX service using private personal vehicles. In some cities, Uber also offers Uber Taxi (dispatching licensed taxis) and Uber Black (licensed limousines). Uber Black is available in HRM today as an app, although a spot test conducted at the time of writing suggests the number of participating limousines is low or none.

Where they exist and function well, TNCs are popular with their users. Attractions of a well-functioning TNC include:

- **Ease of Payment.** Passengers pay without taking out their wallets —they just get in and get out — the fee is automatically charged to their credit card, and a receipt is e-mailed to them. There is no issue with a persuading a driver to accept a credit card.
- **The convenience of an app.** To obtain your ride you activate the app, and indicate your destination. If you have made the trip before, the app remembers. You receive a quoted price and estimated time until your ride arrives. If you accept, you get the licence number and photo of your driver so that you may identify them. You can track the vehicle on a map as it comes to you. If needed, you can text or call the driver, or vice-versa. Both passenger and driver have their phone numbers protected for long-term privacy.
- **Electronic Record.** A record of who picked you up, and when, is stored in your e-mail and in company records in case of issue.
- **Low prices.** Although high prices at New Year's and on weekend nights have received the most media coverage, TNCs typically offer significantly lower prices than taxis during off-peak periods. They are able to do so even when regulators require the same insurance costs and licensing requirements as taxis. The reason is that their prices are flexible and computer driven, dropping to compensate for low demand periods. The lower price means more trips during slack hours, resulting in a sustainable revenue per hour despite the low prices.
- **Reliable availability at all hours.** At any time, there will always be a ride for you, providing you are willing to pay the price. This is the flip side of pricing flexibility. A well-functioning TNC sets rates to balance supply and demand. On a Friday night, prices rise. The higher price has two

effects; it deters customers who don't have to travel at that time, and at the same time it attracts more drivers to work.

- **Driver rating system.** Passengers rate drivers. The cumulative average affects whether the driver is retained by the TNC. A sophisticated TNC may also provide drivers with customer comments to help them improve their rating. The net result in the best-case can be good driver attitude and appreciation on both sides. (Drivers may rate passengers too). In combination with automatic record keeping, some customers may place higher faith in TNCs than in taxis, despite the lower level of driver training and regulatory oversight.

## The Down Side

If TNCs are allowed to operate unregulated, there are the well reported risks of uninsured drivers whose personal insurance doesn't cover commercial operations, and under-vetted drivers who would not have survived the vulnerable sector criminal record check required of taxi and limousine drivers.

Where TNCs are regulated and allowed to operate, there are still a number of issues to be resolved. These include:

- **Criminal record checks.** It is important that criminal record checks be conducted for all those offering vehicle-for-hire service. Issues have arisen in other jurisdictions on *how* this is done. TNC driver turnover is high, with an average participation on the order of 6 months. This creates a large volume of criminal record checks to be processed. At the same time TNCs want to process such checks quickly, and prefer to use their own contractors, including police forces or bodies that have access to Canadian police records. From both an administrative and safety perspective, there is the question of who does these checks, and to what degree of rigour.
- **Driver Training.** Should TNC drivers receive the kind of training required for taxi and limousine drivers, or as recommended in this report?
- **Accessible Service.** TNCs do not normally provide wheelchair accessible service. The private households that participate in TNCs do not normally own such vehicles. This approach leaves the cost of providing accessible service with the taxi industry. Is this acceptable? If permitted, should TNCs pay taxis to provide the service that TNCs do not?
- **Standards for Apps.** Not all apps are created equal. Consumer protection calls standards of disclosure. For example, another source of headlines is TNC customers who ordered a trip costing hundreds of dollars on New Year's Eve without realizing it. Another area for app standards is accommodation of persons with disabilities. Requirements for TNC and taxi apps should consider facilitating text to voice functionality for the vision impaired, and notification options for arrival of the vehicle so that the customer knows when to exit their home.
- **Driver Licence class and Driver Supply.** TNCs draw upon the same drivers as the taxi industry. The introduction of TNCs often causes a shortage of available drivers. A related issue is that most Nova Scotia drivers have only a non-commercial Class 5 licence, as opposed to the Class 4 commercial licence required at minimum for taxis and limousines. TNCs also prefer a regime where they are permitted to work with drivers having only a regular licence. Should driver requirements be relaxed to allow TNCs to work with more households and avoid a driver shortage? If so, should driver licence requirements also be relaxed for the taxi industry to preserve a level playing field?
- **Limits to flexible pricing.** Should there be a limit to how high TNC peak pricing can go? What about natural disasters? Some regimes place limits on TNC pricing multipliers, while others do not.

- **Insurance.** How much commercial insurance should TNC vehicles carry? How should the policy be structured? As an add-on to existing policy or as a global policy covering TNC drivers when they are logged into the TNC system? The choice of mechanism is a significant issue in the highly regulated vehicle insurance framework. It is currently a significant issue in Saskatchewan as they establish a TNC regulatory regime.
- **Impact on Taxis and Level Playing Field.** The addition of TNC competition naturally has a significant impact on the taxi industry, reducing profitability. What conditions are necessary to keep the playing field level? Should there be protections for the existing taxi industry?

All of these issues, and the basic question of whether or not TNCs should be admitted to HRM, would benefit from consultation with the industry and users. Enough is at stake to warrant this level of consideration.

*Recommendation 7.4: That HRM conduct a review of whether or not it is desirable to licence Transportation Network Companies and, if yes, the terms which they would be permitted to operate. The review should include consultation with user and industry stakeholders, and consideration of TNC issues identified in this report.*

## 8 OTHER ISSUES

This chapter addresses other regulatory issues that arose during stakeholder consultations.

### 8.1 TALKING TAXIMETERS

Taximeters with the ability to voice the accumulating and final rate on the meter are of assistance to the vision impaired. HRM does not require this equipment. Stakeholders raised the question of whether this feature could be made a standard requirement for HRM taxis.

A telephone survey of major taximeter suppliers (e.g. Pulsar and Centrodyne) suggests that talking taximeters are not generally available, although large firms have experimented with them and could supply them with advance notice of 1 to 6 months. Potential models with speakers are add-ons to specific models of taximeters marked by their respective companies, connecting by either wireless or through ports into the meter. Suggested costs ranged from \$85 CAD to \$300 USD. A smaller Canadian company (Record Taximeter) does offer a free text to voice app with its meters, intended to work with a driver's smartphone or other device.

There are three reasons for the low demand for talking taxi meters, and the resulting lack of production models:

- **Increased functionality of smart-phone apps.** As taxi dispatch apps continue to improve to compete with TNCs, so do their accessibility features. Users with vision disabilities may increasingly use taxi apps in combination with standard text to voice apps on their own phones to obtain better functionality. Relying on smartphones leaves the vision impaired who don't have smartphones underserved. However, ownership of a smartphone is increasingly universal as it becomes seen as a necessity rather than a luxury.
- **Move from dedicated meter and dispatch equipment to off the shelf tablets and software.** As computer technology has become more portable, there is a trend towards using off-the-shelf tablets in place of sophisticated meters and dispatch equipment in the taxi. The net result has meant a lack of interest of add-ons to dedicated meters, such as voice capability.
- **Cost pressures from TNCs.** There was a time, just before the advent of TNCs, when large taxi jurisdictions were beginning to install advanced systems in each taxi with separate driver and passenger information monitors. In this context, adding assistance for the vision impaired was a logical next step, since the passenger information monitors already had sound capability and were linked to the meter. However, cost pressures arising from TNC competition, combined with the move to off-the-shelf tablets, has halted this trend.

*Recommendation 8.1: Consideration of requiring talking taximeters should be deferred for two years to see if the availability of production models resolves itself. Alternatively, the functionality of taxi dispatch apps and the increasing universality of smartphones may provide a superior solution for most passengers with vision impairment.*

### 8.2 FARES FROM THE AIRPORT

Airport Authority representatives noted that the Airport is a federal jurisdiction and sets its own taxi rates for trips from the airport. They requested that the Bylaw be clarified on this point to avoid confusion by drivers or passengers.

*Recommendation 8.2: Amend the Bylaw and associated Administrative Order to clarify that the Airport sets its own rates for taxis leaving the airport.*

Section 2(1) (a) of Administrative Order 39 currently acknowledges the airport's jurisdiction over fares originating from the airport. Although the clause refers to taxis operating under airport licences, any taxi called in must obtain a temporary airport permit and thus is covered by the section. The main concern would appear to be answered by deleting reference to "from the airport" from the title of the associated rate schedule – leaving the schedule referring only to fares to the airport.

## 9 LIST OF RECOMMENDATIONS

This chapter provides a list of recommendations made in this report. The relevant chapter text includes additional comments and considerations on implementation.

### Passenger and Driver Safety

*Recommendation 3.1: That HRM require the installation of cameras in all taxicabs, consistent with a list of models and manufacturers approved by the Licensing Authority. Features of approved models shall include encryption of records; a means to restrict access to police or designated officers of the Licensing Authority; and other features to protect the privacy of passengers and drivers. Approval of the Licensing Authority may also take into consideration assistance offered by supplier(s) to enable police and Licensing Authority access to camera records and provision of means to inspect and assure camera functionality.*

*Recommendation 3.2: That the requirement for cameras be phased-in over a 12 month period to allow the taxi industry time to develop the capacity to order and install the required cameras.*

*Recommendation 3.3: That HRM add an additional 10 cents to the fixed charge on taxi meters at the beginning of the 12 month period to assist the industry in paying for the ongoing cost of acquiring, maintaining and replacing cameras.*

*Recommendation 3.4: That the Bylaw be amended to empower the licensing authority to set attendance at an acceptable training course as a requirement for a Driver's Licence and, where deemed necessary to update industry practice, for renewal of Driver's Licences.*

*The intention is for training with live instructors, supplementing the current required completion of National Certification testing administered by the Tourism Industry Association of Nova Scotia. Live training would provide the opportunity for interaction with persons with disabilities, guide dog demonstrations, interaction with officers responsible for Bylaw enforcement, and emphasis on key messages such as gender and cultural relationships, and practical discussion of the implications of the code of conduct in the Bylaw, such as sex and conduct with passengers.*

*Recommendation 3.5: That Council direct the Licensing Authority to develop an updated driver training video with the participation of disability advocacy organizations, experienced HRM drivers, and other stakeholders.*

*Recommendation 3.6: That HRM consider amending the Bylaw to allow the Licensing Authority to set a second language requirement for obtaining a full driver's licence for taxis and limousine. The second language requirement would permit the current entry level language requirement for driving to continue, but expect a somewhat higher standard be achieved before the end of the one year conditional driver licensing period.*

*Recommendation 3.7: That the Bylaw be amended to:*

- *Add to the code of ethics words to the effect that the driver shall behave respectfully and provide an environment free of harassment, including sexual harassment or harassment based on race or religion.*
- *Add reciprocal language to the effect that a driver is entitled to a respectful environment free of sexual harassment or harassment based on race or religion, and that a driver may refuse service if passengers do not respect this requirement.*
- *Add to the code of ethics words to the effect that drivers, when on duty, shall not behave in manner that places at risk the confidence of the public in HRMs vehicle-for-hire industry.*
- *Add specific provision to the Bylaw prohibiting drivers from having sex with passengers during the course of transporting them, or immediately after having escorted or assisted the passenger to their door. In addition, drivers should be prohibited from accepting sex in exchange for vehicle-for-hire services.*

## **Zones**

*Recommendation 4.1: Hara Associates recommends establishing a two zone system, a Central Zone operating under urban taxi rules, and a surrounding Restrictions-Free Zone where any qualified person wishing to operate a taxi may do so immediately without placing their name on a waiting list (Option D). The latter zone reflects the challenge in encouraging taxi service in small and rural communities. The two zone system reflects the combined rural and urban character of HRM's very large geographic area. Within the central area, merging the current zones would bring about significant service improvement. Trip refusals would decrease as taxis are free to accept calls in the area where they dropped off a passenger. Dead-heading by taxis returning to home zones will be reduced. With reduced dead-heading, system capacity to serve peak demand hours will increase.*

*There would be a moderate shift in taxis between urbanized parts of the current County zone and the downtown. This move would be small and self-limiting as taxis moved to a common average level of profitability in serving all areas within the Central Zone.*

*As with other options that merge zones, there will be redistribution of income among taxi roof light holders. Current roof light holders in the Dartmouth and County zones would gain at the expense of Halifax Zone roof light holders. However, the size of these income shifts are small relative to the impacts that other Canadian municipalities have absorbed when merging zones in a regional municipality.*

*Recommendation 4.2: In the event that zones are merged (Options B, C, or D), there should be a one year delay in implementation to allow taxi companies and drivers to prepare for a change in the competitive landscape.*

*Recommendation 4.3: In the event that zones are merged, the waiting lists for those zones should be merged so that seniority is based on the date the individual was placed on the individual zone list.*

## **Managing Taxi Supply**

*Recommendation 5.1: That HRM consider seeking provincial legislative amendments to clarify its authority to charge per-trip fees for vehicle-for-hire licences, including TNCs like Uber and Lyft, as well as taxis. The authority should permit the fees collected to be used to fund accessible vehicle-for-hire service for persons in wheelchairs and other mobility devices. With this authority, HRM should plan to implement a regime where supplemental taxi licences, in addition to the present 1000 owner's licences, would be made available to operators willing to pay a fixed fee per trip, in addition to the licence fees paid by the historical licence holders.*

*Needed legislative changes would include lifting of the provincial restriction of \$50 per vehicle on municipal vehicle-for-hire licence fees. Lifting this cap would also increase the options for HRM to recover the cost of vehicle-for-hire regulation and enforcement from licensees.*

*Recommendation 5.2: In the event that HRM prefers a more traditional formula, Hara Associates recommends expanding the number of taxis in proportion to population growth. This formula is an improvement over the current fixed levels, and is simple to administer.*

*Recommendation 5.3: To address present shortages in service on weekend nights, it is recommended that a night premium of \$1.00 be added to meter rates for trips occurring on weekend nights (Friday 7 p.m. to Saturday 5 a.m., and Saturday 7 p.m. to Sunday 5 p.m.) The night premium will encourage more drivers to shift their hours, reducing the shortages that occur at these times.*

*Recommendation 5.4: Add a \$5 cancellation fee to the taxi and limousine fee schedule for taxis booked through apps of eligible taxi companies, whose apps:*

- *Obtain customer agreement to the fee in advance.*
- *Record customer consent electronically as per an account agreement.*
- *Provide for confirmation of service by a particular vehicle and an estimated arrival time, prior to confirming the trip; or allow free cancellation within a reasonable time after the customer receives notification of the specific vehicle and expected arrival time.*

## **Accessible Taxi Service**

*Recommendation 6.1: Establish an Accessible Taxi Support program to provide financial assistance to the provision of accessible taxi service. To meet the requirements of the City Charter, such assistance may be delivered in the form of purchase of service, such as paying a stand-by fee for being available by dispatch for accessible taxi requests for a given number of shifts or hours.*

*Recommendation 6.2: Establish a target % of the taxi fleet to become accessible taxis, and a timetable by which that target is to be achieved.*

*Recommendation 6.3: Require taxi companies operating in HRM to achieve percentage accessible taxi fleet targets consistent with the overall goals. The metric used may be specified*

## 9-4 List of Recommendations

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*either as a % of contracted or owned dispatch taxis, or as a % of trips served by accessible taxis.*

- Recommendation 6.4: In conjunction with setting goals for the % of accessible taxis in taxi fleets, consider a small addition to the general meter rate to assist the industry in meeting the additional costs. Hara Associates suggests 10 cents per trip.*
- Recommendation 6.5: Amend the Bylaw to clarify that multiple accessible taxis may be operated by an individual or company. Reach out to potential suppliers of fleet accessible taxi services to Access-A-Bus, to communicate the intention of the Bylaw change.*
- Recommendation 6.6: In future Access-A-Bus calls for expressions of interest or bids in the contract provision of accessible taxis, include as a feature of interest making contract taxis available for the general dispatch pool when not used by Access-A-Bus.*
- Recommendation 6.7: That a working group should be struck through the Taxi and Limousine Liaison Group to assist in the implementation of the Accessible Taxi Support program, and the monitoring of success in achieving the goals for a % of the taxi fleet. It is suggested that membership in the working group be extended to include additional representatives of accessible taxi users, accessible taxi drivers, and taxi companies.*

### **Preparing for the Future**

- Recommendation 7.1: Taxi companies should be brought into the Taxi and Limousine Bylaw by requiring a licence for brokers of on-demand service by vehicles-for-hire.*
- Recommendation 7.2: To strengthen the owner-driver system, amend the Bylaw to require, for renewal of a taxi owner's licence, a cumulative 1200 hours of active taxi driving during the previous licensing period. This recommendation is contingent on bringing taxi companies into the Bylaw in order to have administrative access to dispatch records, and requiring roof light owners operating without a dispatch company to provide daily trip records, written or electronic, to substantiate an equivalent claim of active driving.*
- This recommendation is intended to apply to taxi owner licences held singly under the current Bylaw (i.e. one licence – one owner). There are a number of taxi owner licences held as multiple licences by one owner (e.g. Blue Line Leasing), whose historical rights were grandfathered into previous Bylaw amendments. The rights of these licences are not intended to be affected by the above recommendation.*
- Recommendation 7.3: Any new taxi licences issued to the waiting list, or through the recommended new fee-per-trip option, should require affiliation with a licensed taxi company. Affiliation ensures an electronic record of trips for driver and customer safety, supports driver safety through dispatch systems' response to emergency signals, and gives access the other benefits of computer dispatch and automatic record keeping. This recommendation is contingent merging some or all taxi licensing zones, in order that taxi drivers have a competitive choice on their selection of taxi company for affiliation.*

*Recommendation 7.4: That HRM conduct a review of whether or not it is desirable to licence Transportation Network Companies and, if yes, the terms which they would be permitted to operate. The review should include consultation with user and industry stakeholders, and consideration of TNC issues identified in this report.*

### **Other Issues**

*Recommendation 8.1: Consideration of requiring talking taximeters should be deferred for two years to see if the availability of production models resolves itself. Alternatively, the functionality of taxi dispatch apps and the increasing universality of smartphones may provide a superior solution for most passengers with vision impairment.*

*Recommendation 8.2: Amend the Bylaw and associated Administrative Order to clarify that the Airport sets its own rates for taxis leaving the airport.*

**Appendix A**

**Interview Respondents**

## Appendix A

# Interview Respondents

(\*Some taxi drivers have been omitted from the list at their own request. Hara Associates complies with these requests given the relatively vulnerable position of drivers within the taxi industry)

### Industry

- Bill Mastrapas, Owner, Blue Line Car Leasing and Taxi Rental
- Brian Herman, President & Operations Manager, Casino Taxi LTD
- Calvin Demont, Bob's Taxi
- Caroline Collins, Driver
- Chris Schafer, Uber Public Policy Manager
- Christopher Wood, Limousine Participant on TILLG
- Darshan Virk, United Cab Drivers' Association
- David Buffett, President, Halifax Taxi Owners' Association, Halifax Taxi Participant on Taxi and Limousine Liaison Group
- Gilbert Dib, Satellite Taxi
- Justin Ghosn, Yellow Cab
- Mark Pothier, Bob's Taxi
- Mark Thurston, Driver
- Mark Weston, Driver
- Murray Latter, Satellite Taxi
- Paul Vienneau, Citizen
- Reginald Linegar, Dartmouth Taxi Participant on Taxi and Limousine Liaison Group
- Terry Morier, Driver
- Yousef Abu Naameh, Driver

### Community and Business

- Anita Chisholm, Halifax International Airport Authority
- Catherine McGrail, Port of Halifax
- Darlene Grant Finder, Tourism Industry Association of NS
- Dr. Corneilia Schneider, MSVU Faculty of Education
- Gordon Stewart ED, Restaurant Association of Halifax
- Jessica Marting, Port of Halifax
- Johanna Stork, Citizen Participant Taxi and Limousine Liaison Group
- Lisa Dahr, Tourism Industry Association of NS
- Patricia Gates, Chair of Accessibility Advisory Committee
- Patricia Gorham, Citizen Participant Taxi and Limousine Liaison Group
- Paul MacKinnon, Downtown Halifax Business Commission
- Shelly Adams, Canadian National Institute for the Blind
- Warren Wesson, Citizen Participant Taxi and Limousine Liaison Group
- Yvonne Clement, Citizen Participant Taxi and Limousine Liaison Group

### City and Council

- Ahmad Kidwai, Manager Accessible Transit, Halifax Transit
- Andrea MacDonald, Program Manager License Standards, Building and Compliance Planning and Development

## *A - 2 Interview Respondents*

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- David McCusker, Manager Regional Transportation Planning
- Gerry Post, External Director Nova Scotia Accessibility Directorate
- Karen MacDonald, Halifax Legal Services
- Laughie Rutt, Diversity Consultant
- Lindell Smith, City Councillor
- Mark Hobeck, Police Consultant
- Matt Whitman, City Councillor
- Mike Savage, Mayor
- Russell Walker, City Councillor
- Steve Adams, City Councillor
- Steve Craig, Deputy Mayor, City Councillor
- Tanya Davis, Transportation Planning Program Manager
- Tony, Mancini, City Councillor
- Waye Mason, City Councillor

Attachment C – Hara Associates Recommendations

	Staff
<p><b>Passenger and Driver Safety</b></p> <p><i>Recommendation 3.1: That HRM require the installation of cameras in all taxicabs, consistent with a list of models and manufacturers approved by the Licensing Authority. Features of approved models shall include encryption of records; a means to restrict access to police or designated officers of the Licensing Authority; and other features to protect the privacy of passengers and drivers. Approval of the Licensing Authority may also take into consideration assistance offered by supplier(s) to enable police and Licensing Authority access to camera records and provision of means to inspect and assure camera functionality.</i></p>	<p>Not Recommended - addressed in report re no mandatory cameras.</p>
<p><i>Recommendation 3.2: That the requirement for cameras be phased-in over a 12 month period to allow the taxi industry time to develop the capacity to order and install the required cameras.</i></p>	<p>Not Recommended - addressed in report re no mandatory cameras.</p>
<p><i>Recommendation 3.3: That HRM add an additional 10 cents to the fixed charge on taxi meters at the beginning of the 12 month period to assist the industry in paying for the ongoing cost of acquiring, maintaining and replacing cameras.</i></p>	<p>Not Recommended - addressed in report re no mandatory cameras.</p>
<p><i>Recommendation 3.4: That the Bylaw be amended to empower the licensing authority to set attendance at an acceptable training course as a requirement for a Driver's Licence and, where deemed necessary to update industry practice, for renewal of Driver's Licences.</i></p>	<p>Recommended – addressed in report.</p>
<p><i>Recommendation 3.5: That Council direct the Licensing Authority to develop an updated driver training video with the participation of disability advocacy organizations, experienced HRM drivers, and other stakeholders.</i></p>	<p>Recommended – addressed in report.</p>
<p><i>Recommendation 3.6: That HRM consider amending the Bylaw to allow the Licensing Authority to set a second language requirement for obtaining a full driver's licence for taxis and limousine. The second language requirement would permit the current entry level language requirement for driving to continue, but expect a somewhat higher standard be achieved before the end of the one year conditional driver licensing period.</i></p>	<p>Partially Recommended – addressed in report.</p>

Attachment C – Hara Associates Recommendations

<p><i>Recommendation 3.7: That the Bylaw be amended to:</i></p> <ul style="list-style-type: none"> <li>• <i>Add to the code of ethics words to the effect that the driver and passenger shall behave respectfully and provide an environment free of harassment, including sexual harassment or harassment based on race or religion.</i></li> <li>• <i>Add to the code of ethics words to the effect that drivers, when on duty, shall not behave in manner that places at risk the confidence of the public in HRMs vehicle-for-hire industry.</i></li> <li>• <i>Add specific provision to the Bylaw prohibiting drivers, while on duty and for a reasonable time after ending duty, from having sexual relations with passengers or accepting sex in exchange for vehicle-for-hire services.</i></li> </ul>	<p>Not Recommended as is – addressed in report with training recommendations as we feel this would be more impactful vs amending the Code of Ethics.</p>
<p><b>Zones</b></p> <p><i>Recommendation 4.1: Hara Associates recommends establishing a two zone system, a Central Zone operating under urban taxi rules, and a surrounding Restrictions-Free Zone where any qualified person wishing to operate a taxi may do so immediately without placing their name on a waiting list (Option D). The latter zone reflects the challenge in encouraging taxi service in small and rural communities. The two zone system reflects the combined rural and urban character of HRM’s very large geographic area.</i></p>	<p>Recommended Option C. Merge all zones- addressed in report.</p>
<p><i>Recommendation 4.3: In the event that zones are merged (Options B, C, or D), there should be a one year delay in implementation to allow taxi companies and drivers to prepare for a change in the competitive landscape.</i></p>	<p>Not Recommended – delaying for a year would not be in the best interest of the customer.</p>
<p><i>Recommendation 4.4: In the event that zones are merged, the waiting lists for those zones should be merged so that seniority is based on the date the individual was placed on the individual zone list.</i></p>	<p>Recommended – addressed in report.</p>

Attachment C – Hara Associates Recommendations

<p><b>Managing Taxi Supply</b></p> <p><i>Recommendation 5.1: That HRM seek provincial legislative amendments to clarify its authority to charge per-trip fees for vehicle-for-hire licences, including TNCs like Uber and Lyft, as well as taxis. The authority should permit the fees collected to be used to fund accessible vehicle-for-hire service for persons in wheelchairs and other mobility devices. With this authority, HRM should plan to implement a regime where supplemental taxi licences, in addition to the present 1000 owner’s licences, would be made available to operators willing to pay a fixed fee per trip, in addition to the licence fees paid by the historical licence holders.</i></p>	<p>Not Recommended – relative to charge per trip fees, this will be considered in the Supplementary Report with the licensing of TNC/Brokers . Recommending an increase in limitations to address the later part of this recommendation.</p>
<p><i>Recommendation 5.2: In the event that HRM prefers a more traditional formula, Hara Associates recommends expanding the number of taxis in proportion to population growth. This formula is an improvement over the current fixed levels, and is simple to administer.</i></p>	<p>Not Recommending use of formula – however, recommending increase in limitations based on a number of factors – addressed in report. Limitations increase from 1,000 to 1,600.</p>
<p><i>Recommendation 5.3: To address present shortages in service on weekend nights, it is recommended that a night premium of \$1.00 be added to meter rates for trips occurring on weekend nights (Friday 7 p.m. to Saturday 5 a.m., and Saturday 7 p.m. to Sunday 5 p.m.) The night premium will encourage more drivers to shift their hours, reducing the shortages that occur at these times.</i></p>	<p>Not Recommended – the fee is not enough of an incentive for a night premium.</p>
<p><i>Recommendation 5.4: Add a \$5 cancellation fee to the taxi and limousine fee schedule for taxis booked through apps of eligible taxi companies, whose apps:</i></p> <ul style="list-style-type: none"> <li>• <i>Obtain customer agreement to the fee in advance.</i></li> <li>• <i>Record customer consent electronically as per an account agreement.</i></li> <li>• <i>Provide for confirmation of service by a particular vehicle and an estimated arrival time, prior to confirming the trip; or allow free cancellation within a reasonable time after the customer receives notification of the specific vehicle and expected arrival time.</i></li> </ul>	<p>Not Recommended – possible consideration with Supplementary Report with the licensing of TNC/Brokers.</p>

Attachment C – Hara Associates Recommendations

<p><b>Accessible Taxi Service</b></p> <p><i>Recommendation 6.1: Establish an Accessible Taxi Support program to provide financial assistance to the provision of accessible taxi service. To meet the requirements of the City Charter, such assistance may be delivered in the form of purchase of service, such as paying a stand-by fee for being available by dispatch for accessible taxi requests for a given number of shifts or hours.</i></p>	<p>Recommended with variations – addressed in report.</p>
<p><i>Recommendation 6.2: Establish a target % of the taxi fleet to become accessible taxis, and a timetable by which that target is to be achieved.</i></p>	<p>Not Recommended – addressed in report regarding former report to Transportation Standing Committee seeking amendment to restrict new licenses to accessible only.</p>
<p><i>Recommendation 6.3: Require taxi companies operating in HRM to achieve percentage accessible taxi fleet targets consistent with the overall goals. The metric used may be specified either as a % of contracted or owned dispatch taxis, or as a % of trips served by accessible taxis.</i></p>	<p>Not recommended – possible consideration with Supplementary Report with the licensing of TNC/Brokers.</p>
<p><i>Recommendation 6.4: Amend the Bylaw to clarify that multiple accessible taxis may be operated by an individual or company. Reach out to potential suppliers of fleet accessible taxi services to Access-A-Bus to communicate the intention of the Bylaw change.</i></p>	<p>Recommended – addressed in report.</p>
<p><i>Recommendation 6.5: In future Access-A-Bus calls for expressions of interest or bids in the contract provision of accessible taxis, include as a feature of interest making contract taxis available for the general dispatch pool when not used by Access-A-Bus.</i></p>	<p>Referred to Halifax Transit.</p>
<p><i>Recommendation 6.6: Consider a small addition to the general meter rate to assist the industry in supporting accessible taxi service. Hara Associates suggests 10 cents per trip.</i></p>	<p>Not recommended at this time, seeking Charter amendment first.</p>

Attachment C – Hara Associates Recommendations

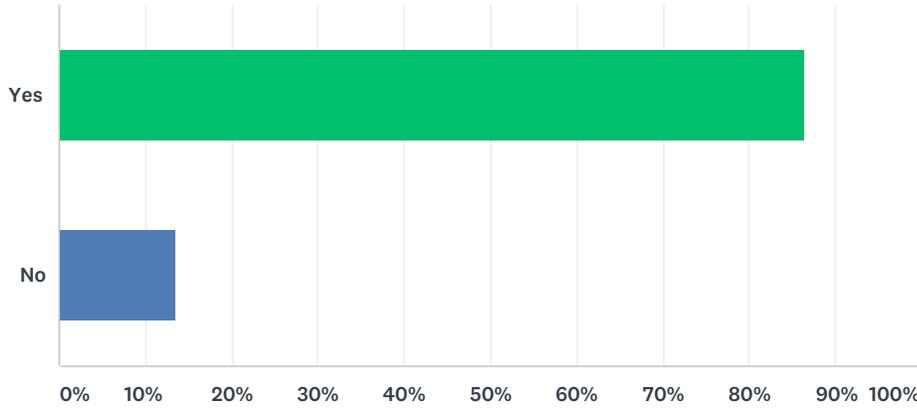
<p><i>Recommendation 6.7: That a working group should be struck through the Taxi and Limousine Liaison Group to assist in the implementation of the Accessible Taxi Support program, and the monitoring of success in achieving the goals for a % of the taxi fleet. It is suggested that membership in the working group be extended to include additional representatives of accessible taxi users, accessible taxi drivers, and taxi companies.</i></p>	<p>Recommended - accessibility is a reoccurring topic for the Taxi and Limousine Liaison Group.</p>
<p><b>Preparing for the Future</b></p> <p><i>Recommendation 7.1: Taxi companies should be brought into the Taxi and Limousine Bylaw by requiring a licence for brokers of on-demand service by vehicles-for-hire.</i></p>	<p>Recommended – addressed in report.</p>
<p><i>Recommendation 7.2: To strengthen the owner-driver system, amend the Bylaw to require, for renewal of a taxi owner’s licence, a cumulative 1200 hours of active taxi driving during the previous licensing period. This recommendation is contingent on bringing taxi companies into the Bylaw in order to have administrative access to dispatch records, and requiring roofflight owners operating without a dispatch company to provide daily trip records, written or electronic, to substantiate an equivalent claim of active driving.</i></p>	<p>Not Recommending hours of active driving.</p> <p>Recommended – Broker reporting to be included in Supplementary Report with the licensing of TNC/Brokers.</p>
<p><i>Recommendation 7.3: Any new taxi licences issued to the waiting list, or through the recommended new fee-per-trip option, should require affiliation with a licensed taxi company in order to provide an electronic record of trips for driver and customer safety, for dispatch systems supporting driver safety, for simplifying administration of roofflight renewal with electronic trip records, and to access the other benefits made possible through computer dispatch and automatic record keeping. This recommendation is contingent on either merging taxi licensing zones, in order that taxi drivers have a competitive choice on their selection of taxi company for affiliation.</i></p>	<p>Not Recommending as is. Will be addressed in the Supplementary Report with the licensing of TNC/Brokers.</p>
<p><i>Recommendation 7.4: That HRM conduct a review of whether or not it is desirable to licence Transportation Network Companies and, if yes, the terms which they would be permitted to operate. The review should include consultation with user and industry stakeholders, and consideration of TNC issues identified in this report.</i></p>	<p>Recommended – addressed in report.</p>

Attachment C – Hara Associates Recommendations

<p><b>Other Issues</b></p> <p><i>Recommendation 8.1: Consideration of requiring talking taximeters should be deferred for two years to see if the availability of production models resolves itself. Alternatively, the functionality of taxi dispatch apps and the increasing universality of smartphones may provide a superior solution for most passengers with vision impairment.</i></p>	<p>Not Recommended – with the universality of smartphones and dispatching apps.</p>
<p><i>Recommendation 8.2: Amend the Bylaw and associated Administrative Order to clarify that the Airport sets its own rates for taxis leaving the airport.</i></p>	<p>Recommended – addressed in the report.</p>

### Q1 Do you take taxis in the Halifax Regional Municipality?

Answered: 13,461 Skipped: 7

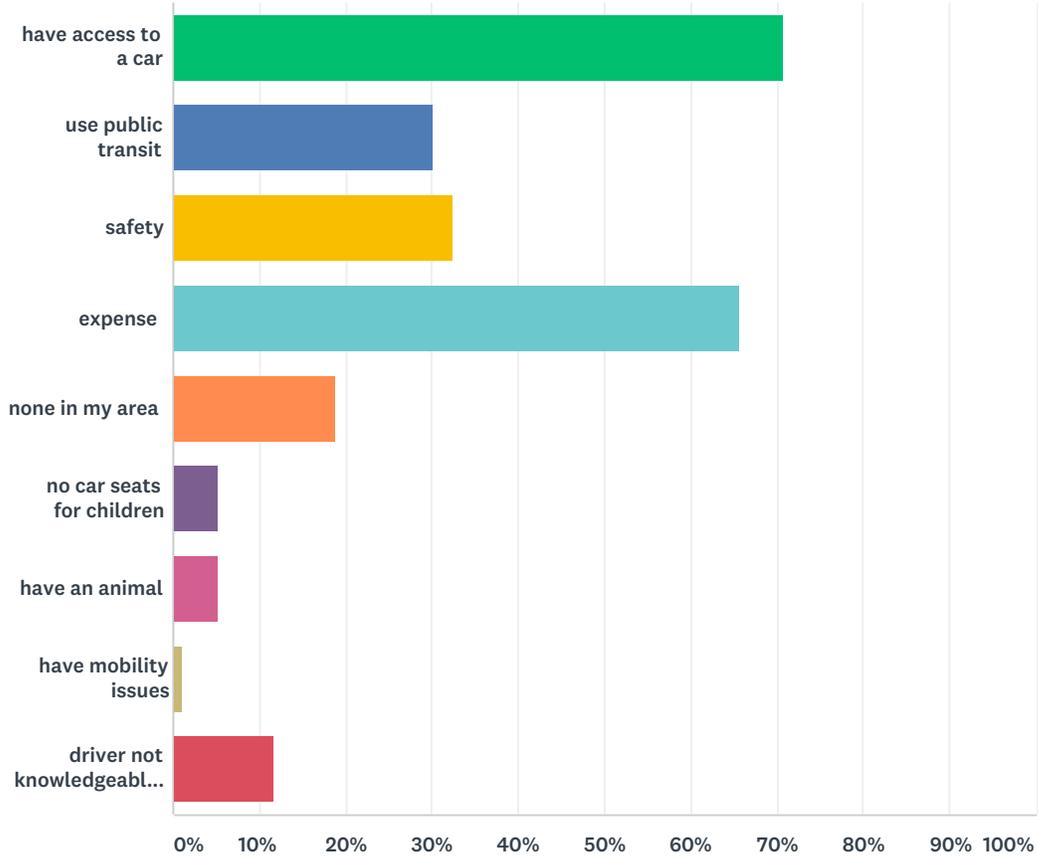


ANSWER CHOICES	RESPONSES	
Yes	86.39%	11,629
No	13.61%	1,832
TOTAL		13,461

# Taxi Service in Halifax Regional Municipality

## Q2 If not, why not? Please check all that apply.

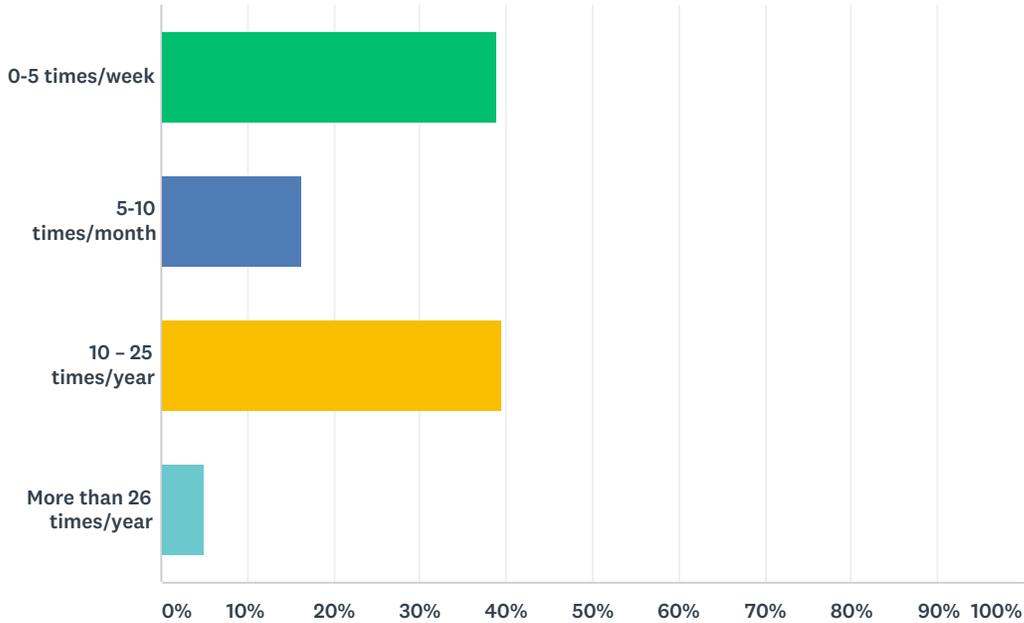
Answered: 1,817 Skipped: 11,651



ANSWER CHOICES	RESPONSES	
have access to a car	70.67%	1,284
use public transit	30.10%	547
safety	32.47%	590
expense	65.77%	1,195
none in my area	18.93%	344
no car seats for children	5.28%	96
have an animal	5.17%	94
have mobility issues	1.05%	19
driver not knowledgeable of area	11.78%	214
Total Respondents: 1,817		

### Q3 If yes, how often do you take a taxi?

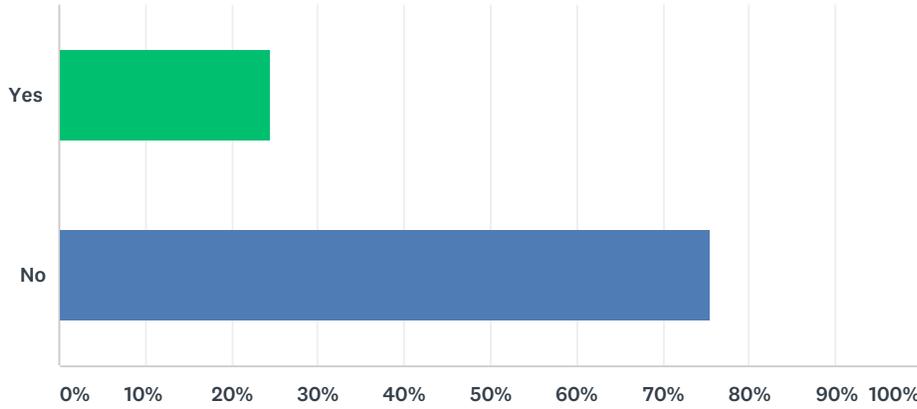
Answered: 10,970 Skipped: 2,498



ANSWER CHOICES	RESPONSES	
0-5 times/week	38.94%	4,272
5-10 times/month	16.41%	1,800
10 - 25 times/year	39.53%	4,336
More than 26 times/year	5.12%	562
TOTAL		10,970

### Q4 Do you feel that there are enough taxis to service the municipality?

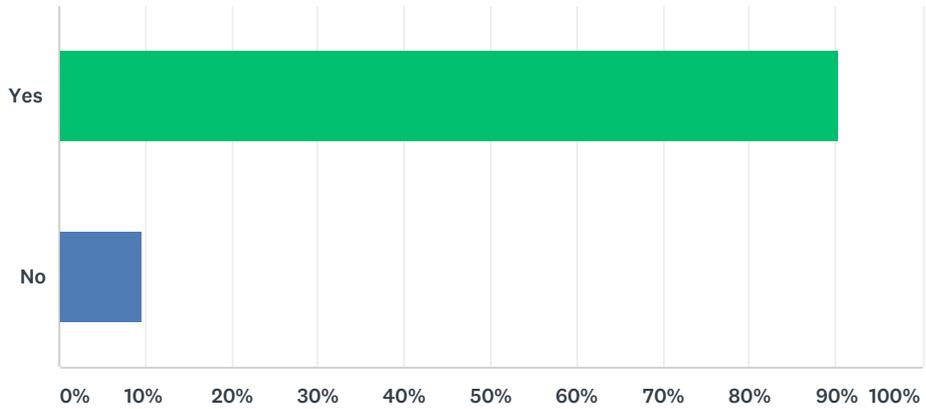
Answered: 10,966 Skipped: 2,502



ANSWER CHOICES	RESPONSES	
Yes	24.56%	2,693
No	75.44%	8,273
TOTAL		10,966

### Q5 Do you use a dispatcher to book a ride in a taxi? (ie. Bob's, Casino, Satellite, Yellow)

Answered: 10,978 Skipped: 2,490

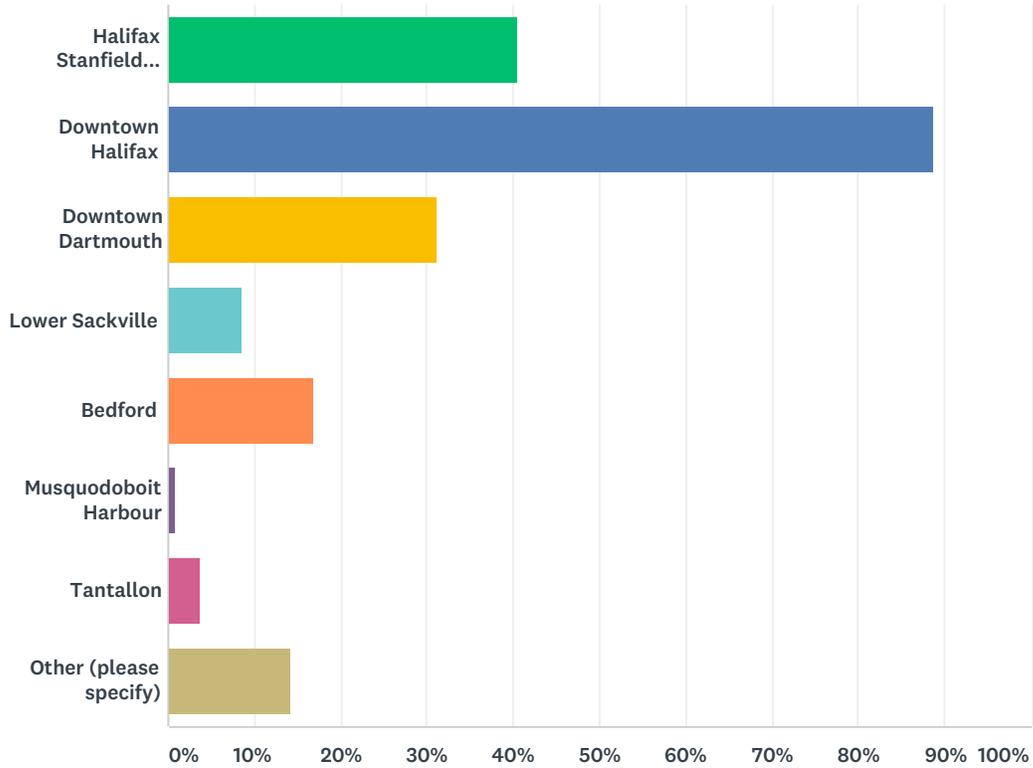


ANSWER CHOICES	RESPONSES	
Yes	90.41%	9,925
No	9.59%	1,053
TOTAL		10,978

# Taxi Service in Halifax Regional Municipality

## Q6 What areas do you mostly travel to? Please check all that apply.

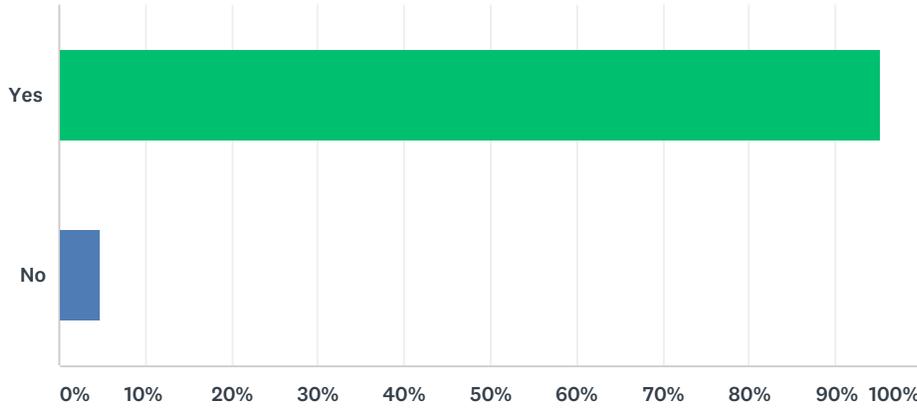
Answered: 10,990 Skipped: 2,478



ANSWER CHOICES	RESPONSES	
Halifax Stanfield International Airport	40.64%	4,466
Downtown Halifax	88.62%	9,739
Downtown Dartmouth	31.15%	3,423
Lower Sackville	8.48%	932
Bedford	16.93%	1,861
Musquodoboit Harbour	0.93%	102
Tantallon	3.86%	424
Other (please specify)	14.29%	1,571
Total Respondents: 10,990		

### Q7 Do you take taxis after 6 p.m. at night?

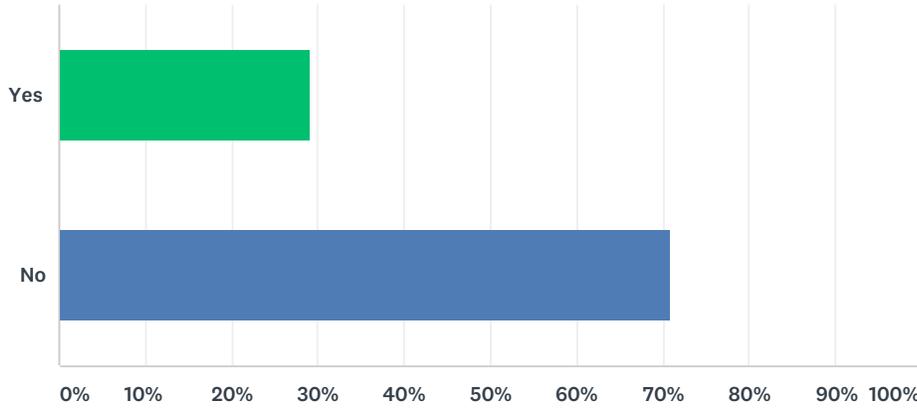
Answered: 10,963 Skipped: 2,505



ANSWER CHOICES	RESPONSES	
Yes	95.21%	10,438
No	4.79%	525
TOTAL		10,963

### Q8 Are there enough taxis after 6 p.m. at night to meet your needs?

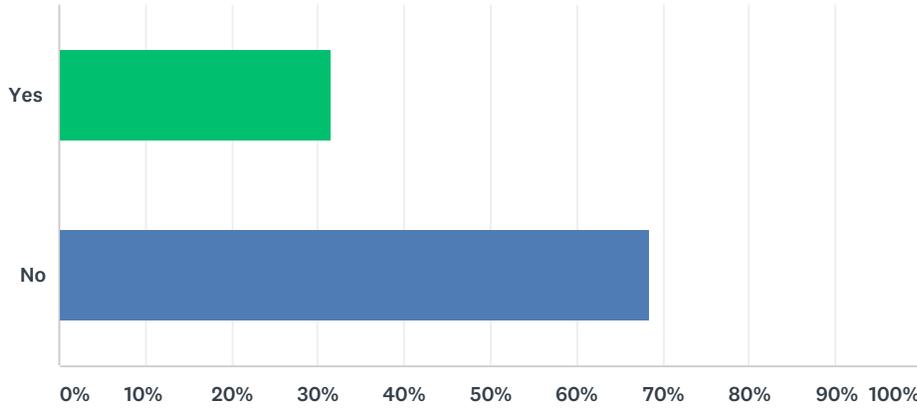
Answered: 10,786 Skipped: 2,682



ANSWER CHOICES	RESPONSES	
Yes	29.01%	3,129
No	70.99%	7,657
TOTAL		10,786

### Q9 Are you pleased with the level of service you are provided in a taxi?

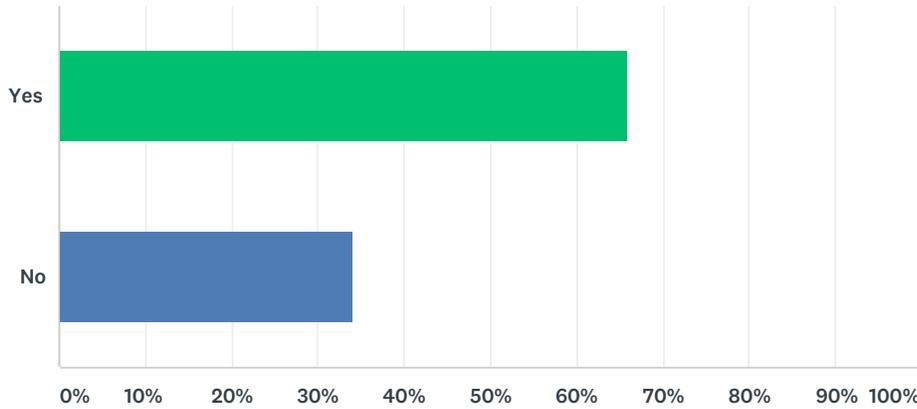
Answered: 10,933 Skipped: 2,535



ANSWER CHOICES	RESPONSES	
Yes	31.64%	3,459
No	68.36%	7,474
TOTAL		10,933

### Q10 Would you like the opportunity to get a taxi from an all female taxi service?

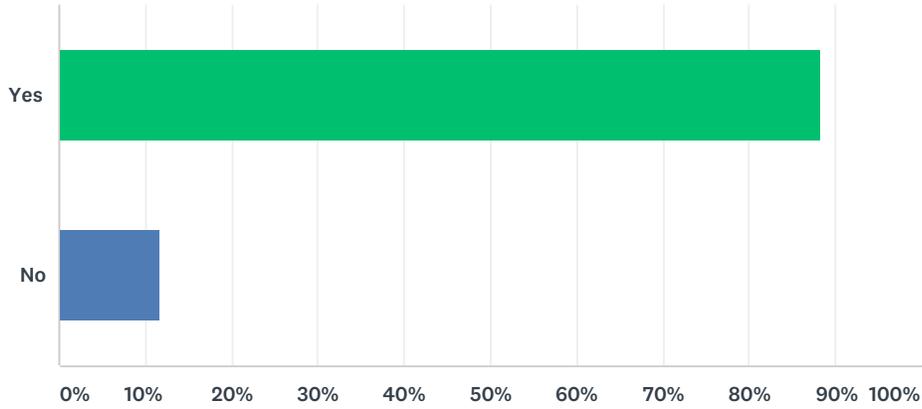
Answered: 12,269 Skipped: 1,199



ANSWER CHOICES	RESPONSES	
Yes	65.99%	8,096
No	34.01%	4,173
TOTAL		12,269

### Q11 Would you use an Uber or Lyft app?

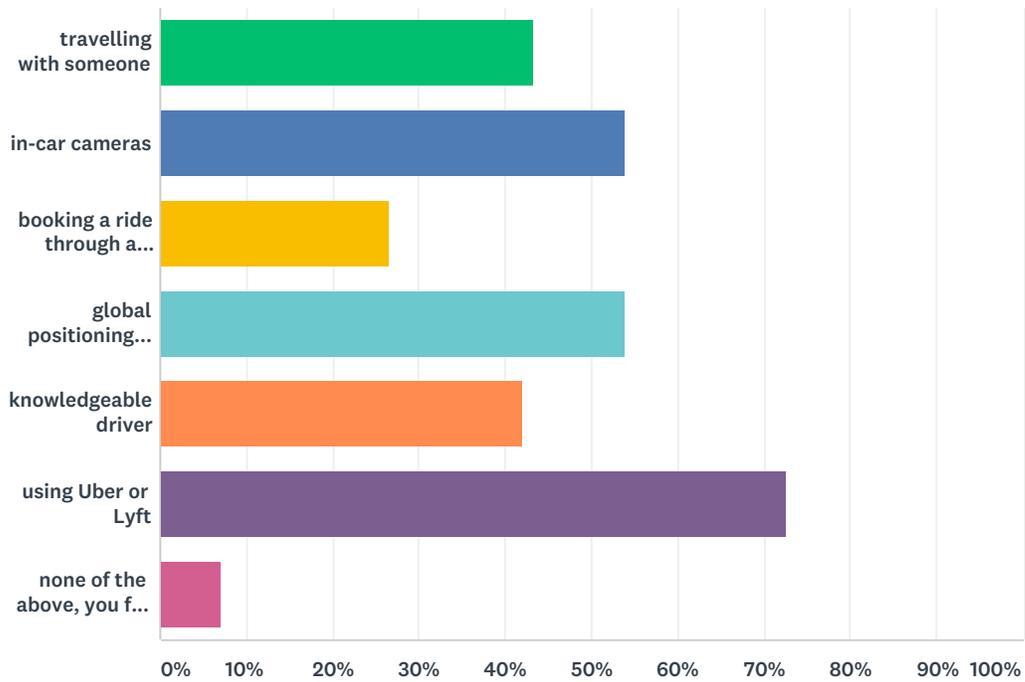
Answered: 12,575 Skipped: 893



ANSWER CHOICES	RESPONSES	
Yes	88.19%	11,090
No	11.81%	1,485
TOTAL		12,575

### Q12 What would make you feel safer when travelling by taxi? Please check all that apply.

Answered: 12,557 Skipped: 911



ANSWER CHOICES	RESPONSES	
travelling with someone	43.25%	5,431
in-car cameras	54.02%	6,783
booking a ride through a dispatcher	26.54%	3,333
global positioning system (GPS)	54.03%	6,785
knowledgeable driver	42.15%	5,293
using Uber or Lyft	72.64%	9,121
none of the above, you feel safe	7.17%	900
Total Respondents: 12,557		

## Excerpt of comments from the 500 pages of survey results

1. Taxis are not held accountable for their times. Very interested in Uber/Lyft being allowed where they are rated based on level of service. Can't count how many times I've gotten into a Halifax taxi that wreaked of smoke.
2. Too many rip you off. Take you the long way, never have debit running, never have cash to give you back so you're left paying \$40 for a \$23 ride, too chatty and flirty.
3. No, I have had taxi drivers get lost on the way to my destination and charged me the extra amount of time it took them to get there. I have had taxi drivers refuse to drive me to Sackville. Often there are no taxis available when I've needed them. I have had a lot of reckless drivers as well – driving very fast, making me feel like my life is in danger in the car.
4. I've almost been in multiple accidents in taxis. Constantly talking/texting on their phones. Going the long/wrong way, to charge more money. Many, many more reasons.
5. Don't like not knowing who my driver is or record of it. And having to have cash. Prefer Uber.
6. Missed my pre-op appointment before surgery due to service delays. Going downtown is a nightmare, there's only two taxi companies that work and neither of them answer. It takes multiple people on multiple phones 30-40 minutes justness to get through to one dispatcher. It makes planning anything downtown a hassle.
7. I get the "the machine is broken pay cash" thing a lot.
8. Often time they will not show up, or they will charge more than they should (especially if you're drinking), they will often not take Visa or Debit (even though they have the machine...).
9. I've had many taxi drivers start inappropriate and uncomfortable conversations, some who don't make me feel safe whether it's the manner in which they talk to me or how they drive.
10. NEED UBER
11. Long story short!! I do not trust most cab drivers here in HRM. Over the years my experience has been rudeness from drivers, dishonesty when it comes to taking the shortest and cheapest route to take. The final straw was when myself and my two kids came out of the Metro Centre one night after a UFC fight and had to wait over two hours to get a cab. When we finally got a cab he charged us \$120.00 to go from downtown Halifax to Cole Harbour. I swore I'd never take a cab again. So, as you can see I'm not a fan of cab companies here in HRM and feel there should be healthy competition as UBER!!!
12. After the sexual assault allegations, I feel less safe.
13. If a taxi driver knows you're going to Waverley before you get in the car they will not let you in and say they don't go that far. Very very frustrating.

14. Some vehicles nice, some in major disrepair, some very difficult to communicate with due to some drivers little understanding of English.
15. Many drivers are kind: some are not. I've had drivers drop my bags in puddles of water.
16. Prefer to use an Uber style. No money exchanging hands, polite & friendly.
17. Not enough, the drivers do not drive safely (some do obviously), the drivers can be very rude, they take me on longer routes when I'm drunk because they think I won't notice (this has happened on many occasions and we ask to stop and the driver refuses), once after getting out of the taxi my friend circled around the back of the taxi and the driver backed up into him almost knocking him into traffic (driver continued to yell and threaten to call police after), and many other occasions where I felt unsafe.
18. Taxi service in Halifax is slow, expensive and not clean. As a guy it is fine but for women it is not safe. I don't let my girlfriend take a taxi alone in HRM.
19. Taxi drivers have no accountability as far as taking the quickest route. Many times, drivers very clearly take prolonged routes to my addresses to increase the fare. Uber has technology that prevents this, and you know your fare before you get in the car.
20. Many taxis still cash only. In 2018.
21. I take taxis only because they are the only option available to me when municipal transit stops running. Given the opportunity I would use Uber or Lyft in a heartbeat.
22. Uber offers more as a service, there's always a driver not much of a wait. Cheaper and an overall better experience. You're creating more jobs rather than taking away. It will give cabs competition and safer than cabs.
23. There is no way to immediately rate a cab driver so most of the time my experience is good but often I'm forced to listen to cab drivers talk to me about whatever they want sometimes uncomfortable topics and occasionally drivers who are dangerous or drivers who take routes that are evidently slow.
24. Cost and service, lack evolution. I may not agree with Uber and Lyft policy of support however the app and payment plan is so much safer.
25. A lot of the cab drivers make me uncomfortable or are unprofessional talking on their phones the entire time. They also change their rates inconsistently.
26. Often poor city knowledge and poor safe driving skills.
27. Zones make it difficult to get a cab. Drivers run themselves ragged to make ends meet.
28. I usually love most cab drivers and use the service during peak times, but travelling from downtown Halifax to Dartmouth late at night is treacherous. And the amount of drivers that refuse to take debit payment is ridiculous.
29. Halifax is way behind other major cities. End the taxi monopoly, allow Uber.

30. Driving too fast, too aggressive (other cars honking at us) not knowing where common downtown streets are. Not being able to hail or call a cab late at night from the downtown core leaving a female to walk 45 minutes home in the dark.
31. Rude drivers, have been sexually assaulted on 2 occasions by drivers, do not feel safe in HRM taxis. Don't want to take them unless I absolutely have to. I would love a system that tracks me from start to finish (Uber!!).
32. Most cabs after 10pm adamantly refuse to accept a card as payment, sometimes demanding to stop at a bank so I can get cash.
33. As a woman, I do not feel safe taking taxis in Halifax. Many taxi drivers are very hostile towards women. Getting into a cab in Halifax as you never know if you are going to be ripped off, by a driver taking a longer unnecessary route, or if the taxi driver will be inappropriate towards you. There is no accountability for individual taxi drivers. I would feel much safer with a ride service like Uber, as the route is automated and the driver is tracked. Uber also has many safety tools built into the app.
34. I've had drivers refuse to travel to Bedford from downtown on multiple occasions.
35. Many cabs are old and dirty and smell of cigarettes. There should be a maximum age for their car. Say 10 years.
36. Some taxi companies are reluctant to take people from Halifax to Sackville. They state it's because they lose money as they are not zoned to do return trip pickups from Sackville.