

James Hunt – Deputation on Taxi Amendments – March 27 2017

Thank you. Mr. Chair, members of the committee, staff, and members of the public.

My name is James Hunt and I am associated with Deluxe Taxi. I own and manage ten licensed taxicabs, and I also drive full time.

It appears that Council has made up their minds with respect to the ride-sharing and driver-for-hire companies and their continued future in Barrie and as such, I will not take up time discussing these companies specifically.

Councillor Silveira, was absolutely correct when, in last week's meeting he concluded, very succinctly, that *'If you think the ride-sharing economy is going to go away, it is just a dream'*.

It is my opinion that no one in this industry expects ride-sharing and driver-for-hire companies to simply pack up and leave, considering the fact that they have already been allowed to operate unregulated for quite some time.

However, I do think it is a fair and reasonable expectation that when this category of company is officially placed under the same umbrella as taxi transportation, that it is done in a way that truly protects both customers and drivers.

I'm here today to speak in opposition of:

1. Removing the taxi moratorium and;
2. deregulating fare structure.

Council is suggesting that these amendments are being made in the interest of both the public (for safety and consumer protection) and for the industry in order to create an even playing field.

I would like to suggest that these amendments may contradict those interests.

Currently in section 151.1 of the Municipal Act 2001 the City of Barrie grants business licenses that have requirements and special conditions. It also sets out appropriate administrative penalties for failure to comply with the points set out there.

Many of the regulations governing the taxi industry have evolved over several years to reflect real safety needs and to protect passengers. The need for vehicle safety and the protection of passengers still exists whether a cab is dispatched by an order that has been placed through a taxi app or phone.

This need is not negated because a customer gets into a cab at a taxi stand, or because they have hailed it from the street.

As you are all aware, the moratorium was put in place in May of 2012 with a ratio of 1 cab for every 1500 people. This was put in place at the request of the taxi industry itself. In the discussions leading up to this decision there were talks with council regarding price points and how the number of taxis over this ratio ultimately affected public safety.

The oversaturation of the market dramatically impacted supply and demand, making it extremely difficult for Taxi owners to generate enough income to allow for proper safety requirements to be met, items as basic as regular vehicle maintenance or as specialized as installing cameras.

There are so many costs associated with owning, operating and managing vehicles in the interest of public safety, whether the industry is deregulated or not. Above and beyond the fees the city charges to license drivers, vehicles and companies. Even if these fees are reduced or removed entirely, the much larger costs of commercial insurance, maintenance, repairs, and vehicle replacement are still applicable. Not including any sudden increases in gas prices or commercial insurance rates.

Combining the removal of the moratorium with the proposed 'open market on fare structure' will be of further detriment to public safety.

The dramatic increase in the number of cabs on the road that will be the direct result of the lifted moratorium will create the 'race to the bottom effect' that was discussed in last week's meeting. With companies undercutting each other to attract customers, less revenue will be earned at the driver level.

This means that the taxicab owners will be forced to stretch income or not be able to cover expenses at all. Which, in the taxi industry, usually comes at the cost of foregoing maintenance and/or vehicle replacement. This translates to unfit or unsafe vehicles on the road because the funds to replace or fix just aren't there.

Historically, the city of Barrie has determined the metered price for fares with consult from the taxi industry. Input from the taxi industry was necessary because the true cost of operating and maintaining a vehicle needed to be factored in.

Using an online calculator provided by the Canadian Automobile association, some of these costs based on numbers from the previous year for a single vehicle may include, but are not limited to:

- a. Commercial taxi insurance - \$6742.33 per year, \$18.47 per day
- b. Repairs – \$6500 per year – \$17.80 per day
- c. Vehicle replacement - \$5200 a year, \$14.25 per day
- d. Ontario commercial license plate, \$120 per year, \$0.33 cents per day
- e. City of Barrie licensing \$435 per year, \$1.19 per day
- f. Taxi driver licensing \$365 per year, or \$1 per day
- g. Gas– \$9125 per year, or \$25 dollars per shift (*approximately, and not considering out of town calls*)
- h. Stand and dispatch fees – \$15607.80 a year, \$42.76 a day

Total yearly \$43,825.13, Total daily \$120.08

Again, the proposal of a completely open market with companies being able to set their own fare structure will manifest in the inability to maintain these numbers or earn a profit that would equate to basic cost of living amounts.

I understand that deregulating standard fares is an attempt to allow traditional taxi companies to compete with ride sharing and driver for hire companies that allow price surging. However, because taxi services are based on supply and demand, removing the base rate and allowing peak or surge pricing in times of high call volume, isn't a feasible revenue model. Please, understand that the times of high

demand for taxi services are far outnumbered by the times where demand is average, to slow, to non-existent.

Not every shift can be St. Patrick's day on a Friday night.

I would also like to touch base on deregulating fare structure and how it would be adverse to public safety, consumer protection and creating a 'more level playing field' for all types of transportation companies.

Fare disputes are a common occurrence and can be a great matter of public safety for both customer and driver depending on the level of escalation.

Currently when a customer is picked up and driven to a destination in town the taxi cab meter is on, otherwise the customer gets a free ride (according to current city bylaws). Upon arrival when the customer is expected to pay and then decides that they don't want to, or should not have to, the driver has always been able to rely on the ability to explain to the customer that the metered fare is what it is, because the driver took the most direct route available, and that the price is determined by the city.

Customers have many reasons for disputing fares, or simply not wanting to pay at all. This includes, being too inebriated to understand they have just purchased a service, feeling that the ride was simply too expensive or that when they had previously had the same trip they thought it was a different price.

With respect to escalation in these situations, the driver's only recourse after explanation of price and route is to call the police or, chose to accept not being paid at all.

If the police are contacted, it is important to note that this type of issue is more often than not a very low priority in the dispatched sequence. Once the police arrive, again, the meter can be explained and the customer is then either required to pay or face charges. Depending on the discretion of the officer, rather than press charges, the police will advise taxi driver to instead pursue payment as a civil matter in court.

Under the proposed system of removing regulated price structure, the customer will be given a rate in the above example. This could be disputed, as new rates may be in effect by the time the matter is investigated with no concrete way to determine what the original rate was at time of dispute.

As far as consumer protection is concerned, many taxi customers are on a fixed income, and when taking a taxi, rely on the structured fare so that they can include their rides in their family budget. For example, Jane Doe at 414 Blake travels to No frills on Blake once a week to do her shopping.

Before seniors discount, with cash, this would be approximately \$4.50, if Jane Doe is eligible for seniors discount it will then be \$4.05.

Please note that Jane Doe, is also unable to take the bus as she requires door to door service; she has a walker and needs help with her groceries.

Under the proposed amendment in times of peak call volume or bad weather all taxi companies have the ability to increase their prices – how does this protect our consumer, Jane Doe?

Not having the ability to predict the weather or high call volume means;

- that she will be unable to know how much the ride will be in advance,
- severely limit her ability to budget,
- may mean that she won't be able to use our services, and;
- in a worst case scenario lead to a fare dispute because it was \$4.50 yesterday, and \$15 today.

I seriously wonder how deregulation of fare structure will allow taxis to remain competitive with ride sharing and driver for hire companies. Historically, the city has used several other municipalities as guidelines when seeking to determine what price the meter should be set at. Although last week Mayor Lehman did acknowledge that this pilot project is a vastly different approach than any other municipality has tried, it seems like an unwise decision to make an amendment of this magnitude without precedent.

In allowing that the different types of transportation companies are all the same in theory, but not all are immediately subject to the regulated fees that are currently in place for taxis only, it seems like the city is taking a 'wait and see' kind of approach. Why would the instant deregulation of fare structure and instant removal of the moratorium not be approached in the same way?

As you can see from the chart below, all of these cities currently allow ride-sharing companies to operate, yet they still have a structured metered system. The two exceptions to this were Ottawa and Toronto, who have allowed the option of implementing surge pricing when the customer books the ride through a taxi company's app.

It is interesting to note that when these municipalities were creating their amendments for allowing the ride sharing economy and determining metered prices, it was clearly stated on their websites that they did so with respect to similar criteria as the City of Barrie has; consumer protection, public safety and a fair market.

Please also note that Ottawa and Toronto took further steps and contracted independent advisors to complete studies to help facilitate informed consideration, and input on the potential changes to taxi regulation, and service, as well as the impact on that above-mentioned criteria that would occur when choosing to allow ride sharing programs to operate in those same cities.

None of these cities removed regulated fare structure, or lifted their moratoriums.

City	Meter Start	per km	Taxi App Surge Pricing?
Ottawa	\$3.45	\$2.00	yes
Waterloo	\$3.50	\$2.10	no
Niagara Falls	\$3.75	\$2.70	no
Toronto	\$3.25	\$2.00	yes
London	\$3.25	\$2.00	no
Hamilton	\$3.90	\$1.80	no
Barrie	\$3.25	\$2.50	proposed open market pricing

In closing, I will refer to the situation at last week's meeting with Watersand Construction Ltd., when presented with artist renderings of what the development could possibly look like, the city expressed concerns that more often than not, artist renderings are very different than the actual end result and requested actual photos of existing examples of development in other communities. Because a rendering is exactly that – an interpretation of what the end result will be.

My point is although we are dealing with bylaws, this proposed amendment is the cities rendering of what the taxicab industry is to become in the future. Where else can this end product be found?

Mr. Chair, members of committee, staff, I realize it is late in evening and the city wants out of the business of taxis. But at the end of the day, I feel that lifting the moratorium and deregulating fare structure is not in the best interest of public safety, consumer protection or a viable way to even the playing field.

Do you have any questions at this time?

Thank you for your time.