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| TO: | CHAIR AND MEMBERS PUBLIC SAFETY COMMITTEE |
| FROM: | GEORGE KOTSIFAS DIRECTOR OF BUILDING CONTROLS, CHIEF BUILDING OFFICIAL AND LICENCE MANAGER |
| SUBJECT: | VEHICLE FOR HIRE BY-LAW MEETING ON JANUARY 24, 2012 |

RECOMMENDATION

That on the recommendation of Director of Building Controls, Chief Building Official and Licence Manager, the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the Municipal Council meeting on January 31, 2012 it being noted that the proposed by-law took into consideration comments received at the public meeting held on November 29, 2011.

PREVIOUS REPORTS

- April 26, 2010 – Taxi/Limousine By-law Review – ETC
- June 7, 2010 – Summary of May 2010 Workshop – ETC
- December 14, 2010 – Policy Options – CNC
- July 19, 2011 – Draft By-law – CNC
- October 18, 2011 – Response to Information Request – CNC
- November 29, 2011 – Public Meeting – CNC

BACKGROUND

This report outlines the key issues discussed at the public meeting held on November 29, 2011.

1. Issue – Age of Vehicle

CNC – November 29, 2011 – Agenda #6a – Page 62

Commentary – Several concerns were raised with respect to the proposed regulation that new vehicles for hire be no older than two model years. Since several vehicle models commonly used as vehicles for hire are no longer being produced, it may be difficult and cost prohibitive to purchase acceptable two model year old used vehicles as livery vehicles. A reasonable solution would be to extend the vehicle for hire model entrance from two years to three years for all vehicles for hire.

Comments were also received regarding the age of accessible vehicles. Research indicates that new vehicle production has increased with a greater focus on vehicles which provide for greater accessibility. Both Toyota and Honda are producing purpose designed accessible vans. A new vehicle is being produced in the USA which provides for side door wheelchair accessibility; the MV-1 is being marketed as a purpose designed vehicle of the future for the accessibility market. It would be reasonable to allow an extra one year of service for accessible vehicles given the higher initial vehicle costs and greater ongoing maintenance costs.

Recommendation – New vehicles for hire be no older than three model years. Accessible vehicles have an age restriction of eight years.

2. Issue – Issuance of Licences

CNC – November 29, 2011 – Agenda #6a – Page 56

Commentary – Several concerns were raised with respect to the powers of the Licence Manager regarding licence issuance, revocation and suspension. Some comments suggested that these powers should remain with Council and others felt that a special committee be struck with representation of the vehicle for hire industry. There needs to be a clear distinction between policy and by-law regulation approvals and by-law administration. Council has recently implemented a new governance model to more efficiently and effectively deal with City issues. It would not be an efficient use of Councillors' time to add the duties of licence administration issues. Council has delegated the authority of by-law administration to the Licence Manager. If an applicant does not agree with the decision of the Licence Manager, the applicant always has the option to appeal the decision to the City's Hearing Officer. This process is consistent with recently passed licencing by-laws and is an efficient and effective use of staff resources.

Recommendation – No change to proposed by-law.

3. Issue – Alternative Transportation Services

CNC – December 14, 2010 – Agenda #17 – Page 99

Commentary – There are several transportation conveyance services operating in London which offer a service to drive passengers and their vehicle to a destination for a fee. These services directly compete with the taxicab and limousine market other than they also drive a customer's vehicle to a predetermined location. Enforcement staff are concerned that in some cases, these alternative services are using unlicensed vehicles and drivers to transport passengers in addition to driving the customer's vehicle to a predetermined location. Staff will continue to monitor these services and take appropriate actions where required.

Recommendation – No change to proposed by-law. Enforcement actions to continue where necessary.

4. Issue – Security Cameras

CNC – November 29, 2011 – Agenda #6(a) – Page 58

Commentary – Issues raised with respect to security cameras included: requirement for all vehicles for hire; possibility of driver deciding if camera is required or not; cost of front facing camera add-on to existing cameras; and extension of compliance period. During all public hearings, the issue of fairness and equitable regulations were raised with respect to cameras. All types of criminal matters have been investigated with the use of camera downloads since January 2010 when all cabs were required to have operational cameras. There is no rationale to allow drivers to pre-judge possible criminal situations and make decisions on the application of the security camera. It is reasonable to extend the compliance date for new installations. A date of October 1, 2012 would be appropriate. Staff have also reviewed the download process and recommend that access to the information recorded by the camera system be limited to an Enforcement Officer (MLEO and police officer) as defined in the by-law to access information for law enforcement purposes only.

Recommendation – Camera installation compliance be extended to October 1, 2012. Camera video downloads be limited to Enforcement Officers as defined in the by-law.

5. Issue – Taxicab Flat Rates

CNC – November 29, 2011 – Agenda #6a – Page 57

Commentary – In order to recognize a long standing practice of flat fares for customers for trips between fixed points, flat fares were included in the draft by-law. This form of fare regulation has been in place for approximately 40 years. Section 11(a) of the 1973 Taxi by-law provided for customers to enter into contracts with owners for runs between fixed points at an agreed tariff. Customer contract regulations were in place in taxi by-laws enacted on the following dates (October 15, 1973; June 21, 1976; April 21, 1980; December 1, 1986; February 15, 1988; May 7, 1990; May 21, 1991; June 1, 1993; May 20, 2003). The 2004 City of London BMA review noted that drivers were concerned about the current practice of permitting discounted fares for contracts as this has a negative impact on their ability to generate a fair income. This regulation was removed from the November 15, 2004 by-law. Based on a review of the background research undertaken for the 2004 by-law, it is unclear as to the rationale as to why this regulation was removed. The recommendation deals specifically with flat rates for employees of corporations.

Recommendation – No change to previous recommendation permitting flat rates.

6. Issue – Hailing of Executive Limousines

CNC – November 29, 2011 – Agenda #6a – Page 61

Commentary – The issue of the distinction between “on demand” transportation services and “contract carriers” is an issue which continues to be debated at consultation sessions. Although no members of the public or executive limousine customers have brought this issue forward as a concern, the taxi industry continues to voice their concern of executive limousines acting as taxis. Staff have also received numerous public comments in support of allowing the public to hail executive limousines. In an effort to provide a clearer distinction between two types of vehicle for hire services, hailing as a public choice should only be permitted for taxicabs. In order not to penalize efficient pre-arrangement, there is no requirement to include a pre-arrangement minimum time period as a by-law regulation. To clearly differentiate between these two vehicle for hire services, hailing executive limousines will be prohibited in the Vehicle for Hire By-law. Future amendments to the City’s Parking By-law will identify additional locations for taxi and limousine stands.

Recommendation – Prohibit the hailing of executive limousines.

7. Issue – Licence Fees

CNC – November 29, 2011 – Agenda #6a – Page 61

Commentary – In determining the fee schedule, staff considered the nexus of aligning fees with proposed revenues and expected costs. This included administrative costs and enforcements costs including Municipal Law Enforcement Officers, Licence Manager, By-law Enforcement Manager, Administration Manager and Customer Service Staff. Other costs included vehicle costs, supplies and materials and other indirect costs of legal assistance and prosecution. Additional costs also include capital and operating costs for computer software modules used to administer licence issuance and for mobile enforcement programs.

Recommendation – No change to proposed licence fees.

8. Issue – Window Tinting

CNC – November 29, 2011 – Agenda #6a – Page 60

Commentary – For purposes of health and safety, the original draft by-law contained a regulation prohibiting “after market” window tinting. Upon further review, the regulation was deleted and reference was made to regulations under the Highway Traffic Act with respect to window tinting. Given that the Provincial regulation is somewhat ambiguous in terms of enforcement, staff recommend that the tinting of the windshield and windows to the direct right and left of the drivers’ seat be permitted provided that the tint is non-reflective and is not darker than 35% visible light transmission.

Recommendation – Permit “after market” tinting of windows to the direct right or left of drivers’ seat based on a light transmission percentage and a non-reflective application.

9. Issue – Capping Limousine Plates

Commentary – In response to comments on the proposal to cap the number of limousine owner licences, staff do not recommend this route for several reasons. There is currently no cap on limousine plates; the marketplace determines how many limousines can provide a profitable service. If limousines were capped, there would be a very strong possibility of an introduction of plate leasing and transferring for a fee thereby creating a similar system currently occurring in London’s taxicab market. There is no justification to introduce caps on the number of limousine owner licences issued.

Recommendation – No limit on number of limousine owner licences issued.

10. Issue – Limousine Definition

Commentary – The intent of the executive limousine definition was to define a vehicle type describing a top of the line luxury class sedan. The current definition included specific references to makes and models such as the Lincoln Town Car and Cadillac Seville (both model vehicles are no longer in production). It has been suggested that a minimum wheelbase be included as a regulation differentiating sedan vehicles from other forms of vehicles. It is

preferable that given the introduction and deletion of various luxury vehicles, the Licence Manager maintain a list of manufacturer's top of the line, full size four door luxury sedans as approved executive limousine vehicle types. This list will be based on top of the line specifications including wheel base, luggage capacity, seating capacity and interior upgrades (ie. leather seats). Given the nature of innovation within the auto manufacturing industry, as new vehicles emerge in the top of the line luxury category, the Licence Manager will amend the list administratively (a public meeting and by-law amendment will not be required) based on the specifications noted above.

Recommendation – No change to executive limousine definition.

11. Issue – Limousine Fares

CNC – November 29, 2011 – Agenda #6a – Page 56

Commentary – As noted in previous reports, the number one issue noted by the taxi industry is the differentiation of taxi and limousine fares. London's vehicle for hire service is an anomaly where the public is serviced by taxis, where there is a cap on the number of plates issued, and by limousines who charge by zones travelled and where there is no cap on the number of plates issued. This historic reality is entering its third decade of existence. The 2004 BMA report recognized this anomaly. "This was cited as one of the most contentious issues within the taxicab industry, but is not a concern of the customers as their focus is on service quality and value". (pg 5)

The current by-law includes a fare differential of 15% between executive limousines and taxis. As noted in previous reports, a number of trips were taken in a City vehicle equipped with a taxi meter. It is impossible due to issues such as seasonality, weather, time of day, topography, rail lines to replicate all taxi trips with a taxi meter.

For the purposes of differentiating between the two forms of vehicle for hire services, administration is recommending not to include the 15% differentiation in the by-law, but rather use the differential as a guideline to more clearly distinguish the fare structures between limousines and taxicabs. Taking into consideration the 40 trips taken as a total cost, limousine fares would need to increase by \$1.50 per zone to meet the 15% differential. Administration recommends this increase to be phased in with half the increase being implemented with the enactment of the draft by-law and the second half implemented after one year of being in full force and effect (July 2, 2013).

Recommendation – For the purposes of differentiating between taxis and executive limousines, the fare structure for limousines should increase by \$.75 per zone upon enactment of the Vehicle for Hire By-law and that another \$.75 per zone increase be implemented after one year of the by-law being in full force and effect (July 1, 2013).

12. Accessibility for Ontarians with Disabilities Act

CNC – November 29, 2011 – Agenda #6a – Page 63

Commentary – Based on a further review of recently introduced regulations under the Accessibility for Ontarians with Disabilities Act, several additional amendments were made to address vehicle information and identification on the rear bumper of the taxicab and availability of vehicle registration and identification information in an accessible format to persons with disabilities who are passengers.

Recommendation – Further amendments to address AODA regulations.

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cc: J. Smout, City Solicitors Office
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y:/shared/building/Rep&Recs/2012/PSC-Jan24, 2012 Taxi Review Conclusion

