

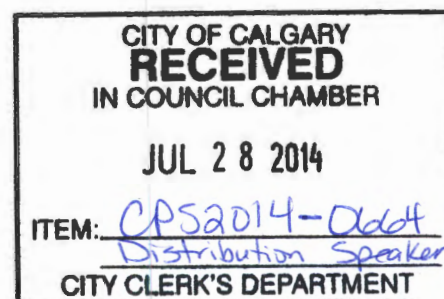
September 5, 2014

File No.: 547264-2

City of Calgary  
SPC Community & Protective Services  
Main Floor, Historic City Hall  
800 Macleod Trail SE  
Calgary, AB

Attention: Councillor Diane Colley-Urquhart, Chair

Dear Madam:

**RE: Item 3.5 - Livery System Enhancement**  
**CPS 2014-0664****INTRODUCTION**

We are providing this letter to the Committee on behalf of the Calgary Cab Driver's Society. Our client has been involved with taxi matters for a number of years, and is generally comprised of individual plate owners and some small brokerages. Our client has reviewed the report before Committee today, and is writing this letter to advise Committee that its position with respect of the recommendations contained on Page 1 of the report is as follows:

1. The Society has no issue with the first recommendation about the meter rate.
2. The Society has no issue with the respect of recommendations 3 and 4 about smart phone technology and the survey.
3. The Society is very concerned with respect to recommendation 2. To be clear, the Society has no issue with the issue of 42 new accessible plates or to the issuance of more new taxi plates. However, the Society believes that the opinions of TLAC presently expressed with respect to the number of plates being 61, should be adopted in this context at this time.

The two major issues that always seem to confront the taxi system are that of adequate public service and adequate ability of the individuals working within the system to earn a living wage. The first of these has led to a primary goal of the system being to ensure that the public is provided with a safe, convenient, reliable and affordable system for taxi and limousine usage. The second goal is to allow this public service to be delivered by individuals who have a reasonable expectation of being able to earn a reasonable living while driving a taxi or limousine.

The report before Committee today deals principally with taxi plate licenses, which as the Committee is aware, have been restricted in number for some time. The Committee may not be aware that this restriction was first undertaken because of an economic circumstance in which the uncontrolled number

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of taxi license plates had resulted in an inability of many of the drivers to make even a marginal living, and that the original request to restrict the plate issuance came from the drivers. Council put that in place in the 1980's, and it was formalized in the late 1990's. Thereafter, a lengthy review of the *Taxi Business Bylaw* was undertaken which was completed in 2007 with support from all of the participants in the industry.

The controlled entry system, as this is called, is not unique to Calgary.

As stated, the current *Taxi Business Bylaw* limits the number of taxi plate licenses, but provides for annual increases in taxi plate license numbers based on a formula that was devised in an expert report done by Dr. Hara. It is our understanding that this base report has been updated over the years in respect of assessing the needs of the Calgary community for more taxi license plates, and that the TLAC recommendation to issue 61 additional taxi license plates, which is mentioned at page 3 of the report before Committee today, was based on the application of Dr. Hara's formula for increase of the same.

It is important to stress that this was the system that was adopted by Council in 2007 to ensure that the numbers of taxi license plates grew proportionate to population in accordance with a fixed formula. The importance of this to the industry, and particularly to the drivers and our client, is it allows for a predictable increase in the numbers of cabs consistent with an expectation that a reasonable living could be earned by tying that to population.

A second approach under the *Taxi Business Bylaw*, is a differentiation between the licensing and use of a limousine and a taxi. This report deals only with taxi plate licenses. The important fact to keep in mind, in our view, is that the limousine system is a not controlled entry situation because it provides a different service than a cab. This differentiation was accepted into the *Taxi Business Bylaw*, by Council with the consensus of all of the industry players.

## RECOMMENDATION TO ISSUE 383 NEW TAXI LICENSE PLATES

In the report before Committee today, LTS has elected to proceed **contrary** to the recommendation of TLAC in this matter. TLAC was formed by Council in 2007 as a way to have a continuous industry and public participation in the LTS system and has generally worked very well. It is of concern to our client to see that LTS staff and TLAC are so divergent in their views on how to deal with this matter.

The report before Committee today lacks a good deal of what we feel is necessary and required information to permit Committee to comfortably abandon the Hara methodology, which is what is required if the LTS recommendation is to be approved.

For example, in doing some research over the last few days we have looked at some other cities' taxi plate to population ratios. In May 2013, the latest available taxi ratio to population statistics within the Greater Vancouver Regional District show Burnaby has taxi to resident ratio at 1:1876; the North Shore (1:923); New Westminster (1:1047); Vancouver (1:1026) and Richmond (1:1454). Why does this work there, but not in Calgary?

This is only one example, but if more cities were reviewed, what results would they show, and how does that relate to what is before Committee today? What about looking at all available transportation options,



global taxi usage and the myriad of other factors that would make decision you are being asked to make today more factual and therefore, better and less of a risk for the system?

While abandoning the Hara formation, may that might be an appropriate thing to do, should not a very thorough analysis of all of the available transportation modes, together with their utilization and popularity, be undertaken before such a recommendation is made? It appears that the major thrust of the LTS recommendation is rooted in one particular problem, which is how to service late hour bars where there has been at times, apparently, a documented or perception that there is a shortage of cabs at that time. Many things might contribute to that perception, only one of which might be the number of cabs. We all agree that we want to improve the system. We don't agree today that enough work has been done to justify the major surgery that LTS staff is suggesting.

The type of study we think needs to be undertaken to determine proper plate/population ratios in lieu of using Harra, is something like the one just completed in Toronto which we attach for Committee's reference.

Proceeding without that sort of analysis puts a risk on the drivers and the system. Once one issues plates, one is not realistically expecting to get them back. So the question becomes what if LTS is projecting a level of requirement that is not sustainable? Those in the industry will suffer greatly if the "guess" turns out to be wrong. That is the understandably greatest fear our clients have today.

In addition, there are some pending matters. For example, depending on Council's dealings with Uber, the industry maybe facing a situation where limousines will be allowed to operate like taxis in which case, this report is really missing a major piece of information in terms of supply. There may be other changes that fall out of a comprehensive review which we are not aware of, and may require a rethink of the number of new taxi license plates that are really required.

This is not to say that more new taxi license plates are not needed. It is to emphasize why one shouldn't pick an overall number that is not based on a thorough review.

## PEAK PERIODS

One of the difficulties faced by the taxi system is indicated by the report is servicing peak periods. This most often comes up in the scenario of late night bar closures. That issue may, in part, be addressed by issuing more controlled plates. But is that the only response? We think not. According to the opinion survey, page 12, it's fairly clear that some changes to the dispatch are also necessary and needful and they may even need to go so far as to central dispatch, in due course.

Our client has no issue with modernizing dispatch and bringing that technology into the 21<sup>st</sup> century, so the system keeps pace with consumer expectations. However, much like the Calgary transit system, Calgary Police Service or Calgary Fire Service, it may not be realistic if the expectation is to have a cab when you want one. Unlike the transit system, the cab industry is not set up to stock pile large numbers of drivers and cars for use in only peak periods, i.e. essentially 8 hours a week in the late hours that the bars empty out.

It would seem that a balance needs to be struck between consumer expectations, consumer requirements and the ability of the system to address them reasonably. Those parameters have not been

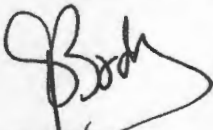
sufficiently set out in the report, nor has the various means available to address them or the problem of the public perception of an unreachable dispatcher or unanswered call is acknowledged. Improvements with respect to dispatch and **some** more plates will certainly help that circumstance to be addressed. But flooding the market with new taxi license plates is not the type of comprehensive solution needed, especially given the risk inherent in doing so in this fashion.

## CONCLUSION

This is not a communication to oppose change, nor to undermine consumer needs, wants or desires. It is a communication offered to provide insight to Committee and Council on the manner of which the taxi system should be reacting to the issues that it faces so that the function of the system is not itself imperilled. It is a complex industry, it has complex problems which are not well addressed by taking one particular piece (i.e. taxi license plates), and using that to deal with the myriad of issues on the table, especially given the consequences that the industry would face should the LTS "guess" prove to be wrong.

We thank Committee for its attention to this matter and for allowing us to have a positive input into the Livery System Enhancements as presented to the Committee today.

Yours truly,  
**Dentons Canada LLP**



Tim Bardsley  
Partner  
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Encl.