

## **ACCESSIBLE TAXI REVIEW UPDATE**

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### **EXECUTIVE SUMMARY**

Over the past 18 months, Administration has undertaken a multi-phased Accessible Taxi Review which seeks to improve customer service for individuals using on-demand wheelchair-accessible taxis and to reduce the financial burden for Accessible Taxi Plate Licence (ATPL) holders. The second phase of the review, which included options for consideration, was presented to Council on 2016 December 19. Council referred the matter back to Administration to undertake an accessible transportation scoping report between Calgary Transit Access (CTA) and Livery Transport Services (LTS).

Since receiving new Council direction, Administration has explored short-term fixes to address immediate concerns, including the impacts of Transportation Network Company (TNC) operations on the accessible taxi system. Based on engagement and data analysis, Administration recommends the elimination of the annual Accessible Taxi Plate Licence (ATPL) fee as a means to relieve some of the financial burden on the industry. Administration requires additional time to carefully explore possible synergies between CTA and the accessible taxi industry through service delivery, dispatching or other opportunities to be determined. The conclusion of the scoping report will be presented to Council in 2018 Q1 with an options analysis and assessment which will provide recommendations for collaboration on service delivery and accountability with the accessible taxi industry. This timeline aligns with the conclusion of the one-year pilot for the alternate TNC fee structure adopted by Council in 2016 November, and will allow Administration the opportunity to analyze a full year of TNC data, which may help inform potential recommendations.

The recommendations contained in this report were presented to the Livery Transport Advisory Committee (LTAC) on 2017 February 22. LTAC did not support the elimination of the annual ATPL fee, and instead recommended that Council endorse the Broker Accountability Model presented to Council in 2016 December. LTAC supports further scoping opportunities between LTS and CTA, however the committee would like to receive an update in 2017 Q3. LTAC's recommendations are detailed in Attachment 1.

### **ADMINISTRATION RECOMMENDATION(S)**

That Council:

1. Give three readings to the proposed bylaw 14M2017 to amend the Livery Transport Bylaw 6M2007 to eliminate the annual ATPL fee (Attachment 2); and
2. Direct Administration to report to Council in 2018 Q1 with an options analysis and assessment that will seek to conclude the CTA and LTS scoping review which will provide recommendations for collaboration on service delivery and accountability with the accessible taxi industry.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

On 2016 December 19, Council considered Report CPS2016-0898 (Accessible Taxi Review), which included a recommendation for Council to endorse Option 1: The Broker Accountability Model. Council moved that the Report be referred to the Administration to undertake an accessible transportation policy scoping Report between CTA and LTS which:

1. Addresses the immediate impact of Transportation Network Companies operations on the Accessible Taxi system;

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2. Explores opportunities to collaborate on service delivery for the accessible taxi community;
3. Develops potential short-term fixes for the situation; and
4. Considers the options presented in Attachment 2.

And further, that the Administration Report back to Council no later than 2017 Q1.

On 2016 February 22, Council received for information Report C2016-0144 (Transportation Network Company Amendments), which included Phase 1 of the Accessible Taxi Review.

On 2015 December 02, Council approved the 2016 TLAC work plan, which included Phase 1 of the Accessible Taxi Review in 2016 Q1 and Phase 2 in 2016 Q4.

### **BACKGROUND**

LTS, with the support of LTAC, undertook a two-phased Accessible Taxi Review, which considered options to improve customer service for individuals using on-demand accessible taxis and to reduce the financial burden for ATPL holders. Phase 1 included a best practice review and current state data analysis for the industry. Phase 2 included a detailed options analysis and significant engagement with accessible taxi users and the taxi industry, resulting in three options being presented to Council on 2016 December 19. Upon Council referring the matter back to Administration, LTS and CTA have begun exploring opportunities to collaborate on possible solutions to improve on-demand accessible taxi service for Calgarians.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Based on Council's direction in 2016 December, LTS and CTA are developing options to improve customer service for accessible users and reduce the financial burden for ATPL holders. In response to Council's direction, Administration has been exploring opportunities to achieve the following outcomes:

#### *Address the Immediate Impact of TNC Operations on the Accessible Taxi System*

The livery industry is evolving with the introduction of TNCs into the Calgary transportation system. TNCs operate in an open-entry system where there is no limit on the number of TNC vehicles. This could impact the accessible taxi system by drawing existing drivers away from the accessible taxi system into the TNC industry. The development of a new regulatory structure that includes rules for all transportation providers to accommodate passengers requiring accessible service is more important now than ever to ensure that customers are served by all types of service providers. Administration is currently in discussions with several TNCs to understand how they will contribute to the broader accessible transportation system.

#### *Explore Opportunities to Collaborate on Service Delivery for the Accessible Taxi Community*

LTS and CTA have started to explore whether it is possible to coordinate on service delivery and dispatching. Upon initial investigation it has become clear that a greater level of analysis is required to determine whether a collaborative model for on-demand accessible taxi service is possible. Below are some of the preliminary findings:

- CTA provides highly specialized shared ride, door to door transportation for people with disabilities that qualify and are eligible for the service. CTA service is integrated with

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fixed-route public transit service; if a customer is unable to access public transit due to a disability, they may be able to use CTA service (subject to eligibility).

- CTA staff and drivers require significant training and ongoing oversight. The ability to respond to customer issues and meet their needs requires significant time and commitment from CTA and its contracted service providers. It is necessary to sustain these existing service commitments.
- CTA does not have the capacity to take on any additional work as the demand for their service remains high and the call centre, scheduling, control centre and support staff find it challenging to fulfil current requirements.
- CTA uses sophisticated integrated scheduling technology to serve customers through shared-ride service. The cost of revamping the software to consider scheduling rides with different parameters for non-CTA customers will be significant. Accessible taxi drivers/brokers would also bear the cost of associated hardware, software (including software licence fees) which could make some options much more expensive than others.
- CTA provides a public service with significant public funding and requires accountability for the most efficient use of these funds as intended.

Administration plans to return to Council in 2018 Q1 with an options analysis and assessment that will seek to conclude the CTA and LTS scoping review and will provide recommendations for collaboration on service delivery for the accessible taxi community. The 2018 Q1 timeline provides sufficient time for consideration of alternatives that could require a mill rate supported investment. If mill rate support is recommended the 2018 Q1 timeline aligns favourably with the 2019-2022 business plan and budget process. The 2018 Q1 timeline also accommodates continued stakeholder engagement.

### *Develop Short-Term Fixes for the Situation*

In order to address the immediate impacts of TNCs and the growing pressure from ATPL holders to relieve their financial burden, Administration considered opportunities that could be implemented quickly. The operating cost of an accessible taxi is estimated at approximately \$8,000 more per year than a regular taxi. This estimate is based on an eight year amortization of a van and ramp installation, plus increased operating costs for suspension, brakes, tires and fuel due to the weight of an accessible taxi. Although it would only slightly reduce the financial burden, many ATPL holders expressed support for the elimination of annual ATPL licence fees. This would reduce annual licence fees from \$220 to \$0 and provide ATPL holders with some immediate financial relief while additional opportunities are being considered. The estimated overall cost of this relief is \$41,580 per year. A reduction in ATPL licence fees was previously approved by Council in 2015 September through the Resilience Budget Report, C2015-0696. At that time, the ATPL fee was reduced by 75 per cent from \$877 to \$220. The livery licence fee reductions served to partially mitigate the financial pressures for members of the livery industry, while also contributing to the Economic Resilience Program.

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### *Consider the Options Presented to Council on 2016 December 19*

The options presented to Council on 2016 December 19 included a “broker accountability model”, a “subsidization model” and the maintenance of the existing system as “status quo”. These options are included as Attachment 3. Going forward, these options will be considered as part of the scoping work to be performed by CTA and LTS. The scoping work will include clarity regarding the source of funding to address the incentive/subsidy required to close the service gap (e.g. incentive sourced from all taxi users versus all taxpayers).

### Ongoing Accessible Taxi Analysis

In addition to the work outlined above, Administration is committed to continuing the conversation with accessible taxi users, the livery industry, the Advisory Committee on Accessibility (ACA) and LTAC. In addition, conversations with TNCs in regards to how they can provide accessible transportation will carry on. Administration will also continue to monitor best practices from other municipalities who are experiencing similar challenges with accessible on-demand taxi service.

### **Stakeholder Engagement, Research and Communication**

Significant stakeholder engagement has occurred throughout the Accessible Taxi Review. Accessible taxi users have been engaged through focus groups and a qualitative survey (carried out by phone, mail and online). Taxi companies and TNCs have been engaged through in-person meetings to discuss potential options and ideas for implementation. Some ATPL holders participated in an in-person survey at licence renewal to discuss their perspectives on the industry and to generate ideas on how to improve the system. As options were developed, a driver Open House was held on 2016 August 11 to solicit feedback on proposed solutions.

LTAC has been consistently engaged throughout the Accessibility Taxi Review. Administration provided five presentations to LTAC in 2016. In 2017, communication and engagement included participating in the 2017 January 25 discussion of LTAC2017-02 where ATPL holders and drivers requested that Council convert all ATPLs to regular Taxi Plate Licences (TPLs) or provide a substantial subsidization. That submission is provided in Attachment 4, “Khan Submission.” Additionally, Administration sought feedback on the recommendations included in this report at the 2017 February 22 meeting of LTAC. Further, Administration presented to the Advisory Committee on Accessibility (ACA) to ensure the feedback of Calgarians with accessibility needs was considered.

### **Strategic Alignment**

This report aligns with Calgary City Council Priorities from Action Plan 2015-2018, including: a city that moves; and strategic action M5: Improve the taxi system.

### **Social, Environmental, Economic (External)**

Administration and LTAC are committed to regulating a safe, sustainable and customer focused livery system. Accessible livery service enhances mobility and reduces social isolation for those with disabilities in Calgary communities. Further, the taxi, limousine and TNC industries serve to facilitate the city’s economic development, while furthering the use of environmentally-friendly modes of transportation by enabling personal travel by an integrated network that does not require purchasing a car.

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### **Financial Capacity**

#### **Current and Future Operating Budget:**

Eliminating the ATPL fee would not impact the mill rate as LTS operates on a cost recovery model and maintains a reserve fund, which would be used to off-set the fee elimination, which is \$41,580 per year. The impacts of the fee elimination would be closely monitored to ensure sustainability and any required changes would be brought forward to Council.

#### **Current and Future Capital Budget**

This report has no associated capital budget implications.

### **Risk Assessment**

Administration and LTAC continue to focus efforts on improving on-demand accessible taxi service. LTS has considered the risk associated with funding the ATPL licence fee elimination and the possibility that administrative and enforcement costs may be shifted to others in the industry. This would be mitigated through careful monitoring of licence fees and operating costs and funding the fee change through the LTS reserve fund, which costs \$41,580 per year.

Immediate action to address accessible taxi customer and driver concerns is needed. The elimination of the ATPL fee would immediately address some of the financial burden placed on ATPL holders and drivers. It would also address the operational risks that TNCs now pose to the current accessible system. The elimination of ATPL fees could provide some incentive for on-demand accessible drivers to continue to provide the service. The City has a significant role to play in ensuring that its regulation of the livery industry does not create barriers which effectively deny service to or discriminate against persons with disabilities who require accessible transportation. To this end, it is important that service providers are given the tools they require to accommodate passengers with disabilities, which they are required to do by law to the point of undue hardship. Administration and LTAC continue to focus on a secure and sustainable system that supports public safety and improved customer service. The continued use of the annual livery citizen satisfaction survey, review of industry best practices and research all serve to mitigate potential risks.

#### **REASON(S) FOR RECOMMENDATION(S):**

Based on engagement and data analysis, Administration recommends the elimination of Accessible Taxi Plate Licence (ATPL) fee as a means to relieve some of the financial burden on the industry. Administration is also looking for additional time to carefully explore possible synergies between CTA and the accessible taxi industry through service delivery, dispatching or other opportunities to be determined.

#### **ATTACHMENT(S)**

1. LTAC Response to Administration's Recommendation
2. Proposed Bylaw 14M2017 to amend the Livery Transport Bylaw 6M2007
3. Options Presented to Council on 2016 December 19
4. LTAC2017-02 - Khan Submission to LTAC on 2017 January 25