

LTAC Response to Administration's Recommendation

EXECUTIVE SUMMARY

The Livery Transport Advisory Committee (LTAC) does not support Administration's recommendation to reduce Accessible Taxi Plate Licence (ATPL) fees to \$0. As Council's advisor, LTAC urgently recommends that Council approve the Broker Accountability Model as a pilot and direct LTS, in consultation with LTAC, to develop a process for implementation commencing 2017 June 1. LTAC remains open to alternative solutions, however in the meantime to do nothing is not appropriate as it puts the system at risk.

It is LTAC's position that **ensuring the availability of 24/7 on-demand wheelchair accessible taxi service is a necessary component of public transportation in the city of Calgary**. This is supported by an Alberta Court of Queen's Bench decision (December, 2006), upcoming federal legislation (Canadian with Disabilities Act) and LTAC understands this to be Council policy.

On-demand wheel chair accessible taxi service is a distinct service requiring specially equipped vehicles, dedicated training and certification of owner/operators and taxi drivers to provide respectful service delivery. At present, on-demand accessible taxi trips represent less than 1% of the total number of requests for service on a city wide, service wide basis.

Experience has shown owner/operators of ATPLs cannot sustain their businesses when forced to accept on-demand service requests on a priority basis while competing with standard taxis in the open market. In addition, significantly increased initial capital costs related to vehicle purchase and modification, increased operating costs due to the weight and size of accessible vehicles, long "dead head" trips to collect passengers, lengthy passenger loading times and relatively short fare paying trips all negatively impact operating costs and revenue. These factors are compounded by a reluctance of the general public to choose an available accessible vehicle from a queue of available taxis. Consequently, drivers are surrendering their ATPLs. The outcome is failure to meet the Council mandated ratio (11 per cent) of wheelchair accessible vehicles within the overall livery fleet in Calgary.

LTAC has expended significant effort researching and understanding this issue. Alternative delivery systems have been explored as has cross subsidization within the livery industry, and suggestions for mill rate support of initial capital costs and operating costs.

LTAC, in consultation with brokers, drivers and affected stakeholders (Advisory Committee on Accessibility, wheelchair riders) developed and supports a Broker Accountability Model which will require Council to relax its policy of **not** issuing either ATPLs or TPLs to brokers.

LTAC's reasons for supporting this change in policy are:

1. The financial burden can be better managed by broker owned and managed ATPLs as part of their ongoing business operations.
2. Enforcement of performance standards will motivate brokers to right size and ensure the most efficient use of the accessible taxis on their fleets.
3. No direct or indirect subsidy would be required.

LTAC acknowledges there may be risks to this change in policy and approach to what is clearly understood to be a necessary component of public transportation in the city of Calgary. For instance, it may be necessary to revisit the ratio of ATPLs to TPLs to ensure the sustainability of service to wheelchair riders.

ORIGINAL COUNCIL DIRECTION

At its 2012 May 7 Combined Meeting through TT2012-14 *Taxi Limousine Advisory Committee Review of Accessible Service*, Council adopted the following recommendations:

Recommendation 5: LTS in collaboration with Access Calgary and brokers assess the feasibility of establishing a central booking system for accessible taxi requests.

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Recommendation 11: Assess a new subsidization/incentive model to ensure drivers, in relation to standard taxi service, are equitably compensated.

BACKGROUND

Wheelchair accessible taxi service by the numbers:

- 20,000 (out of 7 million): The number of requests for on-demand wheelchair accessible taxi service in 2016.
- 11 per cent: By policy, the percent of Accessible Taxi Plate Licenses (ATPLs) approved by Council
- 0: By policy, the number of ATPLs held by brokers.
- 189: The number of ATPL holders/drivers who have been out-of-pocket, many since 2007, for additional costs to purchase and operate a wheelchair accessible taxi:
 - o \$12,000 – The difference between purchasing a conventional vehicle (\$28,000) compared to a van required for an accessible taxi (\$40,000).
 - o \$15,000 – The one-time cost to modify a van to be wheelchair accessible.
 - o \$4,630 – The difference in annual operating costs to fuel and maintain a regular taxi (\$9,230) compared to a wheelchair accessible taxi (\$13,860)
- 2: The number of brokers with whom the vast majority of ATPL holders affiliate.
- 79 per cent within 15 minutes: the average response time for wheelchair accessible taxi service when the nearest affiliated taxi responded (4.7 km away).
- 89 per cent within 15 minutes: the estimated average response time for wheelchair accessible taxi service had the nearest accessible taxi responded, regardless of affiliation (2.8 km away).
- 11: The number of ATPL holders who have recently turned in their plate citing lack of financial viability.
- 49: The number of wheelchair accessible taxis approaching their maximum life cycle (model year 2011 and earlier); purchasing a conventional vehicle and driving for a TNC is now an option.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Ensuring the availability of 24/7 on-demand wheelchair accessible taxi service is a public necessity that our entire community should be supporting. This single statement summarizes the Livery Transport Advisory Committee (LTAC) position on this matter.

On-demand wheelchair accessible taxi service is a specialized service that costs more money than conventional on-demand taxi service and the money has to come from somewhere. On demand 24/7 wheelchair taxi service is distinct from the mill rate supported service provided by Calgary Transit Access, which does not provide on-demand service or any service from midnight to 6 a.m. Ideally, Council would consider directing a portion of the existing paratransit mill rate support to subsidize on-demand taxi service.

In the absence of public funding to support this necessary service, LTAC would urge Council to reconsider the 2016 December 19 unanimous recommendation of LTAC, Administration and the Standing Policy Committee on Community and Protective Services for the Broker Accountability Model.

Having invested significant effort in understanding the problems, what the numbers tell us is that a decision is urgently needed.

The Broker Accountability Model recommendation would require Council to relax its longstanding policy that taxi plate licenses be issued to drivers and not brokers. Our reasons for supporting a departure to this policy in this case are that:

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LTAC's reasons for supporting this change in policy are:

1. The financial burden can be better managed by broker owned and managed ATPLs as part of their ongoing business operations.
2. Enforcement of performance standards will motivate brokers to right size and ensure the most efficient use of the accessible taxis on their fleets.
3. No direct or indirect subsidy would be required.

As with any new model, LTAC expects there would be risks. For instance, it may be necessary to revisit the ratio of ATPLs to TPLs to ensure sustainability of service to both contracted, reserved multi passenger Calgary Transit Access (CTA) trips currently provided by taxi firms and on-demand 24/7 assessable taxi service.

As well, LTAC understands there will be financial and operational challenges for brokers incorporating on demand accessible taxi service into their business models. Brokers will have to attract, train, direct and manage committed, qualified drivers to provide accessible service in a respectful and customer friendly manner – no more and no less than any other customer service. The challenge faced by the brokers is in part contributed to by expressions of lack of trust and poor service from the accessible taxi riders who report hurried, impatient and rushed service by some of the current providers as opposed to the unhurried, well trained and conscientious service provided by those contracted to Calgary Transit Access. Continuous monitoring and measurement of customer satisfaction against agreed to performance standards will be key to determining the success of the Broker Accountability model. An integral component of the commissioning of the Broker Accountability Model may, and probably should, include a defined pilot program long enough to incorporate the initial roll out plus once through the seasons with a mutually agreed to off ramp at the end of the pilot period should no broker(s) elect to continue to provide the service. The off ramp, if used, must be long enough to allow the regulatory body sufficient time to ensure continued compliance with Martyn and anticipated legislation.

The Broker Accountability Model both provides an incentive to and removes a barrier from brokers encouraging their direct entry into accessible taxi service. Individual brokers may choose to participate, and those who elect not to participate directly will be encouraged to contract with service providers to respond to requests for service they receive. Similarly, TNCs and other livery service providers should be similarly encouraged to make similar arrangements.

As we see it, the only feasible* alternative to the Broker Accountability Model is a direct subsidization model.

(*Mandating purpose-built universally accessible taxis is also an alternative, however this would extend the significant additional costs to ALL taxi plate licensees, and brings into question how TNCs would be treated to ensure equity.)

The total subsidy that would be required to ensure accessible drivers, in relation to standard taxi service, are equitably compensated depends on the number of approved ATPLs. That number is currently 189, however LTAC heard a submission from Administration that suggest this number could be significantly reduced without impacting service by incorporating some form of centralized dispatch into the solution along with tying the subsidy to an eligibility incentive.

With central dispatch, ALL wheelchair accessible taxis (as opposed to the pool being diluted among various brokers) would be available to respond to each wheelchair trip request. Given that the majority of ATPL holders affiliate with one of two brokers, this would logically facilitate reclassifying half of all ATPLs to TPLs and so:

1. Eliminate the financial burden for ATPLs that are reclassified to TPLs.
2. Reduce the required subsidization cost by half.

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There are many outstanding questions as to how central dispatch could play out and the repercussions. Would ATPLs continue to affiliate with whatever company they choose and be required to utilize a secondary system for wheelchair accessible trips? Could there be insurance implications? Could ATPLs be required to affiliate with one broker, and if so, how would affiliation matters be handled (e.g., what if an ATPL plate holder doesn't want to affiliate with company X, or vice versa)? There is also a question of consumer choice if all ATPLs were dispatched exclusively by one company.

Can the service level be improved across all customer bases with fewer vehicles, and how does a revised balance work and be maintained in the face of a growing population generally, and aging population in particular? Revisiting the business case of necessity includes who owns and operates the ATPLs, who does the dispatching and what is the relationship between Access Calgary and on-demand accessible taxi service.

Another outstanding question is, what are the expectations of TNC's to provide wheelchair accessible service? Can the City through the bylaw require TNC's to provide accessible service either directly or through a second or third party provider. Does the City have a duty of care with respect to correct handling of these passengers?

How much? At most, \$7,348 per year per ATPL (\$3,375 additional capital over 8 years plus \$4,630 additional operating per year minus \$657 in already subsidized license fees**).

(**In 2016, ATPL license fees were reduced from \$877 to \$220, resulting in \$124,173 less revenue. In its most recent report to LTAC, Administration recommended further reducing ATPL license fees to \$0, which would result in another \$41,580 in lost revenue. LTAC did not support this recommendation for the reason that it comes at a cost to the remaining 5,000 plus individual licensees in the livery industry when, in the view of LTAC, **ensuring the availability of on-demand wheelchair accessible taxi service is a public necessity that our entire community should be supporting.**)

With the addition of an eligibility incentive (on the basis of trip refusals as suggested by Administration), the total cost could be lessened, hence we suggest a range of \$500,000 to \$750,000. LTAC is very interested in hearing an estimate of how this amount would compare with any additional mill rate that would be required for Calgary Transit Access to provide this service.

Who pays? LTAC sees two potential funding options:

1. Redistribution of a portion of the existing paratransit mill rate. (LTAC would likely support.)
2. Introduction of a taxi and TNC user surcharge. (LTAC would likely not support***).

(***Based on what we have heard from stakeholders, LTAC would likely not support the addition of a user surcharge to all taxi and TNC trips because, again, it places the burden for what we see as a public necessity on users and the industry. Additionally, it would require significant administrative oversight.)

REASON FOR RECOMMENDATION

There is a growing urgency to support on-demand wheelchair accessible taxi service. The Broker Accountability Model has the potential to bring this service into sustainability without the need for a direct subsidy. Should Council decide against redirecting a portion of the existing paratransit mill rate to on-demand wheelchair accessible taxi service, LTAC, as a trusted advisor to Council, would strongly urge Council to reconsider the Broker Accountability Model.

APPENDIX: Summary of Accessible Transportation-related LTAC Items and Motions

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2015 January 30, LTAC2015-01, Preliminary Concepts Re: Central Dispatch and Subsidization for Accessible Taxi Service

Motion by Gord Lowe, Seconded by Ian Lawson that LTAC receive this report for information. **CARRIED**

2016 January 22, LTAC2016-01, Transportation Network Company Bylaw

Accessible Taxi Review – Phase 1 Findings attached.

2016 May 11, LTAC2016-13, Verbal Update – Accessible Taxi Review

The verbal update on the Accessible Taxi review, presented by Carmen Hindson, Business Strategist, recapped the Phase 1 findings that were received by Council on 2016 February 22. Next steps for Phase 2 include research and engagement efforts with Accessible Taxi users, drivers and brokers. By late summer, Administration will present LTAC with options to consider and final recommendations will be presented to Council in 2016 Q4.

2016 August 3, LTAC2016-26, Verbal Update – Accessible Taxi Review

Administration provided an update on the Accessible Taxi review, including recent customer and driver research initiatives and an overview of the content planned for the driver open house, scheduled for August 11, 2016. Driver feedback on potential options (including a subsidization model for Accessible Taxis) will inform a subsequent report to LTAC, which will seek advice and input from the committee on recommendations to Council, due in December 2016.

2016 August 31, LTAC2016-28, Accessible Taxi Review Update

Potential options were presented. The following individuals came forward to address the Committee: Roger Richard, Abubakar Noman, Yusuf Hirsi, Mike El-Masri, Abdi Hassan, Kamran Shah and Cam Naghshineh.

Motion by Lauri Brunner that LTAC receive this report for information. **CARRIED**

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2016 September 8, Plate Utilization Subcommittee Meeting

Discussion of options RE Accessible Taxi Review Update (LTAC2016-28) and new Broker Accountability Model option. The following persons came forward to address the committee with respect to Oral submissions: Ian Lawson (LTAC member not on subcommittee), Len Bellingham, Wayne Bill.

2016 October 5, LTAC2016-32, Verbal Update – Plate Utilization Subcommittee, Chair's report

The subcommittee's most recent meeting took place on Thursday September 8. The purpose of this meeting was to discuss the original five options that were presented as part on the Accessible Taxi Review.

At the meeting, Administration presented a new, sixth option that would involve a 2 for 1 cross-subsidization where any licensed taxi broker who puts a wheelchair accessible taxi into service would obtain 2 regular plates, and the existing 189 individual accessible plate holders would be given the option to trade their plate in for a regular plate. I believe we will be hearing more about this option in the next report on today's agenda.

In response to the 6th option, the subcommittee expressed the view that there is a bigger policy question at play here that would ideally be addressed before endorsing any particular solution.

- On one hand, The City is a service provider of pre-arranged wheelchair accessible trips through Calgary Transit Access (some refer as Access Calgary), and this is heavily subsidized through mill rate support.
- On the other, taxi drivers have been providing on-demand wheelchair accessible service at a significant cost disadvantage.
- These two situations are out of step with each other.

In our discussions, it was suggested that a global policy review on wheelchair accessible transportation would include:

1. An evaluating of how well the current policies are meeting the wheelchair accessible transportation needs of customers.
2. A review of the comparative accessible transportation (pre-arranged and on-demand) service delivery costs.
3. Consideration for whether financial efficiencies can be found through a reallocation of the existing mill rate support.

The committee heard that some brokerages are supportive of this option, while others were still considering the option. It will be interesting to hear what drivers and plate holders will have to say.

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2016 October 5, LTAC2016-33, Accessible Taxi Review Update

Revised potential options were presented.

The following individuals came forward to address the Committee: Roger Richard, Mohamed Benini and Cam Naghshineh.

Motion by Gord Lowe that LTAC receive this report for information. **CARRIED**

2016 October 20, LTAC2016-34 Recommended Livery Transport Bylaw Amendments

Motion moved by Lauri Brunner that:

1. Administration prepare a report to Council for **2016 December** which includes LTAC's recommendation of the proposed bylaw and amendments contained in this report **and any recommendations from the 2016 November 18 LTAC meeting concerning the release of TPLs and the accessible service review.**
2. **That the effective date of the proposed bylaw amendments be a date that coincides with the most probable operational date of new TPLs, if any.**
3. **And that Administration ensures TNC data reporting requirements include, for EACH trip (not in aggregate):**
 - **The date and time of each wheelchair accessible vehicle request**
 - **The date and time of each request where a service animal is accompanying the rider**
 - **The response time from the initial request to an accessible vehicle arriving at the pick-up location, with a notation of any unfulfilled request.**
4. **And further, Under the principle of Reasonable Accommodation, that Administration holds TNCs to service standards with respect to wheelchair accessible service response times and will enforce the requirement that service animals be accommodated.**

The following individuals came forward to address the Committee: Weam El Zein, Peter McCaffery, Michael van Hemmen, Imran Haider Shah, Ronald Thompson, Mizanur Rahaman, Mohamed Benini, Cam Naghshineh, Roger Richard, Chris Kubik, Abubakar Noman, Jatinder Cheema, Onkar Singh and Mike El-Masri.

CARRIED Motion Opposed by Gurdev Sekhon

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2016 November 18, LTAC2016-42 Accessible Taxi Review Recommendation

Motion by Spencer Villam that LTAC endorse the following recommendations for Administration to present to the SPC on Community and Protective Services on 2016 November 30:

1. Endorse LTAC2016-42 Accessible Taxi Review, Attachment 2, Option 1, and direct Administration to bring forward amendments to the Livery Transport Bylaw 6M2007 based on this option in 2017 Q2;
2. Direct Administration to undertake an accessible transportation policy review between Calgary Transit Access and Livery Transport Services to explore opportunities to collaborate on service delivery for the accessible taxi community.

And further, that LTAC endorse the following recommendations, **as amended**, for Administration to present to Council on 2016 November 28:

6. That, **with the EXCEPTION of the service animal reporting requirement**, the amendments carried at the October 20 Special Meeting pertaining to wheelchair accessible service data reporting and response times be maintained.

The following individuals came forward to address the Committee: Ron Thompson, Mohamed Benini, Clement Gulston, Roger Richard, Cam Naghshineh, George Blazek and John Bliss.

CARRIED Motion Opposed by Robert McGregor

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Motion by Spencer Villam that LTAC endorse the following recommendations for Administration to present to the SPC on Community and Protective Services on 2016 November 30:

3. Endorse LTAC2016-42 Accessible Taxi Review, Attachment 2, Option 1, and direct Administration to bring forward amendments to the Livery Transport Bylaw 6M2007 based on this option in 2017 Q2;
4. Direct Administration to undertake an accessible transportation policy review between Calgary Transit Access and Livery Transport Services to explore opportunities to collaborate on service delivery for the accessible taxi community.

And further, that LTAC endorse the following recommendations, **as amended**, for Administration to present to Council on 2016 November 28:

7. That, **with the EXCEPTION of the service animal reporting requirement**, the amendments carried at the October 20 Special Meeting pertaining to wheelchair accessible service data reporting and response times be maintained.

The following individuals came forward to address the Committee: Ron Thompson, Mohamed Benini, Clement Gulston, Roger Richard, Cam Naghshineh, George Blazek and John Bliss.

CARRIED Motion Opposed by Robert McGregor

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2017 February 2, Plate Utilization Subcommittee Meeting

Discussion: Response to 2016 Dec 19 Council direction. New subsidization options considered including central dispatch and tying a subsidy to a "no trip refusals" eligibility incentive.

2017 February 22, LTAC2017-09, Accessible Transportation Scoping Report

RECOMMENDATIONS FOR LTAC TO CONSIDER

That LTAC support Administration's recommendation to reduce the annual ATPL fees from \$220 to \$0, which will be presented to Council on 2017 March 20, and that LTAC provide input to Administration into other opportunities for further scoping, including:

1. Reclassifying ATPLs (number of ATPLs TBD) to TPLs
2. Developing a subsidy tied to no trip refusals
3. Other options identified in the attachments to this report.

Motion by Gord Lowe that LTAC

1. File (not support) Administration's recommendations contained in LTAC2017-09.

CARRIED

2. Refer the matter back to Administration for further engagement with the Advisory Committee on Accessibility (ACA) and affected stakeholders with a report to come back to LTAC no later than Q3 2017 containing an initial proposal for the integration of Calgary Transit Access (CTA) services and/or resources and accessible on-demand taxi service in Calgary meeting the various Council policy objectives pertaining to the provision of wheelchair accessible transportation.

CARRIED

3. Through the Transportation Planning representative, explore the potential for a new (not existing), premium, ATPL-only taxi zone in the downtown as a 'quick win' benefit to ATPL operators.

LOST

OPPOSED (Kurt Enders, Shawnah Whittaker, Robert McGregor, Ian Lawson, Jaskaran Randhawa, Ginger Greenwood)