

Report to the Honourable Harry Lali  
Minister of Transportation and Highways

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# A Study of the Taxi Industry

*in British Columbia*

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Submitted by:  
The Taxi Study Panel  
Stan Lanyon Q.C., Chair  
June 15, 1999

The Honourable Harry Lali  
Minister of Transportation and Highways  
Parliament Buildings  
Victoria, B. C. V8V 1X4

Dear Minister:

Attached please find the results of the study commissioned by you on the taxi industry in British Columbia.

The study team has, over the past four months, met with both industry and consumers as well as regulatory bodies. We have participated in forums sponsored by the B.C. Taxi Association and the Vancouver Taxi Association, and have held regional meetings in Kamloops, Prince George and Victoria. We have also held consultations with the Motor Carrier Commission, the Insurance Corporation of British Columbia, and municipal governments and transit authorities. A more detailed list of our consultations is attached as Appendix C of the Report.

We hope that our work is the beginning of a process that leads to enhanced stability within the industry and enhanced service to the public.

We appreciate being given an opportunity to conduct this review and trust that you will find the results satisfactory.

Sincerely,

Stan Lanyon, Q.C.  
Chair, Taxi Review Panel

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**A. TERMS OF REFERENCE**

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PEOPLE WITH DISABILITIES**

## ACKNOWLEDGEMENTS

We would like to acknowledge the cooperation and participation of the many individuals and organizations who assisted in the formulation of this report. In particular we express our appreciation to the B.C. Taxi Association and the Vancouver Taxi Association both for their written submissions and for the organizing of forums for the participation of their members. We also appreciate the help and participation of taxi operators in our regional meetings in Prince George, Kelowna and Victoria. As well, many individual representatives of companies, shareholders, owner-operators and drivers took time either to speak to us in person or to share their experience and expertise through phone interviews and questionnaires.

We would also like to express our appreciation to the various representatives of the Motor Carrier Commission (in particular to Colin Hanson), the Insurance Corporation of British Columbia, the Vancouver International Airport Authority, the Motor Vehicle Branch, the Greater Vancouver Transit Authority, and BC Transit for their help and information.

We are also grateful for the assistance provided by various municipalities throughout the province, in particular the City of Vancouver and the City of Surrey who provided us with a great deal of helpful information.

Our understanding of the issues pertaining to the disabled community were greatly enhanced by our conversations with both the Coalition of Persons with Disabilities and Advocates for Sight Impaired Consumers.

This study would not have been possible without the support of staff at the Ministry of Transportation and Highways, including Claire Dansereau, Associate Deputy Minister; Linda Foubister, Corporate Policy & Planning Branch; Ian McLeod, Director of Communications and Sherry Barnes, Secretary.

To these people and to all the others who gave of their time so freely, our grateful appreciation.

Taxi Study Panel

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## METHODOLOGY

This study was commissioned in December of 1998 by the Honourable Harry Lali, Minister of Transportation and Highways, to look at the current state of the taxi industry in British Columbia. Under our terms of reference we were asked to examine the financial condition of the industry, the regulatory scheme, and the quality of service including issues of training and safety. We were asked to examine options for resolution of these issues, and to develop a report and recommendations for the Minister. We were further instructed to focus on recommendations that would not increase overall costs to the industry.

In compiling the information on which this report and our recommendations are based, we used a variety of approaches. Individual questionnaires were sent to taxi companies, and distributed to shareholders, owner/operators and drivers. A separate questionnaire was sent to hotels, airports and cruise lines who rely on the industry, and another to municipalities who have both licensing and regulatory jurisdiction. In addition to the questionnaires, phone surveys were conducted with taxi companies outside the Lower Mainland and with a significant number of municipalities. Committee members interviewed members of all Lower Mainland companies and either interviewed or received submissions and/or questionnaires from approximately 80% of companies who are licensed by the Motor Carrier Commission outside the Lower Mainland. In addition we were able to survey by phone a number of companies outside the Lower Mainland who hold municipal licenses only.

We attended regional forums in Kelowna, Prince George and Victoria, and a provincial forum sponsored by the B.C. Taxi Association as well as a Vancouver forum sponsored by the Vancouver Taxi Association. A meeting with Vancouver Airport Taxi Drivers was arranged with the help of the United Steelworkers, Retail Wholesale Canada. In addition to the forums we met with representatives of both associations on many occasions and



interviewed individual drivers as well as owner/operators and shareholders whenever possible.

We received written submissions from both the Vancouver Taxi Association and the B.C. Taxi Association as well as from many individuals within the industry who took the time to send us additional information based on their own extensive experience in the industry.

If there was a weakness in this aspect of our research, it was in our inability to find an effective way to reach drivers who are neither owner/operators nor shareholders. Those who did respond gave us interesting and valuable insights, but we acknowledge that there were many drivers who did not have access to the questionnaires or the forums.

Along with the industry, we consulted extensively with various stakeholder groups including the Motor Carrier Commission, ICBC, the Greater Vancouver Transit Authority, the City of Vancouver, the Vancouver Airport Authority, the Coalition for Persons with Disabilities, and Advocates for Sight Impaired Consumers.

In addition we conducted a literature review that included studies of systems throughout North America, as well as various reports on general industry issues. In order to understand the recent history of the taxi industry in B.C., and in particular the Lower Mainland, we relied on the work done in previous studies for the Greater Vancouver Regional District and the Motor Carrier Commission, as well as studies of the industry in other jurisdictions.

Our research materials are listed in the Bibliography. A detailed list of respondents is contained in Appendix C.

## EXECUTIVE SUMMARY OF RECOMMENDATIONS

Innovation is essential to the continued economic viability of the taxi industry and to its potential role in public transportation. Improvements must take place in the kinds of services offered, the types of fees charged, driver training, and the safety of both drivers and vehicles. As well there must be an improved relationship between regulators, the industry, and municipal and regional governments.

The services offered to the public must be expanded from the “exclusive ride” concept (in which one passenger has exclusive use of a vehicle) to include “shared ride” services such as shuttles, mini-vans and mini-buses, and taxi pools. This will require a corresponding change to rates structures to enable the industry to provide individual fares, flat fares, and charter fares in addition to the traditional metered fares. Such innovations will provide the public with greater accessibility to taxi services at lower costs, and will give the industry new service venues through which to improve their profitability.

In order to bring about these changes there will need to be closer collaboration among all stakeholders including the industry, regulatory bodies, municipalities, regional districts, educators and consumer groups.

The industry must take the lead on the issues of quality and diversity of service, driver training, and vehicle and driver safety. It must comply with Employment Standards legislation, and move away from its traditional resistance to change and toward implementing innovations in service and technology. Where we have found that the industry is hampered by regulations that impede innovation or encourage unfair competition, we have recommended change. We have opted for a model of governance that is more inclusive of all stakeholders, not only within the existing industry, but in a new relationship that would see the industry integrated into overall public transportation planning.

Few of our recommendations require legislative change; most can be accomplished through changes to regulations. It is only in the area of municipal exemptions, the reconsideration powers of the Commission, and in the Commission's ability to impose penalties that legislative changes to the *Motor Carrier Act* are necessary.

It was apparent throughout the consultation process that the industry wants change. We hope these recommendations lay the foundation for an on-going process of evaluation and innovation that will provide stability to the industry and a high standard of service to the public.

# Recommendations

## I. Financial Condition of the Industry

### **Fare Increases**

1. We recommend a change in the fare structure in order to include a range of fares that will increase the industry's flexibility and competitiveness. Metered rates should not be the only rates allowed. Other rates, such as flat rates, rates for shared rides, and individual fares should be permissible and prescribed by the Motor Carrier Commission in order to benefit the industry and to lower costs for consumers. However, because the industry has had only a 1.7% increase in the last eight years, we recommend a modest general increase.
2. We further recommend that the Motor Carrier Commission and the industry negotiate a flat fare rate between the airport and downtown Vancouver.
3. We recommend that there be an automatic review of taxi fares every two years.
4. We further recommend that licensing fees and concession fees be considered as a cost factor in assessing tariff increases.

### **Service Innovations**

5. In order to allow the industry to move from the "exclusive ride" concept (i.e. a single individual going to a particular destination) to a more flexible regime that includes "shared rides," we recommend that Sections 70 and 71 of the *Motor Carrier Regulations* be amended to provide for shared rides and a variety of fares.

6. We further recommend the inclusion of the taxi industry in the planning of public transportation. This could include pilot projects to establish the best way to implement service innovations such as services to seniors or people with disabilities at a lower cost to consumers.

### **Financial Disclosure**

7. We support the position of the Motor Carrier Commission in *Order 70/98* that any increase in fares be subject to full financial disclosure from all persons falling under the jurisdiction of the *Motor Carrier Act*.
8. We further recommend that the industry move toward employing the technologies of the Global Positioning System (GPS) and metered receipts in order to facilitate financial accountability (as per *Order 70/98* of the Motor Carrier Commission) and that the costs incurred be offset by a targeted fare increase.
9. We further recommend that the Motor Carrier Commission and the industry work together to develop standard procedures and documents in order to facilitate this process of fuller financial disclosure.

### **Employment Standards**

10. We affirm the exceptions to the *Employment Standards Act* negotiated by the industry and the government.
11. We recommend that there be periodic and random audits of taxi companies in regard to employment standards compliance.

12. We further recommend that those companies found not to be in compliance be barred from access to the tendering of provincial contracts until they fulfil a period of compliance from six months to one year.

## II. Regulatory Scheme

### **Single Regulatory Board**

13. We recommend that there be a single regulatory Authority for the licensing and regulation of the taxi industry. We further recommend that the structure of the Motor Carrier Commission be changed to include a Taxi Division charged with licensing and regulation as well as policy and planning.

14. In order to establish minimum standards for the industry, we recommend that licensing through the Motor Carrier Commission be required for all taxis operating in British Columbia. Thus we recommend that the municipal exemption be deleted from the definition of “limited passenger vehicle” within the *Motor Carrier Act*.

15. We further recommend that municipalities continue to be allowed to license and impose higher standards on those taxis licensed to operate in their jurisdiction. However, municipal licensing would require the additional approval of the Motor Carrier Commission.

16. We further recommend that – unless exceptional circumstances exist – no licenses be issued by the Commission within municipalities without the approval of the affected municipality.

## **Structure and Function of Taxi Division**

17. We recommend that an Advisory Committee be established to work with the Taxi Division on matters of policy and planning. Such a committee should include representation from the industry, regulatory bodies, municipalities, regional districts and other stakeholders.
18. We recommend that all applicants for a Motor Carrier Commission license be given a copy of the investigative report submitted by the Motor Vehicle Department, and that they have the opportunity to make submissions in regard to that report prior to the Commission's decision.
19. We recommend that the "leave to appeal" provisions be deleted.
20. We recommend that the grounds on which an appeal can be made be expanded from only the issuing of licenses to all *Decisions, Orders* and *Directions* of the Motor Carrier Commission, and that the time respondents have to reply to an appeal be extended from five to fourteen days.
21. We further recommend that the Reconsideration Panel be integrated into the Commission, and that the Chairperson have the authority both to set the number of panel members and to appoint the panel in regard to any particular application for review.
22. We recommend that a certain number of the members of the Motor Carrier Commission be appointed directly from the industry and also be representative of different parts of the province.

23. We further recommend that representatives from the Greater Vancouver Transit Authority (TransLink) be appointed to the Commission and be among those members hearing applications originating in the Lower Mainland.
24. We recommend that the Taxi Division of the Motor Carrier Commission be provided with the resources necessary to adequately carry out its obligations.

### **Jurisdiction of Taxi Division of Motor Carrier Commission**

#### Penalties and Enforcement

25. We recommend that the Motor Carrier Commission be given the jurisdiction to adjudicate violations under its own constituent statute rather than having to rely on the Courts for prosecution. Thus Section 55(1) should delete the words “*on conviction*” and replace them with the following or similar words: “. . . *is liable for any such breach of this Act, Regulations, or Order and the Commission may . . .*”
26. The current maximum penalty under Section 55 is \$500.00 for a first violation and \$1,000.00 for a second violation. These amounts are too low to act as a deterrent and are seen as little more than a cost of doing business. We therefore recommend that the maximum penalty for a first offence be increased to \$5,000 and to \$10,000 for a second offence. The minimum penalties in each case ought to be maintained.
27. We affirm the jurisdiction of the Commission over all vehicles used to provide a taxi service whether or not they are licensed by the Commission. In order to make this clear, we recommend that a new Subsection (h) be added to Section 56 and read “*(h) not being a holder of a license under this Act, operates a Motor vehicle at any time on a highway for the purpose of transporting passengers for compensation.*” This



would entitle the Commission to impose monetary penalties on all unlicensed operators.

#### Incorporation of Utilities Commission's Powers

28. We recommend that the *Motor Carrier Act* be updated to include a listing of its own jurisdictional powers rather than being incorporated by reference to the *Utilities Commission Act*, R.S.B.C. 1996, c. 473.

#### Protocol Agreement on Process: Sections 32 and 39 of the *Motor Carrier Act*

29. There are both overlapping and complementary roles between the Ministry of Transportation and Highways and the Motor Carrier Commission in the development of public policy. We therefore recommend that the Ministry of Transportation and Highways and the Motor Carrier Commission develop a protocol agreement that outlines their respective roles as they relate to Sections 32 and 39 of the *Motor Carrier Act*.

### III. Safety and Service Issues

#### **Driver Training and Certification**

30. Currently the Justice Institute's TaxiHost program offers the only standardized training for taxi drivers. In the Lower Mainland, only taxis operating in the City of Vancouver or licensed under the Vancouver Airport Authority are obliged to take this training, and it is not available in other parts of the province. We therefore recommend that the Advisory Committee expand and enhance the current TaxiHost program.

31. We further recommend that certification through this program be made mandatory for all drivers in the province, and that the training be provided in ways that are both convenient and cost-effective for drivers. (i.e. community colleges throughout the province).
32. We recommend that a criminal record check be required for driver certification thus eliminating the need for separate chauffeur's permits in different jurisdictions.
33. We recommend that the possibility of financial incentives for companies who bear the cost of training for their drivers be investigated.
34. We further recommend that training be offered for managers and owners of taxi companies. Such training should focus on issues pertaining to financial accountability, regulations, legal concerns, employment standards and liability matters.

#### **Services for People with Disabilities**

35. We affirm the position of the industry that service to people with disabilities is an important component of the industry and one that should be expanded. We therefore recommend that the issues raised by the B.C. Coalition of People with Disabilities in their submission to this Panel be addressed by the Motor Carrier Commission and the industry. We specifically recommend that issues of driver training and sensitivity be addressed as part of the mandatory driver training program (see Appendix D).

## **Driver Safety**

36. We endorse the recommendations of the Taxi Drivers Task Force. We encourage the implementation of strategic devices to ensure driver safety including such technologies as barriers, cameras and lights. We note that the Vancouver Taxi Association is recommending that taxis be equipped with cameras. We also favour the use of cameras in taxis, but we recognize the necessity, as stated by the Task Force, for local decision-making on all aspects of driver safety.
37. We recommend that in cases where safety strategies involve a cost to the company, such costs be included in a targeted fare increase.
38. We further recommend that a timeline be developed to ensure that safety measures are in place within the year.

## **Vehicle Safety**

39. In order to enhance public safety while decreasing costs for the industry, we recommend that the frequency of inspection be increased to every three months from every six months.
40. We further recommend that an incentive program be put in place whereby a taxi that passes inspection and is part of an approved preventive maintenance program, may increase the interval between inspections to six months.
41. We recommend that ICBC review the performance of licensed inspection facilities and restructure their licensing process to include only those facilities that can ensure quality of service and uniform standards.

42. We recommend that an assessment of a vehicle's fitness for service as a taxi be based on mileage and condition rather than on the age of the vehicle.

## **VI. Other Recommendations**

### **Traffic Flow Issues**

43. We affirm the right of taxis, with or without passengers, to use HOV lanes.

44. We recommend that taxis be allowed a reasonable amount of time in no-stopping zones to load and unload customers without being ticketed.

45. We recommend that taxi companies restructure their shift change procedures in order to ensure an adequate number of vehicles on the road at all times.

### **Taxi Association**

46. We recommend that the Motor Carrier Commission develop a regulation requiring mandatory membership in a province-wide taxi association for all companies operating in British Columbia. The structure of the association must allow for regional interests to be adequately represented. We note that this recommendation in no way precludes companies from forming additional associations (such as the Vancouver Taxi Association) to promote their interests.

47. We further recommend that the association be consulted and represented in all planning and policy decisions.

48. We further recommend that the association, in conjunction with the Motor Carrier Commission be given joint responsibility for driver training and certification.

### **Consumer Protection**

49. We recommend that the taxi industry, through their association, develop a standard Passenger's Bill of Rights and Responsibilities to be displayed in every vehicle.

50. We recommend the implementation of a comprehensive complaint procedure for consumers and that the possibility of a complaint line sponsored by ICBC be explored through the Advisory Committee.

51. We recommend that a standard tag for driver identification be developed. The tag should include a number unique to the individual driver. The number should be clearly displayed on the tag and should also be located and displayed at another place within the vehicle where it is – through the use of Braille or raised lettering – easily accessible to sight-impaired passengers.

52. We further recommend that all taxis have their company name and car number painted in a prominent fashion on the exterior of their vehicles.

### **Vancouver International Airport**

53. We recommend to the Vancouver International Airport Authority that they reinstate “short-trip queues” in order to ensure that drivers can be adequately compensated for their time at the airport.

54. We further recommend that the Airport advise the drivers of the timetable for improvements to drivers' facilities.

### **Merit License System**

55. We recommend that the Motor Carrier Commission reserve a percentage of new licenses for a merit lottery for drivers who could not otherwise afford to purchase a license or a share. Such a lottery should include stringent requirements for entry.

56. We further recommend that licenses thus granted be non-transferable and liable to revocation if the terms of the license are not met, or in the event of retirement or death of the licensee.

## INDUSTRY OVERVIEW

### **Regulations and Jurisdiction**

The taxi industry plays a significant although often unacknowledged role in British Columbia's public transportation sector. Licensing and regulation of this industry occur primarily under the *Motor Carrier Act* (MCA) and the *Motor Vehicle Act* (MVA). There are three general sets of motor carrier regulations based on these Acts. The *Motor Carrier Regulations* (B.C. Reg. 59/59 and 252/94) define types of carriers and various services including licensing procedures and rules about fares and tariffs. In addition, a portion of *The National Safety Code* covers requirements for a range of safety-related issues and the issuing of certificates (B.C. Reg. 26/25, Division 37). Division 25 of this regulation provides for vehicle inspection and maintenance requirements.

While the Commission has legislative jurisdiction over motor carriers, the Motor Vehicle Branch (MVB) is responsible for the implementation and enforcement of the motor carrier regulations, including safety inspection of vehicles. This function has been transferred to the Insurance Corporation of British Columbia (ICBC).

Currently 2,400 taxi cabs operating in British Columbia are licensed under the *Motor Carrier Act and Regulations* through the B.C. Motor Carrier Commission (MCC). Three hundred motor carrier authorities have been issued to operate these 2,400 taxis. Of that number 1,117 or 47% operate in the Lower Mainland. This number includes 386 taxis that are also licensed by the Vancouver International Airport Authority and have exclusive rights to pick up passengers at the airport.

In addition to those taxis licensed under the MCC, an undetermined number of taxis operate throughout the province who are either licensed municipally or in some instances operate without any regulatory authority at all. As well, a host of alternative services

including courtesy cars, shuttle services and limousines have encroached on the taxi industry's traditional territory. Some of these services are not regulated by the MCC.

## **Company Structure**

The larger taxi companies in the province operate under a shareholder structure. The company owns the motor carrier authority, or fleet license, with its designated number of plates, and runs the dispatch service. A single company may have authority to operate 100 cars or more under its license, but those cars are rarely owned by the company. Vehicles may be registered in the name of the company, but are beneficially owned by the individual operators. Those beneficial owners are shareholders in the company. The shareholders elect a Board of Directors who, in turn, hire the general manager who is responsible for hiring the dispatchers. Shares in the company are not formally traded in a share market such as the Vancouver Stock Exchange, but are actively traded in a private market.

Notwithstanding the fact that the MCC is required to approve all assignments and transfers, the Commission's approval is not sought, and in fact, the Commission receives no notice that the sale of a share in a license has taken place. Most commonly, each licensed vehicle supports two shareholders who each own a half-share. The price of shares is market-driven and therefore varies widely depending on supply and demand. The value in the Lower Mainland, for example, can range anywhere from a low of \$30,000 in outlying areas to as much as \$160,000 for a half share in the restrictive Vancouver market. In smaller centres in other parts of B.C., a license for one taxi might cost as little as \$6,000 to \$7,000.

In addition to shareholders, the company may also lease its plates to an owner-operator who independently owns a vehicle. Owner-operators pay a set lease fee monthly as well as dispatch fees to the company. They also have sole responsibility for all incidental costs related to operating their vehicle including insurance, maintenance, fuel and repairs.



Generally these owner-operators pay lease fees from \$850 to \$1,400 per month and dispatch fees ranging from \$525 to \$950 per month. The MCC has issued orders that call into question the appropriateness and/or legality of the leasing of such plates.

### **Drivers' Conditions of Employment**

Drivers who are neither shareholders nor owner-operators generally operate as sub-contractors to the shareholder. They lease the car on a per shift/week or monthly basis. Shifts are usually twelve hours and rates can range from a low of \$40.00 to a high of \$75.00 per shift depending on location, time of day, and day of the week. Drivers are responsible for paying their lease rate up front and for fuel costs during their shifts. A slow shift, mechanical breakdown, or an accident can mean that a driver actually loses money on a shift, and often even an uneventful shift results in an income below minimum wage.

The taxi industry and the Employment Standards Branch have, over the last two years, negotiated exceptions from the *Employment Standards Act*. The exceptions are similar to those that exist in the trucking industry. *B.C. Order-in-Council 1110 (July 30/98)*, *B.C. Regulation 270/98* exempted the industry from maximum hours of work (Section 35) and the overtime provisions (Sections 40-42). Taxi drivers may work 60 hours per week with no daily overtime or time-and-a-half weekly overtime. Double time commences after 60 hours. (The *National Safety Code* states that drivers are not permitted to work more than 60 hours over a seven day cycle or 80 hours over an eight day cycle). A taxi driver who is neither an owner-operator nor a shareholder must be paid at least minimum wage for all hours worked, averaged over a monthly basis. The employer is obligated to "top up" wages if the driver receives less than the minimum wage from fares. A taxi driver who leases a vehicle is entitled, averaged over a month, to minimum wage for all hours worked, and to recover the amount of the lease payment and any other costs associated with the operation of the taxi including insurance. These standards, in spite of being negotiated with the industry, are widely ignored.

Qualifications for drivers are low — generally a Class 4 license and a Chauffeur’s Permit. Consequently there are always drivers whose local knowledge, communication skills and driving skills are sub-standard. The establishment of the TaxiHost program, which is mandatory in Vancouver and for drivers operating at Vancouver International Airport, has improved but not remedied this situation, and drivers who are not obliged to take the program have little or no incentive for doing so.

### **Insurance Costs**

All taxis operating in British Columbia are insured through ICBC. They pay anywhere from \$4,000/annum to \$12,000/annum for insurance, depending on the region in which they operate and their driving record. ICBC reports that the taxi industry pays premiums totaling approximately \$12 million dollars per annum. However claims are paid out at a rate of over \$16 million. Premiums have been frozen by the provincial government since 1994 resulting in a net loss to the Corporation of more than \$4 million dollars in the last year alone. The industry disputes these figures and believes that rates are artificially high. They believe that accident liability is automatically assigned to the taxi in the case of an accident, thereby driving up their accident liability rates and premiums.

### **Vehicle Inspection**

The area of vehicle inspection and safety is one that is also problematic for the industry. In earlier days, inspections were done at MVB facilities by MVB inspectors. This function was privatized and now certified private garages do the inspections and repairs and issue safety decals. Vehicles must be inspected twice yearly, and any vehicle is subject to roadside safety checks at any time. The current system is inadequate both in the view of the industry and from the perspective of public safety. The industry generally complains that there is no consistency of standards among inspectors and that a system based on

kilometres rather than vehicle age better reflects the different rates of vehicle usage and the actual road-worthiness of the vehicle.

### **Vancouver International Airport**

The number of taxis authorized to operate from the Vancouver International Airport has not changed since the 1980s. The Airport has agreements with nine companies from various municipalities within the Greater Vancouver Regional District (GVRD). These agreements date from the time that Transport Canada granted these licenses based on a lottery system open to all taxi companies in the region. Some companies who opposed the lottery system boycotted the process, and thus had no standing when Transport Canada began issuing licenses.

As a result there was a disproportionate number of license representations among those companies that actually participated in the lottery, and those companies continue to hold the operating privileges today, as shown in the chart below.

<b>Taxi Company</b>	<b>Municipality (Main)</b>	<b>Number of YVR Licensed Taxis</b>
Black Top Cabs Ltd.	Vancouver	14
Bonny's Taxi Ltd.	Burnaby	83
Coquitlam Taxi (1977) Ltd.	Coquitlam, Maple Ridge	19
Delta Sunshine Taxi (1972) Ltd.	Surrey, Delta, Tsawwassen	32
MacLures Cabs (1984) Ltd.	Vancouver	33
Richmond Cabs Ltd./ Coral Cabs Ltd.	Richmond	73
Surdell Kennedy Taxi Ltd.	Surrey, Delta	34
White Rock South Surrey Taxi Ltd.	Surrey, White Rock, Langley	17
Yellow Cab Company	Vancouver	81
		<b>386</b>

The Airport's Corps of Commissionaires operates the dispatching of taxis to the public and administers the rules and regulations governing taxis at the airport. The dispatch

system will be augmented in 1999 with a new Automated Vehicle Identification System (AVI) that will allow for the tracking and monitoring of airport licensed vehicles. This system will allow the airport to precisely pinpoint when a taxi has picked up a passenger and to identify taxi drivers, matching them to the vehicle and the company.

In 1993, the Airport Authority undertook a comprehensive review of taxi-related issues. This arose out of numerous customer complaints including that drivers lacked local knowledge, refused to take short trips, used excessive speed, lacked English language skills, were discourteous and rude, over-charged, or refused to accept credit cards.

The Airport Authority has moved to address all of these issues, and both taxi drivers and companies are now being made more accountable. For example, the AVI system will be able to track both driver and company complaints. In addition, drivers were required to take the TaxiHost training, Level One, and as of April of this year are required to take Level Two. In July 1999, the Airport will require that vehicles be no more than nine years old, and effective January 2000, no car may be more than seven years old. The airport will also increase the number of cabs, including wheelchair accessible cabs. Finally, fees for taxi companies have been adjusted to \$300 per car per year with a \$1.00 fee per trip. The Authority expects these fees to cover 65% of the Airport's costs to run the taxi system.

The Airport Authority, along with the City of Vancouver, has provided the province with leadership in improving the quality of taxi service in B.C. This report builds, in part, on their initiatives.

## **Other Costs to the Industry**

In addition to licensing, insurance and vehicle costs, the industry is subjected to a wide variety of other fees. Aside from the fees charged to Lower Mainland companies at the Vancouver International Airport, contracts for exclusive service at other airports and hotels are also costly. The industry is highly competitive and bidding wars over exclusive rights quickly drives up the price of the contract. At the Victoria airport, for example, the contract is worth over \$200,000.00. Contracts for the hotel rights can cost a company upwards of \$80,000 per annum.

## **Small Companies**

In smaller rural centres around the province, taxi companies are usually one or two-cab operations in which the taxi owner is also the dispatcher and driver, with much of the business being conducted via cellular phone or pager. These are often family-run operations and have few of the organizational problems associated with larger urban companies. Those small companies who operate under MCC authority sometimes face competition from non-regulated companies operating under the municipal exemption (or in some cases outside any regulatory structure). These unregulated companies operate outside the standards of the *Motor Carrier Act* which can result in unfair or ruinous competition for their regulated competitors. Like their peers in urban centres these small rural companies also face issues of financial instability, insurance rates, and driver and vehicle safety.

## **Structural Problems**

Within the larger corporate structures in the industry there are inherent organizational problems that exacerbate distrust and exploitation internally, and make financial accountability nearly impossible to ensure. The high costs and low profitability of the

industry increases the incentive for everyone concerned to cut corners and hide income wherever possible. Drivers have no vested interest in either the mechanical condition of their vehicles or the financial success of the company. Shareholders have no way of knowing if drivers are accurately reporting their income, and have no incentive for rewarding drivers for improved service or skill levels. Company managers are hired by the shareholders and are therefore limited in their ability to effectively enforce standards among people who can hire and fire them at will. The low entry-level standards for drivers ensures that there is always an abundant supply of drivers willing to replace those who might complain of their treatment. The result paradoxically is an industry that is both over and under-regulated – a situation that ill serves those within the industry and compromises the quality of service to the general public.

## INDUSTRY OBSERVATIONS AND SUBMISSIONS

In the course of our study, we received detailed and thoughtful submissions from many members of the industry. Their issues, while diverse, often cut across urban/rural and large/small company lines. They included:

### **Territorial Boundaries**

The problems with geographical boundaries are most acute within the Lower Mainland, but other centres also have problems. Taxi companies in both Whistler and Kelowna reported competition from companies crossing boundaries in order to operate in their license area. In the Lower Mainland there are opposing interests. Those companies based outside of Vancouver clearly would like to see the regulatory structure changed to one of regional jurisdiction in order to gain access to the lucrative Vancouver market. The Vancouver companies are adamantly opposed to such a move. The Vancouver Taxi Association in its submission pointed out: *“If the industry is made regional, the investment made by the Vancouver companies, be they financial or fiduciary, would be for nothing.”* They further argue that the result of opening the Vancouver market would be to flood the city with too many taxis, while abandoning the suburban areas. This issue, which is a basic dollars and cents issue, is the primary impediment to the formation of a single industry-wide association.

### **Fare Structure**

No one in the industry is satisfied with the current fare structure. Both associations recommend increased fares. In their submission, the Vancouver Taxi Association asked that fares be adjusted every two years in order to keep up with increases in overhead. The B.C. Taxi Association suggested that fares be tied to the cost of living index and the needs of the industry. They further suggested that fare increases be introduced on a regional basis according to the needs of the industry. They specifically want any costs that are a result of new government regulation to be covered by a corresponding fare increase.

While urban taxi companies believed their rates to be too low, there were companies in rural areas, where distances traveled are apt to be very long, who feel that their fares structure is too high and only serves to encourage competition from other forms of public transportation such as shuttle buses. Both associations and their members in the various forums acknowledged financial disclosure to be a problem in the industry. In their submission, the B.C. Taxi Association states that “. . . *it is exceedingly difficult to ensure that accurate financial records are kept by the shareholders/drivers and/or the lease operators.*”

### **Insurance Rates**

Universally the industry complains that ICBC rates are too high. They mistrust ICBC’s accident statistics for the industry. They claim that any accident involving a taxi is automatically deemed to be the taxi’s fault no matter what the reality might be. Thus, they say, their accident rates are unduly inflated leading to an insurance rate that is unrealistically high. The B.C. Taxi Association wants broader lines of communication established, and both Associations have requested a review of the rates and policies of the insurance company.

### **Driver Safety**

The vast majority of drivers responding to the study questionnaire and participating in the forums said that they had experienced violence while on the job. This finding cuts across urban and rural lines. Many reported unsatisfactory responses on the part of local law enforcement agencies, while others questioned the lack of involvement on the part of Workers’ Compensation in ensuring workplace safety. There were several suggestions for making taxis safer for the drivers including the use of shields, lights, and cameras. The Vancouver Taxi Association recommends the use of on-board cameras for both customer and driver safety.



## **Inspection**

Both drivers and owners are unhappy with the current inspection regime. While they didn't take issue with the current regulations, they felt that standards lack any uniformity, and passing or failing an inspection too often depended on the subjective judgement of an individual inspector. They felt that inspections should be based on number of kilometres driven rather than being based on vehicle age. Almost universally they oppose roadside inspections. Both associations asked for a uniform system and standards of inspection.

## **Regulation**

In general the industry feels that it is over-regulated. It feels there are too many regulations from too many different sources covering all aspects of the industry. A single owner-operator, for example, may be expected to comply with overlapping regulations from municipalities, airports, the Motor Carrier Commission, ICBC, Workers' Compensation and Employment Standards. The industry would like a single regulatory body to oversee their industry.

## **Costs**

The high costs of cars, insurance, dispatch fees, training, maintenance and other overhead costs, combined with regulated fares, means the industry operates on the narrowest of margins. All participants would like to see some relief in insurance rates, license fees, and fuel taxes. They would also like their service exempted from the GST which they see as essentially a 7% fare increase that adversely affects their ridership without providing any benefit to them.

## **Consultation**

The industry often feels at the mercy of regulatory bodies that make decisions affecting the industry without consultation. It would like to see an advisory body set up to work with the major regulators in order to have input on issues such as public transit, driver training and service standards as well.

### **Subsidized Public Transportation Services**

We heard many complaints from the industry about heavily subsidized public transportation that provide service in areas where the taxi industry feels it could easily provide comparable service at a lower rate. They argue that this would give the industry more financial stability, and also save taxpayers countless dollars. Handi-Dart was the primary target of their criticism, both because it operates as a direct competitor to the taxi industry and because it receives the highest subsidy for its service.

### **Internal Issues**

The industry recognizes that it requires an industry-wide association to adequately represent its interests. In order to maintain the financial viability and stability of such an association, many in the industry feel membership should be mandatory. Such an association could assist not only with representation outside the industry, but also help to foster an atmosphere of co-operation among the companies within the industry. For example, the formation and use of one central dispatch in the Lower Mainland for all Greater Vancouver taxis was an issue that received much attention in our discussions. Most industry representatives agree that a single central dispatch would help to dramatically reduce costs to the industry. However they also made it clear that such a system cannot be put in place until the companies find a way to overcome their inherent distrust of one another. It may well be that a functioning industry-wide association could help to ease tensions and allow the companies to work more co-operatively together when it is in their best interest to do so.

## INTRODUCTION TO THE RECOMMENDATIONS

### Regulation versus Deregulation

#### **Aspects of Regulation**

There are two forms of taxi regulation – economic regulation and safety regulation. Economic regulation primarily includes three areas – control of entry (i.e. limitation of the number of licenses issued), control of fares, and service requirements. Safety regulation covers vehicle and driver safety. Safety regulation is, for the most part, uncontroversial. Consumers want to know that the vehicles are safe and the drivers skilled. Even the most committed of deregulators continue to endorse regulations in regard to vehicle safety and driver knowledge. Governments try to ensure that vehicles are kept in good mechanical condition, that the drivers are of good character, and insurance coverage is adequate.

Economic regulation has been treated very differently. In an era when many industries have undergone deregulation, governments and regulatory bodies on many different levels believed that the deregulation of the taxi industry would prove a panacea for many of the problems that dogged the industry. The reality has proved more problematic.

#### **Experiments in Deregulation**

Many different jurisdictions have experimented with various degrees of regulation and deregulation. Those in favour of deregulation argued that it would provide greater entry into the industry, resulting in increased service and faster response times, and would create service innovations that would in turn reduce fares. As well, government regulatory costs would be reduced or eliminated. For the most part jurisdictions where deregulation has been tried have found that the taxi industry experienced “market failures” or “market imperfections.” An examination of the actual data shows that, as predicted, there was a significant increase in new entries. However there was also a decline in operational efficiency and productivity, an increase in rates, a decline in driver income and a deterioration in service. Seattle is a case in point.

### **The Seattle Experience**

In 1979 both the City of Seattle and King County moved from a highly regulated industry to essentially a free market system for taxis. In theory this would increase the supply of taxis thereby decreasing wait-times and driving down fares. Seattle found that putting more taxis on the street did not have the desired effect. Instead, the over-supply of taxis reduced the earning potential of individual drivers, who responded by increasing fares. New drivers were untrained and inexperienced which meant that the quality of service deteriorated. As a result demand fell. The “no show” rate actually increased after de-regulation.

By the mid-1980s both Seattle and King County began to impose moratoriums on taxi entries and to set maximum fare rates. Beginning in 1991 and through to 1996, both have increasingly re-regulated the industry. The impetus for this re-regulation was the concern expressed by the business and tourism sectors that taxi services were of poor quality and were a significant detriment to Seattle’s attractiveness as a business and tourism destination. Nearly two decades after the beginning of Seattle’s experiment with an open entry system, both the city and King County are still coping with the effects in terms of service complaints and too many operators. Recognizing their inability to hire sufficient inspectors to deal with service problems, they opted to increase the levels of self-enforcement in the industry. All taxis must now belong to associations, and those associations exercise responsibility for their members.

### **Survey of Deregulation in American Cities**

In 1993 the International Taxi Cab Foundation commissioned an analysis by Price Waterhouse of the issue of deregulation and re-regulation. Their findings were comparable to those of Seattle. They reported that while the supply of taxis expanded dramatically with deregulation, there were only marginal improvements in availability and prices rose in every instance. At the same time service quality declined – trip refusals increased, there

was a decline in vehicle age and condition, and the over-supply of taxis resulted in aggressive passenger solicitation.

The negative aspects of deregulation were especially evident at airports and major tourist attractions. Deregulation therefore incurred the enmity of the business community and attracted adverse media coverage.

By 1993, after the widespread deregulation of the industry in the United States during the 1980s, only four of twenty-one cities continued to employ a fully deregulated system. Those four were primarily among the smaller cities in the group where the impact was less serious. Cities that had a relatively large population, a high level of airport activity, and conditions conducive to low-cost market entry tended to have a negative experience. As a result these cities either fully regulated or partially re-regulated taxi services.

In retrospect, the effects of taxi deregulation have ranged from benign to adverse, depending on local conditions and markets. There appears to be scant evidence that deregulation fully achieved the goals on which its implementation was premised, though some goals clearly were achieved (e.g. more taxis, less regulatory involvement by government). Market imperfections peculiar to the taxi industry, including unusual product supply (e.g. first in, first out queues at cabstands) and consumers' lack of knowledge of taxi price and quality, tend to negate the improvement in price and performance associated with deregulation in other industries. (Price, Waterhouse, 1993, p. 19)

## Summary

Taxis are an essential part of the urban transportation infrastructure and, some would argue, are in the nature of a public utility. (Indeed, in this province, taxis were once regulated by the Utilities Commission.) A deregulated market suffers from destructive, excessive or ruinous competition. It generally has debilitating economic and social consequences. Not the least of these is its impact on the tourism and business sectors.

Local municipal authorities as well as large institutional consumers like airports and hotels are particularly sensitive to the tie between taxi service quality and their city's image and reputation. Poor treatment of tourists by taxi drivers can tarnish the city's reputation and drive away business. Thus, maintaining clean vehicles in good mechanical repair; ensuring the drivers' skills, character, abilities and knowledge; as well as monitoring issues such as fares, accurate meters and insurance coverage, all operate in the public interest.

An objective assessment of the evidence forces one to conclude that the cost of taxi deregulation outweighs its benefits. Paul Steven Dempsey, writing in an article entitled "Taxi Industry Regulation, De-Regulation and Re-Regulation: Paradox Market Failure" in the Transportation Law Journal of the College of Law, University of Denver, Volume 24, No. 1, Summer 1996, concludes:

The fundamental questions are not whether taxis should be regulated, but how they might best be regulated. That requires careful oversight by the regulatory body to ensure the *appropriate ratio of taxis to passengers to ensure prompt, safe, and reasonably priced service for the public, while allowing efficient and well managed firms to earn a reasonable return on investment.* [emphasis in original] (Dempsey, p. 117)

As was apparent in the Seattle example, deregulation has had several negative impacts in jurisdictions where it has been tried, including a mass influx of new operators, lower profitability and higher fares, and lower service quality. Regulation, however, especially control of entry, has drawbacks as well. It encourages a market value for licenses which in turn creates a heavy financial burden for the owner. This can lead to practices that have a debilitating effect on the industry such as license leasing. The owner becomes more concerned with protecting the market value of the license than in providing quality service to the public. This can also mean lower standards of service and increased consumer complaints.

### **The Public Role of the Industry**

The industry would like its role in the public transportation system recognized. Achieving such recognition must begin with the industry itself. A code of ethics, driver training, management training and the adoption of best practices can only help the industry. This involves not only professional training for all members of the industry, but the establishment of industry organizations to develop the standardization of services and innovations. The taxi industry must underscore its public role and make itself known as a responsible and active partner in the development of public transportation. This is essential to better transportation planning and to the development of the economy of the province in sectors such as tourism.

From a public policy standpoint, the current management structure works against the industry. Public officials repeatedly stated that there is no continuity in the management of companies and that this has made partnerships with the industry difficult. In addition, taxi companies often appear indifferent to the management of their employees. Their emphasis is on the leasing of the vehicle rather than the work habits of the driver. The inability or unwillingness of a company to exercise control over the drivers has a debilitating effect on the quality of service, which in turn is a deterrent to public officials considering the inclusion of the industry in publicly funded transportation programs.

Thus taxi firms remain outside the planning process and local funding of public transportation. This is a loss for both the industry and the public. On the other hand, financial problems facing both transit and taxi operators make this coordination of services attractive. Traditionally the taxi has primarily provided what has become known as an “exclusive ride service,” that is a service in which a single individual has exclusive use of the vehicle for a given period of time. Not surprisingly, the industry and the passenger pay a price for reserving this vehicle one party at a time. As a public policy alternative it has great limitations in providing greater public access to transportation. Far greater benefit would ensue from a system of public and private service providers operating in concert and using a variety of types of vehicles to provide a better and less costly service.



## ISSUES AND RECOMMENDATIONS

### **I. Financial Condition of the Industry**

#### **Fare Increases**

In 1997, the taxi industry applied to the Motor Carrier Commission for a fare rate increase of 19%. It was their first application since 1991. While they felt a rate increase would have been justified before 1997, they were reluctant to ask for an increase that might alienate customers and reduce their ridership in a market where fares were already perceived to be high. They also cited the introduction of the GST as a factor in delaying their application until 1997. The tax had a significant impact on the cost of a cab ride, and was, in a sense, a de facto fare increase – albeit without benefit to the company. The MCC denied the 19% increase and instead granted a rate increase of 1.7%. The part of their findings that centred on the issue of financial disclosure is discussed below. Other reasons given by the Commission for their decision included:

- The absence of any rate increase requests from industry between the years of 1992 and 1996 was an indicator that the industry received adequate compensation for services rendered notwithstanding the issue of GST put forward by the industry as a major reason for no rate increases.
- The supply of taxis has remained, for the most part, constant since 1991 and the ridership availability has increased substantially since that time. As a result, the taxi industry in the Greater Vancouver region has enjoyed positive conditions for sustained profitability.

The Commission stated that it is prepared to review rates again in 1999, but only if and when the industry is prepared to be financially accountable and present appropriate financial data at the time of application.

In regard to the current applications before the Board, and assuming financial disclosure that the Commission finds sufficient, we would see a modest fare increase as appropriate.

Some discussions have taken place with the industry and with consumers about the use of zone/flat-rate structures. The idea was well received by both the regulators and the public as addressing a need in some areas to have predetermined fares in place – for example the trip between the Airport and downtown Vancouver. However, there was very little support for such a rate structure among industry representatives. For the most part, companies are opposed to flat fares and defend the current system.

We believe there is merit to the comments by consumers and regulators that it would be an advantage for people arriving at the Vancouver Airport and going to a downtown destination to have a guaranteed fixed rate. This would effectively guard against either real or perceived exploitation of visitors unfamiliar with the city. The attractiveness of flat rates to consumers is evident in the business done by limousine services at the airport who clearly advertise their rates. However, the concept of flat rates must not be viewed in isolation. Rather it should be included in a broader survey of a whole range of rates structures that could be implemented in the expansion of the industry through service innovations. This in the long run would provide increased opportunity and profitability for the industry. At the same time, the move to a variety of fares would necessitate even more financial accountability on the part of industry. For example metered fares may constitute only one kind of fare; other fares such as flat rates, individual fares, and chartered fares could be permitted. This issue is explored further in the following section, Service Innovations.

Finally the industry is faced with increased costs in such areas in concession/stand fees and licensing fees that the industry feels has not been to date considered in the calculation of tariff increases.

### **Recommendations**

- 1. We recommend a change in the fare structure in order to include a range of fares that will increase the industry's flexibility and competitiveness. Metered rates should not be the only rates allowed. Other rates, such as flat rates, rates for shared rides, and individual fares should be permissible and prescribed by the Motor Carrier Commission in order to benefit the industry and to lower costs for consumers. However, because the industry has had only a 1.7% increase in the last eight years, we recommend a modest general increase.**
- 2. We further recommend that the Motor Carrier Commission and the industry negotiate a flat fare rate between the airport and downtown Vancouver.**
- 3. We recommend that there be an automatic review of taxi fares every two years.**
- 4. We further recommend that licensing fees and concession fees be considered as a cost factor in assessing tariff increases.**

### **Service Innovations**

The concept of service innovations is an important one for the taxi industry. Other service industries have sought out new and innovative measures to increase their customer base in order to compete in today's crowded marketplace. They try to offer consumers a whole range of service and price levels. However the taxi industry is essentially the same as it was fifty years ago. An individual in 1949 with a plane to catch might have taken a taxi

from his/her home or business to the airport. That kind of “exclusive ride” trip was the extent of the industry’s service to the public. In 1999 very little has changed. The basis of the industry is still the individual passenger with a specific destination. While that service will continue to be a mainstay of the industry, it appears still to be the *only* service offered. Even in the rare circumstance where other services are provided, they are seldom marketed and promoted.

There is a need for diversification in the industry, and regulatory reform should concentrate on changes that would allow for much-needed innovation. The lack of innovation is due in part to the industry, and in part to the regulatory structure. The current regulations forbid shared ride services and set one fare for taxi service. In order to encourage innovation, the regulations must be modified to make them more permissive of alternative service levels, to legalize shared ride services and to make the established metered fares only one of several kinds of fares. As stated in the previous section, other fares such as flat fares, individual fares, shared ride services and chartered fares should be permitted and prescribed by the MCC, all of which would be to the benefit of the industry and provide lower costs for consumers.

A change in the regulatory structure would involve amending Sections 70 and 71 of the *Regulations* which prohibit shared rides. The MCC sets the current fare structure and has a great deal of discretion as to how that structure is established. Section 26 of the *Motor Carrier Act* does not prescribe only one kind of fare and would therefore not require amendment.

Most of the newer services that would then be available to the taxi industry would be some form of shared ride. These could include fixed transit routes in low density areas, or late at night; feeder services to fixed routes; para-transit services for special target groups such as the elderly or the disabled; and involvement in user subsidy programs.

For example, a taxi might function as a transit feeder to public transit and may in fact provide a fixed route designed to run during off-peak hours, thereby supplementing regular transit. A taxi pool could operate in the same manner as a van or car pool. Services provided to specific groups such as the disabled could be designed for special transportation services.

Some of these services would require subsidies either to the taxi cab or the consumer as has been the case with Handi-Dart and taxi companies. The type of vehicle used could range from a normal taxi cab, to a mini-van or mini-bus. They would also require expansion of the fare structure from one of simply metered fares to individual fares, flat fares and charter fares.

It should be noted that the MCC currently issues licenses under the definition of “limited passenger vehicle.” It does not issue licenses under the definition of “taxi.” This is significant because the definition of “taxi” limits the number of passengers to ten in a single vehicle. Many taxi licenses are in fact limited to a maximum of five passengers. However there is no limitation of passengers set out in the definition of “limited passenger vehicle.” Indeed we were informed by the MCC that some taxi licenses give the carrier the ability to carry up to fifteen passengers. This certainly takes the taxi industry into the realm of shuttle services and mini-buses; and makes clear the need for a review of public transportation planning that includes the taxi industry.

The industry has not, for whatever reason, been motivated to seek new markets or offer new services. It has been quite conservative in the way it has operated and has stuck mainly to offering one service at one price. Industry representatives maintain that this is the result of the regulatory structure, however the regulators point out that no submissions that seek innovations have been made to them. The regulatory process can be an onerous one, and it may be that the industry felt the risks outweighed the benefits.

A few of the services described above are currently offered but only sporadically. Some companies contract with certain employers like railroad companies or boards of education to transport people such as employees, school children, or people with disabilities. It is clear that demand for these kinds of services is increasing. Although some service innovations may not generate immediate profits, they would create a long-term positive image for the industry and would attract new and regular clients.

The implementation of such a regime would require increased professional training for taxi drivers, both at the entry level and as upgrading for experienced drivers. Key to the success of an expanded industry are the professional development of both individuals and taxi companies, greater cohesion within the industry, standardized service among the companies, enhanced individual responsibility and a receptiveness to new ideas and business opportunities.

This kind of expansion of services is essential in order to create financial stability within the industry. One of the problems faced by the industry is that they are in direct competition with other transit services that are heavily subsidized. Bringing new services to a variety of consumers will help them compete more effectively.

Implementation of services that are designed to be integrated into the public transit system will of necessity involve both consultation and coordination. It could be that trial runs or pilot projects could be undertaken in conjunction with the MCC, the industry, and public transit authorities. The Greater Vancouver Transit Authority (GVTA) or TransLink will be running one such pilot project in the South Surrey area. Section 5 of the *Greater Vancouver Transportation Authority Act* allows the Authority to approve “independent transit services.” In meeting with the GVTA it was clear that they are only in the preliminary stages of conceptualizing such services. The involvement of the taxi industry would necessitate consultation with both the GVTA and the MCC in order to avoid any potential conflict.

There is some reluctance on the part of public officials responsible for transit to contract with taxi firms. The industry has been slow to make innovations and accept new service standards. This has damaged its image. As a result public officials and transit operators have been hesitant to include the industry in its public transportation planning. However there is some indication that this attitude is beginning to change. There are many different options available for public-private partnerships that fit well into the existing institutional infrastructures of both the public bodies and the private providers. Contracts can be fashioned in a number of different ways and experimentation can take place to find those mutually beneficial partnerships that will ultimately increase access to transportation for the public.

## **Recommendations**

- 5. In order to allow the industry to move from the “exclusive ride” concept (i.e. a single individual going to a particular destination) to a more flexible regime that includes “shared rides,” we recommend that Sections 70 and 71 of the *Motor Carrier Regulations* be amended to provide for shared rides and a variety of fares.**
  
- 6. We further recommend the inclusion of the taxi industry in the planning of public transportation. This could include pilot projects to establish the best way to implement service innovations such as services to people with disabilities or to seniors at a lower cost to consumers.**

## **Financial Disclosure**

During our review we repeatedly heard that full financial disclosure – especially in regard to income – is not made. Several reasons were given for this. Larger companies argued that while they could supply financial statements for their part of the operation, the very nature of the industry, in which each car is essentially an independent business with one or more partners, makes full financial disclosure impossible. Shareholders or owner/operators stated that without a method of ensuring the accuracy of metered trips, there was no way to ascertain with any degree of accuracy the actual income of any given driver on any particular shift. These issues are almost unique to the taxi industry. The inability of an industry that is quasi-public to collect and analyze its own financial data is in part responsible for some of the financial problems it has experienced. It certainly makes it very difficult for the regulatory body to determine the need for fare increases. This is borne out in the response of the Motor Carrier Commission to the industry’s application for an increase of 19% in 1997.

In ruling on their application, in *Order No. 70-98*, dated 4 August, 1998, the MCC noted that the “. . . taxi industry in the Lower Mainland does not have adequate financial information to support the tariff requests made to the Commission.” (p. 2)

This observation was reinforced in a review of taxi fares in the Greater Vancouver Region undertaken for the MCC by Transportation Solutions, Ltd., in March 1998. It notes: “*At best, the Commission could hold a complete set of financial reports which are unaudited and would be unreliable because of the likelihood that they contain non-arm’s length or non-market-based transactions and the likelihood that they fail to reflect all cash revenues generated.*” (p. 16)

Accurate information is essential to the formation of public policy. In this instance the MCC is charged with the responsibility to set fares. The fare structures must reflect a



balance between fair and reasonable taxi fares and an adequate rate of return. An adequate rate of return is not only essential in terms of personal incomes but also important in terms of safety and quality of service.

The current *Motor Carrier Act and Regulations* provide the MCC with the necessary statutory authority to demand the financial information essential for sound public policy. This includes the statutory authority to demand information required to track all trading of shares and licenses. Section 16(1) of the *Act* requires the motor carrier to answer requests for information from the Commission. Section 16(3) requires production of documents related to the business of the motor carrier. Part 12 of *Regulation 59/59* requires records to be kept for three years and Part 12.3 requires a daily record of revenue and expenses. Financial information and statements should be forthcoming from the following sources: dispatch company, owner-operator, shareholder and driver.

Until the most recent application for a fare increase, the MCC did not demand financial information from the industry. It argued that it does not have the experience or resources to digest this information. However in *Order No 70/98*, the MCC moved from that position and stated that no fare increase would be given until adequate financial information is provided. We support this change in position on the part of the Commission.

We believe that an automatic review of fares should take place every two years. To facilitate that process there must be a standard form developed to collect the financial information requested by the MCC from all those who fall within the jurisdiction of the *Motor Carrier Act*. Inherent in this recommendation is the understanding that all future increases will be tied to the provision of adequate financial statements.

In *Order 70/98*, the MCC encouraged the taxi industry to employ new technologies in their vehicles in order to generate better internal management and receipt information, the

cost of which could be offset with an appropriate fare increase. The industry repeatedly told us that such technologies presently exist – specifically the Global Positioning System (GPS) and meter receipts. Once again we support this policy choice. Discussion between the MCC and industry in regard to the acquisition of new technologies that will enable it to exercise greater management and financial controls should be undertaken in conjunction with the periodic fare reviews. In addition, those taxi companies who undertake the new technologies along with new financial accountability should be given preference in the tendering of public contracts.

### **Recommendations**

- 7. We support the position of the Motor Carrier Commission in *Order 70/98* that any increase in fares be subject to full financial disclosure from all persons falling under the jurisdiction of the *Motor Carrier Act*.**
- 8. We further recommend that the industry move toward employing the technologies of the Global Positioning System (GPS) and metered receipts in order to facilitate financial accountability (as per *Order 70/98* of the Motor Carrier Commission) and that the costs incurred be offset by a targeted fare increase.**
- 9. We further recommend that the Motor Carrier Commission and the industry work together to develop standard procedures and documents in order to facilitate this process of fuller financial disclosure.**

## **Employment Standards**

Over the last two years the Employment Standards Branch and the Taxi industry have negotiated exceptions to the *Employment Standards Act*. The exceptions are similar to those that exist in the trucking industry.

*B.C. Order-in-Council 1110 (July 30/98), B.C. Regulation 270/98* exempted the industry from maximum hours of work (Section 35) and the overtime provisions (Sections 40-42). Taxi drivers may work 60 hours per week with no daily overtime or time-and-a-half weekly overtime. Double time commences after 60 hours. (The *National Safety Code* states that drivers are not permitted to work more than 60 hours over a seven day cycle or 80 hours over an eight day cycle).

Under the provisions of the agreement, a taxi driver who is simply a driver rather than a shareholder or owner-operator must be paid at least minimum wage for all hours worked, averaged over a monthly basis. The employer is obligated to “top up” wages if the driver receives less than the minimum wage from fares. A taxi driver who leases a vehicle is entitled, averaged over a month, to minimum wage for all hours worked, as well as being entitled to the amount of the lease payment and any other costs associated with the operation of the taxi including insurance.

These standards, in spite of being negotiated with the industry, are widely ignored. The industry offers several arguments as to why this might be so. Its first argument is economic. It states that there simply isn't the money available to meet the minimum legal requirements.

Second, the industry attempts to employ a legal argument – that the drivers are independent contractors not employees. Drivers, as drivers, (as opposed to owner-operators or certain long term lease operators) are not independent contractors but

employees, as the Employment Standards Tribunal has found; or has been determined at common law (Castlegar Taxi 1988 Ltd.) 84 DLR (4<sup>th</sup>) 148. This is also our own conclusion especially in the situation of a driver who is employed on the basis of a “daily rental” or “daily lease.”

Third, the industry attempts to employ a moral argument, connected to the second argument. As independent contractors, they argue, the drivers are entrepreneurs and therefore must accept economic risk. If they earn less than minimum wage that is the risk they have undertaken.

In our view, the industry has downloaded the risk entirely upon the driver. The driver, of course, has the least amount of power in the taxi industry. Taxi drivers like other employees typically do not file complaints with Employment Standards (80% of complaints filed by employees with Employment Standards are filed after they have left their employment). Taxi drivers feel that if they complain they will not be given the opportunity to drive cars in the future.

It is clear from our research that if and when the Employment Standards Branch conducts audits of taxi companies, it is very likely that most, if not all, will not be in compliance. If the process is only complaint driven, most of the industry will continue to be in a state of non-compliance. It is our view that there should be periodic and random audits of taxi companies in order to ascertain compliance with employment standards legislation. Those found not to be in compliance should be refused access to the tendering of provincial (e.g. Handi-Dart) contracts until they have fulfilled a period of compliance from six months to one year.

## **Recommendations**

- 10. We affirm the exceptions to the *Employment Standards Act* negotiated by the industry and the government.**
- 11. We recommend that there be periodic and random audits of taxi companies in regard to employment standards compliance.**
- 12. We further recommend that those companies found not to be in compliance be barred from access to the tendering of provincial contracts until they fulfil a period of compliance from six months to one year.**

## II. Regulatory Scheme

### Single Regulatory Board

Regulation in the transportation industry has been undergoing significant change in recent years. Deregulation in some sectors such as trucking has meant a change in the role of the Motor Carrier Commission. We believe these changes provide an opportunity to review the role and structure of the Commission especially as it pertains to the taxi industry. Many in the industry complained about the Commission. In part this stems from the emphasis on licensing and enforcement that has been the Commission's traditional role. We envision an expanded role for the Commission which includes planning and policy direction. In order to implement this, we are recommending that a separate Taxi Division be established within the Commission that is responsible for establishing minimum standards and the licensing of all taxis in British Columbia.

While the *Motor Carrier Act* currently has jurisdiction over most taxis in the province, there is an exception for taxis operating exclusively in a municipality (see definition of "limited passenger vehicle" in the *Act*). Some municipalities license and regulate taxis, however many do not. In our discussions with municipalities, many welcomed and relied upon the involvement of the Motor Carrier Commission. Most would prefer that all licensing be regulated through the MCC and that their involvement be limited to an advisory capacity. However a few municipalities take an active interest in the taxi industry and have in our view had a positive impact on the industry. The best example of a municipality that has taken an active role in regulation to the benefit of the industry is the City of Vancouver. The City of Surrey, as well, is beginning the process of upgrading industry standards in their municipality.

The central problem for the industry is the existence of separate regulatory schemes imposed by the province, municipalities, and perhaps in the future, the GVTA (TransLink). This has resulted in certain companies being required to follow the *Motor Carrier Act* while leaving others exempt from the *Act* – for example municipally licensed companies. These companies are also exempt from the safety requirements of the *Act* unless the municipality has enacted bylaws, and most municipalities do not. As a result a patchwork of regulations has developed that undermines the entire regulatory scheme and creates an environment in which one company has to bear the costs of meeting safety and other regulatory requirements while another company has neither those costs nor fixed fare rates. Consequently the unregulated company may institute a form of ruinous or destructive competition. The industry recognizes this problem and want to see this municipal exemption eliminated. They also – with the notable exception of the Vancouver Taxi Association – want all forms of municipal regulation ended.

The current *Municipal Act* (Section 681) allows municipalities to regulate carriers. The *Vancouver Charter* (Section 317) allows the City of Vancouver to regulate carriers. As well Section 5 of the *Greater Vancouver Transportation Authority Act* allows the GVTA to license “independent transit services.”

We have concluded that there should be a single regulatory Authority for the licensing and regulation of taxis and that Authority should rest within a separate Taxi Division of the Motor Carrier Commission. Therefore the Municipal exemption ought to be deleted from the definition of “limited passenger vehicle” within the *Motor Carrier Act*.

However we also see a benefit in municipal or regional participation where those statutory bodies decide in favour of regulation. The City of Vancouver has long been a positive influence in the improvement of service standards in the City of Vancouver. Therefore we would *not* seek to amend either the *Municipal Act* or the *Vancouver Charter*. Each would retain their authority to license and regulate. However any licensing would require the

added approval of the Motor Carrier Commission which would have ultimate authority over licensing and therefore over the imposition of minimum standards on the industry. Further, regulations concerning quality of service and safety could be enacted by municipalities or regional bodies if they would have the effect of imposing standards higher than those imposed by the Province. This would also include enforcement. Finally, the MCC should not, except in rare circumstances, issue a license in any municipality without that municipality's consent.

### **Recommendations**

- 13. We recommend that there be a single regulatory Authority for the licensing and regulation of the taxi industry. We further recommend that the structure of the Motor Carrier Commission be changed to include a Taxi Division charged with licensing and regulation as well as policy and planning.**
- 14. In order to establish minimum standards for the industry, we recommend that licensing through the Motor Carrier Commission be required for all taxis operating in British Columbia. Thus we recommend that the municipal exemption be deleted from the definition of "limited passenger vehicle" within the *Motor Carrier Act*.**
- 15. We further recommend that municipalities continue to be allowed to license and impose higher standards on those taxis licensed to operate in their jurisdiction by the Motor Carrier Commission. However, municipal licensing would require the additional approval of the Motor Carrier Commission.**
- 16. We further recommend that – unless exceptional circumstances exist – no licenses be issued by the Commission within municipalities without the approval of the affected municipality.**



## **Structure and Function of Commission**

### Advisory Committee

We see the establishment of an Advisory Committee as essential to the restructuring of the Commission. This committee would have no role whatsoever in the approval or disapproval of applications or in the adjudication of disputes. Its primary role would be to advise the Commission on future policy directions that the MCC, in conjunction with other bodies, might undertake. The Advisory Committee would, for example, have a significant role in planning the mandatory training program.

The members of the committee should be drawn from the broad range of stakeholders interested in the various issues related to public transportation. For example it might include members of the industry, BC Transit, the Greater Vancouver Transit Authority, the Union of B.C. Municipalities and ICBC in a discussion of public transportation planning. Therefore this advisory body would be a significant vehicle for involvement of the industry in the MCC and for both to be involved with other private and public bodies.

We believe there is a special role for ICBC in regard to the Advisory Committee on several issues – including enforcement, insurance rates, public complaints, and driver training and safety. We believe there should be an ongoing discussion between the MCC, ICBC and the industry on these issues.

### **Recommendation**

**17. We recommend that an Advisory Committee be established to work with the Taxi Division on matters of policy and planning. Such a committee should include representation from the industry, regulatory bodies, municipalities, regional districts and other stakeholders.**

### Investigation Report

Currently, the original application for a license is approved or denied by the Commission based upon an investigative report filed by a Motor Vehicle Department inspector. A member of the Commission reviews the report prior to his/her decision. A copy of the report is not given to the applicant prior to the Commission's decision.

It is our view that all applicants should be given a copy of the investigative report and further that they should have the opportunity to make submissions in regard to that report prior to the Commission's decision.

### **Recommendation**

**18. We recommend that all applicants for a Motor Carrier Commission license be given a copy of the investigative report submitted by the Motor Vehicle Department, and that they have the opportunity to make submissions in regard to that report prior to the Commission's decision.**

### Reconsideration and "Leave to Appeal"

Section 54 of the *Motor Carrier Act* sets out the Commission's reconsideration process. The reconsideration of a decision is permitted either on the grounds of new evidence, or in cases where the original decision was inconsistent with the *Act* or *Regulations*. (The Commission states that these grounds were adopted from the Labour Relations Code.) A panel of three or more members of the Commission must sit on the Reconsideration Panel.

It is our view that both the "*leave to appeal*" and reconsideration process should be revised and their procedures brought into line with those of other administrative tribunals. Section 54(1) sets out the "*leave to appeal*" process. We think the current grounds of appeal should be maintained for any applicant, but the requirement to obtain *leave to*

*appeal* should be deleted. Further the appeal provision should apply not only to a *Decision* but also to any *Order* or *Direction* of the Commission.

Second, the requirement in Section 54(1) for three or more persons to sit on the appeal panel ought to be deleted. Section 54(2) should be deleted. Appeals should not be limited simply to the issue of licensing. Reference in Section 54(3) to *leave to appeal* should be deleted. The time a respondent under Section 54(5) has to reply should be extended from five days to fourteen. Section 54 (6) should be altered to include not only a *Decision* of the Commission but also an *Order* or *Direction* of the Commission. Section 54(10) should be deleted.

Section 33 prevents the Chair of the Commission from appointing members of the Commission to the Reconsideration Panel. Section 34 states that a member is approved by the Lt. Gov. in Council (Cabinet) to sit on the Reconsideration Panel and that they have jurisdiction only in regard to reconsideration applications.

We believe that the Reconsideration Panel should be integrated into the Commission. Further, the Chairperson of the Commission should be able to set the number of panel members and appoint the Panel in regard to any particular application for review.

Most administrative tribunals have the power to reconsider their own decisions – amend, vary, rescind or reconsider (See Section 47 of the *Motor Carrier Act*). For example, the Utilities Commission has such powers (which this statute relies upon) and the Labour Relations Board has such powers (upon which these reconsideration powers were based). Like other tribunals, the Motor Carrier Commission will need the ability to discuss policy – indeed, a wide range of new policies given the future changes that will affect the industry, some of which are anticipated in this report. The ability to discuss and formulate such policy and to ensure the independence of all members of the Tribunal was established

in two Supreme Court of Canada decisions: *Consolidated Bathhurst v. IWA, Local 2-66* (1990), 1 S.C.R. 252; and *Tremblay v. Quebec* (1992) 1 S.C.R. 952.

## **Recommendations**

- 19. We recommend that the “leave to appeal” provisions be deleted.**
  
- 20. We recommend that the grounds on which an appeal can be made be expanded from only the issuing of licenses to all *Decisions, Orders and Directions* of the Motor Carrier Commission, and that the time respondents have to reply to an appeal be extended from five to fourteen days.**
  
- 21. We further recommend that the Reconsideration Panel be integrated into the Commission, and that the Chairperson have the authority both to set the number of panel members and to appoint the panel in regard to any particular application for review.**

## Members of the Commission

The industry has requested that representatives directly from the industry be included among the Commission members, and further that these industry members should also represent different regions of the province. This model has worked successfully at the Labour Relations Board for some 25 years. However, an important consideration is the potential for conflict of interests among the members directly appointed from industry. This can be managed by the Chairperson through his/her appointments to particular applications.

We see the Greater Vancouver Transit Authority (TransLink) as presenting a new opportunity and challenge for the industry. It will have jurisdiction over transportation issues in the Lower Mainland. We have already noted the importance of the GVTA’s involvement in the new advisory committee to the MCC. However we think it equally important that representatives be nominated from the GVTA to the Commission itself.

Further these GVTA representatives to the MCC ought to be among the MCC members who hear applications originating in the Lower Mainland

### **Recommendation**

**22. We recommended that a certain number of the members of the Motor Carrier Commission be appointed directly from the industry and also be representative of different parts of the province.**

**23. We further recommend that representatives from the Greater Vancouver Transit Authority (TransLink) be appointed to the Commission and be among those members hearing applications originating in the Lower Mainland.**

### Motor Carrier Commission Resources

The establishment of a Taxi Division, along with its increased jurisdiction and its increased involvement with the industry and other stakeholders, will require a further increase in staff and resources. The Commission is persuasive in arguing that present funding levels do not enable it to meet even its current obligations. If the Commission is to oversee not only the existing industry, but the changes necessary to ensure future stability and high standards of service, it is vital that it have the resources to carry out its mandate.

### **Recommendations**

**24. We recommend that the Taxi Division of the Motor Carrier Commission be provided with the resources necessary to adequately carry out its obligations.**

## **Jurisdiction of Commission**

### Penalties and Enforcement

Section 3 of the *Motor Carrier Act* sets out a general prohibition restricting all persons from operating a taxi (as well as other motor carriers) in the Province of British Columbia unless they are licensed by the Motor Carrier Commission. Section 10 of the *Act* gives the Commission the power to review, suspend or cancel licenses for breaches of the *Act* or *Regulations*. Sections 55 and 56 of the *Act* set out offences (56) and penalties (55) under the *Act*. However these penalties are applicable only upon “conviction.” This means the offence must be prosecuted in the Courts.

Several issues arise in regard to Sections 3, 10, 55 and 56. First, the MCC has not enforced the *Act* against unlicensed carriers. For example a taxi company may be operating legally within a municipality, but transporting passengers outside municipal boundaries unlawfully. Municipalities, as well as others, have traditionally viewed this violation as the responsibility of the MCC.

Section 3 is written in broad terms and does in fact apply to such motor carriers. However since the enforcement for such violations arises in Court under Sections 55 and 56 (Section 10 applies only to licensed carriers), prosecutions are rarely pursued. Indeed such violations have little priority for police. Second, the penalties are low – a maximum fine of \$500 for a first offence and \$1,000 for a second offence – and are considered simply as the cost of doing business. Third, requiring a different forum (the Courts) to deal with enforcement and penalties has effectively marginalized the Commission as a regulator responsible for enforcement.

In our view the MCC should have the jurisdiction to adjudicate violations under its own constituent statute. This is the current model of most administrative tribunals. Thus *Section 55(1)* should delete the words “*on conviction*” and replace them with the

following or similar words, “. . . is liable for any such breach of this Act, Regulations, or Order and the Commission may: (a) . . . .

(b) . . . .”

As well, the penalties for offences need to be high enough to act as a deterrent. It is our view that the maximum penalty for a first offence should be increased from \$500.00 to \$5,000 and for a second offence from \$1,000 to \$10,000. The minimum penalties in each case ought to be maintained.

Finally, a new Subsection, “(h),” ought to be added to Section 56 and read, “(h) not being a holder of a license under this Act, operates a Motor vehicle at any time on a highway for the purpose of transporting passengers for compensation.” This would clearly buttress Section 3 by creating a specific offence (monetary) to deal with unlicensed operators.

## **Recommendations**

**25. We recommend that the Motor Carrier Commission be given the jurisdiction to adjudicate violations under its own constituent statute rather than having to rely on the Courts for prosecution. Thus Section 55(1) should delete the words “on conviction” and replace them with the following or similar words: “. . . is liable for any such breach of this Act, Regulations, or Order and the Commission may . . . .”**

**26. We recommend that the maximum penalty for a first offence be increased to \$5,000 and to \$10,000 for a second offence. The minimum penalties in each case ought to be maintained.**

**27. We affirm the jurisdiction of the Commission over all vehicles used to provide a taxi service whether or not they are licensed by the Commission. In order to make this clear, we recommend that a new Subsection (h) be added to Section 56 and read “(h) not being a holder of a license under this Act, operates a Motor vehicle at any time on a highway for the purpose of transporting passengers for compensation.” This would entitle the Commission to impose monetary penalties on all unlicensed operators.**

#### Incorporation of Utilities Commission’s Powers

Section 31(2) of the *Motor Carrier Act* incorporates the powers of the *Utilities Commission Act* in regard to public utilities into the Motor Carrier Commission in respect of motor carriers. This is an old legacy resulting from the days when the Utilities Commission regulated motor carriers. The Commission requested that the *Motor Carrier Act* be updated to include a listing of its own jurisdictional powers rather than by reference to another statute. This housekeeping amendment is therefore recommended.

#### **Recommendation**

**28. We recommend that the *Motor Carrier Act* be updated to include a listing of its own jurisdictional powers rather than being incorporated by reference to the *Utilities Commission Act, R.S.B.C. 1996 c. 473.***



## Protocol Agreement on Process: Sections 32 and 39 of the *Motor Carrier Act*

Section 39 of the *Act* sets out the jurisdiction of the MCC. The Commission has extensive regulatory powers and has the ability to set the basic public policy governing motor carriers in the province.

Section 32 of the *Act* makes the MCC subject to a “general directive” of the Minister in respect of its “powers and functions.” It also permits the Minister to request the Commission to hold hearings and conduct investigations and to report the result of such hearings and investigations to the Minister.

There are both overlapping and complementary roles between the MCC and the Ministry of Transportation and Highways in regard to the development of public policy. We therefore recommend that the Ministry and the Commission develop a protocol agreement that outlines their respective roles as they relate to Sections 32 and 39 of the *Motor Carrier Act*.

### **Recommendation**

**29. We recommend that the Ministry of Transportation and Highways and the Motor Carrier Commission develop a protocol agreement that outlines their respective roles as they relate to Sections 32 and 39 of the *Motor Carrier Act*.**

### **III. Safety and Service Issues**

#### **Driver Training and Certification**

The only standardized training available in the province is provided through the TaxiHost Program. This program was initially created through the Greater Vancouver Taxi Partnership which included representatives of the taxi industry, the tourism industry, the Motor Carrier Commission, the Vancouver International Airport Authority, the Pacific Rim Institute of Tourism, the Insurance Corporation of British Columbia, and municipal and provincial government agencies. It is operated through the Pacific Traffic Education Centre located at the Justice Institute of B.C. The Host program was initially planned to provide four levels of training for members of the taxi industry: Level One – Driver; Level Two – Professional; Level Three – Certified; and Level Four – Taxi Guide. Thus far only the first two levels of training have been implemented.

Level One has been mandatory in both the City of Vancouver and for drivers operating with Airport Licenses since 1997, but is still voluntary in other municipalities in the Lower Mainland. The Centre estimates that virtually all of the 3,700 drivers in the Greater Vancouver Regional District have completed Level One training. Level One curriculum includes *SuperHost for Taxicab Drivers*, *Road Sense Driving*, and *Taxi Industry & Local Knowledge* (geography of the region).

Level Two training became mandatory in Vancouver and at the Airport as of April 1 of this year. Level Two training includes *Taxicab Driver Safety*, *Assault Avoidance*, *Driving with Finesse*, *Serving Customers with Disabilities*, and *Advanced Geography*.

The Centre's own evaluations suggest a high degree of satisfaction with all aspects of the program. However, the responses we received from our questionnaires and interviews raised concerns about both the content of the program and its cost effectiveness for

participants. It is significant, however, that the strongest criticism came from those who have not participated in the training and who were therefore essentially disputing the effectiveness of any training. Some respondents felt that Level One training was valuable, but that the curriculum for the Level Two training needed to be expanded to include more new material. Generally all stakeholders in the training program, including the Justice Institute, would like to see the program revised and expanded with participation in program design that includes the industry as well as other stakeholders.

The *Motor Carrier Act* gives the MCC the statutory authority to deal with the conduct of drivers (Section 17 and 39 4(j) of the *Act*). Part 6.1 of the *Motor Carrier Act Regulations* (B.C. Reg. 252/94), specifically Sections 50 and 51, give the MCC the power to regulate the conduct of drivers. Therefore the MCC does have the jurisdiction and power to deal with training standards for drivers.

In our view, the TaxiHost program should be expanded and made mandatory for all taxi drivers in British Columbia. The design and implementation of the program should be the responsibility of an Advisory Committee that includes industry, regional representatives and educators. The committee must ensure that training is delivered in a manner that is efficient and effective both in terms of cost and time for participants. It is essential that the training program be easily accessible for drivers throughout the province; this can be best accomplished through the collaboration of the Justice Institute with Contract Training & Marketing (CTM), an arm of the provincial college system with expertise in the delivery of province-wide training programs.

It is clear that high quality training will benefit the public. Such training will benefit drivers as well by lowering accident rates and therefore insurance claims and costs, and by increasing customer satisfaction, thereby increasing ridership and tips. In addition, by including a criminal record check as part of the program's certification procedure, the

need for individual chauffeur's permits in each jurisdiction – a source of unnecessary red tape for drivers – is eliminated.

At the same time it is also apparent that training must be highly relevant to the drivers' actual experience and needs in order for them to buy into the program. It must also be available locally for drivers throughout the province and delivered at a cost that is affordable. Currently drivers bear the entire cost of the training. While we cannot mandate that companies bear the cost of training, we do recommend that wherever possible companies do so, and that the possibility of incentives for the companies who incur training costs be investigated.

We also see a need within the industry for the training of managers and owners of taxi companies in areas of financial accountability, regulations, legal concerns, employment standards and liability matters. Such training could be offered in conjunction with the driver training program or as a separate course of study.

### **Recommendations**

**30. We recommend that the Advisory Committee expand and enhance the current TaxiHost program.**

**31. We further recommend that certification through this program be made mandatory for all drivers in the province, and that the training be provided in ways that are both convenient and cost-effective for drivers (i.e. community colleges throughout the province).**

**32. We recommend that a criminal record check be required for driver certification thus eliminating the need for individual chauffeur's permits in different jurisdictions.**

**33. We recommend that the possibility of financial incentives for companies who bear the cost of training for their drivers be investigated.**

**34. We further recommend that training be offered for managers and owners of taxi companies. Such training should focus on issues pertaining to financial accountability, regulations, legal concerns, employment standards and liability matters.**

### **Services for People with Disabilities**

In the course of our consultations we heard complaints from many industry representatives about subsidized services such as Handi-Dart for seniors and people with disabilities. Many in the industry feel that they can deliver this service more efficiently and at less cost. Organizations that represent this sector of the population agree on the importance of taxi service to their constituent groups. In their submission to this study, the B.C. Coalition for People with Disabilities points out:

*“Only taxicabs are available for spontaneous bookings 24 hours a day, 7 days a week. In most areas, taxicabs provide the vital link, necessary in the existing transportation network, to adequately service people with accessible transportation needs in rural and urban British Columbia.”*

However submissions both from this association as well as the Advocates of Sight Impaired Consumers make it clear that the industry has some way to go both in ensuring the comfort and safety of people with disabilities and in providing quality service. Problems exist with equipment, with unskilled and/or insensitive drivers, and with

communication and safety. The B.C. Coalition of People with Disabilities provided us with a detailed list of recommendations and problem areas which are included as Appendix D.

We strongly endorse those recommendations which address, among other issues, systemic barriers; vehicle design, maintenance and availability; and driver training – especially in the areas of communication and sensitivity to the needs of people with disabilities. (See Appendix D).

### **Recommendation**

**35. We affirm the position of the industry that service to people with disabilities is an important component of the industry and one that should be expanded. We therefore recommend that the issues raised by the B.C. Coalition of People with Disabilities in their submission to this Panel be addressed by the Motor Carrier Commission and the industry. We specifically recommend that issues of driver training and sensitivity be addressed as part of the mandatory driver training program (see Appendix D).**

### **Driver Safety**

One striking result of the responses to our questionnaire was the extraordinarily high percentage of drivers who reported that they have been victims of violence while driving their taxis. This was a finding that was consistent among both rural and urban drivers. The violence ranged from pushing, shoving and punching, to severe beatings, armed robbery and stabbings. Many Lower Mainland drivers referred to the recent stabbing death in Vancouver of one of their colleagues. This is clearly a source of great anxiety for drivers, and clearly has an impact on both the quality of service and financial implications for the industry. It is difficult to attract and retain trained and qualified employees in an industry where violence is a routine feature of the workplace.

In 1998 the Office of the Attorney General of British Columbia established a Taxi Drivers Task Force whose mandate was, in part, to identify strategies for prevention of violence to public transportation workers. In their research they found that no single strategy would ensure driver safety. Rather some combination of education, technology and communication with law enforcement agencies is required. Among their recommendations they propose several steps leading to the formation of Implementation Groups who would review the options identified by the Task Force and introduce the strategies that would be most effective in their communities. They point out that these could include education and training for drivers, dispatchers, police and the public; equipment; and communication and legislative changes to clarify procedures between drivers and the various enforcement agencies.

There are several devices available that could increase driver safety. One such device is a shield or barrier between the back and front seats of the taxi. Many drivers feel this is not an adequate solution. In compact cars such shields would take up already inadequate leg room for the passenger, and as well, would impair the driver's ability to act as a guide for tourists or for the tourist to enjoy an unimpeded view of the local scenery and landmarks. Representatives of the Vancouver Taxi Association suggested the installation of cameras in taxis like those employed in stores and banks. Another alternative would be the use of a flashing alarm light on top of the car. It was also suggested that the use of the GPS (Global Positioning System) would be helpful, especially for drivers in isolated or rural areas where a device like a flashing light would be of little use. As well, training drivers to recognize situations in which they are especially vulnerable and strategies for dealing with those situations can help to minimize their danger. Some of that training is already available, and could be expanded.

## **Recommendations**

- 36. We endorse the recommendations of the Taxi Drivers Task Force. We encourage the implementation of strategic devices to ensure driver safety including such technologies as barriers, cameras and lights. We note that the Vancouver Taxi Association is recommending that taxis be equipped with cameras. We also favour the use of cameras in taxis, but we recognize the necessity, as stated by the Task Force, for local decision-making on all aspects of driver safety.**
- 37. We recommend that in cases where safety strategies involve a cost to the company, such costs be included in a targeted fare increase.**
- 38. We further recommend that a timeline be developed to ensure that safety measures are in place within the year.**

## **Vehicle Safety**

### Inspection and Enforcement

Taxis are required to be inspected under Division 25 .01, Parts (1) & (2) of the *Motor Vehicle Act Regulations* and meet the standards of repair as prescribed under Section 215.1 of the *Motor Vehicle Act*. Further, under the *Motor Carrier Act Regulations* #2, Part 6.1, *General Regulations*, Section 52 (c), Maintenance of Vehicles, every licensee must ensure its vehicles are in safe operating condition and must arrange for regular inspections by a competent inspector or mechanic.

Under Division 37 of the *Motor Vehicle Act Regulations*, taxis operating under a Motor Carrier License must meet the standards prescribed in the National Safety Code including pre-trip inspections, post-trip inspections and mechanical fitness. This section does not apply to taxis operating under a municipal exemption where the municipality does not require compliance under a bylaw.



Taxis operating under the guidelines of the Commercial Vehicle Inspection Program (CVIP) are required to have their vehicles inspected at a minimum every six months. Failure to complete and pass the inspection results in the vehicle's ICBC license being removed from the vehicle until such time as the vehicle complies with the requirements of the CVIP.

Enforcement measures such as license suspensions and show cause hearings create hardship and expense for the industry. Experience has shown that a preventive maintenance program will in the long run save a company both time and money by reducing the incidence of such enforcement measures. We propose that all taxi companies operating in British Columbia be required to develop and annually file a description of a preventive maintenance program. The standards for such a program should be set by the MCC in conjunction with the Advisory Committee and should at a minimum include:

- a) frequency in kilometres that their vehicles receive a grease job;
- b) frequency in kilometres that their vehicles receive a minor and major service, and inspection criteria used by the shop performing the work to ensure good mechanical order of components;
- c) basis by which the company maintains service and mechanical work records on all cars;
- d) the methods the company employs to ensure a proper pre-trip and post-trip inspection is carried out daily by the drivers.

We further propose that the inspection frequency for vehicles be increased to a three-month period from a six-month period. However in order to provide an incentive for those companies who comply with the requirements of the preventive maintenance program, we also propose that companies who file an acceptable preventive maintenance

plan, and whose vehicles pass their inspection the first time, move to the six-month schedule for their inspection.

Companies that fail to file the preventive maintenance program or whose vehicles fail the CVIP inspection would be required to re-inspect again in 30 days. Each failure thereafter would require another inspection in 30 days until the vehicle passes inspection. After passing, the car would then be required to have a CVIP inspection in three months. Once the car passes the three-month inspection, and meets the filing requirement for preventive maintenance, the six-month inspection interval would be applied.

Public contracts, such as those for Handi-Dart services would be reserved for those companies who have successfully implemented a preventive maintenance program. Companies that fail to do so would not be permitted to bid on any provincial contract.

### **Recommendations**

**39. In order to enhance public safety while decreasing costs for the industry, we recommend that the frequency of inspection be increased to every three months from every six months.**

**40. We further recommend that an incentive program be put in place whereby a taxi that passes inspection and is part of an approved preventive maintenance program, may increase the interval between inspections to six months.**

### Inspection Facilities

We heard many complaints during the course of the study about the lack of uniformity of standards among designated inspection facilities. Given its role in enforcement, it seems appropriate that ICBC should establish standards for inspection, and should research and license provincial facilities that would be given the exclusive right to inspect taxis.

### **Recommendation**

**41. We recommend that ICBC review the performance of licensed inspection facilities and restructure their licensing process to include only those facilities that can ensure quality of service and uniform standards.**

### Vehicle Criteria

We also heard complaints about the implementation of formulas that rely on vehicle age to determine its suitability for use as a taxi. Industry representatives argued that a car's condition is determined by usage and maintenance rather than by the years it has been on the road. They pointed out that taxis in different regions may be operated in different fashions. Some are driven 24 hours a day, 7 days a week; others may only be used 8 – 10 hours, five days a week. We agree with the industry on this point and believe the Motor Carrier Commission and the Advisory Committee should work with the industry to produce a viable formula that judges the fitness of a vehicle on the basis of mileage rather than age.

### **Recommendation**

**42. We recommend that assessment of a vehicle's fitness for service as a taxi be based on mileage and condition rather than the age of the vehicle.**

## VI. Other Recommendations

### Traffic Flow Issues

Drivers, especially those who operate in the Lower Mainland, had many complaints about impediments to their ability to perform their duties. Drivers believe that they are not allowed to use HOV lanes when they have no passengers. *Motor Vehicle Act Regulations* (B.C. Reg. 26/58 42.02 and 42.03) do allow drivers to use the HOV lanes either when transporting passengers or when driving empty.

Drivers in Vancouver feel harassed by municipal parking enforcement officers. They frequently are ticketed for dropping off or picking up passengers in no-stopping zones. Many times there are circumstances – the passenger is elderly, or just leaving hospital – where moving the taxi to a legal parking place is unrealistic. One driver pointed out that at the same time that drivers are being expected to increase their sensitivity to the needs of their elderly or disabled passengers, they are being punished for doing so. Drivers also want access to transit lanes and the right to load and unload passengers at bus stops. While we cannot recommend the use of transit lanes and bus stops, we do recommend that taxis be allowed to use no-stopping zones for picking up and dropping off their customers.

An issue for consumers is the current difficulty of obtaining taxi services during the shift change period of 3-4 p.m. Drivers use this time to fuel their vehicles and to do pre or post shift maintenance checks, so the time lag for getting the cars on the street can be considerable. We recommend taxi companies review their shift change procedures and attempt either to stagger shift changes or move them to an earlier or later time.

## **Recommendations**

- 43. We affirm the right of taxis, with or without passengers, to use HOV lanes.**
- 44. We recommend that taxis be allowed a reasonable amount of time in no-stopping zones to load and unload customers without being ticketed.**
- 45. We recommend that taxi companies restructure their shift change procedures in order to ensure an adequate number of vehicles on the road at all times.**

## **Taxi Association**

The establishment of a single unified entity with the authority to speak for the industry is essential to its ability to address the many issues that affect it. Various associations have been formed in the past, but have ultimately failed. Currently there are two associations that speak for the industry – the B.C. Taxi Association and the Vancouver Taxi Association. It was evident in our consultations that, while the two associations have different views on the issue of territorial boundaries, they have many common interests that are best served through a united front. We believe that the very real challenges facing the industry cannot be met through the work of individual companies or owners. The experience of Seattle where mandatory membership in an association has improved service and given the industry a measure of autonomy in dealing with some of its issues adds credence to our opinion.

We believe that such an association could play an important role in resolving issues with insurance rates, inspection standards and a central dispatch system. We also envision such an association as taking a lead role in the training and certification of drivers, the resolution of passenger complaints, appointments to the Commission and to the Advisory Committee and a role in public transportation planning.

## **Recommendations**

- 46. We recommend that the Motor Carrier Commission develop a regulation requiring mandatory membership in a province-wide taxi association for all companies operating in British Columbia. The structure of the association must allow for regional interests to be adequately represented. We note that these recommendation in no way precludes companies from forming additional associations (such as the Vancouver Taxi Association) to promote their interests.**
- 47. We further recommend that the association be consulted and represented in all planning and policy decisions.**
- 48. We further recommend that the association, in conjunction with the Motor Carrier Commission, be given joint responsibility for driver training and certification.**

## **Consumer Protection**

Several other jurisdictions have instituted a Passenger's Bill of Rights and Responsibilities for the consumers of taxi services. We believe that such a document prominently displayed in every taxi would accomplish two things – educate and reassure the consumer, and remind the driver of his/her obligations. This Bill of Rights should include a phone number that consumers who have a complaint could use to file a report.

Seattle has instituted a comprehensive complaint procedure for its taxi industry. Their taxis all display a phone number for the company as the first step in resolving problems. If the complaint is not resolved, it goes to the Taxi Association which has 24 hours to

respond to the complaint and ten days to resolve it. Unresolved complaints go to the city. The city's taxi licensing authority tracks complaints against individual companies and considers those numbers when reviewing licenses. We think a similar structure should be established in British Columbia, through ICBC as the enforcement body, perhaps structured in a manner comparable to the complaint line they currently operate for the trucking industry.

In order to make it easier for consumers to report accurately, each driver should have an identification tag, comparable to those currently in use in the City of Vancouver, prominently displayed inside the vehicle. The identification tag should include a number unique to each individual driver. This number should also be displayed in another location within the vehicle – for example on the inside back door or on the back of the front seat – and should use either Braille or raised lettering to make it accessible for sight-impaired passengers. As well all taxis should have their company name and car number painted in a prominent fashion on the exterior of their vehicles. Like the driver's identification number, car numbers should be unique to each individual vehicle.

## **Recommendations**

**49. We recommend that the taxi industry, through their association, develop a standard Passenger's Bill of Rights and Responsibilities to be displayed in every vehicle.**

**50. We recommend the implementation of a comprehensive complaint procedure for consumers and that the possibility of a complaint line sponsored by ICBC be explored through the Advisory Committee.**

**51. We recommend that a standard tag for driver identification be developed. The tag should include a number unique to the individual driver. The number should be clearly displayed on the tag and should also be located and displayed at another place within the vehicle where – through the use of Braille or raised lettering – it is easily accessible to sight-impaired passengers.**

**52. We further recommend that all taxis have their company name and car number painted in a prominent fashion on the exterior of their vehicles.**

### **Vancouver International Airport**

Drivers who operate out of the Vancouver International Airport have several areas of disagreement with the Airport Authority. The most common complaint we heard was around the issue of “short trips.” A driver often sits in the queue at the airport for an hour or two. It is the lucrative fare to downtown Vancouver or the suburbs that makes the wait worthwhile. If a passenger is only going a short distance – for example a \$5.00 trip to a local hotel – the driver has to return to the back of the queue for another long wait. Under the old rules, he would have been assured of another trip in a much quicker fashion by going into a “short trip queue” that cut the normal waiting time. However those rules have been changed and the “short-trip queue” has been eliminated. Drivers would like to see it reinstated.

Drivers also told us that they had received commitments from the Airport Authority to provide better facilities including better waiting areas, television screens showing incoming flights, and designated washroom facilities. Thus far those commitments haven’t been met, and drivers feel they are paying increasingly high fees without receiving much benefit.



The Airport Authority is a private jurisdiction, and like hotels it can negotiate terms with the taxi companies without reference to regulatory authorities. However we do see a benefit both to the companies and the consumers to create an environment in which drivers are fairly compensated for their time, and able to work in more comfortable circumstances.

### **Recommendations**

**53. We recommend to the Vancouver International Airport Authority that they reinstate “short-trip queues” in order to ensure that drivers can be adequately compensated for their time at the airport.**

**54. We further recommend that the Airport establish facilities for the convenience of its licensed taxi drivers within a reasonable length of time.**

### **Merit License System**

The high cost of licenses in a regulated taxi industry means that the opportunities for drivers to move up to the position of shareholder are severely limited. One approach is to introduce a system that would allow people who wish to operate a taxi in British Columbia, but who cannot afford an existing license, the opportunity to do so.

Such a system could be implemented through the Motor Carrier Commission setting aside a small percentage of future licenses for a merit lottery that is open to drivers who meet certain stringent requirements. Those requirements might, for example, require that the participant have five years' experience in the industry with a clean driving record, no preventable accidents, and meet the mandatory training requirements. The MCC would allow that individual to make application and upon approval enter their name in the lottery draw. Similar systems currently exist within the industry – in Toronto, for example where

the system appears to have been successful. The successful applicant would be required to personally drive the vehicle five days a week, 45 weeks per year. The licensee would also be required to be part of an integrated dispatch company. Failure to comply with the regulations would result in the license reverting back to the licensing authority.

One concern in implementing such a system is the safeguarding of existing license values. To deal with this concern, the licenses granted in this way would be non-transferable and would upon the retirement or death of the license holder revert to the MCC.

### **Recommendations**

**55. We recommend that the Motor Carrier Commission reserve a percentage of new licenses for a merit lottery for drivers who could not otherwise afford to purchase a license or a share. Such a lottery should include stringent requirements for entry.**

**56. We further recommend that licenses thus granted be non-transferable and liable to revocation if the terms of the license are not met, or in the event of retirement or death of the licensee.**

### **Issues Outside the Scope of this Study**

There are two issues of primary importance to the industry that we do not directly address within the framework of this study – that of taxi supply and territorial boundaries.

Currently the MCC is addressing the issue of supply; however, the parameters of this study stipulate that we not make recommendations that affect the value of licenses.

Because the issue of supply, as well as that of the terms of the license (specifically

geographical boundaries) is directly tied to license value, we do not offer recommendations in those areas.

There was much discussion and controversy, especially in the Lower Mainland, around the issue of regional licenses that would expand territorial boundaries. This issue, along with the issue of supply, is of paramount concern to many in the industry. It is our view that these issues ought to be included in the long-term public planning process involving not only the MCC and industry, but the GVTA and the municipalities.

Finally, we have not made any recommendations concerning the management practice of leasing plates. As previously noted, the MCC has been critical of such leasing practices in its decisions. This has been the subject of much controversy in other jurisdictions, and probably won't be resolved without increased stability within the industry. It is our hope that such recommendations as we have made will add to that stability and provide the foundation for the ongoing work of the planning process.

## CONCLUSION

The central theme of this report is the need for innovation in the taxi industry. Such innovation is essential to the industry's continued economic viability and to its potential role in public transportation. Improvements must take place in the kinds of services offered, the types of fees charged, the safety of both drivers and vehicles, the training of drivers and the relationships between the regulator, the industry, and municipal and regional governments.

Currently the industry offers a single predominant service – the “exclusive ride,” in which one person purchases the services of the entire taxi for a certain period of time. The fundamental change must be to a “shared ride” – including such things as shuttle services, mini-vans, mini-buses, and taxi pools. There must also be a corresponding change to the rate structure. In addition to the meter fare, there should be individual fares, flat fares, and charter fares. The public interest in offering these additional services and fares is greater accessibility to taxi services and at a lower cost. These changes require not only the regulator and the industry to work more closely together, but also require the two of them to work more closely with municipalities, regional districts and private sector stakeholders.

The industry has traditionally resisted change and been slow to innovate. It must now become a leader on the issues of quality and diversity of service, driver training, and vehicle and driver safety. It must fully comply with the Employment Standards Legislation. Those regulations that have inhibited innovation (regarding shared rides, individual fares) we have attempted to identify and to recommend changes. Those regulations that have allowed some companies to operate unfairly (e.g. municipal exemptions), we have attempted to establish a level playing field. However, we have done this and still maintained local involvement. This new governance model is also designed to be more inclusive of all stakeholders not only in the functioning of the taxi industry, but also in a

new relationship in which the taxi industry is better integrated into public transportation. Many of the changes we are recommending do not require legislative change to the *Motor Carrier Act*. For example, the recommendations for service innovations, vehicle and driver safety, and mandatory driver training can all be accomplished with changes only to the regulations. This can be achieved by the Motor Carrier Commission, in conjunction with the stakeholders, and forwarded to Cabinet for approval. It is only in regard to the issue of MCC jurisdiction that actual legislative change is required – regarding municipal exemptions, penalties and offences and the reconsideration powers.

Finally, throughout the study it appeared that the industry wants change. Perhaps this is a period in which there is some momentum for implementing the changes envisioned by the industry.

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## **APPENDIX A**

### **TERMS OF REFERENCE**

The terms of reference for the taxi industry study are to:

- review and report on the financial condition of the industry, including drivers, owner/operators and companies. Implications of the industry's financial well-being, or lack of it, on the current rate structure could also be assessed. An examination of other social issues resulting from the financial condition of industry may also be of interest;
- review and report on all regulatory requirements that industry must currently meet or comply with. This would include a description of each step that an individual or company must go through to obtain or retain a motor carrier and municipal licence. The development of a regulatory map may be of interest;
- review and report on driver training and service quality issues. The strengths and weaknesses of the industry are to be documented, along with suggestions for improvement;
- review and report on driver and vehicle safety, including a discussion of implications on issues such as operating and insurance costs;
- conduct consultations to determine the state of the taxi industry in British Columbia;
- examine options for resolution, including an assessment of other taxi systems in place in other jurisdictions;
- develop a report and recommendations for the Minister on:
  - simplifying the regulatory environment;
  - examining the rate structure within the industry;
  - improving service quality and driver education, based on industry input; and
  - increasing driver and vehicle safety in transportation-related areas.

## **APPENDIX B**

### **QUESTIONNAIRES**

**TAXI INDUSTRY STUDY**  
**Stan Lanyon Q.C.**

February 4, 1999

336489 Alberta Limited  
PO Box 1527  
Jasper AB T0E 1E0

**NOTICE TO ALL INTERESTED PARTIES IN THE TAXI INDUSTRY**  
**TAXI INDUSTRY STUDY**

The Minister of Transportation and Highways, Harry S. Lali, has appointed me to conduct a preliminary study of the Taxi Industry in the Province of British Columbia.

The purpose of the study is threefold:

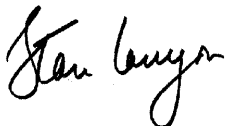
1. to document the existing economic conditions of the industry;
2. to examine the regulatory environment; and
3. to provide a forum for the discussions of policy alternatives.

Please find enclosed a series of questions which are of interest to this study. They will form, in part, the basis of the discussion between the panel and all interested parties. If you would like to contact and/or meet personally with the Panel, please phone the applicable numbers. We would also ask that you respond in writing to the enclosed questionnaire and mail it to the Taxi Secretariat at PO Box Box Box 9850 Stn Prov Govt, Victoria, BC, V8W 9T5.

It would also be appreciated if you would distribute the questionnaire to your Board of Directors, shareholders, owner/operators, managers and drivers. We wish to communicate with all those who have an interest in the taxi industry.

We thank you in advance for your co-operation.

Sincerely yours,



Stan Lanyon, Q.C.

attachments (3)    News Release  
                          Questionnaire - English  
                          Questionnaire - Punjabi

copy:    Harry S. Lali, Minister of Transportation and Highways  
          Blair Redlin, Deputy Minister  
          Claire Dansereau, Associate Deputy Minister

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**Taxi Industry Study**

Panel:       (604) 683-0122    Fax: 683-3846  
Secretariat: (250) 387-6772    Fax: 387-6431

PO Box 9850 Stn Prov Govt  
Victoria BC V8W 9T5

### Questions to the Cities/Municipalities (Taxi review)

- What is your present fee structure in regard to taxi cabs? (i.e., taxi license/municipal license.)

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- What are the requirements to gain a taxi license in your area? (including process)

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- What are the continuing regulatory requirements once a cab is licensed? (i.e., appearance, meters, age of vehicle, operation, mechanical fitness, etc.)

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- What are the regulatory requirements for the drivers of these cabs? (i.e., appearance license, experience, taxi host, defensive driving, etc.)

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- What criteria is used by the city/municipality to determine the number of cabs allowed in your area? (re licensing)

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- In your opinion, what can be done to enhance the overall taxi industry in regards to customer service and tourism?

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- What are the major enforcement issues of concern in regard to taxi cabs in your area?

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- What changes, if any, do you feel are necessary in the regulatory scheme to make regulating the taxi cabs easier and simpler to deal with?

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- What is your view of multiple licensing bodies? (i.e., province, municipal)

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- What is your view of the province being solely responsible for the issuance of taxi licenses?

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### Hotel/Airport Cruise Lines Questions (Taxi Review)

- Are there a sufficient number of taxis available to service your business and/or your customers?  
\_\_\_\_\_  
\_\_\_\_\_
- Some jurisdictions employ a fee structure based upon geographical zones, rather than a meter system currently in use in British Columbia. What is your view of the respective fee structures?  
\_\_\_\_\_  
\_\_\_\_\_
- Of the cab companies servicing your area, who do you rate as the best, and why?  
\_\_\_\_\_  
\_\_\_\_\_
- Of the cab companies servicing your area, who do you rate as the worst, and why?  
\_\_\_\_\_  
\_\_\_\_\_
- What recommendations would you make to improve the overall service of taxicabs to the general public and more specifically, to your customers?  
\_\_\_\_\_  
\_\_\_\_\_
- Do you feel that the taxi operators present themselves well to the public? (i.e., well dressed, clean cars, knowledgeable, etc.)  
\_\_\_\_\_  
\_\_\_\_\_
- Does your company receive a high level of service from the various taxi companies you deal with and what, if anything can be done to improve on this aspect of the taxi business?  
\_\_\_\_\_  
\_\_\_\_\_
- Can the taxi industry better serve the tourism industry? If so, how?  
\_\_\_\_\_  
\_\_\_\_\_
- What criteria is used by your company to determine who gets your taxicab business?  
\_\_\_\_\_  
\_\_\_\_\_
- Are taxicabs required to pay a fee for the privilege of picking up customers from your establishment?  
\_\_\_\_\_  
\_\_\_\_\_
- Are you satisfied with the level of service you receive for customers with special needs and/or disabilities?  
\_\_\_\_\_  
\_\_\_\_\_

### Driver Questions (Taxi Review)

- How many years have you driven a taxi? \_\_\_\_\_
- Where have you driven taxi cabs? (i.e., what cities, towns)  
\_\_\_\_\_
- Have you ever taken a defensive driving course? \_\_\_\_\_
- What other courses have you taken to improve your driving skills?  
\_\_\_\_\_
- How many hours per day do you drive your taxi? \_\_\_\_\_
- How many days per week do you drive your taxi? \_\_\_\_\_
- What is your average income while driving taxi? (per 12 hr shift) \_\_\_\_\_
- What shift do you normally drive? (i.e., day shift, night shift) \_\_\_\_\_
- What expenses do you pay to the company for rental of taxi?  
\_\_\_\_\_
- What suggestions do you have to improve the taxi industry, for yourself, the customer and the company?  
\_\_\_\_\_  
\_\_\_\_\_
- What kinds of training do you think would improve your driving skills?  
\_\_\_\_\_  
\_\_\_\_\_
- How many days of vacation do you take in a year? \_\_\_\_\_
- What employment benefits do you receive from the company? (i.e., Health & Welfare, pension)  
\_\_\_\_\_
- Some jurisdictions employ a fee structure based upon geographical zones, rather than a meter system currently in use in British Columbia. What is your view of the respective fee structures?  
\_\_\_\_\_  
\_\_\_\_\_
- Have you ever encountered violence while operating your taxi? (if so, please explain)  
\_\_\_\_\_  
\_\_\_\_\_
- Have you ever encountered situation where the customer has refused to pay the fare? (if so, please explain)  
\_\_\_\_\_  
\_\_\_\_\_
- Would you take driver training courses if they were offered at a nominal fee?  
\_\_\_\_\_  
\_\_\_\_\_
- Have you received any training to deal with customers who are special needs or are disabled?  
\_\_\_\_\_  
\_\_\_\_\_

## Taxi Company Question List

- What is your position with the company? (i.e., driver, owner operator, shareholder, rental operator, etc.) \_\_\_\_\_
- How many of your cars are rented to the drivers? \_\_\_\_\_
- What is the age of the oldest cab you operate? (years) \_\_\_\_\_
- How many taxi cabs are corporately owned by the company? \_\_\_\_\_
- Are the company corporately owned taxis rented to drivers? (if so, what is the rental rate per shift and what expenses are paid to the company by the driver?)  
\_\_\_\_\_  
\_\_\_\_\_
- How many taxis are owned by shareholders of the company? (not cooperately owned taxis) \_\_\_\_\_
- How much taxi driving experience, does a driver need to work for your company?  
\_\_\_\_\_
- What is the approximate gross revenue per shift, on average, for your cars?  
\_\_\_\_\_
- When you have a driver in the car, what percentage of the revenue does he/she make?  
\_\_\_\_\_
- What is the dispatch fee per car that is paid to the company each month?  
\_\_\_\_\_
- Does the dispatch fee paid include services other than dispatch? (i.e., maintenance)  
\_\_\_\_\_
- Does your company have a dress code for the drivers? \_\_\_\_\_
- Who maintains your taxi cabs? (i.e., outside garage, own shop, etc.)  
\_\_\_\_\_
- Do you feel there are too many taxis operating in your area, or too few taxis, or the right number to provide good service to the public?  
\_\_\_\_\_  
\_\_\_\_\_
- Do the taxi cab drivers in your company, including lease operators take special courses designed for the industry such as Taxi Host, defensive driving courses, etc.?  
\_\_\_\_\_  
\_\_\_\_\_
- Do you feel that there should be special courses that each driver of a taxi cab would be required to take in order to operate a taxi in British Columbia? (What courses or type of courses do you feel would be beneficial?)  
\_\_\_\_\_  
\_\_\_\_\_





## APPENDIX C INDUSTRY AND STAKEHOLDER CONSULTATIONS

### I. Industry

At the outset of our study we met with the B.C. Taxi Association and set up ongoing meetings throughout the study. The Association took responsibility for setting up regional meetings and the provincial taxi forum which included representation from the Vancouver Taxi Association. The forum was organized around terms of reference in an attempt to gain consensus from industry people from across the province.

**1. Associations:**

B.C. Taxi Association, Abdul Rasheed, President  
Vancouver Taxi Association, Mohinder Mann, President

**2. Regional meetings:**

Kelowna with representation from the Okanagan and the Kootenays  
Prince George with representation from the Cariboo, and the North  
Victoria with representation from Vancouver Island

**3. Forums:**

Provincial Forum: Organized by the B.C. Taxi Association  
Vancouver Forum: Organized by the Vancouver Taxi Association  
Vancouver Airport Driver's Forum

**4. Meetings with individual companies:**

Black Top Cab Company	White Rock Surrey Taxi	Bonny's Taxi
Surdell-Kennedy Cabs	Guildford Cabs Ltd.	AirLimo Ltd.
Sunshine Cabs Ltd.	Royal City Taxi	Delta Sunshine Taxi
Bel-Air Taxi	Coquitlam Taxi	Port Coquitlam Taxi
Port Moody Taxi	Northshore Taxi	Yellow Cab Company Ltd.
Vancouver Taxi	Maclures Cabs Ltd.	Richmond Taxi Ltd.
Alouette Transit System	Newton Whalley Taxi	Super Shuttle Ltd.
Pacific Cabs	Bluebird Taxi Ltd.	Whitewater Taxi
Hooterville Taxi		

### II. Regulatory Agencies

Claude Heywood, Chair, B.C. Motor Carrier Commission  
Colin W. Hanson, Secretary, Motor Carrier Commission  
Mert Rowden, Special Assistant to the Chair, Motor Carrier Commission  
Paul Starek, Member, Motor Carrier Commission  
Will Preston, former Chair, Motor Carrier Commission

Don Johannessen, former Chair MCC  
Doug Allen, former Chair, MCC  
Vicky Farrally, Chair, MCC Reconsideration Panel  
Maria Giardini, Member, Reconsideration Panel  
B.C. Motor Carrier Department  
Insurance Corporation of British Columbia  
Ken Dobell, CEO, Greater Vancouver Transit Authority  
Clive Rock, Greater Vancouver Transit Authority  
BC Transit Authority  
Ray Segat, Brett Patterson, Vancouver International Airport Authority  
Ministry of Transportation and Highways  
Employment Standards Branch  
Motor Vehicle staff in Burnaby

### **III. Municipal Authorities**

City of Vancouver	City of Surrey	City of New Westminster
City of Burnaby	City of Coquitlam	City of North Vancouver
District of North Vancouver	Union of B.C. Municipalities	

### **IV. Public Stakeholders**

Office for Disability Issues  
B.C. Coalition of the Disabled  
B.C. Association for Sight Impaired Consumers

### **V. Other**

The Honourable Glen Clark, Premier  
The Honourable Harry Lali, Minister of Transportation and Highways  
The Honourable Moe Sihota, Minister of Public Service  
Douglas Symons, MLA, Richmond Centre  
Paul Sabatino and Tobin Robbins, Transportation lawyers  
Al Benson, former President, B.C. Taxi Association  
Lisa Berry, Tourism BC  
Johanne Neubauer, Victoria re wheelchair accessibility issues  
Randy Ross, and Steve Dewell, United Steelworkers, Retail Wholesale Canada  
Garland Chow, Faculty of Commerce UBC  
Ken Davidson, Transformations Solutions Ltd.  
Steve Jackson, Steve Jackson Associates  
Jasdir Sandhu, Justice Institute

## **VI. Phone Interviews**

1. Municipalities throughout the Province
2. Taxi Companies

Osoyoos Taxi, Osoyoos  
Daimler Limousine Service, Victoria  
Baron Limousine Service Ltd. Vancouver  
Blackcomb Taxi & Limousine, Whistler  
CR Limo Service Ltd., Vancouver  
Beacon Taxi, Sidney  
C & C Taxi, Inc. Victoria  
Courtesy Cabs Ltd., Penticton  
Esquimalt Saanich Taxi, Victoria  
Country Cabs Duncan Ltd. Cobble Hill  
Kelowna Cabs, Kelowna  
Prince George Taxi, Prince George  
Salmon Arm Taxi, Salmon Arm  
Whistler Taxi Ltd., Whistler  
Okanagan Sunshine Taxi, Kelowna  
Double D Taxi, Merritt  
Canyon Cabs, Hope

Adams Limousine Service, Victoria  
Ascot Limousine Services, Victoria  
Bee-Line Taxi Ltd., Campbell River  
Chilliwack Taxi, Chilliwack  
Castlegar Taxi, Castlegar  
Bulkley Valley Taxi, Ltd.  
Captial City Taxi, Victoria  
Emerald Taxi Ltd., Prince George  
Checkmate Cabs Ltd., Kelowna  
Matsqui Taxi Ltd., Abbotsford  
Kootenay Taxi, Fernie  
Mission Taxi Ltd., Abbotsford  
Sea to Sky Taxi, Whistler  
In Town Taxi, Kelowna  
Winfield Taxi, Winfield  
Blue Star Taxi, Kamloops  
Whitewater Taxi, Nelson

## **Appendix D**

### **Submission of the BC Coalition of People with Disabilities**

Following are the issues presented to the Taxi Review team by the BC Coalition of People with Disabilities. Their concerns are grouped into four categories; vehicle design and maintenance, driver training, availability and systemic barriers.

#### **1. Vehicle Design & Maintenance**

- bump on the floor scrapes the footrests or bottom of some chairs
- two Vancouver Taxis have hydraulic lifts; one is not big enough to accommodate a scooter or long chair. Lower entrance headroom in both.
- angle of some ramps dangerous for drivers to assist with; drivers should be encouraged to park facing downhill where there is any slant
- some vehicles have poor shocks and dirty interiors

#### **1. Driver Training**

- The TaxiHost Program is clearly not sufficient in terms of communication skills nor disability awareness.

##### **English Language**

- communication problems were cited by most participants
- related to equipment training; passengers should not be obliged to explain the use of tie-downs
- flash cards used to indicate destinations have been found beyond the reading skills of some drivers

##### **Disability Sensitivity**

- basic training in tie-down use is not consistent or sufficient
- drivers need to be behind chair to prevent tipping
- reports of drivers short-changing passengers who are blind
- customers need close access to a curb cut
- sensitivity training needed for all staff with regard to people with speech impairments
- damage to walkers cited
- protocols around door-to-door service for handyDART replacement (i.e. notifying passenger of arrival) need to be adhered to

##### **Other training**

- the BCCPD has been involved in or aware of both a sexual assault case and reports of inappropriate touching.

- dirty, wet seat belts

## 1. Availability

- only two taxis available on the North Shore, which deliver children to school and they're not available in the day. If you don't pre-date for the evening, chances are slim.

## 1. Systemic Barriers

- identification of drivers is not always verified by visible photo ID. Tactile information should be available
- dispatchers must know which drivers will not take dogs
- driver charged a 6-dollar loading fee recently, and the was OK'd by the dispatcher
- driver reluctance to issue a receipt when payment by TaxiSavers.
- recommendation: industry standard receipt book with check boxes for TaxiSavers, cash, charge, etc.
- need a standardized system for complaint, with anonymity
- seat belt and tie-down maintenance is either inadequate or used as an excuse for non-use
- policy of not assisting passengers to dismount their chair into the cab is a problem
- if North Shore Taxi is not willing to provide 24-hr service, then Vancouver Taxi should be licensed to operate in North Van
- BCCPD policy recommendation: all new licenses should be tied to accessibility
- pre-dates should be adhered to
- major issue with Richmond Cabs is the static shift change between 3 and 4 pm o'clock. Driver schedules seem to take precedence. Attempts to pre-date met with advice to change ride times. Recommend a graduated shift change.
- 3 municipalities are working on a common vehicle-for-hire bylaw. The geographical grid concept is good
- awareness campaigns don't always provide the results; the big stick could be the business license issued by the municipality

## Summary

There are some good drivers out there, but there's a lot of room for improvement.

We agree that there are many service issues to overcome, but taxi system needs to be integrated into the overall transportation system. People with disabilities tend to take longer trips, because of a lack of other options. It's crucial to maintain a range of options so people can choose what's appropriate to their needs. We support the licensing of accessible shared-ride shuttles, which may fill in service gaps.

