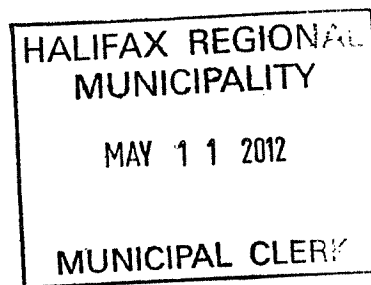


Kevin Hindle
Halifax Regional Municipality
Taxi Licensing Division
Wright Ave
Dartmouth, N.S.



Subject: Medallion Management Proposal/Self Funded Pension Plan

Dear Kevin:

You indicated in March at the Taxi Limousine Liaison Committee meeting that the HRM Medallion proposal was complicated and could not be understood. This is interesting when you consider the fact that before the original proposal was delivered to councillors we asked five people to read it and offer suggestions. The five people we choose have never been involved in the taxi industry and found the proposal informative and as one journalist wrote in a newspaper article "it's hard to find a down side". In spite of this we revised the proposal and asked five additional people to read it with the same positive comments.

We have provided a summary of contents to assist you in navigating the document.

- You cannot transfer a licence. **A Taxi Medallion is not a licence. A Taxi Medallion is a registered (chattel) property.** A land property deed uses a civic address and or a geographic location when describing the property. Where as a registered medallion (chattel) deed describes the property as a personal item of movable property.
- HRM controls the licences. **HRM will always control taxi licences.** Drivers must always follow the by-laws in order to keep their licence.
- The Medallion system is not fair to people on the list. The HRM list is unfair because the original **list was lost by your department resulting in a raffle being held** to form a new list.
- We are presently trying to solve the **DEMOGRAPHICS Problem** Part Time Taxi Industry in the HRM. *In the HRM we do not have a taxi number problem we have a professional driver problem.* **Out of one thousand taxi lights in the HRM there is a very small number that are full time taxi drivers.**
- 1). There are presently a very large number of retired drivers collecting pensions from other careers. (Part time taxi drivers)
- 2) There are presently a very large number of taxi roof light owners that have a primary occupation (not driving taxi) and drive on days off. (Part time taxi drivers)

- 3), There are presently a very large number of older drivers (Part time taxi drivers) that have worked all their lives in the taxi industry and have no exit strategy. (Retirement and illness plan).
- Under the present system drivers can rent a roof light for more than a decade. Under the Medallion Management system they can enter into a rent to own agreement with their first payment being the start of their own **Retirement Savings Plan.**
- **Medallion systems have been in all major cities in the US and Canada for decades. They have been proven to provide better service** to the travelling public and have all been researched by neutral third party agency such as Price Waterhouse and Major Universities.
- All findings that are presented are from neutral third party agencies.
- The proposal offers a **5% tax deed transfer tax** paid to the city on the sale of each medallion. **Under the union proposal nothing goes to the city.**
- The following question has been asked: Why should drivers profit from a city licence. The answer is we don't. The license allows us to operate a taxi as it currently does.
- Only licensed full time taxi drivers will be eligible to purchase a medallion.
- One medallion per driver.

Mayor Peter Kelly

The members of the Transportation Standing Committee:

Councillor Reg Rankin - Chair
 Councillor Jennifer Watts - Vice Chair
 Councillor David Hendsbee
 Councillor Darren Fisher
 Councillor Debbie Hum
 Councillor Bob Harvey
 Councillor Jerry Blumenthal
 Councillor Jackie Barkhouse

Mr. Kevin Hindle.

Mr Ken Reashor Director of Transportation and Public Works
 Marion Tyson QC. City Solicitor

Dave Buffett

President HRM Medallion Agency



H.R.M Medallion Agency Proposal
Shelf Funded Pension Plan/Survivor Benefits

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PHASE 1

Introduction

We are a coalition of over seven hundred signed up taxi roof light owners in the HRM. This agency is under contract to represent these members for the sole purpose of presenting and creating a Taxi Medallion management system between the HRM and the Taxi Industry.

Our research is based on the work of other professional organizations in Canada and the United States. In our research we have found there have always been two sides to the Taxi Medallion issue in all jurisdictions. These two sides are the City and the taxi industry. In most cases the City has requested and paid for a professional study to be conducted by a *neutral third party*. We have relied on these *professional neutral third party organizations and studies* to help us put together a medallion system for the HRM. Every City in North America has its own issues and the HRM is no exception. For example the Cities of Regina and Saskatoon have two types of medallion owners. One is the medallion owners that operate their taxi business all year round. The second type of medallion owner can only operate his or her business in the winter months. In some parts of New York there are medallion owners that only do radio taxi calls while others only do street pickups.

Medallion systems in all the jurisdictions we have researched were already in place for more than ten years before the studies had been compiled. In the HRM we presently have the ability to take advantage of these studies to produce a taxi medallion system that will be free of all the short comings found in other jurisdictions. This system will benefit all the Stakeholders in the HRM

A large amount of the information which we have acquired has come from the Tennessee Transportation & Logistics Foundation (TTLF). Ray A. Mundy, PhD. There will be many other agencies and University studies mentioned in the following pages.

You will notice in these pages that TTLF and the other studies bring neutral third party wisdom to the research. TTLF has conducted studies in Montreal, Saskatoon, Regina and multiple cities in the United States and Canada. TTLF has worked with a number of medium sized cities with taxi fleets and companies similar in size to that of Halifax. There are many similarities among the communities of Regina, Saskatchewan, Salt Lake City, Utah, and, to a lesser degree, Winnipeg, Manitoba, and Anaheim, California and many other Cities in North America

The Problem

(DEMOGRAPHICS) Part Time Taxi Industry in the HRM.

In the HRM we do not have a taxi number problem we have a professional driver problem.

Out of one thousand taxi lights in the HRM there is a very small number that are full time taxi drivers.

- 1). There are presently a very large number of retired drivers collecting pensions from other careers. (Part time taxi drivers)
- 2) There are presently a very large number of taxi roof light owners that have a primary occupation (not driving taxi) and drive on days off. (Part time taxi drivers)
- 3), There are presently a very large number of older drivers (Part time taxi drivers) that have worked all their lives in the taxi industry and have no exit strategy. (Retirement and illness plan).

A well managed and highly regulated medallion system would give the older drivers a retirement strategy and some drivers a catastrophic illness exit strategy. These two strategies would immediately resolve the problem of "Lack of cars at key times". By replacing part time taxi drivers and old or sick drivers with a younger full time taxi drivers (new blood) the industry will perform to its top efficiency. If we had all the taxi cabs in the HRM working even forty hours a week there would never be a complaint about service or night time coverage.

In most other jurisdictions that have strong regulations and medallion systems, the taxis are on the road daily and usually seven days a week and some twenty four hours a day. This would resolve a large majority of our complaints.

The problems faced were common in all studies.

- 1) Taxi driver ownership
- 2) Taxi/Limo dysfunction (pricing and overlapping business models)
- 3) The Flat rate overlaps.
- 4) Stake Holders, the Travelling Public, the City, the Taxi Industry
- 5) Retirement and catastrophic health strategies.
- 6) The City medallion fee structure deed transfer tax
- 7) The part time to a full time taxi industry

The program goals are met in our proposal:

1. Create an effective exit strategy from the industry for the elderly and disabled
2. Increase the movement of medallions (ownership) to younger working drivers
3. Generate additional revenues for the HRM.....deed transfer tax
Medallion fee structure

Why Regulate Taxis? Regulation verses Deregulation

Tennessee Transportation & Logistics Foundation (TTLF)

We have found that all conclusions in third party studies in all jurisdictions have been: *A taxicab service should reflect the community's desire for clean, efficient and responsible public transportation service, one which meets the needs of all.*

The failure of the U.S. taxicab industry open entries deregulation is well documented. Dr. Sandra Rosenbloom of The University of Texas and Dr. Roger Teal of the California State University have separately concluded that *taxi deregulation has failed* to demonstrate any substantial benefits to drivers, taxi firms or users.

"Both analytically and politically, economic deregulation fared relatively poorly particularly compared to the expectations of its proponents. *The local governments which had adopted the most far-reaching forms of deregulation eventually either completely abandoned this policy or sharply scaled back the most significant features of deregulation.* In addition, the only comprehensive empirical study of the deregulation experiences came to the conclusion that the benefits of deregulation were "insubstantial" in most locales (Teal and Berglund, 1987). While some economists continue to argue on theoretical grounds for deregulation, apparently not willing to concede to the empirical evidence (Frankena and Pautler, 1984 is an early example; Travers Morgan, 1988 a more recent example), *the political debate appears to be largely over.* No large American city has deregulated its taxi industry during the past several years, and the *issue has essentially disappeared* from the active urban transportation policy agenda.

By far the most comprehensive analysis of taxicab deregulation and re-regulation was prepared by Price Waterhouse's Office of Government Services. Six U.S. cities which had deregulated their taxicab previously through open entry were examined in depth. The executive summary of this *Price Waterhouse report* concludes: "Deregulation introduced several immediate changes in taxi supply, price and service quality in the six cities for which detailed case study information is available (Berkeley, Oakland, Phoenix, Portland, San Diego, and Seattle.)"

However, these economic theories are not realized in the real world as has been shown time and time again in city after city.

A deregulated, or open-entry, approach to taxi services within a North American community of any size leads to unreliable, expensive and spotty taxi service at best.

Saskatoon Study

“One could argue that no economic regulation of taxis in Saskatoon is needed. In fact, some already have taken this position. They argue that open entry into the taxi industry should be permitted once a person’s background is checked and the vehicle they intend to use is deemed safe through a physical inspection. Indeed, limiting the number of taxi plates is an example of a government intervening into the natural marketplace of supply and demand. Such governmental intervention should be only utilized when it serves the greater public good. Therefore, one has to ask whether a limitation of supply of taxis in Saskatoon is serving the greater public good, and if so, how? This question was examined in light of the current Saskatoon taxi structure, plate ownership, and probable future of taxi services if supply is not limited. After careful consideration it was determined that, while additional taxi services are needed for peak time winter use, continued taxi plate restriction was in the public’s interest for the following reasons.

The deregulation or open entry argument for community taxicabs is that citizens also need other generally available goods and services such as grocery stores, restaurants, car rental firms, etc. They are not economically regulated, in the belief that competitive forces will bring about quality operations and the best consumer prices if government intervention is kept to a minimum – primarily the safety of the good or service.

Why then is there the need to regulate Saskatoon, Saskatchewan taxi services?

Such well-intended economic theories predict that, without entry regulation for taxis, there will be many more taxis, fares will go down, drivers will earn more income, and service will improve.

However, these economic theories are not realized in the real world, as has been shown time and time again in city after city.

A deregulated, or open-entry, approach to taxi services within a North American community of any size leads to unreliable, expensive, and spotty taxi service at best. Some taxi availability is improved for evening bar services, hotel or airport stands, but taxi dispatched or call service suffers greatly under deregulation/open entry. Study after study has concluded that in all cases taxi fares go up – not down; service gets worse, not better; and veteran drivers either leave the industry or work much longer hours to make a living. In a city like Saskatoon, where the vast majority of taxi service depends upon dispatched calls, open entry of the supply of taxis would be an economic disaster for the taxi industry and result in significantly poorer service. Like any good transportation service, taxi services must be appropriately planned for, coordinated, and continually upgraded if they are to attract and support the needs of the community.

As previously stated, the simple, but yet most effective, answer to the open entry argument lies in the rationale that it is in the public's interest to regulate taxicabs in Saskatoon.

There is the social commitment a community has to both its citizens and its visitors that this vital public transportation service will be available, safe, and economical to use. Rates are balanced to protect the user not only from onerous or arbitrary fares but, at the same time to still yield the taxi industry sufficient funds to compensate drivers fairly, brokers, if efficient, to continue in business, and make a modest profit.

A final important reason for regulating taxi services, especially in the Saskatoon area, is the heavy reliance on taxi services by both residents and visitors. During winter months, most Saskatoon residents utilize this privately provided public transportation alternative to the private automobile. Schools make maximum use of taxi service to avoid the cost of running and maintaining large buses when only a few students are being transported increase in value.

Proper regulation of efficient taxi and limousine services is one way the community can ensure that its citizens have reasonable and reliable access to these privately provided public transportation services.”

Ray A. Mundy, PhD

Saskatoon Taxi Study

By Tennessee Transportation & Logistics Foundation

September 6th, 2010

Deregulation of the HRM taxi industry.

If the deregulation process succeeds in the HRM you will completely eliminate reasonable and reliable access to taxi service in the County and Dartmouth.

Dartmouth taxi offices will be taken over by the Halifax Zone offices and reliable service to the Dartmouth area will disappear. The largest part of the County drivers will *migrate* to the Halifax Zone which will eliminate service at prime time. The HRM taxi industry has three zones. *The Halifax taxi zone has six hundred and ten cars and all the taxicab market generators make it much greater than the other two zones.* The Halifax zone has the *largest concentration of taxi business.*

1. Most Airport travelers come into the Halifax zone due to the convention centre and the concentration of Head Offices of major businesses.
2. The Major Hotel chains are in the Halifax zone and most tourism including Cruise Ships are concentrated in the Halifax zone. Most tourism events in the summer are mostly concentrated in the Halifax zone.
3. The University and downtown bar business are concentrated in Halifax zone.
4. The Major Medical facilities (Hospitals) are in Halifax.
5. The two major taxi offices handle millions of taxi calls every year.
6. Naval dockyard and many other taxicab market generators are in Halifax.

If you compare the taxicab market generators of the Dartmouth and the Sackville zones you will find that the *deregulation process in the HRM will destroy service* in Dartmouth and especially the County. You will find that the Dartmouth and County *drivers will migrate* to the Halifax zone offices and take advantage of the overwhelming and attractive taxi business offered in Halifax zone compared to their own zones.

Every community has distinct taxicab market generator. Examples of these trip generators are a busy airport, urban residents who use taxis on a regular basis and local residents who depend upon taxi services for emergency and occasional trips not easily made on public transit. The presence of a large elderly, retirement, and/or tourist population who use taxi service for medical, social, entertainment (dining out) activities and tourism also affect the overall taxi market demand.

Thus, each community or zone in the HRM is somewhat unique in its various market demands for taxi services. Taxi companies today can be, and often are, very different – even within the same community. In the HRM each zone has its own taxicab market generators and to mix them will destroy the weaker zones.

Research Tools- Tennessee Transportation & Logistics Foundation (TTLF) Back Bone of Proposal

The TTLF has worked with a number of medium sized cities similar in size to that of Halifax with taxi fleets and companies. Specifically, there are many similarities among the communities of Regina, Saskatchewan, Salt Lake City Utah, and, to a lesser degree, Winnipeg, Manitoba, and Anaheim, California.

Anaheim, California is somewhat different given the presence of a large amusement park and numerous hotels which provide the majority of their taxi business. Winnipeg has three taxi companies, two of which are larger co-op types - one with 154 taxis and the other with slightly over 200 taxis. Winnipeg has also utilized taxi plates or medallions which are individually owned and may be leased to drivers if the individual owner is not driving a taxi him or herself. Winnipeg taxis, like Saskatoon's, are heavily utilized making as many as 30 trips or more per shift during winter peak days.

The City of Regina's size and taxi fleets are similar to that of Saskatoon with one larger taxi broker type firm and two smaller ones. They also utilize taxi plates/medallions which are individually owned and leased to drivers if the individual owner is not driving the taxi him or herself. Currently, that taxi system is under study by TTLF so any comments would be premature but, unlike Winnipeg and Regina, Saskatoon does not presently have a seasonal medallion or taxi plate system in place. This obviously creates tremendous public pressure to add taxi capacity during the winter peak season.

Although the RFP is for taxi franchise services (typically requiring vehicles no older than five years, the utilization alternative fuels, a modern GPS dispatch with disabled-user compliance as well as extensive quarterly reporting requirements) for a percentage of their proposed fleets, there is no shortage of taxi companies, some of which are international, lining up to provide a competitive bid.

Anaheim, Coachella Valley (primarily Palm Springs, California), and now Santa Monica are mentioned as comparable smaller cities because they each either are, or will be, competitively bidding their taxi services and are finding no shortage of taxi companies willing to provide services in their communities even though the cost to do so in terms of technology, vehicle age, driver requirements, etc., would seem unusually high by some in the taxi industry.

It has been the finding of TTLF researchers in conducting similar taxi studies in North American cities of all sizes, that taxi companies competing for these city or airport bids have no problems rising to these higher standards. Rarely do they bid above the requirements of a taxi RFP, but somehow they find the ability to meet and provide these community or airport requirements.

This is one of many professional third party agencies that have done extensive studies throughout North America and they all have come up with the same conclusion. In studying cities in comparable size to the HRM the conclusion has been that service depends on a highly regulated and full time professional/medallion drivers system

Failure of Open Entry Taxi Deregulation in North America

The failure of the U.S. taxicab industry open entries deregulation is well documented.

Dr. Sandra Rosenbloom of the University of Texas, and Dr. Roger Teal of The California State University have separately concluded that *taxi deregulation has failed* to demonstrate any substantial benefits to drivers, taxi firms, or users. Dr. Paul Dempsey, in summarizing the empirical data from these researchers' studies and other commissioned studies, reports as follows:

List of the results of taxi deregulation in 21 major U.S. cities prior to 1983

These were:

1. *A significant increase in new entry;*
2. *A decline in operational efficiency and productivity;*
3. *An increase in highway congestion, energy consumption and environmental pollution;*
4. *An increase in rates;*
5. *A decline in driver income;*
6. *A deterioration in service*

Sixteen neutral third party study agencies:

Rosenbloom, Sandra the Taxi in the Urban Transport Systems, the Private Challenge to Public Transportation (Charles Lane, ed., 1984). Teal, Roger & Berglund, Mary, The Impacts of Taxicab Deregulations in the U.S.A., Journal of Transportation Economics of policy, Volume #37, (Jan. 1987). Dempsey, Paul Stephen, " Taxi Industry Regulation, Deregulation & Regulation: The Paradox of Market Failure" Transportation Law Journal, University of Denver, College of Law, Denver, Colorado, Volume 24, #1, Summer 1996, p.102. Little or no improvement in administrative costs

Other notable authors having once advocated taxi deregulation by removing the maximum number of cabs authorized to provide service and recognizing a single owner/driver as cab companies *have since changed their minds* based on the empirical evidence and the failure of their own recommendations.

"The taxicab industry has undergone significant changes in the last decade or so. It passed from a regulated industry to a deregulated one in many cities and municipalities and back again to the regulated environment."

A lot of economists who were arguing that regulation causes perverse effects on taxicab industry performance *have changed their minds* after having observed this industry operating without entry and fare regulations and have reverted back the regime of regulation.

An entry proponent of taxicab deregulation, Professor Teal writes: "By the late 1980's, the returns were in on the taxi deregulation experiences. These took two forms. The first was actual data on the post-deregulation experiences, obtained in part through studies sponsored by the U.S. Department of Transportation (Gelb, 1982; Gelb, 1983a; Gelb, 1983b; Teal et al., 1984).

The second involved the responses of the local governments which had initiated the regulatory changes, namely continuation, modification, or abandonment of these policies."

"Both analytically and politically, economic deregulation fared relatively poorly, particularly compared to the expectations of its proponents."

The local governments which had adopted the most far-reaching forms of deregulation eventually either completely abandoned this policy or sharply scaled back the most significant features of deregulation.

In addition, the only comprehensive empirical study of the deregulation experiences came to the conclusion that the benefits of deregulation were "insubstantial" in most locales (Teal and Berglund, 1987).

While some economists continue to argue on theoretical grounds for deregulation, apparently not willing to concede to the empirical evidence (Frankena and Pautler, 1984 is an early example; Travers Morgan, 1988 a more recent example), the political debate appears to be largely over. No large American city has deregulated its taxi industry during the past several years, and the *issue has essentially disappeared* from the active urban transportation policy agenda. (Original citing from 1992, but is still viable today.)

The deregulation and then *re-regulation* of taxicabs in the city of Seattle is indicative of the taxicab deregulation experienced by many major U.S. cities. James J. Buck, Manager of Seattle's King County Division of General Services, writes: Dempsey, Op. Lite, p. 102-8 Gentzoglanis, Anastassios, "The Taxicab Industry: Theoretical and Empirical Evidence from (De) Regulation," Proceedings; International Conference on Taxi Regulation, *Montreal, Canada*, 1992, p.57 Teal, Roger F., "An Overview of the American Experience with Taxi Deregulation" Proceeding IATR, Montreal, Canada, 1992, p. 123 "In 1979, the Seattle City Council adopted legislation which eliminated the *population ratio* as an entry limitation for taxicab licenses. You could license as many cabs as met the licensing requirements, i.e., application fee, insurance, inspected and approved vehicle and taximeter, approved name and color scheme, and approved ownership. At the same time, rates were whatever the licensee filed with the City, as long as the rate followed the prescribed form and was reflected on the taximeter.

Did the market regulate entry and rates? NO.

Were there problems? YES.

There were problems such as rate gouging, short haul refusals, surly and discourteous treatment of passengers and fights at cab stands at the Airport. Experiential data concerning accidents and safety became very damaging and impacted insurance rates and coverage.

Government regulators were constantly barraged by industry complaints that "*deregulation*" *wasn't working*, they couldn't make any money, unsafe vehicles on the street, tension and animosity among drivers with the potential for violence, etc. Pleas for reviews were frequent. By 1984, *taxicab deregulation in King County was dead -- completely reversed* with a fixed limit on taxicab licenses.

By far the most comprehensive analysis of taxicab deregulation and re-regulation was prepared by Price Waterhouse's Office of Government Services.

Six U.S. cities which had deregulated their taxicab previously through open entry were examined in depth. The executive summary of this *Price Waterhouse report* concludes: "*Deregulation introduced several immediate changes in taxi supply, price, and service quality in the six cities for which detailed case study information is available (Berkeley, Oakland, Phoenix, Portland, San Diego, and Seattle.)* The experience of these cities generally indicates that the benefits of deregulation were devalued by unanticipated and unattractive side effects: "Although the supply of taxi services expanded dramatically, only marginal service improvements were experienced by consumers.

Within a year of deregulation, the supply of taxi services increased an average of 23%. Because most new entrants were independent operators and small fleet owners with limited capability to serve the telephone-based market, most new service was concentrated at already well-served locations such as airports and major cabstands. Customer wait times at these locations, already short, were reduced further. Response times in the telephone market were similar to pre-deregulation performance. Trip refusals and no-shows, however, increased significantly. Prices rose in every instance. Paradoxically, the influx of new entrants did not invoke the price competition typically experienced in other newly-deregulated markets.

Buck, James J., "The Seattle U-Turn" Proceedings, International Conference on Taxicab Regulation, *Montreal, Canada*, 1992, p.141-142 Analysis of Taxicab Deregulation and Re-regulation, Price Waterhouse, Office of Government Services, Washington, D.C., 1993 industries. Prices rose an average of 29% in the year following deregulation. There appear to be two reasons for this unexpected event. First, fare increases prior to deregulation had consistently lagged cost increases. Veteran operators thus corrected prices at the first opportunity.

Secondly, new entrants generally charged higher fares than the veteran operators. The cabstand markets on which these operators focused their services were generally price insensitive and, because of the first-in first-out nature of taxi queues, comparison shopping was discouraged. For these reasons the new entrants had no incentive to introduce price competition. *Service quality declined*. Trip refusals, a decline in the age and condition of vehicles and aggressive passenger solicitation associated with an over-supply of taxis are characteristic of a worsening in service quality following deregulation.

The negative aspects of deregulation were especially evident at airports and major tourist attractions. As a result, deregulation often acquired the enmity ????? of the business community and adverse media coverage. These effects were most closely associated with cities that implemented an "open entry" policy that enabled an influx of independent owner-operators that were unaffiliated with companies or taxi cooperatives.

Taxi and Limousine Dysfunction (Second pillar in a healthy taxi industry)

In all neutral third party studies it has been shown that limousine and taxi services could not compete fairly due to their fare structure. Legislated fare structures were forced on the industry.

In the HRM the limousines are merely taxis without roof lights and meters. Limousines charge the same fares as taxis. This creates interference in the fare structure within the industry.

The taxi industry is also allowed to charge flat rates which make it part limo service. The only time a flat rate should be used in the taxi industry is for guided tours for tourism. In other jurisdictions the problem was resolved by a simple formula. The taxis were never to take their roof lights off and were never to use flat rate charge to service the industry unless the flat rate was part of a guided tour.

The formula used in all the jurisdictions for pricing was always more than two times the taxi meter rate. There were large fines added to the formula for compliance. The study below is just one of many found. In all third neutral party studies it was concluded that limousines were never intended to compete with the taxi industry but supplement the industry by adding value through vehicles and services that the taxis do not normally undertake.

In the HRM the limousine service competes with the taxi industry through its price structure. *Limousine service should always be a pre-arranged with a price structure rate twice that of the taxi service. A limousine should never be hailed or have common limo stands like the taxi industry (Limousines should always be a pre-arranged vehicle).*

This should be the second pillar of the medallion system.

The following statement by Ray A. Mundy, PhD , was reported by the Tennessee Transportation & Logistics Foundation in its study “*Saskatoon Regulation of Limousines*”.

“Regulation of Limousines: The City of Saskatoon must take on the regulation of the limousine services in Saskatoon, as some have created pseudo taxi fleets. *Limousines were never intended to compete with the industry but to supplement the taxi industry by adding value through vehicles and services that the taxis do not normally undertake.* Minimum rates for limousines must be greater than two times the largest in city taxi fare; or not less than \$90-\$125 per trip. The basic requirement of transporting passengers from point A to point B should remain in the hands of the taxi industry. Value added service such as luxury and VIP service, and large group transportation, should command a price higher than basic transportation, and NOT less. Minimum rates for limousine service in the City of Saskatoon should be set at a rate of no less than 2 times that of the maximum taxi metered fare. A taxi trip from the east side of the city to the far west side of the city would be approximately \$45.00 – minimum limousine rates must be higher than \$90.00 per trip.”

HRM Medallion Proposal
By HRM Taxi Medallion Agency

In many U.S. cities, a local authority limits the supply of taxis which is often done by excluding anyone who does not own a medallion (a piece of "tin" affixed prominently on the car). A taxicab medallion is therefore a type of property that allows the owner to operate a cab.

A medallion system in the HRM must benefit all the Stake Holders; the City, the drivers and most of all provide better services to the Public. We have found through our research that medallion systems in all jurisdictions have their challenges and are all different in form. A medallion system in HRM would resolve the taxi license misunderstanding about transferability. The present thinking is that you can simply transfer a license and create an "asset", which you cannot. By looking into the research we can resolve this problem and use the research to adapt a system that fits the HRM model.

There is no personal property in public licenses. Regular business licenses do not carry a "value" per se. To create a professional taxi industry you must create something of value for all the stake holders; the HRM, the drivers and the public. A professional taxi industry must provide a retirement plan and a catastrophic illness plan for the drivers. It must have a suitable medallion fee structure for the HRM and create a professional driver body for the public. We believe through our research that we have come up with that plan.

A taxi medallion could be explained in this form. I drive Halifax taxi roof light 136. That license belongs to the HRM. My medallion would be a registered document that would be attached to that license and that would give me the sole right to license that number. My registered medallion number would be H136. When I retire I would have the right to sell my medallion document to whoever fits within the required policy guide lines. The medallion is like a company limited. If I sell my company/medallion all the licenses would follow that company/medallion.

To implement this system the taxi ordinance would have to change to accommodate it.

This medallion system would create a medallion fee for the HRM. Consider the medallion as a piece of real estate. Deed transfer tax

This system would give the taxi drivers a retirement package which is lacking in our industry and also give drivers the opportunity for a cash settlement in the event of a catastrophic illness. It would also establish a business credit system for the drivers due to the value of the medallion (real estate). This system would also ride the HRM of the nagging problem of night time drivers by replacing older drivers who refuse to play the downtown corridor with younger drivers.

All research shows that through proper regulations all the stake holders would benefit especially the public. The service would increase due to the fact that the industry would revert from a part time industry to a full time manageable industry.

There should be several restrictions on the management of the sale of medallions to prevent problems from evolving. All these changes plus regulation would have to be adapted within the taxi ordinances.

The process of medallion ownership for the HRM

- 1) Only a full time taxi driver with no other source of income would be qualified to purchase medallions. The outside Medallion ownership problem was created in New York and most North American cities. New York has one of the oldest medallion systems in North America. They did not have the research available to deal with the pros and cons of a medallion system. Their system just evolved like most other major cities. Today the New York taxi drivers have lost their industry. Most of the medallions today are owned by doctors, lawyers and speculators and are even sold on the stock market. This is so very harmful to a healthy taxi industry. *The first pillar of the HRM Medallion system provides that outside ownership should be avoided at all costs.* (one medallion one taxi driver)
- 2) In the HRM all existing taxi license holders would be grandfathered in. The past and present ownership is in place and nothing can be done to that ownership without trampling ownership rights of industry individuals.
- 3) After the successful buying of a medallion the new owner must register all documents, bill of sale, bill of contract (financial institution papers) and all documents legislated by the Taxi Ordinance at the Registrar of deeds office. Also all documents must be registered with the HRM Taxi Inspector's Office.
- 4) The Medallion and Taxi License Number would be also in the owner's name not a Registered Company Name.

- 5) The present Taxi Ordinance would be changed to reflect that a vehicle under the Medallion does not have to necessarily be in the medallion owner's name.
- 6) If a Medallion Owner wanted to pursue another career outside the taxi industry he or she must sell the medallion and leave the taxi industry. The only exception would be for fully retired medallion owners or for catastrophic medical reasons. This person may need the income for survival by renting out their medallion to a full time Taxi Driver.
- 7) Our research shows that in all newly created medallion jurisdictions an established minimum starting price should be put on the sale of medallions by the HRM in each zone. A fare market value would prevent buying a medallion to flip for profit (speculators).
- 8) On purchasing a medallion the owner (taxi driver) would have three months to make use of the medallion or must re-sell it. They must put it on a taxi vehicle under the HRM Taxi Ordinance.
- 9) All vehicles must have roof light and meter connected to an on and off switch within the meter so when the meter is on the roof light is off. All sales should be voluntary. All taxi vehicles must meet age compliance, ten years old and above only. The present taxi vehicles would be grandfathered in until a new car replacement.
- 10) For the first year only, unless sales are not fourth coming, all sales should be concentrated within two groups of Medallion owners. The medallion sales should be for the retirement age of 60 years and above and disabled drivers.
- 11) All taxi drivers must sign a Performance Contract every year.

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This medallion system would also create

1. Value in the industry.
2. Creates Ownership which creates professionalism in all drivers.
3. It also creates financial power within the Industry.
4. Creates interest in local financial institutions. In most jurisdictions it has been found that most taxi drivers could not acquire financial backing from local financial institutions. When the Medallion system was established the system became "property". **Local Credit Unions** and Banks loaned money on the value of the Medallion. The taxi driver with this financial power could buy medallions, could obtain loans on vehicle purchases, loans for major vehicle repairs, loans for new equipment and also for personal home buying loans, etc. The system is a complete plus for the community.

Conclusion: The advantage of someone else's research is overwhelming, especially professional third party agencies that have conducted studies all over North America. The advantage to the HRM is to develop a plan that benefits all the stake holders of the HRM. In our research we have found some major problems that have been created in other jurisdictions. We have taken advantage of this third party research in this proposal to resolve those problems.

The problems we faced were common in all studies.

- 1). Taxi driver ownership
- 2). Taxi/Limo dysfunction (pricing and overlapping business models)
- 3). The Flat rate overlap.
- 4). Stake Holders, the HRM, the taxi driver and the public all partners in the industry.
- 5) Retirement and catastrophic health strategies.
- 6). The HRM medallion fee structure.
- 7). The part time to a full time taxi industry

The program goals were met in our proposal:

4. Create an effective exit from the industry for the elderly and disabled
5. Increase the movement of medallions (ownership) to younger working drivers
6. Generate additional revenues for the HRM..... deed (chattel) transfer tax

Medallion sales to working drivers can provide a foundation for a world class taxi industry if the interests of both the industry and the City are taken into account. We must remember that safe, reliable and affordable service to the traveling public is our goal and that the industry must be properly regulated with full partnership with all stake holders.

PHASE 2

PHASE 2 – PROFESSIONALISM (Driver Performance Contract)

New Taxi Drivers Licenses issued.

An NEW applicant will be issued a probationary license valid for a period of one year subsequent to the date the license was issued. The HRM will evaluate the applicant at the conclusion of the one-year probationary period, and will determine if renewal of the license is appropriate. The new taxi driver must have proof in writing that he or she has worked at least forty hours a week for fifty weeks before he or she will be granted a full taxi drivers license. This proof must be in the form of signed document given to the driver from the HRM and signed by three taxi drivers with added signatures of Office brokers or taxi car brokers. In making such determination, the HRM may consider the driving record, any violation of the Taxicab Drivers Rules, or any other evidence that suggests that the driver no longer meets all requirements for a license. All drivers must sign a **Taxi Performance Contract** every year. The new taxi driver must be able to speak, read, write and understand the English language.

Drug Testing of Licensed Taxicab Drivers

- (a) If the HRM has reasonable suspicion to believe that a driver has a drug or controlled substance impairment that renders him or her unfit for the safe operation of a taxicab, it may direct that the driver be tested or examined for such impairment, at the driver's expense, by an individual or entity designated by the HRM. If the results of said test(s) or examination(s) are positive, the driver's license may be revoked after a hearing. Failure of a driver to be tested or examined as directed may lead to suspension or revocation of such driver's license.
- (b) (1) Each licensee, also shall be tested, at the licensee's expense, for drugs or controlled substances. Such testing shall be performed by an individual or entity designated by the HRM.
- (2) If the results of said test are positive, the driver's license may be revoked after a hearing.

Driver's Responsibilities. (Dress Code)

A driver shall be clean and neat in dress and person. A driver may not wear as outer clothing: underwear, tank tops, tube tops, body shirts, swimwear, bathing trunks, cut-off shorts, jogging suits, sandals without socks, no body shirts, no ball caps of any kind, track suits, flip flops, sneakers, camouflage clothing, no blue jean material of any kind, any dirty clothing or torn or extremely worn or un kept clothing. The clothing must not have any advertisement or print unless it would concern the taxi industry. ALL tattoos must be covered. The driver must wear a shirt with a collar and one pocket with no advertizing unless taxi orientated. The driver's pants must be dress or semi casual trousers and clean. Not work boots. No hoodies.

A driver shall not smoke in a taxicab. All police including commissioners should have the authority to ticket the offender and there must be significant fines.

During the work shift a driver shall not allow another person to operate the taxicab or occupy the driver's seat, except in the event of an emergency.

Items Which Must be Present in the Taxicab.

A driver shall not operate a taxicab unless the following are present in the taxicab:

1. Taxicab driver's license in an appropriate frame with the HRM complaint phone number. This frame must be mechanically attached to the dash of the vehicle so that the customers may readily view it.
2. All taxi cabs must have proper taxi receipts indicating company and taxi license ID number on them.
3. A driver shall not operate a taxicab after sunset unless all of the following items are illuminated so that they are clearly visible from the rear seat by a passenger with normal vision, the face of the taximeter. The taxicab driver's license frame should be visible also. A driver shall not obstruct a passenger's view of any of the items required in a taxicab by these rules, including the taximeter.
4. A driver shall not pick up or transport a passenger unless the taximeter is properly equipped with paper for the printing of receipts.
5. A driver while on duty shall not operate a taxicab unless the roof light is lit when the taximeter is not in use, and unlit when the taximeter is in use.

Taximeter Operation

When a taxicab is occupied by anyone in addition to the driver, the taximeter shall immediately be placed in the recording or "Hired" position and kept in that position until arrival at the destination provided that if the passenger is not being charged a fare within the tourism guide line rates or out of the HRM boundary rate which would be a flat rate equal to the mileage or tourism rate agreed by driver and customer.

Airport taxi drivers in accordance with the new ordinance would have to work off the meter, no more flat rates for taxis unless outside of the HRM boundaries or for Tourism.

All fares within the HRM will include all tolls and extras within the Taxi Ordinance guide lines. The driver must inform the passenger before the start of the trip that all necessary tolls and extras to and from the destination shall be paid by the passenger.

Seating

A driver shall not permit more than four (4) passengers to ride in a four (4) passenger taxicab, nor more than five (5) passengers in a five (5) passenger taxicab, vans will carry as many passengers as seat belts require (six or seven).

Luggage and Property

Upon request of a passenger, the driver shall load or unload a passenger's luggage, wheelchair, crutches or other property in or from the taxicab's interior or trunk compartment, and shall secure such compartment. The driver will also inform the passenger of extra fees for such property before trip. If the driver is under doctors care or unable to lift objects he or she must register a doctors letter with the taxi inspector.

Route and Method of Payment

A driver shall take a passenger to his destination by the shortest reasonable route unless the passenger requests a different route, or unless the driver proposes a faster alternative route which the passenger agrees to. The driver shall comply with all reasonable and lawful routing requests of the passenger.

A driver shall comply with any request of a passenger during the trip to change his or her destination or terminate the trip, unless it is impossible or unsafe for the driver to comply with such request, and the passenger shall pay the amount shown on the taximeter.

In a taxicab equipped with the taxicab technology or otherwise equipped to accept credit and debit card payment for fares, the driver shall comply with any request of a passenger as to the method for payment of the fare, whether in cash or credit or debit no matter the length of the fare.

Reasonable Requests

A driver shall comply with all the reasonable requests of a passenger, including but not limited to giving upon request his name, his taxicab driver's license number and the medallion number.

A driver shall give a passenger a receipt for payment of the fare at the end of the trip. Such a receipt shall state the date, time, medallion number, fare paid, extras and the HRM Complaint Department telephone number.

All audio equipment controlled by the driver shall be turned on or off at the request of the passenger. Whether or not a taxicab is hired, an audio device shall be played at normal volume only, and all noise ordinances shall be complied with.

An air conditioning device in a taxicab shall be turned on or off at the request of a passenger.

Refusals

A driver shall not refuse by words, gestures or any other means, without justifiable grounds, to take any passenger to any destination within the HRM. This includes a person with a disability and any service animal accompanying such person. This is especially in the areas of Hotels and Airport. Short runs are never to be refused in any case.

A driver shall not refuse to transport a passenger's luggage, wheelchair, crutches, other mobility aid or other property.

If the passenger is carrying, or is in possession of any article, package, case or container, other than a wheelchair or other mobility aid, which the driver may reasonably believe will cause damage to the interior of the taxicab, impair its efficient operation, or cause it to become stained or foul smelling

If the passenger is escorting or accompanied by an animal which is not properly or adequately secured in a kennel case or other suitable container. This provision shall not apply to service animals accompanying people with disabilities.

If the passenger is disorderly or intoxicated driver may refuse.

If the passenger has refused a request by the driver to obey the no-smoking requirement of law; the driver may discharge the passenger after asking the passenger to cease smoking in the taxicab, but if he does discharge the passenger it must be at a safe location.

Solicitation of Passengers

A driver shall solicit a passenger only from the driver's seat and only with the words "taxi" or "cab" or "taxicab."

Taxi cab driver may not go into Hotel lobbies looking to solicit passengers unless he or she has the name of those passengers and gives that name to the appropriate hotel staff.

Solicitation Prohibited

A driver shall not solicit passengers within 100 feet of any bus stop, airport bus stop nor stop there unless hailed.

A driver may not, in omnibus fashion, pick up passengers at one or more locations unless his or her meter is on.

Gifts Prohibited.

A driver or any person acting on his behalf shall not offer or give any gift, gratuity (cookie) or thing of value to any employee, representative or member of Hotel staff, tourism staff, airport staff or any public servant, or any dispatcher employed at a public transportation facility.

A driver shall immediately report to the HRM to start an investigation on any request or demand for a gift, gratuity or thing of value by any employee, representative or member of any public servant or any Hotel, Tourism employee or private company of these private gifts.

Any driver who has accumulated two or more infractions within the taxi ordinance by laws the next infractions fines should be doubled and his or her license suspended for thirty days.

Any driver who has been ticket for personal appearance requirement regulations should be fined.

The enforcement of Taxi Policy should be widened to take in the Parking ticket commissionaires, the HRM police and the RCMP.

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