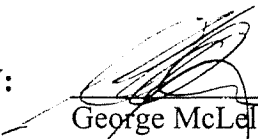


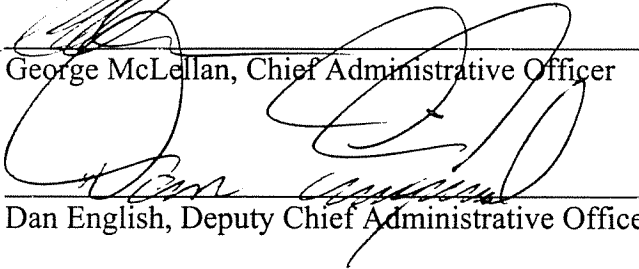
Halifax Regional Council
March 26, 2002

Committee of the Whole

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: March 7, 2002

SUBJECT: Terms of Reference for Independent Review of the
Taxi and Limousine Industry

ORIGIN

Motion of Regional Council of November 27, 2001 (item 12.1) requesting that staff produce Terms of Reference for an independent review of the taxi industry seeking public input. The issues highlighted for review were regulation of brokers, the composition of the Taxi and Limousine Committee and the practise of leasing of rooflights. During discussions at Regional Council on February 19, 2002 on taxi policy issues, the necessity of Terms of Reference for an independent review were re-iterated. This Report also responds to November 20, 2001 (item 9.1.2) petition at Council proposing that one HRM taxi zone could be a solution to the municipality's taxi concerns.

RECOMMENDATION

It is recommended that Regional Council:

- a) approve in principle removal of the limitation of the number of taxis owners licenses in the Halifax and Dartmouth taxi zones (appendix A);
- b) authorize staff to commence an amendment process for the Taxi and Limousine by-law accordingly; and
- c) not proceed with the approval of the attached Terms of Reference for an independent review of the taxi and limousine industry (appendix E).

BACKGROUND

Ongoing Concerns About Taxi and Limousine Policy

Regional Council has expressed concern on numerous occasions about the difficulty that members of the public have in obtaining the services of a taxi in the Halifax zone. These concerns have been referred to and discussed at the HRM Taxi and Limousine Committee on numerous occasions. The complexity of the issues have made it challenging for the Committee to make recommendations acceptable to Regional Council and industry stakeholders.

Hara Associates Report re City of Halifax Taxi Limitation

The Final Report of Hara Associates was submitted to the City of Halifax in June 1994 at a cost of \$ 30,000.

The Hara Report made sixteen recommendations regarding the future of the Halifax taxi industry. These recommendations are outlined in the Report attached at Annex A. The majority of Hara's recommendations were adopted. The Report recommended against limitation on rooflights. Former City of Halifax Council did not support this recommendation.

Acceptance of Policy of Limitation in Halifax and Dartmouth Taxi Zones

Limitation of the number of owners licenses in the City of Halifax has been discussed since 1960, when two local taxi operators petitioned for limitation. The approval of limitation by Halifax Regional Council in 1995 resulted from a recommendation of the Taxi and Limousine Committee. The perception was that taxis exceeded the demand resulting in poor incomes for drivers.

DISCUSSION

Staff recommends removal of limitation on the number of owners licenses (rooflights). Substantiation for this recommendation is contained in Appendix A. Other alternatives that could be pursued are:

- a) proceeding with second reading of the Taxi and Limousine Committee recommended By-Law Amendment T-119 to provide a mechanism for distribution of rooflights and creation of a seniority list. Details of this alternative are contained in Appendices B and C;
- b) proceeding with the recommendations of the Chairman of the Taxi and Limousine Committee regarding leasing/renting agreements (appendix D). If this course of alternative is pursued staff is prepared to bring forward a Report containing an analysis of the proposal; or

- c) approve the proposed terms of reference for an independent review (appendix E) of the taxi and limousine industry and direct staff to tender a request for proposal.

Taxi and Limousine Committee Recommendations

The Taxi and Limousine Committee has been responsible for the development of policy recommendations for the regulation of the taxi and limousine industry. The Committee has membership representing interests of taxi and limousine owners, drivers, brokers, Regional Council and the public. These competing interests has limited the Committee's ability to produce comprehensive policy recommendations.

The adoption of the harmonized taxi and limousine by-law in July 1999 was based upon years of deliberation by the Committee. The resulting by-law approved by Regional Council, was built upon the policy foundations of former municipal units' taxi by-laws.

BUDGET IMPLICATIONS

Regional Council has asked staff to prepare terms of reference for an independent review of the Taxi and Limousine industry. The item has been identified in the Community Projects Business Plan as an unbudgeted item.

During Regional Council debate on the issue on November 27, 2001 it was suggested that the cost of the review be borne by the industry. Legal Services advised that the Motor Vehicle Act limits the Municipality's ability to impose extra fees, beyond the annual \$ 50 licensing fee, on taxi and limousine drivers and owners.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This Report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

- a) proceed with second reading of the Taxi and Limousine Committee recommended By-Law Amendment T-119 to provide a mechanism for distribution of rooflights and creation of a seniority list (appendices B and C);
- b) proceed with the recommendations of the Chairman of the Taxi and Limousine Committee regarding leasing/renting agreements (appendix D); or

- c) approve the proposed terms of reference for an independent review (appendix E) of the taxi and limousine industry and direct staff to tender a request for proposal.

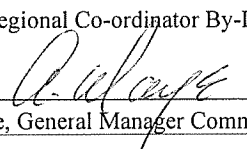
ATTACHMENTS

- Appendix A: Staff Reports titled Removal of Limitations of the Number of Taxi Owners Licenses (Rooflights) in the Halifax and Dartmouth Taxi Zones dated March 27, 2001 and October 23, 2001
- Appendix B: Taxi and Limousine Committee Report Amendments to the Taxi and Limousine By-Law Section 77 dated January 21, 2002
- Appendix C: Taxi and Limousine Committee Report Second Reading By-Law T-119 - Respecting Taxi Limitations dated February 22, 2002
- Appendix D: Taxi Recommendations from Chairman of the Taxi and Limousine Committee dated February 25, 2002
- Appendix E: Proposed Terms of Reference for Independent Review of Halifax Regional Municipality Taxi and Limousine Industry

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Peter James, Regional Co-ordinator By-Law Enforcement, 490-5641

Report Approved by: _____


Allan M. Waye, General Manager Community Projects, 490-6486

**Staff Reports titled Removal of Limitations of the Number of Taxi
Owners Licenses (Rooflights) in the Halifax and Dartmouth Taxi Zones
dated March 27, 2001 and October 23, 2001**

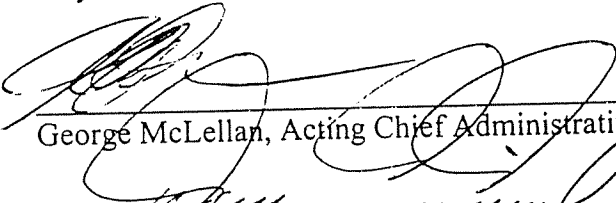
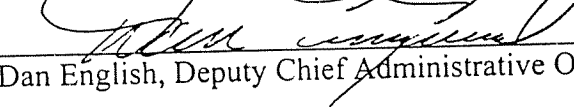
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Nov 16

P.E. James
Regional Co-Ordinator
By-Law Enforcement
(902) 490-5811Halifax Regional Council
October 23, 2001

TO: Mayor Peter Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Acting Chief Administrative Officer
Dan English, Deputy Chief Administrative Officer

DATE: October 16, 2001

SUBJECT: Removal of Limitations of the Number of Taxi Owners Licenses
(Roof Lights) in the Halifax and Dartmouth Taxi Zones

SUPPLEMENTARY REPORT

ORIGIN

In discussing a Staff Report of March 27, 2001, which recommended the removal of limitations of the number of taxi owners licenses (roof lights) in the Halifax and Dartmouth taxi zones, Regional Council made three motions requesting further information. This Supplementary Report is a consolidated Report responding to the motions that:

- a) the memorandum (appendix A) introduced by Councillor Adams, Chairman of the Taxi and Limousine Committee, be referred to staff for a report;
- b) the report include information on dispatch and brokers; and
- c) the report include information on how many taxis are working each night.

RECOMMENDATION

It is recommended that Regional Council:

- a) approve in principle removal of the limitation of the number of taxi owners licenses in the Halifax and Dartmouth taxi zones; and
- b) authorize staff to commence an amendment process for the Taxi and Limousine by-law.

BACKGROUND

The Staff Report of March 27, 2001 recommended that Regional Council provide direction to Staff to bring forward amendments to By-Law T-108 Respecting the Regulation of Taxis and Limousines which would remove limitation of the number of taxi owners licenses in the Halifax and Dartmouth taxi zones. The Report which is attached at Appendix B, recommends the removal of limitation due to:

- a) the increasing inability of the public to obtain taxi service;
- b) the increase in the number of tour operators, rickshaws, shuttle services and other public transportation services not restricted by municipal by-law;
- c) the inability of the Taxi and Limousine Committee to achieve consensus to make a policy recommendation regarding limitation;
- d) consistency with the policy recommendations of the Hara Associates Report of January 1994;
- e) the current policy of limitation has restricted the ability of drivers to own and drive their own vehicles;
- f) the current policy of limitation has minimized the degree of choice of members of the traveling public;
- g) the policy decision of how many taxis are enough should be determined by the free market; and
- h) the municipality should only play a role in public safety through regulating taxi fares, safety of vehicles and drivers through annual inspections and renewals, and the training of new drivers.

DISCUSSION

A. Staff Response to Memorandum of March 27, 2001

The correspondence of March 27, 2001, introduced to Regional Council by Councillor Adams, makes eight recommendations regarding the HRM policy of limiting the number of taxi owners licenses. The Staff response to each of the memorandum's eight recommendations is in italics below.

- i) *Set the new taxi limit in Halifax at 610.*

Staff believes that raising the number of owner's licenses to 610 will have a negligible impact on the availability of taxis. The number of owner's licenses in the Halifax taxi zone is 604 as of October 16, 2001 which is a decrease of 3 from March 27, 2001. Raising the limitation to 610 will add 6 owner licenses in the Halifax zone. It is believed that the addition of 6 licenses will have no effect on the availability of taxi service. The number of 610, if imposed, would freeze the number of licenses that were valid in March of 2001.

The taxi office has 5 owners licenses (roof lights) on file which are not used because of long term ill health or accident of the owner. Currently, there is no way to ensure that a taxi owner's license is being used.

- ii) *Honour all existing "roof light" leasing agreements. However, should either party terminate the agreement, the owner of the roof-light must provide his own vehicle, insurance, etc.*

The impact of this recommendation would be to lock drivers into the present system of limitation.

Dartmouth has the highest ratio of leased vehicles of all three zones. Staff believes, as substantiated by the Hara Report, that the longer the policy of limitation is in effect, the higher the frequency of leasing arrangements.

Dartmouth Leased Vehicles	-	35 %
Halifax Leased Vehicles	-	12 %
County Leased Vehicles	-	3.5 %*

* note that limitation of taxi owners licenses does not exist in the County taxi zone. Leasing in the county occurs as the Airport Authority limits the number of taxis allowed to pick-up fares. Those with the limited number of owners licenses lease them to drivers.

- iii) *Change the definition of "owner" so as to prevent future leasing.*

The impact of this recommendation would be to promote an owner/driver industry. Staff believe that the definition of "owner" should be changed in the by-law. Promoting an owner/driver system ensures that the roof light holder invests directly in the taxi industry and hence have a greater financial stake to ensure

greater customer service.

- iv) *Re-iterate that rooflight will have no future value and are not transferable.*

Under existing provincial legislation have no value and are not transferable. The transferability of owner's licenses is prohibited by the Motor Vehicle Act.

- v) *Maintain the current limit of 200 taxis in Dartmouth.*

The impact of this recommendation would be to freeze the existing situation in the Dartmouth taxi zone. Staff believes that policy consistency should exist across all three taxi zones of the HRM..

Other alternatives are as follows:

- i) *Allow new taxis to only work 6:00pm to 6:00am*

The impact of this recommendation would be to increase the number of taxis operating at those times. This recommendation would be difficult to enforce and would increase enforcement and administrative costs.

- ii) *Allow "zones" to be opened during peak times. (Weekends, evenings)*

Staff believes that the impact of this recommendation would be to reduce the level of taxi service in the Dartmouth and County taxi zones as drivers would operate in the Halifax core during the busy evening hours especially on the week-ends.

- iii) *Open zones completely.*

The impact of opening the zones is unclear. There have been discussions that opening of the zones would reduce taxi service in the County and Dartmouth zones as taxis would migrate to the Halifax zone for fares. The opening of the zones was extensively discussed at Taxi and Limousine Committee meeting dated March 19, 2001 with no policy recommendation resulting.

B. Staff Response to Motion Requesting Information on Dispatch and Brokers

There are 159 registered taxi companies in HRM. Each year additional companies are being formed. The use of cell phones and business cards is growing and small companies see this as a way of saving on "stand" fees or fees paid to dispatchers.

Dispatches and Brokers are not regulated by the HRM Taxi and Limousine By-law as the Motor Vehicle Act does not enable municipalities to regulate taxi brokers or dispatch services. As a consequence, Staff does not have specific information regarding the number of dispatchers working.

C. Number of Halifax Taxis Working and When

In response to the Regional Council motion requesting information about how many taxis are working each night, a voluntary survey of Halifax zone taxi drivers was conducted during the annual renewal period in April 2001.

Results show that between 60 - 70% of drivers work between 9:00 am and 7:00 pm. It should be noted that the average age of Halifax drivers is over 55, the reluctance to work after 7 pm is understandable.

The survey attached at Appendix C presents the complete survey results.

BUDGET IMPLICATIONS

If Regional Council were to remove limitation on the number of taxi owners licenses, there would be a slight increase in revenue generated through additional licenses fees. This increase in revenue would be offset by administrative expenses incurred through the licensing process. If Regional Council were to adopt an alternative policy increased administrative or enforcement costs could result.

MULTI-YEAR FINANCIAL STRATEGY IMPACTS

This Report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Numerous policy alternatives exist. These options include:

**Removal of Limitation of the Number of Taxi Owners
Licenses in the Halifax and Dartmouth Taxi Zones**

**Halifax Regional Council
October 23, 2001**

- 6 -

- i) maintaining the status quo regarding the policy of limitation but increasing the number of Halifax and Dartmouth zone owners licenses;
- ii) implementing a "use it or lose it" clause; or
- iii) issuing Halifax taxi owners licenses to taxi drivers who are currently leasing roof lights.

ATTACHMENTS

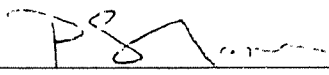
Appendix A: Memorandum of March 27, 2001 from Councillor Adams titled Taxi Limitation Issue # 11.2.2

Appendix B: Staff Report of March 9, 2001 titled Removal of Limitation of the Number of Taxi Owners Licenses (Roof lights) in the Halifax and Dartmouth Taxi Zones presented to Regional Council March 27, 2001

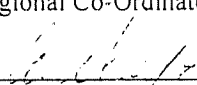
Appendix C: Survey conducted of Halifax Taxi Drivers during the annual renewal period in April, 2001.

Additional copies of this Report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by:


Peter James, Regional Co-Ordinator By-Law Enforcement, 490-5641

Report Approved by:


Allan Wayne, Community Projects, 490-6484



TO: Mayor Peter Kelly & Members of Council

FROM: Councillor Stephen Adams

DATE: March 27, 2001

SUBJECT: Taxi Limitation Issue #11.2.2

I would like to offer some recommendations regarding the above item. These recommendations are based on interviews with drivers and those who use taxis. For the record, only one broker was interviewed.

- i) Set the new taxi limit in Halifax at 610. Presently, the limit is set at 550; 606 taxis are presently licensed.
- ii) Honour all existing "roof-light" leasing agreements. However, should either party terminate the agreement, the owner of the roof-light must provide his own vehicle, insurance, etc.
- iii) Change the definition of "owner" so as to prevent future leasing.
- iv) Re-iterate that roof light will have no future value and are not transferable.
- v) Maintain the current limit of 200 taxis in Dartmouth.

Other alternatives are as follows:

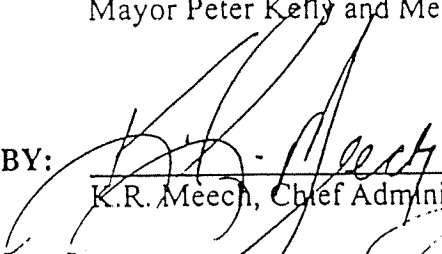
- i) Allow new taxis to only work 6:00p.m. to 6:00a.m.
- ii) Allow "zones" to be opened during peak times. (weekends, evenings)
- iii) Open zones completely.

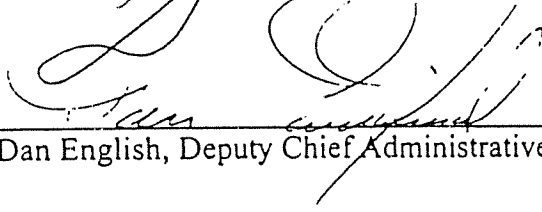
I do not support these alternatives and will expand on this tonight. I will also explain the recommendations as outlined.

Halifax Regional Council
March 27, 2001

TO: Mayor Peter Kelly and Members of Halifax Regional Council

SUBMITTED BY:


K.R. Meech, Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: March 9, 2001

SUBJECT: Removal of Limitation of the Number of Taxi Owners Licenses (Roof Lights) in the Halifax and Dartmouth Taxi Zones

ORIGIN

Motions of Regional Council of January 25, 2000, Item 12.6, and July 6, 1999, Item 8.2.

RECOMMENDATION

It is recommended that Regional Council:

- a) approve in principle removal of the limitation of the number of taxi owners licenses in the Halifax and Dartmouth taxi zones; and
- b) direct staff to bring forward appropriate amendments to the Taxi and Limousine by-law.

BACKGROUND

Concerns of Public and Regional Council

Regional Council has expressed concern on numerous occasions about the difficulty that members of the public have in obtaining the services of a taxi in the Halifax Regional Municipality. The general public has also increasingly expressed concern about the inability to obtain the services of a taxi. The lack of available taxis has led to an increase in tour operators, shuttle services, rickshaws and other public transportation services not restricted by municipal by-law.

These concerns have been referred to and discussed at the HRM Taxi and Limousine Committee on numerous occasions, however, the Committee is unable to reach a consensus.

It is generally accepted that the public demand for taxi service is not being met by the limited supply of taxis.

Rationale for Regulating the Taxi Industry

Municipalities regulate the taxi industry to enhance the creation of a clean, safe and financially responsible industry. Regulation was introduced in the 1930s, during the Great Depression, to limit the supply of taxis, eliminate fare wars, ensure that taxi cabs were properly insured, and to restrict extortion. Many municipalities introduced control and regulation over:

- fares;
- licenses;
- insurance; and
- other aspects of taxi service to enhance safe and reliable public transportation.

Most municipalities continue to regulate taxi industries through some degree of licensing of taxis and drivers to maintain public safety. However, in recent years there has been an impetus towards deregulation of taxi industries across North America.

Overview of the Halifax Regional Municipality Taxi Industry

The existing harmonized Taxi and Limousine by-law was passed by Regional Council on July 6, 1999. It was built upon the policy foundations of the former by-laws to:

- maintain HRM regulation of the taxi and limousine industry;
- establish three taxi zones (Halifax, Dartmouth and the County);
- limit the number of owner's licenses in the Halifax and Dartmouth zones;
- create a three step driver qualification and training process; and
- maintain the status quo vis-a-vis service levels and process of administration and enforcement.

Acceptance of Policy of Limitation in Halifax and Dartmouth Taxi Zones

Limitation of the number of owners licenses in the City of Halifax has been discussed since 1960, when two local taxi operators petitioned for limitation. Only in 1995, following the submission of an independent consultant's review of the Halifax Taxi Industry (The Hara Report), was the policy of limitation of taxi owner's licenses accepted in Halifax.

The policy, when approved by Halifax Regional Council in 1995 resulted from a recommendation of the Taxi and Limousine Committee to enhance economic stability of the industry (i.e. the supply of taxis in Halifax was not in balance with demand). The perception was that there were too many taxis in the city, and that a lingering recession was resulting in poor incomes for drivers.

Limitation of the number of owners licenses in the City of Dartmouth has been in place since 1989 with the number of licenses limited at 200. The reasons for limitation were similar to those voiced in Halifax. The number has remained constant.

When taxi owners licenses were increased in 1997 from 380 to 550 in the Halifax zone, Regional Council reaffirmed its policy to limit the number of taxi owners licenses. The harmonized by-law carried forward the limitation of taxi owners' licenses in the Halifax and Dartmouth zones in July 1999.

When Regional Council passed the harmonized by-law, queries with respect to the number of taxis on the road versus the number of owners licenses issued arose. It was moved that this issue be deferred to the Taxi and Limousine Committee and staff for review. These original referrals are the origin of this Report.

Staff, based upon recommendations of the Hara Report, has never recommended limiting the number of taxi owners licenses. Staff does not recommend limiting the number of owners licenses in the Halifax and Dartmouth zones.

Hara Associates Report re City of Halifax Taxi Limitation

In January 1994, Hara Associates of Ottawa, Ontario was appointed to investigate the matter of taxi limitation in the City of Halifax. The Final Report of Hara Associates was submitted to the City of Halifax in June 1994.

The Hara Report made sixteen recommendations regarding the future of the Halifax taxi industry. The majority of recommendations were adopted, yet those regarding limitation were not supported nor implemented. The table below details the recommendations and indicates actions taken since 1994.

The bolded recommendations indicate recommendations which were not adopted and have negatively impacted the industry.

Recommendations of Hara Associates and Action to Date		
	Recommendation	Appropriate Staff Action Taken re Recommendation
1.	Any reform to the Halifax taxi regulations should preserve the strong owner/driver character of the current system.	No. Owner/driver system not preserved due to limitation of owners licenses.
2.	Enforcement on the street should be increased for taxis.	Yes. Increased patrols and enforcement of taxi by-law has occurred (dedicated Inspector and staff, number of patrols, tickets, and prosecutions has significantly increased).
3.	Develop a more stringent enforcement program to improve the quality of drivers and vehicles.	Yes. Implementation of English language proficiency, sensitivity training, geography and by-law testing in addition to TIAN certification programme has implemented this recommendation.
4.	City of Halifax should seek Provincial permission to set license fees independently,	Yes. Letters sent to Province requested MVA amendments on two occasions
5.	Consultation with industry should include discussion of finance and fees.	Yes. Numerous discussions have occurred at Taxi and Limousine Committee.
6.	Any consideration of fee increases should also consider a phase-in period.	Not applicable as Province has yet to given the HRM authority to increase licensing fees.
7.	The Taxi School should be continued.	Yes. Testing for taxi drivers licenses now occurs on a weekly basis.
8.	Limitations should be considered only if they can avoid the Policy Trap experienced by most jurisdictions: raising plate values, the elimination of owner/drivers, longer waiting times and inflated fares.	No - the HRM has fallen into the Policy Trap as a result of limiting owners licenses in 1995 without addressing consideration of the owner/driver system, longer waiting times and inflated fares.
9.	License limitations should be focused on taxi driver licenses not vehicle licenses. Limiting vehicles will eliminate the Halifax owner/driver system, and lead to long-term degradation of service quality.	No - the HRM has fallen into the Policy Trap as a result of limiting owners licenses in 1995 without addressing consideration of the owner/driver system, longer waiting times and inflated fares.
10.	Limits on drivers should not be an explicit number or formula. Instead indirect methods should be used.	Yes - drivers testing and qualification processes have been implemented.
11.	Halifax establish indirect limitation on the number of drivers.	Yes - achieved through driver testing, the conditional license process and increased enforcement.

12.	Enrollment on the Taxi School, if put in place, not be less than 150 students per year.	Yes - the number of drivers has not been limited through enrollment caps.
13.	Re-testing of existing drivers should not be compulsory.	Yes - recommendation implemented.
14.	The City of Halifax consider making attendance at a professional development day once every five years a requirement of holding a taxi drivers license.	Development of TIANs certification programme and expansion is implementing this recommendation.
15.	Brokers should be regulated in order to provide the legal authority to use brokerage facilities to locate drivers and vehicles, and to economize on the implementation of regulations, the conduct of annual inspections.	No action taken on this recommendation.
16.	Nothing should be done about "part-time" drivers.	Yes - no action taken.

History of Owners Licenses

Direct limitation of owners licenses in the Halifax and Dartmouth zones has had an impact upon the number of taxis available. The table below details the number of owners licenses in the Halifax and Dartmouth taxi zones and the limitation imposed by Regional Council.

Licensing Year	Number of Owners Licenses in Halifax Zone	Limitation in Halifax Zone	Number of Owners Licenses in Dartmouth Zone	Limitation in Dartmouth Zone
1995	667	382	200	200
1996	652	382	200	200
1997	640	550	200	200
1998	631	550	200	200
1999	620	550	200	200
2000	607	550	182	200

As detailed, the number of taxi owners licenses in the Halifax zone continues to decrease since limitation was introduced in 1995. The number of taxis licensed currently exceeds the target number of 550 by 57. In the Dartmouth zone the number of owners licenses is in equilibrium with the target number of 200.

Although the Municipality limits the number of owners licenses issued, the Municipality has no way of ensuring that taxi cabs are in operation. Discussions on the feasibility of introducing a "Use It or Lose It" clause in the taxi by-law has occurred at the Taxi and Limousine Committee, yet no consensus has been achieved.

DISCUSSION

Impact of Not Following Hara Report Recommendations

Failure to follow the recommendations of the Hara Report regarding limitation of owners licenses in Halifax, has resulted in:

- the owner/driver model no longer being as strong as it was in 1995; and
- longer waiting times for taxis exist;

As forecast by the Hara Report authors in 1994, limiting vehicle numbers leads to the elimination of the owner/driver system and leads to long-term degradation of service quality.

Owner/Driver Model versus Leasing of Owners Licenses (Rooflights)

Limitation has created the situation where drivers cannot own and drive their own vehicle. Drivers are forced to lease vehicles from owners who add no value to the industry. A strong owner/driver model allows for pride of ownership and enables individuals to operate their own business. The Halifax taxi industry has traditionally been an owner/driver system, yet the introduction of limitation has changed the nature of the industry. The Hara Report recommended that the owner/driver system be maintained as it promotes a committed industry and maintenance of its vehicles.

Since 1995, the Municipality has limited the number of licenses. In doing so the Municipality has limited the degree of choice of members of the traveling public, and limited the freedom of choice of individuals who wish to operate taxicabs in the city. Drivers should not have to pay to lease roof lights to have job.

Position of Taxi and Limousine Committee

The Taxi and Limousine Committee does not have an unanimous position on limitation as membership of the Committee represents numerous competing interests.

It is generally understood that **brokers** (Yellow Cab, Casino) support an open entry system without limitation on the number of owners licenses. The position of **taxi drivers** is split between those who argue that increased number of taxis would decrease their revenue as "more drivers would be chasing fewer dollars" and drivers who are currently leasing roof lights for a weekly cost who want the opportunity to own their own "light". Generally, current **owners** of

roof lights do not want more licenses issued as this will decrease their opportunity for revenue generation through the leasing of lights, and more "lights" on the road means less revenue for each taxicab.

What Should be Regulated?

The Municipality should ensure public safety through regulation of the taxi industry. Staff believes in continuing of the regulation of:

- taxi fares;
- safety of vehicles and drivers through annual inspections and renewals; and
- training of taxi drivers applicants

The municipality should play a role in public safety but not be directly involved in the economic viability of the industry.

How to Determine How Many Taxis are Enough?

The question of how many taxis are enough is the difficult, if not impossible, policy decision that must be made if regulators decide to limit the number of taxis. Variables which determine the appropriate number of taxis include:

- public demand for service which is affected by
 - population;
 - public transit availability;
 - economic livelihood; and
 - cost of taxi transportation.
- viability of maintaining a taxi industry.

Ideally, the number of taxis should be determined by the free market. In a free market economy the number of owners licenses is established by an equilibrium achieved between supply and demand. Those in the industry, without limitation, have a choice to lease a vehicle, start their own business or work for someone else.

ALTERNATIVES

Alternatives include:

- maintaining the status quo regarding the policy of limitation but increase number of Halifax owners licenses;
- implementing a "use it or lose it" clause;
- issuing Halifax taxi owners licenses to taxi drivers who are currently leasing roof lights.

ATTACHMENTS

1. Executive Summary of the City of Halifax Taxi Limitation Study (Hara Associates) June 20, 1994

Additional copies of this Report, and information on its status, can be obtained by contacting the Office of the Municipal at 490-4210, or Fax 490-4208.

Report Prepared by:



Peter James, Regional Co-Ordinator By-Law Enforcement, 490-5641

Report Approved by:



Allan Waye, Director Community Projects, 490-6484

CITY OF HALIFAX
TAXI LICENCE LIMITATION STUDY

Prepared for

The City of Halifax

By

Hara Associates

1066 Somerset St. W., Suite 406, Ottawa, Ont., K1Y 4T3, 613-233-9509

Hara Associates Reference: 1253

June 20, 1994

EXECUTIVE SUMMARY

Changes in the taxicab industry, particularly during the recent recession, prompted the City of Halifax to consider whether some form of licence limitation would be beneficial to the industry and the public. Hara Associates was commissioned to evaluate different possible forms of limitation. The firm was tasked to assess the effect of limitations on the economic health and viability of the industry, and the quality of service provided. The firm was also asked to suggest other improvements which would help the industry and the city to provide better taxicab service and improve the health of the industry. Hara Associates has a well-established practice in advising taxi regulators.

METHOD

The preparation of this report involved six stages:

- consultation with Halifax stakeholders
- assessment of Halifax supply and demand conditions;
- comparative analysis with other cities;
- analysis of impact of alternative methods of licence limitation;
- analysis of service quality issues; and
- formulation of recommendations.

The assessment of demand and supply conditions was crucial to determining if there are too many Halifax taxicabs or taxi drivers at present. Four types of data were used.

- Data and anecdotal information collected through local consultation;
- Direct, on the street, spot checks of conditions at taxi stands;
- Analysis of recent changes in Halifax; and
- An independent statistical estimate of changes in Halifax taxi demand based on Halifax demographic and price data.

COMMON GROUND

The report first covers points on which there is substantial agreement in the industry, and which are also supported by Hara Associates analysis. These points provide a basis for some of the later recommendations. Points on which there is substantial consensus within the industry are:

- The prevalence of the owner/driver in the Halifax taxi system is a good thing that should be preserved. Owner/drivers are taxi drivers who own their own vehicle. Owner/drivers are more committed to the industry and take better care of their vehicles. The prevalence of owner drivers is unusual, and a product of the Halifax open-entry system. Cities with limitations on taxicabs tend to have fewer driver owners, as the limited supply of taxicabs is shared by drivers, and brokers (dispatch managers) tend to buy up the licences to control market share.

- The volume of taxi business has declined in recent years. This is confirmed by records of dispatch volumes.
- Enforcement of regulations should be increased. A variety of concerns over enforcement were raised by all sectors of the industry. In particular, lack of consistent enforcement on evenings and weekends was cited. There are also times of year, such as during snow removal, when taxi regulations are unenforced. Comparison with other cities showed that Halifax' expenditure per taxi on enforcement was relatively low.
- There is receptiveness in the industry to paying higher fees to finance better enforcement.
- The Taxi School (currently required to obtain a taxi driver's licence) is a good thing. It improves service quality.

As a result, the following initial recommendations were made to maintain and improve the quality of service offered by the industry:

Recommendation: Any reform to Halifax taxi regulations should preserve the strong owner/driver character of the current system.

Recommendation: Enforcement on the street should be increased for taxis. Three important steps are:

- Increase overall resources available.
- Add regular night and weekend shifts on the street.
- Maintain a presence in taxi enforcement in all seasons, even while other by-laws and licences are absorbing staff time.

Recommendation: In consultation with the industry, develop a more stringent enforcement program to improve the quality of vehicles and drivers and enhance the reputation of the industry. While there is not industry consensus on what is important, the following elements of an enforcement program should be considered:

- Meter checks by officers, or contracted to an independent garage required not to do taxi repair work. (At present any garage certificate is all that is required.)¹

¹ For example, Metropolitan Toronto contracts out the mechanical inspections to Canadian Tire garages, which are in return forbidden to do any work on taxis

- Staggered licensing. (Requires investment in software, relieves staff of seasonal licensing crunch which takes them off the street.)
- Further definition of "clean, sanitary, and in good repair" to establish guidelines for effective and efficient enforcement.
- Vintage requirements. Recognizing the open nature of the Halifax taxi industry, Hara Associates recommends these not be too stringent. We suggest starting with a 12 year requirement and phasing in to 10 years over time.

Recommendation: The City of Halifax should seek provincial permission to set its licence fees independent of the maximum in the Nova Scotia Motor Vehicle Act.

Recommendation: Consultation with the industry over improved enforcement should include discussion of financing and fees. We note that at an increase of \$22 per licence for another officer, small amounts of money can purchase large increases in effective enforcement. We also caution that the customer and Halifax as a whole also have a stake in consistent and effective enforcement.

Recommendation: Any consideration of fee increases should also consider a phase-in period.

Recommendation: The Taxi School should be continued, and its curriculum developed further. A 40 hour course is recommended to ensure long term commitment to the industry by potential new taxi drivers.

The report then turns to more controversial questions. A distinction is made between whether there are too many taxis, and whether licence limitations are required. They are addressed separately.

ARE THERE TOO MANY TAXIS?: THERE WERE, BUT PROBABLY NOT ANY MORE

"Too many" taxis is defined from the point of view of the public interest: It is defined by when there are more than enough taxis to serve demand. The symptom of "too many" taxis is that taxis must wait an unreasonable period of time to get a fare, even during busy parts of the day. A link is made between "too many" taxis and low driver incomes. However, it is noted that low driver incomes may be caused by other factors, such as low wages for other occupations available to Halifax drivers.

"Too many" taxi drivers is found to be bad for both customers and drivers. The low driver income forces more qualified drivers out of the business, and the high rate of idleness by existing drivers creates an incentive for the unscrupulous driver "take the long way" and cheat customers on fares

The industry is split on the issue of whether there are too many taxis. Most drivers and driver groups feel there are too many. Brokers feel that the situation is all right.

Comparisons of taxis per capita in Halifax and other cities are found not to be valid. Halifax is noted to have roughly three times as many taxis and 50% more drivers per capita than the average of cities surveyed. However, most of this difference may be attributed to Halifax' "open-entry" system (no licence limitations). The absence of vehicle licence limitations means more drivers own their own cabs, and there are more part-time drivers. This impact is enhanced by the greater presence of seasonal and temporary work in Halifax as a port city. Washington DC is found to have similarities to Halifax and is also an open-entry city. Washington has roughly 2.5 times as many drivers per capita as Halifax, and twice as many more taxis per capita.

To establish whether there are too many taxis, a statistical model of taxi demand was applied to the City of Halifax. The model accounts for a variety of factors affecting taxi demand, including population, fare levels, climate, proportion of low income people, proportion of commuters, and the cost of operating a private vehicle. Changes in Halifax taxi demand are estimated relative to 1986. 1986 is chosen because it is the beginning of a three year period in which the number of drivers was relatively stable, and Halifax was enjoying falling unemployment and increased growth. It is estimated that taxi demand fell 7.2% between 1986 and 1989, and another 5.3% between 1989 and 1993.

Figure 3.1, reproduced here, illustrates the relative impact on the number of taxi drivers. The dashed line represents the number of taxi drivers that there would be if numbers were reduced proportionate to the fall in demand. After 1989, it is evident that the number of drivers was rising as demand continued to fall, creating an excess supply of drivers. This increase in drivers was likely driven by rising unemployment during this period. The rise in drivers is cut-off by the infrequent availability of the Taxi School after 1990. By 1993, it appears that the number of taxi drivers has fallen into line with the volume of taxi demand.

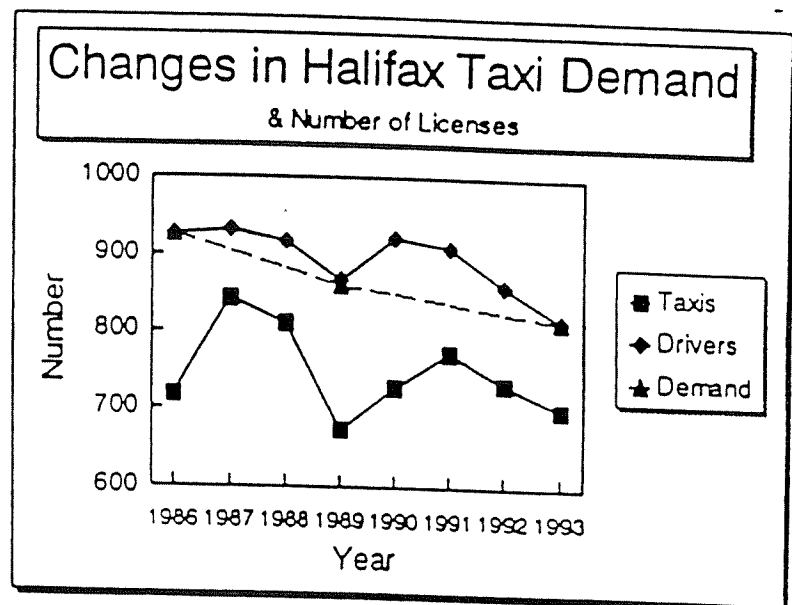


Figure 3.1

Finding: There was an excess supply of taxi drivers following the recession beginning in 1990. Subsequent limited opportunities to attend the Taxi School and qualify for a driver's licence have reduced the number of drivers to close to a reasonable level.

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This finding is supported by direct spot checks of taxi stands, and industry anecdotal evidence. A shortage of cars was observed during off-peak hours at one stand. Interviews independently confirmed that this time of day (week-day mid afternoon) often experienced shortages. Other elements of the industry reported difficulty finding drivers of acceptable quality, or at all.

SHOULD THERE BE LIMITATIONS?

Although the current crisis of excess supply appears to be resolving itself, there are still urgent reasons for resolving the limitations issue:

- The industry has recently gone through a period of excess supply which reduced driver incomes and threatened quality of service. It may be desirable to prevent this situation from recurring.
- The current balance of supply and demand has been arrived at through holding the Taxi School infrequently. This was not an explicit policy of the City of Halifax. The future of the Taxi School needs to be decided, and is bound up in the decision on licence limitations.

The current high level of unemployment in Halifax indicates that there would be an influx of new drivers, recreating the excess supply, if open entry was simply restored without changes.

Finding: The concern of drivers over licence limitations is fair in the current circumstances. With Halifax unemployment still around 11%, return to the former system of complete open entry would lead to an influx of new drivers, with consequent decline in both driver income and quality of service.

- A wide variety of limitations are identified and discussed. The basic choices are limiting taxicab vehicle licences or limiting driver licences. Mechanisms to limit are either direct, involving the setting of a number of licences or a specific formula; or they are indirect, involving measures to discourage or reduce the number of licences held.

Driver groups wanted limitations, either driver limitations, vehicle limitations, or a combination. Brokers expressed interest in an open entry system. They preferred not to move into the system typical of other cities where vehicle licences were limited and bought up by brokers, who then rented cars and licences to drivers. They preferred the drivers to own their own cars and buy dispatch services from them. The fleet owner interviewed (rents taxis to drivers) expresses some preference for vehicle limitations.

Recommendation: Limits on drivers should not be an explicit number or formula. Instead, indirect methods should be used to limit the number of new drivers to the best qualified and most committed to the industry.

Recommendation: That Halifax establish indirect limitations on the number of drivers through the following measures:

- Increase Taxi School to 40 hours of instruction. (Recommended in Chapter 2 as well).
- Charge a full cost-recovery tuition fee for the Taxi School.
- Ensure a stringent licence test, whose terms are well known to all potential candidates.
- Increase level of regulatory enforcement on both drivers and vehicles according to a program developed in consultation with the industry (as per recommendations in Chapter 2)
- Fund the increased level of enforcement through higher annual licence fees.

The above program limits the number of drivers indirectly in three ways. The longer hours and full cost recovery of the tuition fee provide an initial test of commitment. Correcting deficiencies in enforcement noted in Chapter 2 ensure that drivers expect to have to maintain a professional vehicle, and professional decorum. The increase in fees ensures that drivers who remain registered are more likely to have a commitment to the industry. The recommended indirect limits also have these advantages:

- They build on the consensus in the industry for improving the Taxi School and improving and increasing regulatory enforcement.
- The increase in fees is re-invested in the industry, promoting service quality and expanded use of taxi services. This answers some of the concerns of the industry over higher fees.
- There is no need to explicitly decide the number of drivers required. The number of drivers will adjust automatically. When new drivers are really needed, taxis will be busy enough that the higher income will attract new drivers despite the tuition fees and other barriers. When new drivers are not needed, as in a recession when business is bad, the barriers will effectively screen out all but the most qualified and committed new drivers.

- Companies who wish to offer new services are not constrained by a fixed number of drivers. Competition and the offering of creative new services are free to develop.
- Cost-recovery of tuition and enforcement places the burden of costs where it should, on the industry which benefits, and improves the fiscal position of the City of Halifax.

The possibility of enrollment limits on the taxi school is also discussed. While these are not explicitly recommended, consideration of rates of past rates of attrition among taxi drivers leads to this recommendation:

Recommendation: That, enrollment restrictions on the Taxi School, if put in place, not be less than 150 students per year (5 classes). This number allows for the steady state replacement of 10% to 13% of drivers, a failure rate, and random variation in need. In general, enrollment restrictions should be loose. Indirect limitation measures should be used as the primary limitation tool instead.

The above recommendations provide a system for indirect limitation of taxi driver licences, and help protect both driver incomes and quality of service during recessionary periods.

Several other issues related to the limitation of licences are also discussed in the report:

SHOULD THERE BE RE-TESTING?

If new drivers are required to meet higher standards, is it fair that current drivers are not required to? This question emerges naturally from the existence of the Taxi School, and is of stronger interest if, as recommended, the Taxi School becomes the principal means of indirect limitation on driver licences.

Recommendation: Regarding re-testing, Hara Associates recommends:

- That re-testing not be compulsory.
 - That any currently licensed driver voluntarily attending the Taxi School and passing the licence exam have their driver and vehicle licence fee waived for their next renewal; and that failure of a voluntary taking of the licence exam not cause removal of the licence.
 - That extra spaces which become available in the Taxi School (e.g. to fill out a class size of 30), be offered to current taxi drivers at no charge.
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Recommendation: That the City of Halifax consider making attendance at a "professional development" day once every five years a requirement of holding a taxi driver's licence. These special days would provide an opportunity to communicate important topics, such as changes in regulations or elements of the Taxi School program. It would also provide the opportunity for Bylaw Officers to interact with drivers in a positive atmosphere separate from inspection, ticketing, etc.

SHOULD BROKERS BE REGULATED?

At present, brokers (dispatch companies) are not required to be licensed under Halifax regulation. This is not an unusual situation, but it does raise the question of what parts of the taxicab industry should be regulated. Many people consulted commented on the apparent imbalance of regulating drivers and taxicabs, but not this important part of the industry: the company that customers call when they want a taxicab.

Analysis includes consideration of impact on industrial structure, and recent court precedents on freedom of taxi drivers not to have brokers.

Recommendation: Brokers should be brought under the regulations in order to provide the legal authority to use brokerage facilities to locate drivers and vehicles, and to economize on the implementation of regulations, the conduct of annual inspections.

Initial fee should be \$2,000 per year per corporate entity, plus \$500 per year for each additional dispatch company (roof-light or brand-name) operated by the corporation. This fee is high enough to discourage unreasonably small operators, but affordable to a dispatch operation. Fees should be adjusted annually.

Funds collected should be used to finance enforcement and inspection.

Drivers who wish to register as independents, without an affiliation with a dispatch equipped broker, should be inspected twice a year, instead of the usual once a year, and pay an annual fee 50% higher than the basic driver licence renewal fee to account for the increased cost of monitoring and inspection.

Requirements to maintain a broker's licence should be worked out in consultation with the industry and the Halifax Police Department. Consideration should be given to requiring the sharing of information, such as dispatch volume and the number of calls or days on duty of individual drivers or vehicles.

PART-TIME DRIVERS

Part-time drivers are the final issue considered. In Halifax, the issue of part-time drivers has reached an unusual level of concern. This is in part because of the drop in business in recent years, but also because of the nature of the open entry system which makes it easy to be a part-time driver.

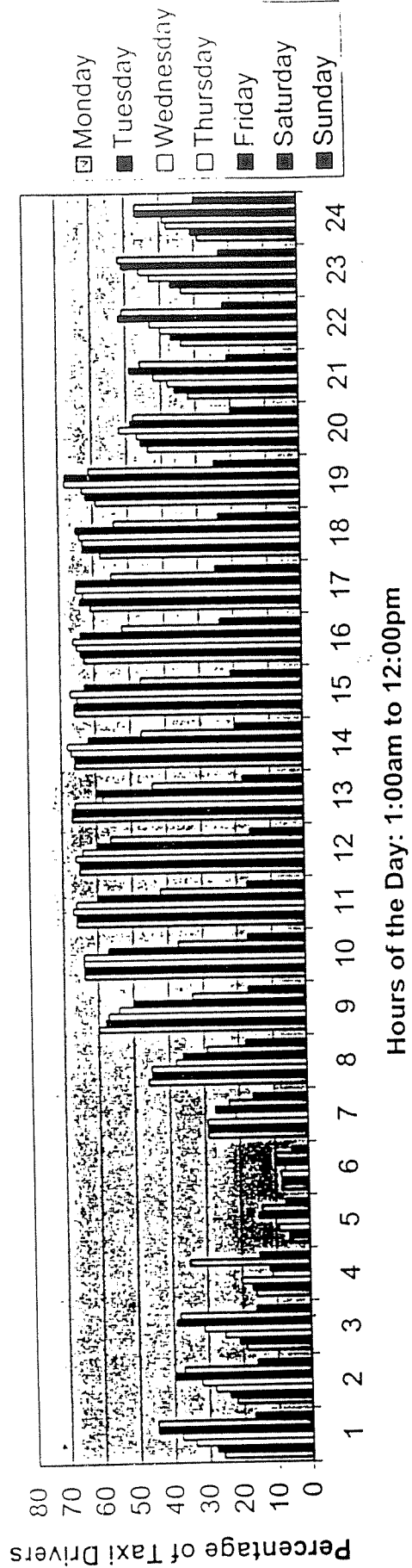
Recommendation: Nothing should be done about "part-time" drivers. The other measures recommended, including strong Taxi School requirements, better enforcement in off-hours, and higher annual fees, will all act to screen out part-time drivers who are not committed to the industry or are unwilling to be professional. The balance of part-time drivers are an asset to the Halifax industry, and an advantage of the lack of vehicle licence limitations. They provide flexibility in meeting peak load demand.

Taxi Survey

This survey was conducted with the co-operation of Halifax Taxi Drivers during the annual renewal in April of 2001.

Numbers represent the Percentage of Halifax Drivers working at given times
 Number of Drivers in Halifax as of June 4, 2001 = 639

Time	00:01	01:00	02:00	03:00	04:00	05:00	06:00	07:00	08:00	09:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00
Mon	26	22	19	16	6	8	29	46	60	64	66	65	67	66	66	63	61	58	59	44	32	34	34	29
Tue	28	24	21	17	6	8	29	45	58	64	66	65	67	66	66	64	64	63	62	46	36	37	37	31
Wed	34	28	25	20	9	8	29	45	57	64	67	66	66	67	65	65	63	63	63	47	38	40	43	38
Thur	38	32	31	11	10	7	21	38	54	64	66	64	58	68	67	66	65	64	68	52	42	43	46	39
Fri	45	40	39	12	15	10	27	36	50	57	60	60	60	62	63	64	65	65	68	49	49	52	51	47
Sat	45	37	38	35	14	10	23	29	33	37	42	56	44	47	47	52	55	54	61	48	46	51	52	47
Sun	17	16	16	15	7	5	16	18	17	17	17	16	18	20	21	24	25	24	25	20	21	22	23	30



**Taxi and Limousine Committee Report Amendments to the
Taxi and Limousine By-Law Section 77
dated January 21, 2002**

Halifax Regional Council

January 29, 2002

February 19, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

Councillor Stephen Adams, Chairman, Taxi and Limousine Committee

DATE: January 21, 2002

SUBJECT: By-Law T-119 Amendment to Taxi and Limousine By-law, Section 77

ORIGIN

The Taxi and Limousine Committee considered this matter at the January 21, 2002 meeting of the Committee.

RECOMMENDATION

That Halifax Regional Council approve the attached amendments to Section 77 of the Taxi and Limousine By-law, T-108.

Council Report**Amendment to By-law T-108****- 2 -****January 29, 2002****BACKGROUND**

Council gave First Reading to an amendment to Section 77 of the Taxi and Limousine By-law, T-108 to increase the limit of taxi vehicle licenses in the Halifax Zone from 550 to 610 on December 4, 2001. Prior to a public hearing be held regarding this amendment, the Taxi and Limousine Committee began discussions with regard to a mechanism for the distribution of available licenses and providing for the maximum number of license to increase further over the next three years in accordance with the growth rate of the Gross Domestic Product of the Province of Nova Scotia. Given that all the amendments being considered would be encompassed within Section 77, it was felt that the best approach would be to bundle these for consideration by Council. Consequently, the amendment process for the First Reading given on December 4, 2001 was abandoned.

DISCUSSION

The Taxi and Limousine Committee considered proposed amendments to Section 77 of By-law 108 at Committee meetings held on November 19, 2001, December 17, 2001 and January 21, 2002. The attached November 20, 2001 report from Councillor Stephen Adams, Chair, Halifax Regional Taxi and Limousine Committee provides the discussion relative to the increasing of taxi licenses in Halifax from 550 to 610. With the increase to taxi licenses in Halifax, a potential six new roof lights would be issued. Subsequent to a report from the Taxi Inspector indicating that a no valid taxi license waiting list existed in Halifax, proposed criteria regarding distribution of roof lights were introduced on November 19, 2001, reviewed and revised on December 17, 2001 and finalized on January 21, 2001. At the December 17, 2001 meeting of the Committee a resolution to amend the By-law to provide for controlled growth of taxi licenses was introduced and approved. The proposed amendment attempts to address concerns regarding future growth of the industry.

BUDGET IMPLICATIONS

N/A

MULTI-YEAR FINANCIAL IMPLICATIONS

N/A

ALTERNATIVES

Reject the proposed amendments.

Council Report

Amendment to By-law T-108

- 3 -

January 29, 2002

ATTACHMENTS

1. November 20, 2001 report from Councillor Stephen Adams regarding the Removal of Limitation of the Number of Taxi Owner License (Roof Lights) in the Halifax and Dartmouth Taxi Zones
2. November 5, 2001 Information Report from P. E. James, Regional Coordinator of By-law Enforcement re Roof Light Waiting List for Halifax and Dartmouth Taxi Zones

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Sherryll Murphy, Assistant Municipal Clerk, 490-6517

Report Approved by: _____

HALIFAX
REGIONAL MUNICIPALITY

10.1.1

Halifax Regional Council
November 20, 2001**TO:** Mayor Kelly and Members of Halifax Regional Council**SUBMITTED BY:**

Councillor Stephen Adams, Chair, Halifax Regional Taxi and Limousine Committee

DATE: November 20, 2001**SUBJECT:** Removal of Limitation of the Number of Taxi Owner Licenses (Roof Lights) in the Halifax and Dartmouth Taxi Zones**ORIGIN**

Halifax Regional Council, at a meeting held on October 23, 2001, referred the matter of removal of the number of Taxi Owner Licenses (roof lights) in the Halifax and Dartmouth taxi zones to the Taxi and Limousine Committee for report and recommendation.

RECOMMENDATION

The Halifax Regional Taxi and Limousine Committee recommends to Halifax Regional Council that limitation of the number of taxi owner licenses (roof lights) in the Halifax and Dartmouth taxi zones remain in place with the limit of taxi owner licenses increasing in Halifax from 550 to 610 and the limit remaining at 200 taxi owner licenses in Dartmouth.

**Removal of Limitation
Council Report**

- 2 -

November 20, 2001

BACKGROUND

Removal of limitations was discussed by Regional Council at a meeting held on March 27, 2001. Council approved the following:

1. Councillor Adams memorandum of March 27, 2001 re Taxi Limitation be referred to staff for a report.
2. The report include information on dispatch and brokers.
3. The report include information on how many taxis are working each night.

Responding to Council's request, staff submitted a supplementary report dated October 16, 2001 which was considered by Council on October 23, 2001. Council referred this report to the Taxi and Limousine Committee for a report and recommendation.

DISCUSSION

The Taxi and Limousine Committee considered the matter of removal of limitation at a meeting held on November 19, 2001. After hearing from the industry, members of the Committee debated the advisability of removing limitation. The debate included the following points supporting the Committee recommendation:

- Approximately 75% of the industry representation received was against the lifting of limitation.
- Drivers are experiencing difficulty making a living. They work longer hours to maintain their income. Lifting limitation would worsen this situation.
- The Hara report on which the staff report is (in part) based, addressed only the Halifax situation and is out of date.
- There are inefficiencies in the dispatch of calls for taxis which should be addressed before any action is taken to lift limitation.

Subsequent to reaching a decision, the Committee discussed proposed criteria regarding the issuance of new roof lights in Halifax. Note should be made that the criteria upon which Dartmouth roof lights are issued will remain the same. The Committee will give further consideration and make a decision relative to these criteria at its meeting on December 17, 2001.

BUDGET IMPLICATIONS

N/A

**Removal of Limitation
Council Report**

- 3 -

November 20, 2001

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

N/A

ATTACHMENTS

N/A

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Sherryll Murphy, Assistant Municipal Clerk

Report Approved by: _____

respectively; and then

- (c) the procedure followed in sub-clause (a) shall be followed in respect of any taxi drivers licensed prior to 1991 and each of the calendar years 1991, 1992, 1993, and 1994 respectively.

(5) When any taxi driver who does not on the effective date of this Section hold a taxi owner license in their own name or in the name of a corporation of which the taxi driver is a shareholder are first licensed in the Halifax zone subsequent to the effective date of this Section, the name of the driver shall be added to the end of the waiting list developed pursuant to subsection (4) in order of the date of the issuance of the taxi driver's license.

(6) Whenever new taxi owner licenses can be issued as a result of the total number of licenses in the Halifax zone falling below the number prescribed by subsection (1), persons whose names are on the waiting list shall be offered the first opportunity to obtain a license in order of their seniority and

- (a) The Inspector shall notify such person forthwith by registered mail addressed to the mailing address of the driver maintained by the License Inspector and the person shall complete all of the requirement for licensing a vehicle pursuant to this by law within 30 days of delivery of the notification, provided that any vehicle presented for licensing pursuant to this sub-clause during the 2002 calendar year shall meet the 2002 licensing standards; and
- (b) If the vehicle is licensed pursuant to sub-clause (a), the name of the person shall be removed from the waiting list; but
- (c) If the person does not license a vehicle pursuant to sub-clause (a), the name of the person shall be moved to the end of the waiting list and the license shall be offered to the person being entitled to license a vehicle in order of seniority and the procedure set out herein shall apply *mutatis mutandis* to such person.

(7) When a taxi owner's license is issued to a taxi driver pursuant to this Section who is not nationally certified pursuant to subsection (1) of Section 82 of this By-law, the taxi driver shall register for and successfully complete the national certification process pursuant to said subsection (1) of Section 82 of this By-law within one year of the obtaining the taxi owner's license and if the taxi driver fails to obtain such certification within that time, the License Inspector shall immediately revoke the taxi owner's license issued pursuant to this Section and the name of the taxi driver shall be moved to the end of the waiting list.

(8) Any taxi owner licence which is revoked or surrendered, or which ceases to be in force for any reason other than expiration, shall not be renewed or reissued unless the issuance of such licence will not result in the number of licences exceeding the number prescribed by subsection (1).

Appendix "A"

HALIFAX REGIONAL MUNICIPALITY
BY-LAW NUMBER T-119RESPECTING THE REGULATION OF TAXIS AND LIMOUSINES

BE IT ENACTED by the Council of the Halifax Regional Municipality, under the authority of Section 305 of the Motor Vehicle Act, Chapter 293, R.S.N.S. 1989 that By-law T-108, the Halifax Regional Municipality Taxi and Limousine By-law be and the same is amended as follows:

1. Section 77 of said By-law 108 is repealed and the following substituted therefor:

77 (1) Notwithstanding any other provision of this By-law, there shall be a limit in ~~2002~~ of six hundred and ten taxi owner licenses in force in the Halifax zone at any time, ~~and thereafter in the years 2003, 2004 and 2005 the maximum number of taxi owner licenses in force shall be the product of six hundred and ten multiplied by the Gross Domestic Product for the Province of Nova Scotia as published by the Conference Board of Canada for the previous year divided by the Gross Domestic Product for the Province of Nova Scotia for the year 2000, rounded to a whole number.~~

(2) The Taxi and Limousine shall review subsection (1) during 2005 and shall recommend to Regional Council a formula for determining the maximum number of owner's license for 2006 and subsequent year. In the absence of such recommendation, the formula set forth in subsection (1) shall remain in effect.

(3) The Inspector shall not issue a new taxi owner license until the number of such licenses falls below the number prescribed by subsection (1), at which time a further number of such licenses may be issued until the number again reaches the number prescribed by subsection (1).

(4) Effective the date this Section comes into effect, the Inspector shall create a waiting list of taxi drivers licensed in the Halifax zone on that date who do not presently hold a taxi owner license in their own name or in the name of a corporation of which the taxi driver is a shareholder, with the names of the drivers added to the list in the following order of seniority:

(a) The name of the taxi driver first drawn by lot from the names of all licensed taxi driver's first licensed during the calendar year 1995 shall be the first name added to the list; the name of the taxi driver second drawn shall be the second name added and so on until there are no further names of licensed taxi driver's first licensed during the calendar year 1995; and then

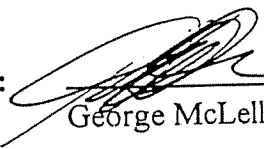
(b) the procedure followed in sub-clause (a) shall be followed in respect of any taxi drivers first licensed during the calendar year 1996, 1997, 1998, 1999, 2000, 2001 and during 2002 to the effective date of this Section.

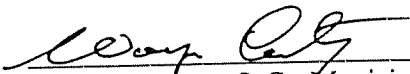
**Taxi and Limousine Committee Report Second Reading By-Law T-119 -
Respecting Taxi Limitations dated February 22, 2002**

Halifax Regional Council
February 26, 2002
6:00 p.m.

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Wayne Anstey, Q.C., Municipal Solicitor

DATE: February 22, 2002

SUBJECT: Second Reading By-Law T-119 - Respecting Taxi Limitations

SUPPLEMENTARY REPORT

ORIGIN

Public Hearing and Debate at Regional Council meeting of February 19, 2002.

RECOMMENDATION

Regional Council approve Second Reading of the amended version of By-Law T-119 attached as Appendix "A" to this report.

BACKGROUND

At the meeting of Halifax Regional Council held on February 19, 2002, a public hearing was held to consider By-Law T-119, the purpose of which was to:

- (1) Increasing the number of taxi owner licenses in the Halifax zone for the year 2002 to 610;
- (2) Providing for the maximum number of owner licenses to increase further over the next three years in accordance with the growth rate of the Gross Domestic Product of the Province of Nova Scotia and providing for a review of the maximum number of owners licenses after three years; and
- (3) Providing a mechanism for the distribution of available owner licenses to drivers who do not have vehicle licenses.

Council approved item number one; rejected item number two and did not complete the debate on item number three when the meeting was adjourned as a result of the time running out.

DISCUSSION

At several meetings recently, Council appeared to be of the view that some increase in the number of taxi owner licenses in the Halifax zone was warranted and that there should be an opportunity for new taxi owners to enter the industry and therefore Council approved the maximum number of taxi owner licenses in the Halifax zone to increase to 610 from the present 550. While the actual motion that was passed on February 19th only referred to the year 2002, the consensus appeared to be that the limitation should not be restricted to that year only. If Council does restrict the maximum number to 610 for the license year 2002 alone and if Council is unable to agree on some long term solution to the various issues facing the taxi industry before 2002, the maximum number will revert to 550 and if Council wishes to alter this, it will require another amendment to the By-Law complete with a public hearing. Otherwise, the number of licenses will begin to decrease again and the door will be closed to new entrants.

If Council is prepared to permit additional taxi licenses to be issued and in fact retiring licenses to be replaced, there must be an equitable formula in place to permit the distribution of the licenses. The proposal in the By-law before Council will permit the issuance of new licenses only to licensed taxi drivers who do not presently hold a taxi owner's license. Furthermore priority will be given to those drivers who first entered the industry since limitations came into place and who therefore have never had an opportunity to have their own licensed taxi. Failure to adopt these amendments will either make the approved increase moot or perhaps worse, if the License Inspector is forced to

issue licenses under the present legislated procedure, most of the licenses will likely go to individuals or companies who already hold one or more taxi owner licenses.

Some Councillors expressed concern that under the proposed amendments, a driver could obtain an owner license and not drive the vehicle himself but lease it out to another driver instead. This is certainly possible, although many of the drivers whose names will appear on the waiting list would in fact be drivers who are leasing now and therefore there would be no economic advance for them since the income derived from leasing their roof light to a third party would only offset the rent they were paying to someone else. It would make just as much sense for them to put the roof light on their own vehicle.

When these amendments were put forward at the Taxi Committee a suggestion was made at that time to add a caveat that the roof light and the vehicle license be tied to a driver and used for their own personal use. This amendment was also suggested by some Councillors. The motion was voted down at the Taxi Committee because it in effect created a sub-class of taxi owner different than all other owners. At the February 19th meeting, the Solicitor ruled the amendment to be out of order because it was a substantive change from the scope of the original amendments vetted at the Public Hearing. The issue of leasing roof lights will be one of the matters addressed in the staff report which will be forthcoming in the next few weeks. It is staff's opinion that this issue would be better addressed as a part of that overall restructuring rather than as in this context of a few licenses.

A revised By-Law providing for a limitation of 610 owner licenses, elimination of the escalator provision and adoption of the distribution mechanism is attached as Appendix "A". It is staff's recommendation that this version of the By-Law be given Second Reading.

ALTERNATIVES

- (1) Council could merely increase the maximum number of owner licenses to 610. For the reasons set out above, this is not recommended.
- (2) Council could adopt the original proposed amendment. From the debate on February 19th, this does not appear to be likely or for that matter desirable because of the issues surrounding the GDP.
- (3) Council could defer Second Reading of the Bylaw pending receipt of the staff report on the ~~of the~~ more general issues. This would mean that no new owner licenses could be issued in the interim.
- (4) Council could defeat Second Reading of the amendments. This is not recommended unless

Council has determined that no increase in the number of taxi owner licenses in the Halifax zone are appropriate because if Council is unable to agree on fundamental changes as a result of the pending general report, it will then have to re-start the whole process (including another Public Hearing) in respect of these issues.

BUDGET IMPLICATIONS

None

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

None

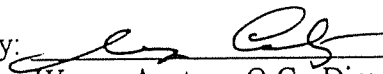
ATTACHMENTS:

Appendix "A" - Revised By-Law T-119

Additional copies of this report and information on its status can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report prepared by: Wayne Anstey, Q.C. - 490-4229.

Report approved by:



Wayne Anstey, Q.C., Director, Administrative Services - 490-4229

Appendix "A"

**HALIFAX REGIONAL MUNICIPALITY
BY-LAW NUMBER T-119**

RESPECTING THE REGULATION OF TAXIS AND LIMOUSINES

BE IT ENACTED by the Council of the Halifax Regional Municipality, under the authority of Section 305 of the Motor Vehicle Act, Chapter 293, R.S.N.S. 1989 that By-law T-108, the Halifax Regional Municipality Taxi and Limousine By-law be and the same is amended as follows:

1. Section 77 of said By-law T-108 is repealed and the following substituted therefor:

77 (1) Notwithstanding any other provision of this By-law, there shall be a limit of six hundred and ten taxi owner licenses in force in the Halifax zone at any time.

(2) The Inspector shall not issue a new taxi owner license until the number of such licenses falls below the number prescribed by subsection (1), at which time a further number of such licenses may be issued until the number again reaches the number prescribed by subsection (1).

(3) Effective the date this Section comes into effect, the Inspector shall create a waiting list of taxi drivers licensed in the Halifax zone on that date who do not presently hold a taxi owner license in their own name or in the name of a corporation of which the taxi driver is a shareholder, with the names of the drivers added to the list in the following order of seniority:

- (a) The name of the taxi driver first drawn by lot from the names of all licensed taxi driver's first licensed during the calendar year 1995 shall be the first name added to the list; the name of the taxi driver second drawn shall be the second name added and so on until there are no further names of licensed taxi driver's first licensed during the calendar year 1995; and then
- (b) the procedure followed in sub-clause (a) shall be followed in respect of any taxi drivers first licensed during the calendar year 1996, 1997, 1998, 1999, 2000, 2001 and during 2002 to the effective date of this Section, respectively; and then
- (c) the procedure followed in sub-clause (a) shall be followed in respect of any taxi drivers licensed prior to 1991 and each of the calendar years 1991, 1992, 1993, and 1994 respectively.
- (4) When any taxi driver who does not on the effective date of this Section hold

a taxi owner license in their own name or in the name of a corporation of which the taxi driver is a shareholder are first licensed in the Halifax zone subsequent to the effective date of this Section, the name of the driver shall be added to the end of the waiting list developed pursuant to subsection (4) in order of the date of the issuance of the taxi driver's license.

(5) Whenever new taxi owner licenses can be issued as a result of the total number of licenses in the Halifax zone falling below the number prescribed by subsection (1), persons whose names are on the waiting list shall be offered the first opportunity to obtain a license in order of their seniority and

- (a) The Inspector shall notify such person forthwith by registered mail addressed to the mailing address of the driver maintained by the License Inspector and the person shall complete all of the requirement for licensing a vehicle pursuant to this by law within 30 days of delivery of the notification, provided that any vehicle presented for licensing pursuant to this sub-clause during the 2002 calendar year shall meet the 2002 licensing standards; and
- (b) If the vehicle is licensed pursuant to sub-clause (a), the name of the person shall be removed from the waiting list; but
- (c) If the person does not license a vehicle pursuant to sub-clause (a), the name of the person shall be moved to the end of the waiting list and the license shall be offered to the person being entitled to license a vehicle in order of seniority and the procedure set out herein shall apply *mutatis mutandis* to such person.

(6) When a taxi owner's license is issued to a taxi driver pursuant to this Section who is not nationally certified pursuant to subsection (1) of Section 82 of this By-law, the taxi driver shall register for and successfully complete the national certification process pursuant to said subsection (1) of Section 82 of this By-law within one year of the obtaining the taxi owner's license and if the taxi driver fails to obtain such certification within that time, the License Inspector shall immediately revoke the taxi owner's license issued pursuant to this Section and the name of the taxi driver shall be moved to the end of the waiting list.

(7) Any taxi owner licence which is revoked or surrendered, or which ceases to be in force for any reason other than expiration, shall not be renewed or reissued unless the issuance of such licence will not result in the number of licences exceeding the number prescribed by subsection (1).

**Taxi Recommendations from Chairman of the Taxi and Limousine Committee
dated February 25, 2002**

MAR. 7. 2002 1:18PM
Peter James - 7117
Wayne Anstas - 4044
Allen Wayne - 7117

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Halifax Regional Council
February 26, 2002

TO: Members of Halifax Regional Council
SUBMITTED BY: Stephen Adams
Stephen Adams, Chair HRM Taxi & Limousine Committee
DATE: February 25, 2002
SUBJECT: Taxi Recommendations

Information Report

ORIGIN

Prepared as a result of HRM Council Meeting of February 19, 2002.

BACKGROUND

Over the past number of months presentations have been made to Council outlining concerns with regard to the taxi industry. Generally speaking, the leasing of roof lights has been an issue which has been the topic of most discussion. Further, the issue of limitation has also been discussed.

RECOMMENDATIONS

In order to address these issues I would ask that Council consider the following recommendations:

1. Honour all existing leasing/renting agreements between drivers and "personally-owned" roof lights. These include, but are not limited to borrowing, loaning or any other agreement whereby a light is used by more than one person using the same car. These arrangements are to be registered with the License Division within 30 calendar days.

Rationale - this policy will prevent a sudden drop in the number of roof lights being used. It will also allow for those who must wait to get a license to continue to work in the industry.

Taxi & Limousine Committee
Taxi Recommendations

- 2 -

February 26, 2002

2. Grandfather "company-owned" roof lights and allow any licensed driver to drive under them, as long as the light, registration, license, insurance, etc. are in the company name. Vehicles with two names on the permit will not be allowed under this policy.

Rationale - this recommendation will allow an avenue for new drivers to enter the industry, and ensure availability of taxis for these drivers. Some of these drivers are part-time, and work at peak hours. These companies generally operate under the intent of the By-law (leasing entire package) as opposed to leasing just a light, which is common with "individually-owned" roof lights.

3. As roof lights come due for renewal they are to be registered in the drivers' name, for their use only.

Rationale - if a roof light is tied to a driver, it is for his/her use only, and cannot be leased, transferred or rented. This prevents the \$50 roof light being leased for upwards of \$5000 annually. * Those agreements as outlined in #1 are exempt, until the agreement is terminated.

4. As roof lights become available they are to be issued to the next driver on the seniority list.

Rationale - this is consistent with the intent of maintaining 610 vehicles licensed for use, and allows for drivers to own, as opposed to rent, lease or otherwise obtain.

CONCLUSIONS

These recommendations will accomplish the following:

1. Eliminate the majority of leasing within 8 months.
2. Allow for the new dispatch systems (from the two largest brokers representing over 80% of the industry) to improve service to the traveling public.
3. Minimize the number of legitimate presentations by the industry at the HRM Council level, and allow the committee to address industry concerns.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210 or Fax 490-4208.

Report prepared by : Stephen Adams, Councillor District 18

**Proposed Terms of Reference for Broad Strategy Study of
Halifax Regional Municipality Taxi and Limousine Industry**

**Proposed Terms of Reference for Independent Review of
Halifax Regional Municipality Taxi and Limousine Industry**

Scope of Work

To develop a strategy, in consultation with all stakeholders, that will enhance a safe, reliable and customer friendly taxi and limousine industry.

Framework for Study

The following deliverables are expected.

1. **A Review of Governance of Taxi and Limousine Issues**

The review is to recommend to what extent the HRM should be involved in regulating the taxi and limousine industry. This includes a review of the role the Taxi and Limousine Committee, the zone system and the regulation of brokers/dispatchers.

2. **A Review of the Requirements for the Licensing of Taxi and Limousine Drivers**

The review is to make recommendations as to the training and certification process for taxi and limousine drivers. This includes a review of the three step-driver training programme, and the requirements of annual license renewal.

3. **A Review of the Requirements for the Licensing of Taxis and Limousines**

The review is to make recommendations on the licensing and inspections of taxis and limousines. This includes a review of the policy of limitation of owners licenses, leasing, vehicle requirements and the Hotel Standards program.

4. **A Review of Enforcement and Administrative Procedures**

The review is to make recommendations respecting taxi and limousine enforcement and administrative procedures.