

Saskatoon Taxi Study

Executive Summary

This report relates the findings and recommendations from a study contracted with TTLF by the City of Saskatoon for the examination of taxi services within the city and was conducted over a period from December 2009 to May 2010. It discusses the rationale and necessity of regulating taxi operations within the City of Saskatoon, examines the current Saskatoon taxi markets and company structures for the provision of taxi services, the current environment for taxicab service, and finally, makes recommendations for the future regulation of Saskatoon taxicab operations. While the full report encompasses considerable detail, the purpose of this Executive Summary is to convey the primary recommendations from this comprehensive study.

Saskatoon Taxi Markets

Saskatoon taxis have several demand points which generate a significant percentage of their daily demand. Two of these sources would be the airport and the school trips. Another would be public taxi and hotel stands where individuals can obtain taxi services without making a reservation. The vast majority of taxi trips, however, are provided through taxi broker dispatch calls, airport and school trips. Thus, a taxi broker is essential in the scheme of taxi services for Saskatoon since it is the broker that arranges all of these trips either through their call/dispatch center or contracts with school, individual accounts, and the airport.

The Saskatoon taxi industry would have to be considered one of the City's larger employers with over 500 individuals involved. Saskatoon taxi plates or medallions are generally not utilized by an individual who owns his own taxi and drives it. The vast majority of these annual taxi plates are owned by independents who neither drive nor own a taxi. These individuals pay a yearly license renewal fee of \$90 to \$100 dollars and then lease this taxi plate to either a taxi broker, who then subleases it to a driver who brings his own vehicle outfitted as a taxi, or to an individual who outfits a vehicle as a taxi and pays a broker for dispatch and other services. The current "going rate" for a monthly lease of the city's taxi license ranges between \$1,000 to \$1,500 per month. Current estimates of the tradable value of Saskatoon's taxi license or "plates" is estimated to be between \$125,000 and \$150,000.

Current Taxi Environment

During the course of this study several methods were utilized to provide information and background for determining the current taxi situation. Among these were Secret Shoppers, mailed surveys to frequent users, interviews with all taxi brokerages and their drivers, and telephone conversations with key stakeholders. Following is a brief summary of the results of these inquiries.

Currently all three of Saskatoon's taxi brokerages utilize modern technology such as GPS dispatching of taxis. Of course, GPS dispatching is only effective if taxi drivers accept the computerized dispatch when offered. GPS dispatching works best when computerized dispatch

calls are treated as any street hail or first in line at the airport or hotel stand. The driver is the next in line (in the GPS example, the closest to the pickup or the one who has been in the zone the longest and closest to the pickup) and he/she is the one who takes the trip.

An analysis of driver activity and gross incomes, on the other hand, reveals that Saskatoon taxis are very busy and generate significant revenues per day. While there is typically a broad range of what any two taxi drivers may take in on any given day – individual Saskatoon taxi revenues range from an average low of \$400 per day to an estimated high of \$600 per day or greater when these taxis are utilized in a double shift system in peak winter season. Driver interviews confirm that this range is realistic, but individual income depends upon how hard the driver works his shift, how well he knows the market, and how willing he is to take all calls to stay busy.

With respect to the City licensing and regulatory activities, it was observed that the City of Saskatoon’s present involvement with their taxi industry is that of a taxi licensing bureau with little overall regulatory oversight. For example, there is no process for handling consumer complaints about City taxi services. In addition, current fees charged by the City for services provided to the taxi industry and drivers do not appear to adequately cover the office costs associated with these activities.

Recommendations

The following recommendations are being made as a “package” that is intertwined. They are heavily related and form a recommended policy of light taxi regulation for the City of Saskatoon.

Broker/Vehicle Technology Requirements

- Require all Saskatoon taxi brokers to utilize new taxi dispatch technologies to report quarterly on all taxis dispatched including, but not limited to, the number of all metered trips by vehicle, by location, by driver, by time and date.
- All taxi drivers approved for driving a taxi within Saskatoon should accept GPS closest computerized calls from their broker’s dispatch just the same as they accept hail or stand calls.
- In addition, each taxi vehicle driven on the streets of Saskatoon should be equipped with an on-board taxi camera to record pictures of everyone entering and leaving the vehicle.

City Technology Requirements

Just as the taxi brokers must update their data processing abilities, so must the City of Saskatoon. Currently taxi broker, driver, and owner data is maintained by the City on spreadsheets and various Excel databases. The City needs to develop a comprehensive data management system for the regulation of its taxi and other ground transportation systems.

Vehicle Age, Driver Appearance and Qualifications

- All vehicles utilized in the Saskatoon taxi industry should be no older than 8 model years in 2011, 7 years in 2012, and 6 years by 2013. This will apply to all new vehicles placed into service.
- Each taxi broker and its drivers should develop a dress code that identifies that driver with the company. This dress code is to be approved by the City.
- Each new applicant for a taxi driver’s license in the City of Saskatoon should be required to have a minimum of two years driving experience in Canada and a minimum of 6 months driving experience in the City of Saskatoon.

Public Cab Stands

Public taxi stands should be open to all taxis on a first come basis. In this way the needs of the customer – the taxi user, are maximized by having a greater likelihood that someone’s taxi will be on the stand. In order to do this, taxicab lease fees would have to be raised to cover the cost to the city of giving up this parking space revenue.

Driver Safety

Taxi on-board cameras have become one of the most effective ways in combination with silent panic buttons to protect the taxi driver and to lead to prosecution of the criminal. They are therefore being recommended in this report.

Creation of Taxi Regulatory Division or Board

The City of Saskatoon should expand its General Licensing Section of the Treasurers Department - into a taxi regulatory division with “light” regulations - basing decisions upon “data” provided by taxi broker companies. In order to do this the City will need to employ two additional personnel as staff to carry out the added duties of this taxi regulatory function. These duties would include current licensing duties but also have on-street responsibilities which would:

- Ensure that all taxi vehicles are properly inspected, have current legal plates, and that drivers are properly approved and authorized by the City.
- Enforce taxi operational bylaws of the City with respect to vehicle age, driver dress, and vehicle physical condition.
- Ensure driver safety and prosecution of driver assaults and attempted robberies.
- Collect, analyze, and report quarterly taxi broker service reporting data. Develop and test street knowledge, English, and taxi operating rules for new taxi license applicants and existing drivers who have been referred for reexamination.

- This testing program would need to be developed for and approved by the City of Saskatoon and should consist of three parts: (1) Demonstrate the ability to carry on and understand conversational English; (2) Demonstrate detailed knowledge of Saskatoon’s street network; and (3) Demonstrate a knowledge of the rules of taxi operations. It would be the applicant’s responsibility to learn this material with or without the help of the Saskatoon taxi broker companies.

The general duties of the expanded taxi licensing division or taxi board of the City, in addition to those already performed by the City, would consist at a minimum of:

- Awarding regular and seasonal taxi plates through industry data analysis
- Determining taxi fares
- Handling customer complaints unresolved at the broker level
- Reviewing all taxi plate lease and taxi vehicle agreements for clarity, proof of receipt for all monies paid, and terms without setting individual lease rates
- Reviewing the operational and safety aspects of the city’s bylaws dealing with the operation of taxicabs and limousines and making appropriate recommended changes
- Reviewing and recommending taxi industry technology including, but not limited to, vehicles, dispatch technology, meters, in-vehicle cameras and other driver safety devices, and making appropriate recommended changes whenever necessary.

Appeals of decision such as the failure to grant a license or the revoking of licenses made by the Saskatoon Taxi Regulatory Division should be made to a City Appeals Board.

Fees

Fees for taxi licenses, driver permits, and enforcement should be increased to cover all costs associated with the establishment of the Saskatoon Taxicab Division or Board and additional personnel necessary to carry out its functions.

The primary fee increases in establishing light taxi regulation should be phased in over two years by adding a field officer and a clerk to process all the data requirements and provide clerical/secretarial services to the taxi regulatory division or board.

Existing Taxi Plates

A final set of recommendations for a taxi plate transfer is that (1) all existing taxi plates be transferable only to individuals that add value to them either as a broker or an owner/driver. Both of these entities add value by either driving the vehicle or providing a market for the plate. Thus, over a period of time, even existing plates would migrate to drivers and brokers as they are sold and transferred. And (2) that the minimum requirement for a taxi broker be 25 vehicles.

A minimum size is necessary in order to afford the technology and central dispatching but not so large as to prohibit an entity from starting a new taxi brokerage if he/she can convince 25

or more owner/drivers that he/she can provide a better deal than existing taxi brokers. This approach to open entry for brokers permits competition to be very much present in the Saskatoon taxi market, but limits the total number of taxi operations to the actual demand as evidenced by the brokers' reporting of activity.

Increase in Taxi Plate Numbers

Through the reporting data recommended by this report, the Saskatoon Taxi Regulatory Division or Board would determine what the overall taxi fleet of Saskatoon was doing during the winter season and what utilization was being achieved by five additional plates to be let in the first year of light regulation. If utilization rates for these new plates are reaching 25 or more fares per shift, then additional plates should be added.

Specialized wheelchair accessible taxi permits should be added on the same basis as seasonal plates; that is, by data analysis of actual usage. Wheelchair accessible taxicabs are involved in specialized services which typically require significantly more time to perform. This service is also more expensive to provide in the form of a heavier vehicle, the expense of specialized equipment, additional liability and training required, and the nature of the trips – typically short trips. However, not all trips provided by wheelchair accessible taxis require the use of a lift or ramp and chair tie-downs. Many are regular taxi trips. Thus, a threshold of 20 or more trips per shift with half being wheelchair trips, is recommended for the threshold of adding new wheelchair accessible license plates.

Future Taxi Plates & Transferability

Future taxi plates issued by the City Council should be issued on the basis of industry-supplied data on current utilization of all seasonal and annual taxi plates. Within one year from the date of adoption of these recommendations, the TRB should have considerable industry data from which to decide whether, and how many, additional winter plates need to be issued. As a broker's fleet is reaching its maximum capacity of 25 to 30 trips per shift, per taxi, then the ability to add additional vehicles and drivers may be requested.

Phased Implementation

As with any set of recommendations to significantly change an industry, everything cannot be done overnight. These recommendations should be phased in over a period of two years.

Some of the recommendations can be initiated immediately. These are:

- Taxi broker's plan for acquisition of recommended technology & cameras within three months of adoption by City Council
- Department's plan for adding two new personnel
- Implementation of new lease and driver fees to support light regulation

Recommendations to be required within six months:

- Establish a Saskatoon Taxicab Regulatory Board
- Vehicle age requirements

- Driver dress requirement
- City approval of license transfer All new drivers are screened for English Competency and City Knowledge
- TRB establishes procedure for a driver lottery for 10 new seasonal plates

Recommendations to be required within one year:

- Taxi brokers have technology & cameras installed
- Departments add two new personnel
- TRB receives first data reports from taxi brokers
- Drivers required to treat dispatched calls as hails when on duty and not engaged
- Saskatoon Taxicab Regulatory Board is fully functional

Recommendations implemented within two years:

- Fully compliant with vehicle age requirements
- Annual and seasonal taxi plates allocated through TRB data management system

Regulation of Limousines

A final set of recommendations deals with the future of the limousine industry within Saskatoon. Due to the competitive nature of sedan type limousines and taxicabs, care should be taken to ensure that limousines are not operated as taxicabs without a meter. It is therefore recommended that minimum rate making for limousines be administered under the newly constituted Taxi Regulatory Board.