

August 16, 2021

Presentation to Saskatchewan Rate Review Panel

Re: Saskatchewan Auto Fund's rate adjustment application.

Thank you for the opportunity to speak to the panel tonight. My name is Sandy Archibald with Buffalo Cabs from Regina.

I'm addressing the proposed rate **increase of 13% to the PT class re: urban taxis** including Regina & Saskatoon.

The proposed increase = **\$582.00 annually** per taxi and in Regina that equals \$81,000.00 removed from the taxi operators' revenue every year.

The PT or taxi class is very small. SGI data shows the 2020 Annual registrations at 517, which includes small and large cities, Prince Albert, Regina and Saskatoon combined.

We note that part of the Panel's mandate is to provide government with an opinion regarding the fairness and reasonableness of the proposed rate request.

We make **three requests** based on both fairness and reasonableness: **first**, stop any premium increase to the PT class – the timing of an increase is terrible; **second**, recommend to SGI to seek ways to increase the class/pool size by including Ridesharing vehicles with the PT class and **lastly**; for SGI to consult with the taxi industry to investigate a more flexible premium rate option and the feasibility of charging a per kilometer premium to the taxi industry and the **pros and cons** of that regulatory scheme.

Industry Recent Background:

Legislation allowing ridesharing in Saskatchewan took effect December 14, 2018 and to date it is primarily UBER in both Regina and Saskatoon. February 2019 UBER took to the streets in Saskatoon followed in May 2019 UBER was in Regina.

The economy in Regina was already very sluggish in 2018 and 2019 and Ridesharing had an immediate negative impact to the taxi industry in Regina. A City of Regina report dated February 17, 2021 includes "For Hire Transportation" trip data that shows by December of 2019 (7 months after UBER launched) the taxi **industry had lost 28% market share to UBER**. In the first three months of 2020 that trend continued until the Pandemic was declared in March of 2020. The same City report states in January of 2020 there were 635 Ridesharing (TNC) drivers in Regina. It should be noted that each driver is equal to a vehicle and the Regina taxi industry was out numbered by approximately 4:1 as there is no limit on Ridesharing vehicles like there is in the taxi industry in Regina. As well, we estimate approximately 30% of the revenue earned by Rideshare is going out of the province to high-tech multi billion dollar California based corporations with no footprint in Regina or Saskatoon in contrast to the small, local family businesses – each taxi is its own small business operation.

Pandemic:

When the Pandemic hit in March of 2020, the **taxi business fell off a cliff. The demand for taxi service decreased dramatically**: schools closed, people were working from home, airport passenger traffic declined, hotels were empty, restaurants were closed, casino capacity was decreased and eventually closed, community health programs stopped, public events such as concerts, trade shows, football games, hockey games all stopped.

The majority of taxi operators paused their operation due to the uncertainty. Many operators and drivers live in multi generational households and were concerned for their health and the health and safety of their families.

We do want to recognize that **a few operators and drivers continued to work in the early months of the pandemic** to transport the few customers who still had to go to or from work primarily in the healthcare field, or for groceries or medical emergency appointments. Those front line drivers did great work during very uncertain times. However; there was no reduction in their SGI premium despite significantly reduced utilization. The vehicle utilization continues to be dramatically reduced from pre-pandemic use.

In summary: the Regina taxi industry suffered three hits: a sluggish economy, the advent of Ridesharing and the pandemic. But we don't want to be out. **The taxi operator needs relief not an increase.** The industry is just now starting to get onto a bit more stable ground with the re-opening of the economy and **it cannot absorb a 13% rate increase.** There are still some taxi vehicles that are not operating and many are being operated with only one driver. There is a shortage of drivers as some drivers are still concerned about their health, some have left the industry or moved away and some may still be receiving Federal CERB payments.

From an accident claims perspective it should be considered that the risk is low as SGI data shows that the **Taxi class has the lowest at fault claims at 34%** out of the 7 classes SGI compared that includes Private Passenger vehicle class at 44%.

Rideshare Background:

In 2018 during consultations with the government and SGI prior to the advent of Ridesharing legislation, the industry was

led to believe there would be a level playing field regarding driver requirements and SGI premiums, but that was not included in the legislation.

Now is the time to revisit the Taxi and Rideshare premiums. Taxi vehicle utilization has decreased as described earlier...less utilization = fewer kilometers being travelled and it should follow that there are fewer accidents. We don't have the flexibility to register a taxi for specific days of the month and not others, due to the licensing and inspection steps required by the municipality.

How do we level the field? Should the premium for taxis be calculated and charged based on the number of kilometers travelled while drivers are engaged with a taxi customer similar to the Rideshare premiums? We need to have those discussions.

Conclusion:

We hear the words 'high exposure' and taxis do have high exposure because, under normal times, a taxi is on the road a greater number of hours than the general public and in all types of weather. However, it must be considered that the average member of the public depends on a taxi being there when their vehicle won't start or the weather is inclement and they may not wish to drive.

As well, taxis provide an affordable service to people who don't own vehicles, the Senior who has decided the time has come to stop driving, the non ambulatory person who may be unable to drive and the impaired person who society does not want driving. As well many taxi customers don't own 'smart phones' and credit cards that are required by Rideshare companies.

Taxis supply a necessary, vital and affordable service to the public. It is difficult to quantify the effect of an accident that

didn't happen because an impaired person chose to take a taxi or a person with slower reaction time chose to call a cab. However, it is vital to factor this into the overall premium rate that is applied to the PT taxi class to ensure the continued viability of this vital public service that **does not receive any public funding.**

We request that the panel recommend **no rate increase.** The real solution is for the industry and SGI to review the Rideshare and Taxi premiums after more data is gathered regarding Rideshare vehicles and claims and **how to group those vehicles into the same class or pool.** The vehicles and drivers are **engaged in the same activity of transporting the public for remuneration.** Many taxi operators use their taxi vehicles for private use similar to Rideshare drivers and their vehicles' use.

As mentioned earlier tonight by Chris (McCulloch of SGI) in prior years through consultation between SGI and the industry positive results were achieved (Business Recognition Program). The industry welcomes the opportunity to work with SGI to explore **flexible premium options** which may include a per kilometer premium. The taxi business has changed and vehicle utilization has decreased. It is unclear when/if it will return to some degree of normalcy.

Thank you for the opportunity to speak to this application.