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### Today's Local Business

#### Wisdom of Solomon needed to settle taxi licence issue



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When it comes to change in the business world, the incumbent operators always have a vested interest in maintaining the status quo if for no other reason than to avoid the uncertainty of change.

That is very much part of the dynamic of the current debate underway regarding the potential issuance of new taxi licences in Winnipeg and whether or not the market can handle additional taxis on the street.

Right now there are 499 taxis in Winnipeg including accessible and handi-cab vans. Applications for 250 additional licences are before the provincial Taxicab Board, which has not issued any significant number of new licences since the mid-1990s.

It is not surprising that the existing taxi companies argue tooth and nail that the market will not bear additional cars, that the general public is being well-served by the current complement and that the livelihoods of current licence holders would be severely compromised by a significant influx of additional cars.

(A main feature of that argument is that licences are now selling for as much as \$280,000 on the open market and a large increase in supply would almost certainly knock millions of dollars off the value of the current licence holders' assets.)

It would also not be surprising if the Taxicab Board itself is a little wary of any radical change in the market.

Its mandate is to ensure that Winnipeg receives adequate taxicab service at a reasonable cost.

Since the industry has been dominated by what might be called a duopoly for many years -- Duffy's and Unicity -- the Taxicab Board has surely come to rely on the ability of those companies to do a good job and trust what they say about the state of the industry.

But now Spring Taxi -- the city's third largest cab company -- and a worker co-op group backed by disgruntled drivers who don't own their own plates have made formal applications for more licences that would increase the total number of taxis in Winnipeg by a full 50 per cent.

With questions being raised from all sorts of quarters about the relative excellence of the status quo, the board must now make some very hard decisions.

Proponents from all sides of the debate acknowledge that the board has a massive challenge.

A casual observer would say that challenge is exacerbated by an overwhelming amount of conflicting "evidence" that is being presented to the board.

Because it is a quasi-judicial body, it seems clear that just about anything goes. Witnesses and participants do not need to swear to tell the truth and arguments made by licence applicants that the demand for taxis far out-strip the supply have been vehemently countered by Unicity and Duffy's.

Rarely do you hear people saying in public that other people are lying as much as you do in the halls of the Taxicab Board offices when the hearings are on recess.

You can't help but feel sorry for the board faced as it is with differing views that are so diametrically opposed to each other.

That's why it has undoubtedly made the right decision by commissioning a sweeping independent review of the industry before it makes any decisions.

The hiring the Tennessee Transportation & Logistics Foundation (TTLF) to do the review has been endorsed by both sides of the debate because of the impartiality outsiders ought to bring to the issue.

The firm, run by a University of Missouri logistics PhD, Ray Mundy, has done high-level transportation studies for more than 20 cities and regions in North America including recent taxi industry overviews for Salt Lake City, Denver and Miami.

Joan Wilson, general manager of Unicity Taxi, said she hopes the report will be able to "put the question to bed once and for all" regarding whether or not the city needs more taxis.

There is still the issue of the alleged exploitation of drivers who are at the mercy of individual licence owners. Winnipeg Taxi Co-Op officials say more than a couple of their members have lost their jobs without notice because of their association with the breakaway group.

Grievances have been filed with the employment standards branch and there is a deep chasm between the claims of poor working conditions by the non-owner drivers and the status quo power base of the industry.

The TTLF report must address supply and demand issues as well as the viability of the livelihoods of all the industry players.

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