

2009 04 21 Cabbies seeing fewer customers as recession puts crimp on travel

Drivers wait longer for fares, working more hours

By James Jeffery, Calgary Herald April 21, 2009

Calgary's taxi industry is feeling the economic squeeze, with some companies reporting a 30 per cent decline in fares since last year.

Jeff Garland, general manager of Associated Cabs, said the drop in taxi usage has been "substantial."

"We're usually at about 225,000 fares a month during this time," said Garland, noting his company was down roughly 70,000 fares during March compared with the same month last year.

"People are finding alternatives," he said, "and not as many people are going out to (clubs and bars) at night."

Nick Tiwana, who has been a taxi driver on and off for a decade, said he is working an additional two hours a day to make up for the lack of business.

"This is the worst I've seen it in 10 years," said Tiwana, who works for Associated Cabs.

Garland said that while the drop in fares is not limited to one demographic, cutbacks in corporate travel have been significant.

"One account, in particular, spent \$80 in a two-week period (this year), whereas before they were spending \$4,000 to 5,000," he said.

Len Bellingham, owner of Mayfair Taxi, is facing a similar situation: fares in March dropped from 11,000 a week in 2008 to 8,000 this year.

"Cabs are sitting everywhere now," said Bellingham, who agreed the drop is a reflection of the recession.

Notable to Garland is the amount of time drivers have to wait at the airport. During boom times, drivers only had to wait about one hour for fares; now, it's more like three to four hours.

One option not being considered as a remedy by most companies is a reduction in rates.

Calgary's cab fleet is regulated by the City of Calgary livery transport services, with all taxicabs following the same rate structure.

The taxi and limousine advisory committee, which makes recommendations to city council on fare rates, is not satisfied with how fares are structured.

Committee chairman Stephanie Ho Lem said she favours a system similar to Ottawa's, where rates are recalculated annually.

Ald. Ray Jones, who sat on the taxi appeal board between 1993 and 2006, said the current cab rates are "OK."

"If people are going to use (cabs), they'll use them," said Jones.

Bellingham said all he can do is "ride out" the current downturn.

He would, however, like to see a system where the limit set by the city is tied to the cost of living, changing it annually.

The rates were last changed in June, when there was still considerable growth in the economy.

"There was about four and a half years of boom in the service industry (until this recession)," said Bellingham, who thought it was "too hot" before the downturn.

"It was unmanageable before; this could actually be a good thing for drivers," he said.

Drivers, he said, remain optimistic, despite sometimes working 10 to 12 hours a day to make up for the lack of customers.

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