



## CITY OF VANCOUVER

# A13

### ADMINISTRATIVE REPORT

Report Date: October 19, 2005  
Author: Alena Straka  
Phone No.: 604.871.6683  
RTS No.: 05555  
CC File No.: 2801  
Meeting Date: November 1, 2005

TO: Vancouver City Council  
FROM: Chief License Inspector  
SUBJECT: Temporary Fuel Surcharge for Taxicabs

#### RECOMMENDATION

- A. THAT Council endorse a fuel surcharge of 4.5%, to be added to taxicab meter fares effective November 12, 2005, resulting in the following rates (excluding GST):

##### POINT TO POINT ON METER:

For the first 68 meters or fraction thereof	\$2.55
For each additional 68 meters or fraction thereof	0.10
For each 14 seconds of stopping or waiting time	0.10

##### TIME OR DISTANCE

For the first hour or fraction thereof	\$26.37
Or for each 68 meters, whichever is greater	0.10
For each succeeding quarter hour or fraction thereof	6.59
Or for each 68 meters, whichever is greater	0.10

- B. THAT the Director of Legal Services be instructed to bring forward the necessary amendments to the Vehicles for Hire By-Law to give affect to the proposed taxicab rate increases.

## GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of A and B.

## COUNCIL POLICY

Council regulates taxi companies in Vancouver through the Vehicles for Hire By-Law, No. 6066 which governs the rates that taxi companies can charge when picking up fares in the City.

On May 20, 1993, Council approved advising the Motor Carrier Commission that it supported a uniform schedule of rates for taxi companies in the Lower Mainland.

On March 15, 2005, Council approved an 8.77 % rate increase in taxicab fares which was endorsed by the Provincial Passenger Transportation Board in March 2005.

## PURPOSE

The purpose of this report is to seek Council's endorsement of a temporary fuel surcharge of 4.5% on taxi flag, distance and wait-time rates, as recommended by the Passenger Transportation Board (PTB), to be effective on November 12, 2005. This temporary surcharge is to assist taxi companies with the increased cost of fuel over the past year. It is recommended that Council adopt the temporary fuel surcharge as recommended by the PTB.

## BACKGROUND

The taxi industry in Vancouver is regulated by the Provincial Passenger Transportation Board (PTB) and the City of Vancouver Vehicles for Hire By-law No. 6066. The City's role also includes taxicab vehicle inspections, bi-annual taxi meter testing and providing taxi tariff decals for all taxicabs. Although the PTB has superior authority for taxicab tariffs, the City of Vancouver is involved in the review process and approval of tariff changes. Taxi tariff changes must also be reflected in the Vehicles for Hire By-Law.

In light of the rising fuel costs over the past year, the Passenger Transportation Board is recommending a temporary fuel surcharge of 4.5% on metered taxi rates in British Columbia. This temporary surcharge should give taxi operators some interim relief from recent fuel price increases. The surcharge is on the meter so taxi drivers will not be asking passengers for more than what is on the meter. The taxi industry in Vancouver is in full support of this fuel surcharge.

## DISCUSSION

The Passenger Transportation Board uses the Taxi Cost Index or TCI to determine the level of future taxi fare increases. The taxi cost index was developed in consultation with the taxi industry as well as other stakeholders, including representatives from persons with disabilities and seniors' organizations, municipalities, public transit and other related agencies. It streamlines the fare review process for taxi companies and the PTB. The TCI has the following four components as weighted percentages: wages (30%); fuel (15%), insurance (8%)

and the consumer price index (47%). These components are based on information provided by industry representatives from Prince George, Kelowna and Vancouver. Various statistical sources, including average weekly wage statistics and weekly pump prices for fuel, are used for each component to determine annual differences in cost.

Application of the TCI earlier this year allowed taxicab operators to apply for a rate increase of 8.77% as approved by the Passenger Transportation Board in March 2005. This rate increase was endorsed by Council on March 15, 2005. The increase was applied to all metered rates, ie. distance, flag and wait-time rates with the Passenger Transportation Board retaining the right to approve minor adjustments to actual TCI rates to accommodate meter setting requirements.

The TCI is reviewed at two-year intervals, and the next TCI review will happen in the first half of 2006 using 2004 and 2005 operating cost data. However, due to the rapid rise in fuel costs over the past year, it has become clear that a further taxi rate adjustment is necessary. Therefore, the PTB is recommending a temporary fuel surcharge of 4.5% which is over and above the PTB's regular assessment of taxi rates through the Taxi Cost Index.

All licensed taxicab companies in the City wish to raise their tariffs effective November 12, 2005.

## CONCLUSION

In response to concerns from the taxi industry about the significant and sustained increase in fuel costs over the past year, the Provincial Passenger Transportation Board has recommended a temporary fuel surcharge of 4.5% on taxi flag, distance and wait-time rates in British Columbia. Staff recommend that Council endorse a fuel surcharge of 4.5% on the metered taxi rates as recommended by the PTB.

\* \* \* \* \*