



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: June 9, 2006
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 VanRIMS No.: 11-4600-70
 Meeting Date: June 27, 2006

TO: City Council

FROM: Chief License Inspector in consultation with the Director of Finance and Director of Legal Services

SUBJECT: Taxicab Rate Increase

RECOMMENDATION

- A. THAT taxicab meter fares and time or distance fares in the City be increased to the following rates, respectively (excluding GST):

POINT TO POINT ON METER:

For the first 67 meters or fraction thereof.....	\$2.58
For each additional 67 meters or fraction thereof.....	.10
For each 14 seconds of stopping or waiting time.....	.10

TIME OR DISTANCE:

For the first hour or fraction thereof.....	\$26.65
or for each 67 meters, whichever is greater.....	.10
For each succeeding quarter hour or fraction thereof.....	6.66
Or for each 67 meters, which ever is greater.....	.10

- B. THAT the Director of Legal Services be instructed to bring forward the necessary by-law amendments to the Vehicles for Hire By-Law to give effect to the proposed taxicab rate increases by July 1, 2006.

GENERAL MANAGER'S COMMENTS

The General Manager of Corporate Services, the General Manager of Community Services and the Director of Legal Services RECOMMEND approval of A and B.

COUNCIL POLICY

Council regulates taxi companies in Vancouver by way of the Vehicles for Hire By-Law. The rates that taxi companies can charge when picking up fares in the City are governed by this by-law.

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 December 9, 1997, Council approved advising the four licensed Vancouver taxi companies, as well as the Motor Carrier Commission, that it would not consider a fare increase until after the Motor Carrier Commission rules on the regional fare.

In March 2005, Council approved an 8.77 percent rate increase in taxicab fares applied to all metered rates including distance rate, flag rate and wait time rate. This rate increase was approved by the Passenger Transportation Board (previously known as the Motor Carrier Commission) in March 2005.

PURPOSE

The purpose of this report is to seek Council's endorsement of a 5.77 percent rate increase in taxicab fares, approved by the Provincial Passenger Transportation Board in May 2006. This rate increase, required to address the impending 1% reduction in the GST and the rising fuel cost, is to be applied uniformly throughout the Lower Mainland Region. It is recommended that Council adopt the fare increase as approved by the Passenger Transportation Board.

BACKGROUND

The taxi industry in Vancouver is regulated by Council, through Vehicles for Hire By-Law No. 6066, and by the Provincial Passenger Transportation Board (PTB). However, the PTB has the superior role in the regulation of the taxi industry in the Lower Mainland. Any action by Council on taxi fares is subject to approval by the PTB, while taxicab rate increases approved by the PTB must be reflected in the City's Vehicles for Hire By-Law. Although the PTB has superior authority for taxicab tariffs, the City's continued role in amending its bylaw to reflect fare increases set by the Province is important as the City provides the taxi tariffs and conducts taxicab vehicle checks and taxi meter testing bi-annually.

The most recent taxicab fare increase, approved by Council on March 15, 2005, increased taxicab tariffs by 8.77%.

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 Passenger Transportation Board. 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 British Columbia and the Lower Mainland. 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.

This year, the application of the index is done in concurrence with the impending 1% GST reduction and will allow taxicab operators to change their meters when applying for a rate increase of 5.77 % as approved by the Passenger Transportation Board in May 2006. The increase is to apply to all metered rates ie. distance rate, flag rate and wait time rate with the Passenger Transportation Board retaining the right to approve minor adjustments to actual TCI rates to accommodate meter-setting requirements.

The Passenger Transportation Board believes that the proposed rate increase balances the Board's mandate to foster an economically sound and safe transportation industry with the objective of promoting reasonable and just charges for passenger transportation services.

The City has received notice from the taxicab companies in Vancouver of their application to the Passenger Transportation Board for a rate increase of 5.77% based on the new taxi cost index. All companies wish to raise their tariffs and reduce the amount of GST effective July 1, 2006.

CONCLUSION

Given that the Passenger Transportation Board's taxi cost index is based on wages, fuel, insurance and the consumer price index, all of which have increased since the last taxicab tariff rate increase in 2005, and the GST rate will be reduced by 1%, staff believe that Council should give consideration to the approval of the 5.77% taxi fare increase to be applied to all metered rates including distance rate, flag rate and wait time rate.

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