

December 17, 2008

Industry Advisory

Fuel Surcharges End

The Passenger Transportation Board is ending the 3.5% temporary fuel surcharges (TFS) for taxis, limousines and other passenger directed vehicles.

The surcharges were implemented in July 2008 when the provincial weekly price of regular, unleaded gas surpassed \$1.35 per litre. Since the third week of September 2008, the provincial weekly average has dropped from \$1.47 per litre to current prices of less than \$0.83 per litre.

Limousines and Small Shuttle Vans

Limousines, shuttle vans and other passenger directed vehicles may stop charging the fuel surcharge immediately and must stop charging the fuel surcharge on or before January 9, 2009. This group of operators does not include taxicabs. A copy of this notice is being mailed to affected licensees.

Taxicabs

For taxicabs, the fuel surcharge ends December 31, 2008. A meter change will not be required. A review of taxi cost index (TCI) data for 2007 indicates that 2007 costs were 3.16% higher than they were in 2006. TCI is a tool that is used by the Board to assess rate increases based on objective measures of taxi operating costs in BC. As of January 1, 2009, the Board is making a 3.16% rate increase available to taxicab operators through TCI 2009.

There are direct and indirect costs associated with meter changes. These costs are approximately one hundred dollars per vehicle and include the fees paid to a meter professional and the business down-time for getting the meter reprogrammed and tested. In light of this, plus the impacts on some municipalities that inspect and seal taxi meters, the Board does not require meter changes where a net change is less than 1.75%. The difference between the TFS of 3.50%, and the TCI 2009 of 3.16% is 0.34%. Thus, a meter change is not warranted at present. The 0.34% difference will be factored into future any future TCI calculations.

More Information

Board Rules respecting rates and temporary fuel surcharges are posted at:

www.th.gov.bc.ca/ptb/rates.htm