

July 11, 2007

Industry Advisory

Changes to the Eco-Friendly Taxi Policy

On May 16, 2007 the Board announced its "Eco-Friendly Taxi" policy. This policy was adopted following receipt of a letter from the Minister of Transportation advising the Board of the government's greenhouse gas reduction policy and directing the Board to consider the government's policy in its decisions and, specifically to implement an eco-friendly taxi policy in the Greater Vancouver Regional District (GVRD) and the Capital Regional District (CRD).

Under this policy, if the Board approves a taxi application that increases the supply taxis in the GVRD or CRD the Board will require that the vehicles must be eco-friendly unless the vehicles are accessible taxis.

An eco-friendly vehicle is defined as follows:

- Vehicles eligible under the federal ecoAUTO rebate program, as updated from year to year. <http://www.tc.gc.ca/programs/environment/ecotransport/ecoauto.htm>
- Vehicles that are model years 2005 and newer and eligible for the provincial sales tax concessions because they are alternative fuel vehicles.
- 6 to 7 passenger vans which are federal Energuide fuel efficiency award winners for in the year in which the vehicle is being approved. <http://oee.nrcan.gc.ca/transportation/personal/pdfs/most-efficient-vehicles-2007.pdf> Note: The Board may limit the number of vans operated.

The response from industry to this policy has generally been positive. Industry recognizes that use of such vehicles makes good economic and environmental sense. Two areas of the policy have caused some concern for industry.

2005 Pre-owned or Previously Leased Hybrids

One concern is that, under a strict interpretation of the policy, pre-owned or previously leased 2005 hybrids may not be acceptable as eco-friendly vehicles. The provincial sales tax concession states that its policy only applies if the vehicle is a new vehicle (i.e. the vehicle has not, since its manufacture, been sold or leased at a retail sale or retail lease). The Board's rationale for introducing its eco-friendly taxi policy is to increase the use eco-friendly vehicles. Requiring a vehicle to be new is not critical to the Board's goal. Therefore, the Board will accept 2005 pre-owned or leased hybrids as eco-friendly taxis as long as the vehicle has not previously been issued any identifiers under the Passenger Transportation Act.

2006 or 2007 Toyota Corollas with an Automatic Transmission

The second concern is that only 2006 & 2007 Toyota Corollas with manual transmissions are listed on the federal ecoAuto list. A 2006 & 2007 Toyota Corolla with an automatic transmission is not listed and thus not eligible as an eco-friendly taxi.

The BC Taxi Association advises that manual cars are not operated by the taxi industry in BC. Very few drivers are trained in manual cars. Most drivers for a class IV licence are trained and qualified on automatic cars. Therefore, requiring use of manual cars could create safety issues or reduce the number of cabs available, if qualified drivers are not obtainable. A number of BCTA companies currently use Toyota Corolla automatics and they are found to be cost effective.

According to the "Fuel Consumption Ratings – Results" published by the Federal "Office of Energy Efficiency", the 2007 Corolla automatic has the best city mileage consumption of all compact automatic cars that are not hybrids. Given that drivers are more comfortable with cars with automatic transmissions and that Toyota Corollas are moderately sized passenger vehicles with very good fuel consumption, the Board will modify its eco-friendly taxi policy to permit the use of 2006 & 2007 Toyota Corollas with automatic transmissions.

The Board continues to support the goal of reducing greenhouse gas emissions. In its application of the eco-friendly taxi policy, the Board must consider what is reasonable and realistic. These two changes to the Board's policy are in keeping with the spirit and goal of the original policy. They also provide more flexibility to industry and do not compromise passenger safety.