

May 16, 2007

Industry Advisory

Eco-Friendly Taxis in the GVRD and CRD

Context

Honourable Kevin Falcon, Minister of Transportation, issued a general policy directive to the Passenger Transportation Board on May 8, 2007. This directive was issued under section 6(5) of the *Passenger Transportation Act* which enables the Minister to provide general policy directives to the board with respect to the exercise of its powers and duties.

Minister Falcon asked the Board to consider the Government's greenhouse gas reduction policy and what the Board can do to further this policy. In particular, the Board was asked to consider establishing a requirement respecting the use of eco-friendly vehicles for any taxi licences or additional vehicles that are newly-approved in the Greater Vancouver Regional District (GVRD) and Capital Regional District (CRD). This requirement would not apply to accessible taxis.

The Board shares Government's concerns regarding the serious impact of greenhouse gas emissions on the environment and supports the view that it is in the public interest to make the transportation industry more ecologically responsive to this issue. In fact, at its April meeting, the Board had discussed the matter of energy efficient low emission vehicles.

Board Policy

The Board has reviewed the directive in light of the Board's mandate as set out in the *Passenger Transportation Act* as well as the principles of administrative fairness. The Board concluded the following:

1. As with any application respecting special authorization, the focus of the Board's analysis of applications to operate taxis is:
 - whether there is a public need for the proposed service;
 - whether the applicant is a fit and proper person and capable of providing the service; and
 - whether granting the application will promote sound economic conditions in the passenger transportation business in British Columbia.

A proposal based solely on the use of eco-friendly vehicles would not be sufficient in and of itself to meet this test.

2. If the above test is met, and the Board approves a taxi application that increases the supply of non-accessible taxis in the GVRD or the CRD, the Board will as a matter of policy establish a requirement that vehicles must be eco-friendly.
3. In applying this policy, Board members must consider the circumstances of individual applicants and must consider any arguments put forward as to why the policy should not apply to their particular application.

Effective Date of the Eco-Friendly Taxi Policy

The policy will be effective on the date that notice is given to industry, i.e. May 16, 2007. Applications received after this date must include references to eco-friendly vehicles in their application materials. For example, business plans for these applications will be expected to show the capital and operating costs associated with the vehicles to be used.

For those who have applications in process, the Board will advise them of the new policy and provide an opportunity to update their application materials and comment on the application of the policy to the circumstances of their application.

Eligible Vehicles

Vehicles eligible as an “eco-friendly taxi” include:

- Vehicles eligible under the federal ecoAUTO rebate program, as updated from year to year.
- 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 restrict the number of vans to be operated in a fleet.

Application of the Policy

- This policy will apply to Board application decisions respecting new taxi licences or additional taxis in an existing fleet in the GVRD or the CRD; it does not apply to accessible taxis.
- The actual policy is available on the Board website at: www.ptboard.bc.ca

Incentives

The Province of British Columbia has sales tax concessions for alternative fuel vehicles. For more information see Bulletin SST 085, *Alternative Fuel Vehicles and Alternative Motor Fuel Tax Concessions*, available at the Ministry of Small Business and Revenue website:
http://www.rev.gov.bc.ca/ctb/publications/bulletins/sst_085.pdf

The Government of Canada has an ecoAUTO Rebate Program that offers rebates from \$1000 to \$2000, to people who, beginning March 20, 2007, buy or enter a long-term lease (12 months or more) for a fuel-efficient vehicle. For more information, go to:
<http://www.tc.gc.ca/programs/environment/ecotransport/ecoauto.htm>

Comments on the Policy

If anyone has comments regarding this policy, please put them in writing and send them to the Passenger Transportation Board, PO BOX 9850 STN PROV GOVT, Victoria BC V8W 9T5; Email: ptboard@gov.bc.ca; fax: 250-953-3788.