

BYLAW 20186 - VEHICLE FOR HIRE BYLAW AMENDMENT

RECOMMENDATION

That Bylaw 20186 be given the appropriate readings.

Purpose

To amend Vehicle for Hire Bylaw 17400 by applying the addition of a fuel surcharge to all base fare categories listed in Schedule A (Part I) of the Bylaw.

Readings

Bylaw 20186 (Attachment 1) is ready for three readings.

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 20186 be considered for third reading.”

Position of Administration

Administration supports this Bylaw.

Previous Council/Committee Action

At the June 27/28, 2022 Community and Public Services Committee, the following motion passed:

That Bylaw 20186 - Vehicle for Hire Bylaw Amendment, as outlined in the June 27, 2022 Urban Planning and Economy report UPE01273, be referred back to Administration to revise Schedule A to set out the exact fares to be charged by taxis and accessible taxis, including the proposed fuel surcharge, and return to the July 4/6, 2022 City Council meeting.

Report Summary

- The Vehicle for Hire Bylaw 17400 regulates vehicles for hire services in alignment with The City Plan’s direction that Edmonton’s mobility system should be safe, secure, accessible and responsive.

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- With taxi fares strictly regulated in Bylaw 17400, and as a result of the significant increase in retail gasoline prices, Administration recognizes a short-term opportunity to support the taxi industry in the provision of critical mobility options to Edmontonians.
- This report proposes the addition of a 13.29 per cent fuel surcharge to taxi base fares stipulated in Bylaw 17400 Schedule A (Part I).
- Administration will monitor retail gasoline prices, and if those rates return to or below the March 2021 to February 2022 average price of 129.9 cents per litre for two consecutive quarters, Administration will return to Council for further direction.

REPORT

The vehicle for hire industry is an important part of the local economy, employing Edmontonians and enhancing livability in the city by providing mobility options for residents. The City Plan directs that Edmonton's mobility system should be safe, secure, accessible and responsive.

In March 2022, taxi industry dispatchers and drivers raised concerns to Administration regarding significant increases in operating costs, particularly recent increases in retail gasoline prices. Since March 2021, retail gasoline prices in the Edmonton region have consistently increased at double-digit rates year-over-year. In March 2022, the average retail price for regular unleaded gasoline was 41.2 per cent higher year-over-year, and 52 per cent above its preceding five year average.

With Bylaw 17400 regulating maximum base fares for taxis, and as a result of the significant increase in retail gasoline prices, Administration recognizes a short-term opportunity to support the vehicle for hire industry in the provision of critical mobility options to Edmontonians. Bylaw 20186 is presented in Attachment 1, and the redline Bylaw 17400 Schedule A (Part I) is available in Attachment 2.

Fuel Surcharge

Administration proposes the amendment of Bylaw 17400 with the addition of a fuel surcharge to all base fare categories listed in Schedule A (Part I). This fuel surcharge will result in a 13.29 per cent increase to all base fare categories (Attachment 3). Administration will monitor retail gasoline prices, and if those prices return to or fall below the March 2021 to February 2022 average price of 129.9 cents per litre for two consecutive quarters, Administration will return to Council for further direction.

The proposed increase was calculated by examining average fuel costs of taxi drivers (outlined in Attachment 4) and the impact of the increase in retail gasoline prices (outlined in Attachment 3).

Since the June 27/28, 2022, motion, the taxi industry has identified that there are technology constraints that prohibit taxi meters from administering fare amounts, other than hours, unless the amounts are rounded to the nearest \$0.05. Adjustments to accommodate these constraints are now reflected in Attachment 1 (Bylaw 20186rev) and Attachment 2 (Bylaw 17400 Schedule A - Fares - Redline (rev)).

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Next Steps

Administration recognizes the need for a broader review of Bylaw 17400 fares, including the impact that any short or long term increases may have on users. Edmonton's fares have not been reviewed since 2007. Administration has begun to collect data from local Vehicle for Hire operators, and a comprehensive fare review is underway as part of the Vehicle for Hire 2022/2023 Work Plan, scheduled to be presented at the Community and Public Services Committee in Q1 2023. This review will also consider impacts of other 2022/2023 vehicle for hire work plan initiatives on fares. This approach will allow Administration to respond in a timely manner to emergent market conditions, while allowing a larger and more fulsome fare review to take place as part of the work plan. Corresponding bylaw amendments will be advanced to Committee and Council in 2023 as required.

COMMUNITY INSIGHTS

In March 2022, taxi industry dispatchers and drivers raised concerns to Administration regarding significant increases in operating costs, particularly recent increases in local fuel costs. Administration consulted with industry stakeholders in Q2 2022 to further understand the impact of increased operating costs. Major concerns expressed by industry included:

- Increasing difficulty for taxi drivers to make a living wage
- The inability within Bylaw 17400 for taxi operators and drivers to be responsive to short term increases in fuel costs and the inability to apply subsequent surcharges
- Dispatchers/operators challenged in retaining taxi drivers

Results from a May 2022 survey of taxi drivers regarding their experiences and operating costs can be found in Attachment 4.

GBA+

Administration recognizes the impact of taxi fares and surcharges stipulated in Bylaw 17400 - in particular on the diverse groups of Edmontonians representing taxi drivers who endeavor to make a living wage in the industry, and the diverse groups of Edmontonians who rely on vehicle for hire services within the city's mobility system. The GBA+ process has informed the equitable approach that Administration has chosen to pursue at this time - with a timely bylaw amendment that reflects the need to be responsive to significant increases in retail gasoline prices and its impact on drivers, while continuing to maintain focus on a larger holistic review of vehicle for hire fares and their impacts on users as part of the Vehicle for Hire 2022/2023 work plan.

ATTACHMENTS

1. Bylaw 20186 - Vehicle for Hire Bylaw Amendment No. 9
2. Bylaw 17400 Schedule A - Fares - Redline(rev)
3. Fuel Surcharge Calculation and Impact on Current Fares
4. May 2022 Taxi Driver Survey Results

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OTHERS REVIEWING THIS REPORT

- M. Plouffe, City Solicitor