

**TAXI COST INDEX (TCI) UPDATE**

**SUMMARY**

The November 2016 Taxi Cost Index (TCI), 106.3, is 6.2 points below the current baseline of 112.5. On the basis of LTACs policy that the index must increase by 3 points before any meter rate change is suggested, and considering that the taxi meter rate serves as a maximum to allow for the taxi industry to provide lower rates as a means of enhancing their ability to be competitive, it is recommended that the current maximum meter rate remain unchanged.

**BACKGROUND INFORMATION**

LTAC uses the TCI as an objective method for reviewing taxi rates.

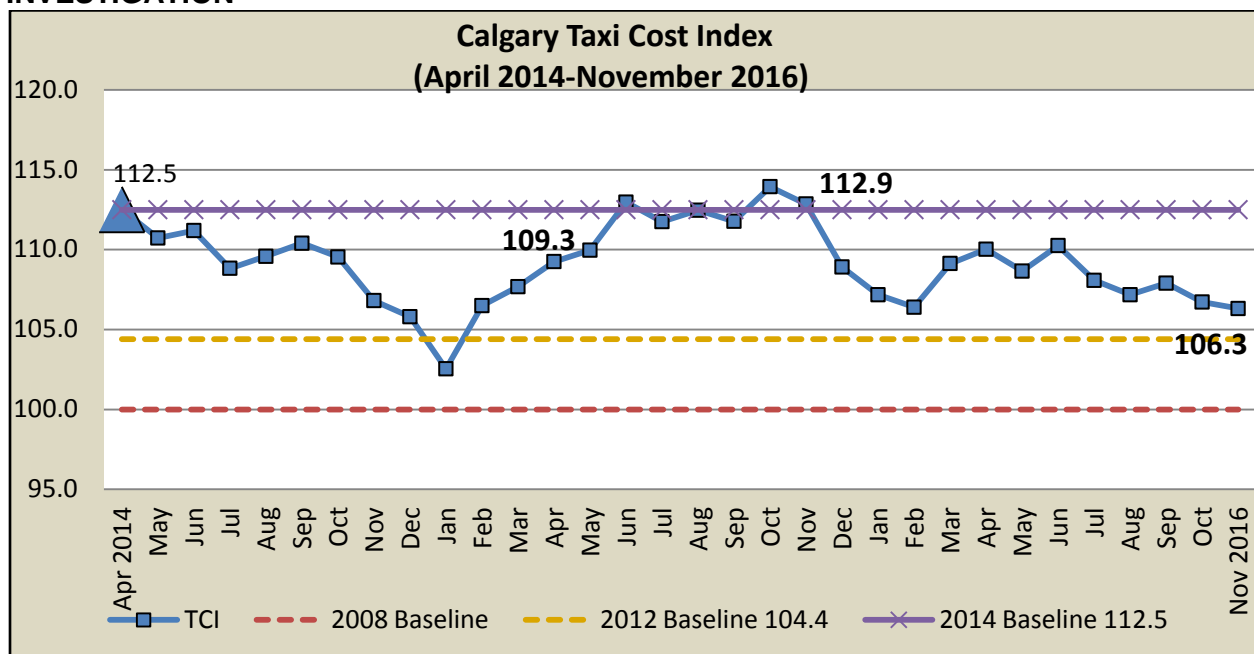
Developed by Hara Associates, TCI analysis incorporates Statistics Canada data on vehicle and fuel costs, insurance premiums, repairs & maintenance, cell phone fees, stand rent charges, license fees, professional fees and labour costs. Based on July 2008 costs, the index was initially set at 100, and LTAC adopted a policy that the index must increase by 3 points before any meter rate change is recommended.

LTAC’s practice is to review the TCI at the same time each year. In 2015, the comparison month was changed from April to November in order to accommodate springtime meter rate changes, which is desirable as meter rate validation operations are improved with clear, dry roads.

Since the inception of the TCI, meter rates have changed as follows:

- 2008 July (baseline): \$3.40 drop rate plus time/distance component (5km~\$10.60)
- 2012 October, +4.4%: \$3.50 drop rate plus time/distance component (5km~\$11.05)
- 2014 October, +8.1%: \$3.80 drop rate plus time/distance component (5km~\$11.95)
- 2016 April, meter rate set as a maximum

**INVESTIGATION**



## **TAXI COST INDEX (TCI) UPDATE**

---

The November 2016 TCI is 6.2 points below the current baseline of 112.5, which was set in April 2014. There is no precedent for reducing the regulated taxi meter rate. Considering that the taxi meter rate serves as a maximum to allow for the taxi industry to provide lower rates as a means of enhancing their ability to be competitive, Administration is recommending no change to the maximum taximeter rate.

### **STAKEHOLDER ENGAGEMENT AND RESEARCH CONDUCTED**

The TCI is monitored each month using Stats Canada tables 326-0020 (Consumer Price Index) and 282-0069 (Labour force survey estimates).

### **CURRENT AND FUTURE FINANCIAL IMPACTS**

None.

<b>RECOMMENDATIONS FOR LTAC TO CONSIDER</b>
---

To receive this report for information.
---

**SUBMISSION PRESENTED BY:** Marcia Andreychuk, LTAC Business Analyst