

**JANG CHEUNG LEE CHU**  
**LAW CORPORATION**

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Shirley Chu  
Kenneth H. Jang Law Corporation  
Peter W.K. Cheung Law Corporation  
John V. Lee  
Natalie S.F. Ng Associate Counsel  
Jantzen C.M. Chu Associate Counsel

Schedule 1 to the minutes of Public  
Works & Transportation Committee  
Meeting held on Wednesday,  
August 31st, 2005.

7<sup>th</sup> Floor, London Plaza  
700 - 5951 No. 3 Road  
Richmond, B.C. V6X 2E3  
CANADA  
Tel: (1) (604) 276-8300  
Fax: (1) (604) 276-8309

August 31, 2005

File No. G040991-KJ

City of Richmond  
Public Works and Transportation Committee

Dear Sirs:

**Re: Business Licensing of Class A and Class N Taxicabs in Richmond**

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We are the corporate counsel for the Richmond Taxi Group of Companies ("Richmond Taxi") which include Richmond Cabs Ltd. (holder of 54 Class A and 2 Class N taxicabs) and Coral Cabs Ltd. (holder of 19 Class A taxicabs).

Richmond Taxi wishes to make the following submissions with regard to the Report to Committee dated August 15, 2005:

1. **Increasing the limit on the maximum number of Class A and Class N taxicabs is reasonable and necessary, however the complete removal of the limit on the maximum number of Class A and Class N taxicabs would be extremely detrimental to the taxi industry in the City of Richmond (Richmond Taxi submits that a maximum limit of 88 Class A and 18 Class N taxicabs be established at this time);**
  2. **Requiring taxicab operators to complete Level 1 of the TaxiHost Training Program is acceptable (over 95% of Richmond Taxi operators have already completed Level 1 and over 70% have completed Level 2); and**
  3. **Any final determination by the City of Richmond with respect to the limit on the maximum number of Class A and Class N taxicabs or any other issues related to the taxicab industry should be carried out only after consultation with the stakeholders in the taxicab industry, including Richmond Taxi.**
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**There are many compelling reasons why the complete removal of the limit on the maximum number of Class A and Class N taxicabs would be extremely detrimental to the taxi industry in the City of Richmond:**

1. **Every major municipality in the Lower Mainland has a limit on the maximum number of taxicabs for each jurisdiction.** Richmond would be the first municipality to eliminate the limit. By doing so, Richmond would give up all control over the number of taxicabs in the City to the provincial Public Transportation Board. Once this power has been relinquished, it will be impossible to recover. The City of Richmond should retain its right to determine the number of taxicabs operating within its boundaries. Richmond should continue to exercise some control over its own local taxicab industry in the future.
2. **History and experience has shown that too many taxicabs will result in conflict and confrontation between drivers.** The current City policy was adopted in 1958 precisely for this reason. In about 1993, after the provincial government forced the City of Richmond to create and to add the Class N taxicabs, the sudden influx of these additional taxicabs caused disputes between the existing and new taxi operators. Furthermore, in the past, when the level of business at the Vancouver International Airport was insufficient to sustain the hundreds of airport taxi operators, arguments and problems arose.
3. **The City of Richmond should not set its maximum limit based solely upon the per capita figures of other municipalities.** This is in direct response to Paragraph 3 of the August 15, 2005 Report to Committee. With all due respect to the authors of the said Report, the per capita figures are somewhat misleading. For example, approximately 106 of Surrey's 282 taxicabs are stationed at Vancouver International Airport; this means that only 176 taxicabs provide full-time service within Surrey which translates to a more realistic per capita figure of 0.44 taxicabs per 1,000 population in Surrey. 50 of the 107 Burnaby taxicabs also operate substantially at the Vancouver International Airport and not within their own municipality resulting in an adjusted per capita figure of 0.29 taxicabs per 1,000 population in Burnaby. In fact, 19 of Richmond Taxi's 73 taxicabs operate exclusively at the Airport. In New Westminster, because of the current shortage of local taxicab business, many of their local taxicabs operate only on a part-time basis. It is submitted that the limit on the maximum number of taxicabs in Richmond should be based upon the reasonable demands of the community which can only be established through consultation with the local taxicab industry stakeholders.
4. **Kimber Cabs' 18 Class N taxicabs have been providing taxicab service in the City of Richmond in addition to the Class A taxicab service provided by Richmond Taxi.** In the past, when the supply of taxicabs exceeded customer demand in the City of Richmond, there were often confrontations, sometimes violent, between Kimber and Richmond Taxi drivers. If a reasonable limit on the number of future taxicabs is not established, there will be insufficient revenue for all of the taxicab operators.

5. **The cost of operating each taxicab is rising and if less revenue is available as a result of an oversupply of taxicabs, taxicab operators will suffer financial hardship.** Fuel, insurance and repair costs for taxicabs have been rising astronomically. Meanwhile, fare rates are fixed by the provincial authority. Currently, an individual taxicab operator earns approximately \$80-\$90 per day, net after expenses. If this modest income is eroded due to an oversupply of taxicabs, operators will not be able to support their families, many of whom are residents of the City of Richmond. Consequently, driver morale and customer service will suffer. Business and tourism will be affected.
  
  6. **The RAV line will have a long-term negative impact on the taxicab industry in the City of Richmond.** As the transit system improves in the future, there will be less reliance on taxicab services. Richmond Taxi experienced an immediate decrease in business upon the implementation of the B-Line bus service. After the completion of the Millennium Skytrain Line, Royal City Taxi of New Westminster lost a substantial amount of business forcing their taxicabs to operate on a part-time basis. In addition to the competing service by the Transit Authority, hotels have also increased their shuttle services. Therefore, if the number of taxicabs in Richmond is allowed to increase unchecked, the taxicab industry in Richmond will suffer long-term harm.
  
  7. **During the slow periods in the fall or spring, Richmond Taxi will run their taxicabs on a part-time basis so that drivers can get a decent chance to earn a living.** Richmond Taxi will run one half of the taxicab fleet on even-days and the other half of the fleet on odd-days. This gives all the taxicab operators a fair chance to earn a reasonable income. If the number of taxicabs were substantially larger, this would create a bigger problem during the slow seasons.
  
  8. **Richmond Taxi has been operating for over 40 years and is acting in the best interests of the taxicab industry in the City of Richmond.** Richmond Taxi recognizes that there is an immediate need for an increase in the taxicab service in the City of Richmond in order to serve the community during peak seasons and recently applied to the Passenger Transportation Board for an additional 15 taxicab licences; Richmond Taxi plans to introduce the 15 new taxicabs over a period time so as not to cause any problems with the existing operators. Based upon its intimate knowledge and experience, Richmond Taxi is of the opinion that the addition of 15 taxicab licences will meet the current and future peak demands for customer service without creating the problems of an oversupply. Richmond Taxi is prepared to share its expertise and knowledge with the City council and staff in reaching a reasonable and balanced determination of this issue.
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**Conclusion**

The City of Richmond needs to increase its limit on the maximum number of taxicabs; however, the complete removal of the limit would be extremely harmful to the local taxicab industry. Richmond should not give up its right to set reasonable limits on the maximum number of taxicabs in its jurisdiction. If there is an oversupply of taxicabs in the City of Richmond, serious social and economic problems will arise. It is submitted that an increase of the maximum number of Class A taxicabs from 73 to 88 is sufficient at this time. Richmond Taxi looks forward to discussing this matter further with the City of Richmond.

Yours truly,

**JANG CHEUNG LEE CHU  
LAW CORPORATION**

  
Kenneth H. Jang