

**A Comparison Study of
Taxicab and Limousine Rates
in
London, Ontario, Canada**

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Prepared for
London Taxi Association

by
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Overview

Taxicab rates and limousine rates in London have been a contentious issue for many years. There has never been a report brought forward for public viewing detailing the actual technical problems with the prescribed limousine rates when compared to the taxicab rates. Taxicabs use a taxicab meter based on distance and time whereas limousine uses a grid system for distance and the concept of time is inconsequential. Section 2.1 (e) of the bylaw states that the limousine fare must be at least 15% greater than the equivalent taxicab fare, but you will see that the technical analysis shows limousine rates are often under the 15% target and are in some instances below 0%. Finally, four recommendations are put forward on corrective actions to bring the bylaw and the fares into a technically correct state.

Taxicab Rates

The prescribed taxicab rate allows for waiting time when the vehicle travels 17 kilometers per hour or less. If a taxicab is stopped at a red light, the fare would increase \$ 0.25 every 26 seconds. Obviously, routes with heavy traffic, daytime travel, or train crossings are cause potential fare increases. A 60 second red light will cost the customer at least \$ 0.50 extra fare and a six-minute train will cost at least \$ 3.25 extra. There is no equivalent for this in the prescribed limousine rate. Take serious note that anything a taxicab does which is 17 kilometers per hour or slower results in a higher extra cost to the customer with no appreciable distance traveled. The taxicab rate is at a disadvantage to the limousine rate system when considering “waiting time”. Therefore, “distance only” shall be the main consideration herein since “waiting time” can never be compared to the Limousine rate. Thus, the current prescribed taxi meter formula for distance only is as follows:

- ◆ Initial Fee \$ 3.50 which is good for the first 57 meters traveled
- ◆ Additional \$ 0.25 for each additional 130 meters traveled

Limousine Rates

Limousine rates are based on a zone system. The Limousine Zone Map has London divided into 252 square zones: 18 zones wide by 14 zones high. Each printed zone, when measured, is 33 millimeters wide by 33 millimeter high; square. Along with the map scale, printed at the bottom right of the map, when measured, shows that 2 kilometers equals 45 millimeters. Through calculation, the actual size of a zone is exactly $33/45 * 2000$ meters = 1466.667 meters (or 1.466667 kilometers) square. In the past, I have been told that the grid size, width and height, is 1500 meters (1.5 Km). If, in fact, 1500 meters is the truer grid size, then the chosen value of 1466 meters for this study helps even further to illustrate that limousines fares are too low because more distance is covered by the the same amount of money.

Notice the following grave inconsistencies in Table 1¹:

- (a) The first two zones are worth the price of only the initial zone fee.
- (b) The increase amounts from zone to zone (column 3) is highly inconsistent. It ranges from a low of

¹ The first two columns in Table 1 are from the Limousine Rate chart in the current bylaw as of September 2011.

\$2.50 for the 14th zone to as high as \$3.75 for 6th, 8th, and 13th zones.

- (c) There is no equivalent comparable limousine “waiting time” fee as prescribed in the taxicab formula. A customer in a limousine pays nothing extra at a red light or waiting for a train. The right-most column considers the “wait time” required in the taxicab for additional quarters to match the comparable limousine fare. For example: a 6 zone travel is 21.50 by limousine. By taxicab, without any wait time, requires only slightly over 2 minutes of wait time (3 or 4 stop lights or heavy traffic) to equal the limousine fare.

Table 1: Limousine Zone Rates

Zones	General Rate	Increase from previous Zone	Maximum Possible Travel Distance	Traveling the same distance in a taxicab, a taxi meter would display:	Taxicab “Wait Time” to equal the limo fare
1	8.75	-	1.467 Km	6.25 (3.50 + 11 quarters)	4:20
2	8.75	0.00	2.933 Km	9.00 (3.50 + 22 quarters)	:00
3	11.50	2.75	4.400 Km	11.75 (3.50 + 33 quarters)	:00
4	14.50	3.00	5.867 Km	14.50 (3.50 + 44 quarters)	:00
5	17.75	3.25	7.333 Km	17.25 (3.50 + 55 quarters)	:52
6	21.50	3.75	8.800 Km	20.25 (3.50 + 67 quarters)	2:10
7	24.25	2.75	10.267 Km	23.00 (3.50 + 78 quarters)	2:10
8	28.00	3.75	11.733 Km	25.75 (3.50 + 89 quarters)	3:54
9	31.25	3.25	13.200 Km	28.75 (3.50 + 101 quarters)	4:20
10	34.50	3.25	14.667 Km	31.50 (3.50 + 112 quarters)	5:12
11	37.75	3.25	16.133 Km	34.25 (3.50 + 123 quarters)	6:04
12	41.00	3.25	17.600 Km	37.00 (3.50 + 134 quarters)	6:56
13	44.75	3.75	19.067 Km	40.00 (3.50 + 146 quarters)	8:14
14	47.25	2.50	20.533 Km	42.75 (3.50 + 157 quarters)	7:48

The Current Bylaw

The current bylaw, section 2.1 (e) states:

The Licence Manager shall review Schedules ‘A’ and ‘B’ at regular intervals and in any case not less than once every two years to determine that the Schedule ‘B’ Option 1 Fare for a Trip is at least 15% greater than the Schedule ‘A’ Fare for a Trip.

Using data from the Table 1, the limousine fare percentage over taxicab fare is calculated in the right-most column in Table 2. Except for the single first zone limousine ride, the limousine fare is never 15 % over the equivalent taxi fare. This condition is completely in violation to 2.1(e) (above) and it has existed in violation for at least the past ten years. If we consider a reasonable average taxicab fare to be approximately \$10, then an equivalent limousine fare, a 2 or 3 zone trip, would ALWAYS be LESS expensive than a taxicab. Factoring in some taxi “waiting time” simply makes the situation much worse.

Table 2: Limousine Fares as Percentage over Taxicab Fares

Zones	General Rate	Traveling the same distance, a taxi meter would display:	% Limo Rate over Taxi Fare (“waiting time” not included)
1	8.75	6.25	40.0 %
2	8.75	9.00	-2.8 %
3	11.50	11.75	-2.1 %
4	14.50	14.50	0.0 %
5	17.75	17.25	2.9 %
6	21.50	20.25	6.2 %
7	24.25	23.00	5.4 %
8	28.00	25.75	8.7 %
9	31.25	28.75	8.7 %
10	34.50	31.50	9.5 %
11	37.75	34.25	10.2 %
12	41.00	37.00	10.8 %
13	44.75	40.00	11.9 %
14	47.25	42.75	10.5 %

Recommendations

There are four recommendations:

1. The Licence Manager needs to uphold the minimum 15% fare difference between taxicab fares and limousine fares for the same trip. It was placed in the by-law originally years ago because it was known then one clear distinction between what a taxicab is and what a limousine is the fare. Limousines are a higher-priced more luxurious service. Over the years, the Licence Manager has done a disservice to taxicab drivers, limousine drivers, and the riding public by not ensuring this 15% difference and instead, blurring it. It is Licence Manager's duty to uphold the law.
2. Section 2.1 (e) is essentially a statement which is incomplete and incorrect. It should include the fact that rates ought be reviewed when there is a proposed contemplated rate change. It is the only appropriate time for a review. An example might be:

Section 2.1 (e) The Licence Manager shall review Schedules 'A' and 'B' only when the issue arises for any requests for rate changes to ensure that the Schedule 'B' Option 1 Fare for a Trip is at least 15% greater than the Schedule 'A' Fare for the same Trip, and that Option 2 is at least 15% greater for one hour worth of taxi meter fare when zero distance accumulates - solely one hour of time and no distance.
3. To be technically correct, Limousine rates should be as follows:
 - (a) Start initially at \$ 4.03 which is the taxicab's \$ 3.50 start fee + 15%,
 - (b) Add \$ 3.50 for the first zone - refer to item (e),
 - (c) Add another \$ 3.50 for the second zone,
 - (d) Therefore, the total of \$ 11.03 is the correct limousine fee for the first two zones,
 - (e) This is a correct and technical 15% over the equivalent taxicab distance. Because each zone is approximately 1.5 km, the rule of thumb should be that a taxi's distance for 1.5 km be calculated and then the zone increase for limousine would be 15% greater. In this case, each zone should be \$ 3.50.
4. When compensating for the lack of 'Waiting Time' used in the calculations for this study, it is suggested that \$ 0.50 be added to the \$ 3.50 zone fee for each zone.

Correct Limousine Fare Structure

Initial Fee including the first two (2) zones \$ 11.00

Each zone thereafter \$ 4.00

Notes

The data herein is derived from the current City of London Taxicab and Limousine bylaw.

The recommendations put forth are only derived conclusions from facts calculated and put forth to produce a technically correct result.

Spreadsheet Calculation

Following is a spreadsheet calculation comparing current taxicab rates, limousines rates for the same trips using data supplied from Mr. Katolyk's proposed by-law submission to CNC in the summer of 2011.

- Columns A, B, C are directly from the City Hall's data performed by Derek Warren in 2010-2011.
- Column E shows which limousine trips are not 15% more than the taxicab fare.
- Column F shows which limousine trips are actually less than the taxicab fare.
- Column G are the 'short trips' Katolyk alludes to in his summary when proposing his new by-law.
- Columns H, I, J, K are the what the limousine fares would be if \$ 0.75 were to be added per zone starting at zone 4. This version was alluded to in h proposed by-law.
- Columns L, M, N, O are what the limousine fares would be if \$ 0.75 were to be added just one starting at zone 4. This conflicting alternate version was also alluded to in his proposed by-law. However, Mr. Katolyk verbally assured me this is not the version to use.
- Columns P, Q, R, S are what this study suggests when using \$ 11.00 for the first two zones and \$ 4.00 for each zone thereafter.
- Please compare columns E, J, and R to see which limousine fares are not 15% greater than taxicab fares.
- Please compare columns F, K, and S to see which limousines fares are less than taxicab fares.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
TAXI FARE	LIMO FARE	LIMO ZONES	LIMO % over Taxi	LIMO Under 15%	LIMO Under 15% (1 = Yes)	LIMO Short Trips	OREST LIMO "A" FARES	LIMO "A" % over Taxi	LIMO "A" Under 15%	LIMO "A" Under 15% (1 = Yes)	OREST LIMO "B" FARES	LIMO "B" % over Taxi	LIMO "B" Under 15%	LIMO "B" Under 15% (1 = Yes)	Study LIMO "C" FARES	LIMO "C" % over Taxi	LIMO "C" Under 15%	LIMO "C" Under 15% (1 = Yes)
				(1 = Yes)	(1 = Yes)	(3 Zones or less)	+ .75 Zone 4+Up		(1 = Yes)	(1 = Yes)	+ .75 @ Zone 4		(1 = Yes)	(1 = Yes)		<--Start		<--Zone
5.00	9.00	2	80.0%	1	1	80.0%	9.00	80.0%	1	1	9.00	80.0%	1	11.00	120.0%			
5.75	9.00	1	56.5%	1	1	56.5%	9.00	56.5%	1	1	9.00	56.5%	1	11.00	91.3%			
4.50	9.00	2	100.0%	1	1	100.0%	9.00	100.0%	1	1	9.00	100.0%	1	11.00	144.4%			
16.75	17.75	5	6.0%	1	1	14.9%	19.25	14.9%	1	1	18.50	10.4%	1	23.00	37.3%			
18.25	21.50	6	17.8%	1	1	30.1%	23.75	30.1%	1	1	22.25	21.9%	1	27.00	47.9%			
6.25	11.50	3	84.0%	1	1	84.0%	11.50	84.0%	1	1	11.50	84.0%	1	15.00	140.0%			
6.50	9.00	2	38.5%	1	1	38.5%	9.00	38.5%	1	1	9.00	38.5%	1	11.00	69.2%			
11.50	14.75	4	28.3%	1	1	34.8%	15.50	34.8%	1	1	15.50	34.8%	1	19.00	65.2%			
15.75	21.50	6	36.5%	1	1	50.8%	23.75	50.8%	1	1	22.25	41.3%	1	27.00	71.4%			
8.75	9.00	2	2.9%	1	1	2.9%	9.00	2.9%	1	1	9.00	2.9%	1	11.00	25.7%			
25.00	24.25	7	-3.0%	1	1	9.0%	27.25	9.0%	1	1	25.00	0.0%	1	31.00	24.0%			
15.00	14.75	4	-1.7%	1	1	3.3%	15.50	3.3%	1	1	15.50	3.3%	1	19.00	26.7%			
20.25	24.25	7	19.8%	1	1	34.6%	27.25	34.6%	1	1	25.00	23.5%	1	31.00	53.1%			
17.25	14.75	4	-14.5%	1	1	-10.1%	15.50	-10.1%	1	1	15.50	-10.1%	1	19.00	10.1%	1		
5.50	11.50	3	109.1%	1	1	109.1%	11.50	109.1%	1	1	11.50	109.1%	1	15.00	172.7%			
12.25	14.75	4	20.4%	1	1	26.5%	15.50	26.5%	1	1	15.50	26.5%	1	19.00	55.1%			
12.25	11.50	3	-6.1%	1	1	-6.1%	11.50	-6.1%	1	1	11.50	-6.1%	1	15.00	22.4%			
13.50	14.75	4	9.3%	1	1	14.8%	15.50	14.8%	1	1	15.50	14.8%	1	19.00	40.7%			
16.00	14.75	4	-7.8%	1	1	-3.1%	15.50	-3.1%	1	1	15.50	-3.1%	1	19.00	18.8%			
22.50	24.25	7	7.8%	1	1	21.1%	27.25	21.1%	1	1	25.00	11.1%	1	31.00	37.8%			
22.75	28.00	8	23.1%	1	1	39.6%	31.75	39.6%	1	1	28.75	26.4%	1	35.00	53.8%			
19.00	21.50	6	13.2%	1	1	25.0%	23.75	25.0%	1	1	22.25	17.1%	1	27.00	42.1%			
6.50	11.50	3	76.9%	1	1	76.9%	11.50	76.9%	1	1	11.50	76.9%	1	15.00	130.8%			
18.75	21.50	6	14.7%	1	1	26.7%	23.75	26.7%	1	1	22.25	18.7%	1	27.00	44.0%			
25.00	31.25	9	25.0%	1	1	43.0%	35.75	43.0%	1	1	32.00	28.0%	1	39.00	56.0%			
43.00	44.75	13	4.1%	1	1	21.5%	52.25	21.5%	1	1	45.50	5.8%	1	55.00	27.9%			
28.00	28.00	8	0.0%	1	1	0.0%	31.75	13.4%	1	1	28.75	2.7%	1	35.00	25.0%			
26.78	28.00	8	4.6%	1	1	18.6%	31.75	18.6%	1	1	28.75	7.4%	1	35.00	30.7%			
39.50	44.75	13	13.3%	1	1	32.3%	52.25	32.3%	1	1	45.50	15.2%	1	55.00	39.2%			
30.75	31.25	9	1.6%	1	1	16.3%	35.75	16.3%	1	1	32.00	4.1%	1	39.00	26.8%			
26.00	24.25	7	-6.7%	1	1	4.8%	27.25	4.8%	1	1	25.00	-3.8%	1	31.00	19.2%			
38.25	37.75	11	-1.3%	1	1	14.4%	43.75	14.4%	1	1	38.50	0.7%	1	47.00	22.9%			
36.00	37.75	11	4.9%	1	1	21.5%	43.75	21.5%	1	1	38.50	6.9%	1	47.00	30.6%			
18.00	11.50	3	-36.1%	1	1	-36.1%	11.50	-36.1%	1	1	11.50	-36.1%	1	15.00	-16.7%	1		
25.00	24.25	7	-3.0%	1	1	9.0%	27.25	9.0%	1	1	25.00	0.0%	1	31.00	24.0%			
16.00	9.00	2	-43.8%	1	1	-43.8%	9.00	-43.8%	1	1	9.00	-43.8%	1	11.00	-31.3%	1		
20.00	21.50	6	7.5%	1	1	18.8%	23.75	18.8%	1	1	22.25	11.3%	1	27.00	35.0%			
26.00	24.25	7	-6.7%	1	1	4.8%	27.25	4.8%	1	1	25.00	-3.8%	1	31.00	19.2%			
25.00	24.25	7	-3.0%	1	1	9.0%	27.25	9.0%	1	1	25.00	0.0%	1	31.00	24.0%			
20.00	17.75	5	-11.3%	1	1	-7.5%	19.25	-7.5%	1	1	18.50	-3.8%	1	23.00	15.0%			
19.25	17.75	5	-7.8%	1	1	0.0%	19.25	0.0%	1	1	18.50	-3.9%	1	23.00	19.5%			
27	15	11	41	18	7	41	41	41	18	7	41	41	24	41	41	41	3	0
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S