



CITY OF CHICAGO • OFFICE OF THE MAYOR



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FUEL SURCHARGE FOR CHICAGO LICENSED TAXICABS INTRODUCED TO CITY COUNCIL

The proposed fuel surcharge for taxicab drivers will support the taxicab industry financially during this time of dramatically increased fuel prices

CHICAGO – Mayor Lori E. Lightfoot introduced an ordinance initiating a fuel surcharge for Chicago licensed taxicabs to City Council. Fuel is a major overhead expense for taxicab drivers and the fuel surcharge would support the taxicab industry financially during this time of dramatically increased fuel prices. The fuel surcharge fee will be tied to the taxicab trip and use of fuel. The fuel charge will be \$1 for a taxi fare up to \$20; \$2 for a taxi fare of \$20.01 to \$40; and \$3 for a taxi fare greater than \$40. The amount of the fuel charge is related to the use of fuel – where longer trips using more fuel will have the higher surcharge fee. The fuel surcharge fee will assist taxicab drivers with gasoline expenses while providing a safe and reliable transportation option for residents and visitors. While other cities across the nation are imposing a flat fuel surcharge fee for taxicabs, Chicago is introducing the unique tiered fuel surcharge fee relative to use of fuel.

"In a time marked by rising fuel costs, it is essential for our taxicab drivers to be able to get residents and visitors where they need to go without worrying about whether or not they can afford to put gas in their tanks," said Mayor Lightfoot. "By implementing these surcharges, we will be able to relieve some of the fuel burdens facing taxicab drivers as well as support the industry as a whole."

The Chicago Department of Business Affairs and Consumer Protection (BACP) oversees licensing and operations of the public vehicle industry. BACP works closely with taxicab industry unions and organizations to create fair and equitable regulations. Recent discussions with taxi companies, drivers, and independent owner-operators led to the need and decision of a fuel surcharge for taxicab fares.

"The fuel surcharge will provide financial relief to Chicago taxicab drivers who have been impacted by recent high gasoline prices," said BACP Commissioner Kenneth J. Meyer. "Fuel is a core business expense, and this temporary surcharge is a clear and necessary way to support the taxicab industry."



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According to AAA, the nation's largest motoring and leisure travel membership organization, gasoline is over 50% more expensive than this time last year. An implementation of a fuel surcharge for taxicab drivers would support the taxicab industry financially. A taxicab fuel surcharge would align with the fuel surcharge implemented for transportation network providers (ride-share) fares. In response to rising gasoline prices, other jurisdictions have implemented a fuel surcharge for taxicab fares, including Washington D.C., Toronto, Seattle, and Houston.

"We at the United Transporters Community Council (UTCC) support efforts to amend the ordinance to allow for a fuel surcharge for taxicab fares," said Fayez Khozindar, Executive Director, United Transporters Community Council (UTCC). "We believe that this action is important for the drivers and for the transportation industry as a whole to cope with this unprecedented high inflation and fuel prices."

"The fuel surcharge would allow the taxicab industry to continue to offer reliable transportation service," said Yildirim Aktas, Chicago taxicab driver.

"The management of Flash Cab Affiliation is in full support of a fuel surcharge relief for drivers," said Anre Nisenboim, General Manager, Flash Cab Affiliation.

"Blue Ribbon Taxi Association, Inc. is fully endorsing a fuel surcharge for Chicago taxicab drivers," said Sabir Waheed, President, Blue Ribbon Taxi Association, Inc. "Recent gas price increases are making all types of transportation more expensive, and this has a direct effect on taxicab drivers. The fuel surcharge will help offset fuel costs, which helps more drivers stay on the road."

Currently, the Municipal Code of Chicago (MCC) allows Chicago taxicabs to dynamically price and implement a fuel surcharge for trips requested through an e-hail/e-pay mobile app. CURB and ARRO are taxicab e-hail/e-pay apps and, through their platforms, a taxicab fare may add a "fuel surcharge" which notifies passengers up front before they secure a taxicab ride. This is similar to the process that ride-share provides when implementing fuel surcharges on their platforms. In regards to taxicab trips secured by street hail or from cab stands, a change to the current taxicab fare rates specified in the MCC.

The fuel surcharge would offset the costs of gasoline for taxicabs and also incentivize additional taxicabs to go into service. In 2009 and 2010, fuel surcharges were implemented when fuel prices increased. BACP initiated fuel surcharges of either \$.50 or \$1.00 per taxicab trip. In 2012, the taxicab fare flag pull was raised by \$1.00 to \$3.25. For information about public vehicle licensing, visit Chicago.gov/BACP.



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