

JAN 28, 2003

Tired of waiting for a cab in the rain? Here's hope

Less hassle, better service with stricter new rules for taxi firms from June; new cab companies may mean more taxis too

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TAXI commuters who complain about how tough it is to get a cab on rainy days can expect better service from cab companies from June, when new Land Transport Authority (LTA) regulations kick in.

Operators who do not meet the new standards, set higher than what cab companies impose on themselves, will be fined up to \$100,000 for each contravention. They could even stand to lose their licence.

But better service - which includes a wait of no more than five minutes for a taxi to be found through a phone booking, nine out of 10 times - comes with a price tag.

Taxi companies have to pay a monthly licence fee of \$25 for each taxi in its fleet. In the case of Comfort, with more than 10,000 taxis, this would amount to about \$270,000 a month.

Justifying the fee, Mr Lim Bok Ngam, LTA director of vehicle and transit licensing, said that monitoring taxi performance requires 'frequent and regular checking, auditing, analysing and assessing of computer data and records as well as commissioning regular audits of company accounts and operations to ensure that there is no anti-competition behaviour'.

This was more complicated than monitoring service levels on board buses, he said, when it was pointed out that bus companies pay \$50 a year for each route.

For SBS Transit, the annual fee is about \$10,000 while Tibs pays less than \$400.

Asked if he thought the cab companies would pass the cost on to commuters, he replied: 'The fee is less than \$1 a day a taxi, so we don't think it will affect fares.'

'Opening up the market also encourages competition, which in itself will make sure that operators do not increase fares for no good reason.'

In fact, competition may even lead to lower fares, he argued.

He said, without elaborating, that there were parties interested in getting into the taxi business, now that Parliament has amended the Road Traffic Act to free up the industry, which now has only three main players.

The Straits Times understands that close to 10 companies, including car-rental agencies and major parallel importers, are keen to jump on board despite the \$15 million Mr Lim said would be required to run a fleet of 100 cabs.

When told of the fee, Mr Ong Kian Min, deputy chairman of the Government Parliamentary Committee (Transport) and an MP for Tampines GRC, noted that with almost 19,000 taxis plying the roads, the LTA will collect more than \$470,000 a month.

He is not convinced that the fees will not translate into higher fares, or get passed on to the taxi drivers in the form of higher rentals.

Nor did he think that increasing the supply of taxis was the best way to match demand and supply during peak hours: 'During off-peak hours, you see taxis cruising around looking for passengers.'

'Increasing the supply will only make the situation worse.'

Only Tibs Taxis, with a fleet of about 1,900 taxis, said yesterday that it was prepared - for now - to absorb the cost incurred from the licence fee.

CityCab, with close to 5,000 taxis, and Comfort were non-committal, only saying that the licence fee would increase the cost of doing business.

A Comfort spokesman said: 'The taxi licence fee is a cost increase to the company. Just like any cost increase, we will have to take that into consideration in our taxi operations.'