

JCRA Media Release

1 September 2008

Jersey Cab Drivers Association Eliminate Scale Fares

The Jersey Competition Regulatory Authority (“JCRA”) welcomes the decision taken by the Jersey Cab Drivers Association (“JCDA”) to revoke and no longer issue a Scale of Fares. The Scale of Fares provided annual recommendations on the fares charged by JCDA members for restricted taxi-cabs in Jersey. The JCDA has eliminated this practice in response to the JCRA’s investigation into alleged price fixing among restricted taxi-cabs. In response to the JCDA’s voluntary, positive action to eliminate the Scale of Fares, the JCRA has closed this investigation.

Jersey’s Competition Law prohibits agreements among competitors that determine or influence their prices. This prohibition includes agreements reached among competitors acting through a trade association. Both price fixing agreements and agreements on recommended prices among competitors are objectionable, because they both eliminate or reduce price competition, to the detriment of consumers.

In March 2008, the JCRA commenced an investigation into alleged price fixing among restricted taxi-cabs in Jersey. A central focus of this investigation was the Scale of Fares agreed annually by JCDA members. The JCDA would provide its Scale of Fares to Jersey’s Drivers & Vehicle Standards Department, which then issued corresponding printed fare cards to Jersey’s four cab companies: Citicabs Limited (“Citicabs”), Domino Cabs Limited (“Domino Cabs”), Luxicabs Limited (“Luxicabs”) and Yellow Cabs Limited (“Yellow Cabs”). The JCRA understands that this process resulted in largely uniform restricted taxi-cab fares in Jersey.

During this investigation, the JCRA recommended that the JCDA eliminate this practice. In response, the JCDA has informed its members and the JCRA in writing that:

- The JCDA has revoked all current and previous recommended prices, tariffs and charges for the provision of restricted taxi-cab services in Jersey; and

- The JCDA will no longer be issuing recommended fares for the provision of restricted taxi-cab services in Jersey.

In addition, the JCRA has received written undertakings from Citicabs, Domino Cabs, Luxicabs and Yellow Cabs that they each shall determine their own fares and otherwise comply with the provisions of the Competition Law.

In response to these voluntary, positive actions, the JCRA has closed its investigation. Should further evidence suggest anti-competitive conduct with respect to restricted taxi-cabs in Jersey, the JCRA retains the discretion to re-open its investigation and take further enforcement action if warranted.

Concerning the matter, the JCRA's Executive Director, Chuck Webb, states:

"We welcome the JCDA's decision to revoke and no longer issue a Scale of Fares. This decision, along with the undertakings received from Citicabs, Domino Cabs, Luxicabs and Yellow Cabs means that the discretion to set fares is where it belongs, with the restricted taxi-cab companies. These actions should facilitate price competition for the provision of restricted taxi-cab services."

The voluntary action taken by the JCDA is the latest outcome in a series of JCRA investigations into fixed or recommended prices among trade associations in Jersey. Prior JCRA actions under the Competition Law have resulted in the elimination of fixed or recommended fees in Jersey among dentists, driving instructors, building contractors, plumbers, electricians and lawyers.

Notes to the Editors:

- This matter only affects restricted taxi-cabs and not controlled taxi-cabs. Controlled taxi-cabs operate through taxi ranks, and their fares are determined by Jersey's Minister for Transport and Technical Services. Restricted taxi-cabs operate primarily through phone dispatch, and their fares are not regulated.
- The JCRA is an independent authority established by the States of Jersey to enforce Jersey's Competition Law and regulate its telecommunication and postal sectors. In each of these areas, the JCRA's primary mission is to promote

consumer welfare through efforts that encourage lower prices and greater choice and innovation in the goods and services available in Jersey. The JCRA is recognized internationally as a leading voice in the application of competition law and policy in small economies.

All enquiries to the JCRA should be directed to the Executive Director, Chuck Webb, on +44 (0)1534 514990.

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