

REPORT OF THE

Commission of Inquiry

into

Road-user Charges

Commissioners

H. F. ANGUS
A. J. BOWERING
G. LINDSAY
W. F. VEITCH

PUBLIC INQUIRIES ACT
(British Columbia)

January 1959

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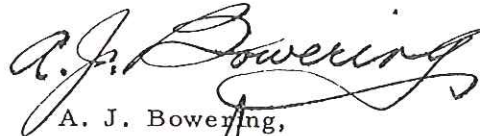
January 15th, 1959.

To His Honour F. M. Ross,
Lieutenant-Governor of the Province of British Columbia.

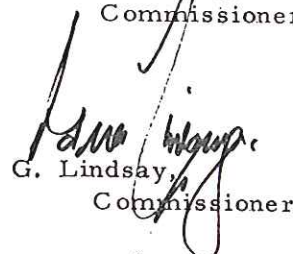
We are submitting herewith our report, pursuant to our Commission under the "Public Inquiries Act" by Order in Council No. 876, approved by Your Honour on April 14th, 1958.



H. F. Angus,
Chairman



A. J. Bowering,
Commissioner.



G. Lindsay,
Commissioner



W. F. Veitch,
Commissioner

R. C. BRAY,
Counsel.

M. H. A. GLOVER,
Secretary.

COPY OF MINUTE APPROVED APRIL 14th, 1958

WHEREAS in and by chapter 162 of the "Revised Statutes of British Columbia, 1948," entitled, "Public Inquiries Act," it is enacted that whenever the Lieutenant-Governor in Council deems it expedient to cause inquiry to be made into and concerning any matter connected with good government of the Province, or the conduct of any part of the public business thereof, the Lieutenant-Governor in Council may, by a Commission intitled in the matter of that Act and issued under the Great Seal, appoint Commissioners or a sole Commissioner to inquire into such matters:

THE UNDERSIGNED REPORTS THAT it is desirable and in the public interest to cause an inquiry to be made into the proportion which the revenues from road-users bears to Provincial road costs and the shares that different classes of road-users contribute thereto:

AND RECOMMENDS THAT by virtue of the "Public Inquiries Act" a Commission be issued appointing:

Henry Forbes Angus, B.C.L., LL.D., F.R.S.C., Chairman, Public Utilities Commission;

George Lindsay, Superintendent of Motor-vehicles;

Alfred John Bowering, B.A.Sc., Assistant Chief Engineer, Department of Highways;

William Fairful Veitch, B.Com., M.A., Assistant Deputy Minister of Finance and Director of Tax Research,

Commissioners, with the first named as Chairman, to inquire into, assess, and report upon the proportion which the taxation of road users bears to Provincial road costs and upon the shares in which different classes of road users contribute thereto, and whether this proportion is commensurate with the cost of construction, improvement, extension, maintenance, and protection of the roads and whether the shares are equitable taking into account the facilities provided and the use made of the roads:

AND TO FURTHER RECOMMEND that the taxation, taxation share, or proportion of road user taxation on private non-commercial passenger vehicles using fuel commonly known as gasoline, and in particular the taxation of gasoline used by such vehicles, be excluded from the assessment and report of the Commissioners:

AND TO FURTHER RECOMMEND, without derogating from the generality hereof, that the Commissioners consider and report upon:—

- (1) The adequacy and equity of present Provincial taxation, whether by way of licence, permit, fee, or other relevant tax:
- (2) Alternative methods of taxing road users to obtain appropriate revenue from the owners and operators of motor-vehicles to meet in whole, or in part, the cost of constructing, improving, extending, maintaining, and protecting the roads on which such vehicles operate and to achieve, wherever possible, more equitable apportionment of the tax burden between heavy vehicles or vehicles carrying heavy loads, and lighter vehicles or vehicles carrying lighter loads:
- (3) Practical methods of achieving simplicity in administration and economy in collection of licence and permit fees and other tax revenues, and effective enforcement of the laws governing such fees and taxes:
- (4) The relevance of existing and alternative methods of licence and permit fees and other taxes to the question of mitigating by means of reciprocal agreements with other Provinces and States, the burden of multiple licences, permits, and fees borne by owners and operators of vehicles operated within and without the Province:

- (5) Effective and economical enforcement of maximum motor-vehicle gross weight limits:
(6) All other matters which the Commissioners may consider pertinent or relevant to the general scope of the inquiry:

AND THAT Maurice Henry Albert Glover, B.Com., Assistant Director, Bureau of Economics and Statistics, be appointed Secretary:
AND THAT, for the purposes hereinabove stated, the Commissioners shall have all the powers vested in or which can be conferred upon the Commissioners under the "Public Inquiries Act":

AND THAT all or any of the powers which can be conferred under the "Public Inquiries Act" may be exercised by any three of the Commissioners:
AND THAT the Commissioners do report their findings and make recommendations to the Lieutenant-Governor in Council as the Commissioners, in their discretion, consider proper and advisable:

AND THAT the Departments of the Government of British Columbia afford the Commission and all persons acting under its authority or its direction such assistance and co-operation in the matter of the inquiry as the Commissioners may request:
AND THAT the Commissioners may employ secretarial staff at the usual rates for such services, and with the prior approval and consent of the Lieutenant-Governor in Council such other professional consultants as are considered necessary for the purpose of conducting the inquiry:

AND THAT the costs and expenses incurred in connection with the inquiry be paid out of Consolidated Revenue Fund.

DATED this 11th day of April, A.D. 1958.

W. A. C. BENNETT,

Minister of Finance.

APPROVED this 11th day of April, A.D. 1958.

W. A. C. BENNETT,

Presiding Member of Executive Council.

ACTIVITIES OF THE COMMISSION

In presenting the report of the first Royal Commission appointed to examine road-user charges in British Columbia it is desirable to give a brief account of the material available to the Commission and of the procedures which it has followed.

Important studies have been made in Canada and in the United States. In Canada the "Report of the Select Committee on Toll Roads and Highway Financing in the Province of Ontario, 1957," is outstanding. In the United States, research has been conducted by the Bureau of Public Roads and is being carried out by the Federal Highway Administrator. Many individual States have engaged in research and were generous in making the results available. These investigations have not as yet resulted in any consensus of opinion as to what is the most equitable and most easily administered method of raising the money required to pay for the construction and maintenance of roads and still less in any universally accepted formula.

While this is the question which lies at the heart of the Commission's assignment, our terms of reference require us to review several aspects of Provincial highway financial policy, including:—

- (a) The assessment of the costs of constructing, maintaining, and protecting Provincial highways and roads;
- (b) Determination of the proportions in which these costs should be borne by road-users (private passenger as well as commercial vehicles) and non-users respectively;
- (c) Methods of raising the revenue required to defray the commercial road-users' share of these costs and of collecting the appropriate taxation, both in the case of vehicles operating wholly within the Province and of vehicles engaged in interprovincial and international operations.

The Commission's task was confined by its terms of reference to Provincial highways and did not extend to those highways which are a municipal responsibility. The financial problems connected with the latter, which bear much motor-vehicle traffic, were the subject of representations to the Commission. Future construction in metropolitan areas of freeways which are not part of the Provincial highway system may merit investigation of cost-sharing and Federal-Provincial financial assistance.

The latest major revision of motor-vehicle licence policy in British Columbia was in 1934. The present motor-carrier fees of \$9 per ton carrying capacity for limited freight-vehicles and \$12 per ton for public freight-vehicles are only slightly higher than the scale established in 1940, when the Public Utilities Commission took over regulation. A charge of \$5 for private vehicles was dropped in 1957, and since then only 7,000 commercial vehicles, out of a total of over 100,000, have been regulated by the Motor Carrier Branch of the Public Utilities Commission. For commercial passenger-vehicles the regulatory charges have not differed significantly from those of \$3 per passenger seat which prevail at present, except that taxis originally paid only \$2.

The Provincial tax on gasoline (and diesel fuel) has gradually increased from 3 cents per gallon in 1924 to 10 cents per gallon since 1947.

Oversize and overweight regulations were established in the early 1920's, and the fee of \$2 then required for a permit has remained unchanged.

At its initial meetings the Commission arranged for studies to be prepared to show:—

- (a) The actual costs of Provincial highways from 1948 to 1957 and the estimated costs from 1958 to 1975;
- (b) The revenue obtained from road-users from 1948 to 1957, and the revenue which might be anticipated if present taxation were to continue during the period 1958 to 1975.

These basic data were obtained from the Departments of Highways, Finance, Attorney-General, and from the Public Utilities Commission and was presented at our first public hearings at Vancouver in June, 1958, when departmental witnesses were examined.

Public hearings were also held at Prince George, Penticton, Nelson, and Victoria in July and August, and supplementary hearings were held to obtain evidence from officials of the Motor Carrier Branch, the Motor-vehicle Branch, and Highways Department.

In the course of its travels the Commission was able to arrange for a number of on-the-spot checks of operations at weigh-scales in order to discover how effectively the present taxation was being enforced, to form an opinion as to the extent of tax evasion, and to be in a position to make recommendations.

The Commission did not confine its investigations to British Columbia. It was fortunate in having evidence from Mr. F. Watson, of the Motor-vehicle Division of the State of California. In September the Commissioners visited Salem, Ore., and Olympia, Wash., to examine the taxation procedures of these States. We take this opportunity of recording our gratitude to the officials in both States for their detailed explanations. The Commission is also indebted to the American Bureau of Public Roads and to Departments of Finance and Motor-vehicle Administrators in every Province of Canada for supplying information on request.

In British Columbia, research was conducted by the Bureau of Economics and Statistics, the Department of Finance, the Motor-vehicle Branch, the Motor Carrier Branch, and the Department of Highways (including a road incremental cost study). The Commission is indebted to many Civil Servants in these departments who did research or gave evidence, and in particular Mr. Hugh Ferguson, Mr. Ron Knight, Mr. G. Moore, and Mr. E. Hall.

The final public hearings were held in Vancouver in October and November. At these hearings, as indeed at all its public hearings, the Commission received valuable assistance from organizations and from independent witnesses. Mention should be made in particular to the Automotive Transport Association of British Columbia, which not only presented a comprehensive brief, but was represented at all the public hearings, and of the Railway Association of Canada, which, at the request of the Commission, presented a brief and discussed the relationship of railways and trucking.

The hearings were followed by two months of intensive analyses of the evidence and formulating conclusions and recommendations.

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Report of the Commission of Inquiry into Road-user Charges

CHAPTER I

PROVINCIAL HIGHWAY COSTS AND THE SHARES BORNE BY USERS AND NON-USERS

The terms of reference require ". . . an assessment of the proportion which the taxation of road-users bears to Provincial road costs and the share which different classes of road-users contribute thereto."

Our first inquiry, therefore, was directed to actual Provincial highway costs in the ten-year period 1948 to 1957 and the costs which may reasonably be anticipated in the next eighteen years (1958 to 1975). It should be explained that the transition, in British Columbia, from the practice of funding a part of the highway costs to a pay-as-you-go system will involve some slight overlapping of the two methods in the first years of this second period.

Table I (see also Charts 1 and 2) shows the following estimated increases between 1958 and 1975:—*

- (a) Population from 1,487,000 to 3,005,000 or 4 per cent per annum: ✓
- (b) All motor-vehicles from 487,844 to 1,430,900 or 6.2 per cent per annum: ✓
- (c) Private passenger-vehicles from 371,727 to 1,073,000 or 6.1 per cent per annum: ✓
- (d) Commercial vehicles from 116,117 to 357,900 or 6.4 per cent per annum. ✓

This table predicts that in 1975 there will be one motor-vehicle for every two persons, one private passenger-vehicle for every three persons, and one commercial vehicle for every eight persons. The proportion of commercial vehicles will increase slightly to approximate one in every four vehicles.

Provincial highway and bridge requirements, occasioned by these increases in the number of vehicles in the years 1958 to 1975, are detailed and their costs summarized in Table 4 (see also Table 5 and Map 1).

During the eighteen-year period 1958 to 1975 the Province, with some Federal assistance on the Trans-Canada Highway and certain pioneer roads, must expect to incur road construction and maintenance costs of the order of \$2,281,000,000, or an average of \$127,000,000 a year.

Table 6 (see also Chart 5) compares net direct Provincial road expenditure and net Provincial road revenue at present taxation rates. It shows that both in the period 1948/49 to 1956/57 and in the foreseeable future, 1957/58 to 1974/75, not more than 54 per cent of the net Provincial road costs can be covered by the existing Provincial road-user charges, together with regulatory fees. Under the present two-tier tax structure,† private passenger-vehicles have paid and are expected to pay 33 per cent of road costs and commercial vehicles (both private and public) 21 per cent (see Table 7), making, as has been said, 54 per cent for all vehicles.

These statistics, which have been prepared by the Department of Highways, the Motor-vehicle Branch of the Attorney-General's Department, and the Motor Carrier

* See Table 2 and Chart 3 for details of Provincial gross road expenditures, and Table 3 and Chart 4 for details of net revenue from present road-user charges.

† A two-tier tax structure is one which comprises an annual vehicle fee based on the right to use the roads and a fuel tax varying with the degree of use. A three-tier tax structure includes an additional use levy on heavier commercial vehicles.

Branch of the Public Utilities Commission, are subject to some qualification: highway costs may well exceed the estimates because of the need for roads to accommodate commercial vehicles of greater size and weight and the greater density of all vehicles, and also because of inflation. Road-user revenues, on the other hand, are derived from fixed fees and specific (as opposed to *ad valorem*) taxes on fuel and do not vary with changes in the price of vehicles or fuels. There is, therefore, no prospect of their offsetting increasing road costs unless, of course, the rates of taxation are changed.

The Commission's terms of reference also direct it to inquire ". . . whether this proportion (i.e., of road costs borne by road-users) is commensurate with the cost of construction, improvement, extension, maintenance, and protection of the roads and whether the shares are equitable taking into account the facilities provided and the use made of the roads."

This proportion is, as has been shown, approximately 54 per cent. It is not easy to compare it with the corresponding proportions in other jurisdictions because of the unique character of the road requirements (arterial, secondary, and pioneer roads) which constitute a Provincial responsibility in British Columbia. The appropriate percentage of costs to be borne by road-users appears, both from evidence presented to the Commission and from authoritative literature, to be higher in the case of Provincial highways than for municipal roads. Opinions differ widely as to the extent to which non-users should contribute to the cost of roads as part of the general developmental cost of the country. How the non-user share should be provided is a question of legislative policy. The weight of evidence and research, appropriately adjusted for the main and arterial network and the secondary and pioneer roads, which (after allowing for some Federal assistance) is purely a Provincial responsibility, suggests that the appropriate range for the road-users' proportion of costs should be from 60 to 75 per cent in the next eighteen years.*

The Commission is disposed, in view of the need for the extension of a basic Provincial highway network into areas where vehicular traffic would initially be relatively light, to make its recommendation at a medium point in the range and to recommend 66 $\frac{2}{3}$ per cent as a desirable proportion, provided, of course, that it can be attained by increasing the shares of those classes of vehicles which are not bearing their proper share of road costs. On completion of the basic highway network, the proportion of total road costs to be borne by road-users would increase. It is not inequitable, in the opinion of the Commission, that non-users should contribute, on the average, 33 $\frac{1}{3}$ per cent of the cost of the roads during the next eighteen years. Indeed, this proportion might be increased if any classes of users are exempted by Statute from taxation or receive tax concessions.

Factors which determine Provincial road costs must be analysed to arrive at the appropriate proportion attributable to commercial and private passenger-vehicles. Road costs are generally classified into two groups:—

- (a) "Basic road costs," to provide road facilities required by all vehicles and adequate for lighter vehicles (i.e., up to a maximum weight of 6,000 pounds):
- (b) "Additional road costs," to provide the additional facilities required by heavier vehicles; these include, in particular, greater thickness of pavement† to accommodate heavier vehicle weights.

Evidence at the hearings suggested that the larger and heavier vehicles should share "basic road costs," in terms of their relative numbers or 25 per cent, and, in addition, the full amount of road costs to accommodate heavier vehicles. There is no precise

* Although no studies are available on the appropriate proportion from road-users in Canada (the Ontario 1957 study of highway financing does not cover this point), American studies and evidence submitted to the Commission would suggest that, under comparable State responsibilities as in British Columbia, not less than 75 per cent would be recovered from road-users.

† Pavement consists of the base course of gravel and the wearing surface of asphalt or concrete.

incremental cost data on Provincial roads for accommodation of heavier vehicles, distinct from "basic road costs." A minimum of one-third of costs are required for the additional facilities for heavier and larger vehicles. Two-thirds of costs are to provide the "basic road" for all vehicles.

To recapitulate, this means the road costs for commercial vehicles comprise:—

- (a) One-quarter of the two-thirds of "basic road costs";
- (b) One-third of total costs to provide the additional road facilities for heavier and larger vehicles.

In sum, one-half of total road costs arise from facilities for commercial vehicles.

If, as suggested, two-thirds of Provincial road costs should be borne by highway-users (and one-third by non-road users), and if the commercial vehicles were to bear highway costs in the proportion reasonably attributable to them, commercial vehicles should bear one-half of the two-thirds to be borne by all road-users, or one-third of total road costs.

In terms of Provincial highway costs, estimated at \$97,669,000 (Table 6) for 1960/61, when a revised tax structure could operate for a full year, the sharing would be:—

- (1) \$65,112,000 (two-thirds) borne by road-users, with \$32,556,000 (one-third) by private passenger-vehicles and \$32,556,000 (one-third) by commercial vehicles;
- (2) \$32,556,000 (one-third) borne by non-road users—(i.e., from general revenue sources).

However, road-user revenue estimates for 1960/61 (Table 3) suggest that only \$46,964,000 can be anticipated from present charges, of which (a) \$28,512,000 is from private passenger-vehicles (29.2 per cent of road costs), and (b) \$18,452,000 is from commercial vehicles (18.8 per cent of road costs). (Table 7.)

It is to be noted, therefore, that the anticipated revenue from present tax rates would fall short of the appropriate road-user cost-sharing in the amounts of (a) \$4,044,000 (4.1 per cent of road costs) from private passenger-vehicles, and (b) \$14,104,000 (14.5 per cent of road costs) from commercial vehicles.

As the terms of reference prescribe that ". . . the proportion of road-user taxation on private non-commercial passenger-vehicles using fuel commonly known as gasoline . . . be excluded from the assessment and report of the Commissioners," the attention of the Commission is confined to considering to what extent the share borne by commercial vehicles can equitably be increased.

As private passenger-vehicles will bear only 29.2 per cent of road costs in 1960/61, it does not appear reasonable to suggest that commercial vehicles, which we have recommended should pay an equal proportion, should pay a greater sum than \$28,512,000. The maximum increase in road-user charges on commercial vehicles which should be contemplated is \$10,060,000. All road-users would, therefore, supply \$57,024,000, or 58.4 per cent of Provincial highway costs in 1960/61. This percentage approaches the minimum recommended by the Commission and is within the proportion recommended by the Automotive Transport Association of British Columbia.

A definitive recommendation on this point must be postponed until an examination has been made of the sort of taxation which would have to be imposed on commercial vehicles of various classes to raise their share of road costs from 18.8 to 29.2 per cent in 1960/61.*

For present purposes it must suffice to say that in the opinion of the Commission this share should be very substantially increased. It seems clear (*see* Chapter IV) that more effective enforcement of existing taxes would bring in more revenue, even after

* While no studies are available in Canada on the appropriate proportion from commercial users, our interviews at Salem, Ore., and Olympia, Wash., revealed that between one-third and one-half of road costs should come from commercial vehicles.

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allowing for the additional cost of enforcement. In particular, additional revenue could be obtained from international and interprovincial traffic by plugging gaps in existing road-user taxation laws and by stricter enforcement. But the greater proportion of any increase would, of necessity, have to be borne by the heavier commercial vehicles, either on the basis of a revised annual licence fee or a weight-distance tax, or a combination of both methods.

One obvious way of bringing the taxation of commercial vehicles into line with the taxation of passenger-vehicles, while keeping the gasoline tax unchanged, would be to increase the fees payable for the "right to use" the highways and to increase the graduation of these fees according to the weight of these vehicles. Another way would be an assessment (not attempted in the case of private passenger-vehicles) of the "degree of use" made of the highways by commercial vehicles, which vary much more than do private passenger-vehicles in size and weight and still more in loaded weight, and which travel very unequal distances in the course of the year. These characteristics of commercial vehicles have led, in other jurisdictions, to the use of a third-tier tax based on weight and distance and taking the form of a weight-distance tax, or to a use fuel tax. These devices, which have both merits and demerits, are examined in Chapter III.

Should an upward revision of the gasoline tax, equally applicable to all vehicles, be considered desirable at a later date, the proportion of road-user charges borne by both private passenger-vehicles and commercial vehicles would be changed and should be reviewed.*

* "A simple increase in the rate per gallon of gas tax would mean that approximately 90 per cent of the burden would be paid by the passenger cars and light trucks in relation to use and number of registrations. A fuel tax per gallon would be the ideal system of taxation if all vehicles weighed the same amount and travelled the same distance per gallon. It is obvious, however, that this is not the case. . . . This is easily understood when one considers that a passenger car weighing approximately two tons travels approximately 18 miles per gallon and thereby obtains 36 ton miles of operation for 11 cents tax. . . . This becomes even more important when it is realized that a truck combination weighing 68,000 lbs., or 34 tons, travels 4 miles per gallon and therefore obtains 136 ton miles of operation for 11 cents. The passenger car obtains approximately one-quarter of the ton miles of use compared to the 34-ton vehicle for the same amount of gallonage tax." (Report of the Ontario Select Committee on Toll Roads and Highway Financing, 1957, page 31.)

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POPULATION AND NUMBER OF VEHICLES

Table 1.—Growth in Population and Passenger, Commercial, and Total Motor-vehicle Registrations (Excluding Motor-cycles), 1948 to 1957 (Actual) and 1958 to 1975 (Projected).

Year	Population (June 1)	Motor-vehicle Registrations (Licence-year)					
		Total	Ratio of Motor-vehicle Registrations to Population	Passenger-vehicles	Ratio of Passenger-vehicles to Population	Commercial Vehicles	Ratio of Commercial Vehicles to Population
1948.....	1,082,000	197,590	5.5	143,675	7.5	53,915	20.1
1949.....	1,113,000	225,327	4.9	165,106	6.7	60,221	18.5
1950.....	1,137,000	265,703	4.3	198,397	5.7	67,306	16.9
1951.....	1,165,000	287,273	4.1	213,770	5.4	73,503	15.8
1952.....	1,205,000	317,553	3.8	236,711	5.1	80,842	14.9
1953.....	1,248,000	345,005	3.6	258,940	4.8	86,065	14.5
1954.....	1,295,000	367,967	3.5	276,161	4.7	91,806	14.1
1955.....	1,342,000	405,578	3.3	303,481	4.4	102,097	13.1
1956.....	1,399,000	450,493	3.1	341,650	4.1	108,843	12.9
1957.....	1,487,000	487,844	3.0	371,727	4.0	116,117	12.8
1960.....	1,670,000	618,500	2.7	463,900	3.6	154,600	10.8
1965.....	2,030,000	846,000	2.4	634,500	3.2	211,500	9.6
1970.....	2,470,000	1,123,000	2.2	851,700	2.9	271,300	9.1
1975 ¹	3,005,000	1,430,900	2.1 ²	1,073,000	2.8	357,900	8.4

ANNUAL PERCENTAGE INCREASE							
1948-57.....	3.6	10.5	---	11.0	---	9.0	---
1957-75.....	4.0	6.2	---	6.1	---	6.4	---

¹ Maximum population estimate: Provincial Brief to Commission on Canada's Economic Prospects, Victoria, November 28th, 1955.
² Ontario estimate for 1975 is 2.0.

Table 2.—Provincial Gross Expenditure on New Road Construction, Road Maintenance, Toll Bridge Authority Subsidy, and Road Debt Servicing, 1948/49 to 1956/57 (Actual) and 1957/58 to 1974/75 (Projected).

Fiscal Year	New Road Construction	Road Maintenance	Toll Bridge Subsidy ¹	Provincial Road Debt Servicing	Total Gross Provincial Road Expenditure
1948/49.....	\$000	\$000	\$000	\$000	\$000
1949/50.....	14,597	9,237	-----	3,950	27,784
1950/51.....	28,369	11,340	-----	5,692	45,401
1951/52.....	18,006	9,925	-----	7,094	35,025
1952/53.....	15,977	11,843	-----	8,941	36,761
1953/54.....	22,528	13,003	-----	8,887	44,418
1954/55.....	21,923	13,187	-----	8,731	43,841
1955/56.....	21,029	13,658	188	8,157	43,032
1956/57.....	27,027	15,632	287	7,805	50,752
1956/57.....	61,806	20,749	633	13,292	96,480
1957/58.....	72,615	17,108	1,500	15,342	106,565
1958/59.....	69,585	17,625	2,000	11,493	100,703
1959/60.....	73,400	22,000	2,500	10,844	108,744
1960/61.....	77,400	26,000	3,000	6,069	112,469
1961/62.....	81,300	30,000	3,000	-----	114,300
1965/66.....	97,000	35,200	3,000	-----	135,200
1970/71.....	116,000	42,000	3,000	-----	161,000
1974/75.....	131,800	47,000	3,000	-----	181,800

¹ Two and one-half per cent per annum of indebtedness.

PROVINCIAL HIGHWAY COSTS

Table 3.—Provincial Revenue from Road-users (Net of Branch Administration Expenses) and Federal Road Contributions, 1948/49 to 1956/57 (Actual) and 1957/58 to 1974/75 (Projected).

Fiscal Year	Gasoline Tax ¹	Motor-vehicle Licence and Permit Fees	Motor-carrier Licence and Permit Fees	Traffic-control Fees ²	Bridge and Ferry Tolls ³	Total Provincial Direct Revenue	Federal Contributions ⁴	Total Provincial Road Receipts
1948/49	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
1949/50	9,667	3,582	168	2	793	14,212	21	14,233
1950/51	10,646	4,027	176	2	901	15,752	—	15,752
1951/52	12,079	4,766	199	3	1,100	18,147	2,538	20,685
1952/53	13,079	6,370	210	5	1,096	20,760	2,291	23,051
1953/54	14,574	5,526	226	6	410	20,742	3,194	23,936
1954/55	15,963	6,320	270	7	494	23,054	3,505	26,559
1955/56	17,455	8,568	299	8	528	26,858	3,242	30,100
1956/57	19,820	10,219	377	9	575	31,000	3,451	34,451
1957/58	22,593	11,581	486	15	680	35,355	7,392	42,747
1958/59	24,500	12,200	400	20	777	37,897	16,835	54,732
1959/60	26,100	13,000	400	12	658	40,170	25,000	65,170
1960/61	31,500	14,500	450	14	500	46,964	14,800	61,764
1965/66	43,800	21,200	550	19	500	66,069	12,000	78,069
1970/71	59,000	28,200	650	23	500	88,373	14,000	102,373
1974/75	74,300	35,000	700	28	500	110,528	17,000	127,528

¹ Net of refunds.² For excess weight, dimensions, and other specifications.³ Exclusion of Provincial Toll Highways and Bridges Authority.⁴ Primarily for Trans-Canada Highway completion to 1960/61. Projections thereafter based on ratio of actual Federal contributions to total Provincial road expenditures in fiscal years 1950/51 to 1956/57 or 9.2 per cent. Continued Federal contributions after completion of Trans-Canada Highway based on statements of national policy.Table 4.—A Tentative Estimate of British Columbia Highway and Bridge Requirement Expenditure, April 1st, 1958, to March 31st, 1975¹ (at 1958 Costs)

Provincial Road Classification	Mileage of Existing Roads, 1958	Present Road Mileage Anticipated at Satisfactory Standards until 1975 ²	Mileage to Be Constructed or Re-constructed, 1958 to 1975	Extension or New Road Mileage, 1958 to 1975	Total Provincial Road Mileage, 1975	Estimated Costs
A. Construction requirements—						
1. Main and arterial highway network ³	5,387	2,595	2,792	—	5,387	\$551,000,000
2. Secondary-road system	17,673	2,673	15,000	1,900 ⁴	19,573	765,500,000
3. Pioneer roads	—	—	—	2,930	2,930	364,500,000
Total, construction	23,060	5,268	17,792	4,830	27,890	\$1,681,000,000
B. Maintenance (total)	—	—	—	—	—	600,000,000
Total, construction and maintenance	—	—	—	—	—	\$2,281,000,000

¹ Excludes costs of toll-bridges constructed under "Toll Highways and Bridges Authority Act."² Although completed to satisfactory standards for anticipated 1975 traffic, if there is a significant change in traffic density, reconstruction may be necessary.³ Includes arterial highways in organized areas maintained by the Province, but excludes 122 miles of National park roads and 648 miles of the Alaska Highway maintained by the Federal Government.⁴ May be either secondary or main and arterial highway network in 1975.

Table 5.—Tentative Estimate of British Columbia Highway and Bridge Requirement Expenditure, 1958 to 1975¹ (at 1958 Costs)

I. MAIN AND ARTERIAL HIGHWAY NETWORK²
(Black on map except Trans-Canada Highway, which is Red.)

Route No.	Provincial Road Name	Mileage of Roads, 1958	Mileage to Be Constructed or Reconstructed, 1958 to 1975	Total Estimated Cost
1	Trans-Canada Highway (to be completed by 1961) (excluding mileages in Federal parks)	554 ³	135 ⁴	\$101,600,000
1A	No. 1A alternate routes (via old Trans-Canada Highway)	338	50	5,700,000
2	Southern Trans-Provincial Highway (ultimate route via Richter Pass, Greenwood By-pass, and Christina Lake to Creston)	521	159	34,700,000
2A	No. 3A alternate routes (via old Southern Trans-Provincial Highway)	252	131	14,600,000
3	Northern Trans-Provincial Highway (Prince Rupert to Alberta Boundary)	710	518	97,300,000
4	Cariboo-Peace River Highway (Cache Creek to Dawson Creek)	530	271	18,700,000
5	Princeton-North Thompson Highway (Princeton to Tête Jaune Cache)	349	161	26,600,000
6	Okanagan Highway (Kaleden Junction to Trans-Canada Highway at Larch Hill)	119	20	4,000,000
7	Kootenay-Columbia Highway (Cranbrook to Golden)	169	122	18,900,000
8	Island Highway (Nanaimo to Port Hardy)	228	172	25,200,000
9	West Coast Road (Esquimalt to Port Renfrew)	58	58	7,000,000
10	Patricia Bay Highway (Victoria to Swartz Bay)	17	17	2,400,000
11	Parksville to Tofino	99	70	7,000,000
12	Vancouver-Blaine Highway (four-lane freeway design)	21	21	15,000,000
13	Lougheed Highway (Vancouver Boundary to Haig)	92	34	12,000,000
14	Vancouver-Coquitlam Highway (Vancouver Boundary to Pitt River)	13	3	500,000
15	Grandview-Douglas Highway (Vancouver Boundary to New Westminster boundary)	5	5	500,000
16	King George Highway (Nicomekl River to Whitehouse Corner)	8	8	700,000
17	Pacific Highway (Fry's Corner to Douglas)	9	4	500,000
18	Horseshoe Bay-Squamish Highway	28	6	1,300,000
19	Squamish-Powell River Highway (Squamish to Lund)	116	45	9,000,000
20	Aldergrove-Bellingham Highway (U.S. Border to Freeway)	6	6	600,000
21	Huntingdon to Mission	9	2	5,000,000
22	Lytton-Lillooet-Clinton Highway	85	55	7,000,000
23	Merritt-Spences Bridge Highway	42	20	3,000,000
24	Kamloops-Vernon Highway (Swan Lake Junction to Monte Creek Junction)	50	0	1,000,000
25	Vernon-Slocan Highway	196	126	18,000,000
26	U.S. Border to Osoyoos	3	3	400,000
27	Patterson-Rosland Highway	4	1	200,000
28	Trail-Salmo Highway (Trail to Meadows Siding)	15	3	2,000,000
29	Nelson-Nelway Highway (excluding section common to Southern Trans-Provincial Highway)	24	10	1,600,000
30	Kingsgate to Curzon Junction	7	0	—
31	Elko-Rooseville Highway	23	0	500,000
32	Terrace-Kitimat Highway	37	12	2,000,000
33	Chilcotin Road (Williams Lake to Bella Coola)	289	289	33,000,000
34	Peace River Highway (Alberta Boundary to Dawson Creek)	27	8	1,400,000
35	Others	334	247	22,000,000
....	Contingencies (10 per cent)	.....	.....	50,100,000
	Total main and arterial highway network	5,387	2,792	\$551,000,000

¹ Excludes costs of toll-bridges constructed under "Toll Highways and Bridges Authority Act."

² Includes arterial highways in organized areas maintained by the Province, but excludes 122 miles of National park roads and 648 miles of the Alaska Highway maintained by the Federal Government.

³ Includes 76 miles of four- to eight-lane freeway design.

⁴ Includes 57 miles of four- to eight-lane freeway design.

II. SECONDARY-ROAD SYSTEM

(Grey on map.)

(a) Existing mileage (market, farm, ranch, orchard, subdivision, etc.)	17,673	15,000	\$605,000,000
Contingencies (10 per cent)	.....	.....	60,500,000
(b) Extension to 1975	1,900	1,900	100,000,000
1975 total secondary-road system	19,573	16,900	\$765,500,000

PROVINCIAL HIGHWAY COSTS

Table 5.—Tentative Estimate of British Columbia Highway and Bridge Requirement Expenditure, 1958 to 1975¹ (at 1958 Costs)—ContinuedIII. PIONEER ROADS
(Green on map.)

Route No.	Provincial Road Name	Total Mileage of New Road to Be Constructed
50	Cassiar Road (Stewart to Dease Lake)	
51	Fort St. James-Cassiar Road (extension from Manson Creek to Stikine River Junction with Cassiar Road)	230
52	Fort St. John-Stewart Road (extension from Hudson Hope to Meziadin Lake Junction with Cassiar Road)	290
53	Cassiar Road (extension from Meziadin Lake Junction to Terrace)	250
54	Cassiar Road (extension from Meziadin Lake Junction to Hazelton)	140
55	Cassiar-Atlin Road (Kinaskan Lake Junction via Telegraph Creek to Atlin)	96
56	Monkman Pass Road (Hansard to Alberta Boundary)	230
57	Kemano-Nadina River Road	120
58	Tulsequa Road (Taku to Junction of Cassiar-Atlin Road)	75
59	Bute Inlet-Redstone Road	64
60	Squamish-Lillooet Road (Cheekeye to Lillooet)	120
61	Agassiz-Pemberton Road (Harrison Hot Springs to Pemberton)	105
62	Parsnip River Road (Hart Highway to Finlay Forks)	95
63	Canoe River Road (Big Bend Highway to North Thompson Highway)	80
64	Nimpkish Valley Road (Upper Campbell Lake to Port McNeill)	62
65	Zeballos Road (Zeballos to Nimpkish Valley Road)	115
66	Muchalat Arm Road (Muchalat Arm to Nimpkish Valley Road)	20
67	Port Renfrew-Cowichan Lake Road	10
68	Alexis Creek to Ootsa Lake	35
69	Kootenay Bay to Kimberley Road (Kootenay Bay to St. Mary Lake)	210
70	Cassiar-Teslin Road	35
71	Fort St. James to Cassiar Road (via Takla Landing and Skeena River)	128
72	Others	320
	1975 total pioneer road mileage	100
		2,930

Total estimated cost of pioneer roads, \$364,500,000.

IV. PROVINCIAL MAINTENANCE EXPENDITURES, 1958 TO 1975

Total estimated cost of administration, maintenance, and operation..... \$600,000,000

V. MUNICIPAL GOVERNMENT ROADS, 1958

Total mileage of roads and streets in organized territory (excluding arterial highways administered by Provincial Government).....

7,180

Source: B.C. Department of Highways.

Table 6.—A Comparison of Gross and Net Provincial Road Expenditure and Gross and Direct Provincial Road Revenues, 1948/49 to 1956/57 (Actual) and 1957/58 to 1974/75 (Projected).

Fiscal Year	GROSS				NET			
	Road Expenditure (Including Trans-Canada)	Road Receipts, Including Federal Contributions to Trans-Canada	Per Cent Road Receipts of Road Expenditure	Average Per Cent Road Receipts of Expenditure, Actual and Projected	Road Expenditure (Excluding Federal Contribution to Trans-Canada)	Direct Road Revenue	Per Cent Direct Road Revenue of Net Provincial Road Expenditure	Average Per Cent Revenue of Expenditure, Actual and Projected
	\$000	\$000			\$000	\$000		
1948/49.....	27,784	14,233	51.2	56.0	27,763	14,212	51.2	53.6
1949/50.....	45,401	15,752	34.7					
1950/51.....	35,025	20,685	59.1					
1951/52.....	36,761	23,051	62.7					
1952/53.....	44,418	23,936	53.9					
1953/54.....	43,841	26,559	60.6					
1954/55.....	43,032	30,100	69.9					
1955/56.....	50,752	34,451	67.9	60.4	47,301	31,000	65.5	54.0
1956/57.....	96,480	42,747	44.3					
1957/58.....	106,565	54,732	51.4					
1958/59.....	100,703	65,170	64.7					
1959/60.....	112,469	61,704	54.9					
1965/66.....	135,200	78,069	57.7					
1970/71.....	161,000	102,373	63.6					
1974/75.....	181,800	127,528	70.1		164,800	110,528	67.1	

Table 7.—Estimated Net Direct Revenue from Commercial Motor-vehicles (from 1958 Level of Fees and Taxes), 1948 to 1956 (Estimated from Actual Receipts) and 1957 to 1974 (Estimated from Projected Revenues).

Fiscal Year Commencing in Licence-year	Motor-vehicle Licence and Permit Fees ¹	Gasoline Tax ²	Motor-carrier Fees ³	Traffic Permit Fees ³	Bridge and Ferry Tolls ⁴	Total from Commercial Vehicles	Total, All Vehicles	Per Cent of Total from Commercial Vehicles	Average Percentage for Two Periods
	\$000	\$000	\$000	\$000	\$000	\$000	\$000		
1948.....	1,954	4,000	168	2	290	6,414	14,212	45.1	39.0
1949.....	2,170	4,100	176	2	330	6,778	15,752	43.0	
1950.....	2,384	3,750	199	3	410	6,746	18,147	37.2	
1951.....	2,618	4,350	210	5	400	7,583	20,760	36.5	
1952.....	2,872	4,950	226	6	150	8,204	20,742	39.6	
1953.....	3,077	5,650	270	7	180	9,184	23,054	39.8	
1954.....	3,173	6,100	299	8	200	9,780	26,858	36.4	
1955.....	3,517	7,100	377	9	210	11,213	31,000	36.2	39.3
1956.....	3,939	8,300	486	15	250	12,990	35,355	36.7	
1957.....	4,292	9,000	400	20	290	14,002	37,897	36.9	
1960.....	5,798	12,000	450	14	190	18,452	46,964	39.3	
1965.....	8,206	17,000	550	19	190	25,965	66,069	39.3	
1970.....	10,825	23,000	650	23	190	34,688	88,373	39.3	
1974.....	13,938	31,500	700	28	190	46,356	110,528	41.9	

¹ Projected from average fees per vehicle, 1948 to 1956.

² Projected based on an increased estimated average mileage of commercial vehicles, with mileage averaging 10.9 miles per gallon throughout period. Primary source: Dominion Bureau of Statistics, Motor Transport Survey in B.C., 1956.

³ Straight-line projection of revenue curve, 1948 to 1956.

⁴ Based on ratio of other net direct revenues from commercial vehicles to revenue from all vehicles.

NOTE.—It is estimated that commercial vehicles paid 20.9 per cent of total Provincial road expenditures in the period 1948-56 and will pay 21.22 per cent in the period 1957-74.

CHAPTER II

PRESENT COMMERCIAL-VEHICLE ROAD-USER CHARGES

"(1) *The adequacy and equity of present Provincial taxation whether by way of licence, permit, fee, or other relevant tax.*"

In Chapter I we have discussed the adequacy of total present road-user taxation as a contribution to the total annual highway costs in British Columbia, and have reviewed the proportion which total road-user charges on commercial vehicles bear to the sum of charges borne by private passenger-cars. The present chapter is concerned with a detailed description of road-user charges imposed on commercial vehicles, with the revenue so produced, and with inequities arising from the way in which these charges are defined and enforced.

The scale of licence fees exacted from the operators of commercial motor-vehicles has not been revised since 1934 and amendments to motor-carrier fees have been minor since 1940. The tax on gasoline has remained at 10 cents a gallon since 1947. These road-user charges imposed on commercial vehicles are not only inadequate to provide an appropriate proportion of highway costs (Chapter I), but they involve glaring anomalies and are not strictly enough enforced to produce the revenue which might be expected from them, or to ensure equitable incidence among those legally liable to pay them.

PRESENT TAX STRUCTURE

Commercial-vehicle road-users, as appears from Table 7, made the following contributions to Provincial revenue in the fiscal year 1956/57 over and above administrative costs:—

(a) Annual licence fees based on the net or unloaded weight of the vehicle.....	\$3,939,000
(b) Gasoline tax (applicable also to diesel and other fuels) when used on the public highways.....	8,300,000
(c) Motor-carrier fees applicable only to public carriers ¹ after deducting cost of regulation.....	486,000
(d) Overload permits of \$2 (for a trip or, sometimes, monthly) (the revenue of \$15,000 is less than the cost of administration).....	.....
(e) Miscellaneous (bridge and ferry tolls, exclusive of Tolls Authority).....	250,000
Total.....	\$12,975,000

Items (a), (b), (c), and (d) require some comment.

(a) *Annual Motor-vehicle Fees.*—These are based on net weight. Most Canadian Provinces and American States now have annual licence fees based on gross vehicle weight for commercial licences. The gross vehicle-weight licence has two important advantages:—

- (1) It corresponds to highway costs which vary with the maximum loaded weight. Public and private carriers of equal loaded weight pay the same amount for the "right to use" the highways:
- (2) It can be economically and efficiently enforced at weighing-stations.

¹ Private carriers are those which work for their owners alone. Public carriers include contract carriers, working for a single employer, and common carriers which serve the public at large.

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(b) *Gasoline Tax*.—This tax is based on "degree of use" of the roads; the quantity of fuel consumed by a vehicle is treated as a rough and ready measure of this "degree of use." As no "use fuel tax"* is provided in British Columbia, international and inter-provincial carriers are able, in many instances, to avoid the gasoline tax by buying their fuel outside the Province. In another respect, the tax fails to correspond to the "degree of use" of the highway. The tax on diesel fuel is at the same rate per gallon as the tax on gasoline, although it is a more efficient fuel in terms of miles per gallon for vehicles of equal loaded weight.†

(c) *Motor-carrier Fees Paid by Public Carriers*.—If a uniform gross vehicle-weight annual fee is imposed on public and private carriers alike, the regulatory fee, applicable only to public carriers, should be no greater than is required to cover regulatory costs. It is for this reason that regulatory costs have been deducted from the gross revenue derived from motor-carrier fees paid by public carriers in estimating the net revenue derived from the fees paid by these carriers. This net revenue is shown as \$486,000. It is a fair criticism that (since no corresponding fee is paid by private carriers) this amount constitutes a discriminatory tax.

(d) *Overload Permits*.—The present charge of \$2 is nominal and does not cover administrative costs. Nor is this fee a deterrent to excessive loads and, therefore, is no protection to the highways. There is evidence that even this inadequate fee is frequently disregarded both by carriers who carry overloads without obtaining a permit and by those who obtain permits but exceed the permissible limits. Serious highway damage often results, with heavy maintenance and repair costs to roads and bridges. The statutory penalties cannot be made effective without strict enforcement. Higher overload permit fees are recommended in Chapter VI.

The consideration of two further topics may be anticipated at this point—(a) Enforcement of Road-user Charges, and (b) Anomalies in the Present Law.

(a) *Enforcement of Road-user Charges*.—No matter how equitable taxes may be in principle, they will be inequitable in practice if they are not enforced. A vicious circle results, as the inequities which appear when taxes are not adequately enforced lead to further evasions. The Commission's sample checks at weighing-stations at various points in the Province indicated that:—

- (1) Many out-of-Province operators are paying no licence or carrier fees in respect of their vehicles, and in many instances such operators obtain no permit at all;
- (2) In many instances both intraprovincial operators and out-of-Province operators are paying net licence fees substantially below the levels imposed by Statute.

The consequence is that equitable incidence of current taxation is not being achieved. Such weighing-stations as have been established are used primarily for checking vehicles for overweight and oversize (i.e., they aim at highway protection). Their potential use to assist in enforcing road-user charges was disregarded until our investigations began. Recommendations are made in Chapter IV for increasing the number of weighing-stations and providing personnel competent to enforce revenue laws and regulations.

(b) *Anomalies in the Present Law*.—These anomalies are recorded in this chapter. Recommendations for their correction are made elsewhere.

- (1) There is no definition of unladen or tare weight in the "Motor-vehicle Act," and many operators do not include the full equipment of the vehicle (Chapter III).

* A Statute to ensure that commercial vehicles pay the same tax on fuels per gallon purchased outside but consumed within the Province, as on fuels purchased in the Province.

† It will be explained in Chapter III how this inequity could be removed by a "use fuel tax," which, unfortunately, involves high collection costs, or offset by a weight-distance tax.

PRESENT COMMERCIAL-VEHICLE ROAD-USER CHARGES

- (2) "X" plates* permitted under section 7 of the "Motor-vehicle Act" appear to be used as a means whereby private carriers—often engaged in for-hire activities—pay only a fraction of the annual fees paid by public carriers (Chapter VII).
- (3) The present fee for licensing commercial trailers under the "Motor-vehicle Act" is only half the fee for commercial vehicles of like weight if such vehicles are combined in a tractor semi-trailer or in "trains." While this favourable treatment may have been warranted when commercial trailers were of the two-wheel type, it is quite inequitable to-day when large-scale trailers are used which have a carrying capacity as great as that of a large single truck (Chapter III).
- (4) Differences between the net vehicle-weight fees of public and private carriers are inequitable when public and private carriers are virtually in competition with one another, as, for example, in road construction, municipal and Provincial services, or school transportation (Chapter VII).

* An annual licence issued to self-propelled highway-construction machinery used exclusively on road construction and maintenance or mine or industrial undertakings on the theory that the vehicle is used only in the vicinity of such work.

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CHAPTER III

ALTERNATIVE PROPOSALS FOR ROAD-USER TAXATION

“(2) *Alternate methods of taxing road-users to obtain appropriate revenue from the owners and operators of motor-vehicles to meet in whole, or in part, the cost of constructing, improving, extending, maintaining, and protecting the roads on which such vehicles operate and to achieve, wherever possible, more equitable apportionment of the tax burden between heavy vehicles or vehicles carrying heavy loads, and lighter vehicles carrying lighter loads.*”

GENERAL TAXATION PRINCIPLES

In devising a tax structure, due regard must be given to many considerations and, while there may be little difference of opinion as to what these considerations are, there are divergent views as to what constitutes due regard. In this chapter, road-user charges are considered as taxes levied for a particular purpose—namely, a contribution to Provincial expenditures on roads.

A primary consideration is productivity. A tax structure must produce the required revenue. It has been suggested in Chapter I that in British Columbia to-day the charges imposed on road-users should produce, over and above the cost of collection and administrative expenses, something between 60 and 75 per cent of net Provincial expenditures on roads. This is a rough estimate. It is obvious that a change in road-construction policy may change the appropriate percentage. So also may a change in general economic conditions.

The smaller the cost of collection and the more effective the enforcement of road-user charges, the lower will be the level of charges required to yield the necessary net revenue. While collection costs should be closely scrutinized, it is false economy to sacrifice effective enforcement to considerations of economy.

The simpler the tax structure and the more intelligible the principles on which it is based, the more likely it is to be acceptable to those who are called on to pay the taxes and the easier the taxes will be to collect. The tax structure must, therefore, conform to a standard of rough justice which commands respect, and it is particularly important that obvious disparities of treatment as between taxpayers in somewhat similar situations be avoided. The acceptability of a tax structure depends, therefore, in no small measure on its effective enforcement. No injustice rankles so much as that which appears when a competitor is successful in escaping a burden which others have to endure. Equal enforcement means strict enforcement, and strict enforcement is not resented.

It is also important that not only the Government's cost of collection but also the taxpayer's cost of tax compliance should be kept as low as possible. Except when it is absolutely necessary, elaborate and frequent returns should not be demanded for taxation purposes alone. On the other hand, tax avoidance and tax evasion should be made as expensive as possible.

The indirect consequences of taxation must not be overlooked. Services which are essential in the public interest should not be taxed out of existence, even when the tax is designed to cover road costs incurred by the Government. Taxes should not take a form which discourages the most efficient operation by influencing the taxpayer's choice of fuels, the size of trucks or buses, or the shipper's choice between public carriers (i.e., common carriers and for-hire carriers) and his own trucks.

It is subject to these considerations that we must approach the problem of equity in taxation. While the general burden of taxation should no doubt be distributed as

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far as possible in proportion to ability to pay without undue hardship, there are exceptions to this principle. Some taxes are intended as incentives or as deterrents. Others approximate to a price paid to the Government for a benefit conferred on the taxpayer. Road-user charges in the aggregate have been treated as falling under the second of these exceptions. They approximate, that is to say, to a price paid by road-users for the right to use the roads and for the use made of the roads. The price is expected to cover a substantial part, but not the whole, of the cost of the roads.

To allocate charges between different categories of road-users on the basis of the cost of the benefit conferred is not a simple matter, and to allocate charges among individual road-users within a general category is even more difficult. The reasons are not far to seek. Both the evidence submitted at the hearings and the Commission's own inquiries in Oregon and Washington made it clear that no clear-cut theory of equity in taxation can be applied in British Columbia to-day.

It is very easy for categories of road-users, and easier still for individual road-users, to find reasons why they should not be heavily taxed. Users who confine their operations to a relatively small road mileage may feel that they get little or no benefit from the development of new roads in areas which those users do not serve and where those who use the new roads are too few in number to defray their cost. Users who time their operations so as to use the road when there is not much other traffic believe that expenses incurred to meet peak conditions are not their concern. Most road-users can point to some charges which they think should be borne by others. All road-users point to the advantages which the existence of good roads confers on those who are not classed as users.

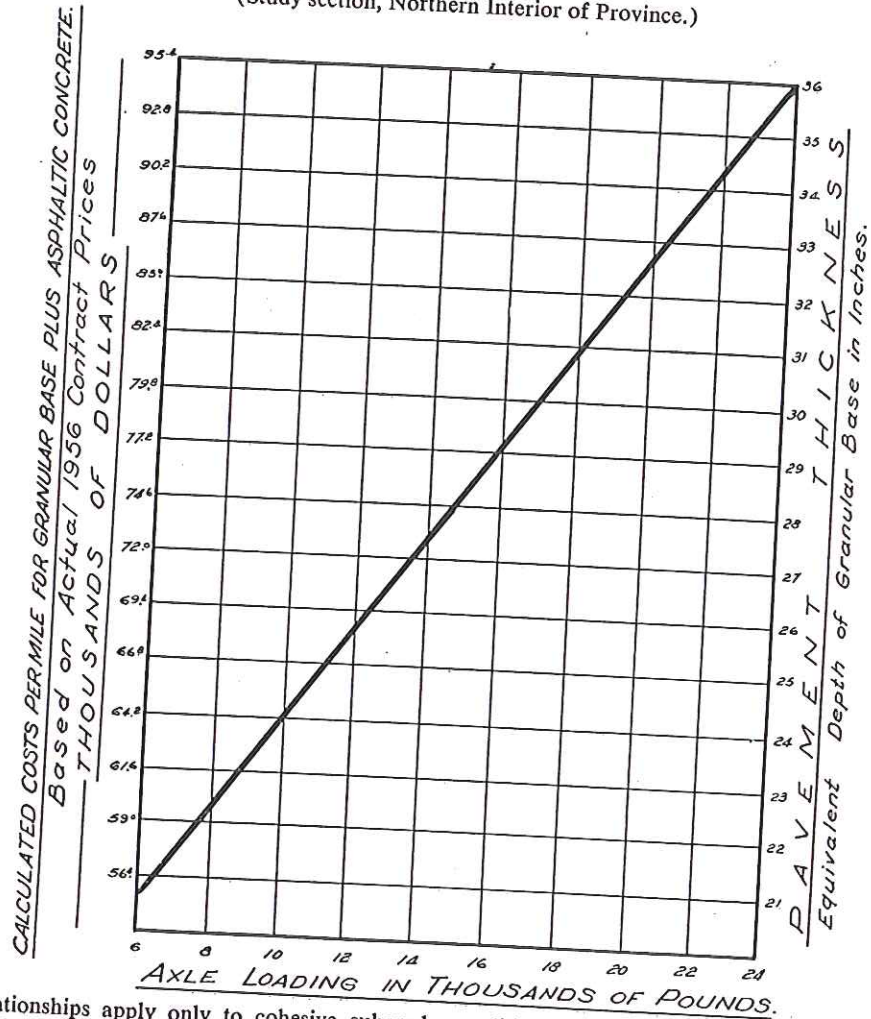
Where adequate data can be secured, it may be possible to divide the costs of roads—or rather that proportion of the costs which road-users are expected to meet—so that all vehicles will pay a minimum charge for the right to use the roads at all; so that part of the costs will be borne in proportion to fuel consumption, which is treated as a rough and ready indication of the use actually made of the roads; and so that any exceptional or incremental costs incurred to meet the needs of special categories of vehicles are borne by those categories.

Adequate data cannot be procured in British Columbia to-day and could not be made available without comprehensive and protracted research. Even when data can be procured, many of the decisions will have to be made on an arbitrary basis. It has been possible for the Department of Highways to provide an indication (Charts 6 and 7) of the cost of road foundations necessary to support heavier axle loads without undue damage to the highways, and this suggests the minimum incremental costs which heavy vehicles should have to bear. But there can be interminable discussion as to what type of traffic—large and heavy trucks or numerous private automobiles—makes multi-lane highways necessary. If a special lane is provided for slow traffic, is it the slow traffic rather than the fast traffic which should be held financially responsible?

For the purposes of immediate action, rough estimates must be used. The Commission is acting, provisionally, as already explained, on the assumption that, where possible, two-thirds of the users' share of road costs should be borne by vehicles in general (partly on the basis of a charge for the right to use the roads—readiness to serve—and partly on the basis of the use made of this right—weight and distance as measured by fuel consumption) and one-third by special taxation of heavier vehicles. Commercial vehicles would then pay the same total amount as private passenger-vehicles (see Chapter I).

ALTERNATIVE PROPOSALS FOR ROAD-USER TAXATION

Chart 7.—Relationship of Pavement Costs (Granular Base plus Asphaltic Concrete) per Mile versus Axle Loading at Capacity Operations for All Seasons of the Year (Study section, Northern Interior of Province.)



Relationships apply only to cohesive subgrade conditions at this section which are generally typical of the surrounding area. Pavement thickness calculations are based on the Department of Transport design system, as published in the Proceedings of the Asphalt Paving Technologists, Volume 25, 1956. Existing pavement strengths were determined from Benkelman Beam readings taken in September, 1958.

ROAD-USER TAXATION PRINCIPLES

Two principles dominate highway taxation. Some taxes are based on "right to use"; others on "degree of use."

"Right to use" charges are usually levied as annual fees, but may be payable quarterly or even monthly. They are sometimes called "standby" charges because they confer on the licensee the right to use the highways within the given period to any extent (i.e., for any mileage) that he sees fit. They comprise the regulatory fees, which some classes of motor-vehicles are charged, and the licence fees imposed on all motor-vehicles. The licence fees paid on commercial motor-vehicles are based either on the gross (i.e., loaded) weight of the vehicle or on the net (i.e., unloaded) weight and are usually graduated upwards with the increasing weight of the vehicles.

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Annual Base in Inches.

If these licence fees are imposed on vehicles used by all commercial carriers, they conform to the "right to use" principle; but if they are imposed only on public carriers, they are apt to be confused with regulatory fees, which should not do more than cover the cost of regulation, and they operate as a discriminatory charge for the right to use the highways which privately operated vehicles of equivalent loaded weight do not pay.

"Degree of use" road charges vary, although in some cases crudely, with the mileage travelled by each vehicle. In British Columbia an example is the tax of 10 cents per gallon imposed on gasoline and diesel fuel. Many jurisdictions have a gasoline tax supplemented by a use fuel tax, applicable only to commercial vehicles, which applies to diesel and similar fuels purchased within the jurisdiction and to diesel and other fuels (excluding gasoline) purchased outside the jurisdiction and used within it. Use fuel taxes are usually designed so that gasoline and other fuels (whether purchased within or without the jurisdiction) pay the same tax per gallon, but sometimes a higher tax per gallon is imposed on diesel fuel in order to approximate to an equal tax per mile travelled by vehicles using gasoline or diesel fuel. No similar equalization results, however, between the tax per mile paid in respect of two vehicles both of which use gasoline, or both diesel fuel, but which operate at different degrees of efficiency. The use fuel tax, therefore, does not correspond closely to a mileage tax. It is, moreover, very difficult to collect as it requires some measurement of the fuels which commercial vehicles entering the jurisdiction are carrying.

Another type of "degree of use" charge is the weight-distance tax, pioneered by Oregon and now used by several other States.* It is a mileage tax which increases with increasing gross vehicle weight.†

Proponents of "degree of use" taxes contend that taxes paid on the mileage travelled are more likely to correspond to the earning power of commercial vehicles than taxes paid on the "right to use."

The most equitable tax structure is one which gives appropriate emphasis to both "right to use" and "degree of use." This truism has been recognized in the development of highway taxation over the last forty years. Its simplest application is in a combination of licence fees and fuel taxes. This simple two-tier tax structure has been supplemented during the last decade by a third tier, which takes the form of the weight-distance tax, and which now exists in Oregon and five other States. Whether such a third tier is desirable in British Columbia at the present time is a question which lies at the heart of the problem before the Commission. It will be examined by comparing alternative tax structures—one which relies on licence fees and fuel taxes and one which supplements them by a weight-distance tax.

On the form which the "right to use" element in the tax structure should take, though not on the proportion of the total tax burden which it should constitute, the parties appearing before the Commission were unanimous. An annual vehicle fee based on gross (or loaded) weight was preferred to an annual vehicle fee based on net (or unloaded) weight, sometimes called tare weight.‡ The Commission is in agreement with this view and draws attention in Chapter II to two respects in which the gross vehicle-weight fee is preferable.

No one disputed that the "degree of use" element should include a tax on gasoline and other fuels. The Automotive Transport Association of British Columbia was emphatic in its opposition both to a ton-mile tax and to a weight-distance tax.

Consideration of the relative merits and demerits of proposals, whether in terms of principle or by practical examples, required certain assumptions. The first is that there

* Ohio, Wyoming, Colorado, Idaho, and New York. Recommended by the California State Board of Equalization in 1955 and the Ontario Select Committee on Toll Roads and Highway Financing in 1957.

† A weight-distance tax is to be distinguished from a ton-mile tax. The latter varies for the load carried in each vehicle on each trip. A change in the load (e.g., by deliveries en route) would, in principle, change the basis of the tax, creating insuperable administrative difficulties. The weight-distance tax charges a uniform mileage rate for each vehicle corresponding to its declared maximum gross weight.

‡ From an Arabic word "tarhah," meaning "what is rejected." It is ironical that "tare" should be used in our tax system to describe "what is counted."

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will be effective enforcement. It will appear in Chapter IV that in any event it is desirable to have centralized responsibility both for "preventive maintenance"* of the roads and for administration of the tax laws applicable to the heavier commercial road-users. Even if the tax structure were to remain unchanged, better enforcement and administration are essential both to obtain the proper revenue and to preserve some semblance of equity. The immediate need is for an adequate number of weighing-stations competently staffed.

The second assumption is that tax policy will be guided by the broadest concepts of public interest. Commercial road-users who appeared before the Commission readily admitted the need for some increase in taxation, but they were not equally alive to the need for a policy which would combine the principles of "right to use" and "degree of use" to achieve an equitable apportionment of tax burdens among the various classes of road-users. Some were apt to telescope the "right to use" and the "degree of use" principles in a way which underestimated the importance of the difference in the miles travelled by the heavier commercial vehicles in each weight group. Principles of simplicity in the tax structure and ease of enforcement are obviously important, but it would be unfortunate if the financing of a large part of the highway costs in British Columbia, which, in the next generation, may amount to \$2,000,000,000, were at the expense of a reasonable degree of equity.

While all witnesses admitted the relevance of incremental costs to road-user taxation, many were unwilling to apply them in practice, largely because of the difficulty of appraising them with any degree of accuracy. This view is contrary to the practical application of highway taxation principles for "degree of use" factors on heavier commercial vehicles in the American Highways Revenue Act† of 1956. The only Canadian Commission with terms of reference similar to our own, the Ontario Select Committee on Toll Roads and Highway Financing,‡ stated: "The Committee is of the opinion that this type of tax—a weight-distance tax—approach is inevitable if we are to obtain sufficient revenue to finance the construction and maintenance of the highways required by the Province, and at the same time achieve equity among the various groups using our highways. This is a system which will apply to all vehicles in the weight group equally, and related directly to use."

It must be freely admitted that there are serious gaps in the statistical data, which make it impossible to apply in a fully satisfactory manner the basic principles of heavier commercial-vehicle road-user taxation, and that there is a need for continuing integrated research with respect both to highway costs and to their apportionment by taxation. The Commission will deal with this important matter in Chapter IV. However, we must attempt to seek rough justice now in accordance with such information as we can obtain and with some regard to the principles which are being applied in other jurisdictions.

ALTERNATIVE PROPOSALS A AND B

The practical issue, therefore, is which of the following types of commercial-vehicle tax structure is to be preferred.

Proposal A would replace licence fees based on net vehicle weight by fees based on declared gross vehicle weight and would rely on a substantial increase in fees to produce a higher revenue (see Table 8). It is implicit in this proposal that there should be a supplementary use fuel tax to ensure that vehicles entering the Province should pay a tax on fuel purchased outside the Province. Such a tax may also be used, as has been explained, to impose a differential tax on diesel fuels, whether purchased within or without the Province. The Commission recommends that a tax of 12 cents per gallon (20 per cent higher) on fuels other than gasoline be imposed if Proposal A is adopted.

* This term is used in Salem, Ore., to indicate that the weighing-stations not only safeguard the revenue, but also prevent excessive strain on the roads and consequent maintenance expenditures. By serving these two purposes, they more than pay for themselves.

† Companion Revenue Act to United States Federal Aid Highway Act, 1956.

‡ Report, 1957, at page 42.

Table 8.—*Proposal A: Schedule of Commercial Motor-vehicle Licence Fees Based on Gross Vehicle Weight*

Gross Vehicle-weight Interval (in Pounds)	Licence Fee	Gross Vehicle-weight Interval (in Pounds)	Licence Fee
Under 3,000.....	\$16	36,001-38,000.....	\$485
3,001- 4,000.....	20	38,001-40,000.....	520
4,001- 5,000.....	26	40,001-42,000.....	555
5,001- 6,000.....	33	42,001-44,000.....	595
6,001- 7,000.....	41	44,001-46,000.....	635
7,001- 8,000.....	51	46,001-48,000.....	675
8,001-10,000.....	65	48,001-50,000.....	715
10,001-12,000.....	85	50,001-52,000.....	755
12,001-14,000.....	110	52,001-54,000.....	795
14,001-16,000.....	135	54,001-56,000.....	835
16,001-18,000.....	160	56,001-58,000.....	875
18,001-20,000.....	185	58,001-60,000.....	915
20,001-22,000.....	215	60,001-62,000.....	960
22,001-24,000.....	245	62,001-64,000.....	1,005
24,001-26,000.....	275	64,001-66,000.....	1,050
26,001-28,000.....	310	66,001-68,000.....	1,095
28,001-30,000.....	345	68,001-70,000.....	1,140
30,001-32,000.....	380	70,001-72,000.....	1,190
32,001-34,000.....	415	Over 72,000.....	1,240
34,001-36,000.....	450		

Proposal B would rely partly on a moderately higher "right to use" charge based on gross vehicle weight and partly on a weight-distance tax applicable to commercial vehicles over 6,000 pounds gross. Such a structure would comprise:—

- (1) Gross vehicle-weight fees on vehicles up to 40,000 pounds equal (on average) to present net vehicle-weight fees as converted to gross vehicle-weight plus increasingly graduated gross vehicle-weight fees for vehicles over 40,000 pounds (to replace the present low fees on the larger trailers) (see Table 9).

Table 9.—*Proposal B: Schedule of Commercial Motor-vehicle Licence Fees Based on Gross Vehicle Weight*

(To be combined with a weight-distance tax.)

Gross Vehicle-weight Interval (in Pounds)	Licence Fee	Gross Vehicle-weight Interval (in Pounds)	Licence Fee
Under 3,000.....	\$15	38,001-40,000.....	\$300
3,001- 4,000.....	20	40,001-42,000.....	330
4,001- 6,000.....	25	42,001-44,000.....	360
6,001- 8,000.....	30	44,001-46,000.....	390
8,001-10,000.....	40	46,001-48,000.....	420
10,001-12,000.....	50	48,001-50,000.....	450
12,001-14,000.....	60	50,001-52,000.....	485
14,001-16,000.....	72	52,001-54,000.....	520
16,001-18,000.....	85	54,001-56,000.....	555
18,001-20,000.....	100	56,001-58,000.....	590
20,001-22,000.....	115	58,001-60,000.....	625
22,001-24,000.....	130	60,001-62,000.....	660
24,001-26,000.....	145	62,001-64,000.....	695
26,001-28,000.....	160	64,001-66,000.....	730
28,001-30,000.....	180	66,001-68,000.....	765
30,001-32,000.....	200	68,001-70,000.....	800
32,001-34,000.....	220	70,001-72,000.....	835
34,001-36,000.....	245	72,001-74,000.....	870
36,001-38,000.....	270		

ALTERNATIVE PROPOSALS FOR ROAD-USER TAXATION

- (2) A weight-distance tax on vehicles over 6,000 pounds gross vehicle weight, based on average annual mileages for vehicles not exceeding 20,000 pounds and on actual monthly mileages for vehicles exceeding 20,000 pounds (see Table 10). Any inequity arising from the unequal mileages travelled by vehicles under 20,000 pounds could, if established by proper records, be adjusted by administrative discretion; obvious mileage understatements for vehicles over 20,000 pounds would be adjusted by administrative procedures.

The usual exemptions from a weight-distance tax include:—

- (1) All private carrier vehicles with a gross vehicle weight not exceeding 6,000 pounds (we have already excluded all vehicles under 6,000 pounds):
- (2) Buses and taxi-cabs operating within a municipality and a radius of 3 air miles thereof:
- (3) All vehicles in so far as operated on private roads or property:
- (4) All government vehicles (Federal, Provincial, and Municipal):
- (5) School district buses:
- (6) Implements of husbandry (i.e., farm tractors):
- (7) Vehicles owned and operated by a farmer in transporting his own products and property up to a maximum weight of 20,000 pounds.

Special provision is usually made for: Lower rates for passenger carriers; quarterly flat fees for logging-trucks over 20,000 pounds gross vehicle weight.

A separate use fuel (or diesel differential) tax would not be needed either for intraprovincial or out-of-Province vehicles as these taxes could be incorporated into the weight-distance tax schedules.

Table 10.—*Proposal B: British Columbia Weight-distance Tax Schedules (Based on the Oregon Tax Adjusted for the Greater Size of the Canadian Gallon and the Higher Provincial Gasoline Tax¹).*

(Combined with a modest increase in gross vehicle-weight fees over 40,000 pounds.)

Gross Authorized Vehicle Weight (in Pounds)	Schedule A (in Mills per Mile)	Schedule B (in Mills per Mile)
6,000– 8,000	2.5	8.5
8,001–10,000	3.5	10.0
10,001–12,000	4.5	11.5
12,001–14,000	5.5	13.5
14,001–16,000	6.5	15.0
16,001–18,000	7.5	17.0
18,001–20,000	8.5	18.5
20,001–22,000	9.5	20.0
22,001–24,000	10.5	22.0
24,001–26,000	11.5	23.5
26,001–28,000	12.5	25.0
28,001–30,000	13.5	27.0
30,001–32,000	14.5	28.5
32,001–34,000	15.5	30.0
34,001–36,000	16.5	32.0
36,001–38,000	17.5	33.5
38,001–40,000	19.0	35.0
40,001–42,000	20.5	36.5

¹ Schedules A and B: Mileage rates for each 2,000 pounds gross vehicle-weight group. (Schedule A applies to vehicles that purchase gasoline in the Province. Schedule B applies to vehicles that purchase fuels other than gasoline in the Province or all fuels purchased outside the Province. The B rate combines the weight-distance tax and the "normal" gasoline tax on fuels on which no tax collected at time of sale.)

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Table 10.—Proposal B—Continued

Gross Authorized Vehicle Weight (in Pounds)	Schedule A (in Mills per Mile)	Schedule B (in Mills per Mile)
42,001–44,000	22.0	38.0
44,001–46,000	23.5	40.0
46,001–48,000	25.0	42.0
48,001–50,000	26.5	44.5
50,001–52,000	28.0	46.5
52,001–54,000	29.5	48.5
54,001–56,000	31.0	51.0
56,001–58,000	32.5	53.0
58,001–60,000	34.0	55.5
60,001–62,000	35.5	57.5
62,001–64,000	37.0	59.5
64,001–66,000	38.5	62.0
66,001–68,000	40.0	64.0
68,001–70,000	41.5	66.0
70,001–72,000	43.0	68.0
72,001–74,000	45.5	71.5
74,001–76,000	48.0	74.5
76,001 and over	Add 2.5 mills per ten or fraction of ton.	Add 3.5 mills per ton or fraction of ton.

Schedules C and D

Flat annual fee (in lieu of Schedules A and B respectively) for vehicles of 6,000 to 20,000 pounds. Owners of vehicles below 20,000 pounds eligible for mileage tax if adequate records.

Gross Authorized Vehicle Weight (in Pounds)	Schedule C (Annual Flat Fee)	Schedule D (Annual Flat Fee)
6,001– 8,000	50	170
8,001–10,000	70	200
10,001–12,000	90	230
12,001–14,000	110	270
14,001–16,000	130	300
16,001–18,000	150	340
18,001–20,000	170	370

We are simplifying our problem by omitting a third possible alternative—a tax structure which leaves the present licence fees, as converted, from net to gross vehicle weight unchanged, except for fees on truck trailers, and relies for increased revenue mainly on a weight-distance tax or a higher gasoline tax on commercial vehicles. It shares with Proposal A the drawback of requiring separate use fuel taxes, and if a weight-distance tax must be imposed, Proposal B is preferable. An additional gasoline tax applicable only to the heavier commercial vehicles would present great administrative problems and, even if it could be enforced, would itself be less equitable as between different weight groups.

Proposal A relies primarily on higher gross vehicle-weight fees to produce more revenue from the heavier commercial vehicles. The proposal is a modification of the scale of fees adopted by Ontario in 1957 after a careful study. It meets, with certain reservations, the basic criteria of a tax suited to the needs of British Columbia. It defines gross vehicle weight as the unladen weight of a vehicle, or a combination of vehicles, plus the maximum declared load. In supporting this proposal, in principal, the Automotive Transport Association of British Columbia asked that gross vehicle weight comprise, except in the case of public carrier passenger-vehicles, not less than 150 per cent of the unladen vehicle weight.

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A applies to than gasoline tax and the

The scale of Ontario gross vehicle-weight fees, which this Commission has taken as a maximum for British Columbia, is accompanied in Ontario by a universal gasoline tax of 13 cents a gallon and a diesel-fuel tax for commercial vehicles of 18½ cents a gallon. (These rates are 30 per cent and 85 per cent higher respectively than their counterparts in British Columbia.)

The increases which were made in the fuel taxes in Ontario were recommended by the Ontario Committee because of the immediate need for additional revenue. The Committee's recommendations for increases in the gross vehicle-weight fee were, in part, provisional, pending the study of the proper basis of rates for a weight-distance tax, as appears from the following quotations:—

3. The Committee recommends that registration fees for all types of vehicles be reviewed in order to achieve greater equity in accordance with cost responsibility.

6. The Committee recommends (pending a study by the Department of Highways with the object of establishing a proper basis of rates for imposition of a weight-distance tax) that licence fees be adjusted to reflect weight of vehicles and distance travelled of various classes of vehicles and further that a variable fuel tax be applied to vehicles over 18,000 pounds.

7. The Committee further recommends that immediate studies be instituted to develop the necessary rates for the imposition of a weight-distance tax.*

The proposal for a gross vehicle-weight fee, as adapted for British Columbia, increases progressively with heavier weights. The scale departs from the Ontario pattern above 44,000 pounds because of a different method of dealing with commercial trailers (Chapter VII), which is recommended by the American Association of Motor Vehicle Administrators, and was endorsed in principle by the Automotive Transport Association of British Columbia, whereby power units will be licensed for the declared gross vehicle weight of combinations of vehicles, and whereby all trailers owned by operators in British Columbia, and all out-of-Province trailers, will be required to purchase identification plates for a suitable fee. Table 11 compares the increased rates resulting from conversion of the present net vehicle-weight fee to a gross vehicle-weight fee with gross vehicle-weight rates under Proposal A. These latter rates, as will be seen, increase in the case of the larger trucks by as much as 400 per cent. The rates will apply to private as well as to public carriers, but the latter will benefit to some extent if the motor-carrier fee which they now pay is reduced so as to cover nothing more than administrative costs.†

Table 11.—A Comparison of Present Net Vehicle-weight Fees and Gross Vehicle-weight Fees under Proposal A

(Based on data for selected vehicles used in computing road-users' tax by Bureau of Public Roads (see "Public Roads," Vol. 29, No. 3, page 39).)

Type of Truck	Gross Weight	Present Net-weight Licence Fee ¹	Proposed Gross-weight Licence Fee ¹	Increase
	Pounds	\$	\$	Per Cent
½-ton pick-up.....	4,800	25	26	4
1½-ton stake.....	12,500	50-65	110	69-120
2¾-ton van.....	19,000	80-95	185	95-131
Dump-truck.....	40,000	250-290	520	79-108
Tractor and semi-trailer (three-axle).....	40,000	120	520	333
Tractor and semi-trailer (four-axle gasoline).....	50,000	150-197	715	263-377
Tractor and semi-trailer (four-axle diesel).....	50,000	178-197	715	263-302
Tractor and semi-trailer (five-axle).....	62,000	275-335	960	186-249
Tractor, semi-trailer, and full trailer (five-axle).....	72,000	238-395	1,190	201-400

¹ Excludes motor-carrier fee.

* Report at page 38.

† The recommendation of the 1957 Ontario Select Committee on Toll Roads and Highway Financing is relevant:—
"2. The Committee recommends that the public commercial vehicle licence fees be adjusted to cover first the costs of administration and enforcement of the Public Commercial Vehicles Act, with the adjustment thus obtained transferred to the registration fee for the weight group."

The scale of gross vehicle-weight charges contemplated in Proposal A blurs the distinction between "right to use" and "degree of use." If it were to be supplemented, as in Ontario, by higher taxes on gasoline, the balance between the share of road costs paid by private passenger-vehicles and commercial vehicles would be upset unless private passenger-vehicle licence fees were correspondingly reduced. This contingency is not discussed in detail as our terms of reference explicitly exclude from our consideration both private passenger-vehicle licence fees and the tax on the gasoline which they use.

Administrative costs need not be materially higher for a gross vehicle-weight fee than for the present net vehicle-weight fee, although some additional details on the nature of the vehicle and the fuel used would no doubt have to be obtained.

On the other hand, the administrative costs of a use fuel tax, as well as the costs of a differential tax on diesel purchased both within and without the Province, would be of the order of \$50,000 a year, or up to 10 per cent of the additional revenue to be expected from these taxes in 1960/61. There might be some economies arising from the consolidation proposed in Chapter IV of all regulatory and revenue agencies dealing with commercial vehicles, apart from the tax on gasoline, but these economies would also be available under Proposal B.

If pro-rationing of motor-vehicle fees for out-of-Province commercial vehicles in connection with licence reciprocity were instituted (Chapter IV), the administration of mileage records would require additional administrative staff. As will be seen, the cost of collecting a weight-distance tax, as suggested in Proposal B, would largely include any cost incidental to such reciprocity.

The gross vehicle-weight fee has the merit of being well understood by and acceptable to the industry. The need for increasing it is easier to explain than the possible need for supplementing it by a weight-distance tax on the heavier vehicles.

Another merit of the gross vehicle-weight fee is that the cost of compliance is relatively low in contrast with that incidental to a weight-distance tax. Other aspects of this matter are considered later.

A further merit of Proposal A—which is shared by Proposal B—is that a single-unit truck would pay the same licence fee as a trailer combination of the same gross vehicle weight, whereas under the present scale the combination pays less.

Proposal B, it will be remembered, comprised a modestly higher gross vehicle-weight fee on vehicles over 40,000 pounds together with a weight-distance tax payable by vehicles over 6,000 pounds. The weight-distance tax would be levied as an annual fee varying with weight, but not with mileage on vehicles between 6,000 and 20,000 pounds (or, expressed in another way, a flat annual mileage would be assumed for these vehicles). The purpose of this proposal is to meet the legitimate criticism that the weight-distance tax would otherwise impose a heavy cost of tax compliance on the owners of these vehicles and, for that matter, a heavy cost of enforcement.

The prime reason for a more modest increase in the gross vehicle-weight fee under Proposal B than under Proposal A is to avoid raising the "right to use" charges to a point at which they are made to do the work for which "degree of use" charges should be employed with danger to the suitable incidence of road-user taxation. It is only by keeping the two principles separate that we can evaluate with confidence the equity of a tax structure. If "right to use" charges are too high, they penalize operators of vehicles which have a low mileage, and the consequent inequity may be concealed by the form of the tax.

A simple example (see Table 12), based on an actual survey* and comprising vehicles of 28,000 to 30,000 pounds, will make the point clear. Under Proposal A the

* A statistical sample of public and private carriers in British Columbia for 1955 made by the Public Utilities Commission. Annual miles operated by vehicles in the 28,000- to 30,000-pound category ranged from less than 5,000 to 70,000. The dispersion was so irregular that it would be extremely difficult to determine an average mileage representative of the group as a whole.

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ALTERNATIVE PROPOSALS FOR ROAD-USER TAXATION

licence fee, expressed per mile of vehicle travel, varies from 6.9 cents for low to 0.57 cents for high-mileage vehicles. Under Proposal B the corresponding variation is from 4.95 cents to 1.65 cents. The range under Proposal A is thus 1,100 per cent and under Proposal B only 200 per cent. It is obviously more reasonable to impose an average tax of 4.95 cents per mile on low-mileage vehicles and a tax of 1.65 cents per mile on high-mileage vehicles (Proposal B) than to impose a tax of 6.9 cents per mile on low-mileage vehicles and a tax of 0.57 cents per mile on high-mileage vehicles (Proposal A).

The example will have served its purpose if it has made the argument clear. It must not be taken as disposing of the merits of Proposals A and B. For one thing, it rests on the assumption that the "modest increase" under Proposal B is all that is appropriate for a "right to use" charge. For another, it takes no account of the tax on fuels (gasoline and other) which varies with "degree of use." At its present rate of 10 cents per gallon this tax would compensate in some degree for the disparity in the "degree of use" charges under the two proposals,* and its omission from a comparison between them is justifiable only on the assumption that the gasoline tax, at its present rate, is required for the road-users' share of the cost of basic roads and that incremental costs must be met entirely from other taxes. The example further assumed that it is inequitable that low-mileage vehicles should be penalized on the presumption that they are being inefficiently used.†

Table 12.—The Incidence of Road-user Tax Proposals A and B

Gross weight of vehicles, 28,001 to 30,000 pounds.

Range in Annual Mileage of Vehicles	Mid-point of Mileage Groups	% of Total Vehicles ¹	Proposal A ²			Proposal B ³						
			Ontario Level of Gross Licence Fees			Modest Gross Licence Fees		Weight-distance Tax		Sum of Licence Fee and Weight-distance Tax		
			Per Mile	Per Vehicle	Total ¹	Per Mile	Per Vehicle	Per Mile	Per Vehicle	Per Mile	Per Vehicle	Total ¹
Under 10,000	5,000	25	¢ 6.90	\$ 345	\$ 8,625	¢ 3.60	\$ 180	¢ 1.35	\$ 67	¢ 4.95	\$ 247	\$ 6,175
10,000-30,000	20,000	20	1.73	345	6,900	.90	180	1.35	270	2.25	450	9,000
30,001-50,000	40,000	50	.86	345	17,250	.45	180	1.35	540	1.80	720	36,000
50,001-70,000	60,000	5	.57	345	1,725	.30	180	1.35	810	1.65	990	4,950
Totals		100			34,500							56,125 ⁴

¹ The percentage distribution of vehicles in each mileage interval is representative of the actual number in the sample for this gross vehicle-weight group. It is expressed in terms of 100 to simplify the incidence of the two proposals.

² See Table 8.

³ See Tables 9 and 10.

⁴ 62.7 per cent more revenue.

All parties appearing before the Commission seemed ready to agree that if adequate statistical and engineering data were available and could be properly interpreted, a third-tier revenue structure could be devised which would be equitable, and that if the taxes could be economically administered and effectively enforced, this third-tier tax structure should be established. In other words, the demerit imputed to a third-tier tax structure was impracticability, as it was contended that the necessary data were not available, the administration costs would be high, enforcement would be doubtful, and reciprocity agreements would be difficult.

Proposal B takes some account of these objections. Limited incremental cost studies for British Columbia are available (Charts 6 and 7). They have convinced us that, no matter how exhaustive such studies might be, only a modest proportion of these incremental costs could be recovered from the heavier road-users. In other words, the dan-

* The range under Proposal A would be reduced to 246 per cent (2.57 cents to 8.9 cents per mile) and under Proposal B to 90 per cent (3.65 cents to 6.95 cents per mile).

† This presumption may be unjustified in certain cases; for instance, a low mileage on Provincial roads is not inconsistent with a high mileage on all roads (Provincial and other).

ger of taxing the heavier vehicles inequitably is not serious, and some approach could be made to satisfying the requirements of "rough justice."

The cost of enforcement, though serious, is not immeasurable. The 1957 Report of the Ontario Select Committee on Toll Roads and Highway Financing (at page 39) quotes the National Association of Tax Administrators as saying that a weight-distance tax "most certainly can be enforced and enforced effectively," and explains that the cost of collecting and auditing the Oregon third-tier tax structure (i.e., 3.88 per cent) compares favourably with similar costs for Provincial sales taxes (i.e., 4.18 to 5.85 per cent).*

Compliance costs also are probably not excessive. When added to the tax they do not amount to more than a reasonable payment for the road facilities provided. The records which are required are not greater than those which an up-to-date operator on a large scale would keep in any event, and if some operators do not keep them, it may be a positive benefit to them if they are forced to do so. Some costs of collection and some costs of compliance may be justified in the interests of equity, to make "rough justice" somewhat less rough than it otherwise would be.

Suggestions that a weight-distance tax would discourage pro-rationing or reciprocity of licence fees ignore that these arrangements universally recognize the freedom of each contracting jurisdiction to levy its own level of "degree of use" charges for mileage travelled within the Province.

The greatest merit of the weight-distance tax applicable to the heavier vehicles is that more revenue can be raised with less unfairness and hardship and that the additional revenue should be raised, in fairness to other road-users and to non-users who would otherwise have to provide, in one way or another, the necessary money.

CONCLUSIONS

The Commission has reviewed the principles which should govern the taxation of highway-users, suggested the factors which should determine policy formation, and given examples of the two alternative structures or patterns of taxation between which a choice must be made.

Estimates of both of the alternatives, at the tax rates chosen for purposes of illustration,† for the fiscal year 1960/61 are given in Table 13 and corresponding figures for current road-user taxes are added for purposes of comparison. Table 14, based in part on hypothetical figures, may help to clarify the comparison.

The increase in revenue from road-user taxes over that which is now being derived from these taxes, in round figures, would be \$5,700,000 under Proposal A and \$7,700,000 under Proposal B. The percentage of the anticipated total net Provincial expenditure on roads obtained from these taxes would, therefore, rise from 18.9 to 24.7 per cent under Proposal A and to 26.8 per cent under Proposal B.

Both proposals would provide a substantial increase in commercial motor-vehicle taxation and, of course, a corresponding decrease in the taxation which non-road-users, or taxpayers in general, would have to pay. Both proposals have been illustrated at the maximum rate levels which the Commission can recommend if serious inequities and excessive tax burdens are to be avoided. Yet neither proposal would produce by 1960/61 over-all revenue equivalent to the anticipated receipts from private passenger-vehicles as recommended in Chapter I. Proposal B, however, can be expected, over the years, to increase the proportion which the revenue from commercial vehicles would bear to the revenue from private passenger-vehicles.

* Our own studies in Oregon produced no suggestion that its weight-distance tax had discouraged or distorted continued growth in the development of heavier commercial-vehicle trucking operations. The tax was highly productive, and inconvenience to taxpayers was minimized. In view of the similarities in terrain, incremental road costs, and highway facilities within Oregon and British Columbia, the Oregon tax, with more than ten years' operation, could serve as a preliminary model for our third-tier tax requirements.

† The rates chosen for Proposal A are the maximum rates which, in the opinion of the Commission, can be imposed without serious inequities and also the minimum rates required to yield the requisite revenue; the rates chosen for Proposal B are maximum rates if excessive burdens are to be avoided.

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ALTERNATIVE PROPOSALS FOR ROAD-USER TAXATION

Table 13.—Comparison of Estimated Provincial Revenues (Net of Administration Costs) in 1960/61

- (1) On basis of present road-user tax structure.
 (2) On basis of Proposal A: Emphasis on higher gross vehicle-weight fees.
 (3) On basis of Proposal B: Modestly higher gross vehicle-weight fees (over 40,000 pounds) plus weight-distance tax.

(1) ON BASIS OF PRESENT ROAD-USER TAX STRUCTURE

Revenue Item	Commercial Vehicles	Passenger Vehicles	All Vehicles	Estimated Net Provincial Highway Expenditure	Percentage from Commercial Vehicles	Percentage from Private Passenger Vehicles	Percentage from All Vehicles
Motor-vehicle licence (net weight)	\$000	\$000	\$000	\$000			
Gasoline	5,800	8,702	14,502	-----	-----	-----	-----
Motor carrier	12,000	19,500	31,500	-----	-----	-----	-----
Bridge and ferry tolls (excluding B.C. Toll Highways and Bridges Authority)	450	-----	450	-----	-----	-----	-----
	190	310	500	-----	-----	-----	-----
Totals	18,440	28,512	46,952	97,669	18.9	29.2	48.1

(2) ON BASIS OF PROPOSAL A: EMPHASIS ON HIGHER GROSS VEHICLE-WEIGHT FEES

Motor-vehicle licence (gross weight)	\$000	\$000	\$000	\$000			
Gasoline	11,251 ¹	8,702	19,953	-----	-----	-----	-----
Motor carrier	12,000	19,500	31,500	-----	-----	-----	-----
Overload permits	-----	-----	-----	-----	-----	-----	-----
Use fuel tax (includes diesel differential)	250	-----	250	-----	-----	-----	-----
Bridge and ferry tolls (excluding B.C. Toll Highways and Bridges Authority)	432 ²	-----	432	-----	-----	-----	-----
	190	310	500	-----	-----	-----	-----
Totals	24,123	28,512	52,635	97,669	24.7	29.2	53.9

Increased revenue from commercial vehicles, \$5,683,000.

(3) ON BASIS OF PROPOSAL B: MODESTLY HIGHER GROSS VEHICLE-WEIGHT FEES (OVER 40,000 POUNDS) PLUS WEIGHT-DISTANCE TAX

Motor-vehicle licence (gross weight)	\$000	\$000	\$000	\$000			
Gasoline	7,165 ³	8,702	15,867	-----	-----	-----	-----
Motor carrier	12,000	19,500	31,500	-----	-----	-----	-----
Overload permits	-----	-----	-----	-----	-----	-----	-----
Weight-distance tax (includes diesel differential)	250	-----	250	-----	-----	-----	-----
Bridge and ferry tolls (excluding B.C. Toll Highways and Bridges Authority)	6,593 ⁴	-----	6,593	-----	-----	-----	-----
	190	310	500	-----	-----	-----	-----
Totals	26,198	28,512	54,710	97,669	26.8	29.2	56.0

Increased revenue from commercial vehicles, \$7,708,000.

¹ Estimate of Bureau of Economics and Statistics (\$12,501,335 less 10 per cent).

² \$480,000 from a use fuel tax (and diesel differential of 2 cents per gallon), less administration costs of \$50,000, \$120,000 from diesel purchased in the Province at the additional 2 cents per gallon.

³ Estimate of Bureau of Economics and Statistics (\$7,960,809 less 10 per cent).

⁴ Estimate of Bureau of Economics and Statistics (\$6,519,000 less 10 per cent), plus \$900,000 from diesel and \$100,000 from gasoline purchased outside for use within the Province (diesel estimate assumes an average of 6 miles per gallon), and while 2 cents per mile would be received under a use fuel and diesel differential, the average would be 5 cents per mile—median of range—on the heavier commercial vehicles under a weight-distance tax ($\$360,000 \times \frac{1}{2} = \$900,000$) (\$6,869,000 less administration costs of 4 per cent = \$6,593,000).

COMMISSION OF INQUIRY INTO ROAD-USER CHARGES

Table 14.—Comparison of Incidence of Tax Proposals A and B on Selected Vehicle Classes for Hypothetical Annual Mileages

Type of Truck	Hypothetical Mileages	Gross Vehicle Weight	Proposal A—(Two-tier Tax Structure)			Proposal B—(Three-tier Tax Structure)			Total
			Gross Vehicle-weight Licence Fee	Gas Tax, 10¢ ¹	Motor-carrier Fee ²	Total	Gross Vehicle-weight Licence Fee	Gas Tax, 10¢		Motor-carrier Fee^{2}
1/2-ton pick-up.....	Miles	Lb.	\$ 26	\$ 27	\$ ---	\$ 53	\$ 25	\$ ---	\$ 52
	5,000	4,800	26	33	---	79	25	---	78
	10,000	4,800	26	80	---	106	25	---	105
1 1/2-ton stake.....	8,000	12,500	110	71	10	191	60	44	185
	20,000	12,500	110	178	10	298	60	110	358
	30,000	12,500	110	267	10	387	60	165	502
2 3/4-ton van.....	10,000	19,000	185	123	17	325	100	85	325
	25,000	19,000	185	185	17	387	100	212	514
	35,000	19,000	185	311	17	513	100	298	726
Dump-truck.....	10,000	40,000	520	200	34	754	300	190	724
	25,000	40,000	520	500	34	1,054	300	34	1,309
	35,000	40,000	520	700	34	1,254	300	665	1,699
Tractor and semi-trailer (three-axle).....	20,000	40,000	520	320	37	877	300	380	1,037
	35,000	40,000	520	560	37	1,117	300	665	1,562
	50,000	40,000	520	800	37	1,357	300	950	2,087
Tractor and semi-trailer (four-axle gasoline)	30,000	50,000	715	600	49	1,364	450	795	1,894
	50,000	50,000	715	1,000	49	1,764	450	1,325	2,824
	70,000	50,000	715	1,400	49	2,164	450	1,855	3,754
Tractor and semi-trailer (four-axle diesel)	30,000	50,000	715	480	46	1,241	450	1,335	1,831
	50,000	50,000	715	800	46	1,561	450	2,225	2,721
	70,000	50,000	715	1,120	46	1,881	450	3,115	3,611
Tractor and semi-trailer (five-axle).....	30,000	62,000	960	610	53	1,623	660	53	2,438
	70,000	62,000	960	1,423	53	2,436	660	53	4,025
	90,000	62,000	960	1,830	53	2,843	660	53	5,888
Tractor and semi-trailer and full trailer (five-axle)	30,000	72,000	1,190	667	67	1,924	835	67	2,942
	70,000	72,000	1,190	1,555	67	2,812	835	67	5,662
	90,000	72,000	1,190	2,000	67	3,257	835	67	7,022

¹ Based on average miles per gallon reported in U.S. Government publication "Public Roads," August, 1956, converted to Canadian gallons and adjusted to include a diesel differential tax of 2 cents per gallon under Proposal A. Both the gas tax equivalent and the diesel differential tax are incorporated into the weight-distance charges for diesel vehicles under Proposal B.

² Assumed at one-quarter present fee.

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As the Commission has no mandate to carry its recommendations into the sphere of legislative policy decisions, it is reluctant to attempt a categorical choice between the two alternative proposals. The Commission can, however, endeavour to clarify the character of the choice which must eventually be made.

Any increase in road-user charges will mean that non-road-users will either experience corresponding tax relief or will escape tax increases which would otherwise be necessary. The case for preferring Proposal A must rest on a decision that \$5,700,000 additional revenue from road-users is adequate for 1960/61. Proposal A involves a decision to impose a use fuel tax with a diesel differential, in spite of its relatively high administrative costs, in order to ensure that taxes on fuel consumed within the Province will be paid by vehicles operating both within and without the Province. Proposal A cannot avoid certain inequities both between private passenger-vehicles and commercial vehicles and also between high- and low-mileage vehicles in each weight group over 20,000 pounds. Some of the Commissioners, with our terms of reference in mind, attach great importance to these inequities. Other Commissioners are inclined to consider them less important for the following reasons:—

- (a) It is not always easy to be sure of what is equitable between private passenger-vehicles and commercial vehicles, as a tax on the former is largely a tax on consumption and a tax on the latter, generally speaking, a tax on cost of transportation and a definite burden to the economy;
- (b) The inequity between high- and low-mileage vehicles in each weight group did not appear to shock the representatives of the Automotive Transport Association of British Columbia,* and it may well be that in each case the bulk of the tax burden will be passed on to shippers in higher freight rates and that high- and low-mileage vehicles are not highly competitive with one another.

The essentially weak point of Proposal A has already been indicated—there is a limit to the revenue which it can produce. This shortcoming could be made good if it were practicable to tax the fuel (gasoline and diesel) consumed by commercial vehicles at a higher rate than the fuel consumed by private passenger-vehicles. The Commission, however, does not consider that it would be expedient, or indeed practicable, to administer differential taxation of this character.†

In many ways the case for preferring Proposal B is very strong:—

- (a) It would provide an increase of revenue of \$7,700,000 or \$2,000,000 more than Proposal A;
- (b) As between private passenger-vehicles and commercial vehicles, it can be expected eventually (though not at the outset) to produce as much revenue from the latter as from the former;
- (c) No separate use fuel tax (or diesel differential) would be needed;
- (d) There would be no serious inequities between high- and low-mileage vehicles in each weight group;
- (e) The data obtained in administering a weight-distance tax would be of assistance in verifying mileage returns incidental to pro-rationing.

These are great merits. The drawbacks to Proposal B are, for the most part, less obvious. There would be higher administrative and enforcement costs, justified in part from the standpoint of the taxation authorities by higher revenue, but from the standpoint of the industry adding to the weight of taxation imposed upon it. These adminis-

* The spokesman for the Railway Association of Canada, whose members are themselves truck operators, did draw attention to this inequity as part of the case for heavier taxation of high-mileage vehicles.

† In this connection, the Commission feels that it should indicate a possible modification of Proposal A, which presents no practical difficulties, but which is excluded from consideration in the report by the Commission's terms of reference. The modification would consist in (1) reducing the annual licence fees under Proposal A so as to reduce the revenue which they would produce from commercial vehicles by 25 per cent; (2) increasing the gasoline tax by 20 per cent (2 cents per gallon); and (3) offsetting the increase of the gasoline tax in respect of private passenger-vehicles by an equal reduction (on average) in their annual licence fees. The effect of this modification of Proposal A on the revenue from road-users is shown in Table 15.

Table 15.—Estimated Revenue Yield from an Intermediate Gross Vehicle-weight Fee Plus 2 Cents Additional Gas Tax with Corresponding Reductions in Private Passenger-vehicle Licence Fees.

Revenue Item	Commercial Vehicles	Passenger Vehicles	All Vehicles	Estimated Net Provincial Highway Expenditure	Percentage from Commercial Vehicles	Percentage from Private Passenger Vehicles	Percentage from All Vehicles
Motor-vehicle licence (gross weight)	\$000	\$000	\$000	\$000	-----	-----	-----
Gasoline ¹	9,220	5,000	14,220	-----	-----	-----	
Motor carrier.....	14,160	23,000	37,160	-----	-----	-----	
Overload permits.....	250	-----	250	-----	-----	-----	
Use fuel tax (includes diesel differential).....	510	-----	510	-----	-----	-----	
Bridge and ferry tolls (excluding B.C. Toll Highways and Bridges Authority).....	190	310	500	-----	-----	-----	
Totals.....	24,330	28,310	52,640	97,669	24.9	29.0	53.9

¹ Based on the estimate of gasoline tax receipts in 1960/61 at the current rate (Table 7) reduced by 10 per cent on the amount of the estimated increase in revenue from the higher rate.

trative and enforcement costs are excluded from the estimates of revenue in Table 13, but the industry has to bear them none the less. The industry would also have to bear higher costs of tax compliance. In other words, the tax burden which would fall in the first instance on the industry and eventually on shippers in the form of higher freight rates would substantially exceed the revenue which the Government obtained. It may be largely for this reason that the Automotive Transport Association of British Columbia opposed the imposition of a weight-distance tax. Then, also, the very magnitude of the sudden increase in revenue is in itself a demerit, and, if too great a jolt to the industry, would bear very heavily on operators working close to the margin.

The Commission has endeavoured to present a balanced view of its proposals. If the Commissioners were to make individual choices between Proposal A and Proposal B and were free to consider the modification of Proposal A, which goes beyond their terms of reference, they would not all indicate the same order of preference.

CHAPTER IV

ADMINISTRATION AND ENFORCEMENT OF COMMERCIAL ROAD-USER CHARGES

“(3) Practical methods of achieving simplicity in administration and economy in collection of licence and permit fees and other tax revenues, and effective enforcement of the laws governing such fees and taxes.”

GENERAL

The Commission has reached three basic conclusions: Provincial highways are not adequately protected from commercial-vehicle weights above authorized limits; licence fees are being evaded or avoided to a serious extent; and commercial vehicles should pay a higher proportion of the road costs, occasioned by providing roads to accommodate their increased size and weight. It seems obvious that the existing administrative machinery must be made more effective if it is to enforce not merely the present levels of taxation, but the higher levels contemplated in this report.

The present administrative agencies are distributed among several departments of the Government and have developed to meet needs as they arose from time to time, before the magnitude of the problem of protecting the highways and collecting taxes for their maintenance on an equitable basis was fully realized. For example, it was natural for the Department of Highways, which builds the roads and sets the standard for authorized commercial vehicle weights, to administer its regulations and, for this purpose, to install and operate weighing-stations. Another agency of the Government, the Motor Carrier Branch of the Public Utilities Commission, makes regulations dealing with the safety of public carriers, the rates that they may charge, the non-discriminatory service which they may give, and the insurance they must provide for C.O.D. shipments and cargo. This agency is also concerned with the collection of fees based, at present, on load carried. The agencies must make their own individual arrangements for enforcement, and any assistance they may get from the weighing-stations set up by the Department of Highways depends on voluntary co-operation. A third enforcement matter has to do with laws administered and enforced by the police. It is understandable that no one agency is willing to burden its personnel with the enforcement of the regulations made by another, and still less willing to ensure that its personnel are competent to do so and are fully instructed in their additional duties. Nor can the personnel in the field serve several masters without being exposed to the suspicion of discriminating unduly between their various loyalties.

These considerations have led the Commission irresistably to the conclusion that a point has been reached in the development of road transport at which simplicity, economy, and efficiency of enforcement of highway-protection regulations, safety regulations, and revenue laws require administration by a single authority. The Commission also realizes that there are substantial reasons for not breaking up the agencies which at present deal with these matters and also with others intimately related to them. This is particularly true of the Motor-vehicle Branch, which controls the licensing of passenger-vehicles, and of the Motor Carrier Branch, which is concerned with giving or withholding authority for operation (Chapter V). The real choice seems to lie, therefore, between assigning these functions to the proposed central authority, designated for purposes of illustration as a Department of Motor Transport, and establishing a high degree of liaison among a number of departments, including those of the Attorney-General, Highways, Finance, Railways, and the Public Utilities Commission. The Commission does not consider that the latter alternative would be practicable unless one of

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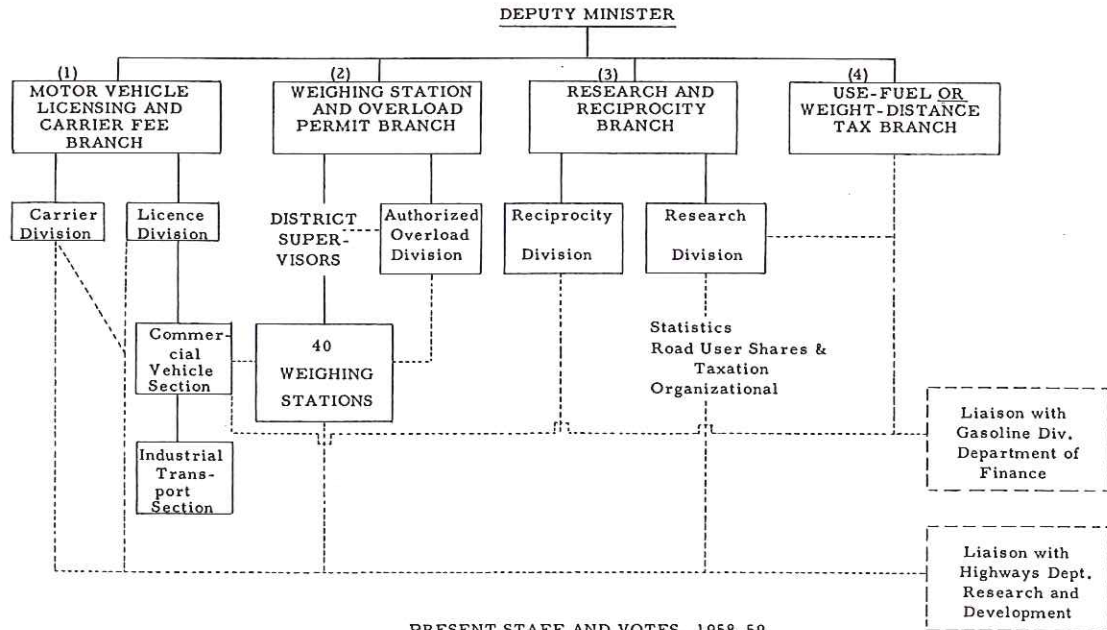
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CHART 8
POSSIBLE ORGANIZATION OF A DEPARTMENT OF MOTOR TRANSPORT



PRESENT STAFF AND VOTES, 1958-59

(1)	(2)	(3)	(4)
Motor Vehicle Branch -- 253 - \$ 958,360	Weighing Stations -- 37 - \$189,000	NIL	NIL
Motor Carrier " -- 44 - 211,526	(Highways)		
Industrial Transport -- 2 - 8,000			
(Railways)			
299 \$1,177,886			
NIL	ANTICIPATED ADDITIONAL STAFFS REQUIRED		
	Weighing Stations -- 43 - \$311,000	Research & -- 4 - \$22,000	Use-
	Overload Division -- 3 - 15,000	Reciprocity	Fuel -- 8 - \$ 50,000
	46 \$ 326,000	Branch	or
			Weight-
			Distance 40- 250,000

NOTE: Present staffs to be consolidated in one agency is 336 has an appropriation of \$1,366,886. Minimum additional staff required is 58 (use-fuel tax) with additional costs of \$398,000, or 90 (weight-distance tax) with additional costs of \$598,000. It is anticipated that with consolidation of new and old personnel in the one agency, savings of 10% in staff (43) and \$196,000 in administration costs would be possible over the initial two or three years.

them were given residual control and responsibility. However, these two alternatives will be examined in more detail.

A Department of Motor Transport would be roughly similar to the separate Department of Transport developed in Ontario and also in Quebec, but would have wider duties in respect to revenue matters. It would have to take over the present functions of the Motor-vehicle Branch and of the Motor Carrier Branch of the Public Utilities Commission and some functions of other departments, notably of the Department of Highways in respect of administration of weighing-stations, overload regulations, and the issue of permits, and of the Department of Railways in respect of industrial transport. It would perform new functions in respect of a use fuel tax or weight-distance tax, if either is imposed. It would negotiate agreements for reciprocity or pro-rationing (Chapter V), and it would be responsible for continued research and for the application of the results of research (Chapter VII). A rough draft of its possible organization is given in Chart 8. In time it should be possible to eliminate duplications and to effect economy in personnel, which would offset in part the need for additional personnel for weighing-stations and for the administration of use fuel or weight-distance taxes, if enacted, and for research. It would not take over duties normally performed by the police, but the police should be expected, in the performance of their regular road-patrol duties, to give a measure of assistance.

The alternative is co-operation among separate branches in existing departments, under the overriding control of one of them. Practical difficulties are obvious, particularly as one of the "departments" affected—namely, the Public Utilities Commission—is at present an independent agency. Legislation would obviously be necessary, and it would probably be found advisable, to reapportion functions by legislation between existing departments. As expensive administrative duties are involved, some form of joint budgeting might be necessary to avoid both duplication and serious omissions. The Commission decided that it was not expedient to investigate the possibilities in detail and was satisfied that a quick glance at the difficulties justified preference for the creation of a new department.

At the risk of some repetition, the Commission sets out its recommendation as follows:—

The Commission recommends that a central agency, or Department of Motor Transport, should be set up to achieve the protection of the highways against destructive use, to enforce strictly revenue laws affecting commercial vehicles, to negotiate reciprocal agreements designed to mitigate the impact of multiple taxation, to make and administer safety regulations, and to conduct (or arrange for) continuing research into the problem of equitable taxation to meet a reasonable proportion of road costs.

PARTICULAR

"(5) Effective and economical enforcement of maximum motor-vehicle gross weight limits."

The second part of this chapter is concerned mainly with problems of enforcement, as distinct from the administrative machinery for enforcement, which has been discussed in the preceding part. It anticipates, in some cases, matters which will be discussed in greater detail in Chapter V.

1. *Weighing-stations.*—Although the Provincial appropriation has been sharply increased in the past two fiscal years, only \$189,000 is provided in 1958/59 for thirteen permanent scales and several portable scales, with a staff of thirty-seven. This sum is of the order of 1 per cent of the average road-maintenance expenditure of these years.

A comparison with the States of Oregon and Washington shows:—

	Area in Square Miles	Mileage of Highways (State or Provincial)	Permanent Weighing-stations ¹	
			Number	Staff
British Columbia.....	366,000	23,060	13	37
Oregon.....	96,981	8,000 ²	60	82
Washington.....	68,192	6,000 ²	54 ³	100 ⁴

¹ Loadometers or portable scales are also used to supplement permanent scales.

² Excludes county roads.

³ The plan is to add sixteen new permanent stations in the next two years; Washington has many small (8' x 10') scales which operate seasonally (i.e., for logging-trucks).

⁴ Although Washington has only fifty-three permanent weigh-masters, the State Patrol staff of 350 does all supervisory work and much part-time weighing of carriers. This is equivalent to 100 weigh-masters.

Washington had violations in 16 per cent of the vehicles inspected in 1955; in 1957, with better enforcement, the percentage dropped to 5.4. In Oregon, fines and additional taxes received as a result of the weighing-station inspections and reports fully pay their cost of administration.

In British Columbia, taking into account the area to be served and the number of miles of roads for which the Province is responsible, at least forty permanent weighing-stations are needed—twenty-seven more than at present. The number of portable scales should also be increased. Not only will an adequate number of competently manned weighing-stations, where authorized vehicle weights are enforced, prevent incalculable road-maintenance expenditures (i.e., "preventive maintenance"), but in addition can provide:—

- (1) Enforcement of gross vehicle-weight licence fees and collection of additional fees from operators who have declared low gross vehicle weights in obtaining their licences;
- (2) Basic data for public carrier regulations and enforcement of public carrier regulatory fees;
- (3) Enforcement of authorized overload fees and the collection of the right level of such fees;
- (4) Assistance in collecting appropriate fees from out-of-Province vehicles;
- (5) A check on the mileage and direction of vehicles subject to a weight-distance tax (on both intraprovincial and out-of-Province vehicles) or of a use fuel and diesel differential tax;
- (6) Mileage returns to assist in administration of pro-rationing agreements.

Washington State is, at present, spending \$500,000 annually on weighing-stations. It seems evident that a similar level of expenditure would be required in this Province by 1960/61 if weighing-stations are to serve the purposes outlined. This is on the assumption that the present number of permanent scales will be tripled by establishing twenty-seven new stations.

Careful consideration should be given to the location of new weighing-stations. Some should be close to Provincial border points to check out-of-Province commercial traffic with the United States, with the Province of Alberta and, indirectly, other Canadian Provinces, and with the Yukon Territory. Others should be located away from points of entry wherever there is a high density of commercial traffic. It is essential, if intolerable inconvenience and delay is not to be inflicted on commercial road-users, that traffic should be able to move quickly through the stations. Too much dependence on a few permanent stations at bottle-necks in traffic, such as the Pattullo Bridge, should therefore be avoided. In many instances, on multi-lane highways, separate stations will be required on both left and right sides; but in the case of two-lane highways, one station may suffice for both directions. In a very few instances, full-time operation may be

necessary (i.e., at major border points of entry), but, for the most part, the system employed in Washington and Oregon (where most of the stations are operated for a few hours at a time at irregular intervals) can be followed. If this is done a relatively small staff should be able to operate the forty weighing-stations and the ten sets of four loadometers (or larger portable scales, the use of which is contemplated), which it is estimated will be required by 1960/61 in order that checks can be made on all types of heavier commercial vehicles.

The Commission has emphasized the requirement of competent personnel. What is meant is that the personnel must, without exception, have a good secondary education and be fully versed in all the respective highway-protection and revenue laws and regulations. It will be one of the duties of the enforcement branch of the proposed Department of Motor Transport to see that adequate instruction is given and adequate supervision exercised. The numbers also must be adequate. To operate forty permanent scales and ten sets of four loadometers on an intermittent basis will require a staff of at least eighty. At every scale unit, when it is in operation, there must be someone who has authority to initiate appropriate enforcement proceedings in respect of all matters which the weighing-stations are charged with controlling. This authority must be clearly defined and should include powers to detain vehicles until the requirements of the law are met and to lay charges effectively. Consideration should be given to the appointment of weigh-masters as special constables for highway protection and enforcement of the revenue laws. All weigh-masters on duty should be in uniform.

2. *Authorized Commercial-vehicle Overload Permits.*—These are discussed in detail in Chapter VI. In the centralized agency (or in whatever Government department may be concerned) a staff of three will be required. They should investigate the enforcement of overload permits at the weighing-stations and train the personnel in administration of these permits. It must be borne in mind that some overloads requested may be more than some highways or bridges can stand without excessive damage or even danger. The enforcement of overload regulations must be rigorous and applied uniformly to all operators if evasion is to be prevented and excessive road-maintenance costs avoided. The personnel, whether at the central authority or at the weighing-stations, must realize that a single instance of laxity may have the most serious consequences.

3. *Use Fuel and Diesel Differential Taxes or Weight-distance Tax.*—If Proposal A, as outlined in Chapter III, is accepted, including a diesel differential (i.e., on fuels other than gasoline) of 20 per cent or 2 cents a gallon, gallonage taxes on all fuels consumed by commercial vehicles which operate entirely within the Province may be collectable as at present. However, the use fuel tax at the higher gallonage rate would be collected on commercial diesel vehicles operating both within and outside the Province by monthly tax returns. Although the Commission recommends that the use fuel tax, including the diesel differential, should be collected by the proposed Department of Motor Transport, in the absence of a central over-all agency it could be collected by the gasoline division of the Department of Finance.

The difficulty of collecting such a tax must not be underestimated, as it is quite possible that a road tax on all fuels, other than gasoline, would have to be collected by use fuel returns. In any case, a special staff to administer is required and costs thereof are likely to be relatively high (5 to 10 per cent).

If Proposal B is accepted, a new division either within the Department of Motor Transport or elsewhere will be required to administer the weight-distance tax, which applies to all commercial vehicles above a designated gross vehicle weight. The higher this weight (i.e., the weight at which a flat use fee is superseded by a mileage rate), the smaller is the staff needed for processing and auditing.

The heavier vehicles use diesel fuel, and the weight-distance tax schedule includes the 20-per-cent higher diesel differential. Both the weight-distance tax on gasoline and diesel-powered vehicles are applicable on a mileage basis, and they will, in effect, tax such

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vehicles on all fuel used, whether bought outside or within the Province. A separate use fuel and diesel differential tax is not needed. The weight-distance tax would require a processing and audit staff of about forty, but, as a relatively large revenue would be effected, the collection cost should not exceed 4 per cent of the revenue.

4. *The Negotiation and Administration of Reciprocal Agreements and the Organization of Continuous Research.*—This requires a separate division of the proposed Department of Motor Transport, with a staff of four. If the present decentralized system is continued, the negotiation of reciprocal agreements would naturally devolve on the Public Utilities Commission (subject, of course, to their ratification by the Lieutenant-Governor in Council).

Reciprocity and pro-rationing are discussed in detail in Chapter V, but something should be said at this point about research. The Commission has had to explain that its estimates in this report have of necessity often been of the crudest character because of the insufficiency of statistical information. There are substantial gaps to be filled. It should also be emphasized that the relevant data are continually changing. If legislation is to keep pace with the advance of knowledge, two things are necessary. First, the knowledge must be collected and made available in a convenient form, and the compilations must be kept up to date. Second, the responsibility for seeing that the Government receives timely and (if the word is permissible) authoritative advice, as to the legislative action which should be taken in the light of new developments and the advances in knowledge, should be clearly assigned. The Commission considers that this advisory function must be the responsibility of the proposed Department of Motor Transport, or of some existing department, but it does not exclude the possibility of part of the research itself being completed by non-governmental bodies.

In whatever department research is conducted, some research closely connected with road construction will have to be done in the Department of Highways. It comprises:—

- (1) Planning over-all road requirements of British Columbia main arterial, secondary, and pioneer roads;
- (2) Continuing investigations on the various thickness of base and pavement required for maximum road life as related to potential traffic on each road;
- (3) Investigating road life and damage from heavier vehicles and overloads;
- (4) Establishing the maximum weights of vehicles allowed on all Provincial bridges and roads;
- (5) Continuing incremental cost analyses for possible use by the proposed Department of Motor Transport in road-user taxation studies.

This research will require a full-time staff.

CHAPTER V

RECIPROCIITY AND PRO-RATIONING OF LICENCE FEES

"(4) The relevance of existing and alternative methods of licence and permit fees and other taxes to the question of mitigating by means of reciprocal agreements with other Provinces and States, the burden of multiple licences, permits, and fees borne by owners and operators of vehicles operated within and without the Province."

The general purpose of reciprocal agreements designed to establish what is called "reciprocity" with other jurisdictions is to make it possible for trucks to move freely from one jurisdiction to another just as private passenger-vehicles do. Two difficulties are encountered which have no counterpart in the case of private passenger-vehicles. The first concerns the grant of authority to operate a service. This is a matter of importance when different jurisdictions have different policies; for instance, if one examines closely the need for a proposed service while the other relies on completely free competition. It does not, however, fall within the terms of reference of this Commission, except in so far as it must be noted as something which makes reciprocal agreements difficult to conclude. The second difficulty is financial and must be discussed in some detail.

A report of an address delivered at Vancouver to the Automotive Transport Association of British Columbia at the time of the Commission's hearings quotes the Honourable Gordon E. Taylor, Minister of Highways in the Province of Alberta, as saying "trains and planes move freely from one province to another, and from one country to another, without having additional costs imposed for so doing, but there are too many cases with trucks and buses where a registration fee is extracted from every vehicle at every boundary." If the problem could be limited to registration and licence fees, of amounts which might differ from jurisdiction to jurisdiction but within a very limited range, it would present no greater difficulty than has readily been surmounted in the case of private passenger-cars. This limitation is accepted by most motor-vehicle administrators as the limit of scope of commercial-vehicle reciprocity. The real difficulty arises in connection with other charges which are intended to make a substantial contribution to the cost of the highways and which, in the case of trains and planes, have their counterpart in the maintenance of railway-lines and airfields. The situation is somewhat complicated by the fact that in some jurisdictions what are nominally registration and licence fees may actually include a substantial element of "degree of use" charges.

Under favourable conditions it may be reasonable to set off the taxation which one jurisdiction foregoes in respect of trucks registered in other jurisdictions and the immunity which its trucks are to enjoy in those jurisdictions. If, however, the taxation is at different levels in different jurisdictions, or if the registration of trucks is concentrated in certain jurisdictions, an agreement of this character may appear lopsided and may be quite unacceptable to the jurisdiction against which it appears to discriminate unduly. An attempt may be made to apportion the revenue derived from trucks and buses on an equitable basis among the jurisdictions in which they operate. Weight-distance and use fuel taxes, where applicable, effect this apportionment automatically. Resort is frequent to what is known as pro-rationing of licence fees. This device ensures to each jurisdiction that it will receive a share of the total licence fees payable at its rates by a fleet of vehicles operating in part within and in part without the jurisdiction. This share will be the same percentage of the fees in question as the mileage covered within the jurisdiction is of the total mileage of the fleet. Pro-rationing of licence fees will be discussed in greater detail later in this chapter.

Although section 19 of the "Motor-vehicle Act"* gives the Lieutenant-Governor in Council power to make reciprocal agreements with any Province of Canada or any State of the United States to exempt out-of-Province commercial-vehicle owners from the provisions of registration and licensing of their vehicles which operate in British Columbia, no comprehensive reciprocal agreement has, as yet, been made.

A reciprocal agreement in respect of pure registration and licensing fees will, other things being equal, involve some small loss of revenue by each jurisdiction which is a party to it. If a licence, such as a gross vehicle-weight fee, is concerned, the over-all loss of revenue may be substantial, but, as has been explained, it may be equitably apportioned among the jurisdictions involved by means of pro-rationing.

It is difficult to estimate the amount of revenue obtained by British Columbia from out-of-Province carriers at the present time. However, the fact that about 10,000 thirty-day permits are issued annually for out-of-Province vehicles, for which one-twelfth of the regular annual licence fee is charged, suggests that full reciprocity for 1958 would have resulted in a revenue loss of \$125,000. In addition, there would be a loss of revenue in respect of some out-of-Province vehicles which at present pay full licence fees in British Columbia, but the Motor-vehicle Branch has no detailed statistics of how many of these there are or of the sum of their fees. A rough estimate is \$60,000. The stricter enforcement of all licensing regulations, which has been recommended in Chapter IV, might well add another \$50,000, so that in considering the difference which full reciprocity might make in a future year to the Provincial revenue, a figure of \$235,000 might be used. It would not be a dead-weight loss. Although the amount cannot be estimated, there would be a corresponding saving to carriers operating out of British Columbia and an equivalent loss of revenue by other jurisdictions.

In addition to the loss of revenue incidental to full reciprocity, account must be taken of the resentment apt to be felt by carriers licensed in British Columbia—resentment perhaps shared by the public in general—if British Columbia carriers were exposed to the competition of out-of-Province carriers paying no British Columbia licence fee and perhaps taxed more lightly in their Province of registration than they would have been in British Columbia. If gross vehicle-weight fees are increased, as is proposed in Chapter III, this resentment would be all the greater. It is significant that no application has been made to the Commission by the Automotive Transport Association of British Columbia that full reciprocity should be granted to out-of-Province vehicles, except in respect of household-goods movers.

Enough has been said to show the complexity of the problem and the desirability of a flexible policy, and the Commission is, therefore, not recommending a specific one. The choice of policy must follow the choice of a system of taxation. The Commission does, however, recommend that authority to negotiate reciprocal agreements, including pro-rationing agreements for commercial-vehicle licences, should be given to the Department of Motor Transport recommended in Chapter IV or, if no such department is created, to some existing department. The agreement, when negotiated, would require the consent of the Lieutenant-Governor in Council.

Household-goods movers, supported by the Automotive Transport Association of British Columbia, suggested that they were in a special class of the trucking industry in that they must be prepared to transport the goods of the general public to any place on the North American Continent. The above recommendation with regard to procedure would make it possible to negotiate expeditiously any agreement that might be considered desirable. The Commission itself can see no reason for treating household-goods movers differently from other carriers cogent enough to require a departure from the procedure recommended.

* B.C.S. 1957, chap. 39, and amendments.

As regards the industry as a whole, the Commission recognizes the importance and the urgency of mitigating the burden of multiple licence fees and other taxes borne by owners and operators of vehicles operating within and without the Province. Strong representations were made to the Commission, particularly by the Automotive Transport Association of British Columbia, that the Province should be advised to enter into pro-rationing agreements with the Western Compact* and with other Canadian Provinces.

The principle of pro-rationing is simple. It applies to fleets of at least three units, of which at least two are power units. It is conceivable it might be developed to apply to a single vehicle. The total mileage of the fleet is divided among the jurisdictions in which the vehicles operate. Each jurisdiction gets that percentage of its fees (i.e., the fees which it would have charged had all units been registered with it) which the mileage covered in that jurisdiction bears to the total mileage; e.g., British Columbia would get 10 per cent of the British Columbia fees if 10 per cent of the total mileage of the vehicles was operated in British Columbia; Washington, 15 per cent of the Washington fees if 15 per cent of the mileage was operated in Washington; and so forth. The agreement would not apply to taxes on fuels or mileage.

The acceptance of this principle in British Columbia would have a different effect revenue-wise under Proposal A than under Proposal B. Under the former, which contemplates a gross vehicle-weight fee, if the existing system of charging one-twelfth of the annual licence fee for a thirty-day permit was continued, the loss of revenue would be greater than under Proposal B, which contemplates a lower licence fee (which would be pro-rationed) accompanied by a weight-distance tax (which would not be affected). In both Proposals A and B there would, of course, be some loss in revenue in respect of vehicles registered in British Columbia but operated without as well as within the Province. Their licence fees would have to be shared with other jurisdictions. Under Proposal A, the use fuel tax and, under Proposal B, the weight-distance tax would produce some revenue from vehicles registered in other jurisdictions, in addition to the share of the licence fee under pro-rationing. It is difficult to make a forecast as the experience of the States in the Western Compact has, for the most part, been that their over-all revenues have increased, probably as the result of the greater freedom of movement consequent on the mitigation of multiple licences, permits, and fees.

A recommendation with respect to the power to negotiate pro-rationing agreements, subject to confirmation by the Lieutenant-Governor in Council, has already been made. The Commission recommends that, as soon as the question of administration is resolved, steps should be taken to seek entry into the Western Compact, and an attempt should be made to negotiate pro-rationing agreements with Canadian Provinces.

If pro-rationing agreements are concluded, it will still be necessary to deal with those out-of-Province vehicles which are not eligible to benefit by them. At the present time, all out-of-Province vehicles may obtain thirty-day permits good for one trip on payment of one-twelfth of the annual licence fee. It is recommended that this system be continued (when not superseded by reciprocity or pro-rationing agreements), but that not more than two permits per year be allowed in respect of any one vehicle. If an operator wishes one of his vehicles to make a third trip, he should pay the full annual licence fee (i.e., ten-twelfths in addition to the two payments of one-twelfth each which he has already made). There must be some flexibility in any such arrangements, and it is suggested they be made subject to Motor Carrier Regulations.

* "Western Compact" comprises the States of California, Colorado, Idaho, Kansas, Montana, Nevada, New Mexico, Oregon, and Washington.

CHAPTER VI

ENFORCEMENT OF MAXIMUM VEHICLE WEIGHTS AND SIZES

"(5) Effective and economical enforcement of maximum motor-vehicle gross weight limits."

The Commission's recommendations will be based on the view that highway costs of repair and maintenance occasioned by the operation of vehicles loaded in excess of their maximum gross declared weight should be borne, in the first instance, by the operators of those vehicles and, irrespective of the distribution of road costs between users and non-users, should not occasion expense either to other road-users or to taxpayers in general.

At present, charges for overload and oversize permits do not even cover the cost of administration. When such a permit is granted by the Minister of Highways or his representative, a fee of \$2 is collected under regulations made pursuant to the "Motor-vehicle Act," of which section 19.07(3) reads: "The applicant for a permit under this section shall pay a fee of \$2 in respect of each permit issued, except that no fee shall be payable in respect of permits issued to authorize the occasional operation of logging-trucks of excess length when carrying boom-sticks."

In some cases, permits are issued on a monthly basis for overloads, and for oversize they are occasionally issued for a period of twelve months.

Regional Engineers, District Engineers, and District Superintendents of the Department of Highways are authorized to issue permits for oversize and also for overweight up to a maximum of 25 per cent overload. All applications for greater amounts are referred to headquarters at Victoria for consideration and approval.

During the twelve-month period March 1st, 1957, to February 28th, 1958, 4,100 permits were issued for overloads and a number of permits for oversize. The revenue received was \$18,776. A summary of the permits is given in Table 16 and Charts 9 and 10. It should be noted that only about 3 per cent of the permits were for overloads exceeding 12 tons.

In the course of the public hearings the Automotive Transport Association of British Columbia proposed the following schedule of fees for overload permits:—

Overload (in Pounds)	50 Miles or Less	51-199 Miles	200 Miles and Over
Up to 6,000	\$5	\$10	\$15
6,001-13,999	10	20	30
14,000-19,999	15	30	45
20,000 or more.....	40	80	120

This association recommended that oversize permits should be issued for \$5 per permit. A further recommendation was that no permit for an overload should be issued unless use was made of a unit with the greatest number of axles available in the area.

It is of interest to examine the policy of other Provinces. In Alberta, 4 cents per ton-mile is charged for overloads; in Saskatchewan, 3 cents; and in Manitoba, 1 cent.

In the State of Washington, overload permit fees are:—

Overload (in Pounds)	50 Miles or Less	51-199 Miles	200 Miles and Over
7,000 or less.....	\$5	\$10	\$15
7,001-13,999	10	20	30
14,000-19,999	15	30	45
20,000 and over.....	50	100	150

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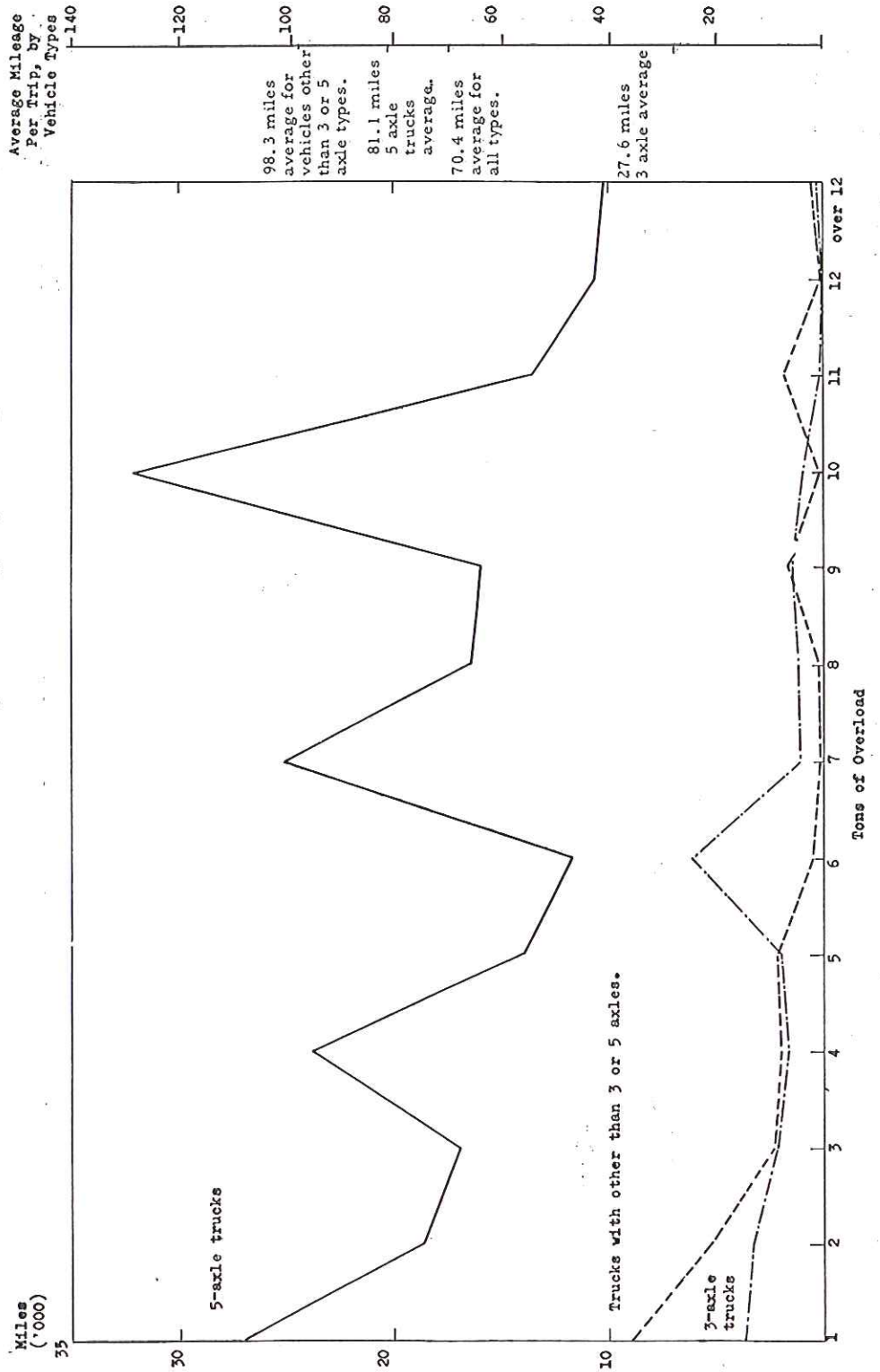
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Table 16.—Summary of Trip Permits and Mileages Reported Thereon for the Period March 1st, 1957, to February 28th, 1958, according to Number of Axles, and to Tons of Overload Carried (Excluding Government Vehicles)

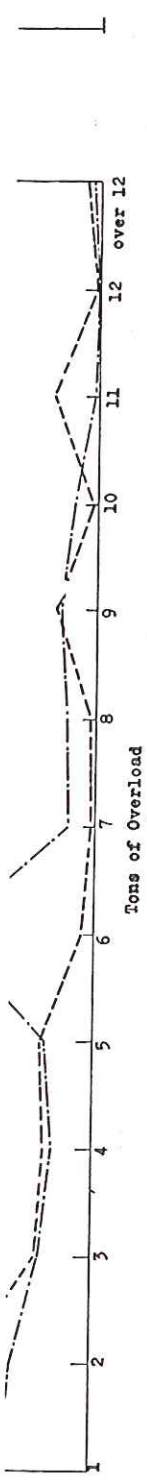
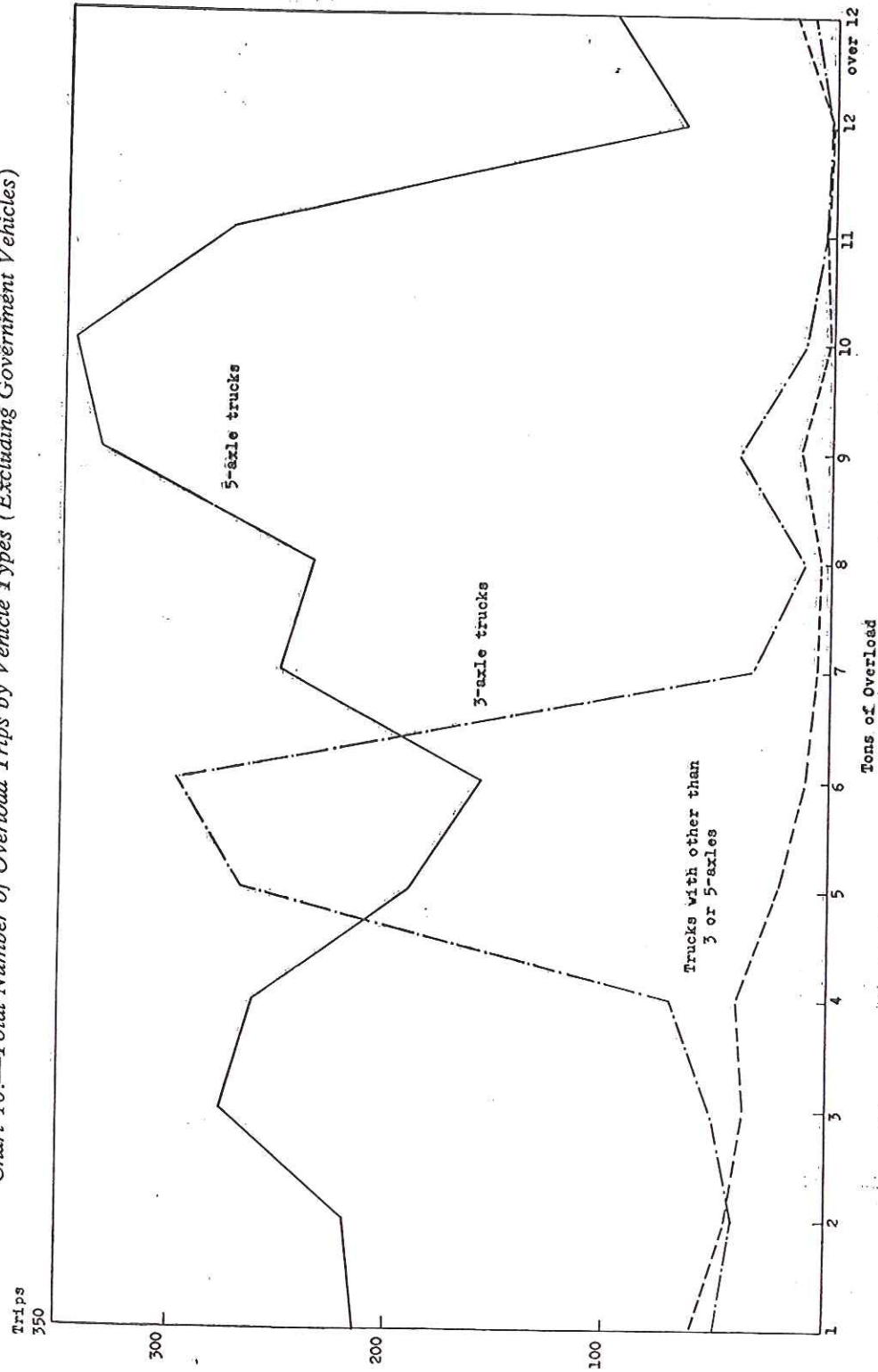
Number of Axles	Distribution of Trips and Mileages according to Tons of Overload												Total Mileage and Trips			
	1	2	3	4	5	6	7	8	9	10	11	12		Over 12		
9-axle.....		2														2 miles.
7-axle.....		1														1 trip.
6-axle.....	35		60	86	1	106										265 miles.
5-axle.....	27,060	18,740	17,054	24,023	14,102	11,776	25,379	16,508	16,052	32,267	13,616	10,741	10,362	185	9	755 miles.
4-axle.....	213	214	276	262	191	159	253	237	334	346	278	69	100	23	23	23 trips.
3-axle.....	7,422	1,518	513	139	321	43	45	56	921	312	278		58	100	100	237,680 miles.
2-axle.....	46	19	9	3	9	4	4	2	3	1						2,932 trips.
	3,788	3,329	2,197	1,751	1,973	6,158	1,057	1,124	1,529	764	174	86	2	2	2	11,348 miles.
	50	42	52	71	267	299	36	13	43	14	5	2	2	11	11	102 trips.
	1,613	3,820	1,801	1,466	1,586	388	110	22	619		1,776			274	274	24,970 miles.
	14	24	26	37	14	4	1	1	7		3			5	5	13,475 miles.
Totals.....	39,918	27,409	21,625	27,465	18,247	18,471	26,591	17,803	19,207	33,343	15,600	10,897	11,919	288,495	288,495	288,495 miles.
	324	300	365	374	482	468	294	255	391	361	287	72	127	4,100	4,100	4,100 trips.

Chart 9.—Total Miles Travelled with Overload by Vehicle Types (Excluding Government Vehicles)



VICTORIA COLLEGE
LIBRARY
VICTORIA, B. C.

Chart 10.—Total Number of Overload Trips by Vehicle Types (Excluding Government Vehicles)



In 1957 the Associated General Contractors of America requested a revision of these fees, and, as a result, the following proposals are at present under consideration in the State of Washington:—

Overload (in Pounds)	Fee per Mile	
	Proposal No. 1	Proposal No. 2
Under 6,000	\$0.10	\$0.10
6,000-11,999 .....	.20	.15
12,000-17,999 .....	.30	.25
18,000-23,999 .....	.40	.35
24,000-29,999 .....	.70	.60
30,000 and over	1.00	.80

In each case the proposed minimum fee would be \$5. These proposals have been developed after an analysis of 5,063 overload permits covering overloads up to 50,000 pounds and distances up to 450 miles. A comparable study has been made in British Columbia and appears in Table 16.

Studies have been made of reports prepared on the W.A.S.H.O.* road test in Idaho and on the A.A.S.H.O.† road test which is being conducted in Illinois, as well as of several studies and reports included in Highway Research Board bulletins. These various reports indicate that the amount of highway damage caused by overloading depends both on axle loadings and on the number of repetitions of the loads. Highways can fail even if there are no overloadings, as a result of the continuous application of loads within the legal limits, but they will fail more rapidly if the same number of applications are of overloads. We may assume that the degree of failure varies as the number of axle applications and increases as the overload on these axles increases.

Chart 11 illustrates:—

- (1) Overload fees in effect in the Province of Alberta:
- (2) Overload fees in effect in the Province of Saskatchewan:
- (3) Overload fees in effect in the Province of Manitoba:
- (4) Washington State Proposal No. 1:
- (5) Our Proposal No. 1, for British Columbia:
- (6) Our Proposal No. 2, for British Columbia:
- (7) Recommended limits for overloads to be allowed on each type of vehicle in British Columbia.

These schedules are all based on fees per mile. It will be noted that in three cases the rate increases with the amount of overload in pounds and the number of axle applications as the reports mentioned above suggest that it should. The two alternative proposals developed for British Columbia (Table 17) do not follow closely the rates in effect in the other jurisdictions. They incorporate two distinctive features:—

- (1) There is no abrupt change in the rate as in the Washington proposal:
- (2) The rate per mile is not constant as in the three Canadian Provinces, but increases as the overload increases.

* Western Association of State Highway Officials, an organization comprising representatives from each of the Western States and the Federal Government.

† American Association of State Highway Officials, an organization comprising representatives from each of the States and the Federal Government.

Table 17.—Proposed Schedules of Overload Mileage Charges for British Columbia

Overload (in Pounds)	Fees per Mile	
	Proposal No. 1	Proposal No. 2
Up to 2,000	\$0.10	\$0.10
2,001- 4,000	.10	.10
4,001- 6,000	.12	.11
6,001- 8,000	.14	.13
8,001-10,000	.17	.15
10,001-12,000	.20	.17
12,001-14,000	.24	.20
14,001-16,000	.28	.23
16,001-18,000	.33	.27
18,001-20,000	.38	.31
20,001-22,000	.44	.36
22,001-24,000	.50	.41
24,001-26,000	.57	.47
26,001-28,000	.65	.53
28,001-30,000	.73	.59
30,001-32,000	.82	.66
32,001-34,000	.91	.74
34,001-36,000	1.01	.82
36,001-38,000	1.11	.91
38,001-40,000	1.22	1.00
40,001-42,000	1.34	1.09
42,001-44,000	1.47	1.19
44,001-46,000	1.60	1.30
46,001-48,000	1.74	1.41
48,001-50,000	1.88	1.53
50,001-52,000	2.03	1.65
52,001-54,000	2.20	1.78
54,001-56,000	2.37	1.92
56,001-58,000	2.55	2.06
58,001-60,000	2.74	2.21

The purpose of recommending these two distinctive features is to make the fees charged more equitable as between various degrees of overloading, more equitable as related to the damage caused to the roads, and easier to administer. The fees are admittedly drastic, but they affect a comparatively small number of truckers, who will probably be able to pass them on in higher rates to shippers or consignees.

An operator who used five trucks and obtained over a hundred overload permits, which, at \$2 each, would provide a revenue of approximately \$200, would under Proposal No. 1 be required to pay fees of the order of \$15,000, and under Proposal No. 2, fees of the order of \$12,000. This example is based on a comparatively large mileage of overload hauling, amounting to over a quarter of the operator's total mileage.*

On the basis of Proposal No. 1, the total revenue collected during the twelve-month period March 1st, 1957, to February 28th, 1958, would have been approximately \$120,000, exclusive of permits issued by the month, for which no details are available, and exclusive of permits for oversize. It is probable that many overloads were moved without permit during this period, and, if so, higher revenues may be expected when enforcement improves. Although some traffic might be lost by trucks and hauled by rail (thus relieving the roads of a strain which they now bear), the Commission is inclined to estimate the potential revenue at \$250,000 if Proposal No. 1 is adopted. This may seem

* This hypothetical example is representative of a few truckers who do an above average amount of overload hauling.

a large amount, but it has to cover, in addition to the fee for the right to haul this extra freight (above the licensed gross vehicle-weight fee paid), administrative costs and the damage to the roads for which other road-users and non-users would otherwise have to pay.

The Commission recommends Proposal No. 1, or alternatively Proposal No. 2, if lower mileage rates are desired.

A number of subsidiary recommendations dealing with points of detail follow:—

1. The amount of overload should be calculated on axle overloads rather than on total overloads. This is important, as frequently overloads cannot be distributed uniformly over all the axles.

2. A limit should be placed (*see* Chart 11) on the maximum overload that may be allowed on each type of vehicle. No permit should be issued for a vehicle on which it is proposed to carry an overload if a more suitable type of vehicle is available in the area.

3. No overload permits should be issued unless the vehicle which is to carry the overload is licensed for its maximum allowable gross vehicle weight and unless all other fees for which it is liable have been paid.

4. While Federal Government vehicles are exempt from fees and while Provincially owned vehicles should be exempt from overload fees, all vehicles, without exception, should be controlled by permit for oversize or overweight loads.

5. A minimum charge of \$10 is recommended for overload permits, and a minimum distance of 50 miles should be used to calculate the minimum fee for larger amounts. Additional fees should then be determined on the basis of 2,000-pound increments of weight and 10-mile increments in distance.

6. If monthly or other term permits are authorized for overloads, the fees should be calculated on the estimated number of trips and the distance per trip. Reports of actual trips and distances should be required, and upward adjustments, where applicable, made in the total charges when a renewal is requested.

7. Fairly heavy penalties should be provided for violations, but when weights have to be estimated a reasonable tolerance should be allowed.

8. When weights are estimated, the fees payable should be adjusted when the weight can be determined.

9. To facilitate the collection of fees, either a deposit or a credit system should be established for reliable firms.

10. When an overload is allowable, the necessary permit should be obtainable easily and quickly.

11. Permits for oversize vehicles should be issued on the basis of a percentage oversize and distance hauled formula. The rates should be substantially lower than those for overweight permits.

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CHAPTER VII

OTHER MATTERS

"(6) All other matters which the Commission may consider pertinent or relevant to the general scope of the inquiry."

This chapter will comprise matters brought to the attention of the Commission in the course of its hearings, often by parties who sought a forum for their grievances; it will also include some matters which could not conveniently be discussed in other chapters.

LICENCE FEES ISSUED FREE OR FOR NOMINAL CHARGE

No change is recommended by the Commission in the case of the following categories of vehicle, which are either charged no fee at all or are required to pay a very low fee:—

	Numbers in the Province ¹
Vehicles owned by the Government of Canada	2,328
Vehicles owned by the Government of British Columbia	3,569
Municipal vehicles	2,010
Farm tractors	4,025
Vehicles exempted by Order in Council	187
Amputation cases	50
Miscellaneous	40

¹ 1957 licence-year.

Such wear and tear as these vehicles inflict on the highways is considered a proper charge, not against other road-users, but against non-road-users, who bear half of the cost of the highways at present.

"X" AND "XH" PLATES

Section 7, clauses (a) and (b), of the "Motor-vehicle Act" requires amendment. It is under this section that "X" plates and "XH" plates are issued to certain types of vehicles engaged in road construction or in operations connected with mines and industrial undertakings. There is reason to believe that these plates, which are obtained for a flat annual fee of \$10, open the way to tax evasion, and that the list of vehicles to which they apply should be restricted. Possibly no licence should be required for equipment or vehicles used solely in highway construction and transported to and from the scene of their operations by low-bed trailers on which full licence fees have been paid.

The most pressing problem concerns dump-trucks. If these trucks are engaged at times in other work, they are required to pay full licence fees and, if the recommendations of the Commission are adopted, will in future be required to pay considerably higher fees than at present. Their owners naturally resent being exposed to competition by trucks using "X" plates or "XH" plates and are particularly aggrieved when trucks are brought in from another jurisdiction and operated with these plates. The remedy is to exclude dump-trucks as defined below from the list of vehicles for which these plates may be obtained and to require them to pay full fees if they use the roads at all.

In view of these considerations, it is suggested that sections 2, 3, and 7 of the "Motor-vehicle Act" should be amended so as to reduce the present scope of the special licences and set down firm principles defining the type of vehicle and the type of use to which they apply. The interpretative section should have the following definition added:—

"Special highway-construction equipment" means a vehicle which is designed and used primarily for grading of highways, paving of highways, earth-moving, and

other construction work on highways, and which is not designed or used primarily for the transportation of persons or property, and which is only incidentally operated or moved over the highway. This expression includes but is not limited to air-compressors, air-drills, asphalt-spreaders, bituminous mixers, bucket-loaders, caterpillar tractors, ditchers, levelling-graders, finishing-machines, motor-graders, paving-mixers, road-rollers, scarifiers, earth-scrapers and carry-alls, lighting plants, welders, pumps, power-shovels and drag-lines, and dump-trucks and tractor-dump trailer combination vehicles either (1) in excess of 96 inches in width, or (2) because of length, height, or unladen weight may not be moved on a highway without a special permit issued by the Minister, and which are not operated laden except within the boundaries of the highway-construction project. This expression does not include:—

- (a) A vehicle originally designed for the transportation of persons or property to which machinery has been attached; or
- (b) Dump-trucks originally designed to comply with the size and weight provisions of the regulations pursuant to this Act."

Section 3 would have the following added as subsection (6):—

"(6) The provisions of this Act respecting the registration and licensing of motor-vehicles and trailers shall not apply in respect of the driving and operation of special highway-construction equipment which is operated within the boundaries of a highway-construction project."

Clause (a) of section 7 would be deleted. Clause (b) would be relettered (a) and would be amended by striking out "dump-truck" in the second line.

Provision is already made in the "Motor-vehicle Act" for the moving over public highways of these unlicensed vehicles through temporary operation permits.

BUSES

Special problems arise in connection with the taxation of buses. It has been represented that if they are to be taxed in accordance with their gross or loaded weight, it should not be assumed that this weight will be at least 150 per cent of their unloaded weight.

The Commission recommends that their gross vehicle weight should be the unloaded weight plus 175 pounds for each passenger seat.

Buses may at times find themselves in competition with transit services which receive concessions; e.g., school buses privately owned may be operating side by side with school buses owned by School Boards. The result may be a tax incentive in favour of public ownership. The desirability of such an incentive is clearly a matter for Government policy.

The British Columbia Electric Company Limited advanced a complaint against a sort of double taxation by which some of its vehicles, which do not use Provincial roads, have to pay fuel taxes in addition to the payments which the company makes to the municipalities in which it operates. The Commission cannot recommend an exemption from either payment, but can, as has been suggested above, take note of the complaint and give some publicity to it. Any tax on a utility is, of course, in the long run a tax on consumers.

LOGGING-TRUCKS

Operators of logging-trucks represented that much of their mileage is on private roads. This is true in some areas but not in others. It is obvious, however, that a weight-distance tax might be very difficult to administer, and that the danger of evasion would be serious. There is room for a flat fee (or arbitrary mileages) for logging-vehicles over 20,000 pounds by administrative discretion, as has been suggested as an optional arrangement for trucks under 20,000 pounds. Some relief from a gross vehicle-weight fee can

be given by allowing quarterly licence fees. These quarterly licences should be valid for a three-month period designated by the issuing authority and not for *any* three-month period that the operator might desire.

CONVERSION UNITS

The rates used in Washington and Ontario are relevant (*see* Appendix 1). If a change is made from a net to a gross vehicle-weight structure, consideration should be given to an appropriate fee for the use of conversion axle units (i.e., a unit to convert from a single to a dual axle or an additional axle).

TAXIS

Fees for taxis are at present charged on the same basis as fees for passenger-cars plus a motor-carrier fee of \$3 per seat (with a minimum of \$15). This arrangement seems satisfactory and should not be disturbed.

TRAILERS

Commercial trailers require special notice. The owners of rental utility trailers were anxious (like the household-goods movers) for full reciprocity. The fee which they pay is so low—\$3 per year—that there seems to be no urgent reason for giving them special treatment. Any reciprocal agreement with other jurisdictions could be negotiated, if the Commission's recommendation on this point is adopted, by the proposed Department of Motor Transport.

No similar concession was requested for larger commercial and industrial trailers. In accordance with recommendations made in Chapter III, they would pay a modest annual licence fee and would be included in computing the gross vehicle-weight fee or weight-distance tax imposed on combinations of vehicles.

Trailers which do not carry commercial loads but are used as living-quarters may be attached to passenger-cars or to commercial vehicles and, for prolonged periods, may not use the roads at all. Their taxation seems to be the concern of local governments or other taxing authorities rather than of road-user tax authorities.

INCREASING COSTS

The inelasticity of revenue from motor-vehicles which arises from the use of specific (as contrasted with *ad valorem*) taxes has been noted. They do not automatically yield more revenue when prices rise, as a sales tax does. It follows that unless the rates of tax are increased when the cost of road construction and maintenance increases, the share of road costs borne by road-users will fall and the share borne by non-users will rise. The Commission's report would be incomplete if it took no account of this possibility. If the cost of road construction and maintenance increases, then tax rates should be increased. It should be one of the functions of the proposed research staff to supply the Government with the necessary information in a convenient form and also to call attention to the need for tax increases when the equitable shares in road costs cannot be allocated without such increases. In the event of the cost of road construction and maintenance decreasing, a decrease in tax rates should be recommended.

RESEARCH

Research is a matter of importance and has been discussed in Chapter IV as one of the functions of the proposed Department of Motor Transport. It may, however, be found advantageous to entrust continuous research to an independent body which appears impartial as between taxpayer and tax-gatherer. In some jurisdictions the local university is employed. The use of such a body would make it possible to take advantage of the offer of the Automotive Transport Association of British Columbia to contribute to the cost and to help in supplying information.

CHAPTER VIII

SUMMARY OF PRINCIPAL RECOMMENDATIONS AND CONCLUSIONS

The Commission's recommendations and conclusions are:—

1. With respect to the proportion of net Provincial road costs to be borne by road-users in the period 1958 to 1975:—

(a) The appropriate range should be 60 to 75 per cent:

(b) The desirable proportion, on the average, is 66⅔ per cent.

2. With respect to the proportion to be borne by non-road-users in the period 1958 to 1975:—

(a) The appropriate range should be 25 to 40 per cent:

(b) The desirable proportion, on the average, is 33⅓ per cent.

3. The proportion of road costs attributable to commercial vehicles should be one-half, made up of:—

(a) One-quarter of basic road costs; plus

(b) The entire cost of providing the additional road facilities for heavier and larger vehicles (i.e., one-third of total cost).

4. Road-users' revenue should be derived in equal proportions from private passenger and commercial vehicles (i.e., ultimately each would pay 33⅓ per cent of road costs and non-users 33⅓ per cent).

5. As private passenger-vehicles will only contribute 29.2 per cent (\$28,500,000) of road costs in 1960/61, not more than 29.2 per cent should be raised from commercial vehicles. Therefore, the maximum increase in commercial road-user charges that should be contemplated in the near future is \$10,000,000. All road-users would then contribute 58.4 per cent of road costs.

6. The present system of commercial-vehicle taxation is open to criticism on the following grounds:—

(a) The revenues and the share of road costs are inadequate:

(b) The diffusion of authority in several Governmental departments is not conducive to economical and efficient administration:

(c) Enforcement of net vehicle-weight licence fees is more difficult than gross vehicle-weight fees and, in any event, administrative facilities are inadequate to enforce present fees:

(d) There is not a sufficient number of adequately staffed weighing-stations, and until there is, licence fees, fuel or mileage taxes, or overload permits, at any level, cannot be equitably enforced:

(e) Public carrier fees are excessive, as they more than cover the cost of regulation:

(f) The charges for overload permits are inadequate and not effectively enforced. They do not cover their cost of administration, nor are they an appropriate charge for the additional vehicle weight, nor do they act as a deterrent to excessive overloads and thereby protect the highways:

(g) There is no law requiring commercial operators to pay tax on fuels purchased outside the Province and consumed on Provincial highways:

(h) There are a number of serious statutory anomalies requiring amendment.

7. All Provincial commercial-vehicle licence fees should be based on the declared gross vehicle-weight (unladen weight plus the load), and that each power unit be licensed on the declared gross weight of the maximum combination unit.

8. With gross vehicle-weight fees applicable to all commercial vehicles, motor-carrier fees for regulatory purposes should be reduced to cover only the cost of administration.

9. The Commission sets out two alternative major road-user taxation proposals for legislative consideration (and discusses their relative merits):—

Proposal A.—Higher gross vehicle-weight licence fees adapted from the existing Ontario scale, combined with a use fuel tax, including an additional 2 cents-a-gallon diesel differential.

Proposal B.—Gross vehicle-weight licence fees up to 40,000 pounds, converted on average from the present net vehicle-weight licence fees, and a less steeply graduated fee over 40,000 pounds than under Proposal A, combined with a weight-distance tax on commercial vehicles over 6,000 pounds. The diesel differential and use fuel tax are incorporated in the weight-distance tax structure.

Although both proposals are at the maximum rate the Commission is prepared to recommend, neither proposal will raise the additional \$10,000,000 in 1960/61 recommended from commercial vehicles in Chapter I. Proposal A will provide \$5,700,000 and Proposal B \$7,700,000.

10. A central agency, or Department of Motor Transport, should be set up to achieve the protection of the highways against destructive use, to enforce strictly revenue laws affecting commercial vehicles, to negotiate reciprocal agreements designed to mitigate the impact of multiple taxation, to make and administer safety regulations, and to conduct (or arrange for) continuing research into the problem of equitable taxation to meet a reasonable proportion of road costs.

11. At least an additional twenty-seven permanent weighing-stations should be established—making forty in all—and the number of portable scales increased. The Commission emphasizes the importance of competent personnel. At least eighty personnel in place of the present thirty-seven are required. Additional annual expenditures of \$300,000 are involved. The location of and operation at irregular intervals of the permanent weighing-stations for the enforcement of highway-protection and revenue laws require immediate attention. The weigh-masters should be in uniform and should have the powers of special constables.

12. If the proposed Department of Motor Transport is not established, the new functions, tentatively assigned to it, must be allocated among existing departments. These functions include:—

- (a) Responsibility for negotiating reciprocal agreements:
- (b) Continuous research to provide adequate statistical information on road costs and the appropriate share to be borne by various groups of road-users.

13. As soon as the question of administration is resolved, steps should be taken to enter into the Western Compact and attempts should be made to negotiate reciprocal agreements with other Canadian Provinces and American States.

14. The use of the thirty-day permit fee for one trip, where not superseded by reciprocity or pro-rationing agreements of licence fees, should be continued, but limited to not more than two permits per year in respect of any one vehicle.

15. There should be much higher overweight and oversize fees on a ton-mile basis. Strict enforcement is essential.

APPENDICES

APPENDIX 1

ROAD-USER CHARGES IN THE PROVINCE OF ONTARIO AND THE STATES OF OREGON AND WASHINGTON

Ontario and Washington operate a two-tier tax structure and receive revenue from ordinary motor-vehicle licence and public service regulatory fees and motor-fuel taxes. Oregon has a three-tier tax structure under which, in addition to motor-vehicle licence and public service regulatory fees and motor-fuel tax, a weight-distance tax is imposed on commercial-vehicle operations within the State.

A. ONTARIO

1. Motor-vehicle Licence Fees

Licensing of commercial motor-vehicles, trailers, semi-trailers, and motor and trolley buses in Ontario is on gross vehicle weight representing unladen weight of the vehicle and its carrying capacity. The fees for trailers, semi-trailers, motor and trolley buses are lower than those imposed on commercial motor-vehicles.

Gross Vehicle Weight (in Pounds)	Commercial Motor-vehicles, except Motor-buses	Trailers and Semi-trailers	Motor and Trolley Buses
Up to 2,000	\$15.00	\$2.50	\$17.50
2,001- 3,000		10.50	
3,001- 4,000			
4,001- 5,000	20.00	22.00	25.00
5,001- 6,000	25.00	34.00	38.00
6,001- 7,000	38.00		
7,001- 8,000	50.00		
8,001-10,000	68.00	53.00	57.00
10,001-12,000	88.00	69.00	76.00
12,001-14,000	103.00	81.00	88.00
14,001-16,000	118.00	92.00	101.00
16,001-18,000	151.00	114.00	123.00
18,001-20,000	170.00	126.00	137.00
20,001-22,000	208.00	162.00	173.00
22,001-24,000	239.00	176.00	189.00
24,001-26,000	273.00	191.00	204.00
26,001-28,000	309.00	206.00	221.00
28,001-30,000	356.00	227.00	243.00
30,001-32,000	391.00	249.00	267.00
32,001-34,000	427.00	272.00	290.00
34,001-36,000	463.00	295.00	316.00
36,001-38,000	502.00	320.00	342.00
38,001-40,000	542.00	346.00	369.00

Tractors and semi-trailers are licensed separately, although in determining the gross weight of the tractor the weight of the semi-trailer upon the tractor is included. The gross weight of the semi-trailer is the weight upon its wheels when attached to the tractor.

Motor- and trolley-bus gross weight includes carrying capacity calculated at 135 pounds for every seat and that for school buses at 90 pounds per seat. Trolley-buses

operating solely within municipal limits and municipal or School Board owned commercial vehicles and trailers pay a nominal annual fee of \$2. Commercial motor-vehicles, trailers, and semi-trailers transporting road-building machinery exclusively and vehicles with machinery or apparatus mounted on the chassis (i.e., in the nature of a fixed load, and not used primarily for the transportation of persons or property and only incidentally operated on the highways) are licensed at one-half the regular fees, except that the fee for fixed-load vehicles under 6,000 pounds gross weight is \$10.50.

The Ontario Act allows for the licensing of a conversion unit, which is a device for converting a single rear axle into a dual rear axle. The fee for this unit is \$233.

2. *Public Passenger- and Freight-vehicle Fees*

As a regulatory device for controlling public passenger- and freight-carrier operations within the Province, the Motor-vehicle Branch of the Department of Transport levies a licence fee which varies to some extent by the type of operation.

The public passenger-vehicle fee is a monthly assessment based on a passenger-mile concept at a rate depending on the class of highway used. The rate on Class A highways is $\frac{1}{20}$ cent per passenger-mile travelled, and on Class B highways is $\frac{1}{30}$ cent per passenger-mile. The computation is on seating capacity of the vehicle, not on the actual number of passengers carried, and the number of miles travelled. These licence requirements are not applicable to school buses.

The public commercial vehicle is classified as to type of authorized operation, with the licence fee varying according to the class of operating licence and vehicle gross weight. The higher schedule of Class A, C, D, or K operating licences is as follows:—

Gross Vehicle Weight (in Pounds)	Licence Fee	Gross Vehicle Weight (in Pounds)	Licence Fee
Not over 4,000	\$10.00	22,001-24,000	\$90.00
4,001- 6,000	15.00	24,001-26,000	97.50
6,001- 8,000	20.00	26,001-28,000	105.00
8,001-10,000	27.50	28,001-30,000	112.50
10,001-12,000	36.00	30,001-32,000	120.00
12,001-14,000	42.00	32,001-34,000	127.50
14,001-16,000	48.00	34,001-36,000	135.00
16,001-18,000	58.50	36,001-38,000	142.50
18,001-20,000	65.00	38,001-40,000	150.00
20,001-22,000	82.50		

The fee for a "conversion unit" axle is \$45.

Class B and H licence fees are one-half the above fees, with the exception that vehicles under 8,000 pounds are charged \$10.

The licence fee for public commercial vehicles licensed to carry certain specific commodities (Class E and F licences) is \$1 and \$10 for Class FS.

For public commercial vehicles carrying goods in bond through Ontario between the States of New York and Michigan, the Province charges a trip fee of \$9.

3. *Motor-fuel Taxes*

Two Acts govern motor-fuel taxes in Ontario. Under the "Gasoline Tax Act" the Province levies a tax of 13 cents per gallon on gasoline purchased within the Province. The rate was raised from 11 cents in 1957.

The tax on fuels other than gasoline or as exempted under regulations is levied under the "Motor Vehicle Fuel Tax Act." At the present time a differential fuel tax of $5\frac{1}{2}$ cents per gallon (total tax of $18\frac{1}{2}$ cents) is levied on fuels bought either inside or outside the Province. Vehicles operating on fuels subject to this legislation and coming into the Province receive exemption for 40 gallons in the fuel-tank, but are required to pay the Provincial tax on the excess.

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B. OREGON

1. *Motor-vehicle Licence Fees*

Oregon State licenses commercial motor-vehicles, trailers, and semi-trailers over 6,000 pounds gross weight on a net-weight basis. The fee is 50 cents per 100 pounds on vehicles not over 3,000 pounds, 60 cents per 100 pounds on vehicles weighing between 3,001 and 4,500 pounds, and 70 cents per 100 pounds on vehicles over 4,500 pounds. The fee for vehicles under 6,000 pounds gross weight is \$10.

Public passenger-vehicles are licensed at 45 cents per 100 pounds of weight, which is computed as the unladen vehicle weight plus 150 pounds per seat of carrying capacity.

The State is considering converting from the present net-weight base to a gross vehicle weight.

2. *Commercial-vehicle Regulatory Fees*

All commercial vehicles subject to regulation by the State Public Utilities Commissioner pay an annual licence of \$25. Total revenue from this fee fails to cover the cost of regulating carriers.

3. *Motor-fuel Taxes*

A tax of 6 cents per gallon is collected on gasoline purchased in the State. The tax is paid to the vendor at the time of sale. The tax on gasoline purchased outside the State and consumed or used within the State and the tax on fuels other than gasoline purchased either inside or outside the State for use on State highways is collected in the third-tier tax structure, the weight-distance tax.

4. *Weight-distance Tax*

In addition to all other licence fees and taxes imposed, and as a means of equating the contributions made by the various groups of road-users relative to their cost responsibility in the construction, reconstruction, maintenance, and operation of the State highway system, Oregon levies a weight-distance tax on all public vehicles and private commercial vehicles over 6,000 pounds gross weight whether operating intrastate or interstate. The appropriate tax rate is determined by the declared weight of the motor-vehicle (vehicle weight plus maximum load). The only variable is mileage.

There are two schedules of mileage fees:—

(a) For gasoline-powered vehicles using gasoline purchased within the State and thereby paying the State gasoline tax at the time of purchase (Schedule A); and

(b) For gasoline-powered vehicles operating interstate and not purchasing sufficient gasoline in the State to cover State mileage and other-than-gasoline-powered vehicles operating intrastate or interstate (Schedule B). Schedule B includes an allowance for the motor-fuel tax not collected at the time of purchase.

The tax rate on passenger motor-vehicles weighing between 12,000 and 30,000 pounds is 2.5 mills less than the rates in either Schedule A or B.

Optional flat fees for vehicles under 18,000 pounds maximum gross weight are offered with the same differential drawn between gasoline (Schedule C) and other-than-gasoline-powered vehicles (Schedule D). The equivalent annual mileages of the flat fees range from about 16,500 to 23,000 miles.

The schedule of fees is as follows:—

COMMISSION OF INQUIRY INTO ROAD-USER CHARGES

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Gross Vehicle Weight (in Pounds)	Mill Rate per Mile	
	Schedule A	Schedule B
Not over 6,000	1.5	5.5
6,001- 8,000	2.5	7.0
8,001-10,000	3.5	8.5
10,001-12,000	4.5	10.0
12,001-14,000	5.5	11.5
14,001-16,000	6.5	13.0
16,001-18,000	7.5	14.5
18,001-20,000	8.5	16.0
20,001-22,000	9.5	17.5
22,001-24,000	10.5	19.0
24,001-26,000	11.5	20.5
26,001-28,000	12.5	22.0
28,001-30,000	13.5	23.5
30,001-32,000	14.5	25.0
32,001-34,000	15.5	26.5
34,001-36,000	16.5	28.0
36,001-38,000	17.5	29.5
38,001-40,000	19.0	31.0
40,001-42,000	20.5	32.5
42,001-44,000	22.0	34.0
44,001-46,000	23.5	36.0
46,001-48,000	25.0	38.0
48,001-50,000	26.5	40.0
50,001-52,000	28.0	42.0
52,001-54,000	29.5	44.0
54,001-56,000	31.0	46.0
56,001-58,000	32.5	48.0
58,001-60,000	34.0	50.0
60,001-62,000	35.5	52.0
62,001-64,000	37.0	54.0
64,001-66,000	38.5	56.0
66,001-68,000	40.0	58.0
68,001-70,000	41.5	60.0
70,001-72,000	43.0	62.0
72,001-74,000	45.5	65.0
74,001-76,000	48.0	68.0
76,001 and over	Add 2.5 mills per ton or fraction of ton.	Add 3 mills per ton or fraction of ton.

Gross Vehicle Weight (in Pounds)	Schedule	
	Schedule C	Schedule D
Not over 6,000	\$35	\$125
6,001- 8,000	50	150
8,001-10,000	65	175
10,001-12,000	75	205
12,001-14,000	90	230
14,001-16,000	115	255
16,001-18,000	140	290

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Quarterly payment of the flat fees (Schedules C and D) is provided.

The following special provisions are made:—

- (1) Towing-vehicles may pay \$7.50 for each operation:
- (2) Motor-vehicles hauling logs, poles, or piling or dump-trucks engaged in construction projects (highway or other) may pay annual fees as follows:—
 - (a) 50 cents per 100 pounds of declared weight if gasoline propelled:
 - (b) \$1.50 per 100 pounds of declared weight if propelled by other than gasoline fuel.

Certain exemptions are allowed, as follows:—

- (a) Farm vehicles:
- (b) Transit buses and taxicabs operating no more than 3 miles beyond the corporate limits of a city:
- (c) Private-carrier vehicles under 6,000 pounds gross weight:
- (d) Towing-vehicles under 6,000 pounds gross weight:
- (e) Hearses:
- (f) Ambulances.

C. WASHINGTON

1. Motor-vehicle Licence Fee

Washington State has a general licence fee of \$6.50 on all vehicles, including trailers and semi-trailers. With such a nominal annual fee, this licence is more of a regulatory device than a revenue source.

2. Capacity Fees

Commercial vehicles, both freight and passenger, are licensed by maximum gross weight. Trailers (full, semi, and pole) are licensed independently of truck tractors, although at the same level of fees for equivalent gross weights. The gross weight of commercial passenger-vehicles (excluding school and private buses, which pay no capacity fee) with seating capacity over six is calculated as the net weight of the vehicle plus an average load factor of 50 per cent of seating capacity figured at 150 pounds per seat.

The schedule of fees is as follows:—

Gross Vehicle Weight (in Pounds)	Fee	Gross Vehicle Weight (in Pounds)	Fee
Up to 4,000	\$4.50	20,001–22,000	\$100.00
4,001– 6,000	9.50	22,001–24,000	125.00
6,001– 8,000	15.50	24,001–26,000	160.00
8,001–10,000	18.50	26,001–28,000	190.00
10,001–12,000	21.50	28,001–30,000	230.00
12,001–14,000	25.00	30,001–32,000	285.00
14,001–16,000	30.00	32,001–34,000	325.00
16,001–18,000	50.00	34,001–36,000	370.00
18,001–20,000	70.00		

The licence fee for auto stages and for-hire vehicles (except taxis) with seating capacity of six or less is \$15.

A 25-per-cent higher fee is charged on trucks powered by fuels other than gasoline. The fee for farm vehicles (maximum gross vehicle weight of 26,000 pounds) is 50 per cent of the above fees.

Converter gears (axle) for converting semi-trailers into trailers are licensed by maximum gross weight at the following fees:—

10,000 pounds and less than 12,000 pounds.....	\$180
12,000 pounds and less than 14,000 pounds.....	235
14,000 pounds and less than 16,000 pounds.....	275
16,000 pounds and less than 18,000 pounds.....	320

A mileage fee of 15 cents per 100 vehicle-miles operated for gasoline-powered stages with seating capacity over six and 20 cents for vehicles other than gasoline-powered is levied in addition to the licence fee.

Temporary operation by foreign-licensed vehicles within the State is provided by 72-hour permits of a basic fee of \$2 plus a capacity fee, as follows:—

Up to 10,000 pounds gross vehicle weight.....	\$2.50
10,001 to 20,000 pounds.....	3.75
20,001 to 30,000 pounds.....	5.00
30,001 to 36,000 pounds.....	7.50

3. *Motor-fuel Taxes*

The current tax rate on gasoline sold for use or consumption on public roads is 6½ cents per gallon and is collected by the vendor at the time of sale.

The tax on fuels other than gasoline is imposed through a use fuel tax at the current rate of 6½ cents per gallon. "Users" of these motor fuels pay the tax monthly on the amount of fuel used on State highways whether the fuel is purchased inside or outside the State.

4. *Motor-vehicle Excise Tax*

The State levies an annual excise tax "for the privilege of using in the State any motor-vehicle" of 1½ per cent of the fair market value of each vehicle. The tax is collected at the same time as the annual licence fee.

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APPENDIX 2
LICENCE FEES FOR COMMERCIAL MOTOR-VEHICLES OTHER THAN MOTOR-CYCLES

Net Weight.	March.	April.	May.	June.	July.	August.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1,500 lb. or less.....	\$12.00	\$11.00	\$10.00	\$9.00	\$8.00	\$7.00	\$6.00	\$5.00	\$4.00	\$3.00	\$2.00	\$2.00
1,501 lb. to 2,000 lb.....	16.00	14.67	13.34	12.00	10.67	9.34	8.00	6.67	5.34	4.00	2.67	2.00
2,001 lb. to 3,000 lb.....	20.00	18.34	16.67	15.00	13.34	11.67	10.00	8.34	6.67	5.00	3.34	2.00
3,001 lb. to 4,000 lb.....	25.00	22.92	20.84	18.75	16.67	14.59	12.50	10.42	8.34	6.25	4.17	2.09
4,001 lb. to 5,000 lb.....	35.00	32.09	29.17	26.25	23.34	20.42	17.50	14.59	11.67	8.75	5.84	2.92
5,001 lb. to 6,000 lb.....	50.00	45.84	41.67	37.50	33.34	29.17	25.00	20.84	16.67	12.50	8.34	4.17
6,001 lb. to 7,000 lb.....	65.00	59.59	54.17	48.75	43.34	37.92	32.50	27.09	21.67	16.25	10.84	5.42
7,001 lb. to 8,000 lb.....	80.00	73.34	66.67	60.00	53.34	46.67	40.00	33.34	26.67	20.00	13.34	6.67
8,001 lb. to 9,000 lb.....	95.00	87.09	79.17	71.25	63.34	55.42	47.50	39.59	31.67	23.75	15.84	7.92
9,001 lb. to 10,000 lb.....	110.00	100.84	91.67	82.50	73.34	64.17	55.00	45.84	36.67	27.50	18.34	9.17
10,001 lb. to 11,000 lb.....	130.00	119.17	108.34	97.50	86.67	75.84	65.00	54.17	43.34	32.50	21.67	10.84
11,001 lb. to 12,000 lb.....	150.00	137.50	125.00	112.50	100.00	87.50	75.00	62.50	50.00	37.50	25.00	12.50
12,001 lb. to 13,000 lb.....	170.00	155.84	141.67	127.50	113.34	99.17	85.00	70.84	56.67	42.50	28.34	14.17
13,001 lb. to 14,000 lb.....	190.00	174.17	158.34	142.50	126.67	110.84	95.00	79.17	63.34	47.50	31.67	15.84
14,001 lb. to 15,000 lb.....	210.00	192.50	175.00	157.50	140.00	122.50	105.00	87.50	70.00	52.50	35.00	17.50
15,001 lb. to 16,000 lb.....	230.00	210.84	191.67	172.50	153.34	134.17	115.00	95.84	76.67	57.50	38.34	19.17
16,001 lb. to 17,000 lb.....	250.00	229.17	208.34	187.50	166.67	145.84	125.00	104.17	83.34	62.50	41.67	20.84
17,001 lb. to 18,000 lb.....	270.00	247.50	225.00	202.50	180.00	157.50	135.00	112.50	90.00	67.50	45.00	22.50
18,001 lb. to 19,000 lb.....	290.00	265.84	241.67	217.50	193.34	169.17	145.00	120.84	96.67	72.50	48.34	24.17
19,001 lb. to 20,000 lb.....	310.00	284.17	258.34	232.50	206.67	180.84	155.00	129.17	103.34	77.50	51.67	25.84
20,001 lb. to 21,000 lb.....	330.00	302.50	275.00	247.50	220.00	192.50	165.00	137.50	110.00	82.50	55.00	27.50
21,001 lb. to 22,000 lb.....	350.00	320.84	291.67	262.50	233.34	204.17	175.00	145.84	116.67	87.50	58.34	29.17
22,001 lb. to 23,000 lb.....	370.00	339.17	308.34	277.50	246.67	215.84	185.00	154.17	123.34	92.50	61.67	30.84
23,001 lb. to 24,000 lb.....	390.00	357.50	325.00	292.50	260.00	227.50	195.00	162.50	130.00	97.50	65.00	32.50
24,001 lb. to 25,000 lb.....	410.00	375.84	341.67	307.50	273.34	239.17	205.00	170.84	136.67	102.50	68.34	34.17
25,001 lb. to 26,000 lb.....	430.00	394.17	358.34	322.50	286.67	250.84	215.00	179.17	143.34	107.50	71.67	35.84
26,001 lb. to 27,000 lb.....	450.00	412.50	375.00	337.50	300.00	262.50	225.00	187.50	150.00	112.50	75.00	37.50
27,001 lb. to 28,000 lb.....	470.00	430.84	391.67	352.50	313.34	274.17	235.00	195.84	156.67	117.50	78.34	39.17
28,001 lb. to 29,000 lb.....	490.00	449.17	408.34	367.50	326.67	285.84	245.00	204.17	163.34	122.50	81.67	40.84
29,001 lb. to 30,000 lb.....	510.00	467.50	425.00	382.50	340.00	297.50	255.00	212.50	170.00	127.50	85.00	42.50
30,001 lb. to 31,000 lb.....	530.00	485.84	441.67	397.50	353.34	309.17	265.00	220.84	176.67	132.50	88.34	44.17

LICENCE FEES FOR PASSENGER MOTOR-VEHICLES OTHER THAN MOTOR-CYCLES

Net Weight	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
26,001 lb. to 27,000 lb.....	450.00	412.50	375.00	337.50	300.00	262.50	225.00	187.50	150.00	112.50	75.00	37.50
27,001 lb. to 28,000 lb.....	470.00	430.84	391.67	352.50	313.34	274.17	235.00	195.84	156.67	117.50	78.34	39.17
28,001 lb. to 29,000 lb.....	490.00	449.17	408.34	367.50	326.67	285.84	245.00	204.17	163.34	122.50	81.67	40.84
29,001 lb. to 30,000 lb.....	510.00	467.50	425.00	382.50	340.00	297.50	255.00	212.50	170.00	127.50	85.00	42.50
30,001 lb. to 31,000 lb.....	530.00	485.84	441.67	397.50	353.34	309.17	265.00	220.84	176.67	132.50	88.34	44.17

MOTOR-CYCLES

Net Weight	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1,500 lb. or less.....	\$10.80	\$9.90	\$9.00	\$8.10	\$7.20	\$6.30	\$5.40	\$4.50	\$3.60	\$2.70	\$2.00	\$2.00
1,501 lb. to 2,000 lb.....	14.40	13.20	12.00	10.80	9.60	8.40	7.20	6.00	4.80	3.60	2.40	2.00
2,001 lb. to 3,000 lb.....	18.00	16.50	15.00	13.50	12.00	10.50	9.00	7.50	6.00	4.50	3.00	2.00
3,001 lb. to 4,000 lb.....	22.50	20.63	18.75	16.88	15.00	13.13	11.25	9.38	7.50	5.63	3.75	2.00
4,001 lb. to 5,000 lb.....	31.50	28.88	26.25	23.63	21.00	18.38	15.75	13.13	10.50	7.88	5.25	2.63
5,001 lb. to 6,000 lb.....	45.00	41.25	37.50	33.75	30.00	26.25	22.50	18.75	15.00	11.25	7.50	3.75
6,001 lb. to 7,000 lb.....	58.50	53.63	48.75	43.88	39.00	34.13	29.25	24.38	19.50	14.63	9.75	4.88

TRAILERS

Net Weight	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Having a rated carrying capacity not exceeding one-half of 1 ton.....	\$3.00	\$2.75	\$2.50	\$2.25	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00

Having a rated carrying capacity exceeding one-half of 1 ton, an annual licence fee equal to one-half of the licence fee charged for commercial motor-vehicles other than motor-cycles, of like weight. Reduced monthly rates will be calculated in the same manner and will be one-half of the fee shown on the schedule for commercial motor-vehicles other than motor-cycles, of like weight. Minimum fee, \$2.

APPENDIX 3

LIST OF EXHIBITS, BRIEFS, AND WITNESSES

Exhibit No.	Description	Witness or Counsel Exhibit Submitted by—
<i>Vancouver Hearings—June 17th and 18th, 1958</i>		
1	Order in Council No. 876—"Terms of Reference"	R. C. Bray, Commission Counsel.
2	Oaths of Office (four)	R. C. Bray, Commission Counsel.
3	Provincial Gross Expenditure on New Road Construction, Road Maintenance, Toll Bridge Authority Subsidy and Road Debt Servicing, 1948 to 1975	D. Godfrey, Regional Engineer, Department of Highways, New Westminster.
4	A Tentative Estimate of British Columbia Highway and Bridge Requirement Expenditure, 1958 to 1975	J. P. Haig, Location and Design Engineer, Department of Highways.
5	Map Showing Principal Highway, Resource Development Road, and Railway Requirements, 1958 to 1975	J. P. Haig.
6	Gross Provincial Road Expenditures, 1948 to 1957 (Actual) and 1958 to 1975 (projected) (chart)	J. P. Haig.
7	Growth in Population and in Passenger, Commercial, and Total Motor-vehicle Registrations (Excluding Motor-cycles), 1948 to 1975	R. A. Hadfield, Deputy Superintendent of Motor-vehicles.
8	British Columbia Population, Commercial, Passenger, and All Highway Vehicles, 1948 to 1975 (chart)	R. A. Hadfield.
9	Ratio of Motor-vehicles to Population, 1948 to 1975 (chart)	R. A. Hadfield.
10	Net Vehicle Weight of Commercial Vehicles in British Columbia, 1952 and 1957	R. A. Hadfield.
11	Provincial Revenue from Road-users (Net of Branch Administration Expenses) and Federal Road Contributions, 1948 to 1975	H. G. Ferguson, Research Supervisor, Department of Finance.
12	Provincial Revenue from Road-users (Net of Branch Administration Expenses) and Federal Road Contributions, 1948 to 1975 (chart)	H. G. Ferguson.
13	A Comparison of Gross and Net Provincial Road Expenditure and Gross and Direct Provincial Road Revenues, 1948 to 1975	H. G. Ferguson.
14	A Comparison of Net Provincial Road Expenditures and Direct Provincial Road Revenues, 1948 to 1975 (chart)	H. G. Ferguson.
15	Estimated Net Direct Revenue from Commercial Motor-vehicles (from 1958 Level of Fees and Taxes), 1948 to 1956 (Estimated from Actual Receipts), 1957 to 1974 (Estimated from Projected Revenues)	H. G. Ferguson.
16	Motor Transport Traffic Statistics, Province of British Columbia, 1956, Dominion Bureau of Statistics	H. G. Ferguson.
17	Report and Statistics on Weigh-scale Operation, Department of Highways	J. G. M. Lock, Weigh Scales Supervisor, Department of Highways.
18	Map of Present and Proposed Weigh-scales	J. G. M. Lock.
19	Traffic Densities	J. G. M. Lock.
20	Interprovincial Household-goods Movers	H. H. Williamson.
21	Trans-Canada Rent-a-trailer System	S. D. Southern.
22	Railway Association of Canada—Initial Brief	E. T. Steeves.
23	An Analysis of Motor-vehicle Taxation in Oregon: Part II—Administration of Motor Carrier Taxes, Western Highway Institute, 1955	G. Mayall.
24	History and Development of Oregon's Weight-mile Tax, by William M. Tugman—Transport Information Inc.	E. T. Steeves.
25	Automotive Transport Association of British Columbia—Initial Brief	D. A. Chapman.
26	Second (26A) and Third (26B) Annual Reports of the California Reciprocity Commission	F. Watson, Deputy Registrar of Motor-vehicles State of California.
26c	State of California Department of Motor-vehicles Division of Registration—Pro-ration Information	F. Watson.
26d	State of California Interstate Vehicle Registration Pro-ration Application and Schedule A	F. Watson.
26E	State of California Pro-rate Licence Plate	F. Watson.
27	Statements on Pro-ration—Excerpts from Transcripts of Special Meeting of Western Interstate Committee on Highway Policy Problems, Phoenix, Arizona, October 17th, 1957	F. Watson.
28	Proportional Registration: The Western System for Licensing Interstate Motor-vehicle Fleets	G. Mayall.
<i>Prince George Hearings—July 2nd, 1958</i>		
29	Construction Costs Not Affected by the Extra Weight of Commercial Vehicles from "Stop and Think," California Trucking Association, Incorporated	G. Mayall.
<i>Penticton Hearings—July 22nd, 1958</i>		
30	Western Canadian Greyhounds Limited	R. L. Borden.
31	Roads and Streets: Facts and Figures of Highways and Highway Transportation—Canadian Good Roads Association	R. L. Borden.

Exhibit No.	Description	Witness or Counsel Exhibit Submitted by—
32	Weighed and Found Wanting: The Experience of Ten States Which Have Tried and Rejected the Ton-Mile Tax—National Highway Users Conference	R. L. Borden.
33	Proportional Registration: The Western System for Licensing Interstate Motor-Vehicle Fleets—Western Highway Institute	R. L. Borden.
34	Okanagan Federated Shippers Association and British Columbia Interior Vegetable Marketing Board	L. R. Stephens.
35	British Columbia Tree Fruits Limited, Kelowna	G. S. Webster.
<i>Vancouver Hearings—October 27th to 29th</i>		
36	British Columbia Loggers' Association	J. N. Burke.
37	Truck Loggers' Association	J. Bennett.
38	British Columbia Electric Company Limited and British Columbia Electric Railway Company	S. Sigmundson.
39	British Columbia Electric: Urban Transportation's Contribution to Government, 1957	S. Sigmundson.
40	British Columbia Electric: Comparison of Taxes with Gross Revenue of Urban Transit, 1957	S. Sigmundson.
41	British Columbia Electric: Mileage by Road Classification, Urban Transit Vehicles, 1957	S. Sigmundson.
42	British Columbia Electric: Weekday Mileage of Mainland Buses on Roads Provided by the Province, October, 1958	S. Sigmundson.
43	Omitted.	
44	Apartment and Rooming-house Operators Association	F. Tomkinson.
45	Comparison of Total Highway Tax for a Selected Group of Vehicles per 100 Gross Ton-miles, 1953	F. Tomkinson.
46	Interior Lumber Manufacturers' Association (read into record by Commission Counsel)	A. D. MacDonald.
47	Heavy Construction Association of British Columbia (read into record by Commission Counsel)	J. D. Layden.
48	Railway Association of Canada—Main Brief	W. Scott.
49	Amended Appendix VI to Railway Association of Canada Brief	W. Scott.
50	"Opinion"—The Pennsylvania Case	G. Mayall.
51	Motor Transportation, Taxes and Fees in Oregon—Western Highway Institute, 1952	J. N. Rosenberg and F. C. Meyers.
52	Additional Report of Senate Committee, "Some Educational Legislative and Self-regulating Activities of United States Railroads"	J. N. Rosenberg and F. C. Meyers.
53	An Analysis of Motor-vehicle Taxation in Oregon—Western Highway Institute, 1955	J. N. Rosenberg and F. C. Meyers.
54	Motor-vehicle Fees and Taxes Collected in the United States, 1956	J. N. Rosenberg and F. C. Meyers.
55	Mileage Taxes: Discrimination against Interstate Vehicles—Western Highway Institute	J. N. Rosenberg and F. C. Meyers.
56	The Diesel Differential Tax in Ontario	Allan M. Shirley, Cummins Engine Company.
57	Letter from Dr. W. B. Gibson, Stanford Research Institute, regarding Oregon Truck-mile Tax Report	J. N. Rosenberg and F. C. Meyers.
58	Accountability of Vehicle Miles in Oregon—Western Highway Institute, 1958	J. N. Rosenberg and F. C. Meyers.
59	Calculation of Tax per Ton-mile on Light and Heavy Passenger Cars	W. Scott.
60	Canadian Industrial Traffic League	D. G. Holloway.
61	Automotive Transport Association of British Columbia—Reply to Railway Association of Canada Brief	G. Mayall.
62	Automotive Transport Association of British Columbia—Main Brief	G. Mayall.
63	A Plan for Ontario Highways—Ontario Department of Highways	G. Mayall.
<i>Vancouver Hearings—November 12th and 13th, 1958</i>		
64	Northern Interior Lumbermen's Association (read into record by Commission Counsel)	R. J. Gallagher.
65	The California Freeway System—California Department of Public Works	G. Mayall.
66	Factual Discussions of Motor-truck Operations, Regulation and Taxation	G. Mayall.
67	Motor-vehicle Tax Comparisons	G. Mayall.
68	Western Canadian Greyhound Lines Limited—Supplementary Brief	A. H. Ainsworth.
69	Facts and Figures of the Automobile Industry—Canadian Automobile Chamber of Commerce	A. H. Ainsworth.
70	State Taxes and Fees and Regulations and Restrictions on Intercity Buses	A. H. Ainsworth.
71	Trans Canada Rent-a-trailer System (read into record by Commission Counsel)	S. D. Southern.
72	Licence Inspector, Corporation of Delta (read into record by Commission Counsel)	F. H. R. Macintyre.

Exhibit
 Counsel
 Design Engineer
 Superintendent
 Supervisor
 Sales Superhighways
 Director of Motor Vehicle

VERBAL EVIDENCE

Place of Hearing	Witness	
Prince George	G. Palmer R. E. Burmaster H. D. Arden R. S. Cunliffe, Regional Engineer, Department of Highways, Prince George.	Northern Freightways, Dawson Creek. Loiselle Transport, Dawson Creek. H. M. Trimble & Sons, Dawson Creek.
Penticton	E. F. Smith D. H. Hill N. Garrison D. R. McLeod, Regional Engineer, Department of Highways, Kamloops.	Kelowna and District Trucking Association and Smith & Henry Trucking Company. D. H. Hill & Company Limited. Garrison Cattle Trucking Service.
Nelson	G. O. Cutler W. D. Wilks J. R. Miller D. F. Martin, Regional Engineer, Department of Highways, Nelson.	Canadian Freightways Limited. O.K. Valley Freight Lines. J. R. Miller Transport.
Victoria	G. C. Parrott F. W. Dryden W. J. Jaffray, Superintendent of Motor Carriers. E. B. Wilkins, Research and Development Engineer, Department of Highways. R. A. Hadfield, Deputy Superintendent of Motor-vehicles.	Vancouver Island Coach Lines Limited. Island Freight Service Limited.

APPENDIX 4

COUNSEL APPEARING AND PARTIES REPRESENTED

Granville Mayall: Automotive Transport Association of British Columbia and Inter-provincial Household-goods Movers.

W. H. Cameron: British Columbia Electric Railway Company Limited and British Columbia Electric Company Limited.

Lyle Jestley and Allan H. Ainsworth: Western Canada Greyhound Lines Limited.

Jess N. Rosenberg: Western Highway Institute for the Automotive Transport Association of British Columbia.

W. Scott: Railway Association of Canada.

R. C. Bray: Commission Counsel.

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