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Costly Living

Fuel prices 'debilitating'

THIRD IN SERIES: Surrey businesses, non-profits struggle with rising cost of gas

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Local taxi drivers and charitable organizations in Surrey are experiencing a rough ride with today's record-breaking gasoline prices, as is everyone else who drives to earn a living or get to and from work, or is contemplating a Sunday outing.

"These gas prices are having a debilitating effect on our drivers," says Gurdip Sahota, general manager of Guildford Cab doing business as Surrey Metro Taxi. The company has 74 taxis but only 66 are on the road.

"It's not just gas prices, we're still trying to recover from the effects of the pandemic and more broadly, the debilitating impact that the introduction of ride hailing has had on the taxi industry.

"It was a one-two gut punch and we're still nowhere near the pre-COVID levels," Sahota laments. "And of course these rising gas prices are just hurting our drivers a great deal because they still have to drive to pick up and drop off customers and any extra money that they're paying for gas, that's coming out of take-home pay that they're supposed to make and it's not just gas, as we all know, everything is going up."

Sahota said his regular customers are seeking other means of transportation given they only have so much disposable income.

"At times money to be spent on a taxi becomes something that they question, can they afford to take a taxi or should they just find another means of transportation? So it's having an impact on the business side as well."

The average price of gasoline in B.C. in December 2021 was \$1.53 per litre. At this time of writing the price at local pumps was \$2.20 but in recent days has climbed as high as \$2.34.

Christine Morettin, executive director of Surrey/North Delta Meals on Wheels, says her outfit is now running at a deficit. The volunteer-based charitable organization operates out of Newton and delivers nutritious meals to seniors and residents who for various health-related reasons are unable to prepare proper food for themselves.

"We would like our funding, whatever comes in, whatever donations come in, we would like that to go to a subsidized program, not towards gas," Morettin said.

"I don't see any end to it, they said gas prices were going to go up to \$2.30 by the summer; it's not summer yet and they're over that." Morettin noted there are "so many" people in Surrey living under the poverty line who depend on this meal delivery service.

"There's so many unemployed people, there's so many employed people with families that just can't make it. My heart goes out to those seniors out there who can't afford meals."

So far, she said, none of the charity's "excellent" volunteers, who drive their own vehicles, have dropped out on account of spiking gas prices. The drivers have a big area to cover.

"Our routes are so large," Morettin noted. "Our appreciation of our volunteers is boundless. Without them we couldn't do what we do. We have increased their mileage stipend, which of course

affects our bottom line. Some of our routes are 50 kilometres round trip."

The provincial government recently staged a press conference, with Surrey-Whalley MLA Bruce Ralston (minister of energy, mines and low-carbon innovation) accompanied by Bob Espey, president and CEO of Parkland Corporation, which runs the Burnaby Refinery. The presser was designed to showcase new initiatives aimed at reducing greenhouse gas emissions, and building the province's "clean economy" to reduce our dependence on fossil fuels.

But that was overshadowed by reporters wanting to know what the government is doing in the here and now to apply the brakes to runaway gas prices.

Parkland operates in 25 countries. Its Burnaby Refinery, Espey said, "helps keep B.C. moving, on the road, on the ocean and in the sky" by supplying roughly one quarter of Greater Vancouver's gasoline requirements as well as 30 per cent of YVR's jet fuel.

Asked what can be done to bring prices down at the pumps, Espey noted that the price of energy has gone up globally and is driven in part by "unrest" in Europe pushing the price of crude higher, and sanctions against Russia reducing global supply. "So it's not just a B.C. phenomenon."

Still, it's not lost on British Columbians that they are experiencing the highest gas prices in North America.

"Again, the price of energy in B.C. is determined by the world market and the biggest thing, I would say, to make sure people in B.C. enjoy or have the best economics around energy is to make sure that there's sufficient manufacturing capacity," Espey said.



Gurdip Sahota, general manager of Guildford Cab doing business as Surrey Metro Taxi, says there's no excuse for B.C.'s refusal to reduce taxes on gasoline. (Photo: Tom Zytaruk)

"Something that we're investing in, in this renewable diesel plan, will increase the amount of fuel that's sold locally and being sold into the marketplace over the longer term."

Ralston himself has complained of price gouging at the pumps.

"People feel like they're being ripped off when they fill up at the gas station. And they're right," he told the *Now-Leader* in 2019.

Espey noted that the price of fuel is dictated by the market, that Parkland is just one of many fuel suppliers, and that there is "plenty of competition" in the market.

"Hence, that's become the market clearing price," he said.

Asked what his company can do to ease the pressure on consumers right now, Espey replied that the "key thing is to make sure that there's available products in the market, which there is, and let the markets dictate the price to the consumer.

"Again, we are in an environment that is inflationary and seeing prices dictated by items that are out of our local control. Like I said, the situation is Europe right now is really driving the dramatic price increases we're seeing across Canada at this point."

Asked why the market is dictating grossly higher gas prices in B.C. compared to, say, Washington State, or Alberta, Espey noted taxes are different in each market "and those fit the regulatory regime of each area and their

goals associated with that revenue stream, so it's not something that's within control of an organization like Parkland."

Ralston said the rise in the price of fuel, given the war in Ukraine, is "completely unprecedented."

"It's across Canada, it's across North America, it's across Europe and the additional ingredient of a boycott of Russian oil by even in the European Union will shrink supply globally as well which will have an impact on price," Ralston said. Here in B.C., he added, the provincial government is providing motorists with a \$110 gas rebate.

But that's no comfort for Sahota. "They're blaming Ukraine," Sahota sighed. "I could be wrong, but I haven't seen Zelenskyy getting up in the B.C. Legislature and say OK, we're going to increase the gas tax in B.C. by 10 cents. It's all our own B.C. politicians who have been doing that."

The NDP, Sahota noted, is in its second mandate, "and for a party that has been running on affordability, well you know, affordability sure is taking a big hit. Real estate, housing, and gas prices, food prices, who's being hit? The average person. They're all pulling these six-figure salaries and everybody else is suffering."

NEXT WEEK: *As the cost of groceries keeps rising, Surrey residents and organizations help one another to feed their families.*

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