

Consultations with Industry on  
Transportation Network Service Companies'  
Operating Areas, Fleet Sizes and Rates:  
What We Heard

Catharine Read, PT Board Chair  
Roger Leclerc, PT Board Member

August 7, 2019

---

## Contents

1. Introduction .....	3
2. Background .....	4
3. Principles for Setting Policy.....	4
4. Consultations with Taxi Companies.....	5
4.1. TNS Operating Areas.....	5
4.1.1. BC Taxi Association Companies.....	5
4.1.2. Vancouver Taxi Association Companies .....	6
4.1.3. Large Victoria Unaffiliated Taxis.....	6
4.2. TNS Fleet Size .....	7
4.2.1. BC Taxi Association Companies.....	7
4.2.2. Vancouver Taxi Association Companies .....	7
4.2.3. Large Victoria Unaffiliated Taxis.....	8
4.3. Rates .....	8
4.3.1. BC Taxi Association Companies.....	8
4.3.2. Vancouver Taxi Companies .....	9
4.3.3. Large Victoria Unaffiliated Taxis.....	9
5. Consultations with Potential First-Time TNS Companies.....	9
5.1. TNS Operating Areas.....	9
5.2. TNS Fleet Size .....	10
5.3. TNS Rates.....	10
6. Consultations with TNS Companies Currently Operating in Other Jurisdictions.....	10
6.1. Operating Areas .....	10
6.2. TNS Fleet Size .....	11
6.3. TNS Rates.....	11
7. Vancouver Airport Authority.....	11
8. Vancouver Port Authority .....	12
9. Additional Comments from Taxi Companies: <i>Is There a Level Playing Field Between Taxis &amp; TNSs?</i> .....	12
9.1. Cost of Insurance .....	12
9.2. Driver Availability.....	13
9.3. Safety and Enforcement .....	13
9.4. Accessible Taxis .....	14
9.5. Driver Costs .....	15
9.6. Dispatch, Call Centre and Camera Cost .....	15
9.7. Government Fees.....	15
9.8. Licence-share Values .....	15
9.9. Congestion and Green Policies.....	16
9.10. Community Benefits of Taxis.....	16
9.11. Taxi Service Wait Times .....	17
9.12. Data .....	17
9.13. Provincial Revenue Losses and Costs from TNSs.....	17
10. Next Steps.....	18
Appendix 1. Consultations.....	19
A. Taxi Licencees.....	19
B. Potential First Time TNS Companies.....	21
C. Established TNS Companies.....	21
D. Other Major Stakeholders .....	21

Consultations with Industry on  
Transportation Network Service Companies'  
Operating Areas, Fleet Sizes and Rates:  
What We Heard

**1. Introduction**

The British Columbia legislature passed Bill 55, the *Passenger Transportation Amendment Act*, in November 2018. The purposes of this Act were to modernize the taxi industry and to set the basis for the introduction of ride hailing, or Transportation Network Services (TNSs), to the province. Regulations which will give effect to the Act were announced on July 8, 2019.

Section 28 of the Act states that the Passenger Transportation Board (Board) may approve an application for a special authorization licence after considering whether:

- (a) there is a public need for the service the applicant proposes to provide;
- (b) the applicant is a fit and proper person to provide the service and is capable of providing the service;
- (c) the application, if approved, would promote sound economic conditions in the passenger transportation business in the province.

The changes to the Act and the new regulations provide increased flexibility for the Board in making decisions concerning public need for the service and sound economic conditions. The Act provides the foundation for a move to better evidence-based decision making by requiring data from licencees as a term and condition of a licence. It also provides the Board with the sole authority to set operating areas, fleet sizes and rates for taxis and TNSs.

A number of initiatives in the past two years have addressed the question of public need for TNSs in BC, including:

- A Select Standing Committee on Crown Corporations (SSCCC) inquiry into ride hailing concluded there was a need for ride-hailing in BC within a provincial regulatory framework (winter 2018)
- A report entitled *Modernizing Taxi Regulation*, by Hara Associates concluded there was a shortage of taxis (summer 2018)
- Legislative Assembly debates on and the passage of the *Passenger Transportation Amendment Act*, fall 2018 (fall 2018)

- A second SSCCC inquiry into TNSs, recommending no boundaries and no caps on fleet size (early 2019).

There has also been extensive media coverage on the need for TNSs.

## **2. Background**

The consultations with industry summarized in this paper relate to sound economic conditions in the TNS industry. The policy areas under the Board’s mandate that affect economic conditions include the setting of operations areas, or boundaries, fleet sizes and rates for TNSs. <sup>1</sup>

Consultations<sup>2</sup> took place between July 9 and July 25, 2019. Attendees included the BC Taxi Association (BCTA) and the Vancouver Taxi Association (VTA) and their members, the three large unaffiliated Victoria taxi companies, potential first time TNS companies and established TNS companies doing business elsewhere in Canada. The Board also talked to the Vancouver Airport Authority and the Vancouver Port Authority. Attending the consultations with the Board was Dr. Dan Hara of Hara Associates. See Appendix 1 for information on participants and meeting locations.

## **3. Principles for Setting Policy**

The consultation included the following principles for setting policy on operating areas, fleet sizes and rates for TNSs:

- The TNS business model is provided with the opportunity to be viable and meet public need for the service
- Negative impacts on taxi stakeholders associated with the introduction of TNSs should be minimized where possible.
- Policies will be based on defensible research <sup>3</sup>
- Meaningful consultation with those directly impacted will occur
- Certainty and transparency will be provided in the resulting policies on sound economic conditions

---

<sup>1</sup> The consultations with industry did not include changes to taxi operating areas, or boundaries, as this would require in-depth consultation with the taxi industry due to the contentious nature of boundaries in some areas of the province, and a lack of origin / destination information and a lack of performance indicators to guide any potential changes.

<sup>2</sup> More detailed meeting notes have been prepared by the Board.

<sup>3</sup> See Board website for recent research on TNS Boundaries by Hara Associates and Cross –jurisdictional research by Perrin Thorau.

- The Board must move to better use of origin / destination and performance indicator data in making decisions and monitoring the impacts of decisions as soon as this data is available. <sup>4</sup>

Very little comment was received on these principles.

#### **4. Consultations with Taxi Companies**

Most company representatives were knowledgeable about the entry of TNSs into the BC market and the potential impacts. A few taxi licencees were not aware that TNS companies were going to be submitting applications to the PT Board starting September 3, 2019 and could be operational soon after that. A few thought the operation of TNS companies in BC was not yet decided by the government.

While a few taxi companies stated they might be interested in submitting a TNS application, or potentially working together as a group of companies in a TNS operation, others did not feel this was feasible for them.

The focus of this report is on operating areas, fleet sizes and rates for TNSs. Additional concerns about other operating issues were raised by the taxi companies and are provided in section 9. below. These concerns will be circulated to the Minister of Transportation and Infrastructure and the appropriate government agencies.

##### **4.1. TNS OPERATING AREAS**

###### **4.1.1. BC Taxi Association Companies**

Members of the BCTA stated in all of the meetings with them across the province that the only area where there were boundary issues was in Metro Vancouver. In Surrey, licencees stated that Metro Vancouver boundaries, especially those between the Vancouver Taxi Association and suburban taxis, must be eliminated or there was no way the suburban taxis could compete with TNSs. Inefficiencies caused by boundaries also reduce driver incomes, increase fuel costs and increase accidents. If there are large operating areas or no boundaries for TNS operators, it means TNSs will be able to operate efficiently while taxis will not be able to do so.

---

<sup>4</sup> Ministry of Transportation and Infrastructure has the responsibility for development of a Data Warehouse which will provide origin / destination data and performance indicators outlined by the Board in November 2018.

Outside of Metro Vancouver, taxi operating areas are larger and result in less deadheading, less congestion and in more efficient operations.

In general, the taxi companies, especially those in mid-sized or larger municipalities, did not want to see large TNS boundaries. They wanted TNS boundaries to be the same as taxi boundaries. There was a concern that with larger TNS boundaries, TNSs from outside their operating area would then enter their communities at peak periods and take trips away from taxis. The peak period rush was felt to be important to the financial survival of taxi companies, off-setting the low traffic in off-peak periods.

In some smaller communities, geography and large operating areas with low demand density act as natural boundaries for taxis. It was felt that TNSs are likely not a large threat to taxi operations in these small communities.

#### 4.1.2. Vancouver Taxi Association Companies

VTA companies stated that current boundaries for Metro Vancouver taxis should be maintained and TNSs should have municipal boundaries that correspond to these taxi boundaries; otherwise, TNS drivers from all over the region will flock to the City of Vancouver. TNS apps should be geo-fenced to maintain operating area boundaries.

Licencees felt that if taxi boundaries were changed, the City of Vancouver market would be flooded at peak times, and this would result in a significant increase in congestion and pollution. The addition of TNSs to the market will increase congestion and create frustration for the traveling public. It was stated that downtown Vancouver is surrounded by water on three sides and is very small in size – an area only 13 by 18 blocks. VTA companies stated that there were additional peak period taxis on weekends to serve the downtown entertainment district.

It was felt that another consequence of the flooding of the City of Vancouver market will be poor service in the suburbs.

#### 4.1.3. Large Victoria Unaffiliated Taxis

These companies also stated that TNS boundaries should be set to existing taxi boundaries. This will prevent poaching of Victoria peak period taxi traffic by TNSs from outside the region.

## 4.2. TNS FLEET SIZE

### 4.2.1. BC Taxi Association Companies

BCTA companies felt that fleet size for TNSs should be capped. Without caps the market will be flooded and damage to the taxi industry would be increased, licencees' plate values would further drop to next to nothing and licencees would not be able to afford to pay minimum wages for taxi drivers. Also, without a cap on TNS fleet size, TNS drivers would not make minimum wage levels.

In Surrey, participants in the consultation stated that TNS introduction to the market should be treated as a pilot project, caps should be put on fleet size, and the impacts of TNSs operations should be monitored and assessed before caps are increased. When the Olympics and Expo were held in Vancouver, taxi boundaries were relaxed and temporary operating permits were issued. These pilots were successful. It was suggested that by BCTA licencees in Surrey, Nanaimo, and Victoria that TNS vehicle numbers be limited to 12% of taxi licencees initially.

Some felt that fleet size should be determined by section 28.1 of the *Passenger Transportation Act* and TNSs should be required to prove the need for their fleet size.

### 4.2.2. Vancouver Taxi Association Companies

VTA states that a cap on fleet size is key to a living wage for drivers. They state that TNS companies want to have as many rides as possible and they take a share of each ride. To a TNS company, 10 rides by 10 drivers is the same as 10 rides by one driver. But, to the TNS driver the number of rides the driver makes can make a big difference in their income.

VTA believes that TNS operators should be issued 50% of the current taxi fleet size in municipalities in Greater Vancouver. For example, there are 882 taxi licencees in Vancouver and TNS licencees should be allowed to operate a total of 441 vehicles; in Burnaby there are 145 taxi licencees and TNS licencees should be able to operate 73 vehicles, and so forth. Usage of vehicles should be monitored by the PT Board for a year and the Board should then review data to determine whether an increase is needed. The VTA states that by not putting a cap on fleet size, "it will be virtually impossible to put the genie back into the bottle".

VTA licencees stated that TNS drivers should not be permitted to use multiple app platforms when they are operating.

TNS licences should also not be issued to independent drivers.

#### 4.2.3. Large Victoria Unaffiliated Taxis

The large Victoria taxi companies felt that TNS fleet size should be limited. It is harder to cut back fleet size over time than it is to expand over time. It was stated that fleet size for TNSs should total 10% to 15% of the taxi fleet in an area.

### 4.3. RATES

#### 4.3.1. BC Taxi Association Companies

Predatory pricing by TNSs, where rates are set at a very low price or below cost to drive the competition out of the market, was noted as a major concern in most meetings. It was felt that TNS licencees wanted to drive taxis out of the market, and then they would act as a monopoly and increase prices. It was stated that to get market dominance, large TNS companies will use their deep pockets to subsidize TNS trips until they have irreparably hurt the taxi industry. Examples of differential taxi rates in some communities and past customer reaction to cheaper rates were cited to demonstrate how sensitive the public is to price differences.

The majority felt that the taxi flag rates should be set as the minimum rates for TNS trips. It was felt that this would reduce predatory pricing by TNSs.

It was stated that TNSs hurt the taxi industry at peak times by taking business away from taxis, and they hurt the industry at non-peak times by undercutting taxis on price. The taxi industry requires the peak periods to make up for the off-peak reduction in business. It was also noted that surge pricing is unfair to customers, and at peak periods such as bar closure, customers may have flawed judgement when they agree to surge prices.

A few participants felt TNS rates should be identical to taxi rates, including rates for flag, distance and wait times. A few stated that TNS companies should be required to set minimum rates at minimum wage levels.

The BCTA felt that there should be no surge pricing by TNSs. A few participants felt that the use of surge pricing by TNSs will give taxis a comparative advantage as they charge cheaper rates at peak periods.



#### 4.3.2. Vancouver Taxi Companies

Some members of VTA noted that TNS companies engage in destructive competition. In some jurisdictions, TNSs have engaged in predatory pricing, are well funded and will sustain consistent financial losses until they damage the taxi industry.

The VTA presentation on rates stated that taxi rates are based on operating costs and ensure that drivers can learn a living wage and passengers are not gouged. The importance of a living wage for drivers was stressed.

Total monthly taxi expenses and income estimates were provided. VTA concluded that “in order for taxis to compete on a level playing field with TNSs, their pricing must remain the same if not a little higher, perhaps by 10%”.

Putting caps on surge pricing was encouraged.

#### 4.3.3. Large Victoria Unaffiliated Taxis

The large Victoria taxi companies felt that the flag rate for taxis should be used as the minimum rate for TNSs. They also felt that TNSs should not be allowed to use coupons or discounts to reduce rates.

### 5. Consultations with Potential First-Time TNS Companies

Meetings were held with four companies who have not provided ride-hailing services. One company has attempted to provide this service in BC in the past, two companies currently offer taxi or limousine services and one company is primarily focused on its app, which provides booking services.

#### 5.1. TNS OPERATING AREAS

Three companies felt that TNS companies should have no boundaries and current municipal boundaries for taxis should remain. As a fall back, two companies would like larger regional boundaries, such as the MVRD, Okanagan or Victoria area. They felt this would result in more efficiencies, less deadheading, and result in the potential of service to smaller communities.

The app developer felt that both TNS and taxi operating areas should be open as only the VTA companies would have a major concern. While there might be chaos initially, the market will normalize over time.

All companies felt that data should be collected and monitored on TNS operations.

## 5.2. TNS FLEET SIZE

Limits on fleet size were the preference of the three larger companies. One company proposed that all TNS companies be entitled to 250 vehicles to start. Another company stated that a cap of 1,500 vehicles on the road at any point in time should be set, with a performance indicator of 8 minutes wait time for a TNS vehicle. The cap should be distributed based on a company's integration with taxis.

All three companies felt the Board should monitor the impacts of fleet size on the TNS market. If a TNS company wants additional cars, they should be required to prove the need for additional cars to the Board. The reason for setting limits is to allow for market adjustments, address congestion and enable a living wage for drivers.

The app developer proposed that no limits be set on fleet size for both taxis and TNS companies.

## 5.3. TNS RATES

The three larger companies felt minimum rates for TNSs should be set at taxi flag rates. Two companies are not in favour of allowing surge pricing for TNSs as it is unfair to the passenger. Rates should be set so drivers can make minimum wages. One company felt the price of a TNS trip must be highly visible on the app.

One company felt TNS rates should be calculated through a flag rate plus distance and time charges.

The app developer felt there should be no minimum rates for TNSs although they should not compete with Translink. Rates for luxury cars should be changed and calculated based on duration and time.

# 6. Consultations with TNS Companies Currently Operating in Other Jurisdictions

Meetings took place with the three largest TNS companies operating in Canada.

## 6.1. OPERATING AREAS

The two larger TNS companies expressed preference for provincial boundaries. They stated that if a smaller operating area was determined, it should not be set on governance boundaries but on traffic flow patterns; for example if a metro Vancouver area boundary

was set, it should include Aldergrove, Abbotsford and Chilliwack. Deadheading and trip refusals are reduced with a large TNS operating area.

The third company expressed a preference for a larger metropolitan area as a TNS boundary, such as Metro Vancouver or the Victoria area. They did not support a provincial operating area.

## 6.2. TNS FLEET SIZE

The two larger TNS companies did not support a cap on fleet size. They noted they use a dynamic model to determine fleet size and a large proportion of their drivers are part time. The business model requires variable fleet size and a large number of drivers at peak times.

The third company supports limiting fleet size. Fleet size should be limited to that needed to service large events. Otherwise, TNS drivers will create a driver “cyclone” with drivers continually circulating around the event looking for passengers.

## 6.3. TNS RATES

The two larger companies did not want a minimum rate to be set, although they stated they do operate in jurisdictions that set minimum rates.

The third company supported a cap of three times the regular price for surge pricing and a lower limit on TNS pricing.

## 7. Vancouver Airport Authority

TNSs will need an agreement and will be charged a per transaction charge to operate at YVR. The agreement will be time limited to enable review and adjustments. YVR has thought about how TNSs could operate at the airport in a way that minimizes both congestion and passenger wait times at their relatively small pick up area, by using a geo-fenced staging area and virtual queuing.

YVR would like to see an operating area for TNSs that is similar to the YVR catchment area, including the Fraser Valley with Metro Vancouver.

YVR does not want to see a cap on fleet size or minimum rates for TNSs.

They would also like to see a call centre for enforcement activities.

## **8. Vancouver Port Authority**

The Port Authority noted a severe shortage of taxis, especially on high volume cruise ship days. The Port is in a very high traffic area; not only are cruise ship volumes very high and growing but the Vancouver Conference Centre is immediately adjacent to it. They are surrounded by water and have no ability to expand the ground transportation area to *construct* a designated ride hail area.

The Port Authority supports TNSs dropping off passengers but does not support TNSs picking up passengers at Canada Place as the footprint is so small and traffic congestion is so bad. This results in significant safety concerns. It was noted that there is a municipally owned lay-by area a short distance away that could be used for TNS drop-off and pick-up.

The Port Authority requested that a number of blocks around the Port be geo-fenced off on TNSs licences so TNSs could not pick up passengers in the immediate vicinity of the Port.

## **9. Additional Comments from Taxi Companies: *Is There a Level Playing Field Between Taxis and TNSs?***

In general, taxis were appreciative of the need for class 4 drivers' licences and criminal record check requirements for TNS drivers, but they felt more should be done to level the playing field between taxis and TNSs.

A large number of taxi companies felt that TNS business practices were a major concern and would result in destructive competition. The major TNS companies are well funded and are willing and able to incur financial losses over a long period of time. The companies felt that large TNSs may engage in predatory pricing to drive the taxi business, or each other, out of the market.

### **9.1. COST OF INSURANCE**

Insurance costs were noted as a big issue by all taxi licencees and a major impediment to taxi competitiveness. BCTA felt the Insurance Corporation of BC (ICBC) taxi insurance rates were unfairly high compared to TNSs, which are insured on a kilometer basis. Many taxis are single shift taxis and remain idle for part of the day. Other taxis are in use only part time. It was felt that taxi insurance should only be charged for the time a taxi is working or on a trip. One group said that taxis pay double the rate of limousine insurance.

The VTA also stated concerns over high taxi insurance rates. They stated that their insurance cost is disproportionate to their risks and they have only been able to manage because of the existing regulation of fleet size and rates.

## 9.2. DRIVER AVAILABILITY

Driver shortages were often cited as the biggest challenge currently facing taxi licencees. There will be added pressure with TNS companies poaching drivers from taxi companies, further reducing driver availability. Some participants felt that drivers will return to the taxi industry over time as the taxi industry provides better working conditions and more secure employment than TNS operators.

The time required to get criminal record checks in some smaller communities was a big concern, as was the requirement from some police detachments to fingerprint drivers on a yearly basis. Some felt fingerprinting treated the potential drivers as criminals and it resulted in loss of some drivers.

When working for a TNS, there may be many additional jobs available to a driver such as Uber Eats, Skip the Dishes, etc. Courier and other small transportation companies may also supplement their income by working as TNSs part time.

## 9.3. SAFETY AND ENFORCEMENT

Safety concerns with TNS operations were repeatedly cited. Concern over adequate enforcement of TNSs was noted. This included non-TNS drivers posing as TNS drivers. Participants were pleased to see the fines for violations were increased in the new regulations.

In rural or remote areas, there is no enforcement of illegal ride-hailing now. Illegal ride-hailing does occur, even in communities as small as Tofino. Complaints by taxi companies are ignored and the illegal activity continues. A participant asked why the RCMP or bylaw officers could not enforce standards, legislative requirements and penalties.

The difficulty of monitoring the number of hours a TNS driver can drive as set out within the National Safety Code (NSC) requirements was cited in many communities. The example often used was how difficult it was to monitor a truck driver who completes his shift and then drives for a TNS, exceeding the NSC maximum driving hours. The difficulty of enforcing this reduces safety of passengers and can give ride hailing companies an advantage.

Many licences stated that vehicles used by TNSs should be inspected twice a year. The vehicle may be used extensively for personal use between the times it is used as a TNS, or may be driven by more than one person as a TNS. The 40,000-kilometer safety inspection should include the kilometers the vehicle is used personally or by others. Some VTA members felt that TNSs should be required to have a physical base in BC for inspections by CVSE compliance officers.

It was noted that drivers' traffic offence points are factored into a taxi company's National Safety Code profile. A question was asked whether the same would occur when TNS drivers get driving infraction points. It was felt that driver infractions should have an impact on a TNS company's NSC rating.

The ability to address illegal ride-sharing, including rogue TNS service provided by individuals who are not part of a TNS company, was discussed. If a potential passenger on a street holds up their smart phone, anyone could stop and pick the passenger up. Rogue flagging or ghosting is already occurring in BC, as are cash payments offered by passengers to cut their costs.

TNS vehicle identifiers and the pros and cons of large versus small identifier size, and front versus back placement on the TNS vehicle were discussed in a number of meetings but views differed on the best type of identifiers.

#### 9.4. ACCESSIBLE TAXIS

When approving new taxis for companies, the PT Board often requires a number of vehicles to be wheelchair accessible taxis. Wheelchair accessible taxis have a higher capital cost, higher operating costs and higher maintenance costs. Taxi companies often subsidize or incentivize drivers of accessible taxis out of necessity as a way to obtain drivers for these vehicles.

TNSs will not be required to have a number of accessible vehicles, giving them an unfair cost advantage. It was stated a number of times that taxi companies will park their accessible vehicles first as a way of dealing with the competitive pressure they will face from TNSs.

It was felt that the government's proposed \$0.30 per trip levy on TNS trips needs to flow quickly to those operating wheelchair accessible taxis. A significant number of licences believed the \$0.30 fee would not generate adequate resources to assist in addressing the cost differential faced by those operating accessible taxis.

## 9.5. DRIVER COSTS

Taxi companies are required to treat their drivers as employees, while TNSs will treat their drivers as independent businesses. This results in a number of inequities. Taxi companies are required to top up drivers' wages to the minimum hourly wage, while TNSs are not. TNS drivers often do not make minimum wages. In addition to this, WorkSafe BC and Employment Insurance coverage must be paid for taxi drivers and T4 slip must be prepared for taxi drivers. Taxi companies must also meet requirements under Employment Standards and, in some areas, undertake driver training which costs both time and money.

## 9.6. DISPATCH, CALL CENTRE AND CAMERA COST

Taxi licencees noted that there are people who cannot use apps and call service is essential for them. Taxi companies are required to provide dispatch services. The cost of providing dispatch and call centre services can be significant and can range close to \$2 million a year for a large dispatch operation.

Taxi cameras are also a factor in cost competitiveness. Cameras have an initial cost but also need to be serviced every year, at a further cost. Some taxi companies thought taxi cameras were essential for safety, but some others thought that if TNSs don't require cameras, neither should taxis.

## 9.7. GOVERNMENT FEES

In many meetings with taxi companies, it was stated that the annual licencing fee for a TNSs was much too low. Fees should be increased or TNSs should have to pay licencing fees for each city in which they operate.

The yearly cost to renew taxi licences for medium to large size taxi companies will be significantly higher than licence fees for TNSs, who may have many more vehicles. For example, if a taxi company has licences to operate 200 vehicles, the yearly licencing fee is \$20,000 while the yearly licensing fee for a TNS is only \$5,000, which is a fixed rate and not dependent on number of vehicles.

## 9.8. LICENCE-SHARE VALUES

It was noted, particularly in larger communities, that taxi licence-share values have already experienced very significant reductions in values as a result of the imminent arrival of TNSs. Taxi licencees have invested a great deal of money and a significant part of their lives in the industry and it is important to keep some licence-share value.

The financial toll resulting from large reductions in licensee share values on licensees, their families and those who have invested in the taxi industry is important to understand. It is a very significant hardship. In a number of cases, licensees simply want their taxis to provide them with a job to feed their families now.

VTA stated that the licence-share values in the Hara Associates report on Metro Vancouver boundaries significantly overstated the values.

#### 9.9. CONGESTION AND GREEN POLICIES

Taxi licensees in larger cities have expressed concern about the congestion and pollution that will result from TNS operations. This will be especially an issue in places that already have significant traffic like downtown Vancouver. It was stated that TNSs have been a major contributor to congestion in downtown core areas in other jurisdictions such as New York, San Francisco and Toronto.

Congestion will increase not only as a result of TNS trips but also as a result of these vehicles cruising the streets looking for passengers.

Some felt TNSs will reduce the use of transit and that government should invest in public transit rather than putting more vehicles on the road by approving TNSs.

BCTA licensees cited boundaries and deadheading as a major contributor to congestion and pollution.

#### 9.10. COMMUNITY BENEFITS OF TAXIS

It was stressed that in small communities, taxi service is an essential service. Small communities felt that TNS entry into their operating areas could kill the taxi service in the area. They cited predatory pricing by TNSs. Once the TNSs achieve a monopoly in a market, prices will increase and the community will have lost the benefits of taxi service. These benefits include 24-hour service, transportation for medical care, seniors' transportation, and the duty to serve. With Greyhound service gone from many communities, there are few reliable public transportation alternatives and taxis have become an essential service in small communities.

Taxi drivers act as the eyes of a community, reporting crimes and suspicious activity to police, participating in Amber Alerts, and play an important part in maintaining public safety in communities. Areas where the taxi service has been killed include 100 Mile (due



to the subsidized Northern Health bus service), and other communities where subsidized BC Transit or illegal, unlicensed cabs have forced the closure of taxi companies.

A few participants felt that there should be protection for smaller communities and their taxi service by restricting TNS operation in communities with a population of less than 10,000.

In meetings in northern communities, the impacts of downturns in forestry and the closure of saw mills and pulp mills are also hurting taxi companies.

Licencees in medium sized and large cities also stated they provide benefits to their communities through service to seniors and vulnerable people and they assist in keeping their communities safe.

#### 9.11. TAXI SERVICE WAIT TIMES

Wait times were not felt to be an issue in some smaller communities. Companies in small communities stated they vary the number of taxis to meet the public demand. While companies may typically use single shifts, they can double shift cars when there is an increase in demand for taxis.

#### 9.12. DATA

The importance of and advantages to the use of performance indicators and origin / destination information in informing the Board's decision making were acknowledged in almost all meetings.

Companies were supportive of the use of performance indicators to monitor the performance of TNSs and taxis.

It was noted, however, that small "mom and pop" taxi companies will have difficulty providing government with data as a number of these smaller companies do not use either apps or computer systems.

#### 9.13. PROVINCIAL REVENUE LOSSES AND COSTS FROM TNSS

It was stated by a few participants that the provincial economy will not benefit much from the operations of large TNSs. These companies are multinational. Local income earned and tax revenues will be lost to BC to the extent that multinational TNSs replace taxis.

In few meetings, it was stated that government will need to provide compensation to ease the pain associated with licence-share value losses.

## **10. Next Steps**

The Board will forward this summary consultation document to the Minister of Transportation and Infrastructure for information, and post this to its website. Based on the consultations and background studies the Board has undertaken, it will set policies on TNS operating areas, fleet sizes and rates and publish these policies on its website.

Comments received during the consultations that are the responsibility of other government agencies will be sent to these agencies.

We would like to thank all participants in this consultation process for their involvement and thoughtful comments.

## Appendix 1. Consultations

### A. Taxi Licencees

<b>Date</b>	<b>Meeting Location</b>	<b>Companies</b>	<b>Licencees</b>	<b>Operating Area</b>
July 9, 2019	Prince Rupert	3	6	Prince Rupert Terrace Haida Gwaii
July 10, 2019	Prince George	3	9	Prince George Williams Lake
July 11, 2019	Kelowna	6	15	Rosland / Trail Kelowna Nelson Vernon
July 11, 2019	Kamloops	7	10	Kamloops Hope Salmon Arm Chase Barrier Clearwater
July 12, 2019	Vancouver (Vancouver Taxi Association)	9	18	Vancouver North West Vancouver Richmond North Shore Burnaby / New Westminster

<b>Date</b>	<b>Meeting Location</b>	<b>Companies</b>	<b>Licencees</b>	<b>Operating Area</b>
July 12, 2019	Surrey	15	29	Surrey Richmond Surrey / Langley/ White Rock Langley / Abbotsford Surrey / White Rock Tri-City / Coquitlam New Westminster Chilliwack Abbotsford / Mission North Shore Surrey / Delta Kent Fort St John
July 15, 2019	Nanaimo	8	18	Nanaimo Comox Valley Duncan Parksville / Qualicum Beach Port Alberni Campbell River Tofino
July 15, 2019	Victoria	4	6	Victoria Westshore / Saanich Pender Island Sidney / North Central Saanich
July 24, 2019	Victoria (non-affiliated)	3	4	Victoria

**B. Potential First Time TNS Companies**

July 16, 2019: RydeNow

July 19, 2019: Ryde Today

July 19, 2019: Kater

July 25, 2019: Ripe Rides

**C. Established TNS Companies**

July 17, 201: TappCar

July 23, 201: Uber

July 24, 2019: Lyft

**D. Other Major Stakeholders**

July 23, 2019: Vancouver Airport Authority

July 23, 2019: Vancouver Port Authority