

Q&As for Board Website

Why is the Board conducting an investigation?

- The Board has decided to conduct an investigation pursuant to section 27(3)(b) of the *Passenger Transportation Act* on the impact of the COVID-19 pandemic on the BC passenger transportation industry. This will help support objective, evidence-based decision-making.

Who will conduct the investigation?

- The Board will retain Hara Associates (Dr. Dan Hara), a professional economist, to conduct the investigation. This Investigator possesses the requisite expertise in economics and in the BC passenger transportation industry to render a valuable report.

Why has the Board decided to include more applications into this investigation?

- Pursuant to Section 14(d) of the Act, the Board has decided to Stay other proceedings that involve similar questions of fact, law or policy such that they may be impacted by the COVID-19 Board Investigation.

Why has the Board continued to issue decisions in the midst of COVID-19? Why is the Board choosing this time to begin an investigation?

- Since the legislative amendments authorizing the Board to make decisions for Transportation Network Services (TNS) came into force in September 2019, the Board has received more than 40 applications for TNS and granted more than 20 of those applications.

- After the province declared a state of emergency due to the pandemic, the Board asked applicants whether they wanted the Board to defer consideration of their applications or to continue. The Board proceeded on the basis of these exchanges. The Board does not have the legal authority to place active applications on hold, except under specific circumstances.
- In early 2020, the Board had expected to be properly positioned to regulate the industry through objective data and economic analysis, however, the pandemic transformed the economic landscape in unpredictable ways. The duration and long-term effects of the pandemic were unclear.
- We cannot assume that the province will return to previous economic conditions once the pandemic is under control, which means we may not be able to rely on pre-COVID data or economic analysis for Board decisions.
- Now is the time to undertake a thorough analysis. As economic regulator, the Board has an important role to help ensure the economic viability of the passenger transportation industry during this challenging time and into post-COVID economic recovery.

Which applications are affected?

- This investigation was initiated in the context of relevant applications currently before the Board. These included the applications of Uber Canada Inc. (#10268-20TNS) and Facedrive Inc. (#10149-20TNS) (collectively known as the “Main Applications”). Pursuant to section 14(d) of the *Act*, the Board continued to review other applications which involve similar questions of fact, law or policy that may be impacted by the ongoing COVID-19 Board Investigation and decided to Stay such files. These other proceedings include Swiftsure Taxi

Co. Ltd.; Duncan Taxi Ltd.; Comox Taxi Ltd.; Oceanside Taxi Ltd. (#10336-20TNS).

Will the investigation impact the current operations of these applicants?

- This investigation will be undertaken in the context of relevant applications currently before the Board. It is not anticipated that current operations of the applicants will be impacted.

Why weren't all applications chosen at the same time to avoid delays?

- In compliance with the Act, an investigation can only proceed as part of an application currently before the Board. Bound by legislation, the Board must adhere to the identified processes.

What does this mean for the affected applications?

- The Board has adjourned the Main Applications and put a Stay on the additional proceedings, pending the completion of the investigation.
- All applicants will receive a copy of the final investigation report and be afforded an opportunity to provide submissions on the contents of the report before the Board renders any final decisions on all applications.
- The Board will ensure the investigation is carried out as expeditiously as possible.

What does this mean for current or new applications? Is there a moratorium?

- The Board continues to accept applications.
- Every case will continue to be decided independently, on its own merits.

- Where applications rely on pre-pandemic Background Materials, applicants will be given the opportunity to make submissions on whether their application should be adjourned.

How much longer will applications take given the investigation and the possibility of additional files being added?

- The Board is committed to completing the investigation without delay so it can render decisions on affected applications as soon as possible.
- The Board anticipates that the process for the investigation will take 3-6 months from when the Preliminary Decisions on the Main Applications were issued on April 20, 2021, barring any unforeseen circumstances and irrespective of any additional applications being added as part of this investigation.
- Once the Board completes its investigation, the Investigator's report and empirical data will support Board members with their evidence-based decision-making. Accordingly, applicants will be notified of next steps.

When did the investigation begin, and when will it be complete?

- The investigation began once the Preliminary Decisions on the Main Applications were issued, on April 20, 2021. The related Preliminary Decisions can be reviewed in the Board's April 21, 2021 Bulletin.
- The Board is committed to completing its investigation as soon as possible, anticipating it may take 3-6 months, barring any unforeseen circumstances.

- To date, the Board has been satisfied with the progress of the investigation.

Will you share the investigation results with the public?

- The Board commits to posting the Investigator's report once completed to ensure transparency in its proceedings.

I want to provide the Board with information to support the investigation. How can I have my say?

- The Investigator will be contacting relevant passenger transportation organizations to gather their input for this investigation.
- The Board encourages the passenger transportation organizations contacted by Hara Associates to cooperate by providing relevant data and information. Getting a clear picture of current economic conditions is in the best interests of the industry as a whole.

Are you being pressured by the taxi industry to limit entry?

- The Board is an independent tribunal that renders decisions based on facts.
- Board members apply three tests under 2. 28(1) of the Act:
- They test to make sure the service provider is fit, proper and capable.
- They assess the public need
- And they assess whether the license would promote sound economic conditions.

The pandemic will eventually be over – why make drastic changes now, when things might go back to normal soon?

- Clearly, the industry is facing significant challenges due to the pandemic. However, we don't have adequate data on

specifics. We can't rely on pre-Covid data or economic analysis for Board decisions.

- We can't assume public need and sound economic conditions are status quo, or that the landscape of the passenger transportation industry will remain the same when the province emerges from the pandemic.
- This is why our Board members need objective facts about the current state of the industry so they can make sound, fair, informed, evidenced-based decisions.
- This approach benefits the industry as a whole.