

Operational Policy:

Introduction of Transportation Network Services, 2019

Purpose:

To set the policies to guide decision making on Transportation Network Services (TNS) in British Columbia with respect to operating areas, fleet sizes and rates.

Legislation:

The *Passenger Transportation Amendment Act* and Regulation (amendments) provide the legislative basis for introducing ride-hailing, called Transportation Network Services (TNSs), to the province in September 2019. The legislation provides sole authority to the Passenger Transportation Board to set operating areas, fleet sizes and rates. It also gives the Board the authority to set data requirements that TNS companies must provide to the Registrar as a term and condition of a TNS licence.

The Passenger Transportation Act (PTA) states that the Board may approve an application after the Board considers whether:

- the applicant is a fit and proper person and capable of providing the service;
- there is a public need for the service; and
- the application would promote sound economic conditions in the passenger transportation business in the province.

Context:

Various reports by, or on behalf of, government indicate a strong desire on the part of government and the public for the introduction of Transportation Network Services (ride-hailing). These reports include the following:

- Select Standing Committee on Crown Corporations (SSCCC) inquiry into ride hailing concluded there was a need for ride-hailing within a provincial regulatory framework (2018);
- A report entitled Modernizing Taxi regulation concluded there was a shortage of taxis (2018);
- Debates on and the passage of the Passenger Transportation Amendment Act (2018);
- A second SSCCC inquiry into TNSs (2019).

The Passenger Transportation Branch of the Ministry of Transportation and Infrastructure will start to accept TNS applications on September 3, 2019 and will send these applications to the Board shortly thereafter.

In July 2019, the Board consulted with the taxi industry, the TNS industry, the Vancouver Airport Authority and the Vancouver Port Authority on TNS companies' operating areas, fleet sizes and rates. This policy is based on background research conducted by the Board and published on its website, the July consultation report, information available to the public, and Board's discussion of the issues and decisions.

While the Board has conducted research and reviewed experiences in other jurisdictions, no data is available on the performance of TNSs in British Columbia. We will start collecting this data once TNS start operating.

When making decisions on applications, the Board will refer to this policy. Each assessment and decision on a TNS application will be based on the evidence before the Board, including the application materials, submissions from others on the application, and the applicant's response.

#### Policy Principles:

1. The TNS business model is provided with the opportunity to be viable and meet public need for the service
2. Negative impacts on taxi stakeholders associated with the introduction of TNSs should be minimized where possible
3. Policies will be based on defensible research
4. Meaningful consultation with those directly impacted will occur
5. Certainty and transparency will be provided in the resulting policies on sound economic conditions
6. 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.

#### Policy on Operating Areas:

1. When applying for a TNS licence, an application must be made for a specified operating area. If a TNS company wishes to operate in more than one area, it must provide required information as set out in the application package for each operating area.

2. The Board establishes the following operating areas for TNSs:

<p>Region 1: (Lower Mainland, Whistler)</p> <ul style="list-style-type: none"> <li>• Metro Vancouver</li> <li>• Fraser Valley</li> <li>• Squamish-Lillooet</li> </ul>	<p>Region 2(Capital)</p> <ul style="list-style-type: none"> <li>• Capital Regional District</li> </ul>	<p>Region 3 (Vancouver Island, excluding CRD)</p> <ul style="list-style-type: none"> <li>• Cowichan Valley</li> <li>• Nanaimo</li> <li>• Comox Valley</li> <li>• Alberni-Clayoquot</li> <li>• Strathcona</li> <li>• Mt. Waddington</li> <li>• Qathet (Powell River)</li> </ul>
<p>Region 4 (Okanagan-Kootenay Boundary-Cariboo )</p> <ul style="list-style-type: none"> <li>• Okanagan-Similkameen</li> <li>• Central Okanagan</li> <li>• North Okanagan</li> <li>• Kootenay Boundary</li> <li>• Shuswap Cariboo</li> <li>• Thompson-Nicola</li> <li>• Columbia</li> </ul>	<p>Region 5 (BC North Central &amp; other regions of BC)</p> <ul style="list-style-type: none"> <li>• Fraser-Fort George</li> <li>• Bulkey Nechako</li> <li>• Kitimat-Stikine</li> <li>• Peace River</li> <li>• Northern Rockies</li> <li>• North Coast</li> <li>• Island Trust</li> <li>• Sunshine Coast</li> </ul>	

3. TNSs operating in the City of Vancouver (in Region 1 above) must geo-fence off the areas listed below in (a) to (c) on cruise ship days to prevent drivers from picking up passengers:
- (a) Canada Place Way between Howe Street and Burrard Street;
  - (b) Howe Street between Canada Place Way and Cordova Street; and
  - (c) Burrard Street between Canada Place Way and Cordova Street.

The Board will post a link to the city’s cruise ship schedule, when available, in March or April of any year.

Policy on Fleet Size:

- 4. There are no initial limits on TNS fleet size.
- 5. The Board will monitor TNS performance data and may review fleet sizes when data is available.

Policy on TNS Rates:

6. Minimum rates for TNSs will be based on taxi flag rates in an operating area, as determined by the Board.
7. The use of coupons or discounts by TNSs to lower rates below the minimum rate is prohibited.

Policy on Data Requirements from TNS Companies:

8. Terms and conditions of licence will require TNS companies to provide data to the Registrar for the use of the Board pursuant to section 28(5) of the Passenger Transportation Act.
9. The Board's data requirements for TNS companies are outlined in the Data Requirements sheet on the Board's website.

Policy on Driver Income Information

10. Terms and conditions of licences will require TNSs to provide quarterly reporting of drivers' incomes.