Passenger Transportation Board
MOVING FORWARD, TOGETHER

Demonstrating public need and sound economic conditions

Guidance for applicants and submitters

Introduction

It is important to ensure an application for a new or amended licence has the information the Board needs for its decision. This page will help you create the best application you can for your proposed service. While the Board will make the ultimate decision on whether to approve an application, you should provide the best possible justification for your service.

Similarly, this page will help those submitting to the Board regarding an application. Understanding the Board's policies will help submitters provide relevant information for the Board's consideration.

What does the Board need to know?

Section 28(1) of the *Passenger Transportation Act* (Act) sets out the criteria the Board must consider on an application. The first criteria (fit, proper and capable) are a threshold test. In other words, the Board must first consider that an applicant is a fit and proper person and capable of providing a service before it can continue to other criteria.

If you pass the threshold test, the Board will then consider whether there is a public need for the service and whether the application, if granted, would promote sound economic conditions in the passenger transportation industry in BC. The public need and sound economic conditions criteria are also part of section 28(1) of the Act.

The Board's public need and sound economic conditions policies explain how the Board interprets these concepts. The policies do not list all the ways in which the Board might consider public need and sound economic conditions, as the Board has discretion to consider other factors. However, the policies should give you an idea of what may show these criteria. It is important that you review the Board's public need and sound economic conditions policies before sending in your application or submission.

The public need and sound economic conditions policies list several factors beneath each of the criteria. You do not need to address all the factors, but the more factors you address the better the Board can consider your application.

How do I demonstrate public need and sound economic conditions?

The Board expects you to provide factual information and objective evidence in your application. The Board also expects you to explain how the evidence shows public need or sound economic conditions.

Examples of common indicators for public need or sound economic conditions are listed below. This list is not exhaustive, and you may include any other information that you consider demonstrates that there is a public need for your service or that your service will promote sound economic conditions. You should not rely on general claims or your own opinion because the Board makes evidence-based decisions.

The Board may also consider other records, information, or reports that it has reviewed, produced, or obtained to help determine public need or sound economic conditions. However, the Board will give you notice if they are considering any other information.

Evidence

Evidence is information or facts that are used to support a claim or prove something is true. While you are free to provide any information or facts that you want, the Board needs to make decisions based

on objective evidence. Objective evidence is information or facts that are verifiable and accurate.

Applications and submissions may contradict each other. In those cases, the Board may evaluate the evidence behind each claim. The claims with stronger evidence and better reasoning will likely be more convincing to the Board panel making the decision.

Indicators

The following kinds of information and evidence are commonly provided in applications to the Board. This list is not exhaustive, and you can provide whatever other information or facts you believe will help demonstrate public need or sound economic conditions.

Operational data

Those with existing passenger transportation businesses can provide operational data from their own business (or other businesses if the data is obtained appropriately). These can include data on bookings, revenue, costs, mileage, waiting times etc.

- Current taxi licensees applying for more vehicles must provide operational data as outlined in Operational Taxi Data and the taxi data spreadsheets*.
- Data should be summarized and explained, especially in terms of how it shows public need or sound economic conditions. Overwhelming amounts of information or raw data, such as monthly bookings, are generally not helpful or persuasive without explanation and summaries.
- Current licensees, as a term and condition of licence, must contribute data to the trip database described in the Data requirements. In the future, the Board will receive an economist's report analyzing the data as part of the application process. In the meantime, you can contribute your own operational data in support of your application.

*The Board has produced two optional limousine data spreadsheets that outline the type of information for which the Board is looking in the case of limousine passenger directed vehicle authorizations (PDVAs).

Information about other similar services in your proposed area

The Board expects objective evidence about other similar services.

You could provide information and evidence from Board-produced reports, bearing in mind that these reports do not necessarily demonstrate public need or sound economic conditions on their own. For example, you could include (if relevant to your application) reference to:

- Economic Effects of the COVID-19 Pandemic on the BC Passenger Transportation Industry(3 MB), Hara Associates, September 2021.
- Transportation Network Companies in British Columbia(807 KB), Select Standing Committee on Crown Corporations, February 2018.
- Transportation Network Services: Boundaries, Supply, Fares, and Driver's Licences(1 MB), Select Standing Committee on Crown Corporations, March 2019.
- Modernizing Taxi Regulation(2 MB), Hara Associates, June 2018.
- Passenger Transportation Amendment Act (Bill 55) Legislative Debates, Hansard Services, 2018.

You may also find valuable information on the Board's website, including about other operators and their rates.

Information from local governments or community organizations

You can provide information on transportation services from First Nation governments, local governments, tourist boards, public transit operators, or other relevant community organizations. Objective information is most convincing, rather than statements of opinion. Information can come in the form of statistics, plans, detailed support letters, agreements, and other forms.

Support statements from organizations or governments should answer the following kinds of questions:

- Why does the organization believe the proposed service is needed in the area or areas to be served?
- Does the organization use any other similar services now and, if so, how often and how long do they wait for a vehicle?
- Why would the organization use or recommend the proposed service over those that are available (if any)?
- What is the organization's name and contact information?

Ideally, the government or community organization would include objective evidence to support their statements.

You must tell people who provide support statements that their letters or emails may be treated as a public document, as part of the Board's application process, and their statements would be subject to the *Freedom of Information and Protection of Privacy Act* and the Board's disclosure policies.

Information on population trends, community plans, and the economy

Population statistics are valuable to the Board's consideration of public need, in particular. These statistics may include: the size of an area, income, public transportation options, existence of transportation hubs, and vehicle ownership.

An application must include the source for any of this public information, including the URLs and dates of any references or statistics included. Applications should include the most up-to-date information available.

The applicant may find relevant information from Statistics Canada and BC Stats.

Signed contracts or agreements to enter into a contract to provide a transportation service

The contract should show details about what passenger transportation services will be purchased and details about the anticipated volume and price.

Surveys

The Board is interested in knowing why, when, and how often respondents will use the type of service for which you are applying. However, the Board will want to know that the survey is valid, reliable, and generalizable to the community it is estimating (which typically requires a random sample). You should tell the Board:

- How the survey was developed;
- Who conducted the survey; and,
- When, where, and how the survey was conducted.

You should also provide a summary of the survey results.

It is important that you ensure the survey instrument, sampling methodology, and interpretation are sound and relevant to the public need and sound economic conditions criteria for your application.

User support statements

These are documents such as letters or emails written by people who would either use the new transportation service themselves or who would refer the service to others or book the service for

passengers. User support statements should have the following:

- Why, when, and how often the writer needs the proposed service in the area or areas the applicant wants to serve.
- Whether the writer uses any other similar services now and, if so, how often and how long do they wait for a vehicle.
- Why the writer would use a new service instead of those that are available (if any).
- The writer's name, signature, and contact information.

You must tell people who give support statements that their letters or emails will be treated as a public document, as part of the Board's licence application process, and they would be subject to the *Freedom of Information and Protection of Privacy Act* and the Board's disclosure policies.

Other material

You may have other information—such as petitions, social media data, or form letters—that you believe shows public need for the proposed service. Social media information must meet the requirements set out in the Board's Policy Manual. It is up to the Board to weigh the various information and evidence you provide in determining public need and sound economic conditions criteria.

Argument

While an application might include the factual information or objective evidence, it is important that you explain how this evidence demonstrates public need or sound economic conditions criteria. This explanation can be called "argument", and it is important for you to provide your rationale. Without argument, the Board may not understand why you included certain information or evidence in your application or what criteria it is intended to demonstrate.

For example:

- An operator's trip volume, month-to-month, rose to the point that all vehicles were utilized for long periods of the day. The operator then argues that this rise indicates an increased number of people needing their services. The applicant may argue that this shows that there are people that would use the proposed service and that this demonstrates the public need criteria.

- Statistics Canada population data shows that the population in a neighbouring city has increased. A licensee could apply to expand their operating area to include that city because increased population could mean more people who would use the service and, therefore, could demonstrate public need.

- The Board's list of licensees in an area may not have an active taxi operator. A taxi applicant could argue that allowing a taxi service in the area may promote more variety, a factor underlying the sound economic conditions criteria in the policy.

- A TNS operator may notice that the overwhelming majority of rides in a region are on a single TNS platform. They may argue that a more competitive industry would promote sound economic conditions.

A well-reasoned argument can make the difference between application approval or denial. You are encouraged to do whatever you can to make your evidence and arguments clear to the Board.