RIDESHARING AND TAXI MODERNIZATION:
AN ACHIEVABLE BALANCE

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Ridesharing regulations and taxi modernization involve complex issues around safety, equity, and protection of the public interest. However, cities from Alberta to Quebec have shown that a balanced framework is possible. There are many jurisdictions across Canada that have successfully introduced ridesharing while maintaining a healthy taxi industry. Yet here in British Columbia, our province has taken years to tackle this issue and continues to delay even further.

When a regulatory system safely introduces ridesharing services while removing unnecessary regulatory burdens for the taxi industry, it creates a more competitive passenger transportation industry. With greater consumer choice there is greater consumer benefit.

In 2016, the Greater Vancouver Board of Trade released a report entitled Innovative Transportation Options for Metro Vancouver. It offered a framework for the balanced introduction of ridesharing and taxi modernization. The Board of Trade's recommendations emphasized the creation of a more competitive and innovative passenger transportation industry, as has been done in many cities around the world.

In the two years since that report was released, little progress has been made in improving passenger transportation options for British Columbians. As cities and provinces across Canada pave the way for ridesharing, Greater Vancouver remains the largest urban region in North American without these services.

This update to that report explores the experiences of other jurisdictions in Canada, to show the benefits of a well-balanced regulatory framework. We then restate the Greater Vancouver Board of Trade's recommendations on how to achieve similar results in British Columbia.

PASSENGER TRANSPORTATION INDUSTRY OUTCOMES IN CANADA

Across Canada, ridesharing has been regulated in jurisdictions covering more than 18 million people including Toronto, Montreal, Ottawa, Edmonton, and Calgary.

While international experiences may differ based upon their regulatory solutions, Canadian outcomes have been fairly consistent. For example, in every city in Canada that has allowed for ridesharing, taxi businesses have continued to exist, but now in a more competitive environment, with greater consumer choice. This is not to say that ridesharing regulations can or should benefit the taxi industry, but rather that a competitive regulatory framework can foster an environment of equal and fair competition.

Greater Vancouver's taxi companies continue to face strict, burdensome regulations, which hamper their own ability to offer more efficient and innovative services. Restrictions on inter-municipal operations and controlled supply are limiting the industry to their current model, hurting consumers and preventing efficient market outcomes. The current regulatory structure does not allow the industry to adjust and respond adequately to the evolving consumer demands.

The introduction of ridesharing must be done in conjunction with a modernization of the passenger transportation industry.

Jurisdictions across Canada have shown that given an appropriate framework, the taxi industry can remain competitive, and occasionally even grow, in the face of new passenger transportation options such as ridesharing.
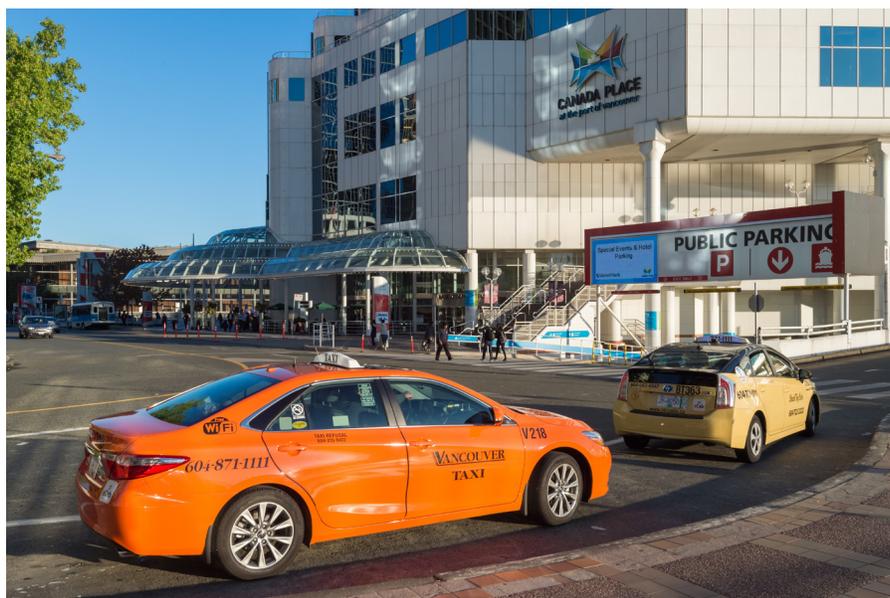
PASSENGER TRANSPORTATION INDUSTRY OUTCOMES IN CANADA

Brampton: In a 2017 report to Council, City of Brampton staff found that:

"Within the City of Brampton the demand for traditional taxi services has remained consistent, notwithstanding the entry of ride share services within markets throughout the GTA. This suggests the impact of ride share companies is lower in comparison to what has been presumed and verbally reported by the taxi industry. Based on information from other municipalities staff estimates that the ride share companies are providing almost the same number of trips as our taxis. This would indicate that there are two distinct markets of riders in cities."

City of Brampton staff also found that after an initial drop, the taxi industry saw an approximate 2% increase in trips between 2016 and 2017. In the same period, Brampton Transit reported an 18% increase in ridership, and the agency has expressed an interest in partnering with ridesharing and taxi companies to supplement existing transit services.

Mississauga: In 2013, ridesharing companies first began operating in the City of Mississauga. The City has found that "In 2015 total dispatched trips for the eight [taxi] brokerages combined increased by 6.8% in comparison to 2013." This occurred before ridesharing was fully regulated in Mississauga.

Toronto: According to public statements and reported data, Toronto's largest taxi company Beck Taxi has experienced fairly steady growth, despite ridesharing services operating since 2012. In a 2015 interview with the Canadian Business Journal, a spokesperson for the company reported "In 2012 we had 7 million calls, 2013 was 7.5 million and 2014 was 8 million and we're projecting 8.5 for this year." In a media interview with CP24, the General Manager affirmed that in 2017 "we're busier than ever."

Calgary: After the introduction of ridesharing in 2016, taxi and ridesharing trips both increased by 1.7 million during the first 12 months. Proportionately, Calgary taxis made 4% fewer trips, meaning the overall passenger transportation sector grew, despite the city's deep recession.

Edmonton: Since ridesharing's introduction in Edmonton in 2014, the city has seen the rise of local tech start-ups taking advantage of the opportunity. Most successful of these has been TappCar which recently expanded to Calgary and Winnipeg. Beyond benefiting consumers, this demonstrates that embracing technological advances and competition also creates opportunities for local entrepreneurs.

Quebec: A provincial report on the taxi industry since the advent of ridesharing in Montreal found that between 2013 and 2016 reported sales for taxis have gone up by over 20%. The Ministry of Transport concluded that the introduction of ridesharing "n'a pas réduit les revenus des taxis" ("has not reduced the revenue of taxis").

These experience illustrate that a fair and competitive passenger transportation system does not necessarily signal the demise of the taxi industry, but does require it to compete. By establishing a well-balanced system, as many other jurisdictions have, British Columbia can simultaneously introduce ridesharing and create a more competitive taxi industry.

THE ROAD FORWARD

As the above examples show, a balanced approach is possible, and is observable around the country. To achieve such outcomes, the Greater Vancouver Board of Trade recommends the Government of British Columbia and the municipalities of Greater Vancouver work to:

1. Establish a new provincial regulatory framework which introduces ridesharing to the province and provides residents with greater access to safe and reliable passenger transportation options.

- Develop provincial safety standards for ridesharing drivers, vehicles, and activities which are reflective of their particular business model.
- Leverage data sharing agreements offered by ridesharing services to better inform and plan regional and provincial transportation policy.
- Ensure the regulatory framework encourages a free-market solution, strengthening B.C.'s image as a business-friendly tech leader, open to innovation, new technology, and start-ups. The regulatory framework should:
- Foster competition and innovation across all players in the technology and private passenger transportation sectors;
- Ensure no one ridesharing service is given regulatory preference in the market, thereby providing opportunities for both established companies and homegrown start-ups to compete.

2. Review and update taxi regulations to enable the industry to effectively compete against new services and provide consumers with the benefits of a more competitive ride-for-hire market.

- Explore a regional licensing structure for taxi operators to allow greater inter-municipal services and the elimination of duplicative permitting.
- Ease supply-control and issue more taxi licences to help meet consumer demand and increase competition.

3. Modernize provincial regulations and harmonize municipal regulations to remove unnecessary red tape and establish a regulatory regime which fosters innovation and competition, while safeguarding public transit.

- Coordinate the introduction of a ridesharing framework with a broader modernization of the provincial Passenger Transportation Act.
- Actively work to position the PTA and other applicable legislation to be more accommodating of innovative transportation models and the sharing economy.
- Examine commercial ridesharing as one of a mix of innovative transportation options which includes public transportation and "active transit."
- Implement regulatory incentives and requirements which ensure that accessible services for seniors and the disabled are not interrupted.

4. Direct ICBC to develop an insurance product suitable for part-time and flexible vehicle-for-hire work and is applicable to both the taxi and ridesharing industries.

APPENDIX 1

Thirty-five jurisdictions across Canada have or are in the process of regulating ridesharing. B.C. still has not.

Canadian cities/provinces that have regulated ridesharing:

- Airdrie
- Alberta
- Barrie
- Brampton
- Calgary
- Chatham-Kent
- Edmonton
- Guelph
- Hamilton
- Innisfil
- Kingston
- Lethbridge
- London
- Mississauga
- Niagara Region
- Oakville
- Ottawa
- Quebec (Provincial Pilot Project for Montreal, Quebec City, and Gatineau)
- Saskatchewan (Passed legislation, regulations coming this fall)
- St Albert
- Sudbury
- Thunder Bay
- Toronto
- Vaughan
- Waterloo Region
- Whitby
- Windsor
- Winnipeg

Canadian cities currently in regulatory processes to permit ridesharing:

- Oshawa
- Ajax
- Pickering
- Markham
- Richmond Hill
- Orillia
- Red Deer
- Saskatoon