



**GREATER VANCOUVER  
BOARD OF TRADE**

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President and CEO  
Iain J.S. Black, ICD.D

2017 – 18  
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2017 – 18  
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January 15, 2018

DELIVERED VIA E-MAIL [ClerkComm@leg.bc.ca]

Select Standing Committee on Crown Corporations  
c/o Parliamentary Committees Office  
Room 224, Parliament Buildings  
Victoria, BC V8V 1X4  
Canada

Dear Committee Members,

Re: Ride-Hailing

On behalf of The Greater Vancouver Board of Trade (the “GVBOT”), we respectfully make this submission as part of the Select Standing Committee on Crown Corporations’ inquiry into ride-hailing. Our comments reflect the concerns and priorities of the GVBOT Directors and our over 5,000 member businesses from across the Greater Vancouver region.

Over the past two years, the Greater Vancouver Board of Trade (the “GVBOT”) has been a leading voice in the public conversation on ride-hailing. In a 2016 survey of our Members, 80 per cent of respondents indicated that they would like to see the government introduce regulations that would allow ride-hailing services, such as Uber and Lyft, to operate in British Columbia (B.C.). Given the strong support from our Membership and the need for new and innovative passenger transportation options in the Lower Mainland, we are strong advocates for a provincial policy framework that would pave the way for ride-hailing across the province, as well as a modernization of the *Passenger Transportation Act* and taxi regulations.

**Issue**

- Greater Vancouver is in desperate need of new and innovative passenger transportation options. Road congestion and crowded public transit are putting pressure on our region’s infrastructure and draining our economy of its productivity and overall effectiveness. High fare prices, poor customer service and long wait times have led to the growing public demand for new passenger transportation alternatives.<sup>1</sup> Therefore, exploring new options for the safe and efficient movement of people is necessary for the growth and development of our economy and the success of our businesses.

<sup>1</sup><http://www.vancouver.sun.com/life/customer+demand+will+drive+regulatory+change+uber+says/11397134/story.html>

## Why ride-hailing is the solution

- Ride-hailing offers a new option for the movement of people around the province and Lower Mainland and could serve as an integral tool in the management of road congestion and a complementary element to a public transit system that is nearing capacity in many communities.
- Ride-hailing provides greater choice and flexibility to consumers and offers alternatives to conventional driving. Greater choice has the potential to provide flexibility in car ownership, new transportation options for underserved areas, and lower prices and wait times for consumers.
- More than 40 jurisdictions in Canada are already reaping the benefits of ride-hailing services. Metro Vancouver remains the largest metropolitan area in North America without a legal framework for such businesses, which has led to the inception of illegal taxi services, threatening both competition and passenger safety.<sup>2</sup>

### 1. The potential impact of ride-hailing on different communities across the province

#### 1.1 Communities of the Greater Vancouver region

- Citizens:** With the introduction of ride-hailing, citizens of the Greater Vancouver region will face lower prices, increased competition, shorter wait times, and access to more flexible transportation options. Ride-hailing will augment the existing public transportation network by acting as an extension to the system through its ability to provide and enhance “first-mile, last-mile” connections. Increasing accessibility to public transportation connections will drive greater ridership. Areas with limited public transit and transportation options stand to significantly benefit from ride-hailing. Coquitlam, Port Coquitlam, Port Moody, and Langley Township have all expressed support for ride-hailing. Port Coquitlam Mayor Greg Moore has cited issues with the current lack of options in the transportation system and potential consumer benefits as reasons to bring these services to the province.<sup>3</sup> The flexible and on-demand nature of ride-hailing allows for real-time rebalancing and adjustments to be made as public transportation networks and other alternative modes of transportation become more readily available.
- Drivers:** Ride-hailing offers drivers a source of flexible income, allowing for under-employed groups (e.g. women, First Nations, new Canadians, and young people) to easily participate in the labour force or to supplement existing income.
- Public Safety:** Ride-hailing services can augment the existing taxi fleet to help ensure the safety of individuals, as they spend less time on the streets trying to hail a taxi late at night or resort to impaired driving when no alternatives are reasonably available. Studies have suggested that by offering

<sup>2</sup> <http://www.theglobeandmail.com/news/british-columbia/uber-less-vancouver-to-study-bringing-in-ride-share-service/article26879496/>

<sup>3</sup> <http://www.cbc.ca/news/canada/british-columbia/ride-sharing-port-coquitlam-council-vote-1.3361247>

greater transportation options, jurisdictions with ride-hailing have seen a reduction in impaired driving.<sup>4</sup>

- d. **Environment:** Ride-hailing has the potential to create positive environmental benefits, as studies have suggested that these services reduce dependency on personal vehicle ownership, especially in urban settings. A KPMG study found that the rise of flexible transportation is leading to an overall reduction in car ownership in the United States.<sup>5</sup> Ride-hailing can be one element of an intermodal lifestyle which includes walking, bicycling, and public transit.

**1.2 Business Community:** Developing a transparent and open market for ride-hailing demonstrates B.C.'s openness to innovation, new technology, and consumer choice. Furthermore, accepting and accommodating for innovative technologies would accelerate B.C.'s economic potential, encourage the province's entrepreneurial spirit, and signals to investors and the tech sector that B.C. fosters a supportive business and startup environment. Embracing a free-market ride-hailing framework would strengthen B.C.'s image as a business-friendly jurisdiction and tech leader.

**1.3 Hospitality Industry:** By providing more transportation options, shorter wait times, extended reach of the transportation network, and greater certainty around transportation availability at various times of day, ride-hailing has important implications for B.C.'s hospitality sector. It allows residents and tourists increased travel and spending within the local economy. Hospitality patrons and workers alike are provided more efficient and safe late-night and early-morning transportation options.

**1.4 Taxi Industry:** The current medallion (vehicle-for-hire licenses) system for taxies intentionally builds supply-scarcity into the market. Restricted supply and growing demand drives up prices, and blocks new entrants into the market—stifling competition, reducing efficiency, and hurting consumers.

The demand for taxi medallions themselves has reached such a point that they often sell for thousands of times over their value on the secondary market — a phenomenon seen across many jurisdictions. This has created a vested interest to limit new market entrants.<sup>67</sup>

Metro Vancouver has the lowest number of taxies per capita of any major Canadian city, and significantly higher prices compared to similar cities.<sup>89</sup> However,

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<sup>4</sup> <http://www.theglobeandmail.com/news/british-columbia/uber-reduced-drinking-and-driving-deaths-in-california-study-suggests/article25820101/>

<sup>5</sup> <http://www.kpmg.com/Ca/en/IssuesAndInsights/ArticlesPublications/Documents/me-my-life-my-car.pdf>

<sup>6</sup> <http://bc.ctvnews.ca/taxi-licences-deliberately-kept-low-ctv-news-1.277448>

<sup>7</sup> <http://www.theglobeandmail.com/globe-drive/adventure/red-line/how-uber-is-ending-the-dirty-dealings-behind-torontos-cab-business/article25515301/>

<sup>8</sup> <http://www.conferenceboard.ca/e-library/abstract.aspx?did=5897>

<sup>9</sup> [http://www.vancouver.sun.com/Opinion+Time+reform+Vancouver+antiquated+taxi+industry/9900418/story.html?\\_lsa=3d3d-9c61](http://www.vancouver.sun.com/Opinion+Time+reform+Vancouver+antiquated+taxi+industry/9900418/story.html?_lsa=3d3d-9c61)

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 its current model, hurting consumers and preventing efficient market outcomes. The current regulatory structure does not allow the industry to adjust and respond adequately to evolving consumer demands.

Introducing ride-hailing services to the Greater Vancouver region, coupled with updating taxi regulations, will correct the current misalignment between supply and demand and will encourage and facilitate innovation in the passenger transportation sector.

## 2. Proposed regulatory regime for allowing ride-hailing to operate in BC

The Greater Vancouver Board of Trade recommends that the Province take a balanced approach to developing a market-based ride-hailing regulatory regime. The Board of Trade recommends introducing new regulations to pave the way for ride-hailing across the province, while also launching a review of the *Passenger Transportation Act* and overhauling regulations to enable the traditional taxi industry to be more competitive.

When developing a regulatory regime, it is critical to consider the implications and ensure public safety. Edmonton was the first Canadian municipality to legalize ride-hailing. It built a regulatory framework for these services to operate, with a special lens on safety. The regulations include mandatory driver criminal background checks for ride-hailing companies, mandatory vehicles inspections, and a prohibition on street hails.<sup>10</sup>

**Recommendations:** The Greater Vancouver Board of Trade respectfully submits the following recommendations to the Government of British Columbia:

### 2.1 Establish a new provincial regulatory framework which introduces ride-hailing to the province and provides residents with greater access to safe and reliable passenger transportation options.

- a. Develop provincial safety standards for ride-hailing drivers, vehicles, and activities which are reflective of their particular business model.
- b. Leverage data sharing agreements offered by ride-hailing services to better inform and plan regional and provincial transportation policy.
- c. Set corporate operating requirements for ride-hailing companies to minimize any losses to local employment and tax revenue.
  - i. Consider requiring all operators to maintain a physical place of business within the province.
- d. 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:
  - i. Foster competition and innovation across all players in the technology and private passenger transportation sectors;

<sup>10</sup> <http://sirepub.edmonton.ca/sirepub/cache/2/yjrsgb1ypvxaizgbbib4lhsh/51847501312016034922314.PDF>

- ii. Ensure no one ride-hailing service is given regulatory preference in the market, thereby providing opportunities for both established companies and homegrown start-ups to compete.

**2.2 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.**

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

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

- a. Coordinate the introduction of a ride-hailing framework with a broader modernization of the provincial *Passenger Transportation Act*.
- b. Actively work to position the PTA and other high-level legislation to be more accommodating of innovative transportation models and the sharing economy.
- c. Examine commercial ride-hailing as one of a mix of innovative transportation options which includes public transportation and “active transit.”
- d. Implement regulatory incentives and requirements which ensure that accessible services for seniors and the disabled are not interrupted.
- e. Seek alignment with municipalities, harmonize regulations, and avoid layering-on regulations from different levels of government.

**2.4 Direct ICBC to consult with stakeholders in developing an insurance product suitable for part-time and flexible vehicle-for-hire work and is applicable to both the taxi and ride-hailing industries.**

We urge the Province to meaningfully consider the positive implications associated with introducing a free-market based, ride-hailing regulatory regime - the benefits of which are not limited to users of ride-hailing services. Adding ride-hailing to our passenger transportation mix will reinforce our province’s reputation as a progressive leader in innovation with a friendly investment and business climate.

The Greater Vancouver Board of Trade has worked on behalf of our region's business community to promote prosperity through commerce, trade, and free enterprise for 130 years. Our mission is to work in the enlightened interest of our members to promote, enhance and facilitate the development of the region as a Pacific centre for trade, commerce, and travel. The Board strives to enable and empower its members to succeed, grow and prosper in the global economy. Therefore, we believe that building a more competitive and innovative passenger transportation sector is vital to the prosperity of both our region and province.

Sincerely,

**Greater Vancouver Board of Trade**, per;

A handwritten signature in black ink, appearing to read "Iain J.S. Black". The signature is fluid and cursive, with a prominent initial "I" and a long, sweeping underline.

Iain J.S. Black, ICD.D  
President and CEO