

Key Messages and Q&A Meeting with BC Taxi Association

March 15, 2017

KEY MESSAGES:

- The current legislative and regulatory framework for passenger transportation has been in place for many years and much has changed in that time.
- We have had extensive consultations with diverse stakeholders throughout the province, including the taxi and limousine industry, local governments, business associations, accessibility groups, and transportation network companies, regarding the opportunities and challenges of ride-sharing in B.C.
- Based on what we have heard, we're carefully considering steps needed to:
 - Provide more choice and flexibility for consumers;
 - Ensure that both taxis and ride-sharing companies provide safe and regulated transportation services;
 - Reduce red tape and unnecessary duplication in the system; and,
 - Secure a level playing field for existing operators and any new operators that may enter the industry
- We're building a made in B.C. model that modernizes the taxi industry while creating a level playing field for all transportation network services participants.
- We want to develop a system in B.C. that places a high priority on passenger and driver safety and we want people travelling in safe, well-maintained vehicles with qualified drivers.
- Our work involves developing a new regulatory framework for passenger directed vehicles province-wide.
- We'll be seeking more input from the industry, local governments, police, ICBC and Road Safety B.C. in the coming months to make sure we're getting it right.
- Our goal is to have a new framework in place to allow companies to operate anywhere in B.C., removing any borders on where taxis, limos and new services can operate, eliminating the caps on supply at the provincial and municipal levels and reducing red tape for the industry.

QUESTIONS AND ANSWERS:

Q: What do the changes you've announced today mean for taxi drivers?

- We're helping the taxi industry in modernizing its services, enabling more convenience and improved safety for passengers through up to a \$1 million investment.

The funds will allow for the development of a provincial dispatch mobile ride-hailing application (app) which will benefit the taxi industry. The app would enable the taxi industry to use a common piece of technology and ensure taxi companies can remain competitive when ride sharing companies enter the market in BC.

- We've also announced that we're investing up to \$3.5 million in the taxi sector to install forward crash prevention technology in BC taxis to improve driver and passenger safety. An ICBC pilot showed that this technology led to a 61% reduction in at-fault, rear-end crashes and a 24% reduction in all crashes.
- ICBC has been collaborating with the taxi industry to streamline the claims process and is committed to working with industry to improve their insurance so that it is more cost effective, competitive and flexible.
- The taxi industry will also retain its exclusive right to curbside hailing.
- Today's announcement addresses the input, information and dialogue we've heard during our consultations with diverse stakeholders across the province.
- The proposed changes reflect what we heard from stakeholders, such as the need to address the public's desire for choice, convenience, accessibility and competition; protect passenger and driver safety; and balance the interests of all stakeholders, recognizing the investments and jobs created by the many people currently providing passenger transportation in the province.

Q: So does this mean you're moving ahead with ride sharing?

- We know there's a demand for ride sharing services in B.C. and we're committed to moving forward to make it happen by the end of this year.
- There's a lot of policy and legislative work to be done. We want to get it done right and be sure that:

- Taxi, limo and ride-sharing companies provide safe and reliable transportation services within a modernized regulatory framework.
- There's a level playing field for existing operators and any new operators that may enter the industry
- We're able to provide choice, flexibility and accessibility for customers.
- We've seen issues arise in other jurisdictions that have rushed to incorporate ride sharing too quickly.
- An initiative of this scale in BC requires an extensive policy and legislative framework. We want to get it right so it works for everybody involved.
- We're taking time to consult further and address any issues so we can introduce a fulsome suite of legislation that's been well-informed by all of our stakeholders.

Q: Why can't you provide more details about the work you have to do as this moves forward?

- An initiative of this scale requires the development of an extensive policy and legislative framework that involves the input of a large group of stakeholders.
- Any policy and legislative changes will also require input from different groups within government and input from staff in other ministries.
- We recognize we've already been through a long consultation process, but this kind of work takes time and we want to get it right.

Q: When will this next round of stakeholder consultations begin?

- Our discussions with stakeholders have been ongoing in order for us to inform the necessary legislation, policy changes and supporting regulations.
- We want to get this done right. These changes can't happen without meaningful discussions with all industry players and with the groups that would be affected by the changes.

Q: How will pricing—or rates for taxis and ride-sharing services work?

- One of our key priorities is to see a new fare structure in place to ensure the existing industry remains competitive.
- This is an important and ongoing topic of our discussions with the industry because we want to make sure the rates are fair to all operators and affordable for customers.

Q: What about price gouging and surge pricing for both ride sharing and taxis?

- We're looking at fares as we develop a new, provincial rate structure to ensure customers are clear on the cost of the service they are hiring.

Q: What does protecting the consumer mean?

- We want to develop a system that is clearly based on people travelling in safe, well-maintained vehicles with qualified drivers.
- That's why we're working to develop important province-wide safety standards that will include regular criminal record checks, vehicle inspections, driving record checks, making sure people aren't being picked up by unmarked or unlicensed vehicles, and ensure compliance and enforcement through audits and vehicle checks for all passenger transportation companies.
- While the taxi and limousine industry is already subject to such regulations, it's important to uphold a safety standard in the industry when ride sharing companies start to operate in B.C.
- We're looking at fares as we develop a new, a provincial rate structure for the industry to ensure customers are clear on the cost of the service they are hiring.

Q: Won't this make it less safe without a class 4 requirement?

- Drivers of vehicles for hire are currently required to hold a valid Class 4 (commercial) driver's licence. Class 4 requirements include driver age (19), driving experience (valid Class 5), a commercial driving record with less than four penalty point incidents in the past two years, plus no driving-related criminal convictions within the past three years.

- The province is seeking to ensure the safety protections in the Class 4 licence are required in the Class 5 licence used by this sector in order to protect the public and drivers.
- As part of this, Class 4 licenses for taxi/limo and ride share drivers will be phased out, and taxi and ride sharing companies will be responsible for maintaining records that prove:
 - All drivers have a full driver's license (no graduated licenses) and are at least 19 years of age.
 - All drivers have passed a criminal record check for past convictions or violent or sexual offenses.
 - All drivers have passed a safe driving record check.
 - Vehicles have passed regular mechanical inspections.

Q: Are you removing taxis and limos from the National Safety Code—isn't the NSC considered to be a high safety standard and what will replace it?

- Safety remains the ministry's priority, and we will ensure that any decision we make will protect the safety of drivers and passengers.
- As we move forward with the development of a regulatory framework and in consultations with industry and stakeholders, we will ensure we have stringent safety requirements and oversight in the industry.

Q: Does this mean you'll open up and allow any new company to operate taxis in the market?

- These are really good questions and as we move forward, this topic will likely be a part of some of the meaningful discussions we will be having with stakeholders.
- We intend to ensure that companies who want to do business in BC will still have to apply for a license under the Act.

Q: Can someone get a taxi license in Vernon and move to Vancouver and start operating?

- These are really good questions and as we move forward, this topic will likely be a part of some of the meaningful discussions we will be having with stakeholders.
- For now, the current rules and regulations around licensing still apply. However in the future we propose more flexibility for licencees to operate.

Q: Will operators of taxis, limos and ride-sharing services need to have a specific type of vehicle insurance?

- ICBC has been collaborating with the taxi industry to streamline the claims process and is committed to working with industry to improve their insurance so that it is more cost effective, competitive and flexible.
- We want to make sure the insurance product for ride sharing companies is consistent with other jurisdictions – a distance based, blanket policy that covers their drivers from when they book a ride until they drop the passenger off.

Q: I understand a number of taxis have been outfitted with the forward crash prevention technology as part of an earlier ICBC pilot. How many have been outfitted as part of the pilot?

- Approximately 1% of taxis participated in the pilot and were outfitted with the technology.

Q: I also understand some drivers may have recently installed this technology on their own dime. Will there be some sort of compensation for drivers who have already installed this technology themselves?

- Yes, that would be the intention and we'll be reaching out to the few taxi companies that we are aware of that may have recently paid for and installed the technology, and will be providing additional details for any taxi operator who may be in this same situation.
- There will be a few requirements to be met, for example, we'll need to ensure the technology is 'eligible' for reimbursement, has actually been installed, and that receipts can be provided for reimbursement.

Q: With these changes, haven't you destroyed the value of a taxi license?

- No, in fact, we're investing to help prepare the industry for a more competitive environment. We're reducing the red tape and developing tools for the industry so there's a level playing field in the industry.
- We want to address the issues of boundaries and limits on where taxi operators can provide service regardless of the municipal boundary.
- We want to ensure that the taxi industry has the opportunity and is able to invest in making themselves as prepared and competitive as possible so that they can thrive under this new model.

Q: What are the safety requirements?

- The safety of the travelling public has been, and will remain, our number one priority.
- The Passenger Transportation Act requires any vehicle operated by the person who charges or collects compensation for transporting passengers to be licensed.
- Part of the work ahead includes developing province-wide safety standards for licensing and vehicle maintenance that would include regular mechanical inspections, criminal record checks, good driving records, spot audits and ministry oversight.
- Government will be seeking input from stakeholders including the industry, police, municipalities, ICBC and Road Safety B.C. to help inform new policy and any legislative changes.
- Other jurisdictions in Canada, North America and around the world are working to provide safe passenger transportation services for the public, within their regulations. We will continue to monitor developments in other jurisdictions.

Q: What do you mean by getting rid of overlapping jurisdictions?

- Removal of boundaries provides an opportunity for the consolidation or cooperation between companies that want to expand their service options.

- Existing legislation puts restrictions on where taxis can operate and can require both municipal and provincial approval for licensees.
- Removal of boundaries will also reduce red tape for the industry by removing the requirement to get municipal permits.

Q: Are you taking authority and revenue away from the municipalities?

- The authority is changing. The province will work together with local governments and the taxi industry to remove red tape and duplication in the existing system which in the long run, will create better service for consumers and more competition in the system.
- Local government legislation requires that fees be set on a cost recovery basis, so there should be no impacts to local government income.
- We look forward to receiving feedback from the municipal governments as we work together to reduce red tape and streamline our systems.

Q: What will be the role of the Passenger Transportation Board moving forward?

- We are responding to many recommendations made to government by the Board. We will work closely with them as we move ahead with a new regulatory framework for passenger directed vehicles province-wide.
- The Board realizes the restrictions and burden that the current legislation and regulation places on the industry.
- We'll work with the Passenger Transportation Board to incorporate their input as we move forward.

Q: The Passenger Transportation Board says that the current limit on the number of available licenses actually makes the industry economically viable. Won't the changes the Province is considering hurt taxis ability to stay viable and afford maintenance?

- Right now, the Province, through the Passenger Transportation Board, limits the number of available licences.

- Due to this supply restriction, a secondary market for taxi licences has developed in the province, and a taxi licence is valued exponentially higher than the fees charged by the Province and municipal governments.
- We'll be working closely with the taxi industry and with the Passenger Transportation Board to create a level playing field for all industry participants to address these issues.

NEW - ADDITIONAL QUESTIONS AND ANSWERS:

Q: Won't allowing unregulated entry into the taxi industry cause chaos that will harm the public?

- Meeting consumer demand was a primary principle that was identified in the 2016 consultations – specifically, ensuring there are enough vehicles on the road to meet consumer demand for services.
- Companies will continue to require a licence to operate in the Province, and as part of the licence will continue to meet the requirements of being fit and proper and capable of providing the service on an ongoing basis. This includes meeting all safety and consumer protection requirements.
- An initiative of this scale in B.C. requires work, preparation and meaningful consultation with stakeholders, which is expected to take place over the summer.

Q: No one will have incentives to invest in handicapped taxis; is this in the public interest?

- Accessible services are important to British Columbians. Passengers who require these services will continue to have accessible transportation options.
- Government has announced its intention to bring ride-sharing services to British Columbia by the 2017 holiday season. This will include consultation with stakeholders and accessibility groups over the summer.

Q: What government is proposing to do is unfair to existing license holders who have made significant investments in obtaining a taxi license. How will you address this?

- We are investing to help prepare the industry for a more competitive environment. We're reducing the red tape and developing tools for the industry so there's a level playing field in the industry.

- We want to address the issues of boundaries and limits on where taxi operators can provide service regardless of the municipal boundary.
- We want to ensure that the taxi industry has the opportunity and is able to invest in making themselves as prepared and competitive as possible so that they can thrive under this new model.

Q: How is the playing field level if Vancouver taxi companies were repeatedly denied additional licenses but the government has decided to open up the market to allow ride sharing companies?

- The current legislative and regulatory framework for passenger transportation has been in place for many years and much has changed in that time.
- Building a streamlined and modernized passenger transportation sector was a primary principle in the 2016 consultation – specifically looking at deregulation, addressing supply and demand, while continuing to ensure driver and passenger safety.
- An initiative of this scale in B.C. requires work, preparation and meaningful consultation with stakeholders, which is expected to take place over the summer.

Q: How will the government ensure that the new insurance product is fair for all drivers that pay ICBC rates?

- We want to ensure that the insurance products for both taxis and ride-sharing are flexible, competitive and cost effective.
- Government is committed to establishing a fair and level playing field, and in support of this will engage in meaningful stakeholder consultations which will include discussions on taxi insurance.
- ICBC is committed to meet the evolving needs of the taxi industry, which includes regular reviews and updates to claims, customer services and insurance products.

Q: Why doesn't the government place a cap on the number of ride sharing companies that can operate in BC?

- As a result of the September 2016 consultations with industry, meeting consumer demand was a primary principle – specifically, ensuring there are enough vehicles on the road to meet consumer demand for services.
- Companies will continue to require a licence to operate in the Province, and as part of the licence will continue to meet the requirements of being fit and proper and

capable of providing the service on an ongoing basis. This includes meeting all safety and consumer protection requirements.

- An initiative of this scale in B.C. requires work, preparation and meaningful consultation with stakeholders, which is expected to take place over the summer.



ISSUE NOTE

Issue:

- Modernizing Passenger Transportation in British Columbia

Background:

- In September 2016, the Province publicly released a report entitled *Ride Sourcing in BC* which summarized the views and opinions of passenger transportation stakeholders under five themes:
 1. Ensuring Passenger Safety and Vehicle Safety
 2. Meeting Consumer Demand
 3. Guaranteeing Accessibility
 4. Ensuring a Fair and Level Playing Field
 5. Building a Streamlined and Modernized Passenger Transportation Sector
- On March 7, 2017, the Province announced a series of proposed actions to enable ridesharing by the end of this year.
- The announcement included up to \$1 million towards the development of new technology for the taxi industry, up to \$3.5 million crash avoidance technology to improve passenger safety and reduce costs associated with collisions, new passenger transportation insurance options, streamlining the regulatory and supply framework between local and provincial governments and further consultation through the summer and fall.

Decision required:

- Direction required to determine the approach to enable ridesharing.

Flatman, John CSCD:EX

From: Thompson, Laurel CSCD:EX
Sent: Monday, July 31, 2017 3:14 PM
To: Langton, Heather CSCD:EX
Subject: FW: Government Announcement - Taxis and ride sharing

However I did find this (for FOI – RideSharing)

Laurel Thompson

Senior Executive Assistant to Deputy Minister Jacquie Dawes

From: Gedney, Vanessa R CSCD:EX
Sent: Tuesday, March 7, 2017 12:35 PM
To: CSCD Executive Support Team
Subject: FW: Government Announcement - Taxis and ride sharing

FYI

From: Volk, Kevin CSCD:EX
Sent: Tuesday, March 7, 2017 12:34 PM
To: CSCD Executive; Marotz, Nicola CSCD:EX; Paget, Gary CSCD:EX; Brooks, Jessica CSCD:EX
Subject: Government Announcement - Taxis and ride sharing

Hi everyone,

FYI, Ministers Fassbender and Stone announced today the government's plans to work with stakeholders and local governments through the summer to modernize the taxi industry and introduce ride sharing services in BC.

<https://news.gov.bc.ca/releases/2017TRAN0053-000498>

Kevin Volk, P.Eng.
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Ministry of Community, Sport and Cultural Development
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COMMUNITY POLICY AND LEGISLATION BRANCH PROFILE

Program Objectives:

- To provide services and leadership in policy and legislative development related to local government, TransLink, sport, arts and culture. The branch is responsible for and executes the legislative program for the Ministry.

Program Description:

- Legislative program management and planning, including development of the and execution of the ministry's Legislative Plan.
- Lead the development of strategic policy initiatives, and any legislative impacts, related to provincial oversight of TransLink and its enabling legislation.
- Leading and supporting branches from across the Ministry in undertaking and implementing strategic policy and legislative issues, program design, project management and research and analysis.
- Coordination and management of ministry Orders In Council (OIC) processes.
- Supporting other ministries' legislative initiatives.
- Supporting the Minister's Office on legislative initiatives.

Client Profile:

- The Minister
- BC local governments
- TransLink
- Ministry branches / divisions
- Other Ministries

Service Provider:

- Ministry staff

2017/18 Priorities/Key Initiatives:

s.13,s.17

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Contact:

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