

RIDESHARING

Ridesharing, the ability of a driver who has been through appropriate criminal record and driver safety screening to use their personal vehicle to connect with a rider via a smartphone, is a key sector in the sharing economy. Ridesharing is currently available in hundreds of cities around the world, providing a new transportation option and flexible income opportunities for those wanting to drive. Regulations are required to provide the needed support for innovative transportation provision and reassure the public that the service is safe.

Background

The sharing economy is providing new economic opportunities for individuals and small businesses to increase the utilization of their assets by connecting with new customers via technology. PWC estimates that in 2013 the sharing economy generated \$15B in annual revenue compared to \$240B in the traditional rental sector. By 2025, it estimates that both sectors will grow to reach \$335B for combined revenue of \$670B.

BC residents are looking for more transportation options and ways to increase the affordability of living in Metro Vancouver and throughout BC. Ridesharing provides a key opportunity. It has been shown to:

1. Grow the number of rides in a city, e.g., Portland, Denver
2. Decrease impaired driving e.g., MADD, Temple University
3. Complement existing public transit, e.g., Lyft, Uber
4. Reduce car ownership, e.g., LA Times, IPSOS
5. Encourage passengers to share rides & reduce congestion, e.g., UberPOOL (how it works, why it helps put more people in fewer cars)

Over 70 jurisdictions have adopted regulations that embrace ridesharing. Edmonton was the first Canadian jurisdiction to adopt such rules, and Toronto, Ottawa, Hamilton, Calgary, the province of Quebec, and many other Canadian jurisdictions have brought forward regulations. The Competition Bureau of Canada has encouraged regulators to support competitive markets by regulating ridesharing and reducing unnecessary red tape on traditional transportation providers.

Ridesharing regulations should be focused on enabling this innovative transportation option, while ensuring public safety and consumer protection. Below are key components of a regulatory regime for ridesharing:

1. Ridesharing companies must obtain a provincial licence and pay fees.
2. Any driver who meets the criteria should be allowed to participate. There should not be fleet size restrictions or area of operation boundaries which increase deadheading and decrease affordability
3. Ridesharing drivers must have a valid, standard driver's licence issued by Province.
4. To be allowed on the platform, ridesharing drivers must:
 - o Pass a federal criminal background check;
 - o Pass an annual vehicle inspection by a certified mechanic;
 - o Have valid insurance that meets the requirements established by the Province, and;
 - o Have a safe driving record.
5. Ridesharing drivers can only provide service through the use of an app, and the app must

provide the customer with the name and photo of the driver, make and model of the vehicle, and licence plate number prior to the trip commencing. This means that no ride is anonymous and provides assurance to the rider that the driver has been authorized to be on the digital platform.

6. The app must provide GPS tracking and allow the rider to share their ride in real time with friends and loved ones, meaning that every trip is tracked.
7. Ridesharing companies are permitted to set prices based upon market principles and competition to best serve customers
8. Riders must be provided the fare rate in the app, have the ability to estimate the cost of their fare, and only make payment for the trip electronically through the smartphone app. This also helps reduce the chance of the driver becoming a target for theft.
9. The rider must have the ability to rate every ride through the app to help ensure high quality and safe service.
10. Ridesharing companies must have 24/7 customer service to respond in a timely manner to complaints.
11. Ridesharing drivers would not be permitted to hail, accept cash or use telephone dispatch services, leaving this market to the exclusive domain of taxi companies.

Ridesharing and traditional transportation models can complement each other to better serve British Columbians, just as they do in communities across Canada and around the world. Rather than competing with taxi, apps like Uber are growing the overall transportation pie. This is most likely because ridesharing has attracted a whole new group of passengers, people who cannot regularly afford taxis or drive themselves instead.

Translink, the Canadian Competition Bureau and the government's own expert, Dr. Dan Hara, have all called for true ridesharing to be permitted in BC.

The provincial government has established the Passenger Transportation Act, ICBC, Motor Vehicle Act and it can provide a province-wide safety standard for ridesharing.

The BC Government has brought forward ridesharing legislation, but now we are waiting for the final regulations and ICBC ridesharing insurance to be implemented. The nine-member committee examining ride-hailing regulations for B.C. recommended a regulatory framework that places few requirements on boundaries, fares, numbers of vehicles and the licensing of drivers. They recommended not pursuing the contentious Class 4 driver's license proposed in the original legislation. The recommendation will create less barriers for people with disabilities, specifically those who cannot receive a class 4 driver's license due to health requirements, increasing the overall workforce.

Many not-for-profit and for-profit organizations, governments, Indigenous groups, and citizens are advocating for ridesharing. These groups are calling on government to allow ridesharing as quickly as possible to ensure that equitable and affordable transportation options are available.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Implement ridesharing and allow for ridesharing companies to enter and operate in the BC market;

2. To maximize the beneficial effects of competition, regulators should abolish geographic boundaries for drivers, allowing any qualified driver to participate without artificial caps, allow them to adjust their serving areas;
3. Allow for market-based pricing to ensure consume choice, convenience and innovation; and,
4. Permit taxi and ridesharing drivers to utilize a Class 5 license similar to Ontario, Manitoba and Saskatchewan if the driver meets strict safe driver screening criteria.

Submitted by the Surrey Board of Trade