

RIDESHARING NEEDS TO BE EXPANDED TO ALL OF BC

Opening Statement

Ridesharing is a key sector in the sharing economy. Among other criteria, drivers have been through appropriate criminal record and driver safety screening to be able to use their personal vehicle to connect with a rider via a smartphone. 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.

Ridesharing exists in Metro Vancouver but needs to be expanded and available immediately to all of BC. Most recently, the Passenger Transportation Board denied ridesharing service from operating outside of Metro Vancouver¹, citing that expansion would harm taxi companies who have been unduly impacted by COVID-19. The Passenger Transportation Board cited that there was less demand for ridesharing and taxi services because of the pandemic. Ridesharing is needed. Nanaimo, for example, is soon going to see Foot Passenger Ferry Service from downtown Vancouver to their cruise terminal. Passenger capacity is 300. While most will have ground transportation to their destination, or rental cars, car share or other transportation, Nanaimo has nowhere near the taxi capacity that they need to serve visitors and business travelers. The reduction in taxi usage on Vancouver Island of more than 30% during the pandemic can be traced directly to the elimination of cruise visitors and other vessel visitors in Victoria. When cruise ship visits return, the demand for ride sharing will be significant.

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 estimated recently that 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 in communities across 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

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.

¹ <https://www.cbc.ca/news/canada/british-columbia/uber-expansion-denied-1.6289377>

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 license 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 license 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 license 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.

Rideshare and taxi drivers all require a valid Class 1, 2, or 4 license to provide rides. This is a burden that is not consistent across Canada. Ontario, Manitoba, and Saskatchewan do not have this requirement. BC should amend its regulations to be consistent with other jurisdictions.

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. According to Public First's analysis of 2020, Uber unlocked \$6.5B in economic value for the Canadian economy. 89% of drivers and delivery people said that schedule flexibility is important to them when looking to work, and this increased flexibility is worth \$323 million to drivers and delivery people. Uber also saved riders over 13 million hours a year,

and Uber Eats drove an additional \$570 million to restaurants in Canada, creating \$2.3 billion in gross economic value².

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 Passenger Transportation Board's denial was a due to the drop in taxi cab usage, which was a result of covid 19 restrictions. As these restrictions lift, borders open, visitors from the United States return to vacation spots in the interior of BC, cruise ships resume docking in cities such as Nanaimo and Victoria, and demand for transportation increases, these cities will require more transportation options as the current available options will be at capacity. Victoria, in a regular year, would be looking at 1.1 million visiting passengers and crew members make a huge difference in visitor numbers.

As we move towards a stable economy with life returning to somewhat normal as public health measures and restrictions ease³, we need to ensure that our workforce, the public, and our businesses have alternative modes of transportation available. These alternative modes of transportation includes ride-hailing services being implemented pan-provincially.

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 in all BC jurisdictions 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 without restrictions or having to apply to service specific jurisdictions; and,
2. Allow for market-based pricing to ensure consumer choice, convenience and innovation.

Submitted by the Surrey Board of Trade and Nanaimo Chamber of Commerce

Supported by Alberni Valley Chamber of Commerce, Campbell River & District Chamber of Commerce, Duncan Cowichan Chamber of Commerce, Ladysmith Chamber of Commerce, Parksville & District Chamber of Commerce, Port Hardy & District Chamber of Commerce, Port Renfrew Chamber of Commerce, Qualicum Beach Chamber of Commerce, WestShore Chamber of Commerce.

² <https://ubercanada.publicfirst.co/>

³ <https://bc.ctvnews.ca/we-cannot-eliminate-all-risk-b-c-starting-to-manage-covid-19-more-like-common-cold-officials-say-1.5749895>