

January 18<sup>th</sup>, 2019

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

Dear Bowinn Ma, MLA North Vancouver-Lonsdale, Chair, Select Standing Committee on Crown Corporations,

**RE: Provincial Ride-hailing Inquiry**

Please accept the Sustainable Transportation Partnership of the Central Okanagan's (STPCO) input, which represents the views of the STPCO Board: Mayors, the Chief and the Chair of all local jurisdictions within the Central Okanagan, for the Select Standing Committee on Crown Corporations' latest inquiry into ride-hailing.

The Sustainable Transportation Partnership of the Central Okanagan (STPCO) is a formal partnership of the City of Kelowna, City of West Kelowna, Districts of Lake Country and Peachland, Westbank First Nation and the Regional District of Central Okanagan. The organization coordinates the regional delivery of sustainable transportation programs and projects in support of common regional policy, plans and interests (economic, social and environmental). The STPCO also provides a formal forum for discussion amongst elected officials, senior and technical staff, as well as stakeholders and the general public.

The Committee's current Terms of Reference for this inquiry specify that they may only consider input on four areas of passenger directed vehicle regulation. As such we have prepared our response to each of the questions for your review below.

The STPCO is interested in ride-hailing regulation flexible enough to meet variable demand in the passenger transportation market while delivering a safe transportation option to the region's residents and visitors. The STPCO supports the introduction of Transportation Network Companies (TNC) that facilitate ride-hailing, as it aligns with regional goals to reduce car dependency, increase mobility options, reduce the need for parking, lower impaired driving rates, and prepare the region for new mobility and technology change in transportation.

**What criteria should be considered when establishing boundaries?**

Taxis in the Central Okanagan have boundaries that reach between 25 and 87 kms away from Kelowna's downtown currently. These boundaries are so broad that they are irrelevant for regular taxi operation within Kelowna and the surrounding area. This flexibility to serve the entire region unrestrained by boundaries should extend to ride-hailing service providers. Drivers should be free to cross jurisdictional boundaries to drop off and pick up passengers.



**How should regulations balance the supply of service with consumer demand, including the application of the Passenger Transportation Board’s current public convenience and necessity regime as it pertains to transportation network services?**

In the past, jurisdictions chose to limit taxi licenses to ensure every taxi owner was able to make a living with the fares available to them. Unfortunately, taxi demand is not static throughout the day. Demand spikes at specific times. As a result, regulations should ensure supply can be increased and lowered flexibly to meet variable demand for the service. No jurisdiction in Canada whether at the provincial or local level controls the number of drivers on a TNC network. Capping the number of drivers runs counter to serving to the demand of the market. In the Central Okanagan, there is tremendous variability in the need for transportation services throughout the day, between weekdays and weekends, as well as seasonally.

The impact of a cap on the number of drivers, as is proposed in the updated Passenger Transportation Act, would result in an undersupply of service at peak times. Limiting the number of vehicles available ensures the taxi system is unable to meet the demand when residents need them the most. The reliability and affordability of service is especially critical concerning late evening service and providing options to curb impaired driving<sup>i</sup>.

There has been no change proposed to the method by which the Passenger Transportation Board issues new passenger directed vehicle licenses. At present, applicants need to prove the need for the service, while “promot[ing] sound economic conditions in the passenger transportation business.” Current license holders can challenge applications for any new license on that basis. If the benchmark for becoming a new competitor in the passenger transportation business is that the additional services don't harm other operators, then it is unlikely TNCs will be granted licenses under this framework.

**What criteria should be considered when establishing price and fare regimes that balance affordability with reasonable business rates of return for service providers?**

Controls on pricing should be as flexible as possible for ride-hailing services. To compete fairly, taxis should be able to respond with similar price adjustments for rides hailed through a mobile application.

In preliminary work to understand the impact of TNCs such as Uber and Lyft, staff examined the ways other jurisdictions are permitting this new service for their citizens. Other jurisdictions in North America are experimenting with using TNC service as a supplement or replacement to transit in areas where the built environment doesn’t support efficient transit service<sup>ii</sup>. These experiments have little bearing on larger cities, but mid-size and smaller communities have the potential to deliver more transportation service for a similar or lower cost than the traditional fixed-route/fixed-schedule transit models. These opportunities could enable our region to address transportation challenges that will grow in the future.

There is a future opportunity to complement or deliver public transportation services in some areas more responsively and efficiently through the unique application of TNC services. Pricing policy must not limit TNC’s ability to enter the traditional transit field.



**What class of drivers' license should be required for ride-hailing drivers to ensure a robust safety regime without creating an undue barrier for drivers?**

In 2017, both the Province and the Legislature of B.C. took steps to consult with key stakeholders and set the direction for ride-hailing legislation. These separate processes, one conducted by Hara Associates<sup>iii</sup> and one by the Select Standing Committee on Crown Corporations<sup>iv</sup>, both had wide-reaching consultation and delivered the same recommendation with regards to licensing for TNC drivers. They both chose to recommend requiring Class 5 licenses with options to layer additional non-license requirements for drivers if deemed necessary.

The STPCO agrees that the appropriate license to be required is Class 5 for both TNC and taxis. Selecting this license class will ensure drivers are available on an as-needed basis. This benefit is especially salient when considering the few differences that separate Class 4 and Class 5 license holders. Other than additional training and medical screening, the most significant barrier to holding this license is the requirement of having to have been a driver in B.C. for two years with the increased time and cost associated with carrying the license. Requiring a Class 4 (commercial) license will negatively impact the availability of service at peak times.

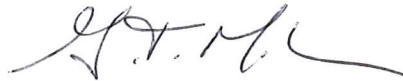
As discussed within the Hara Report<sup>iii</sup>, key recommendations of which the Ministry of Transportation and Infrastructure adopted, installing a Class 4 license as the minimum will have the secondary effect of unfairly impacting young people and new immigrants from countries that don't qualify for the reciprocal license exchange. They would need to wait up to three years before driving a taxi or providing ride-hailing service even if similar training could be completed outside of the licensing regime considerably quicker.

Thank you for accepting our feedback, and we look forward to future correspondence.

Respectfully yours,



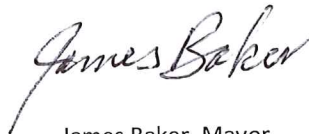
Colin Basran, Mayor  
City of Kelowna



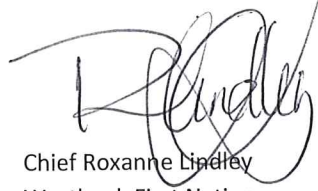
Gord Milsom, Mayor  
City of West Kelowna



Cindy Fortin, Mayor  
District of Peachland



James Baker, Mayor  
District of Lake Country



Chief Roxanne Lindley  
Westbank First Nation



Gail Given, Chair  
Regional District of Central Okanagan



cc: John Horgan, Premier  
Steve Thomson, MLA Kelowna-Mission  
Norm Letnick, MLA Kelowna-Lake Country  
Ben Stewart, MLA Kelowna West  
Dan Ashton, MLA Penticton  
Stephen Fuhr, MP Kelowna-Lake Country  
Dan Albas, MP Central Okanagan-Similkameen-Nicola

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<sup>i</sup> Peck, Jessica Lynn. "New York City Drunk Driving After Uber - CUNY Academic Works." *CUNY Academic Works*, CUNY Graduate Center, Jan. 2017, [academicworks.cuny.edu/cgi/viewcontent.cgi?article=1012&context=gc\\_econ\\_wp](http://academicworks.cuny.edu/cgi/viewcontent.cgi?article=1012&context=gc_econ_wp).

<sup>ii</sup> Livingston, Mallory, et al. "Partners in Transit: A Review of Partnerships between Transportation Network Companies and Public Agencies." Depaul University, DePaul's College of Liberal Arts and Social Sciences (LAS), 1 Aug. 2018, [las.depaul.edu/centers-and-institutes/chaddick-institute-for-metropolitan-development/research-and-publications/Documents/Partners in Transit\\_Live1.pdf](http://las.depaul.edu/centers-and-institutes/chaddick-institute-for-metropolitan-development/research-and-publications/Documents/Partners%20in%20Transit_Live1.pdf).

<sup>iii</sup> "Modernizing Taxi Regulation." Edited by Hara Associates Inc., Government of British Columbia Registrar, Passenger Transportation Branch, Government of British Columbia, 19 July 2018, [www.th.gov.bc.ca/rpt/Documents/20180718\\_Modernizing Taxi Regulation.pdf](http://www.th.gov.bc.ca/rpt/Documents/20180718_Modernizing%20Taxi%20Regulation.pdf).

<sup>iv</sup> Ma, Bowinn. "Transportation Network Companies in British Columbia." Legislative Assembly of British Columbia, Legislative Assembly of British Columbia, 15 Feb. 2018, [www.leg.bc.ca/content/CommitteeDocuments/41st-parliament/2nd-session/CrownCorporations/Report/SSC-CC\\_41-2\\_Report-2018-02-15\\_Web.pdf](http://www.leg.bc.ca/content/CommitteeDocuments/41st-parliament/2nd-session/CrownCorporations/Report/SSC-CC_41-2_Report-2018-02-15_Web.pdf).