

Application Decision

Application:	0117-09
Applicant:	FLETCHER, Larry Peter
Trade Names:	Classic Car tours
Address:	181 Burnside Rd. West, Victoria BC V9A 1C2
Special Authorization:	Passenger Transportation Licence 70636 authorizes the applicant to operate passenger directed vehicles. The special authorization can be viewed in the <i>PT Board Bulletin</i> of November 24, 2004 at www.ptboard.bc.ca/ptb/bulletins.htm .
Summary:	<p>Amendment of Licence (PDV) (Section 31 of the Passenger Transportation Act)</p> <ul style="list-style-type: none">Proposed amendment of the Service Limitation. <p>Addition of Motor Vehicles (PDV) (Section 32 of the Passenger Transportation Act)</p> <ul style="list-style-type: none">Proposed addition of 2 motor vehicles to increase the maximum fleet size for passenger directed vehicles from 5 to 7 vehicles.
Publication:	The application was published in the <i>PT Board Bulletin</i> on July 22, 2009.
Submissions:	None
Board Considerations:	<p>The Board may approve an application forwarded to it from the Registrar of Passenger Transportation if the Board considers, as set out in section 28(1) of the <i>Passenger Transportation Act</i>, that:</p> <ol style="list-style-type: none">there is a public need for the service the applicant proposed to provide under any special authorization.the applicant is a fit and proper person to provide that service and is capable of providing that service, andthe application, if granted, would promote sound economic conditions in the passenger transportation business in British Columbia. <p>The Board may approve a special authorization if all three provisions are answered in the affirmative. The Board may refuse a licence if any one provision is answered in the negative.</p>
Application Matters:	<p>For applications pertaining to limousines, the Board looks at the business plan and financial statements when considering applicant fitness, public need and sound economic conditions. The Board considers evidence of public need from third parties who make bookings or referrals for passengers who would use these types of services.</p> <p>The length and complexity of the business plan and financial information as well as the volume of letters or statements from third parties should reflect the following factors: the type, size, and complexity of the proposed transportation business; and</p>

the degree of comparable competition in the operating area.

Regardless of how much supporting material is provided, it is up to the applicant to guide the Board as to what conclusion it should reach based on the supporting data and information that it submits with its application.

The *Application Handbook*, a companion to the application package and forms, contains information on application requirements and Board considerations.

Board Decisions: **The amendments to the terms and conditions of this licence are approved as set out in this decision.**

The Board approves 2 additional vehicles.

Background: The applicant is Larry Peter Fletcher dba Classic Car Tours. A passenger directed vehicle licence #70636, with 5 identifiers, was granted on November 24, 2004. This was an expedited decision, as the licence being applied for was essentially the same as the applicant's Motor Carrier Commission licence. Only classic vehicles, more than 30 years old, may be operated. Currently, the specialty vehicles terms and conditions stipulates one 1926 Ford Model T may be operated. Mr. Fletcher would like to have this amended to exclude the number and year restrictions on Ford Model T's, as well as expanding the service area for this vehicle. He is also applying for 2 additional identifiers for 2 new owner operators.

A major focus for Classic Car Tours is passengers from the cruise ships.

Reasons: I. *Is the applicant a fit and proper person to provide the service that the applicant proposes to provide under special authorization, and is the applicant capable of providing that service?*

The Board considers "applicant fitness" from two perspectives, or in two steps:

- is the applicant a "fit and proper person" to provide the proposed service; and
- is the applicant capable of providing that service?

Since 2000, Classic Car Tours has been meeting and greeting cruise ships visiting Victoria. Mr. Fletcher obtained a special authorization in 2004 to provide passenger directed tours. This replaced the licence granted by the Motor Carrier Commission in February, 2001.

The company leases space at Ogden Point from the Greater Victoria Harbour Authority in order to be on hand to service the cruise ships.

In the company's mission statement, "the core values and beliefs are to conduct honest, reliable, safe, friendly transportation. We aspire to be a first class service for locals or tourists wanting specialized rides in Classic Cars".

The Board requested additional information from the applicant. Mr. Fletcher submitted a binder that addressed the questions asked and included financial information. 2008 and 2009 statements from a business operating account and revenue projections for an additional vehicle were presented.

The applicant is currently operating 4 classic vehicles, with another Ford Model T ready for use. 2 other vehicles are under development. Mr. Fletcher has the classic vehicles at his disposal to provide the service. This business operation provides seasonal employment.

Included in the binder were several testimonials from satisfied customers.

It is concluded that Mr. Fletcher dba Classic Car Tours is fit, proper and capable of

providing the proposed service.

II. Is there a public need for the service that the applicant proposes to provide under special authorization?

Applicants wanting to operate limousines or shuttle vans as a new PDV service in an area should provide evidence of an unmet public need in that area.

The applicant has requested an amendment to the current licence that stipulates one 1926 Ford Model T. Mr. Fletcher would like the licence not to be restricted to a number and a year but rather to generalize Ford Model T's. This specialty vehicle is presently limited to operate only in downtown Victoria. In reviewing the numerous requests for transportation services, it is evident that most extend beyond the downtown area. Cruise ship customers and special events transportation requesting the Ford Model T are seeking destinations outside downtown Victoria.

If the 1926 Ford Model T is restricted to downtown Victoria, the competition from other nostalgic sightseeing operators is significant. Tally-Ho Tours, Black Beauty Tours, Victoria Carriage Tours offer horse and buggy service; plus kabukis and pedicabs are also available for local sightseeing. Classic Car Tours is applying to expand its service area to meet customer requests that extend beyond the downtown core.

Therefore, the Board has determined that the number and year for the Ford Model T be deleted and that the service area be the same as for the other vehicles under this licence; that is within 30 road kilometers of the City of Victoria, including any point in the City of Victoria.

Existing limousine and van operators who apply for additional vehicles should supply evidence of a growing public need that exceeds fleet capacity.

As evidence of increased public need, Mr. Fletcher focused on the cruise ship industry in Victoria. 75 ships visited in 2000 during the cruise ship season, mainly from May to October. In 2009, 235 ships docked. The cruise ship schedule was included that show most ships arrive Thursday, Friday and Saturday. On several dates, 3 or 4 ships arrive at approximately the same time. This means up to 6000 passengers could be seeking some sort of sightseeing adventure.

Mr. Fletcher submits that the following show an increased need for classic car services:

- Documentation provided to prove the annual increase in cruise ships arriving in Victoria,
- Request for transportation services for special events, such as weddings, graduations, birthdays are often at the time when the cruise ships are in port,
- The applicant had a contract with a tour company for pre-bookings. In 2006, there were 80 bookings with this single company for the Classic Car fleet. Mr. Fletcher has since chosen to cancel this contract as he felt the customers were being over-charged,
- He states that visiting cruise ship passengers continually hire classic options first. "Generally we are the first to leave the terminal",
- The vehicles used are unique and generally not licensed as commercial passenger vehicles. "On weekends, with weddings and cruise ships, we find ourselves needing to implement additional classic vehicles." Demand on

these occasions exceeds fleet capacity.

Over 70 email communications were included in the binder requesting classic car service for special events, such as weddings, birthdays, anniversaries and graduations, as well as written requests for bookings from cruise ship visitors.

The applicant states, "with primary business times and hours of operation running Thursday to Saturday, Classic Car Tours needs 2 additional certificates in order to fulfill the needs of the visiting cruise ships as well as.....other special functions.... We have a very small window of opportunity to conduct classic car tours."

One of the vehicles being considered is a hardtop. It is suggested that the convertibles lose their appeal in rainy inclement weather and this type would be an asset to use year round.

Mr. Fletcher has demonstrated there is a public need for 2 additional vehicles for this niche market demand of classic car transportation services.

III. *Would the application, if granted, promote sound economic conditions in the passenger transportation business in British Columbia?*

The Board approaches the "economic conditions" issue from a broad perspective. The economic conditions of the "transportation business in British Columbia" are considered ahead of the economic and financial interests of an individual applicant or operator. The Board supports healthy competition within passenger transportation markets. As well, the Board discourages destructive forms of competition that could unduly harm existing service providers.

Mr. Fletcher has established a 'value added' passenger transportation benefit of this proposed service. There is evidence that this amendment and the addition of 2 identifiers would meet an increased demand in passenger services. Classic Car Tours is providing the public with something unique and that responds to changing economic conditions. This application is filling a niche in passenger transportation services.

Activation of Identifiers

Unless otherwise approved by the Board, the additional identifiers approved in this decision must be activated within **6** months of the date of this decision. Any additional identifiers that have not been activated within the 6 month time period are no longer approved and the maximum fleet size is reduced accordingly.

Notice to Registrar re: Activation

The Registrar must not, without direction from the Board, issue any identifiers for additional vehicles approved in this decision that have not been activated within the 6 months of the date of the decision. (**Note:** activation means completed paperwork for each vehicle has been submitted by the licensee to the Registrar.)

Special Authorization:

Passenger Directed Vehicle (PDV)

Terms & Conditions:

Maximum Fleet Size: 7 vehicles

Specialty Vehicles: Only **classic vehicles** (more than 30 years old) may be operated.

Ford Model T's may be operated according to the service limitations that are set for the vehicle.

Convertibles may be operated when maintained to manufacturer specifications and equipped with seat belts as prescribed by the manufacturer.

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- Vehicle Capacity: A driver and not more than 5 passengers.
- Service 1:** *The following terms and conditions apply to Service 1.*
- Originating Area: Transportation of passengers may only originate from any point within 30 road kilometers of the City of Victoria, including any point in the City of Victoria.
- Destination Area: Transportation of passengers may only terminate at any point on Vancouver Island south of and including the City of Duncan.
- Return Trips: The same passengers may only be returned from where their trip terminates in the *destination area* to any point in the *originating area* if the return trip is arranged by the time the originating trip terminates.
- Service Limitations: **Ford Model T's** may be operated only in accordance with the following additional terms and conditions:
1. Transportation of passengers may be provided within 30 road kilometers of the City of Victoria, including any point in the City of Victoria.
 2. Transportation of passengers may be provided only during daylight hours as described in the *Motor Vehicle Act Regulations*. This limitation applies as long as vehicle lights do not meet the standards under Division 4 of the *Motor Vehicle Act Regulations*.
 3. Transportation of passengers may be provided only within speed zones of 50 kilometer per hour or less.
- Transfer of a licence: **This special authorization may not be assigned or transferred except with the approval of the Board pursuant to section 30 of the Passenger Transportation Act.**

Board Panel Chair:

Brenda Brown

Determination Date:

October 8, 2009