

	<ul style="list-style-type: none"> • BC Taxi Association • North Shore Taxi (1966) Ltd. • Sunshine Cabs Ltd. • Bonny’s Taxi Ltd. • Queen City Taxi Ltd. • Bel-Air Taxi (1982) Ltd. • White Rock South Surrey Taxi Ltd. • Delta Sunshine Taxi (1972) Ltd. • Tsawwassen Taxi Ltd. • Garden City Cabs of Richmond Ltd. • Kimber Cabs Ltd. 	<i>Represented by:</i> <i>McLachlan Brown Anderson</i> <i>William A. McLachlan,</i> <i>Barrister & Solicitor</i>
Board Decision	Amendments to the terms and conditions of licence are Refused. No additional vehicles are approved.	
Decision Date	August 29, 2017	
Panel Chair	Don Zurowski	Panel Member Roger Leclerc

I. Introduction

Ripe Holdings Inc. is applying to amend its passenger transportation licence, #72137, to add a new taxi service. The proposed taxi service, “Ripe TX”, would operate throughout the Metro Vancouver Regional District (MVRD)¹ with a fleet of 150 vehicles, including 27 accessible taxis. The service is “app based”. Passengers must use Ripe Holding Inc.’s mobile app (or internet site) to book a taxi and pay for a ride. Ripe TX fares would be the same as all other taxis in the MVRD. The app would include a “fare splitting” feature that enables passengers to share the costs of a ride or to “pool rides”.

II. Background

Ripe Holdings Inc. has submitted this application pursuant to the *Passenger Transportation Act* (the “Act”). Under section 31 of the Act, the Board has the authority to approve amendments to terms and conditions of licence that apply to licensees with a

¹ In February 2017, the Greater Vancouver Regional District (GVRD) officially changed its name to the Metro Vancouver Regional District (MVRD). Throughout the Decision we will refer to the Metro Vancouver Regional District or MVRD unless we are directly quoting a document.

Special Authorization and under section 32 the Board has the authority to approve an increase in the maximum number of vehicles operated by licensees with a Special Authorization: Passenger Directed Vehicles. Section 7(1)(f) of the Act gives this Board the authority to approve or set rates that apply to passenger directed vehicle services.

In support of this application, Ripe Holdings Inc. provided the following documents:

- PDV vehicle proposal
- Service Area
- Proposed Rates & Rules
- Public Explanation
- Disclosure of Unlawful Activity and Bankruptcy
- Declaration
- Business plan
- Financial information
- Public need indicators
- Municipal notices
- Accessible service plan

Previously Decided Applications

Ripe Holdings Inc., with the trade name of “Ripe Rides”, was first approved for a passenger transportation licence with a “Special Authorization: Passenger Directed Vehicles” on April 27, 2015, following a public hearing into application #210-13. It was approved to operate a niche transportation service, namely a mid-tier luxury sedan service, in the MVRD. The service is “app based” with dispatch bookings and payments made through an app.

On December 21, 2015, the Board approved, in part, application, #T374-14, from Ripe Holdings Inc. to change its description of rates and modify its rules governing rates.

On April 20, 2017, the Board approved applications from Ripe Holdings Inc. to eliminate the time-based portion from the rates it charges (application #T26-17) and a minor amendment to its licence that was necessary if the rate change were approved (application #25-17).

On March 31, 2017, Ripe Holdings Inc. announced that it had “paused” its mid-tier luxury sedan service. It was evaluating and re-structuring in light of a March 2017

announcement by the (then) Government regarding anticipated regulatory changes to allow ridesharing in B.C. Applications #25-17 and #T26-17 were before the Board when Ripe Rides made this announcement. On April 5, 2017 Ripe Rides wrote to the Board stating, among other things, that it wished to continue with the rate related applications.

The Board proceeded to approve the applications; however, it required Ripe Holdings Inc. to activate 90% of its vehicles by May 26, 2017 to give effect to approval of application 25-17. Ripe Holdings Inc. did not meet the activation requirements. Therefore, the licence amendment expired and the rate change cannot be implemented.

III. Relevant Legislation

Division 3 of the *Passenger Transportation Act* (the “Act”) applies to this application.

The Act requires the Registrar of Passenger Transportation to forward applications for Special Authorization licences to the Passenger Transportation Board (Board). Section 28(1) of the Act says that the Board may approve the application, if the Board considers that:

- (a) there is a public need for the service the applicant proposed to provide under any special authorization.
- (b) the applicant is a fit and proper person to provide that service and is capable of providing that service, and
- (c) the application, if granted, would promote sound economic conditions in the passenger transportation business in British Columbia.

Section 15 says that the Board may accept evidence and information that it considers relevant, necessary and appropriate, whether or not the information would be admissible in a court of law.

Section 17 of the Act enables the Board to conduct written, electronic or oral hearings, or any combination of them, as the Board, in its sole discretion, considers appropriate.

Section 27(5) states that persons who make submissions are not entitled to disclosure of further information.

We have decided to conduct this application by way of a written hearing.

IV. Ripe TX Service Plan and Proposal

Ripe TX is applying for 150 taxis, which it claims is roughly 10% of the total number of existing full-time taxis in the MVRD at the time it submitted its application. Of the 150 vehicles, 27 will be accessible taxis, accounting for 18% of the total fleet. Generally, taxis will be available 24/7 across the MVRD, although for the first 6 months service will be provided at rush hours and weekends. Initially fleet distribution will be based on regional population density.

In each municipality, wheelchair accessible taxis (WATs) will be placed in strategic locations, such as near retirement homes, based on population data. If a customer requests a WAT, then only those vehicles will appear on screen. Such requests will go above all other ride requests to the closest available WAT. If there are multiple requests for WATs, they will be dispatched as a priority over conventional taxis. As well, Ripe will ensure that 30% of its accessible taxi fleet is available at all times for passengers requesting WATs. If only 30 % of WATs are operating, these vehicles could only be booked by people specifically requesting a WAT. For persons with visual impairments, Ripe's app works in conjunction with reading applications or software.

Ripe TX will contract with Disruptive Publishers to develop the graphics and other features of the app. It will build on the app developed for the Ripe Rides service. Once the service starts, the app and technology will allow Ripe TX to capture real-time information to enable it to serve the region better. On an ongoing basis, Ripe TX will optimize its fleet distribution to ensure each municipality's needs are met.

The app will also have a "pooling" feature that will match customers travelling along the same route at the same window of time.

Ripe TX intends to assign the drivers to areas on a rotating basis. This will ensure all drivers get an equal distribution of denser areas and that the further suburban areas still get the service they require based on historical performance of demand.

Ripe TX will be able to monitor where drivers begin their shifts and spend their time; and it will set up checks and balances to ensure they are servicing the area to which they have been assigned.

Regardless of the fleet distribution, customers will be able to see an accurate estimate of how far away the closest driver is to their location. To use Ripe TX service, a customer will have to download the company's app and register. Ripe TX will not accept cash as a form of payment.

Features of the Ripe TX service include:

- **App Dispatch & Payment**

Ripe TX will utilize its own app, developed by Disruptive Media Publishers Inc. Ripe TX claims that this app is superior to other apps currently used by taxi companies in Metro Vancouver.

Passengers book the vehicle through the Ripe TX app or its website. The app will have the following features:

- Specific vehicles may be booked anywhere in the MVRD
- Vehicle location tracking
- Fare announcement
- Payment is through the app by credit or debit cards
- Rides may be "pooled" and fares "split"
- Passengers can communicate with driver and see driver rating
- Integration with transit schedules (planned future feature)

- **Top Lights**

- Ripe TX vehicles will not use top lights as all vehicles will be dispatched through an app and not available for hailing.

- **Taxi Rates & Rules**

- Metered rates as set out in Part I of the *Board Rule Respecting Lower Mainland Taxicab Rates*, March 1, 2016.
- Rules as set out in the Board's *Standard Rules for Taxicab Rates*, November 16, 2016.
- Supplemental, company-specific rules regarding (a) fare-splitting for taxi-pool trips and (b) pre-booking verification that the app-registered credit card (or other electronic payment method) is active.

V. Rationale, Submissions & Comments from Local Governments

1. Applicant's Rationale

The applicant describes Ripe TX as a fully digitally dispatched taxi service. It does not propose to pick up people at taxi stands or accept street hails. This would be a unique service in Metro Vancouver that will fill the public need not only for more and improved taxi services, but also for passenger transportation that meets their needs in a digital world.

The application is for pickup and drop-off across the Metro Vancouver Regional District which will address common customer concerns and complaints about going to and from the suburbs to downtown Vancouver. It will also increase availability and reduce wait times across the multiple municipalities in the MVRD.

2. Submissions

Fifteen entities made submissions opposing the application: 14 taxi companies; and 1 taxi association. The Vancouver taxi companies submitted a joint submission through their counsel. Ten taxi companies, based in other MVRD municipalities (the “suburban taxi companies”), made a joint submission through their counsel.

Common themes in the opposing submissions include:

(a) Procedural

- The PT Board should hold a public hearing into this application.
- The PT Board should not make a decision until the Vancouver and suburban taxi company submitters have received disclosure of materials pursuant to separate requests under the *Freedom of Information & Protection of Privacy Act (FIPPA)*.²

(b) Substantive

- The application has significant policy implications for taxi licensing in the MVRD. No taxi company in the MVRD has authority to pick up passengers in every

² The Board's Operational Policy II.7 states: *The Board will process FIPPA requests within the timelines specified in FIPPA. FIPPA requests will not be given priority over other Board operations to meet submission timelines. Neither will FIPPA requests be delayed unnecessarily.*

municipality. Approval of the application would be a significant departure from traditional approval of taxi licences. The Vancouver taxi companies maintain that municipal boundaries must be maintained and cite Paris and New York as examples of the benefits of such boundaries.

- Current taxi companies are in the best position to address service gaps in their areas. The Vancouver taxi companies have applications for 175 additional taxis before the Board. Suburban taxi companies either are in the process of activating vehicles approved by the Board or have made applications for more vehicles. The Board's decision of October 2012 to allow 38 suburban taxis to operate in the Downtown Vancouver Entertainment District on weekends has not been implemented.
- The Vancouver taxi companies currently support the use of the eCab app to unify taxi services and to address temporary supply issues. Many cab companies in the Lower Mainland accept bookings through an app.
- Although this is an application to serve the entire MVRD, in reality, the City of Vancouver will be the focus of the service.
- Ripe Holding Inc.'s fitness is in question given the apparent lack of success of its luxury sedan limousine service. As the taxi companies predicted in 2015, Ripe Holding Inc.'s business model is not viable.
- Approving this application would give Ripe TX a competitive advantage over other taxi companies, who must serve specific municipalities.
- The suburban taxi companies suggest that "fare splitting" would create "discounted" taxi rates, which would not promote sound economic conditions.

3. Applicant's Response

The applicant responded to each submission. Responses are summarized as follows:

- The BC Taxi Association submission is speculative without supporting data.
- Ripe Holding Inc.'s proposal satisfies unmet public need despite some incremental increases in supply in various municipalities. Ripe TX would address: quantitative unmet need through increased supply; consumers' need for a functional, reliable dispatch system; need for a service that is not restricted to municipal boundaries; and a service that can address temporary surges in demand.

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- Removing municipal boundaries is good public policy as it: removes “dead-heading”; smooths out temporary local surges in demand; and serves the travelling public in a manner in which they expect to be served.
 - The Vancouver taxi companies mischaracterized the New York and Paris systems.
 - Ripe Holdings Inc. has the operational knowledge, policies and systems required to operate a reasonably large enterprise. The Board has previously found the principals fit and capable of operating a luxury transportation service. They have considerable managerial skills.
 - Ripe Holdings Inc. app can be activated to manage taxi bookings. It is only reasonable to exploit this potential.
 - Ripe does not intend to “flood” municipalities with taxis.
 - There is no unified app available throughout the MVRD or one that meets consumer expectations. Reviews of the eCab app on the Apple App Store contain negative comments about eCab s.
 - The data provided by the suburban taxi companies is redacted and should not be considered by the Board unless Ripe Holdings Inc. can examine the whole data to test its reliability and validity. Further, the data does not include critical information about the time between when a customer attempts to call the taxi and the dispatch event.
 - Fare pooling improves efficiencies, exploits available technology and meets customer demands.

The Board gives more weight to submissions that back up claims with facts or details. We have considered the submissions and the applicant’s responses in our review of this application.

4. Comments from Local Governments

New taxi applicants must send notice to municipalities in which they want to operate. The MVRD is comprised of 21 municipalities, one Electoral Area and one Treaty First Nation.

The Board received responses from five municipalities in response to Ripe TX notices. Langley generally supported improvements to taxi services, but made no comments on the specific application of Ripe TX. Maple Ridge and Burnaby did not support the application citing municipal requirements. New Westminster noted two by-law

requirements pertaining to taxis and indicated it could not provide further comment without more extensive consultation. Coquitlam supported the application.

Ripe TX replied to the municipal responses noting that it would operate legally within municipalities and the municipalities opposed represent 10% of Ripe's fleet distribution forecast. It also suggested that municipal by-laws could be changed. As well, it referred to a BC Court of Appeal decision that said the PT Board and local governments have distinct and separate mandates. Therefore, municipal opposition is not a bar to the Board's approving the applications.

VI. Evidence & Information

1. Evidence submitted by Ripe TX

The applicant submits that Metro Vancouver taxis continue to lag behind the service features offered by Transportation Network Companies (TNCs) as well as the Ripe TX proposal. In particular, the substantive customer service improvements that Ripe TX will offer include the ability to:

- 1) choose specific vehicles knowing their precise location
- 2) pool rides by allowing multiple passengers into the taxi to share the fare
- 3) order a taxi knowing it will not be restricted by municipal boundaries or that a trip will be refused because a taxi is not authorized to pick up in a specific municipality
- 4) in future, integrate digital taxi dispatch with other transportation providers, including integrating the Ripe TX app with Translink's Compass card.

Ripe TX vehicles will be dispatched digitally only and not available through street flags or cab stands.

The applicant further submits that:

- The fact that the Metro Vancouver taxi companies have collectively applied for 287 taxis (218 conventional and 69 accessible) is evidence that existing operators feel

unable to meet current public demand across the MVRD. These applications improve service quantity, not necessarily service quality.³

- Ripe TX app will reserve 30% of its accessible taxi fleet for passengers requesting an accessible taxi. This, combined with a passenger's ability to select a specific vehicle and know its location, will substantially improve the quality of service. Passengers will have the benefit of knowing the identity of their driver and their customer rating before booking.
- Two reports submitted with the application (Gillen and Kietzmann) report that customers want increasing flexibility in the services they consume and there is unmet demand for vehicles with increased capacity from users.
- The support letters provided to the Vancouver taxi companies for their recent additional vehicle applications support a need for increased vehicle capacity.⁴
- Data from Uber⁵, a TNC, suggests there is significant unmet demand for pooling taxi rides.
- The Insights West survey that Ripe TX commissioned reported that 53% of respondents would likely use a service that allows users to pool rides.

a) Academic Reports

At the public hearing into Ripe Holding Inc.'s application #210-13, it submitted expert reports, including: Gillen, David, *Comments and Critique of the Chow Report Data Analysis*, November 29, 2014 and Kietzmann, Jan *Understanding and Assessing "Public Need" in Vancouver's Commercial Passenger Transportation Industry*, October 2014. Ripe TX re-submitted these reports with its current application, #404-16, and included a 2016 update report of the same name from Dr. Kietzmann and a new report from Dr. Gillen.

i. Gillen Reports

November 29, 2014 Gillen Data Analysis Ripe TX maintains that this report sets out two shortcomings in public need:

³ The number of taxis applied for cited by Ripe TX includes an application to provide a new taxi service in Coquitlam, Port Coquitlam and Port Moody with a fleet of 40 vehicles. This application was not approved by the Board and is not included in Table 2 on page 21.

⁴ These are applications AV225-17 to 227-17, 236-17 and 237-17 and are included in Table 2.

⁵ Uber is not licensed to operate in BC.

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1. Over 202,000 passengers in the City of Vancouver receive inadequate service each year; and
 2. Taxi service performance, as measured by service time, varies significantly indicating that taxi service for dispatched trips is inconsistent and unreliable.

November 2016 Gillen Report This report provides background information on the regulation of taxis, the market for taxi services and the Ripe TX application. It then considers public need for additional taxis and whether granting the application would promote sound economic conditions in the transportation business. It also considers additional matters such as the value of a cross boundary approach in the MVRD and the importance of new entrants to the taxi market.

Dr. Gillen's report addresses the fundamental differences between the new service proposed by Ripe TX and regular taxi service. Dr. Gillen states that the current model is not working and that Metro Vancouver is ready for an app based passenger transportation model similar to TNCs like Uber and Lyft. For reasons of income, population and employment growth, Metro Vancouver wants TNC service or a similar service like Ripe TX. In macroeconomics, when these are growing, demand increases. A new product brings new consumers. An increase in product diversity leads to an increase in market size.

With respect to public need, Dr. Gillen posits:

- Vancouver is an under-served taxi market compared to other jurisdictions in Canada.
- The number of taxis per 10,000 of population in Metro Vancouver has increased marginally from 6.2 in 2012 to 6.6 in 2016. These figures do not include tourists. If tourism figures were included, Metro Vancouver would have an estimate of 3.02 taxis per 10,000 population. This indicates that it is under-served.
- The addition of Ripe TX would reduce waiting time for conventional and digital dispatched accessible taxis and this increased service quality would attract current taxi patrons as well as new patrons who use modes of transportation other than taxis.
- A 2014 study comparing app based rides with conventional taxis in San Francisco found that app based or digital taxi service led to an increase in the aggregate

demand for taxi services. App based service had considerably shorter waiting times and was more consistent in the waiting time.

- A number of studies indicate that different market segments, business and leisure, respond more to service quality changes than to fare (price).
- Based on population growth, demand for passengers traveling from the Vancouver International Airport and MVRD municipalities to downtown Vancouver can be expected to increase by 20 trips per day – an increase in demand approximately equivalent to one taxi per day.
- Macroeconomic variables – population growth, employment growth and income growth - will lead to an increased demand for most goods, including taxi and digital dispatch services.
- Comments on social media sites indicate that people are dissatisfied with taxi services in Vancouver.
- The number of taxi applications submitted between July 1 and September 30, 2016 by various MVRD companies indicates that existing operators perceive an unmet public need for new taxi services in the region.
- The “public need and convenience” criterion, which forms part of the licensing criterion in BC, is outdated and should be expanded to include a broader view that includes: increasing productivity of service providers, reducing congestion, improving the environment and increasing connectivity.
- Since Ripe TX is a dispatch service only, its introduction could see an improvement in service quality indicators for persons with disabilities, including a drop in wait times.
- At the urban level, the introduction of digital dispatch services has resulted in social and economic improvements. These services have higher utilization rates, resulting in less congestion and lower emissions.

With respect to whether the application would support sound economic conditions in the passenger transportation industry, Dr. Gillen states:

This question interpreted broadly asks would the granting of licenses to Ripe Holdings for digital dispatch service have a negative impact on conventional (incumbent) taxi service providers and second would it result in fewer people using public transit, therefore jeopardizing the public transit provider in the near and long term? I think it also considers public welfare in the form of increased competition and service quality, but the PTB’s primary concern may be to avoid destructive

competition that may create a “race to the bottom” and ultimately result in poorer service by firms failing or cutting corners to maintain a profit margin. I argue elsewhere that firms acting as cartels like the 4 taxi firms in the VTA are more likely to reduce service quality than under competition. The impact on traditional taxi service providers is twofold; how does the value of the medallion or license change and second, what happens to the income of drivers.

He then goes on to note that:

- Conventional taxis will continue to have control of the flag and taxi stand markets. The Chow report of 2012 indicates that on Friday and Saturday nights, Yellow Cab Company Ltd. had 72% of trips flagged and 28% dispatched.⁶
- Taxi fare elasticities are low, which means a fare increase will lead to a revenue increase.
- Waiting time elasticity is more important than fare elasticity. The advent of Ripe TX should reduce average waiting times, thus increasing taxi demand and overall revenue.
- Ripe TX represents a differentiated product that will expand product choice and the size of the market. The market for taxis and digital dispatch services is elastic with respect to the level of economic activity.
- Digital dispatch services are also complementary with public transit.
- The value of taxi “medallions” in Vancouver is in excess of the annual income a licence can provide. Medallion owners who have held their medallions for years are receiving a gift as the value increases and it does not represent any real economic cost. The change in value of a medallion over the annualized income it can generate should be of no consideration.

Dr. Gillen also notes that:

- Originating areas impose both costs and benefits on Lower Mainland taxis. Restricting boundaries ensures that taxi supply is available throughout the MVRD. Unrestricted boundaries may result in taxis heading to the more lucrative areas and other areas being under-served.
- However, boundary restrictions have costs in terms of poorer service and deadheading costs.
- Eliminating regional boundaries would improve productivity/efficiency, increase public safety and overcome the usurping of PT Board authority by municipalities.

⁶ Dr. Gillen states that the Chow Report found for the period between “(PM [sic] and 6AM, Friday and Saturday”. The times cited in the Chow Report were between 9PM and 6AM Friday and Saturday.

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- Internationally, some jurisdictions are adopting a more liberal approach to boundaries and operating areas.
 - Vancouver’s taxi industry is highly concentrated, which works contrary to the benefits of competition. When they interact with the PT Board, they do so as one entity and exhibit cartel-like behavior.
 - Suburban taxi companies also cooperate during PT Board application processes, which may indicate that the companies are putting their profitability ahead of passengers.
 - If the Board were to approve the Ripe TX application, its 150 vehicles would be available to meet peak demands for taxis, such as a scheduled or an unforeseen event.
 - Approval of the application would present a new option for passengers across the MVRD; improve taxi services and demand across the region; reduce incentive for trip refusals as there would not be any deadheading; satisfy inter-municipal trips; ensure that service is maintained during temporary and location based periods; enable the Board to evaluate the benefits of broadening the zones for taxi trip organization. Since other taxi companies would still have restricted boundaries, service would be maintained in all areas of the region.
 - New entrants to the taxi market spur innovation in business models and service. In every market where there has been deregulation and open entry, outcomes have been positive.

ii. Kietzmann Reports

Ripe TX noted that Dr. Kietzmann had prepared a report for its mid-tier luxury sedan application and re-submitted it with Ripe TX to “adopt so far as it applies to the Ripe TX proposal”. The applicant submits that Dr. Kietzmann notes that “need” within passenger transportation has expanded to require that technology plays a key role in the delivery of services. This need is presently unmet by existing service providers.

In his 2016 report, Dr. Kietzmann states that his area of expertise is in innovation and entrepreneurship/information systems. He has no stake in Ripe and he supports further development of the technology sector and commercialization of technology to support other sectors through product and service innovation, job creation and economic development.

Highlights of the Report include:

- A true “need” requires satisfaction (we need air to breathe). As society develops, it tends to focus on cultural or societal needs (e.g. a fair justice system). Technology can play a fundamental role in the pursuit of societal needs.
- Innovation and consumer needs may change rapidly and newly defined “needs” and priorities can arise quickly.
- Ripe TX would offer many of the consumer-facing characteristics of TNC services.
- Governmental bodies have a duty to protect stakeholders and enforce standards. They must weigh this duty against their obligation to stimulate social and economic growth as well as to consider how new and different transportation models could satisfy transportation needs in Metro Vancouver.
- The question for Metro Vancouver is whether current choices satisfy its needs or whether current social needs support new technologies. Need for a “consumption related technology” should inform choice and decisions. Full transparency offers consumers with more informed choice, thus enabling them to make the choice that suits them best.
- Currently in Metro Vancouver, potential taxi users do not know what taxi will be arriving, who will be driving it and how pleasant the journey will be. No providers offer information that allow for passengers’ granular assessment of their (collective) experiences.
- Transparency is likely the greatest differentiator between incumbent taxi companies and new business models that allow vehicles to see and choose the type of vehicle and driver at the time of booking.
- Current apps used by taxi companies have low levels of transparency and do not give consumers access to key consumption information. Customers do not have choice of a specific vehicle and driver, nor do they allow drivers to access data on passengers.
- In addition to consumer transparency, cashless payment systems, ride pooling and seamless service across Vancouver should be considered in defining public need regarding transportation.

Dr. Kietzmann concludes by noting that:

- Public need for improvements in transportation services are not met by current providers.

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- Changing consumer needs in the transportation industry include: transparency; more transportation choices; and a reconsideration of geographical boundaries.
 - Ripe TX would satisfy the most important elements of transportation needs in Metro Vancouver and position Vancouver as a smart, sustainable city.

b) Insights West Survey

Insights West, on behalf of Ripe TX, conducted an online survey between October 25 – 28, 2016 of 620 adult residents in Metro Vancouver. The margin of error is +/- 3.9 percentage points, 19 times out of 20. Results were reported in percentages, not actual numbers.

Five percent (5%) of respondents took a taxi once a week or more, 10% about once a month, 28% a few times a year and 57% once a year or less. Residents of Vancouver and the North Shore are more likely to take a taxi at least a few times a year, than are residents who live in Burnaby and east of Burnaby.

With respect to questions related to taxi services in Metro Vancouver, Insights West grouped the results:

- 32% were satisfied with the fare rate, and 31% were satisfied with availability (when you want a taxi for street and taxi stand hails). Eighteen percent (18%) and 26% respectively were “not sure”. Insights West characterized these as “big problems”.
- There were also some pockets of dissatisfaction on reliability and customer service from the taxi driver (25% are dissatisfied with each and 19% and 17% respectively are “not sure”.)
- More than half of respondents were satisfied with cleanliness (67%), safety (66%), customer service (58%), reliability (54%), booking service (53%), service response time (52%) and booking response time (50%). (“Not sure” responses range from 19 to 25%)
- More than half of respondents could not make an assessment on accessibility, web booking tools and mobile apps. The proportion of satisfied and dissatisfied respondents is practically even on all three cases.

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- Almost two thirds of respondents have taken a taxi in other North American cities, including 79% of Millennials (18-34). This is the group that is currently taking taxis the most in Metro Vancouver and is also more likely to have experienced different options in other cities.
 - More than a third (35%) of taxi riders with “outside Metro Vancouver” experience say the services they have tried outside of Metro Vancouver are better than what is offered here, including 36% of both Millennials and Generation X.
 - With respect to 10 questions about specific incidences of taxi service in Vancouver, more than half of all respondents (56%) experienced at least one of the problems posed. The most prevalent problems (affecting more than one-in-four respondents) are:
 - Taxi driver was unprofessional (e.g. did not know the city, was talking on a cell phone, asked for a tip) – 34%
 - Could not get through to an operator to book a taxi by phone – 32%
 - Could not find an “in service” taxi on a weekend – 29%
 - Waited for more than an hour for a taxi to get to you – 28%
 - Insights West noted that minor problems included:
 - Flagged a taxi that could not take you where you wanted to go because of municipal boundary restrictions – 17%
 - Required a second taxi because the first one did not meet your needs (too many passengers for a small vehicle, small trunk for luggage) – 13%
 - Refused service because taxi wanted cash only – 11%
 - Refused service without any specific reason – 10%
 - Waited longer than usual for an “Accessibility Taxi” – 9%
 - Mobile app booking did not connect with a taxi – 9%
 - More than two thirds of respondents indicated that they would be likely to try a TNC service with such features as: pre-booking, accurate fare estimates; reliable service time estimates; notifications/ text messages when the taxi has arrived; seamless payment systems; cost sharing of fares with friends; or dispatch from a taxi from a mobile device.

c) Support Letters

The applicant included 27 letters of support with 22 of them being form letters and 5 individual letters. The form letters, the majority from businesses in Vancouver and Surrey, note that:

- To continue to be a “world class city”, a variety of transportation solutions are required;
- The business community and residents are looking for convenience, predictability and safety in car-hire options;
- The management of Ripe are experienced with a proven track record; and
- Ripe TX will fill a gap when it comes to reliable cars for hire that are digitally dispatched.

The Greater Vancouver Board of Trade wrote in support of the Ripe TX application indicating that it believes that the region is in need of new and innovative passenger transportation options. It cites “higher fare prices, poor customer service and long wait times” as having led to growing demand for transportation alternatives. Two virtually identical letters, from the Best Western Plus in Surrey and Vancouver, indicate that visitors to the MVRD often complain about availability of cabs at peak times. One individual says he is a frequent taxi user in Vancouver and is frustrated that service is unreliable even though there are a number of ways to access a cab, including telephone, apps and online. Another individual writes of his frustration with the eCab app, which he describes as not user friendly and unreliable.

d) Other

Ripe also provided a copy of the 2015 Applause Field Testing report on its Ripe Rides app, detailed information on its proposed operational policies and procedures; financial projections and other background information including excerpts, obtained through a freedom of information request, from the Vancouver taxi companies’ 2016 applications for additional vehicles.

2. Metro Vancouver Taxis

As of August 1, 2017, there were 30 licensees approved collectively to operate 2,069 taxis in the MVRD. Table 1 sets out the number of taxi approved by municipality, including

wheelchair accessible taxis (WATs) as well as the number of taxis active. Taxis “activated” means that the vehicle has met the requirements to operate as a taxi and been issued documentation and identifiers from the Passenger Transportation Branch.

Licensed taxi companies may only pick up passengers in the originating areas specified in their terms and conditions of licence. In the MVRD, this may be a single municipality or a group of municipalities or the Vancouver International Airport (YVR). For example, North Shore taxi companies may originate passengers and operate in the City and District of North Vancouver and the District of West Vancouver as well as YVR while Vancouver taxis may only pick up passengers in the City of Vancouver and at YVR.

Table 2 sets out the applications from taxi companies operating in various parts of the MVRD that were published on or before Ripe TX submitted its applications. The table also reports on the number of taxis applied for, decision dates, the number of taxis approved and the number activated as of August 1, 2017.

The interval between “decision date” and “taxis activated date” acknowledges that the Board generally gives licensees 6 months to put additional vehicles approved on the road. As applicants are discouraged from purchasing vehicles before an application is decided, they need time to purchase the vehicles, install required equipment, get vehicles inspected, etc. For example, on April 7, 2017, the Board issued a decision approving applications from 5 Vancouver taxi licensees to add 175 taxis to the fleet of taxis in Vancouver. The Vancouver taxi companies have until October 7, 2017 to activate these vehicles.

Table 3 sets out other applications received and decided from November 30, 2016 and July 27, 2017.

In 2012, the Board, as part of its review of a set of applications for peak period taxis in Vancouver, approved 7 taxi companies to operate 38 taxis on weekend evenings in the Downtown Vancouver Entertainment District. To date, the City of Vancouver has not allowed these taxis to operate in the city.

Table 1: Total Metro Vancouver Taxis Approved & Activated as of August 1, 2017 by Municipality			
Municipalities	Total Taxis Approved	WATs approved	Taxis Activated
Vancouver	883 ⁷	159	815
North Shore	202	21	201
Pitt Meadows/Maple Ridge	36	5	36
Burnaby	145	21	145
Coquitlam/Port Coquitlam/Port Moody	118	19	117
New Westminster	75	16	68
Delta/Tsawwassen/Surrey	407	84	378
Richmond	172	48	164
Langley	29	5	27
Bowen Island	2	0	1
Metro Vancouver Totals	2069	378	1952

Table2: Applications Received from MVRD Taxi Companies from January 1, 2016 To November 29, 2016						
File	Applicant	Application Publication Date	Additional Taxis Requested	Decision Publication Date⁸	Additional Taxis Approved	Total Taxis Active (as of 01-Aug-17)
AV32-16	Newton Whalley Hi Way Taxi Ltd. -.	23-Mar-16	7	08-Jun-16	7	86
36-16	Bowen Land & Sea Taxi Ltd.	06-Apr-16	2	25-May-16	2	1
171-16	Kuber Taxi Ltd.	22-Jun-16	30	16-Nov-16	22	6
Subtotals			39		31	93
AV135-16	Bel-Air Taxi (1982) Limited	03-Aug-16	10	14-Dec-16	10	62
AV134-16	Port Coquitlam Taxi Ltd	03-Aug-16	3	14-Dec-16	3	17
AV133-16	Coquitlam Taxi (1977) Ltd	03-Aug-16	8	14-Dec-16	8	38
AV241-16	Garden City Cabs of Richmond Ltd	17-Aug-16	9	30-Nov-16	4	36
AV227-16	MacLure's Cabs (1984) Ltd	07-Sep-16	28	07-Apr-17	28	102
AV225-16	Black Top Cabs Ltd	07-Sep-16	53	12-Apr-17	53	265
236-16	Vancouver Taxi Ltd (Handicapped Cabs)	07-Sep-16	12	12-Apr-17	12	38
233-16	Vancouver Taxi Ltd	07-Sep-16	19	12-Apr-17	19	82
AV226-16	Yellow Cab Company Ltd	07-Sep-16	63	12-Apr-17	63	327
AV248-16	North Shore Taxi (1966) Ltd	14-Sep-16	12	30-Nov-16	12	137
AV331-16	White Rock South Surrey Taxi Ltd	09-Nov-16	9	18-Jan-17	6	75
Subtotals			226		218	1179
Totals			265		249	1272

⁷ Includes 99 part-time "peak period" taxis

⁸ Application decisions are generally published the Wednesday following the date that the decision was issued.

Table 3: Applications Received from MVRD Taxi Companies From November 30, 2016 To July 27, 2017						
File	Applicant	Application Publication Date	Additional Taxis Requested	Decision Publication Date	Additional Taxis Approved	Total Taxis Active (as of 01-Aug-17)
AV438-16	Richmond Cabs Ltd	18-Jan-17	14	19-Apr-17	14	104
AV441-16	Aldergrove Langley Taxi Ltd	15-Feb-17	5	12-Apr-17	5	27
AV97-17	Surdell Kennedy Taxi Ltd	03-May-17	9	21-Jun-17	9	75
AV80-17	Guildford Cab (1993) Ltd	03-May-17	36	05-Jul-17	4	54
AV107-17	Royal City Taxi Ltd.	17-May-17	15	21-Jun-17	8	55
Totals			79		40	315

3. Submitters' Operational Evidence

Five suburban taxi companies who oppose the Ripe TX application included data sheets which they contend show that adding a new company into the MVRD with 150 taxis would exceed current demand.

The material that was provided to Ripe TX was redacted at the request of the submitters. Redacted materials include both numbers of trips and percentages of trips. The quality of the redacted copies is poor and many pages of data are not individually labelled.

Rule 18 of the Board's *Rules of Practice and Procedure* applies to confidential information from submitters. As a practice, the Board has, in applying Rule 18, generally considered trip numbers confidential, but not percentages.

VII. Reasons

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

Applicants should supply information that is factual and objective to demonstrate public need. They should demonstrate that there are people who would use the service. Applicants should explain why they are applying for a specific number of vehicles. The Board wants to be satisfied that there is a reasonable connection between the number and types of vehicles requested and public need.

Applicants should consider the type, location and scope of the service they wish to provide. The Board's *Application Guide 1: I want to start a new taxi service* states:

Is there a public need for a new taxi service?

The Board expects you to show that there is a public need for a new taxi service in the whole area that you want to serve. If your application is approved, the Board may limit your operating areas to those where you have shown need. The Board also expects you to show why you need the number of vehicles that you are asking for. The Board wants to be satisfied that there is a reasonable connection between the number and type of vehicles and public need.

You should give the Board information that is factual and objective. This information should show that there are people who would use your taxi service. You should not rely on your opinion or general statements of others to show public need. Your information or evidence must be reliable, relevant and probative, i.e. capable of proving a fact.

The Board finds statements written by potential passengers more useful than form letters, petitions or strings of social media posts. User support statements that are written by people who would use a new taxi service show the Board that the writer has thought about the matter and is interested enough to take the time to tell you why he or she supports your application. Petitions and form letters do not give the Board specific information about when and how often the people who signed the petition would use a new taxi service or information about current services.

a. *What are "Public Need Indicators"?*

A "public need indicator" is factual information that shows there is a public need for more taxis in the area you want to serve. The Board wants you to analyze the information you put in your application to show public need. How does this information show public need for:

- (a) more taxi service and
- (b) the number of vehicles you are asking for?

1. Board Analysis and Findings

Ripe is applying for 150 taxis that would operate throughout the municipalities in the MVRD. It will charge current taxi rates (with a "fare splitting option), but taxis will only be dispatched by an app (or through the internet). Vehicles will not have top lights or accept flags or hails.

This is a broad scope application that would represent a significant policy shift in taxi licensing in the MVRD, which, as of August 1, 2017, had 30 taxi licensees and 2,069 approved taxis, of which 1,952 vehicles were active (See Table 1 on page 21). It represents a shift from traditional taxi licensing, would place Ripe TX on a different playing field from other taxi companies and has implications for local governments, many of whom also regulate taxis.

For the Board to approve such an application, it would need compelling evidence of public need for this service.

(a) Academic Reports

Dr. Gillen submits that the “public need criterion”, which is part of the Board’s statutory mandate, is “outdated” and should be expanded. Dr. Gillen’s broad definition of public need is not in line with the Board’s current mandate set out in section 28 of the *Passenger Transportation Act* or current Passenger Transportation Board policies.

As well, Dr. Gillen’s report does not analyze in detail that existing taxi license holders commonly offer a digital dispatch option. Dr. Gillen cites population ratios to indicate that the MVRD is underserved by taxis. The Board does not usually rely on “taxi to population” ratios to determine need as other factors may affect need for a new service. Such factors could include the size and density of an area, an area’s walkability, public transportation options, the existence of transportation hubs and vehicle usage.

Dr. Gillen also asserts that the number of applications submitted between July 1 and September 30, 2016 indicates that existing operators perceive an unmet public need for new taxi services in the region. This is not evidence of need for a regional taxi service. It simply means that operators sought additional taxis in their service area.

Dr. Kietzmann’s report contends that existing taxi apps are not transparent and do not have the features required by consumers. However, these statements were not supported by corroborating evidence or analysis by him of current apps used by taxi companies. Dr. Kietzmann also proposes options for “public need” and transportation policy that are not in line with current legislation and policies.

In reviewing the two academics' reports, we find that these reports are qualitative and theoretical in nature and do not provide sufficient quantitative or factual information to demonstrate there is a public need for a taxi service to operate throughout the MVRD.

(b) Survey

Ripe TX commissioned Insights West to conduct an online survey on taxis in the MVRD.

The Board's Application Guide indicates that:

- The focus of the survey should be on public need (as opposed to preference) for your services. The Board is also interested in why, when and how often respondents use the type of service for which you are applying.

The Board will want to know that the survey is reliable. You should tell the Board

- how the survey was developed
- who conducted the survey and
- when, where and how the survey was conducted.

You should also provide a summary of the survey results.

We find that the Insight West survey did not demonstrate compelling evidence of public need for a new app-based regional taxi service. Over 50% of respondents identified that they used taxis only once a year or less; while 5% identified that they used taxis once a week or more. More than 50% of respondents could not comment on accessibility, web tools or mobile apps used by taxi companies. Although about 66% indicated that they would likely try a TNC service, there is no indication whether they would be regular users of the service. Also, we note that little information was provided on survey design such as how the online respondents were identified and instructed to complete it or survey question construction.

(c) Support Letters

The 27 letters of support, with 22 being form letters, demonstrate little evidence of a public need for this new app based taxi service in the Metro Vancouver area. Most of the letters have general messaging and do not indicate why, when and how often the writer would or refer use Ripe TX. We put very little weight on these letters of support to demonstrate public need.

(d) Operational Data from Opposing Submitters

Five suburban taxi companies included data with their submissions. These companies contend that it shows that adding a “new company into the MVRD with 150 taxis would exceed current demand”. This data, as redacted, lacks consistency, is fragmented and does not meet the Board policy or practice respecting confidential information from submitters. Therefore, we find it lacks probative value.

(e) Current Taxis in the MVRD

As Table 2 indicates, at the time that Ripe TX submitted application #404-16 (on or about November 30, 2016), notice of 11 applications from taxi companies in the MVRD had been published; however, Board decisions had not been published. The companies, collectively, were applying for 226 taxis, including 175 taxis to serve the City of Vancouver. All applications have since been decided, with the Board approving 218 taxis, including 175 in the City of Vancouver.

2. Conclusion

Ripe has relied largely on opinion evidence, form letters and a survey. While these indicate an interest in, and some appetite for, an app based, regional service, they do not demonstrate an actual or quantitative public need for such a service. Overall, the evidence from Ripe Holdings Inc. tended to be aggregate and not associated with public need in specific municipalities. It has provided little evidence from potential users or user referral groups to demonstrate that they would use the service on a regular basis. It did not provide evidence from Translink to indicate it would support integration of the Ripe TX app with Translink or the compass card.

Ripe TX has not demonstrated to our satisfaction that there is a reasonable connection between the number and type of vehicles it is requesting and public need. Furthermore, it has not provided compelling data to show that taxi providers operating in various municipalities are providing inadequate service. While Ripe TX provided some evidence specific to Vancouver, it did not provide a connection between addressing that need to the premise of the application that 150 taxis are needed throughout the MVRD. As noted above, the Board has recently approved 175 additional vehicles for the City of Vancouver. These should alleviate, to a great extent, issues with taxi supply in Vancouver.

Overall, we find that the applicant has not presented compelling evidence to demonstrate public need for 150 taxis to operate an inter-municipal taxi service throughout Metro Vancouver.

(b) Is the applicant a fit and proper person to provide that service and is the applicant capable of providing that service?

The Board looks at fitness in two parts:

- (i) is the applicant a “fit and proper person” to provide the proposed service; and
- (ii) is the applicant capable of providing that service?

Application Guide 1 states:

What is a fit and proper person?

The term “fit and proper” reflects the idea that a licensee has a responsibility to exercise the powers conferred by the granting of a licence with regard to proper standards of conduct. Fit and proper persons conduct themselves and their business lawfully. They uphold the integrity of the industry and promote public confidence in the industry.

The Board considers fitness in the context and circumstances of an application. The Board may look at such things as your conduct and its potential of harm to the public or to the integrity of the industry.

The Board will look at how you say you will run your business. Do you seem to understand passenger transportation laws and policies? Is your business set up to follow these laws? Do you have procedures in place for drivers or employees who are not compliant with the *Passenger Transportation Act*, regulations or company policies?

If you are a company, the Board may consider the conduct and character of directors and key management staff...

What is meant by “capable” of providing a service?

You should include information that shows you have the knowledge, skills and abilities to operate a taxi service. Résumés outline:

- your work experience and skills, and
- the work experience and skills of people who will be managing the business.

You should also include information that shows that you have the financing to operate the service. A personal net worth statement or proof of financing may be required for the Board to assess whether you are capable of providing the service.

You do not need to have run a taxi service before. The Board wants to know that you have skills that you can apply to running a taxi service. You may have gained these skills through your education, experience or work history.

The Board looks at such things:

- Your background Do you have the background, experience and skills to manage the proposed service?
- Your proposal Does your business plan and financial statements show that you understand what is needed to manage a taxi service? For example, how will your operations be set up? Are your operating costs realistic? Have you separated start-up costs from ongoing costs? Have you indicated how you will receive income? Have you considered factors that may hold up your success? Does your financial plan include appropriate costs?
- Your ability to provide the service Do you have plans to overcome obstacles? Do you have resources to see you through slow times?

The Board gets much of this information from the business plans and financial information that you submit with your application.

As noted earlier, Ripe Holdings Inc. currently holds a passenger transportation licence with a Special Authorization: Passenger Directed Vehicles. On its own initiative, it has suspended this service.

This application is for a type and scale of service much larger than Ripe Holdings Inc.'s current authorization for a niche market mid-tier luxury sedan service with 20 vehicles. It is premised on regional, inter-municipal taxi service with 150 vehicles.

We have some concerns about whether Ripe Holdings Inc. is capable of providing the service as described.

As noted previously, Ripe Holdings Inc. has suspended its current operations and it did not meet the activation requirements stipulated in the Board's decision on application #25-17. On May 26, 2017, Ripe Rides wrote to the Board indicating that: *Ripe will not be in a position to activate 90% of its fleet by the activation deadline.*

Throughout the process involved in applications #25-17 and #T26-17, including post-decision correspondence, Ripe Holdings Inc. has maintained that its actions pursuant to its mid-tier luxury sedan service are unrelated to its taxi application. Its current licensed service is distinct from the proposed taxi service. In its May 26, 2017 letter, Ripe Holdings Inc. wrote:

Ripe anticipates that the investment required for Ripe TX will outweigh the risks associated with the regulatory environment:

- (a) The economies of scale associated with Ripe TX relative to a luxury app-based service mean that a taxi service does not suffer from the same risks as a luxury app-based service. The per vehicle profit margins are considerably higher

because of the economies of scale and because of the costs relative to the revenue. This is largely due to fixed operating costs.

- (b) The costs associated with Ripe TX are virtually all sunk costs at present.
- (c) Public awareness of taxi operations is greater than luxury app-based services, meaning that the build-up in marketing and revenue-generating operations is expected to be much shorter.

In the event that the Board is of the view that the present matter concerns or affects the Ripe TX application, then we expressly request notice of same so that Ripe can respond to the Board's concerns in specific detail.

Ripe's decision to suspend service is concerning to us because its current service was originally premised on a public need for the business model it proposed. Even with the Board's recent approval of Ripe Rides' request to amend its rate structure; which caused it's vehicles to be reclassified, resulting in major insurance cost savings, Ripe Holdings Inc. has not re-activated service.

When an application is approved it is expected that the license holder will provide the service as set out and detailed in the terms and conditions of its license. Decisions to grant licenses are based on section 28(1)(a)(b)(c) of the *Passenger Transportation Act* as detailed above. The decision taken by Ripe Holdings Inc. to suspend services indicates a lack of commitment to meet the recognized public need for the service for which they are licensed and does not promote public confidence in the industry.

The panel accepts that Ripe Rides' mid-tier luxury sedan service may not be as critical a service to public passenger transportation infrastructure as mainstream taxi services. Commonly, limousine services are considered discretionary as opposed to taxis, which are more of an essential service. Ripe Rides' decision to continue to suspend service is an inconvenience to its patrons and referral groups.

This application has significant policy implications for taxi licensing in the province of BC and the MVRD. No current taxi licence holders in the MVRD have authority to pick up passengers in every municipality. Approval of this application would be a significant departure from traditional taxi licencing.

We have some concerns with the Ripe TX business model, financial information and policies as outlined in the application materials. For example, the trip process document states that a client may request a trip to end anywhere in B.C., but cannot begin a trip outside the "Greater Vancouver Regional District". Application documents seek a

destination area of the “Greater Vancouver Regional District”. Ripe is proposing a 24/7 service. Application materials indicate that it estimates having 150 drivers and the “assumption is 1 driver per vehicle but most likely will structure so a few drivers are assigned to a car to ensure 24/7 coverage”. In estimating licensing fees, Ripe Holdings Inc. only includes fees collected by the Passenger Transportation (PT) Branch of the Ministry of Transportation and Infrastructure and the City of Vancouver. Licensing fees in other jurisdictions are not listed and year 1 does not include PT Branch fees to activate vehicles. Also, if Ripe TX is required to maintain premises in some or all of the municipalities that it intends to operate, this could significantly increase costs. The business model is premised on operating throughout the MVRD. We note that, in response to municipal notices, the Board only heard from 5 local governments and 3 had concerns about the ability of Ripe TX to operate in their jurisdiction, given municipal requirements.

Both directors completed, to our satisfaction, the *Disclosure of Unlawful Activity and Bankruptcy* forms.

The Ripe TX application has not provided convincing evidence of public need. As outlined above, we are not convinced the applicant is capable of providing the expanded and complex service. We are unable at this time to make a positive finding that the applicant is fit and proper and capable of providing the service.

(c) Would the application, if granted, promote sound economic conditions in the passenger transportation business in British Columbia?

The Board looks at the “economic conditions” issue from a wide-ranging view. 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. The Board discourages competition that could unduly harm existing service providers.

Dr. Gillen’s interpretation of “sound economic conditions”, especially regarding the impact on public transit, is broader than the Board’s current policy.

Dr. Gillen concludes his report by noting: “*In every transportation market that has been deregulated and allowed open entry, there have been nothing but positive outcomes*”. Taxis

in British Columbia do not operate in a de-regulated system. The taxi market is regulated and the Board must balance “public need” with “impact on current service providers”. It is the role of Government to set or change legislative and regulatory policy.

Ripe TX is more than a traditional taxi application. It proposes a new model of operating taxi services in the MVRD, notably a regional district service area where dispatch and payment are exclusively digital. There are significant differences with how Ripe TX proposes to operate compared to other licensed taxis. There are questions about whether the model is workable given the various regulatory requirements that apply to taxi services, including municipal regulations, as well as Board policies and rules.

Approval of Ripe TX would give it a significant competitive advantage over other taxi companies which would remain restricted to more limited and traditional boundaries. Ripe would control where it stationed its taxis in the MVRD. This could result in Ripe contributing to an over-supply of taxis in some areas, causing destructive competition. This issue could be exacerbated if Ripe was not successful in gaining approval from most MVRD municipalities or if it opted to concentrate its operations in one area or municipality in the MVRD.

Dr. Gillen states that taxis would still have flag/stand markets. He cited data from a report prepared in 2012 to show that in Vancouver at peak periods (9PM to 6AM weekends) most taxi trips are flag trips. This data is outdated, is only for a portion of the market Ripe TX wants to serve and only for specific times of day. As such, it does not convince us that exclusivity of the “hail/stand” market is a significant advantage for taxis currently licensed in the MVRD.

The proposed fare split has the potential to provide a rate advantage in a harmonized rate jurisdiction.

In its *Principles and Parameters for Mobile Apps in Taxis and Limousines with Special Authorization on licences in British Columbia, April 30, 2014*, the Board acknowledged the benefits of apps as a dispatch option for taxi companies. However, it went on to state that: “Taxi companies must continue to provide service that is available to all passengers. Apps must be integrated with, not exclusive of, other dispatch methods”. This principle was incorporated into the Board’s “Apps for Passenger Directed Vehicle Rule” of July 5,

2017, that states: “Unless the Board orders otherwise, taxi companies using an app must continue to provide a telephone dispatch.”

The application from Ripe TX proposes an exclusively digital dispatch and payment system in the MVRD that, it claims, is superior to other apps currently in use by taxi companies. Application materials indicate that the Ripe TX app is not fully developed. Many taxi companies in the MVRD currently use apps as part of their dispatch and payment systems, thus they are able to serve patrons who are digitally savvy as well as those who are not. The Ripe TX service will not be universally available to taxi patrons. We are not convinced that, given the size and scope of the Ripe TX application and proposed operations, the exclusively app based dispatch represents a taxi service improvement in the MVRD.

Ripe is proposing not to have top lights that are common to taxis and required by many municipalities. The Board requires taxis in the MVRD to have taxi cameras and to have a Taxi Identification Code on vehicles. The mandatory taxi bill of rights for taxis in the MVRD, which must be posted in taxis, states that taxis must accept “cash, credit card or Taxi Saver Voucher”. Ripe TX application materials propose a modified bill of rights that states that passengers can pay the posted rate by credit card or pay pal account. Taxi saver vouchers, used by persons with disabilities, are not mentioned.

Ripe TX is characterizing itself as a taxi. In some ways it has features of many taxi services in the MVRD (rates & dispatch by an app) but in others it is different (no phone dispatch, introduction of fare splitting or “pooling”, no top light and no hailing).

Ripe TX applied when Metro Vancouver had a combined total of 1,811 taxis approved to operate and applications a further 226 vehicles were in progress. As of August 1, 2017, there are 2,069 taxis approved to operate in the MVRD, an increase of approximately 14%.

We determine that it is in the best interest of the passenger transportation industry in the province of British Columbia to allow current taxi license holders to activate their recently approved vehicles, further allowing time for the market to absorb the additional capacity before approving another 150 vehicles to operate in the market.

The taxi industry is a regulated market, where supply is managed to balance public need with maintaining the overall health of the industry. Approving this application for a regional taxi service with 150 vehicles could unduly harm the existing taxi companies currently approved to operate within specified areas of the MVRD.

We are not satisfied that approval of this application will promote sound economic conditions in the passenger transportation business in the MVRD.

VIII. Conclusion

For the reasons above, this application is refused.