



Taxi and Transportation Network Services (TNS)
Boundaries, TNS Fleet Sizes and Rates
Metro Vancouver

Consultation Meetings – July 2019
Catharine Read, PT Board Chair
Roger Leclerc, PT Board Member

Agenda

- ▶ Introductions and Agenda
- ▶ Background
- ▶ Presentation
- ▶ Discussion Items
 - Boundaries
 - TNS Fleet Size
 - TNS Rates
- ▶ Other Items
- ▶ Next steps

Passenger Transportation Amendment Act

- ▶ Section 28 of the Act states that the Board may approve an application after considering whether:
 - there is a public need for the service the applicant proposes to provide;
 - the applicant is a fit and proper person to provide the service and is capable of providing the service;
 - the application if approved would promote sound economic conditions in the passenger transportation business in the province.

Act and Regulations

Some Changes

- ▶ Increased flexibility for the Board in making decisions concerning public need for the service and sound economic conditions
- ▶ Move to better evidence based decision making
- ▶ Board has sole authority to set operating areas, fleet sizes and rates for Taxis and TNSs
- ▶ Changes to terms and conditions of licence

Public Need for TNS – Exists

- ▶ A Select Standing Committee on Crown Corporations (SSCCC) inquiry into ride hailing concluded there was a need for ride-hailing in BC within a provincial regulatory framework
- ▶ A report entitled Modernizing Taxi Regulation, by Hara and Associates concluded there was a shortage of taxis
- ▶ Debates on and the passage of the Passenger Transportation Amendment Act, fall 2018
- ▶ A second SSCCC inquiry into TNSs, recommending no boundaries
- ▶ Extensive media coverage on the need for TNSs

Setting Policy – Proposed Principles

- ▶ The TNS business model is provided with the opportunity to be viable and meet public need for the service
- ▶ Negative impacts on taxi stakeholders associated with the introduction of TNSs should be minimized where possible
- ▶ Policies will be based on defensible research
- ▶ Meaningful consultation with those directly impacted will occur
- ▶ Certainty and transparency will be provided in the policies on sound economic conditions
- ▶ The Board must move to better use of origin / destination and performance indicator data in making decisions and monitoring the impacts of decisions

Options for TNS and Taxi Operating Areas

With all the options, the following occurs:

- ▶ if flexible pricing is allowed for TNSs, peak period service will improve
- ▶ off peak periods will result in lower rates for a TNS and there will be some customers who will then use more of the service
- ▶ there is more choice for consumers
- ▶ there will be more employment opportunities for drivers

Boundaries – Option 1

Match TNS Boundaries to Current Taxi Boundaries

Pros:

- ▶ The public would experience faster and more reliable service at peak times

Cons:

- ▶ Large reduction in licence–share values for taxi companies and licence–share holders. Some negative financial impact on lease operators. The relative difference between taxi licence–share values in different operating areas will be retained
- ▶ Some trip refusals will remain and will affect both TNS and taxi users
- ▶ Deadheading will continue for taxis and will occur for TNSs
- ▶ Some municipalities unlikely to be served by TNSs

Boundaries – Option 2

Metro Vancouver TNS Boundary; Current Taxi Boundaries

Pros:

- The public would experience faster and more reliable service, including at peak times. Service very likely better than under Option 1 as this will attract more TNS companies
- Potential TNS service to smaller Metro Vancouver municipalities

Cons:

- Large reduction in licence–share values for taxi companies and licence–share holders. Some detrimental financial impact on lease operators. The difference between taxi licence–share values in different operating areas will be retained
- Some trip refusals will remain for taxi users
- Deadheading continues for taxis

Boundaries – Option 3

Metro Vancouver is the Boundary for both TNSs and Taxis

Pros:

- The public would experience faster and more reliable service, including at peak times. TNS and taxi service much better for City of Vancouver
- Trip refusals by taxis and TNSs reduced
- Deadheading reduced for taxis and TNSs

Cons:

- Disproportionately larger loss for City of Vancouver licence-share holders. Suburban taxis will also experience large reduction in licence-share values for taxi companies and licence-share holders. Some detrimental financial impact on lease operators. Given the joint impact of TNS competition and changes in operating areas, the likely result is a decline of licence-share values to negligible levels
- Taxi service likely reduced for suburban areas

Boundaries – Option 4

Provincial TNS Operating Area; Current Taxi Boundaries

Pros:

- ▶ The public would experience faster and more reliable service, including at peak times. Service may be better than under Option 2
- ▶ Potential TNS service to smaller communities

Cons:

- ▶ Large reduction in licence–share values for taxi companies and licence–share holders. Some detrimental financial impact on lease operators. The difference between taxi licence–share values in different operating areas will be retained
- ▶ Some trip refusals will remain for taxi users
- ▶ Deadheading continues for taxis

TNS Fleet Size – Option 1

Set Limits on Fleet Sizes

Pros:

- ▶ May limit some of the reduction in licence–share values of taxis if fleet sizes set low

Cons:

- ▶ Contrary to TNS business model
- ▶ Impossible to set a defensible limit as there is no data or modelling to assist with this in BC. No precedent in other jurisdictions to learn from
- ▶ May not meet public need for TNSs

TNS Fleet Size – Option 2

No Limits on Fleet Size, But Monitor Performance

Pros:

- ▶ Provides some time to acquire data, assess the market for TNSs

Cons:

- ▶ May not soften licence–share values drop

TNS Rates – Option 1

Minimum Rate for TNSs Equal to Flag Rate for Taxis

Pros:

- ▶ May assist TNS drivers' incomes

Cons:

- ▶ Provides some leveling of the playing field for taxis
- ▶ May result in fewer people using TNSs

TNS Rates – Option 2

No Minimum Rates for TNSs

Pros:

- ▶ Consistent with the TNS business model

Cons:

- ▶ TNS drivers may not make minimum rates of pay

Topics

- ▶ Comments on Principles for Setting Policies
- ▶ Comments on Taxi and TNS Operating Areas in Metro Vancouver
- ▶ Comments on TNS Fleet Sizes
- ▶ Comments on TNS Rates in Metro Vancouver
- ▶ Other Concerns and Comments



Thank you for your input

Catharine Read, PT Board Chair
Roger Leclerc, PT Board Member