

## TRANSPORTATION AND INFRASTRUCTURE

### RIDESHARING – SUPPORTING INDUSTRY INNOVATION (2016)

B.C. residents are looking for [more transportation options](#) and ways to increase the affordability of living in Metro Vancouver and throughout the province. The taxi industry is overregulated and new business models of transportation are expanding globally. B.C. needs to introduce ridesharing legislation and remove red tape on our taxi industry to improve transportation affordability and flexibility. The most recent revisions to the *Passenger Transportation Act [SBC 2004]* are from 2004 and pre-date the internet-based innovation on display across many business models from transportation (ridesharing and vehicle sharing) to accommodation (Airbnb) amongst others.

Ridesharing, the ability of an average driver who has been through appropriate safety screening to use their personal vehicle to connect with a rider via a smartphone, is a key sector in the sharing economy. Ridesharing is currently available in hundreds of cities around the world, providing a new transportation option and flexible income opportunities for those wanting to drive. Regulations are required to provide the needed support for innovative transportation options and reassure the public that the service is safe.

The sharing economy is providing new economic opportunities for individuals and small businesses to increase the utilization of their assets by connecting with new customers via technology. [PWC](#) estimates that in 2013 the sharing economy generated \$15B in annual revenue compared to \$240B in the traditional rental sector. By 2025, it estimates that both sectors will grow to reach \$335B for a combined revenue of \$670B.

Ridesharing provides a key opportunity. It has been shown to:

- Grow the number of rides in a city, e.g., [Portland](#), [Denver](#)
- Decrease impaired driving e.g., [MADD](#), [Temple University](#)
- Complement existing public transit, e.g., [Lyft](#), [Uber](#)
- Reduce car ownership, e.g., [LA Times](#), [Suzuki Foundation](#)
- Encourage passengers to share rides & reduce congestion, e.g., UberPOOL ([how it works](#), [why it helps put more people in fewer cars](#)).

Over 70 jurisdictions have adopted regulations that embrace ridesharing. The City of Edmonton was the first Canadian jurisdiction to adopt such rules, and Toronto, Ottawa, Hamilton, Calgary, the Province of Quebec, and many other Canadian jurisdictions are bringing forward regulations this spring. The [Competition Bureau of Canada](#) has encouraged regulators to support competitive markets by regulating ridesharing and reducing unnecessary red tape on traditional transportation providers.

Ridesharing regulations should be focused on enabling this innovative transportation option, while ensuring public safety and consumer protection. Below are key components of a regulatory regime for ridesharing:

- Ridesharing companies must obtain a provincial license and pay fees;
- Ridesharing drivers must have a valid, standard driver's licence issued by the province;
- To be allowed on the platform, ridesharing drivers must:
  - Pass a federal criminal background check;
  - Pass an annual vehicle inspection by a certified mechanic;
  - Have valid insurance that meets the requirements established by the province, and;
  - Have a safe driving record;
- Ridesharing drivers can only provide service through the use of an app, and the app must provide the customer with the name and photo of the driver, make and model of the vehicle, and licence plate number

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prior to the trip commencing. This means that no ride is anonymous and provides assurance to the passenger that the driver has been authorized to be on the digital platform;

- The app must provide GPS tracking and allow the passenger to share their ride in real time with friends and loved ones, meaning that every trip is tracked;
- Passengers must be provided the fare rate in the app, have the ability to estimate the cost of their fare, and only make payment for the trip electronically through the smartphone app. This also helps reduce the chance of the driver becoming a target for theft;
- The passenger must have the ability to rate every ride through the app to help ensure high quality and safe service;
- Ridesharing companies must have 24/7 customer service to respond in a timely manner to complaints; and
- Ridesharing drivers would not be permitted to hail, accept cash or use telephone dispatch services, leaving this market to the exclusive domain of taxi companies.

Ridesharing and traditional transportation models can complement each other to better serve British Columbians, just as they do in communities across Canada and around the world. Rather than competing with taxi companies, apps like Uber can grow the overall transportation industry. This is most likely because ridesharing has attracted a whole new group of passengers, people who cannot regularly afford taxis or drove themselves instead. In Los Angeles, for example, the for-hire vehicle market (which includes taxis, private cars and ridesharing) grew by nearly 400 percent in Uber's first three years. According to Portland's regulator, the total number of taxi and ridesharing trips in the city grew by more than 40 percent in the first three months after Uber and Lyft's arrival. This is an opportunity to level the playing field for the taxi industry and ridesharing companies by reviewing systems, including licensing.

Regulators in some jurisdictions, such as Edmonton, have also taken steps to remove unnecessary restrictions from traditional transportation providers, including allowing taxi companies to establish their own training and customer service standards, and set prices when a trip is arranged via a smartphone app that has a fare estimate option. There is an opportunity for the provincial government to work collaboratively with cities to ensure clarity and consistency of rules and regulations at the local level.

The provincial government has established the Passenger Transportation Act, ICBC, Motor Vehicle Act and these mechanisms can provide province-wide safety and licensing standards for ridesharing.

### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Bring forward ridesharing regulations that establish province-wide rules for safety and consumer protection;
2. Evaluate and remove unnecessary red tape on existing transportation providers to provide a level playing field; and
3. Coordinate the introduction of a ridesharing framework with a broader modernization of the Provincial Passenger Transportation Act and harmonization of municipal regulations.