

Licence Application Decision

(Transportation Network Services - New)

Application #	7861-19TNS	Applicant	Getride Technologies Inc
Trade Name	Getride		
Principal	Gurshan SIDHU		
Address	110 - 12211 Vulcan Way Richmond, BC V6V 1J7		
Primary Areas of Operation	Originating Area Requested: <ul style="list-style-type: none"> Region 1 – Lower Mainland, Whistler Destination Area: <ul style="list-style-type: none"> B.C. or outside B.C. 		
Current Licence	None		
Publication of Application	December 11, 2019		
Application Summary	New Special Authorization: Transportation Network Services Authorization (TNSA)		
Deadline for Submissions	December 23, 2019 (original submissions) February 24, 2020 (second set of submissions)		
Submitters (and representatives)	<ul style="list-style-type: none"> BC Taxi Association (“BCTA”) Bel-Air Taxi (1982) Ltd., Kimber Cabs Ltd, and White Rock South Surrey Taxi Ltd. (Pacific Cabs) (“Bel-Air Taxi <i>et al</i>”) 		
Board Decision	The special authorization is refused.		
Decision Date	March 19, 2020		
Panel Chair	Roger Leclerc		

1. Introduction

[1] The *Passenger Transportation Act*, S.B.C. 2004, c. 39 (“Act”) regulates the licensing and operation of commercial passenger transportation vehicles in British Columbia. The Passenger Transportation Board (the “Board”) is established under the Act and its powers, duties and functions are set out in section 7. In general terms, the Board has authority to

make decisions on license applications for passenger directed vehicles (e.g. taxis, limousines, and other small shuttle and tour vehicle licences). With some exceptions, the Act defines passenger directed vehicles to mean commercial passenger vehicles that are being operated to or from locations determined by or on behalf of passengers.

[2] In September 2019, amendments to the Act and the *Passenger Transportation Regulation* (the “Regulation”) came into force which enable the Board to also make licensing decisions for transportation network services (“TNS”), commonly referred to as ride hailing. The Act defines TNS to mean, in part, services respecting the connection of drivers to passengers who hail and pay for the services using an online platform, commonly referred to as an “app”. A transportation network company (“TNC”) is a company that uses an app to provide TNS.

[3] This regulatory change followed extensive provincial consultation and deliberation which resulted in, among other reports, a February 2018 Select Standing Committee report entitled “Transportation Network Companies in British Columbia” (the “2018 TNC Report”), a June 2018 report entitled “Modernizing Taxi Regulation” by Hara Associates (the “2018 Hara Report”), and a March 2019 Select Standing Committee report entitled “Transportation Network Services: Boundaries, Supply, Fares and Drivers’ Licences” (the “2019 TNS Report”). The Board also carried out consultations with the taxi industry, TNCs, the Vancouver Airport Authority and the Vancouver Port Authority on TNS operating areas, fleet sizes and rates in July 2019. The Board published the results of its consultations online and developed an operational policy entitled “Introduction of Transportation Network Services, 2019” (the “Operational Policy”).

[4] On November 29, 2019, Getride Technologies Inc., doing business as Getride (“Getride”), applied for a passenger transportation licence with a special authorization in the form of a TNS authorization (“TNSA”) to operate ride hailing services in Lower Mainland, Whistler (Region 1) (the “Application”). In accordance with s. 26 of the Act, the Registrar of Passenger Transportation forwarded Getride’s Application to the Board for determination.

[5] Section 28 of the Act governs determinations by the Board about whether to approve, in whole or in part, licence applications for a special authorization such as a TSNA. Section 28 provides that such approval may be granted after the Board considers whether: (a) there is a public need for the services that the applicant proposes to provide under the special authorization; (b) the applicant is a fit and proper person to provide, and is capable of providing, those services; and, (c) the application promotes sound economic conditions in the passenger transportation business in British Columbia. If approved, the Board is required to specify the special authorizations to be included in the licence and establish licence terms and conditions as provided for in ss. 28(3) to (6).

[6] For the reasons set out below, the Board is not satisfied that Getride is capable of providing the proposed service for the purposes of s. 28(1)(b) of the Act. The Application is therefore refused.

2. Procedural Matters

[7] Section 26 of the Act requires the Board to publish notice of the Application, which it did on December 11, 2019. Section 27(2) provides that any person may (within the time period specified by the Board and on payment of the prescribed fee) make a written submission to the Board respecting the Application. In relation to Getride's Application, the Board received submissions from the BCTA and Bel-Air Taxi *et al* (collectively the "Submitters").

[8] Getride's Application is one of over 30 applications that have been made by various companies since the introduction of the TNS legislative amendments. The Submitters responded to a number of these applications globally rather than individually, with a focus on two other applicants.

[9] The Submitters also asked the Board to conduct a public hearing or an oral hearing in respect of the applications. The Act confers broad authority on the Board to control its own process when making decisions on licence applications. That authority includes the discretion to conduct a written, electronic or oral hearing, or any combination of them, as the Board in its sole discretion considers appropriate. For reasons given in a letter to Getride and the Submitters on December 20, 2019, the Board determined to follow its usual process of conducting a written hearing.

[10] Section 27(5) of the Act provides that, unless the Board directs otherwise, a person making a submission respecting an application does not, merely because of that submission, become entitled to participate any further in the application or obtain further information or disclosure respecting the application. On October 30, 2019, the Board issued an Industry Advisory modifying its process for all ride hailing applications to provide greater disclosure to the Submitters and more transparency in its process.

[11] In accordance with the Industry Advisory, on January 8, 2019, the Board sent an application package to the Submitters which included Getride's email response to the Submitters' materials stating that the concerns expressed were addressed in its business plan as well as the documents provided by Getride in support of its Application (*i.e.* TNS Declaration Form, TNS Information Sheet, Business Plan, Cash Flow Projections, Balance Sheet and Income Statements, Resume, Criminal Record Checks, Signing Authority, BC Registry Service Company Status, and Disclosure of Unlawful Activity and Bankruptcy Forms).

[12] Consistent with Rule 17 of the Board's Rules of Practice and Procedure, the Application and supporting documentation sent to the Submitters contained limited redactions which were necessary to protect the confidential business and personal information of Getride. The Submitters had 14 days to provide further written submissions on the Application. The Board then provided the written submissions received from the Submitters to Getride. The Submitters oppose Getride's Application.

3. Getride's Application

[13] Getride was incorporated in B.C. on October 23, 2019. Getride's vision is to build the "best Ride Share company for the accessible client and the general public". Its mission is to provide a fast and reliable transportation service for its customers, rewarding jobs for Getride drivers all while providing a healthy return to shareholders.

[14] Getride's Application explains that the company has three operational pillars, People, Processes and Portfolio. These pillars are expected to be key to the company's success. Getride intends to rely heavily on their intelligence software suite to ensure not only customer and company needs are met but also their social and environmental responsibilities are met.

[15] Getride describes its key advantages over its competitors as its lower cost base and accessible vehicle offerings.

[16] Getride will operate out of its office in Richmond, B.C. This location is highlighted because the office is accessible for those with disabilities and there is an Accessible Vehicle Service company in the same building. Getride started Alliance Mobility Solutions Ltd. (AMS) with partners in 2016. The core focus of AMS is to assist the disability community with its mobility needs. AMS sells and services accessible vehicles. There is also an automotive repair shop and autobody shop at the Richmond location.

[17] Getride will have an agreement with the accessible vehicles' modification company to lease, sell and finance accessible vehicles to drivers if they choose.

[18] Gurshan Sidhu is the principal shareholder of Getride. He is a professional engineer with extensive technical, business, and sales experience. Over the past 15 years, Mr. Sidhu has successfully started and operated multiple companies including automotive services companies, and sales and manufacturing companies.

[19] Mr. Sidhu also has experience within the taxi industry. Mr. Sidhu's other company, AMS, has sold many accessibility conversions to taxi companies. Mr. Sidhu states that, due to his experience, he has in-depth knowledge of the commercial vehicle safety standards applicable in B.C. and extensive knowledge of taxi dispatch operations.

[20] Getride states that its app (the "Getride App") is one of the best in class. The software used for the Getride App is operating in more than 15 countries and has been used by many different companies. The app has been downloaded 10 million times and facilitated 29 million rides. The Getride App can be used on Android or IOS and has the following features:

- a smart dispatcher (with a configurable radius) provides a complete business overview, including data for both customers and drivers;
- a dashboard that improves efficiency and keeps expenses low;
- protection of personal information by shielding:
 - last names of the driver and passenger;

- phone numbers of the driver and passenger; and
- emails of driver and passenger.

[21] The Getride technology manager is responsible for ensuring that the Getride App meets the TNS requirements, is running smoothly, and any issues are flagged.

[22] Getride's Application includes photos of the Getride App displays and its functions for the manager as well as drivers and passengers. Functions include booking rides instantly, notification alerts, identification and tracking of drivers, rating and reviews, among others. The app has geofencing capabilities.

[23] Getride intends to have three divisions of the company, Operations, Technology and Marketing, each responsible for specific company goals. Once Getride receives approval from the Board they intend to immediately focus on operations and start advertising their business. Getride also intends to have the Getride website and Getride App ready to go live upon receiving approval.

[24] Getride will initially leverage outside companies to assist with marketing and social media.

[25] Getride states that they have a few candidates in mind for their operations manager, but no one has yet been hired. The operations manager will be responsible for managing the day-to-day operations of the company and will do so, in part, through the Getride App dashboard which provides a complete view of the operations. The operations manager's focus will be driver and passenger concerns. A company organizational chart is provided.

[26] Getride expects to be able to utilize its connections with the taxi industry to identify drivers who want a part-time job. Its plan is to start with 200 vehicles (100 accessible vans and 100 cars) in the first year and scale up to 500 vehicles in three years.

4. Analysis and Findings

[27] Section 28(1) of the Act sets out the three factors which must be considered by the Board on this Application. While the Board does not recite all of the information filed by Getride, it has carefully considered that information in making its determination.

(a) Is the applicant a fit and proper person to provide the service and is the applicant capable of providing the service (s. 28(1)(b))?

[28] Section 28(1)(b) requires the Board to consider whether an applicant is: (i) a fit and proper person to provide the service; and (ii) capable of providing that service.

[29] Fit and proper person is not a defined phrase. The Oxford English Dictionary defines "fit" in part to mean "well adapted or suited to the conditions or circumstances of the case, answering the purpose, proper or appropriate ... possessing the necessary qualifications, properly qualified, competent, deserving". "Proper" is defined to mean "suitable for a specified or implicit purpose or requirement; appropriate to the circumstances or

conditions; of the requisite standard of type; apt, fitting; correct, right". The context for what is fit and proper is the passenger transportation industry in B.C.

[30] When considering whether an applicant is fit and proper, the Board considers factors such as the applicant's past conduct and the potential risk of harm to the public and the integrity of the passenger transportation industry if a licence is granted to the applicant. Where, as here, the applicant is a corporate entity, the Board will consider any relevant information concerning the conduct of the directors and key management staff in order to assess how the business is likely to be run in this jurisdiction.

[31] When considering capability, the Board considers whether the applicant has demonstrated knowledge and understanding of the relevant regulatory requirements and policies governing passenger transportation, the applicant's ability to comply with those regulatory requirements, and the applicant's capability to provide the proposed service in a proper and lawful manner. The Board will also consider whether the applicant has the business knowledge to operate the service. This will include consideration of the business knowledge and experience demonstrated by management and the applicant's business plan and financial statements.

[32] Getride is an incorporated company with one director, Mr. Sidhu. As noted, Mr. Sidhu is a professional engineer with extensive technical, business, and sales experience. He has experience starting and operating companies and is a partner on multiple real estate investments.

[33] Getride holds a valid *National Safety Code* ("NSC") safety certificate issued on October 28, 2019. Mr. Sidhu signed a Declaration under the *Liquor Control and Licensing Act* and the *Cannabis Control and Licensing Act* declaring that Getride will operate its vehicles in accordance with this legislation. The Board's Supplementary Terms and Conditions Respecting Apps was completed as required. The Disclosure of Unlawful Activity & Bankruptcy form and Criminal Records Check were completed to the satisfaction of the Board.

[34] Based on this information, the Board is satisfied that Getride is fit and proper for the purposes of s. 28(1)(b).

[35] The Board has concerns, however, with the lack of any explanation from Getride as to how it will comply with the regulatory framework for TNS in B.C. Getride's business plan is limited on this point in general. Although there is reference to fleet expectations, there is no clear fleet growth plan. There is no information in the business plan about how Getride intends to recruit or onboard drivers other than leveraging their connection with the taxi industry. The business plan is vague on the initial hiring of drivers, and the inspection of vehicles.

[36] There is also little detail provided to the Board regarding the process to be followed upon expiration of, or significant changes to, the status of a Getride driver or their vehicle.

No information is provided regarding how potential incidents with a client or an accident will be addressed other than a statement that the operations manager will deal with it. Getride references a driver training program in the business plan but does not elaborate. No evidence was provided regarding the retention of records of all training programs provided to drivers and identifying the person(s) responsible for training.

[37] Also of concern to the Board is the lack of sufficient information in Getride's business plan to show how it will provide active management of the vehicles and drivers operating in B.C. as required under ss. 6 and 7 of the Regulation. There is insufficient evidence of appropriate monitoring of drivers' records, a lack of explanation as to the vetting and storage of driving and criminal record check documents, and no reference to the need for annual updates of drivers' records.

[38] Although Getride has obtained an NSC safety certificate, the business plan contains no specific reference to the NSC requirements which must be followed by TNS drivers and vehicles in this province. NSC obligations require the NSC safety certificate holder to be responsible for all vehicles and drivers that operate under the NSC safety certificate. The NSC certificate holder is also responsible for keeping all the records for each of these vehicles and drivers to enable traceability. Getride does not outline whether pre-trip or post-trip vehicle inspections will be conducted or how NSC requirements for drivers will be enforced. Getride has also failed to provide evidence of monitoring NSC inspection dates, vehicle mileage, and service records.

[39] Getride has provided some information regarding the online platform it intends to use to provide the proposed TNS and how the Getride App would function. However, Getride's Application does not provide adequate information regarding customer payment, receipts, and accessibility options to satisfy the Board that it can comply with the Board's policy, "Supplementary Terms & Conditions Respecting TNSA Apps".

[40] Getride's business plan includes a three-year cash flow statement, income statements and balance sheets along with current financials and initial setup costs. There is no information on how driver incomes are calculated. Viewed as a whole, the Board is also not satisfied that Getride has provided adequate information regarding the assumptions underlying the cash flow projections or that any such assumptions are reasonable.

[41] For these reasons, the Board has determined Getride is not a capable entity within the meaning of s. 28(1)(b) of the Act.

[42] The Board carefully reviewed the materials filed by the Submitters. The Submitters largely focussed on whether there is a public need for TNS and whether the Application would, if granted, promote sound economic conditions in the passenger transportation business in this province. Given its conclusion on Getride's capability to provide the service under s. 28(1)(b), the Board found it unnecessary to consider whether there is a public need for the proposed service or whether the service would promote sound economic conditions in the passenger transportation business in B.C. Capability is an essential requirement for

any special authorization and that essential requirement has not been demonstrated on this Application.

5. Conclusion

[43] For the reasons set out above, Getride's Application is refused.