

# Passenger Transportation Board 2019/20 to 2021/22 Strategic Plan

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## Message from the Chair

This Strategic Plan for the Passenger Transportation Board (the Board) covers the three-year period from April 1, 2019 to March 31, 2022. It outlines our mandate; how we do our work; our organization and values; our goals, objectives and strategies; and how we will measure our performance for this period.

The Plan anticipates the expansion to the Board's scope and the responsibilities with the passage of the *Passenger Transportation Amendment Act, 2018*. It was developed by the Board through consultations with stakeholders, review of recent reports on the modernization of the taxi industry, and consideration of the developments and trends in the commercial passenger directed vehicle sector.

This Plan is a three-year rolling plan; with strategies reviewed and renewed each year as required.

A handwritten signature in black ink, appearing to read 'C. Lead', is positioned below the text. The signature is fluid and cursive, with a long, sweeping tail on the final letter.

## Who We Are and What We Do

### Our Mandate

The Passenger Transportation Board (“Board”) is an independent tribunal established under the British Columbia *Passenger Transportation Act*.

The Board’s mandate is to:

- Make decisions on applications for the licensing of commercial passenger directed vehicles (PDVs) such as taxis, transportation network services (TNS), also known as ride-hailing, limousines and shuttle vans, and inter-city buses in British Columbia.
- Make decisions on appeals regarding administrative penalties imposed by the Registrar of the Passenger Transportation Branch (Registrar).

### Our Role and How We Meet Our Mandate

In approving applications for licensing for PDVs and inter-city buses, the Board considers three tests:

1. Whether there is a public need for the service,
2. Whether the applicant is a fit and proper person and capable of providing the service, and
3. Whether the application if granted would promote sound economic conditions in the passenger transportation system in BC.

When the *Passenger Transportation Amendment Act, 2018 (Amendment Act)* comes into force, the application of the three tests will change. In all cases, an applicant must meet the fit, proper and capable test before an application is approved in order to meet both the regulatory and public policy objective of public safety. Under the *Amendment Act*, more leeway is provided to the Board in applying the public need and sound economic conditions tests. Inherent in the amended provision is the recognition that there can be conflicts and trade-offs between these two tests. For example, the public may feel there is a need for a wait time of under five minutes for a taxi. However, if this standard is applied, the required increase in the supply of taxis could reach the point where the economic viability of the industry is compromised.

With the coming into force of the *Amendment Act*, the Board’s responsibilities in some areas will be expanded. This includes responsibility for the licensing of TNS, commonly referred to as “ride-hailing” services. For all PDV authorizations, including TNS authorizations, the Board determines whether applications for a licence will be approved and have sole responsibility for establishing operating boundaries, fleet sizes, rates, and will have shared responsibility with the Registrar for setting terms and conditions of licences.

Under the existing *Passenger Transportation Act*, jurisdiction for setting operating parameters for taxis is shared by the Board and municipalities, occasionally resulting in impasses and conflicts.

Under the *Amendment Act*, the Board retains sole authority for setting inter-city bus authorizations, including setting minimum route frequencies and route stops.

The Board is distinct and separate from the Registrar and Passenger Transportation Branch. The Board is independent of government, while the Registrar and Branch are part of the Ministry of Transportation and Infrastructure.

The Registrar and Branch are responsible for:

- Licensing for general authorization passenger vehicles such as charter or tour buses
- Monitoring and enforcing safety requirements for passenger transportation vehicles
- Initiating compliance and enforcement actions against both licensed and unlicensed operators.

On direction of the Minister responsible for the Act, the Board will review the Act and regulations and make recommendations for amendments to better enable the Board and Registrar to perform their powers, duties and functions and on other matters.

## Our Organization

The Board must be composed of a minimum of three members; currently there are six part-time members including the Chair. The Board is at present supported by five full time staff (it is recognized that staff and other resources will need to be adjusted to meet the expanded mandate and new requirements under the *Amendment Act*).

## Our Values

- **Integrity** – ethical, professional and honest conduct by all members and staff of the Board
- **Fairness** – impartial decision making in accordance with the principles of administrative justice and the Board’s legislative mandate; just treatment of applicants and submitters and others who participate in Board processes
- **Evidence-based** – a measured, evaluative and evidence-based approach to decision making
- **Respectful** – courteous, fair and dignified treatment of all persons in contact with the Board
- **Accountable** – clear understanding of duties and responsibilities and open and transparent information about the board’s operations and decisions
- **Responsive** – accessible and understandable policies and processes, and provision of accurate and timely communication on Board decisions

## The Strategic Context in Which We Operate

### External

#### *Passenger Directed Vehicles*

BC citizens have expressed their desire for more diverse, timely and accessible passenger directed transportation services. Public demand for ride-hailing in BC has been strong and the introduction of TNS is eagerly anticipated by the public. The introduction of ride-hailing has resulted in more choice as well as more timely, more reliable service to the public in other jurisdictions. Many areas of the province have been under-served by taxis, particularly during peak hours. City bylaws in Vancouver have restricted pick up of passengers within city boundaries, accentuating taxi shortages during peak periods and increasing deadheading (taxis being driven without paying passengers) of suburban taxis. Congestion in larger cities at shift change times has resulted in widely publicized trip refusals by taxi drivers. Rates have also been an issue, with the inability to set differential prices at peak and off-peak hours, which affects the market for both taxis and TNS.

The gap in service levels for people requesting an accessible taxi and those using conventional taxis is concerning. Providing accessible service is challenging, given the higher capital, operating and maintenance cost of wheelchair accessible taxis compared to conventional taxis. Provincial regulations pertaining to accessible taxis have resulted in a single supplier of these vehicles, adding costs not faced in other jurisdictions and reducing the availability of accessible vehicles.

With the impending introduction of ride-hailing, holders of taxi plates are experiencing a reduction in plate value, particularly in areas that have been undersupplied by taxis. This can cause financial hardship for licensees that purchased plates at higher costs.

The introduction of TNS will result in growth of the gig economy<sup>1</sup> in the province, with its inherent strengths and weaknesses. Employment opportunities will increase, including for taxi drivers. Those participating in the gig economy will have greater flexibility around when they can work. One downside, however, can be more precarious employment, with less job security, lack of benefits and, quite often, lower pay.

A review of published studies indicates that there is no consensus on whether or not ride-hailing results in increased congestion or not, and whether it results in environmental benefits or not.

Finally, the implementation of the *Amendment Act* will require regulations. A Standing Committee of the legislature will receive submissions and has provided recommendations on regulations in a number of areas. At this time, the final regulatory environment is unknown.

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<sup>1</sup> Sometimes also referred to as the “sharing” economy or “collaborative” economy, a labour market characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs.

### *Inter-city Buses*

The withdrawal of Greyhound bus service from British Columbia and the western provinces demonstrates that past business models for inter-city bus service are no longer viable. In fact, there are only a few financially viable routes in the province. This has resulted in a lack of inter-city bus service to north-central, remote and rural communities, in particular. However, in some areas of the province, new business models for providing inter-city bus service are being used.

The provincial government has addressed some of these inter-city bus service gaps with subsidized transportation such as transit or health authority buses. The province has also recently set out a call for expressions of interest for providing replacement bus services in areas without scheduled intercity bus service. How the latter process will fare in dealing with improving inter-city bus service is unknown at this time.

## Internal

### *Board Environment and Responsibilities*

Under the *Amendment Act*, the Board has sole authority for setting operating areas, fleet sizes and rates for PDVs including taxis and TNS authorizations.

Risks associated with the Board's new responsibilities, include:

- Moving from the current small, fragmented and politically charged (balkanized) operating areas for taxis in areas such as metro Vancouver to new operating parameters, whether they are boundary changes or other methods of changing the supply of PDVs;
- Setting operating areas, fleet sizes, minimum and maximum rates and data requirements as part of terms and conditions for licences for TNS. This has not been done in any other jurisdictions so there are no precedents or experiential evidence to guide decision making;
- Keeping the competitive playing field between taxis and TNS fair; and
- Recognizing and addressing internal capacity differences among companies and operating environment differences across the province. For example, differing abilities to provide data for large companies in urban areas versus small companies in rural and remote areas. Differences in regional markets will result in TNS operating in some areas and a paucity of transportation services in other areas.

Under the *Amendment Act*, terms and conditions of licences will include requirements to provide data to the Board. The ability to make good decisions rests on the availability and analysis of good data. The Ministry of Transportation and Infrastructure is developing a data warehouse that will be used by the Board. Timing of data availability is a concern and the Board's ability to manage and interpret data are concerns.

Sufficient resources, including staff with the skill sets required and adequate consulting services as changes are planned for and implemented are also a concern. With potential increased resources slated for compliance and enforcement activities by the Registrar, there is the potential for a resource impact on the Board from increased appeals.

## Our Goals, Objectives & Strategies

Goals	Objectives	Key Strategies
<p><b>Goal 1 – Operators of commercial passenger transportation services are fit, proper and capable</b></p>	<p><i>Objective 1.1</i> - Applicants for licensing are considered against established standards to assess whether they are fit and proper and capable of providing the service</p>	<ul style="list-style-type: none"> <li>• Develop and communicate clear standards for how the Board will assess whether an operator is fit and proper and capable</li> <li>• Outline and communicate requirements that must be met and information that must be provided by applicants</li> </ul>
<p><b>Goal 2 – There is a balance between the public need for diverse reliable commercial passenger directed vehicle services and sound economic conditions in the industry in BC</b></p>	<p><i>Objective 2.1</i> – Licensing application decisions are based on consideration of evidence-based information on how the service will support meeting public needs for a diverse and reliable passenger transportation system in the province</p> <hr/> <p><i>Objective 2.2</i> - Licensing application decisions are made based on consideration of evidence-based information on how the service will promote sound economic conditions in the commercial transportation system in BC</p>	<ul style="list-style-type: none"> <li>• Collect and analyze data and information from industry and the public on demand for passenger directed vehicles across the province, by geographic area, peak and off-peak times and for accessible versus conventional services</li> <li>• Collect and analyze data and information from industry and independent sources on economic conditions for the commercial passenger transportation system in different operating areas of the province</li> <li>• Develop risk assessment models, mitigation strategies and monitoring systems for making decisions and assessing impacts of changes to operating areas, fleet sizes and minimum and maximum rates</li> <li>• Develop a database on key performance indicators</li> <li>• Undertake surveys and consultations with the public, industry and stakeholders about public need and service availability, quality and levels</li> <li>• Make non-proprietary information available to stakeholders and the public</li> </ul>

Goals	Objectives	Key Strategies
	<p><i>Objective 2.3</i> - Decisions on fleet size, operating area boundaries and rates contribute to balancing public need and industry viability</p> <hr/> <p><i>Objective 2.4</i> – Decisions on accessible transportation are made to close the performance gap between accessible and conventional services</p>	<ul style="list-style-type: none"> <li>Consider and consult with Ministry of Transportation and Infrastructure and other transportation stakeholders about how the commercial passenger transportation system and work of the Board fits into inter-modal transportation planning</li> </ul>
<p><b>Goal 3 – Inter-city bus service is available to communities where commercially viable service is possible</b></p>	<p><i>Objective 3.1</i> – Requirements for licence applications for inter-city bus transportation on routes where there is no service are simplified while meeting due diligence needs</p> <hr/> <p><i>Objective 3.2</i> – Decisions of the Board support the current economic realities of providing inter-city bus service</p>	<ul style="list-style-type: none"> <li>Retain the streamlined approval process for applicants applying to provide inter-city bus service where this service is not available</li> <li>Review terms and conditions of licences on routes where there is commercial inter-city bus service to ensure there is a level playing field and operational flexibility is provided</li> <li>Monitor industry developments across Canada to ensure the Board is cognizant of and responsive to changes in demand and industry economic conditions</li> </ul>



Goals	Objectives	Key Strategies
<p><b>Goal 4 – The Board discharges its duties and exercises its authority in a fair, open and timely manner</b></p>	<p><i>Objective 4.1</i> - Board policies and processes are efficient, effective and administratively fair</p> <hr/> <p><i>Objective 4.2</i> - Board information and communication is clear and accessible</p>	<ul style="list-style-type: none"> <li>• Establish and maintain Board policies, procedures and practices and application for licensing requirements that are clear and understandable by applicants, stakeholders and the public</li> <li>• Establish and maintain a licensing application process that is easily accessible, requirements are clearly understood and processes are streamlined and easy to navigate</li> <li>• Establish and maintain Board internal operational and decision making processes that promote efficient, effective and fair adjudication</li> <li>• Establish and maintain effective public information and communication platforms to ensure Board policies and processes and decisions are readily available and clearly communicated</li> <li>• Foster a culture of professionalism and fairness, evaluate performance, seek continual improvement, and be accountable to government and the public</li> </ul>

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## Measuring Our Performance

The Board assesses its progress in meeting its goals by monitoring key activities and indicators of performance.

### *Goal 1 - Operators of commercial passenger transportation services are fit, proper and capable*

#### How Measured:

To meet the regulatory and policy objective of public safety, all applicants will be required to meet standardized requirements demonstrating that they are a fit and proper person and capable of providing the service.

These requirements include:

- meeting the National Safety Code
- meeting business literacy requirements
- a Criminal Record check
- signing a Personal Declaration

#### Discussion:

The Board receives regular reports from the Registrar on compliance issues, identifies trends in complaints on the conduct of licensees, and reviews the above requirements for every application it receives.

### *Goal 2 - There is a balance between the public need for diverse reliable commercial passenger directed vehicle services and sound economic conditions in the industry in BC*

#### How Measured:

To measure service quality and meeting public demand for service, and to understand the adequacy of supply to meet demand while maintaining sound economic conditions in the industry, two key indicators are monitored:

Key Performance Indicator	Target		
	2019/20	2020/21	2021/22
Overall response time - # and % of all trips that meet established response time – by type of PDV (taxi or TSN, accessible), by region, by peak and non peak period	Data needs identified; Data warehouse	Baseline set	TBD
Fleet utilization - % of licensed vehicles on the road (vehicles on the road as a percentage of total vehicles allowed under licence)	Data needs identified; Data warehouse	Baseline set	TBD

**Discussion:**

Service quality and the adequacy of total supply to meet demand are important to understand in terms of assessing whether the public need for diverse reliable commercial PDV services is being met and whether this is balanced with a competitive industry.<sup>2</sup>

Response time provides a direct measure of service quality; it also contributes to understanding the adequacy of supply. An increase in response times beyond acceptable levels may indicate a need for more PDVs, whereas meeting and maintaining response time targets may indicate that more PDVs are not needed. Monitoring the percentage of licensed vehicles on the road provides information on fleet usage versus capacity and helps to identify the source of any shortages or low quality service, particularly during peak time periods.

The Board is also considering undertaking a public customer satisfaction survey in 2019/20 to set a baseline and then undertake a follow-up survey every two years. In the future, it may undertake a study of industry profitability and driver income; this is subject to the availability of data and industry cooperation.

*Goal 3 - Inter-city bus service is available to communities where commercially viable service is possible*

**How Measured:**

The Board will monitor the availability of inter-city bus services in other Canadian provinces and territories and any trends and developments in BC and other jurisdictions.

**Discussion:**

Monitoring the inter-city bus service, including trends and developments in other jurisdictions, the development of any models for providing bus service in BC, and provincial government initiatives to address the gaps in inter-city bus service will ensure the Board is abreast of developments and aware of commercially successful models of service.

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<sup>2</sup> The Board will also track and monitor a number of other statistical indicators for the industry including further detail on response times; trip volumes; and calls dispatched (including calls dispatched that are matched with passengers and if no match, why - i.e., trip refusal by driver or passenger no show). As noted earlier, the Board is working with the Ministry of Transportation and Infrastructure, which is developing a data warehouse.

*Goal 4 - The Board discharges its duties and exercises its authority in a fair, open and timely manner*

**How Measured:**

To meet legislative requirements, and understand how efficiently license applications and post-decision matters are processed given the type of process, the following indicators are monitored:

Key Performance Indicator	Target					
	2019/20		2020/21		2021/22	
<b>% of Application Files Processed within target by type of application processing:</b>						
<ul style="list-style-type: none"> <li>• File Reviews*</li> <li>• PT Board investigations**</li> <li>• Oral Hearing***</li> <li>• Urgent Public Need****</li> <li>• Temporary Operating Permits*****</li> </ul>	Low	High	Low	High	Low	High
	75%	25%	75%	25%	75%	25%
<b>Average days to Process Reconsiderations:</b>						
• Reconsiderations Proceeded and Decided	50		50		50	
• Reconsiderations Not Proceeded (grounds not established)	30		30		30	

\*File Review - Low target is 89 days or less; High target is 90-156 days

\*\*PT Board investigation - Low target is 113 or less; High target is 114- 192 days

\*\*\*Oral Hearing – Low target is 178 days or less; High target is 179-293 days

\*\*\*\*Urgent Public Need – Low target is 37 days or less; High target is 38-75 days

\*\*\*\*\*Temporary Operating Permits – Low target is 15 days or less; High target is 16-30 days

**Discussion:**

The Board strives to provide timely processing of applications and other matters but the effort entailed in processing similar types of applications or matters can vary significantly given the particular circumstances. The low targets represent the most efficient processing times whereas the high target takes in to account factors such as extension requests from applicants, supplemental submissions or the need for the Board to obtain further information.

The Board also monitors licence amendment decisions and decisions judicially reviewed.

Ongoing review and adjustment of Board policies, procedures and application processes are undertaken to ensure that information is clear, accessible, streamlined and easy for users to navigate. Board governance and leadership strives for organizational excellence and promotes professionalism, evidence based decision-making and fairness.