



SASKATCHEWAN
CHAMBER *of* COMMERCE

POLICY RESOLUTION

Ridesharing and the Vehicles for Hire Act

Submitted by: SCC Board of Directors



Background

The Government of Saskatchewan introduced Government Bill No. 114 titled The Vehicles for Hire Act on November 30, 2018 during the 2nd session of the 28th legislature. Bill No. 114 was sponsored by the Minister responsible for SGI, Joe Hargrave. The draft legislation had its second reading on May 14, 2018, its third reading on May 29, 2018, and was granted Royal Assent on May 30, 2018. The Act sets out the framework for ridesharing services in the province. Ridesharing entities are referred to as Transportation Network Companies (TNCs) in the enacting legislation. These services provide a contracted vehicle and driver for pre-arranged transportation mediated through a digital platform or app. Specific areas covered under the framework include: licensing and insurance, appropriate safeguards for the public, and powers granted to municipalities to determine the right public

transportation mix for their communities. As a part of its own policy input process, the Chamber solicited input from a variety of stakeholders, including individual taxicab operators, the Saskatchewan Taxi Cab Association, Uber Canada, Lyft, and officials from SGI. The Chamber submitted comments to the Minister of Highways and Infrastructure, David Marit, on April 10, 2018.

Issues

The emergence of ridesharing, TNCs, and their related technologies create new opportunities for both businesses and consumers, but also pose additional challenges. There is a unique opportunity to craft progressive policies that will foster growth and innovation, as well as provide consumers in the marketplace with greater choice. The arrival of ridesharing and TNCs in the province would also contribute to the supply of safe transportation options that would likely discourage impaired driving.

As far as challenges are concerned, the main point of contention revolves around how policymakers address legitimate safety concerns for both passengers and drivers. The second challenge relates to concerns on the part of legacy fleets like the taxicab industry around existing asset values and how changes to the regulatory environment might impact those assets, as well as their competitiveness. Moreover, a major concern for policymakers is how to best ensure a fair playing field, while also acknowledging the differences in business models among the various forms of vehicle-for-hire.

Some additional challenges to be considered: the proper role of municipalities in regulating the industry and the associated cost-recovery fee structure; balancing supply and demand considerations (entry and price controls); driver's licensing requirements; and accessibility standards for those with disabilities and those living in remote communities.

Recommendations

1. That the Provincial Government strive to create a fair and even playing field, while also recognizing the different business models among the competing forms of vehicle-for-hire.
2. That the Provincial Government design a regulatory regime in such a way so as to avoid favouring any one form of vehicle-for-hire over another.

3. That the Provincial Government not require TNCs to comply with existing taxi regulations, as these regulations were created when TNCs and their related technologies could not have been imagined.
4. That the Provincial Government implement the following sensible safety guidelines: a required annual car inspection carried out by an SGI accredited garage; a mandatory criminal background check and vulnerable sector clearance undertaken by police; a requirement that TNCs possess a valid driver's license and their vehicles be registered and insured through SGI; a requirement for TNC fleets to carry a minimum of \$1 million in commercial motor vehicle liability insurance; requiring TNC drivers to have a functioning GPS tracker to protect all parties; requiring TNC drivers have a clearly visible decal on their vehicle for identification purposes when in service.
5. That the Provincial Government reconsider and phase out any rigid fare structures and artificial barriers to entry to allow the industry to be more responsive to changes in supply and demand.
6. That the Provincial Government encourage municipalities in Saskatchewan to implement a reasonable marginal cost-based (fee-per trip) regulatory regime so as to encourage uptake from part-time or casual TNC drivers (should cost-recovery be necessary in the first place).
7. That the Provincial Government and municipalities recognize and allow for the use of digital dispatching, like mobile-phone based applications to request a ride.
8. That the Provincial Government, in consultation with industry, develop measures whereby all forms of vehicle-for-hire are required to designate a certain percentage of their fleet for wheelchair accessibility to ensure an even playing field.
9. That SGI, as the province's primary automobile insurer, develop new insurance policies for contracted TNC drivers, recognizing that when the driver is in service and the app is on, neither a traditional personal auto insurance policy or a commercial insurance policy applied full-time to a personal vehicle are appropriate policies.
10. That the Provincial Government further clarify the language around the immunity for municipalities regarding certain licensing powers contained in the Vehicles-for-Hire Act.

DATE OF POLICY RESOLUTION RATIFICATION

This policy resolution was ratified by the Saskatchewan Chamber of Commerce Board of Directors on October 27, 2018