Passenger Transportation Board
MOVING FORWARD, TOGETHER

Systemic decisions

The Board is tasked with regulating the passenger transportation industry at the provincial level. This is essentially a market that provides commercial passenger transportation services to the public, not dissimilar to other regulated markets.

One of the outcomes of the Board's expanded mandate in 2019 was to move to a market regulation focus. Even when the Board is determining individual applications, it still must consider the overall system as part of the public need and sound economic conditions criteria.

The Board may make system-wide decisions concerning the regulatory levers it is authorized to use under the Passenger Transportation Act. These include matters such as rates, fleets, and operating areas. These levers are also called "systemic decisions" by the Board, as they represent decisions that impact larger groups of licensees, certain sectors, or the whole industry.

Timing of systemic decisions

The Board does not need to intervene in the passenger transportation market when it is operating in a healthy way with normal market fluctuations and competition. However, the Board monitors the passenger transportation industry to know when the market is moving into unhealthy territory, such as when competition has rendered a sector unsustainable. Then the Board may consider using one of its levers to stabilize the market.

As a data-driven and evidence-based decision-maker, the Board makes systemic decisions based on the collection and analysis of licensee and industry data. The Board makes decisions based on rigorous quantitative analysis utilizing data and economic analysis. If the Board is in a position where it needs to intervene in the market and make a systemic decision (or pull a lever), then the decision must be data-driven, evidence based, and reasonable.

Three types of systemic decisions

As noted above, there are three main regulatory levers the Board uses to intervene in the passenger transportation market, when necessary:

- Rates
- Fleets
- Operating areas

All three levers represent significant interventions in the passenger transportation market. They are “strong medicine” designed to effect significant change, but they each have their own benefits and risks (i.e., potential side effects).

Since systemic decisions can be powerful with long-term effects, it is unlikely that the Board would employ more than one type of regulatory lever at the same time.

How the Board makes systemic decisions

Systemic decisions and the regulatory levers associated with them represent a significant intervention in the market, and each has its own benefits and risks.

The Board needs to apply the right lever at the right time in the right way, with careful consideration of the effects that may occur. Otherwise, unintended and destructive market shifts could occur, potentially resulting in poor service to the public, business loss, or job loss. Therefore, any decision to make a systemic decision, regardless of which lever, must be made by the Board after careful analysis and consideration of the benefits and risks.

This is why the Board is expected and strongly committed to make its decisions based on data and objective evidence. The Board utilizes economic expertise to assess and analyze the data it collects to inform its decision-making.

When making systemic decisions, the Board also takes steps to engage with the passenger transportation industry (particularly the sectors directly affected) and with relevant stakeholders. The perspectives of licensees, industry, other stakeholders, and the public are considered as part of the process in making a systemic decision.

List of systemic decisions

Systemic decision - Credit card surcharges - effective October 16, 2023

Systemic decision - Rates - effective December 2023

Systemic decision - TNS geo-fencing - effective July 8, 2025

Related topics:

- Rates policy project