Passenger Transportation Board
MOVING FORWARD, TOGETHER

Fleets as a regulatory lever

Decisions on fleets represent one of the three main levers that the Board uses to regulate the passenger transportation market. Licensee fleet sizes are typically defined in the terms and conditions of licence under the Board's authority in section 28(3) of the Act. In determining licensee fleets, the Board considers a number of factors and possible effects on the market.

One of the principal considerations is supply in relation to public need and demand. If fleets are too small in relation to demand, public access to service can be severely compromised. Quality of service (e.g., longer wait times) can also suffer because there are too few vehicles on the road, and public safety can be impacted as passengers wait for a ride. If fleets are too large in relation to demand, trip volumes and licensee/driver revenues could be pushed downwards towards unsustainable levels due to the "oversupply" of vehicles.

Historically, the Board has focused its regulation of fleets on taxis and limousines in light of these issues. Although transportation network services (TNS, or ride-hailing) have now been integrated into B.C.'s regulatory framework, the Board does not include fleet size requirements in the terms and conditions of these licences. TNS is a different sector with a different business model which does not typically involve fleets, rather it is an app-based platform that connects passengers with drivers. The Board is committed to ongoing review of data-driven evidence in regulating the industry in the public interest.

As with any of the three regulatory levers available to the Board, decisions regarding fleets can have a significant impact on the entire market. For this reason, the Board carefully considers all available data across the industry and conducts quantitative analysis to obtain objective evidence before making systemic decisions regarding fleets.