Passenger Transportation Board
MOVING FORWARD, TOGETHER

Rates as a regulatory lever

The Board has exclusive rule-making authority under the Passenger Transportation Act to approve and set rates for passenger transportation services operating under a special authorization licence in B.C. The Board can make new rules or amended rules regarding rates on its own initiative.

When the Board makes a rates rule, it is applicable to all licensees subject to the rule. As rates rules are authorized under the Act, they are binding and enforceable.

Rates are an important regulatory and policy lever for the Board. Rates can be used to address changing market conditions, promote competitive balance, support equity among and between passenger transportation services, ensure transparency for passengers, and maintain affordability for the public.

In setting rates, the Board seeks to balance consumer affordability with the cost of business, as well as supporting safe and sustainable operations in the industry.

The Board posts all current rates rules on its website so that the public, enforcement officers, and licensees can identify applicable rules.

Systemic rates decisions

In the context of an individual application for a special authorization licence, the Board sets the rates for specific types of service, e.g., taxi, limousine, shuttle, or ride hailing. In addition, the Board can make larger systemic decisions on rates to establish rates for groups of licensees or entire sectors of the passenger transportation industry. Systemic rates decisions are used by the Board to address market conditions within individual sectors of the passenger transportation market, while at the same time understanding that these decisions may have the potential to affect surrounding sectors of the

market or potential unintended side-effects.

For this reason, as with all systemic decisions, the Board does not move to adjust rates unless it sees a significant issue in the market that needs to be addressed. The Board monitors the market, and if available data and evidence indicates a problem that requires intervention, the Board may adjust rates with a systemic rates decision to stabilize the market for groups of licensees or entire sectors of the passenger transportation industry.

Once these systemic rates decisions are established, they are communicated to industry and used to inform individual application decisions regarding rates for individual licences.

How the Board makes rates decisions

Systemic decisions on rates represent a significant intervention in the market. They can be used to address changing market conditions and promote ongoing service. In approving or setting rates, the Board seeks to balance consumer affordability with the costs of business and supporting safe and sustainable operations in the industry.

Because of the potential risks, the Board is expected to make rates decisions based on data and objective evidence. When making a decision, the Board carefully considers all available data across the industry and conducts quantitative analysis at a systems level across the entire sector. The Board utilizes economic expertise to assess and analyze the data it collects, and uses it to inform decision-making on rates.

When making systemic rates decisions, the Board takes steps to engage with the sectors directly affected and with relevant stakeholders. The perspectives of licensees, industry, and other stakeholders are then considered as part of the process in making a systemic rates decision.

Reviewing and changing rates

The Board may periodically review rates within given sectors of the passenger transportation industry to ensure that they continue to address objectives such as sustainability and affordability.

When undertaking a rates review, the Board conducts research, reviews available data and evidence, undertakes policy and economic analysis, conducts quantitative analysis, and engages with industry and stakeholders. In the process, the Board may also obtain expert analysis and advice from economists regarding rates and the potential impacts of different rates policies.

Learn about Board review of taxi rates