

Policy Manual

Updated November 24, 2023

Passenger Transportation Board

PO Box 9857 STN PROV GOVT

Victoria, British Columbia V8W 9T5

Telephone: 250-953-3777

Email: ptboard@gov.bc.ca

Website: ptboard.bc.ca

Table of Contents

Policy Manual	1
Table of Contents	3
Definitions	4
Access to Information and Privacy	7
Appeal- Administrative Penalty	12
Board Section 7 Investigations	14
Capable	17
Fit and Proper	22
Inter-City Bus Minimum Route Frequency	26
Operating Areas	30
Public Need	35
Rates	40
Rates Orders Policy	40
Rates Rules Policy	42
Sound Economic Conditions	44
Systemic Decision - Rates	49
Temporary Operating Permits (TOPs)	52

Definitions

Important definitions for this policy manual include:

"Act" means the Passenger Transportation Act.

"ATA" means the Administrative Tribunals Act.

"applicant" means a person who has made application to the Registrar for:

- a. a licence, a transfer of a licence, additional vehicles or an amendment to a licence;
- b. a change of rates; or
- c. a temporary operating permit

who seeks, or has, a special authorization to operate passenger directed vehicles, intercity buses or transportation network services;

"application" refers to a written request to the Board to approve or amend a special authorization, which can be made by an existing licensee or an applicant.

"Board" means the Passenger Transportation Board.

"Board staff" includes the Executive Director to the Board, the Director, Policy and Projects, the Director, Operations, and other staff members required to support the Board to perform its functions, and persons contracted on behalf of the Board to provide services to the Board;

"Chair" means the Chair of the Board as designated by the Lieutenant Governor in Council;

"day" means calendar day unless otherwise specified;

"fees" means fees payable to the Board and includes submission fees and appeal fees but does not include application fees;

"FIPPA" means the Freedom of Information and Protection of Privacy Act.

"industry" refers to the passenger transportation industry within the Board's jurisdiction.

"section 7 investigation" refers to a Board investigation commenced under section 7(1)(b)(i) and (i.1)) of the Act.

"licence" is a document showing the legal permission granted under the Act to operate a commercial passenger vehicle in British Columbia.

"licensee" means a holder of a valid passenger transportation licence or a person formally designated by the holder of a valid passenger transportation licence to enter agreements on the licensee's behalf.

"operating area" means the originating and destination areas that a licensee is authorized to operate within.

"panel" means a member or members, including the Chair, appointed by the Chair to exercise some or all of the powers and duties of the Board;

"passenger directed vehicle authorization (PDVA) means an authorization that, if included in a licence, authorizes one or more motor vehicles to be operated as passenger directed vehicles, but only if those motor vehicles are hailed other than through the use of transportation network services;

"public transportation" means passenger transportation services run by governments, including public buses, SkyTrain, HandyDart, and others, and may also be called "public transit".

"ride-hailing" refers to passenger transportation services offered through a platform under a Transportation Network Services Authorization (TNSA).

"RPP" means Board Rules of Practice and Procedure.

"sector types" refers to different classes of licence determined by the Board based on type of Special Authorization and service, such as (PDVA) Taxis, (PDVA) Limousines or (TNSA) Ride-Hailing.

"special authorization" means any of the following (a) an inter-city bus authorization; (b) a passenger directed vehicle authorization (c) a transportation network services authorization.

"submitter" is a person making a submission to the Board respecting an Application (section 27(4)-(5) of the Act).

"systemic decisions" refers to system-wide decisions that the Board may make to regulate the passenger transportation industry within the Board's jurisdiction, and can be applicable to the whole industry, certain Sector Types, or otherwise.

"transportation network services authorization (TNSA)" means an authorization that, if included in a licence,

a. authorizes the licensee to provide transportation network services, and

b. authorizes one or more motor vehicles to be operated as passenger directed vehicles, but only if those motor vehicles are hailed through the use of the transportation network services;

"wheelchair accessible vehicle (WAV)" is an "accessible passenger directed vehicle" in section 1 of the Act, which means a vehicle designed and manufactured, or converted, to transport persons who use a wheelchair, scooter, or similar device to transport persons with disabilities in a seated position.

Access to Information and Privacy

Context

The Board publishes summaries of applications, not complete application packages. The Board sometimes receives standard submission requests or Freedom of Information and Protection of Privacy Act (FIPPA) requests from submitters or other interested parties. Standard requests must comply with submission periods for information and application materials vary according to the type of application the submission is made against. Parties making a FIPPA request have 30 business days to submit.

This policy outlines how the Board manages requests for information under the Act, FIPPA, and the Administrative Tribunals Act (ATA). It also outlines the Board's policy regarding records, information, and reports the Board considers relevant to a proceeding or application.

Applicability

This policy applies to:

- Freedom of Information Requests
- All information and data received in an application
- All information and data received in a submission responding to an application
- Records, information, and reports that the Board considers relevant to a proceeding or application, including records, information, and reports obtained or produced by or for the Board

This policy does not apply to:

- Content of decisions made public by the Board
- Any information already publicly available by, but not limited to the Board

Policy

<u>FIPPA</u>

FIPPA sets out the access and privacy rights of individuals as they relate to the public bodies, such as the Board. FIPPA applies to records in the custody or under the control of public bodies. Access to information is provided **except** where release of that information is prohibited by FIPPA or its release would cause a specific harm. The Board will process FIPPA requests within the timelines specified in FIPPA. FIPPA requests will not be given priority over other Board operations to meet submission timelines; however, the Board will make reasonable efforts to process FIPPA requests in a timely manner.

Section 21 of FIPPA does not apply broadly to application materials as the bulk of information is not considered as submitted in confidence. Documents such as financial statements and those containing personal or financial information are, however, considered to be confidential.

Submissions

Information severed under section 61 of the ATA is the type of information that is set out in the <u>Rules of Practice and Procedure</u> (RPP) 17 "Confidential Information from the Applicant".

The Board may provide applicants with notice of the FIPPA requests and provide them with an opportunity to comment on the material that will be disclosed.

RPP 13 (Submissions) applies to people who receive disclosure under FIPPA and who then want to make a submission on the application.

RPP 15 (Late submissions) applies to people who receive disclosure under FIPPA and who then apply to the Board to make a late submission on the application.

RPP 16 (Supplemental submission) applies to submitters of record who want to make additional submissions as a result of receiving disclosure under FIPPA.

<u>TNS</u>

The Board will provide the following information to all those who sent in submissions on TNS applications:

- Application packages after making redactions, where necessary, to protect confidential business and personal information as required under the FIPPA; and
- The applicant's response to the submissions that were received on their application after redacting where necessary to protect confidential business and personal information as required under the FIPPA.

The Board will send copies of redacted documents outlined above for review to TNS applicants. After this step, the Board will send the redacted documents to submitters who will have the opportunity to provide any final submissions. A copy of final submission will be provided to TNS applicants.

Releasing Information

The Board may have to release information. For example, a person may ask for access to business plan information under FIPPA. The Board would then review the information in the plan to determine what must be released.

The Board keeps the following types of information confidential:

- Private financial information (e.g. personal net worth statements)
- Private business details (e.g. customer account information)
- Information received in a criminal record check that is not public

The Board does not release this information unless it is required to do so by legislation, the court system, or due to a criminal investigation.

Records, Information, and Reports

The Board will provide applicants with copies of records, information, or reports it considers relevant to a proceeding, and will allow applicants to comment. The Board will advise participants if it intends to produce any records, information, or reports relevant to the proceeding, and the dates on which they will be provided to participants.

RPP 29.1 outlines this in relation to hearings, including pre-hearing conferences.

Legislation

The Act

- 6 (3) The following provisions of the *Administrative Tribunals Act* apply to the board:
 s) section 61 [application of Freedom of Information and Protection of Privacy Act].
- 12 (1) The board has the power to control its own process...

(4.1) The board may, on its own initiative, consider any records, information and reports that the board considers relevant to a proceeding.

(4.2) The records, information and reports referred to in subsection (4.1) include records, information and reports obtained or produced by or for the board.

<u>FIPPA</u>

- 21 (1) The head of a public body must refuse to disclose to an applicant information
 - (a) that would reveal
 - (i) trade secrets of a third party, or

(ii) commercial, financial, labour relations, scientific or technical information of or about a third party,

- (b) that is supplied, implicitly or explicitly, in confidence, and
- (c) the disclosure of which could reasonably be expected to

(i) harm significantly the competitive position or interfere significantly with the negotiating position of the third party,
(ii) result in similar information no longer being supplied to the public body when it is in the public interest that similar information continue to be supplied,

(iii) result in undue financial loss or gain to any person or organization, or

(iv) reveal information supplied to, or the report of, an arbitrator, mediator, labour relations officer or other person or body appointed to resolve or inquire into a labour relations dispute.

<u>ATA</u>

61 (1) In this section, "decision maker" includes a tribunal member, adjudicator, registrar or other officer who makes a decision in an application or an interim or preliminary matter, or a person who conducts a facilitated settlement process.

(2) The *<u>Freedom of Information and Protection of Privacy Act</u>*, other than section 44 (1) (b), (2), (2.1) and (3), does not apply to any of the following:

a) a personal note, communication or draft decision of a decision maker;

- b) notes or records kept by a person appointed by the tribunal to conduct a facilitated settlement process in relation to an application;
- c) any information received by the tribunal in a hearing or part of a hearing from which the public, a party or an intervener was excluded;
- d) a transcription or tape recording of a tribunal proceeding;
- e) a document submitted in a hearing for which public access is provided by the tribunal;
- f) a decision of the tribunal for which public access is provided by the tribunal.

(3) Subsection (2) does not apply to personal information, as defined in the *Freedom of Information and Protection of Privacy Act*, that has been in existence for 100 or more years or to other information that has been in existence for 50 or more years.

Appeal- Administrative Penalty

Context

Under the Act, the Registrar is responsible for conducting compliance and enforcement, which includes issuing administrative penalties to licensees who are found to be in noncompliance with the Act or the terms and conditions of their licence. The Board is responsible for hearing appeals on Registrar administrative penalty decisions, and may either confirm or rescind any or all of the penalties.

The Act does not set out specific criteria to guide the Board's exercise of its discretion with regard to appeals, and so the Board has created this policy, a set of <u>Rules of Practice</u> <u>and Procedure (RPP)</u>, and an <u>appeals process overview</u> on its website to help parties understand the Board's approach.

Applicability

This policy applies to appellants and respondents during appeals of administrative penalties determined by the Registrar under the Act.

Policy

In hearing an appeal, the Board may consider <u>section 28 of the Act</u>: fitness to provide services (fit and proper, capable), public need, and the promotion of sound economic conditions in the passenger transportation business in B.C. Public safety is also considered. Section 28 (Board) considerations are detailed further under their respective titles in this policy manual.

In addition to the considerations listed above, the Board will consider any relevant factors that the appellant raises with regard to its appeal. Other relevant matters may include those factors that the Registrar is required to consider pursuant to section 46(2.1)(a)-(h) of the Act.

The defense of due diligence may be available to appellants.

Legislation

50 (1) A decision of the registrar under section 46 (3) or (4) or 47 (1) may be appealed by filing a notice of appeal with the board not more than 30 days after the

licensee's receipt of the notice referred to in section 46 (3) (b) or (5) or 47 (2) (d) or (3), as the case may be...

(2) On an appeal from an order of the registrar referred to in section 46 (1) (a), (b),
(c) or (d), the board may, at any time before making a final determination on the appeal, order that the registrar's order is suspended until the outcome of the appeal.

(3) On an appeal under this section, the board must, after considering the information provided by the licensee and the registrar,

(a) rescind any or all of the proposed penalties, or

(b) confirm any or all of the proposed penalties.

Related Topics

- Web page: <u>Appeal an administrative penalty</u>
- Rules of Practice and Procedure Manual
- <u>Appeals Procedures Handbook</u>
- Web page: <u>(Registrar) Passenger Transportation Administrative Penalty</u>
 <u>Framework</u>

Board Section 7 Investigations

Context

As set out in section 7(1)(b)(i) and (i.1) of the Act the Board may, on its own motion, conduct an investigation into any general matter relating to the passenger transportation industry. However, the investigation must be relevant to the Board's overarching jurisdiction and authority.

The Board has the power to control its own investigation processes. The Board will typically follow the procedures outlined below.

Policy

Initiating an investigation

To commence a section 7 investigation, the Board will typically pass a motion at a Board meeting.

Choosing whether to conduct stakeholder engagement

The Board may choose to conduct an investigation on its own initiative and has discretion to undertake stakeholder engagement when practically necessary to fulfill the purpose of the investigation. In that case, the Board may notify relevant persons, obtain information from stakeholders, or undertake consultations.

Seeking assistance with investigation

The Board has the authority to seek assistance as necessary:

- The Board may retain consultants, investigators, expert witnesses, or other persons to assist the Board in conducting its investigatory function under section 7(4) of the Act and/or,
- The Board may seek assistance from Board staff when conducting a section 7 investigation.

Uses of investigation report

The Board may rely on the investigation report, if produced during the course of a section 7 investigation, to:

- Decide on an Application for a new licence (sections 7(1)(f) and 28);
- Decide on an Application to amend a licence (sections 31 and 35);
- Make a Systemic Decision; or,
- Create rules, policies, guidelines, procedures, or other informational or consultation documents.

Disclosure of investigation report

If the Board chooses to release an investigation report, the mode of disclosure is discretionary; however, investigation reports will typically be released by posting it on the Board's website.

Consideration of investigation report in proceedings

If the Board intends to rely upon a section 7 investigation report when making a decision that will affect the rights, privileges, or interests of an individual (e.g., deciding a new or amended licence Application), the Board will:

- Provide a copy of the section 7 investigation report to the individual and give them the opportunity to provide submissions in response; or,
- Ensure that the section 7 investigation report is available to applicants prior to their applications being submitted whenever possible, for example, by posting the report on the Board's website and informing applicants that the report can be considered by the Board in determining future applications.

Legislation

7 (1) Without limiting section 6 (4), the Board may do any or all of the following:(b) conduct investigations into

(i) any matter related to the operation or licensing of inter-city buses or passenger directed vehicles, (i.1) any matter related to the provision of transportation network services....

- 7 (4) The Board may retain consultants, investigators, expert witnesses, or other persons as may be necessary for the board to discharge its functions under this Act...
- 11 In this Division, "proceeding" means an investigation conducted under section 7(1)(b), any application made or forwarded to the board, any hearing conducted by the board or any appeal heard by the board.
- 12 (1) The Board has the power to control its own process.

(2) At any time during a proceeding, but before its decision, the board may make an order requiring a person

(a) to attend... a hearing to give evidence on oath or affirmation or in any other manner that is admissible and relevant to an issue in a proceeding, or
(b) to produce for the board a document or other thing in the person's possession or control, as specified by the board, that is admissible and relevant to an issue in a proceeding

- **13** The Board may adjourn any proceeding
 - (a) on its own motion, or

(b) if it is shown to the satisfaction of the board that an adjournment is required

- 14 If 2 or more proceedings involve the same or similar questions of fact, law or policy, the board may
 - (a) combine those proceedings or any part of them,
 - (b) conduct those proceedings at the same time,
 - (c) conduct those proceedings one immediately after the other, or
 - (d) stay one or more of those proceedings...

Capable

Context

Section 28(1) of the Act sets out the criteria the Board must consider on an application. The first two criteria (Fit and Proper, and Capable) are a threshold test. The Board must first consider that an applicant is a fit and proper person and capable of providing a service before it can continue on to other criteria. If the applicant passes the threshold test, the Board will then consider whether there is a public need for the service and whether the application, if granted, would promote sound economic conditions in the passenger transportation business in BC.

The Board's Capable policy explains how the Board interprets this concept. The policy does not list all the ways in which the Board might consider capable, as the Board has discretion to consider other factors. However, the policy should give an idea of how the capable criteria may be demonstrated by applicants and submitters and interpreted by the Board.

Applicability

This policy applies to:

- New or amended applications for a special authorization
- Transfer applications for a special authorization
- Urgent public need applications (section 26(3) of the Act)
- Temporary Operating Permit applications (section 38(2) of the Act)
- Any person making a submission to the Board respecting an application

Policy

Capable is not defined in the Act. Capability is generally understood to mean that an applicant has the ability or qualities necessary to skillfully and effectively meet its obligations, and achieve the results it says it will achieve. When looking at capability, the Board reflects on whether the applicant has demonstrated that it has the knowledge and understanding of relevant regulatory requirements and policies that govern passenger

transportation providers, and whether it is able to comply with those requirements. It also looks at whether the applicant has the background, skills and knowledge to manage its proposed service, and the financing to operate it.

The Board expects an applicant to demonstrate its competence and ability by providing sound and realistic information in its business plan and financial statements that is consistent and compatible with the transportation service it proposes.

The following sections provide more information on what the Board may consider in determining whether an applicant is Capable, including considerations specific to business plans and financial information.

Board Considerations

Awareness and knowledge

In general, the applicant or licensee should demonstrate an awareness and knowledge of responsibilities to comply with the following:

- Passenger Transportation Act including requirements set out in:
 - The Passenger Transportation Regulation
 - Terms and conditions of licence
 - Board approved rates and rules governing the rates
- Requirements under the *Motor Vehicle Act* (including *Motor Vehicle Act Regulations*) that apply to holders of a passenger transportation licence
- Requirements that apply to extra-provincial, inter-city bus operators in federal Accessible Transportation for Persons with Disabilities Regulations

Care and control

The applicant or licensee must provide a business plan (see 'Business Plans' section below) and other application materials that demonstrate operational care and control as outlined in sections 6 and 7 of the *Passenger Transportation Regulation*. Factors the Board considers include:

- Core responsibilities of owners, managers, and others who influence how the operation is managed
- Hiring practices
- Driver and employee training
- Driver and employee disciplinary measures
- Policies to ensure that apps and other technologies are programmed in ways that facilitate compliance (e.g., accurate geo-fencing and programming of rates in apps)

Education and professional experience

The applicant's business plan and resumés should include enough information about the applicant or management team to demonstrate that the company's key personnel have the education, experience and/or training that is necessary to set up and maintain the services the applicant says it will provide.

Safety obligations

The applicant's business plan should reflect an awareness and knowledge of its National Safety Code (NSC) obligations in B.C., and it should note that it has procedures in place to meet them. For more information, see the <u>Ministry of Transportation and Infrastructure's</u> <u>Carrier Safety Guide</u>.

NSC obligations include:

- Educating Licensees, drivers, and employees of NSC Safety Certificate requirements
- Ensuring that vehicles are properly inspected and maintained
- Ensuring competent and qualified drivers drive the Licensees' vehicles
- Keeping records to track drivers' hours of service, the maintenance of vehicles, and company safety programs and policies to ensure that drivers and employees follow safety procedures and requirements

Business Plans

A business plan demonstrates that the applicant has taken the time to research and investigate the financial viability of the business they propose. The Board reviews the business plan to see that the applicant:

- Provides a clear description of the transportation service being proposed
- Provides public need indicators
- Has identified its target market
- Understands local conditions and competitive challenges
- Has developed a marketing plan
- Has identified any business partnerships and alliances it depends on

When a licensee submits a business plan update with an application to change a licence or add vehicles to a fleet, the licensee should demonstrate the criteria above by focusing on the changes proposed and how they will affect the business and operations.

The applicant should provide as much information and evidence as possible to support general statements.

The Board has provided applicants and licensees with additional guidance on preparing a business plan on its website.

Financial Information

The Board reviews financial information submitted with the application. This includes 36month cash flow projections, balance sheets, and income statements. When reviewing financial information, the Board considers the following:

- Does the applicant have the financial resources or funds to start-up the operation?
- Do assumptions and budget forecast projections have enough detail to show that revenue estimates are realistic?
- Do cost projections cover the main expense categories and are they realistic?
- Do the planned business activities and services align with the financial statements and projections?

• Do the financial statements reflect a company that will be profitable and well managed?

The Board has provided applicants and licensees with additional guidance on providing <u>financial information</u> on its website.

Legislation

- **28** (1) The board may approve, in whole or in part, an application forwarded to the board under section 26(1) [other licence applications] after considering the following:
 - (a) whether the applicant

(i) is a fit and proper person to provide the service the applicant proposes to provide under the special authorization, and(ii) is capable of providing the service

(b) if the board considers that the applicant is a fit and proper person to provide the service and is capable of providing the service,

(i) whether there is a public need for the service, and(ii) whether the application, if granted, would promote soundeconomic conditions in the passenger transportation industry inBritish Columbia.

Related Topics

- Fit and Proper policy
- Web page: <u>Fitness</u>
- Web page: <u>Preparing a business plan</u>
- Web page: <u>Providing financial information</u>
- Web page: <u>Resumes, criminal record checks and business registration documents</u>

Fit and Proper

Context

Section 28(1) of the Act sets out the criteria the Board must consider on an application. The first criteria (Fit and Proper) is a threshold test and considers whether the applicant is a fit and proper person to provide the service the applicant proposes. The Board must first consider that an applicant is a fit and proper person, and capable of providing a service before it can continue on to other criteria. If the applicant passes the threshold test, the Board will then consider whether there is a public need for the service and whether the application, if granted, would promote sound economic conditions in the passenger transportation business in BC.

The Board's Fit and Proper policy explains how the Board interprets this concept. The policy does not list all the ways in which the Board might consider fit and proper, as the Board has discretion to consider other factors. However, the policy should give an idea of how the fit and proper criteria may be demonstrated by applicants and submitters and interpreted by the Board.

Applicability

This policy applies to:

- New or amended applications for a special authorization
- Transfer applications for a special authorization
- Urgent public need applications (section 26(3) of the Act)
- Temporary Operating Permit applications (section 38(2) of the Act)
- Any person making a submission to the Board respecting an application

Policy

Fit and Proper person is not defined in the Act. The Oxford English Dictionary defines *fit* as including "well adapted or suited to the conditions or circumstances of the case, answering the purpose, proper or appropriate ... possessing the necessary qualifications, properly qualified, competent, deserving." The *Oxford English Dictionary* defines *proper* as

including "suitable for a specified or implicit purpose or requirement; appropriate to the circumstances or conditions; of the requisite standard or type; apt, fitting; correct, right." When looking at whether an applicant is Fit and Proper, the Board does so in the context of the passenger transportation industry in BC. This includes the regulatory system that grants businesses a licence which confers on them both the authorization they need to provide their service and an ongoing obligation to operate in accordance with proper standards of conduct.

Board Considerations

Assessing Conduct

When assessing whether an applicant is Fit and Proper, the Board considers factors such as the applicant's past conduct and the potential risk of harm to the public and the integrity of the industry if a licence is granted to the applicant. The Board will consider any relevant information concerning the conduct of the principal in order to assess how the business is likely to be run.

Fit and Proper people:

- Conduct themselves and their business lawfully
- Uphold the integrity of the passenger transportation Industry
- Promote public confidence in the passenger transportation Industry
- Abide by certain standards of conduct

Charges or Convictions

In assessing whether an applicant or licensee is a Fit and Proper person, the Board may consider charges or convictions related to the controlling members of the business or the incorporated business as a legal entity. Considerations may include:

- What were the circumstances of any charges, convictions, or findings of guilt and any sentence imposed?
- How much time has passed between the charge, conviction, or finding of guilt and this Application?

- Does the behavior for which the charges were laid (or convictions or finding of guilt) indicate a pattern of poor conduct and character, lack of financial integrity or a threat to the public?
- What, if any, corrective or remedial activities have been undertaken in relation to any charges or convictions?

The Board may examine charges or convictions that indicate a risk to the public with potentially serious implications, including those relating to:

 Provisions of the <u>Criminal Code of Canada</u>, <u>Controlled Drugs and Substances Act</u> and <u>Motor Vehicle Act</u>, including those listed in sections 12.63 to 12.67 of the <u>Passenger Transportation Regulation</u>

Regulatory Compliance

In assessing whether an applicant or licensee is a Fit and Proper person, the Board may consider their history of regulatory compliance. Considerations may include:

Administrative penalties and offences:

- Is there a record of non-compliance or administrative penalties imposed by the Registrar under the Act or *Passenger Transportation Regulation?*
- Have there been any violation of sections 12.2 and 12.3 of the *Passenger Transportation Regulation* and related licence requirements that protect the <u>safety</u> <u>of unaccompanied minors carried in perimeter seating buses?</u>

National Safety Code (NSC): Is the NSC safety profile status satisfactory?

Bankruptcy: Is there a history of financial insolvency or fraudulent activity?

Legislation

28 (1) The board may approve, in whole or in part, an application forwarded to the board under section 26(1) [other licence applications] after considering the following:

(a) whether the applicant

(i) is a fit and proper person to provide the service the applicant proposes to provide under the special authorization, and(ii) is capable of providing the service

(b) if the board considers that the applicant is a fit and proper person to provide the service and is capable of providing the service,

(i) whether there is a public need for the service, and(ii) whether the application, if granted, would promote soundeconomic conditions in the passenger transportation business inBritish Columbia.

Related Topics

- <u>Capable Policy</u>
- Web page: <u>Fitness</u>
- Web page: <u>Fitness Reviews</u>
- Web page: <u>Resumés, criminal record checks and business registration documents</u>

Inter-City Bus Minimum Route Frequency

Context

The Board is authorized, although not required, to establish minimum route frequency (MRF) requirements for inter-city bus (ICB) services as part of the terms and conditions of licence.

Established MRF Policy

The Board's established MRF policy required ICB operators to apply to the Board to amend their licence to change any MRF requirements. This application process was guided by the following requirements in the Board's Rules of Practice & Procedure (RPP):

- Minimum notice requirements (RPP 39)
- Rationale to reduce MRF requirements and associated notification requirements (RPP 40)
- Process to receive comments and other information pertaining to public notice of proposed MRF changes (RPP 41)
- Public hearing requirements (RPP 42)

COVID-19 Policy

In response to the COVID-19 pandemic, the Board temporarily changed its established MRF policy to provide enhanced flexibility to ICB licensees. Since March 18, 2020, the Board has permitted ICB operators to temporarily reduce or suspend scheduled service to below MRF requirements in the terms and conditions of their licence without applying to the Board for a reduction of service amendment (ICB COVID-19 Policy).

The ICB COVID-19 Policy is scheduled to expire on December 31, 2023, which would result in a reversion to the established MRF policy.

Consultations

The Board undertook consultations with ICB operators in September 2023.

Feedback highlighted a strong preference for ongoing flexibility with respect to MRF requirements and concerns about reverting to the Board's established MRF policy due to challenges associated with maintaining MRF on many routes. However, ICB operators also identified concerns about licensees potentially holding on to licences for certain routes (and potentially restricting opportunities for alternative providers) but not providing any service.

Following consultations and considering these concerns, the Board committed to review and potentially revise the MRF policy.

Applicability

This policy applies to all current and future ICB operators licensed to operate by the Board.

Policy

Requirement to Maintain "Active Service"

ICB operators must maintain an active service on a Board-approved ICB route, as identified in the terms and conditions of their licence.

For the purposes of this policy, "active service" means maintaining at least one scheduled service per month. In the case of seasonal operations, it means one scheduled service per month during the seasonal period identified in the terms and conditions of licence.

Under this policy, this active service threshold is intended to ensure that ICB operators continue to operate a basic minimum level of service on approved routes while providing enhanced flexibility to adjust MRF at their discretion.

<u>Overview</u>

Notwithstanding any MRF requirements identified in the terms and conditions of a licence, an ICB operator may reduce frequency of service on a Board-approved route at its discretion, provided these changes are consistent with the active service threshold described above.

Under this policy, ICB operators are no longer required to apply to the Board to reduce MRF, provided that an active level of service is maintained.

The purpose of this is to balance enhanced flexibility for ICB operators to make changes to MRF for Board-approved routes with ensuring ICB operators maintain active service on these routes.

This update to the Board's policy reduces regulatory burden and provides ongoing to support to ICB operators as they transition from the COVID-19 pandemic while advancing the Board's priority of maintaining an expected level of service to the public and supporting operators who are committed to provide ongoing ICB services.

This update to the Board's MRF policy does not change or revise any requirements in the terms and conditions of licence regarding route points on Board-approved routes.

Public Notification

ICB operators who intend to reduce frequency of service on a Board-approved route must provide advance notification to the public. This may include, but is not limited to:

- Posting on the operator's website
- Posting in terminals, depots or an agent's premises
- Notification to mayors and councils of affected municipalities, chairs and directors of regional districts
- Notification to First Nations governments, Band councils and other community organizations

ICB Operators should aim to provide at least 24 hours for changes to weekly service schedules and at least two weeks for changes to monthly schedules.

Public Funding Agreements and Requirements

ICB operators who have requirements related to route frequency in funding agreements with the federal or provincial government are expected to adhere to those requirements notwithstanding the Board's MRF policy. Any issues pertaining to these or other funding arrangements must be addressed by the ICB licensee directly with the funding partner.

Repeal of RPP 39-42 in Board Rules of Practice and Procedure

As part of this update to the Board's ICB MRF policy, RPP 39-42 in the Board Rules of Practice and Procedure are repealed.

Effective Date

The updated MRF policy takes effect on the expiration of the ICB COVID-19 Policy on December 31, 2023.

There will be a period of 90 days to transition to the updated MRF policy.

Legislation

The Act:

28 (3) The board may establish terms and conditions that apply to a special authorization included in a licence, if issued, including, without limitation, terms and conditions respecting the following: ...

(b) if the licence is to include an inter-city bus authorization, routes and minimum route frequencies

Related Topics

- Web page: <u>Inter-city Bus</u>
- Board Rules of Practice and Procedure
- ICB COVID-19 Policy

Operating Areas

Context

Section 28(3) of the Act allows the Board to establish the terms and conditions of licences for passenger directed vehicle authorizations (PDVAs) and transportation network services authorizations (TNSAs), including the geographic areas in which licensees may pick up and drop off passengers. The Board regulates operating areas to balance adequate service levels that meet public need while maintaining a sustainable passenger transportation industry.

The Board's Operating Areas policy describes the acceptable ways in which applicants for a new or amended special authorization should provide the Board with proposed passenger pick-up and drop-off locations. These originating and destination areas should be easily understood by licensees, passengers, and enforcement officers. This allows the Board to clearly specify operating areas in the terms and conditions of licence of approved special authorizations.

Applicability

This policy applies to:

• New or amended applications for PDVAs and TNSAs.

This policy does not apply to:

• Applications for inter-city bus authorizations

Policy

Passenger Directed Vehicle Authorizations

Applicants or licensees for a PDVA must indicate in their applications the operating areas they propose to provide service in. Clearly defined operating areas help the Board consider factors such as public need and sound economic conditions in its decisionmaking process.

Acceptable ways of stating operating areas include municipalities, regional districts, and highway corridors. Electoral boundaries, improvement districts, water districts, or other

less common geographic references will not be accepted to define an originating area or destination area.

Highway corridors

The Board prefers this approach for operators providing transportation services in communities outside the Lower Mainland. Most services operate from a hub and its surrounding areas. Thus, operating areas may be expressed as covering points on a highway corridor between certain communities or other readily identifiable landmarks.

When an operating area includes reference to a highway corridor, the originating or destination area will include pick-up and drop-off points at locations and places located on or accessed directly from a specified section of highway.

For example, "transportation of passengers may only originate from City X and the surrounding area which extends south to Highway A where it intersects with Highway B; east on Highway B to where it intersects with Highway C; north on Highway C to where it intersects with Highway D; and west on Highway D to where it intersects with Highway A."

Municipalities and regional districts

For many existing licences, originating areas are expressed as a "municipality and X number of road kilometres from the municipality." Under such circumstances, using the name of a village, town, city, regional district, or any other identifiable place means an area within the legal boundary of that place. If a boundary changes, the new boundaries are deemed to apply to any existing licences.

If the term "road kilometres" is used to describe an originating area, it means the maximum distance that a licence holder may travel by highway and by a ferry that crosses a body of fresh water. It does not include any distance travelled by a ferry that crosses a body of salt water, unless specified by the Board. Expressing operating area borders through intersection highways or roads is preferred over the "road kilometers" approach.

When reviewing an application from an existing licensee or new applicant, the Board may re-write the originating area using the highway corridor or regional district approach. Generally, licensees will be given an opportunity to comment on the wording before it is adopted.

Originating Areas

An originating area of "anywhere in British Columbia" will not be accepted. The Board requires applicants to propose specific originating areas so that it can properly assess and balance adequate supply to meet public need while maintaining sound economic conditions for the passenger transportation industry in a given operating area.

Destination Areas

A destination area of "anywhere in British Columbia" will be accepted, though applicants may choose to define their destination areas more specifically. licensees may not pick up passengers outside of their defined originating areas unless they have terms and conditions of licence that allow for either return or reverse trips, which are described below.

Transportation Hubs

If an applicant wishes to serve an airport, ferry terminal, or other transportation hub, they must confirm it is in the operating area(s) being proposed. If not, it must be included separately as an originating or destination area (or both).

Return Trips and Reverse Trips

Applicants may also apply for terms and conditions that allow them to offer return trips and reverse trips. The application package should explain why the applicant requires these authorizations.

Return trip authorization means that the same passengers may only be returned from where their trip terminates in the destination area to any point in the originating area if the return trip is arranged by the time the originating trip terminates. Reverse trip authorization allows licensees to pick up passengers in a destination area under either limited or unlimited circumstances, subject to Board approval. This term and condition may state, for example, that the transportation of passengers may only originate in the destination area if the transportation terminates in the originating area and the cost of the trip is billed to an active account held by the licence holder that was established before the trip was arranged.

An unlimited reverse trip authorization is not a common term and condition of licence, especially for vehicles operating in urban areas.

Transportation Network Service Authorizations

The Board has established five regions for persons applying for a new or amended licence to operate vehicles under a TNSA licence. Applicants must clearly identify the TNS region or regions they wish to serve as originating areas. Transportation of TNS passengers may terminate at any point in B.C. Applicants wishing to cross the B.C. border into another province, territory, or U.S. state must apply to do so in their proposed terms and conditions of licence, as part of an application package.

TNS Regions

Region 1 (Lower Mainland, Whistler): Metro Vancouver, Fraser Valley, Squamish-Lillooet

Region 2 (Capital): Capital Region

Region 3 (Vancouver Island, excluding CRD): Cowichan Valley, Nanaimo, Comox Valley, Alberni-Clayoquot, Strathcona, Mt. Waddington, qathet (Powell River)

Region 4 (Okanagan-Kootenays-Cariboo): Central Okanagan, North Okanagan, East Kootenay, Kootenay Boundary, East Kootenay, Cariboo, Thompson-Nicola, Columbia Shuswap

Region 5 (BC North Central & Other regions of B.C.): Fraser-Fort-George, Bulkley-Nechako, Kitimat-Stikine, Peace River, Northern Rockies, North Coast, Central Coast, Sunshine Coast, Islands Trust

Legislation

- 28 (3) The board may establish terms and conditions that apply to a special authorization included in a licence, if issued, including, without limitation, terms and conditions respecting any of the following: ...
 - (c) if the licence is to include a passenger directed vehicle authorization; ...
 - (iv) the geographic region in which motor vehicles may be operated under the authorization

(d) if the licence is to include a transportation network services authorization; ...

(iii) the geographic region in which motor vehicles may be operated under the authorization

Related Topics

- PT Board Form 2: <u>Proposed Terms and Conditions of Licence for Passenger</u> <u>Directed Vehicle Authorizations</u>
- <u>Transportation Network Services Application Package</u>

Public Need

Context

Section 28(1) of the *Passenger Transportation Act* (Act) sets out the criteria the Board must consider on an application. The first two criteria (Fit and Proper, and Capable) are a threshold test. The Board must first consider that an applicant is a fit and proper person and capable of providing a service before it can continue on to other criteria. If the applicant passes the threshold test, the Board will then consider whether there is a public need for the service and whether the application, if granted, would promote sound economic conditions in the passenger transportation industry in BC. The public need and sound economic conditions criteria are also part of section 28(1) of the Act.

The Board's Public Need policy explains how the Board interprets this concept. The policy does not list all the ways in which the Board might consider public need, as the Board has discretion to consider other factors. However, the policy should give an idea of how the public need criteria may be demonstrated by applicants and submitters and interpreted by the Board.

Applicability

This policy applies to:

- Applicants for a new or amended special authorization.
- Urgent public need applicants (section 26(3) of the Act).
- Any person making a submission to the Board respecting an application.

This policy does not apply to:

- Applications to transfer a licence (section 30 of the Act).
- Rate change applications (section 35 of the Act).
- Temporary operating permit applications (section 38 of the Act).
- Inter-city bus applications under the simplified process.

Policy

An Application must explain how there is a public need for the proposed service. Firstly, the Board considers whether there is **demand** for the proposed service. Secondly, the Board considers public need in terms of the ways passenger transportation benefits the public, including (but not limited to) the following factors: **accessibility**, **affordability**, **safety**, and **service quality**.

While an application does not need to demonstrate that the proposed service would address all of these public need factors, the applicant should provide as much information and evidence as possible to show that public need exists for the proposed service.

Submitters should also consider these factors of public need when providing information to the Board respecting an application.

Public Need Factors

The following sections provide more information on what the Board may consider for each of these factors of public need.

Demand: Are there people who would use the proposed service?

The proposed service may address the public need demand factor if:

- There are people who would use the proposed service.
- There are people who require access to, or are seeking access to, or would likely access a new, expanded, or improved passenger transportation service.

Accessibility: How would the proposed service improve access to passenger transportation?

The proposed service may address the public need accessibility factor if it:

- Enhances availability of passenger transportation services to everyone in the province, including in low density areas, such as rural and remote communities.
- Supports essential service levels (24 hours a day, seven days a week) for the public.
- Provides more or improved service to persons with mobility disabilities, including WAVs.

- Reduces barriers for persons with other disabilities (auditory, visual, cognitive, sensory, etc.).
- Provides service to underserved groups or communities, including Indigenous communities.
- Reduces barriers to inclusion (i.e., based on race, gender, sexuality, etc.).

Affordability: How would the proposed service increase affordability for the public?

The proposed service may address the public need affordability factor if it:

- Provides unique, innovative, or efficient services that can reduce costs.
- Provides more affordable options or services for consumers.

Note: The Board must consider the proposed service to be financially viable under the capable criteria; however, this public need factor relates to business efficiencies producing more affordable rates for customers.

Safety: How would the proposed service increase the Industry's safety?

The proposed service may address the public need safety factor if it:

- Provides safer passenger transportation services, above and beyond regulatory requirements.
- Supports greater understanding of compliance (with safety regulations) for drivers, the licensee, and others involved in the service.
- Utilizes new safety features.
- Includes additional safety training or behaviours.
- Increases data security to protect client privacy.

Note: This public need factor is above and beyond the determination that the applicant is fit and proper, and capable.

Service Quality: How would the proposed service increase service quality?

The proposed service may address the public need service quality factor if it:

- Provides more or improved service where there is currently inadequate service.
- Provides more reliable service.

- Encourages more efficient service to the public, including trip speed.
- Provides a service that is comfortable and convenient.
- Supports better customer service and customer satisfaction.

Legislation

- 26 (1) If the registrar receives an application for a licence in which a special authorization is sought, the registrar must forward that application to the board.
- (1) If an application is forwarded to it under section 26 (1), the board
 (2) must, in the case of any application other than one referred to in section 26 (3), defer its consideration of the application for a period of at least 7 days after the date on which the notice referred to in section 26 (2) is published, and

(b) may require further information from the applicant, including written or oral submissions.

(3) Any person may, within the time period specified by the board and on payment of the prescribed fee, make a written submission to the board respecting the application forwarded to it under section 26 (1).

28 (1) The board may approve, in whole or in part, an application forwarded to the board under section 26 (1) *[other licence applications]* after considering the following:

(a) whether the applicant

(i) is a fit and proper person to provide the service the applicant proposes to provide under the special authorization, and(ii) is capable of providing the service;

(b) if the board considers that the applicant is a fit and proper person to provide the service and is capable of providing the service,

(i) whether there is a public need for the service, and

(ii) whether the application, if granted, would promote sound economic conditions in the passenger transportation industry in British Columbia. **31** (1) Subject to subsection (4) and <u>section 32</u>, a licensee wishing to amend a licence must apply to the registrar and, in that event, [...]

(b) Division 3 applies to an application to amend a licence issued under that Division.

Related Topics

- Sound Economic Conditions Policy
- Web page: <u>Fitness</u>
- Web page: <u>Demonstrating Public Need and Sound Economic Conditions</u>

Rates

Context

Section 7(1)(f) of the Act mainly applies to individual application decisions. When the Board makes an application decision, it expresses any requirements around rates in its written reasons for decision—which is called a rates order.

The Board may indicate that a licensee is subject to an established rates rule or make a specific rates order applicable to that licensee, or both.

Section 7(1)(g) of the Act provides authority to the Board to set rules about rates and any practices related to rates. This section mainly applies to systemic decisions, although the Board can apply rates rules (e.g., Taxi Meter Rule) to individual licensees through application decisions.

Rates Orders Policy

Applicability

The Board can make rates orders that are applicable to individual application decisions.

Policy

Rates orders refers to any requirements expressed around rates in the Board's written reasons for application decisions. It is not the same as a term and condition on a licence, but both are stated in the reasons for decision on applications and both are binding (enforceable).

The Board may indicate that the licensee is subject to an established rates rule or make a specific rates order applicable to the licensee, or both.

A licensee may apply to change their rates under section 35 of the Act. Any changes to rates applicable to an individual licensee will be stated in the rates change application reasons for decision as a rates order. The Board may also amend a rates order on its own motion.

A list of all rates orders will be posted by the Board on its website so that the public, enforcement officers, and licensees can know what rates a licensee is permitted to charge.

Approve or Set

Under section 24(3) of the Act, an application must set out the rates, and any rules relating to those rates, that the applicant proposes will apply to the authorization. The Board has authority to make rate decisions on an application and may agree with what is proposed by the applicant. However, the Board has the discretion to set a different rate than what was proposed.

Although section 7(1)(f) of the Act uses the term "approve, or set", in practice these terms are used interchangeably by the Board, as the Board has authority to set rates in an application. The Board is setting the rate in both instances – when accepting the rate proposed by the applicant, or when determining a different rate than the proposed rate.

Just and Uniform

Section 7(1)(f) provides that rates set (or approved) by the Board must be "just and uniform". The Board interprets these terms taking into account the context of how this terminology evolved in the Act since 2004 and its predecessors, including the *Motor Carrier Act*.

In the context of passenger transportation, the Board interprets the term "just" to mean a fair and reasonable charge for services which: is not unduly discriminatory or preferential, protects the public from excessive rates, and provides fair and reasonable compensation for businesses.

The Board interprets the term "uniform" to mean, generally, the same rate for the same service operated in the same area. The Board has authority to classify licences and broad discretion to determine the factors upon which to classify licences. Therefore, the Board may apply different rates structures to different classes, including sector types, and the Board may divide the classifications further into sub-groups, for example, by different areas or regions.

Rates Rules Policy

Applicability

The Board can make rates rules that are applicable to the whole Industry or classes of licences, including a particular sector type, or a sub-group of licensees.

Policy

When the Board makes a rates rule, it is applicable to all the licensees subject to the rule. rates rules are a type of Regulation and carry with them the same binding (enforceable) qualities.

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

The Board has exclusive jurisdiction to make rates rules under the Act and can make new rules or amended rules on its own initiative. The Board will typically follow the procedures outlined in the *Systemic Decision – Rates Policy* found below.

In making decisions on rates, either in individual application decisions or systemic decisions, the Board is guided by its key values (see <u>Key Value Indicators</u>). These key values describe what the Board hopes to achieve through its regulation of the passenger transportation industry, including through rates.

Legislation

In Part 1 of the Act - Rates are defined as follows:

"In relation to compensation that may be charged or collected for the transportation of passengers in commercial passenger vehicles, includes the following:

- (a) Discount fares;
- (b) Round-trip fares;
- (c) Point-to-point fares;
- (d) Deadhead charges;
- (e) Minimum and maximum charges;
- (f) Any other fares, fees or charges."
- 7 (1) Without limiting section 6(4), the Board my do any or all of the following:

(f) approve, or set, for the purpose of establishing just and uniform charges, rates to be charged by a licensee in respect of passenger directed vehicles operated under a licence... and approve any rule, practice or tariff of the licensee relating to those rates.

- (g) make rules respecting
 - (i) rates that are or may be charged by a licensee,
 - (ii) any rules or practices of a licensee relating to those rates, and
 - (iii) any tariff of those rates."

Sound Economic Conditions

Context

Section 28 (1) of the *Passenger Transportation Act* (Act) sets out the criteria the Board must consider on an application. The first two criteria (Fit and Proper, and Capable) are a threshold test. The Board must first consider that an applicant is a fit and proper person and capable of providing a service before it can continue on to other criteria. If the applicant passes the threshold test, the Board will then consider whether there is a public need for the service and whether the application, if granted, would promote sound economic conditions in the passenger transportation industry in BC. The public need and sound economic conditions criteria are also part of section 28(1) of the Act.

The Board's Sound Economic Conditions policy explains how the Board interprets this concept. The policy does not list all the ways in which the Board might consider sound economic conditions, as the Board has discretion to consider other factors. However, the policy should give an idea of how the sound economic conditions criteria may be demonstrated by applicants and submitters and interpreted by the Board.

Applicability

This policy applies to:

- Applicants for a new or amended special authorization licence.
- Urgent public need applicants (section 26(3) of the Act).
- Any person making a submission to the Board respecting an application.

This policy does not apply to:

- Applications to transfer a licence (section 30 of the Act)
- Rate change applications (section 35 of the Act)
- Temporary operating permit applications (section 38 of the Act).
- Inter-city bus applications under the simplified process.

Policy

An applicant must explain how their application, if granted, would promote sound economic conditions in the passenger transportation industry in BC. The applicant must provide information and evidence to support this.

The Board considers sound economic conditions in terms of the overall passenger transportation business, rather than the interests of individual applicants, submitters, or businesses, including (but not limited to) the following factors: **competition**, **innovation**, **sustainability**, and **variety**. While an application does not need to demonstrate that the proposed service would address all of these sound economic conditions factors, the applicant should provide as much information and evidence as possible to show that sound economic conditions exists for the proposed service.

Sound Economic Conditions Factors

The following sections provide more information on what the Board may consider for each of these factors of sound economic conditions.

Competition: Will the proposed service promote the market forces that keep businesses accountable to customers?

The proposed service may address the sound economic conditions competition factor if it:

- Encourages healthy competition among various service providers.
- Prevents market saturation in well-served areas.
- Provides a competitive option where only one type of service exists, so long as it is economically feasible.
- Is providing service to a niche market or under-served areas.
- Encourages competition to promote efficiency, reliability, and quality service for customers.
- Promotes price and/or service competition in an area.

Innovation: Will the proposed service move the Industry forward?

The proposed service may address the sound economic conditions innovation factor if it:

- Encourages modernization of the passenger transportation industry overall or of a particular sector.
- Promotes innovation in products or services relevant to passenger transportation.
- Embraces emerging technology that will benefit customers.
- Offers a service that is new and valuable to customers.

Sustainability: Will the proposed service help the Industry stably meet demand into the long term?

The proposed service may address the sound economic conditions sustainability factor if it:

- Promotes long-term stability for the passenger transportation industry.
- Encourages resiliency in the passenger transportation industry.
- Balances economic opportunity equitably across different sectors.
- Minimizes significant market disruption.
- Protects the taxi sector from rapid disruption to ensure its long-term stability as an essential service.
- Promotes overall profitability and economic sustainability of the Industry.
- Promotes adequate driver incomes to contribute to a stable supply of drivers.
- Contributes to environmental sustainability over the long term.
- Focuses on reducing greenhouse gas emissions, other pollution, and/or congestion.
- Reduces harm to or enhances Public Transportation.

Variety: Will the proposed service increase the diversity of services available to customers?

The proposed service may address the sound economic conditions variety factor if it:

- Encourages a variety of passenger transportation options in an area, where economically feasible.
- Supports a sector or service that is under-represented in the market.
- Considers how to serve low density markets in a stable way.
- Serves the unique qualities of the community in which the service will operate.

Legislation

- 26 (1) If the registrar receives an application for a licence in which a special authorization is sought, the registrar must forward that application to the board.
- (1) If an application is forwarded to it under section 26 (1), the board
 (a) must, in the case of any application other than one referred to in section 26 (3), defer its consideration of the application for a period of at least 7 days after the date on which the notice referred to in section 26 (2) is published, and

(b) may require further information from the applicant, including written or oral submissions.

(2) Any person may, within the time period specified by the board and on payment of the prescribed fee, make a written submission to the board respecting the application forwarded to it under section 26 (1).

28 (1) The board may approve, in whole or in part, an application forwarded to the board under section 26 (1) *[other licence applications]* after considering the following:

(a) whether the applicant

(i) is a fit and proper person to provide the service the applicant proposes to provide under the special authorization, and(ii) is capable of providing the service;

(b) if the board considers that the applicant is a fit and proper person to provide the service and is capable of providing the service,

(i) whether there is a public need for the service, and
(ii) whether the application, if granted, would promote sound economic conditions in the passenger transportation industry in British Columbia.

(1) Subject to subsection (4) and <u>section 32</u>, a licensee wishing to amend a licence must apply to the registrar and, in that event, [...]

(b) Division 3 applies to an application to amend a licence issued under that Division.

Related Topics

- Public Need Policy
- Web page: <u>Demonstrating Public Need and Sound Economic Conditions</u>

Systemic Decision - Rates

Context

As set out in the *Rates Policy* above, section 7(1)(g) of the Act provides authority to the Board to make rules about rates and any practices related to rates. Rates R=rules are a type of Regulation and carry with them the same binding (enforceable) qualities. The Board may make systemic decisions on rates by making a new rates rule or by amending an existing rates rule under section 7(1)(g) of the Act.

The Board will typically follow the rates rules procedures outlined below.:

Applicability

The Board can make rates rules that are applicable to the whole industry, or classes of licences, including a particular sector type, or a sub-group of licensees.

Policy

Choosing Whether to Seek Feedback

The Board may choose to create/amend a rates rule on its own initiative, and it may seek feedback from the affected licensees or other stakeholders before enacting the new rates rule.

In determining whether to seek feedback from the affected licensees, the Board will consider the significance and impact of the proposed change to the rates rules. The Board will consider efficiency in its decision-making and will typically not seek feedback for changes that are routine or minor.

When the Board seeks feedback, the Board will make a motion as to what option(s) it is considering and instruct staff to undertake a request for feedback process from the affected licensees or other stakeholders, before making a final decision.

Request for Feedback Process

When the Board seeks feedback on a proposed rates rule change, it will publish a notice on its website and/or send notice by email to the affected licensees. The notice will describe the changes being considered and why. This notice will typically be called a "Request for Feedback".

Submissions made in response to a Request for Feedback must be in writing and sent to the Board via email (unless a request for accommodation is made in advance of the due date). Respondents should provide information in support of their feedback and may include responses to any questions posed in the Request for Feedback. Submissions must be provided to the Board by the date set out in the Request for Feedback notice. There is no fee associated with providing this feedback.

Systemic Decision-Making on Rates

After the feedback period is over, the Board Chair may appoint a panel of one or more members, or the entire Board, to make the decision to create or amend the rates rule.

Prior to making the decision on the new rates rule, the Board or panel will review and consider all feedback received on the topic in response to the Request for Feedback.

Board staff may assist the Board or panel by providing policy research and advice, presentations, summaries, or other facts; however, the staff may not participate in decision-making.

The Board may provide the passenger transportation Industry with notice of the Board's final decision. The manner and scope of notice will depend on the rule. At a minimum, the Board will post a notice of rates rule change on the Board's website. The Board may also send email notices to affected licensees.

Legislation

In Part 1 of the Act - Rates are defined as follows:

"In relation to compensation that may be charged or collected for the transportation of passengers in commercial passenger vehicles, includes the following:

- (a) Discount fares;
- (b) Round-trip fares;
- (c) Point-to-point fares;
- (d) Deadhead charges;
- (e) Minimum and maximum charges;
- (f) Any other fares, fees or charges."
- 7 (1) Without limiting section 6(4), the Board my do any or all of the following:

(f) approve, or set, for the purpose of establishing just and uniform charges, rates to be charged by a licensee in respect of passenger directed vehicles operated under a licence... and approve any rule, practice or tariff of the licensee relating to those rates.

- (g) make rules respecting
 - i. rates that are or may be charged by a licensee,
 - ii. any rules or practices of a licensee relating to those rates, and
 - iii. any tariff of those rates.

Temporary Operating Permits (TOPs)

Context

Section 38 of the Passenger Transportation Act (Act) authorizes the Board to approve an application by a licensee to temporarily increase their fleet size if the Board considers that there is an "urgent and temporary" need for the vehicles. The length of the TOP depends on the time period for which a permit is required. The maximum time for a TOP is 92 days, but these do not need to be consecutive days.

In addition to Regular TOPs, the Board has implemented two streamlined TOP processes to accommodate peak periods. These are Festive Season TOPs (FS TOPs) for taxis and Peak Season TOPs (PS TOPs) for limousines and other PDVs. "Urgent and temporary need" is generally accepted by the Board in these streamlined processes.

Applicability

This policy applies to:

 Licensees with a special authorization: passenger directed vehicle authorization (PDVA) who want to increase, on a short-term basis, the number of motor vehicles they may operate

This policy does not apply to:

- Licensees with a transportation network services authorization (TNSA)
- Licensees with an inter-city bus authorization (ICBA)

Policy

The Board may grant a TOP if the Board considers that there is an "urgent and temporary" need for the licensee to increase the number of motor vehicles that are or may be operated under the licence. TOP applications are considered individually based on operating and market conditions at a particular time.

With any TOP, a panel member may require an applicant to provide additional information to the Board or refuse an application if circumstances, including applicant fitness, warrant a refusal. A panel member may consider the history of an applicant's previous TOP applications, including for FS TOPs and PS TOPs, in the previous 5 years. The Board expects licensees to manage their operations within their current fleet and TOP options available. Outside of the TOP process, operators may, for a fee of \$50 move a plate and identifier from one vehicle to another by submitting a <u>Move Plate to Alternate</u> (<u>PTA</u>) Vehicle form to the Registrar's Office. The alternate vehicle must be permitted under the operator's special authorization.

<u>Regular TOPs</u>

Urgent and Temporary Need

TOPs are considered individually on the basis of urgent and temporary need. However, some examples of approvals for TOPs include:

- conferences or special events
- transportation of dignitaries
- unexpected peaks in demand for services

TOPs are not a means to:

- obtain authority to use a recently purchased vehicle pending filing a formal application for Board approval
- establish public need for a vehicle
- circumvent the regular Amendment of Licence application process to increase the maximum fleet size

The Board may be interested in strategies that applicants use to manage their fleet to avoid accepting bookings that exceed supply of vehicles.

TOPs and Additional Vehicle Applications

Operators who want to expand their fleets on a permanent basis should submit a <u>TOP</u> <u>Additional Passenger Directed Vehicle application</u>. The Board will generally not approve TOPs pending additional vehicle applications. The exception to this is the PS TOPs for limousines and other PDVs outlined below. Operators who buy a vehicle before they get Board approval to increase their fleet size are taking a risk. There is no guarantee that the Board will approve an Additional Vehicle application.

Festive Season TOPs for Taxis

The Board recognizes demand for taxis often increases significantly from mid-November to mid-January (the "festive season"). The FS TOPs process allows taxi companies to increase their fleet size during this time, and applicants for FS TOPs are not required to provide additional evidence of a "temporary and urgent need" for more taxis. Taxi operators may apply for FS TOPs to increase their maximum fleet of full-time vehicles (e.g. vehicles that may operate 24/7) by 10% or by 1 vehicle, whichever is greater. Percentages are calculated with conventional rounding.

FS TOPs may cover a period of up to 60 days within the time period of November 15 to January 15.

Any permit requests outside of the FS TOP parameters must be submitted through the regular TOP process where evidence of "temporary and urgent need" is required.

Peak Season TOPs for Limousines and Other PDVs

The Board recognizes that limousine and other PDV operators provide discretionary services. As such, they often experience spikes in demand at various times of the year. These spikes may occur during the festive, grad, ski, or summer season. To meet cyclical demands and serve their client base, operators may need to increase their fleet temporarily. Applicants for PS TOPs are generally not required to provide additional evidence of a "temporary and urgent need" for more vehicles. Municipalities and other agencies or organizations may have additional requirements with which limousine and other PDV companies must comply.

The PS TOPs policy applies only to those licensees who must charge hourly rates pursuant to the Board's Rates Rule- Limousine Rates Rule.

PS TOPs may be cumulative. In any calendar year, which starts on January 1, a licensee may apply for a maximum of one of the following PS TOP timeframes:

- 3 30-day PS TOPs
- 1 60-day PS TOP and 1 30-day PS TOP

• 1 – 92-day PS TOP

PS TOPs that cover December may finish on any day up to January 7 of the following year. In any calendar year, the latest date to start a PS TOP is:

- December 9 for a 30-day permit
- November 9 for a 60-day permit
- October 8 for a 92-day permit

Fleet Size	Number of PS TOP vehicles permitted
1-10	1
11-23	up to 2
24+	up to 3

The maximum number of vehicles permitted for a PS TOP timeframe is:

Licensees must indicate a maximum number of vehicles they are requesting when they submit a PS TOP application, and operating areas for PS TOPs will be the same as those on the applicant's licence. Licensees must manage bookings accordingly and should not expect TOPs over and above PS TOPs unless appropriate supporting data is received. Vehicle capacity and type may be different on a PS TOP than on a licence; however the Board may limit the number of sedan limousines at any time in an area. TOP requests outside of the PS TOP parameters must be submitted through the regular

TOP process where evidence of "temporary and urgent need" is required.

Legislation

(1) The board may approve an application forwarded to it under section 36.1
(4) *[application by licensee to temporarily increase fleet size]* if the board considers that there is an urgent and temporary need for the licensee to increase the number of motor vehicles that are or may be operated under the licence.

(2) Sections 28 (1) (a), (3) (a) and (c), (5) and (7) [determination by board] and 29

(1) *[role of registrar if board approves licence including special authorization]* apply to an application forwarded to the board under 36.1 (4) and, for this purpose, those sections are to be read as if

(a) references to "licence" were references to "temporary operating permit", and

(b) the reference to "licensee" in section 28 (5) were a reference to "permit holder".

Related Topics

- Web page: <u>Temporary operating permits</u>
- <u>Temporary Operating Permit application form (Regular)</u>
- Festive Season Temporary Operating Permit application form
- <u>Peak Season Temporary Operating Permit application form</u>