

Information Sheet

Taxi Rates Structure: Rates Bands

In 2023 the Passenger Transportation Board (Board) conducted an extensive review of taxi rates and examined potential changes to taxi rates structures.

Following several months of research and consultation with taxi licensees, the Board decided in December 2023:

- to eliminate common rates rules (CRR) in regions where they are in effect, and replace these with **standardized rates**.
- in regions where CRR are not in effect, to establish regional **rates bands**.

The timeline for implementing these changes has not yet been determined. Further information will be provided at a later date, and the Board will work with the taxi sector to ensure effective implementation.

This information sheet explains how rates bands are intended to work. A separate information sheet is available on Board standardized rates.

Present state: rates outside common rates areas

In regions of B.C. where common rates rules do not apply, taxi rates have historically been set by licensees applying to the Board and proposing a rate with supporting information. The Board would then either approve the proposed rate or set a different rate. While this approach allows the Board to consider individual licensee circumstances, it does not represent uniform pricing for customers.

Under the current structure, if a licensee wants to change their rate, they must apply for a rate change for a fee and provide justification for the new proposed rate.

Future state: rates bands

With rates bands, the Board will set a minimum rate and a maximum rate for each region. To determine rates bands, the Board will examine data, conduct economic analysis, assess market conditions, and consult with licensees. In setting rates bands, the Board will consider:

- whether the minimum of the band supports a reasonable rate of return for an average taxi business that is effectively operated, and
- whether the maximum of the band is affordable to customers

Wherever rates bands are implemented, taxi licensees in the region would simply select a rate within the band that is suitable for their specific purposes (e.g., balance their operating costs and margin of profitability, address changing market conditions etc.).

Under rates bands, licensees can have different rates from the other licensees in the region, provided their rates are within the established band.

The rates band structure gives licensees much greater flexibility in choosing rates that are most suitable for their business needs. It also makes rate changes easier and more efficient from an administrative perspective, because the rates within the band have already been approved by the Board.

Making changes to rates

After choosing a rate within the band, licensees will have the option to choose another rate within the band after a fixed period. For example, after six months, a licensee could choose another rate within the band and switch to that rate or could choose to remain at the same rate. No application or fees would be necessary. As long as the new rate is within the established rates bands and timelines, the licensee would simply notify the Board and customers of the change.

After moving to the rates band structure, any cost-of-living adjustments will be automatically applied by the Board to the minimum and maximum rates of the rates bands. Only licensees that are under the new minimum would need to change their rates to remain inside the band.

After implementation, a full application will only be required if a licensee wants to set a rate higher or lower than the rates band. In this case, the licensee will need to pay an application fee and provide a rationale for the rate.