

MINIMUM HOURLY RATE POLICY QUESTIONS & ANSWERS

The "Invitation to Comment" paper that was posted on the Board's website and in the June 27, 2007 PT Board "Bulletin" outlines the proposed minimum hourly rates and rules for limousines and other non-metered passenger directed vehicles. These "Q&A's" relate to that document.

1. *What is the purpose of this policy?*

- The purpose of this policy is to provide pricing flexibility to limousine and other non-taxi passenger directed vehicles while maintaining a distinction between taxis and limousine rates.

2. *Does it apply to any passenger directed vehicle operators that are not operating a taxi?*

- No, the policy applies only to those passenger directed vehicle operators that are not taxi operators and who charge hourly rates. It does not apply to operators who charge only flat or point to point rates, per person rates or zone rates.

3. *What if I advertise a point to point rate or flat rate that is actually greater than the minimum hourly rate?*

- That would be acceptable as long as it can be demonstrated that the advertised rate is greater than the minimum hourly rate.

4. *Why does this policy not apply to licensees who charge metered rates, flat or point to point rates, per person rates or zone rates?*

- Generally, the Board encourages a distinction between taxi rates and other passenger directed vehicle rates. A minimum hourly rate will maintain this distinction. For some services, such as a shared ride shuttle, the differentiation of rates is less clear. Therefore, the Board will continue to review proposed changes to these rates through the application process.

5. *Why does the Board want to maintain a distinction between taxi rates and other passenger directed vehicle rates?*

- Limousines and taxis provide different services. Limousine operators generally pursue a different clientele or different market than taxi providers. A limousine service is more of a "discretionary" transportation service.
- Taxi services, on the other hand, are generally available to the public on a regular, "on demand" basis. The Board seeks to promote a stable taxi industry that is available to the public and where the people who need it can reasonably afford the service. Maintaining a distinction between taxi and limousine rates helps to maintain the stability of the taxi industry.

6. Why doesn't the Board set a minimum rate for taxis?

- Minimum rates for taxis are not practical, especially in larger urban areas. Most taxis have metered rates and changing the meters is a costly endeavor. As well, the Board wants to promote stability in the taxi industry and regulation of metered rates is a means of accomplishing this goal.

7. Isn't the Board concerned about stability in the limousine industry?

- Yes, the board is concerned about the stability of the industry generally and a minimum rate should foster stability. However, the Board also feels that the industry and its clientele would also benefit from a more competitive and flexible rate environment.

8. Isn't this a reversal of Board policy regarding rates?

- Implementation of a minimum hourly rate is a new direction for the Board. The Board had initially considered that the Passenger Transportation Act would not allow the Board to set or approve minimum rates. After further review, however, the Board is now of the view that minimum rates would be acceptable.

9. How were the minimum rates determined?

- The Board reviewed current hourly rates for limousine operators throughout the province and identified common rates. Generally, rates for the Lower Mainland were higher than other areas.

10. My approved rules cover such things as baggage requirements and charges for clean up. Why aren't these included in the draft rules.

- The Board is concerned with rates charged to passengers for transportation and with rules that relate to those rates or how those rates are applied. Other types of rules, such as those relating to baggage limitations or the carrying of animals are not related to the transportation of passengers. Those matters may be covered by other legislation such as the *Guide Animal Act*, which states that a person with a disability accompanied by a guide animal has the same rights, privileges and obligations as a person not accompanied by an animal or the *Business Practices and Consumer Protection Act*, which addresses consumer protection matters.

11. Can I influence the policy before it is implemented?

- The Board is accepting comments from industry until **July 25, 2007**. The Board is interested in any comments on this policy. One of the reasons the Board is seeking comments is to ensure that the final policy will be clear. The Board will review all comments before making its final decision.

12. What if I need clarification on how this policy will affect me?

- The Board is interested in any comments on this policy. However, the Board will not be providing advice on the application of the policy to specific rates or licenses during the comment period.