

September 5, 2007
(Amended October 24, 2007)

Industry Advisory

Crew Transportation Rates under a Contract Clause

Context

Some licences have a clause which reads similar to the following:

Service Limitation: Service may be provided only to employees of **X** and only as long as a current written contract exists between the licence holder and **X** and **as long as the Passenger Transportation Board has received and approved the rates** (emphasis added).

These types of clauses generally apply when service is provided for crew transport of railway, ship or oil and gas workers or to postal employees or other specified groups. These contracts have been negotiated between the parties and the rates reflect these negotiations. Under this clause these contracted rates had to be filed with, and approved by, the Board.

The Board has reviewed this policy and concluded that the filing and approval of such contracted rates imposes an unnecessary regulatory requirement on industry and is not an efficient use of resources. The policy applies only to transportation services for crews, employees and company contractors (generally referred to as "crew transport") when the services and rates are provided and charged under contract between the parties.

Policy Change

The Board will not require approval of contracted crew transportation rates as long as the conditions in both (a) and (b) below are met:


- (a) there is a valid, current written contract between a licensee and a company or its agent **and**
- (b) the licensee's conditions of licence have a service limitation specifying that service may only be provided if there is a current, valid contract between the licensee and, or on behalf of, a specified organization.

.../2

This policy is effective as of August 30, 2007.

Interpretation

Licences that contain a contract clause will now be read as:

Service Limitation:  Service may be provided only to persons employed or engaged by **X** and only as long as a current written contract exists between the licence holder and **X** or its broker or agent.