

# Taxi rate harmonization and equalization

## Context

Under the Act, the Board may approve or set rates charged by a taxi licensees in B.C. Taxi licensees may only charge rates that are approved by the Board, and cannot charge variable rates that respond to changes in demand.

Many taxi licensees in B.C. operate under a 'common rates' system where the majority of licensees, or licensees operating the majority of taxis operating in the same area have agreed to establish the same rates. Entering into, modifying, or leaving a common rate system must be done according to Board policies and procedures.

This policy clarifies the options available to taxi licensees that wish to charge common taxi rates in their operating area. This may include metered rates, hourly rates, point-to-point (flat) rates, zone rates, or individual (per person) fares.

## Applicability

This policy applies to taxi operators that wish to create, join, modify, or leave a common rate in their operating area.

## Policy

The Board seeks to preserve the ability for a taxi licensee to propose rates that will enable it to provide a safe and reliable transportation service for passengers. At the same time, the Board is generally supportive of licensee efforts to establish or maintain common rates among companies operating in the same area. For licensees in the same area to establish common rates, they must make a "rates

harmonization” request, or submit a “Change of Rates” application that includes a “rates equalization” rationale.

## **Rates harmonization**

Rates harmonization is a process where the current rates of two or more taxi companies are weighted and averaged. “Rates harmonization” requests are sent by licensees directly to the Board. A rationale for the harmonization request must be included. If the request is accepted, the rates of two or more companies will be weighted and averaged to derive a common rate. The rates of some companies may decline, and the rates of others may increase. Where less than 100% of the affected companies have requested rates harmonization, the Board may provide the other companies with an opportunity to comment and indicate whether they wish to participate.

## **Rates equalization**

Rates equalization is a request for parity with the rates of one or more other licensees in the operating area. A change of rates application must be sent to the Registrar of Passenger Transportation to propose “rates equalization” and establish parity with the rates of other licensees in an operating area. Applicants must include a rationale for the equalization request, along with an indication of whether other licensees in the operating area support the request.

## **Changes to common rates**

If a common rate is in effect in an operating area, an individual licensee may make a Change of Rates application to establish its own rates. In addition to normal requirements that apply to a Change of Rates application, applicants must provide a rationale and supporting documentation for charging rates that are higher or lower than the common rate.

## **Legislation**

7 (1) Without limiting section 6(4), the board may 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 that includes a passenger directed vehicle authorization or transportation network services authorization, or under a temporary operating permit that includes a passenger directed vehicle authorization, 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;

## Related topics:

- [Board rates rules manual](#)
- [Taxi rates](#)
- [Change rates or rules](#)