Passenger Transportation Board
MOVING FORWARD, TOGETHER

Rates policies

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.

1. 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.

2. 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 Key Value Indicators). 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.”