

Fit, Proper and Capable Operators

Who is this Reference Sheet for?

This reference sheet is written for Special Authorization applicants. It provides information about the meaning of fit, proper and capable; and about the factors and types of information the Board considers when deciding the outcome of an application.

The information is also useful for licensed operators that must continue to be fit, proper and capable after an application is approved. The Board can on its own initiative conduct a fitness review of a licensee under Section 39.1 of the *Passenger Transportation Act* with possible outcomes that include a suspension or cancellation of the licence.

Introduction

Applicants and licensees¹ that provide, or seek to provide passenger transportation services under a Passenger Transportation Licence with Special Authorization must be:

- (a) a fit and proper person to provide the service; and
- (b) capable of providing the service.

The Board must consider these fitness issues when it makes a decision on any of the following types of applications:

- New Special Authorization
- Amendment of Licence
- Transfer of Licence

¹ See [Reference Sheet 15: Fitness Reviews by the Passenger Transportation Board](#) for information about the fitness review process.

The Board also has discretion to consider fitness issues in other cases including applications for temporary operating permits.

“Fit and Proper” Defined

Fit and proper person is not defined in the *Passenger Transportation Act*. The Oxford English Dictionary defines “fit” in part to mean “well adapted or suited to the conditions or circumstances of the case, answering the purpose, proper or appropriate ... possessing the necessary qualifications, properly qualified, competent, deserving.” “Proper” is defined to mean “suitable for a specified or implicit purpose or requirement; appropriate to the circumstances or conditions; of the requisite standard or type; apt, fitting; correct, right.”

The context for what is fit and proper is the passenger transportation industry in BC. This includes the regulatory system by which businesses are granted a licence that confers on them both the authorization to provide service and an ongoing obligation to operate in accordance with proper standards of conduct.

“Fit & Proper” Factors the Board Considers

1. Public Risk & Industry Integrity

The Board considers the following public and industry integrity risk factors:

- Administrative Penalties and Offences – Is there a record of non-compliance or administrative penalties imposed by the Registrar?
- National Safety Code (NSC)- Is the NSC safety profile status satisfactory?
- Unlawful Activity – Charges or convictions that indicate a risk to the public with potentially serious implications, including those relating to:
 - Provisions of the *Criminal Code of Canada*, *Controlled Drugs and Substances Act* and *Motor Vehicle Act*, including those listed in sections 12.63 to 12.67 of the *Passenger Transportation Regulation*; or, Sections 12.2 and 12.3 of the *Passenger Transportation Regulation* and related licence requirements that protect the safety of unaccompanied minors carried in Perimeter Seating

Buses (PSBs).²

- Bankruptcy – A history of financial insolvency or fraudulent activity.

“Capability” Defined

Capability is not defined in the *Passenger Transportation Act*, but it is generally understood to mean an applicant has the ability or qualities necessary to skillfully and effectively meet its obligations and achieve the results it says it will achieve.

When considering capability, the Board reflects on whether the applicant has demonstrated that it has the knowledge and understanding of the relevant regulatory requirements and policies governing passenger transportation in B.C. and is able to comply with those requirements.

It also considers whether the applicant has the background, skills, and knowledge to manage the proposed service and the financing to operate it. This may include consideration of the operating costs, resources, and the business knowledge and experience demonstrated by the applicant’s business plan and financial statements. In the context of the commercial passenger transportation industry, the Board expects an applicant to demonstrate competence by including as part of its application sound, consistent and reasonable (i.e. realistic) business plans and financial information compatible with the service it is proposing.

² Requirements include compliance with terms and conditions of licence respecting the Board’s [PSB Safety Monitor Rule](#).

“Capability” Factors that the Board Considers

1. Awareness and Knowledge

In general, application materials should demonstrate an awareness and knowledge of responsibilities to comply with the following:

- *Passenger Transportation Act* including requirements set out in:
 - *the Passenger Transportation Regulation*
 - Terms and conditions of licence
 - Board approved rates and rules governing the rates
- Requirements under the *Motor Vehicle Act* (including *Motor Vehicle Act Regulations*) that apply to holders of a passenger transportation licence.
- Requirements for that apply to extra-provincial, inter-city bus operators in federal *Accessible Transportation for Persons with Disabilities Regulations*.

2. Care and Control

The Business Plan and other application materials must demonstrate *operational care and control* as outlined in sections 6 and 7 of the *Passenger Transportation Regulation*. Factors the Board considers include:

- Core responsibilities of owners, managers and others who influence how the operation is managed.
- Hiring practices.
- Driver and employee training.
- Driver and employee disciplinary measures.
- Policies to ensure that apps and other technologies are programmed in ways that facilitate compliance (e.g. accurate geo-fencing and programming of rates in apps).

3. NSC Obligations

The applicant’s business plan should reflect an awareness and knowledge of its National Safety Code (NSC) obligations in BC, and it should note that it has procedures in place to

meet them. For more information, see the Ministry of Transportation and Infrastructure's Carrier Safety Guide. NSC obligations include:

- Educating yourself and drivers of NSC Safety Certificate requirements.
- Ensuring that vehicles are properly inspected and maintained.
- Ensuring competent and qualified drivers drive your vehicles.
- Keeping records to track drivers' hours of service, the maintenance of vehicles, and company safety programs and policies to ensure that drivers and employees follow safety procedures and requirements.

4. Business Plan:

The business plan should demonstrate that the applicant has taken the time to research and investigate the financial viability of the business it proposes. See Reference Sheets 2 (Business Plans), 2.1 (Business Plan Updates) and 3 (Sample Business Plan Update). The Board reviews the business plan to see that the applicant:

- Provides a clear description of the transportation service being proposed;
- Provides public need indicators;
- Has identified its target market;
- Understands local conditions and competitive challenges;
- Has developed a marketing plan; and,
- Has identified any business partnerships and alliances it depends on.

5. Financial Information:

The Board reviews the required financial information which includes 36-month cash flow projections, balance sheet and income statements. These application requirements are outlined in Reference Sheet 4: Financial Information. When reviewing financial information, the Board considers the following:

- Does the applicant have the financial resources or funds for start-up?
- Are assumptions underlying the projections noted in enough detail to show that revenue estimates are realistic?

- Do cost projections cover the main expense categories and are they realistic?
- Do the planned business activities and services align with the financial statements and projections?
- Do the financial statements reflect a company that will be profitable and well managed?

6. Education and Professional Experience:

The business plan and resumes should include enough information about the applicant or management team to demonstrate that the company's key personnel have the education, experience and/or training that is necessary to set up and maintain the services the applicant says it will provide.

More Information

The following appendices provide additional information that applicants should be aware of, depending on the types of application:

- Appendix 1: Information for Taxi Licence Applicants
- Appendix 2: Information for Limousine & PSB Licence Applicants
- Appendix 3: Information for Other PDV Licence Applicants
- Appendix 4: Information for TNS (Ride-hail) Licence Applicants
- Appendix 5: Information for ICB Licence Applicants

Appendix 1: Additional Information for Taxi Licence Applicants

Applicants interested in applying for a taxi licence should be aware of the following information.

Taxi Rates

- [Taxi Rates Webpage](#)
- [Standard Rules for Taxicab Rates](#)
- [Indexed Rate Reviews](#)

Meters

- Board rules that apply to [Taxi Meters](#) and [Taxi Soft Meters](#)

Taxi Apps

- Supplementary terms and conditions for [Taxi and other PDVA apps](#)

Taxi Data Reporting

- Communities with populations of 10,000 or more: [TNSA & PDVA requirements to submit data for trips provided since Sept. 16, 2019](#)

Taxi ID Codes (Metro Vancouver and SSPVs in BC)

- [Taxi Identification Codes](#) webpage
- [Vehicle Identification Rule for Taxis](#)

Taxi Bill of Rights

- *Taxis in Metro Vancouver:* The Board's [Taxi Bill of Rights Rule](#) requires the Ministry of Transportation and Infrastructure's [Taxi Bill of Rights](#) be displayed to passengers
- *Taxis Outside Metro Vancouver:* The [Voluntary Taxi Bill of Rights Rule](#). Sets out requirements that apply when a company has a local taxi bill of rights program

Taxi Cameras

- Terms and conditions and rules regarding [Taxi cameras](#) (mandatory in Metro Vancouver and subject to local camera program requirements elsewhere in BC)

Eco-Friendly Taxis

- Metro Vancouver & Greater Victoria: Operational Policy: Eco-Friendly Taxis

Liquor & Cannabis Laws

- Liquor and cannabis laws, and related terms and conditions in all Special Authorization licences ³

Wheelchair Accessible Taxis

- Vehicle Standards in Motor Vehicle Act Regulations, including
 - Division 10 (Commercial Passenger Vehicles)
 - Division 44 (Mobility Aid Accessible Taxi Standards)
- Requirements in Division 10.07(5) of the Motor Vehicle Act Regulations to have Board approval in terms and conditions of licence to install and use flip seats.

Wheelchair Accessible Services ⁴

- Reference Sheet 7: Preparing an Accessible Service Plan
- Terms and conditions of licence regarding priority service and availability of accessible services (standard for taxis in Metro Vancouver and Greater Victoria, and applicable in some taxi licences outside BC):
 - *Service Priority Limitation:*
To require wheelchair accessible taxis to be dispatched on a priority basis to clients who need wheelchair accessible services
 - *Minimum Operating Requirement*
To keep the number of wheelchair accessible taxis available at all times throughout the day proportionate to the ratio of accessible taxis to conventional taxis in the fleet

³ Related to the requirements to comply with liquor and cannabis laws, all Special Authorization applicants sign the declarations in Board form 17 to comply with these requirements and provide education to drivers.

⁴ More information about wheelchair accessible transportation is provided on the Accessible Transportation webpage and in two Board reports: Wheelchair Accessible Transportation in BC (2012) and Update: Wheelchair Accessible Transportation in BC (2017).

Appendix 2: Additional Information for Limousine & PSB Licence Applicants

Applicants interested in applying for a limousine or PSB licence should be aware of the following information.

Rates for Limousines and PSBs

- [Limousine Rates](#) webpage
- Rule: [Minimum-Maximum Rates & Standard Rules for Limousines in BC](#)

Apps

- Supplementary terms and conditions for [Taxi and other PDVA apps](#)

Requirements for PSBs to Protect the Safety of Minors⁵

- [Sections 12.2 and 12.3 of the Passenger Transportation Regulation](#)
- [PSB Safety Monitor Rule](#)
- Terms and conditions of licence regarding “Safety Monitors” (standard for all PSBs)

Liquor & Cannabis Laws

- [Liquor and cannabis laws](#), and related terms and conditions in all Special Authorization licences ⁶

Wheelchair Accessible Vehicles

- Vehicle Standards in [Motor Vehicle Act Regulations](#), including
 - [Division 10 \(Commercial Passenger Vehicles\)](#)
 - [Division 44 \(Mobility Aid Accessible Taxi Standards\)](#)
- Requirements in [Division 10.07\(5\) of the Motor Vehicle Act Regulations](#) to have Board approval in terms and conditions of licence to install and use flip seats.

⁵ See the [Limo Safety Requirements](#) webpage for more information.

⁶ Related to the requirements to comply with liquor and cannabis laws, all Special Authorization applicants sign the declarations in [Board form 17](#) to comply with these requirements and provide education to drivers.

Appendix 3: Additional Information for Other PDV Licence Applicants

Applicants interested in applying for a shuttle or other passenger directed vehicle (PDV) licence should be aware of the following information.

Rates for Limousines and PSBs

- [Limousine Rates](#) webpage
- Rule: [Minimum-Maximum Rates & Standard Rules for Limousines in BC](#)

Apps

- Supplementary terms and conditions for [Taxi and other PDVA apps](#)

Liquor & Cannabis Laws

- [Liquor](#) and [cannabis](#) laws, and related terms and conditions in all Special Authorization licences ⁷

Wheelchair Accessible Vehicles

- Vehicle Standards in *Motor Vehicle Act Regulations*, including
 - [Division 10 \(Commercial Passenger Vehicles\)](#)
 - [Division 44 \(Mobility Aid Accessible Taxi Standards\)](#)
- Requirements in [Division 10.07\(5\)](#) of the *Motor Vehicle Act Regulations* to have Board approval in terms and conditions of licence to install and use flip seats.

⁷ Related to the requirements to comply with liquor and cannabis laws, all Special Authorization applicants sign the declarations in [Board form 17](#) to comply with these requirements and provide education to drivers.

Appendix 4: Additional Information for TNS (Ride-hail) Licence Applicants

Applicants interested in applying for a TNS licence should be aware of the following information.

Minimum Rates

- [TNS Minimum Rates Rule](#)

Ride-hail Apps

- [Supplementary terms and conditions for TNSA apps](#)

Ride-hail Data Reporting

- [TNSA & PDVA requirements to submit data for trips provided since Sept. 16, 2019](#)

Ride-hail Driver Earnings & Hours Reporting

- Terms and conditions of licence require TNS providers to track and report the earnings and hours worked for their drivers to the Board or Registrar

TNS Identifiers

- Terms and conditions of licence require TNS providers to ensure that vehicles operated under the licence display identifiers in accordance with requirements set by the Registrar⁸
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Liquor & Cannabis Laws

- [Liquor and cannabis laws, and related terms and conditions in all Special Authorization licences](#)⁹

⁸ See Passenger Transportation Branch notice of November 20, 2019: Vehicle Identifiers for Transportation Network Services (TNS), or Ride Hail, Vehicles

⁹ Related to the requirements to comply with liquor and cannabis laws, all Special Authorization applicants sign the declarations in [Board form 17](#) to comply with these requirements and provide education to drivers.

Wheelchair Accessible Vehicles

- Vehicle Standards in *Motor Vehicle Act Regulations*, including
 - Division 10 (Commercial Passenger Vehicles)
 - Division 44 (Mobility Aid Accessible Taxi Standards)
- Requirements in Division 10.07(5) of the *Motor Vehicle Act Regulations* to have Board approval in terms and conditions of licence to install and use flip seats.

Appendix 5: Additional Information for Inter-city Bus Licence Applicants

Applicants interested in applying for a inter-city bus licence should be aware of the following information.

Liquor & Cannabis Laws

- Liquor and cannabis laws, and related terms and conditions in all Special Authorization licences¹⁰

Wheelchair Accessible Buses & Services¹¹

- Vehicle Standards in *Motor Vehicle Act Regulations*, including Division 10 (Commercial Passenger Vehicles) and the following divisions:
 - 10.03 (Standees in Passenger Vehicles)
 - 10.07(5) which requires Board approval in terms and conditions of licence to install and use flip seats.
 - 10.12 (Baggage and Express)
- *Where applicable*: Terms and conditions of licence respecting “Accessibility” or “Mobility Aids”
- Federal Accessible Transportation for Persons with Disabilities Regulations - applicable to extra-provincial ICB licensees operating large coaches that carry 40 or more passengers^{12 13}

¹⁰ Related to the requirements to comply with liquor and cannabis laws, all Special Authorization applicants sign the declarations in Board form 17 to comply with these requirements and provide education to drivers.

¹¹ More information about wheelchair accessible transportation is provided on the Accessible Transportation webpage and in two Board reports: Wheelchair Accessible Transportation in BC (2012) and Update: Wheelchair Accessible Transportation in BC (2017).

¹² Note: Section 185(1) excludes buses purchased or leased before June 25, 2019, from some regulatory requirements.

¹³ Extra-provincial operators should be aware of Transport Canada’s voluntary Inter-city Bus Code of Practice which applies to extra-provincial ICB services when the *Accessible Transportation for Persons with Disabilities Regulations* do not.