

**NOVA SCOTIA REGULATORY AND APPEALS BOARD**

**IN THE MATTER OF THE MOTOR CARRIER ACT**

**- and -**

**IN THE MATTER OF THE APPLICATION of AUTOBUS TRANSCO (1988) INC. O/A FIRST CANADA ULC to amend Motor Carrier License P03412**

**BEFORE:** M. Kathleen McManus, K.C., Ph.D., Member

**APPLICANT:** **AUTOBUS TRANSCO (1988) INC. O/A FIRST CANADA ULC**  
Richard W. Norman

**OBJECTORS:** **COACH ATLANTIC TRANSPORTATION GROUP**  
Ryan Cassidy

**BLUENOSE TRANSIT INCORPORATED**  
Erin Buchan

**SOUTHLAND TRANSPORTATION LTD**  
Coady McNeil

**STUDENT TRANSPORTATION OF CANADA INC.**  
Angus McKay

**HEARING DATES:** October 28 and December 5, 2025

**DECISION DATE:** **March 2, 2026**

**DECISION:** **Application is denied.**

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## I INTRODUCTION

[1] Autobus Transco (1988) Inc. o/a First Canada ULC (Autobus Transco or Applicant) applied to the Board to amend its school bus license under the *Motor Carrier Act*, RSNS 1989, c 292 (*MC Act*) to add a province-wide charter service. Autobus Transco currently has a contract with the Conseil Scolaire Acadien Provincial (CSAP) to provide home-to-school busing services throughout Nova Scotia. The proposed charter service would be offered throughout the province, specifically in areas where Autobus Transco already operates school bus services for and has buses stationed year-round, including Sydney, Cheticamp, Arichat, Tor Bay, Truro, Halifax, Dartmouth, Greenwood and Bridgewater. The intent is to use “spare buses” to provide transportation for events outside of regular school board field trips including summer camps, golf outings, wedding guest transportation, private events and conferences. The proposed service would use eight yellow Type C school buses with bilingual drivers, because the CSAP school board and associated community organizations have expressed a preference for French-speaking drivers for extracurricular trips and other charter services.

[2] Coach Atlantic Transportation Group Inc. (Coach Atlantic), Bluenose Transit Inc. (Bluenose Transit), Southland Transportation Ltd. (Southland), and Student Transportation of Canada Inc. (Student Transportation) objected to the application.

[3] The Board considered the evidence and the submissions in the context of the test it applies to applications to add a charter service to a provincial license. The Applicant must show that the proposed service would not harm the sustainability of the Motor Carrier Industry in Nova Scotia (Industry) by showing that the demand for the new

service cannot be met by existing carriers and that its rates fairly compete with opposing carriers.

[4] The Board is not satisfied that the Applicant's evidence establishes that there is sufficient need for the services that cannot be met by existing carriers and/or that the proposed rates would not be harmful to the Industry. The application is denied.

## **II BACKGROUND**

[5] On July 7, 2025, Autobus Transco filed an application with the Nova Scotia Regulatory and Appeals Board (Board) to amend its Motor Carrier License No. P03412 to add a permanent province-wide charter license. While the Applicant would be using school buses, also known as activity vehicles, this is not a school bus application. The purpose of the amendment is to provide charter services for the public, outside of school board field trips and as such is outside of the meaning of "school bus", as defined by the *MC Act* (s. 2(j)).

[6] The Notice of Application was advertised in the *Royal Gazette* on August 6, 2025, posted on the Board's website, and forwarded to licensed carriers by email. Four objections were received by the stated deadline of August 13, 2025, from Coach Atlantic, Bluenose Transit, Southland, and Student Transportation. The Board received no comments or requests to speak from members of the public.

[7] The hearing began on October 28, 2025, with the Applicant and two objectors, Coach Atlantic and Bluenose Transit, in attendance. Toward the conclusion of the hearing, Erin Buchan, on behalf of Bluenose Transit, advised that there had been confusion among the objectors about the start time of the hearing. He said that the original

notice of public hearing stated that the hearing was to begin at 9:30 am on October 28, 2025. The amended notice of public hearing stated that the hearing was to begin at 2:30 pm on October 28, 2025. Mr. Norman, counsel for the Applicant, confirmed these facts.

[8] Mr. Buchan said the objectors contacted the Board on October 27, 2025, to confirm the start time of the hearing. The Board advised all parties on October 28, 2025, that there was an error in the amended notice of public hearing and confirmed that the correct start time was 9:30 am on October 28, 2025.

[9] Two objectors, Southland and Student Transportation, did not attend the hearing. Southland advised the Board on October 27, 2025, that it would not be attending the hearing. The Board received no communications from Student Transportation. After considering the confusion which arose about the start time of the hearing, the Board directed that the hearing be adjourned and continued at a later date. In consultation with the Applicant and all the objectors, including Southland and Student Transportation, the Board directed that the hearing resume on December 5, 2025. The Board advised the objectors, Southland and Student Transportation, that they could give oral testimony on December 5, 2025, if they wished. Neither Southland nor Student Transportation appeared at the hearing.

### **III PROPOSED LICENSE AMENDMENTS**

[10] In accordance with its license, which authorizes Specialty School Bus Service, Autobus Transco provides transportation of pupils and teachers to and from schools operated by CSAP. Its license also permits the transportation of pupils, teachers and chaperones for various events including athletic functions, teachers' institutes and

similar activities for schools operated by CSAP, schools operated by the Annapolis Valley Regional Centre for Education and schools operated by the Halifax Regional Centre for Education.

[11] In its application, the Applicant requested the following amendments:

**Appendix A**

**Add: Schedule D Rates**

**D(1) – Rates**

Standard rate is \$48.74 per hour, plus fuel, with a 4% surcharge applied to fuel costs. Any hour beyond 10 hours will be charged at a premium rate of \$64.75 per hour.

Additional charges may apply as follows:

- **Late booking (<24 Hours):** \$50.00
- **Meals – After 8 hours:** \$25.00
- **Meals – 12 hours:** \$25.00
- **Hotel Room:** Actual cost passed through
- **Late night return (after midnight):** \$50.00
- **Toll Charges:** Actual cost passed through

**Add: Schedule E – Vehicles**

**E(1) – Vehicles**

**Eight Vehicles: Type C School Bus 2023**

4DRBUC8P6PB329585  
4DRBUC8P2PB329583  
4DRBUC8P4PB329584  
4DRBUC8P1PB329588  
4DRBUC8PXPB329587  
4DRBUC8PXPB329590  
4DRBUC8P3PB329589  
4DRBUC8P8PB329586

**Add: Authority F(5) SPECIALTY CHARTER SERVICE**

The transportation of pupils, teachers, chaperones and community organization members for the purpose of transportation to and from extracurricular and other activities on an as needed basis.

[Notice of Amendment Application, Appendix A]

[12] At the hearing on October 28, 2025, the Applicant explained that it would charge a standard rate of \$48.75 per hour and a minimum charge of 3 hours (\$146.25) for the charter service. The Board asked the Applicant to provide an undertaking about

the proposed rates for the charter service and how the proposed rates would be sustainable for the eight buses. On November 4, 2025, the Applicant responded:

Please find the Applicant's responses to undertakings below.

**Applicant's U-1: Information about the proposed rates for the charter service and how the proposed rates will be sustainable for the eight buses.**

In response to Undertaking 1, below is a breakdown of the proposed rates:

**Rate Build-Up Summary**

- Loaded labour (wages, benefits, payroll): 24.15/hr
- Maintenance: 6.10/hr
- Insurance: 2.05/hr
- Licensing & compliance: 0.55/hr
- Overhead (12.5%): 4.12/hr
- Operating margin (8.5%): 3.18/hr
- Calculated cost base: 40.15/hr
- Published hourly rate: 48.74/hr

[Exhibit T-13 p. 1]

**IV ISSUE**

[13] The issue to be determined is whether, after taking into the consideration the provisions of the *MC Act*, the Board should exercise its discretion and grant the amendment to the Applicant's school bus license to allow it to provide charter services.

**V LAW**

[14] In Nova Scotia, motor carrier transportation services are regulated under the *MC Act*. In general, the *MC Act* regulates motor carrier operators in Nova Scotia to ensure there is a quality, safe, sustainable Industry in the province. To accomplish this, the Board has been given the jurisdiction to regulate virtually all aspects of the Industry.

[15] The *MC Act* provides the following guidance to the Board on matters it may consider when reviewing licensing applications:

**Factors considered**

**13** Upon an application for a license for the operation of a public passenger vehicle or for approval of the sale, assignment, lease or transfer of such a license, the Board may take into consideration

(a) any objection to the application made by any person already providing transport facilities whether by highway, water, air or rail, on the routes or between the places which the applicant intends to serve, on the ground that suitable facilities are, or, if the license were issued, would be in excess of requirements, or on the ground that any of the conditions of any other license held by the applicant have not been complied with;

(b) the general effect on other transport service, and any public interest that may be affected by the issue of the license or the granting of the approval;

(c) the quality and permanence of the service to be offered by the applicant and the fitness, willingness and ability of the applicant to provide proper service;

(ca) the impact the issue of the license or the granting of the approval would have on regular route public passenger service;

(d) any other matter that, in the opinion of the Board, is relevant or material to the application.

The Board must consider these factors in an application to amend a license (s. 19(2)).

[16] The *MC Act* requires the Board to balance, in each case, these various relevant issues and interests which may overlap and, at times, conflict. In *Re Pengbo Fu o/a Pengbo's Shuttle*, 2020 NSUARB 87, aff'd 2020 NSCA 83, the Board described the s. 13 considerations as follows:

[46] Thus, in assessing an application, the Board considers, among other factors in s. 13, the public interest; the quality and permanence of service to be offered; general effect on other transportation services; and the sustainability of the industry including whether there is need for additional equipment in the area. In addressing whether there would be an excess of equipment under s. 13(a) above, the Board must consider whether there are vehicles currently licensed which could provide the services applied for. In other words, is there a need for the services and/or equipment sought by the Applicant?

[47] The *MC Act* requires the Board to balance, in each case, the various relevant issues and interests which may overlap and, at times, conflict. In the *Trius Inc.* Decision, dated September 22, 1993, the Board described the s. 13 considerations as follows:

The Board has noted in previous decisions that the various considerations are not mutually exclusive. They tend to overlap and it is difficult at times to isolate one from another. The considerations will not be of equal importance in every application. The weight to be put on various considerations will depend on the facts of each application.

...

[51] In each case, the applicant must prove to the Board that, after taking all factors into consideration, the Board should grant the application, *Molega Tours Limited*, 2013 NSUARB 243, para. 23.

[17] The Board expects applicants to provide “cogent and tangible evidence” about how they intend to operate, their potential clientele including why they are not already being served by existing carriers, and the financial viability of the proposed business. As explained in *Aisha Jardine o/a Black Shag Tours (Re)*, 2023 NSUARB 126:

[16] Where there are objections to an application, there is an obligation on the part of an applicant to provide cogent and tangible evidence supporting the need for the requested license. In this case, the request included a charter authority. Except for the general proposition that the applicant wanted to provide the services, there was no evidence that there was a need for the service that could not be met by existing carriers.

[17] Section 13 of the *MCA* provides guidance about what matters should be addressed in making an application to the Board for a new license, including evidence about the “fitness, willingness and ability” of the applicant to provide service of “quality and permanence”; the impact on other transport services; and whether approving the application would result in an excess of motor carrier equipment in the market.

[18] While it is up to an applicant to decide how the application is presented to the Board, it is reasonable to expect that an applicant would provide evidence about how it intends to operate and the potential clientele. Preferably this should be a written business plan, but at a minimum at least some documentation is required to support the application. This might include:

- financial projections of forecasted revenues and expenses, including operating expenses such as salaries, fuel, insurance, repairs and maintenance, as well as expenses to purchase, lease, or finance the motor coach, bus, minibus, van or limousine to be used in the business;
- any financial analysis undertaken including projected ridership and breakeven points based on a few assumptions;
- the qualifications, training and experience of the applicant and key employees to manage and operate a safe and sustainable motor carrier business; and
- a marketing or sales plan about the target market, how the applicant intends to attract its clients, and more importantly, to demonstrate to the Board that this clientele is not already being served by the existing motor carrier industry. This type of evidence would generally include:
  1. letters and emails from potential clients who tried to hire existing carriers but were refused because the carriers were not available,
  2. letters or emails of support from potential clients that show there is a “niche” market that is not adequately served by existing carriers, and
  3. survey or market research that demonstrates the size of the market and demand for any increased service.

[19] The documentation should be filed in advance of the hearing. Depending on the sophistication of the business, the documentation should normally include, at the very least, a pro forma income statement supported by estimates or quotes from potential suppliers; diplomas, training certificates and résumés of the owner/operator and key employees; and letters of support and testimonials from potential clients, groups and associations describing why the new service is needed and cannot be served by existing motor carriers. Where the application is opposed, those who wrote letters of support may be required to appear at the hearing if required by the objectors and the Board.

[18] With respect to proving the need for a proposed service, evidence that is anecdotal, suggests limited inquiries, and lacks documentation, will generally not be sufficient, as explained in *Southland Transportation Ltd. (Re)*, 2021 NSUARB 26:

[29] Consistent with many of its past decisions, the Board does not consider the limited inquiries as to the potential services, or anecdotal evidence from former Stock drivers, of the general and undocumented nature discussed in the evidence, without any documented instances indicating the requested services could not be provided by the existing licensed motor carrier fleet, establishes a need for such service. The Board recognizes that Southland does not currently have an activity bus charter license which makes obtaining detailed evidence about potential bookings more difficult. This does not preclude Southland from obtaining market data through surveys or other documented means [see, for example: *Re Fame Tours Inc.* 2017 NSUARB 171]. This type of evidence is especially important when considering the size of the proposed activity bus fleet. While the number sought in this matter is less than the 35 vehicles Stock requested, it must be recognized that, with Bluenose Transit, the proposed fleet size would be second only to Coach Atlantic in the Nova Scotia market. If granted, it would mean Southland would have a significant percentage of the licensed activity buses. More detailed evidence as to market need is required for such a significant increase to the licensed fleet. From the Board's perspective, this is particularly the case where Southland was unable to clearly articulate why eight activity buses was the appropriate number, when the issue was raised in cross-examination by Mr. Cassidy.

[19] Objectors are expected to provide evidence to support that an application should not be granted. In *3259293 Nova Scotia Limited (Re)*, 2023 NSUARB 160, the Board found as follows:

[39] In this case, Grape Escape provided cogent documentary evidence in support of its application. Where an applicant has provided substantial evidence to establish, on the balance of probabilities, if accepted, that an application should be granted, the Board expects an objector would provide evidence of sufficient quality to support the proposition that it should not.

[20] Even when no carrier opposes an application, the Board must be satisfied the application meets the requirements of the *MC Act*, under s. 12(3). Furthermore, the Board has the jurisdiction to dismiss an application without a hearing, if the Board is of the opinion the application is not in the public interest (s. 12(3A)).

## **VI EVIDENCE AND SUBMISSIONS**

### **Applicant**

[21] Ainslie MacAdam testified on behalf of the Applicant. She is the Location Manager for Autobus Transco and works in its Dartmouth office. She explained that the Applicant had 116 vehicles, with the majority being yellow school buses. She stated its main business was transporting children province-wide to and from CSAP schools on weekdays. She testified that the Applicant had buses stationed throughout the province including Sydney, Cheticamp, Arichat, Tor Bay, Truro, Halifax, Dartmouth, Greenwood and Bridgewater.

[22] Ms. MacAdam explained that the Applicant has identified a growing demand for school bus charters. She testified that they received calls seeking bilingual drivers from people familiar with their CSAP services or from CSAP referrals. Ms. MacAdam stated that most of the potential customers were seeking a cheaper alternative after receiving quotes that were higher than what they could afford.

[23] She said that the Applicant's intent was to provide charter services outside of school hours, on weekends during the school year and in the summer months, in communities where the Applicant's buses were located. She said their goal was to serve these communities. She stated the Applicant was seeking charter licenses for the eight "spare buses" that it has in these communities. She testified that this would also give

more hours of work to their permanent, part-time drivers who work four to six hours on a school day and are laid off during Christmas, March break and the summer months when school is out.

[24] Ms. MacAdam testified that requests received were for weddings, corporate events, teachers' conferences and the annual Acadian Games. The Applicant only filed evidence about the request for the Acadian Games, including other carriers stating that they could not provide any service for the games. Ms. MacAdam testified that the Applicant received temporary licenses from the Board both times when it provided transportation for the Acadian Games in 2024 and 2025 which were held in Nova Scotia. She stated that it took a lot of work to obtain the temporary licenses and that it would be easier in the future to have the permanent license. She testified that the Acadian Games will be held next year in New Brunswick, so the Applicant would not be providing transportation.

[25] Ms. MacAdam stated that the Applicant received about 20 inquiries for charter service. She stated that between March and June 2025, the Applicant received six to seven phone calls for weddings, specifically to transport wedding guests. She described one corporate request from a gravel company and requests for teachers' conferences, but she did not provide a specific number. She stated that the weddings and corporate event were not seeking a bilingual driver, but the teachers' conferences did. She testified all were seeking cheaper rates than what they had already been quoted. Ms. MacAdam stated that she did not contact other carriers to see if they could provide the charter services sought, including when a bilingual driver was requested.

[26] When asked about the proposed hourly rate of \$48.75, Ms. MacAdam explained that the customer would have to pay a minimum of three hours (\$146.25). When asked what the cost would be to move a bus from one region to another without passengers, perhaps if a bus broke down, she stated the only cost would be the hourly rate and fuel charge because they were always moving buses around the province to ensure there were sufficient buses for the CSAP contract. She testified that the hourly rate reflected the Applicant's overhead to provide this service outside of school hours, but she acknowledged that the contribution of the CSAP contract covered the overhead for operating the buses during school hours.

[27] The Applicant submits it has demonstrated that demand exists among Francophone and bilingual community members for these services and that providing these services to those members is in the public interest. Further, it asserts that it has shown its ability to provide quality services to the public and that there would be no negative effect on any regular route passenger service.

### **Objectors**

[28] Mr. Buchan testified on behalf of Bluenose Transit. He said that he has operated Bluenose Transit since 1985 and the company currently operates eight activity buses, which are painted school buses. He testified that Bluenose Transit operates seven days a week, from Sydney to Yarmouth, with 50% of its business being tourism and the other 50% being weddings, migrant workers and summer camps. He stated that Bluenose Transit has three to four bilingual drivers. He said that the company has never received a request for a bilingual driver but would provide one if requested. He testified that the

company runs at 60% capacity and could handle all the charter work described by the Applicant.

[29] He stated the Applicant's application goes to the core of Bluenose Transit's business, as both would be providing charter services using school buses. He testified that the company provided the lowest charter rates in the province and its rate was \$100 per hour with a minimum charge of \$300. He said that Bluenose Transit would soon be filing an application seeking to increase its rates because the company cannot be sustained on these rates. He said that the company's rates are calculated by all the expenses incurred to own and run its vehicles seven days a week. He stated that the company's rates also included, as required by the Board, a "deadhead rate", that is a rate for driving a vehicle without passengers from its fixed equipment point in Cambridge, Nova Scotia, to the point of pick up of the passengers and applied again when it drives back to Cambridge from dropping off the passengers.

[30] Bluenose Transit objected to the application on two grounds: 1) that it would create an excess of equipment, as his company has the capacity to handle the 20 requests identified; and, 2) the Applicant's rates would harm the sustainability of the company, by charging rates that were 50% lower than Bluenose Transit's current rates. The company stated that the Applicant's receipt of 20 requests for charter services does not justify granting province-wide licenses for eight buses. Further, the Applicant's proposed rates are being subsidized by its CSAP contract, and this creates unfair competition to Bluenose Transit.

[31] Ryan Cassidy testified on behalf of Coach Atlantic. Mr. Cassidy is the Director of People and Processes for Coach Atlantic. In advance of the hearing, Coach Atlantic filed evidence comprising a list of all their French speaking drivers and a chart summarizing the number of requests for French speaking drivers in 2025. In his testimony, Mr. Cassidy explained the information in the filed documents. He stated that Coach Atlantic had 13 bilingual drivers, two of whom lived in Nova Scotia and the remainder in New Brunswick. Referring to the chart of trips requesting French speaking drivers, he acknowledged that the chart referred only to trips in New Brunswick, but said there was no record of a request for a bilingual driver in Nova Scotia in 2025. He said that if a request for a bilingual driver had been made, then Coach Atlantic would have done its best to satisfy this request. He testified that Coach Atlantic only operated school buses, also called activity buses, in New Brunswick as it had a school board contract there. He said that if a customer did request a school bus/activity bus in Nova Scotia, then the customer would be offered an appropriate alternative vehicle, such as a mini-bus or a mini-coach. Mr. Cassidy stated that 50% of the company's fleet were highway motor coaches.

[32] Mr. Cassidy stated that Coach Atlantic's objection was based only on the damage to the overall Industry if the application was approved. He said that the Industry relied on carriers helping each other when need and emergencies arise. He explained that there are fewer full-time dedicated motor carriers in the area, such as Bluenose Transit, who can take requests seven days a week at any time and the Industry relies on these full-time carriers for support. He stated that the proposed rates of Autobus Transco were possible because the expense of running the school buses on the weekend for a

charter service were being subsidized by the CSAP contract. He asserted that this was unfair competition for private carriers who must base their rates on the cost of running vehicles seven days a week. If Autobus Transco's application was approved, then it could put carriers, such as Bluenose Transit, out of business which would weaken the support system of the Industry.

## **VII FINDINGS**

[33] The principal issues the Board must consider are whether this application has demonstrated a need for the proposed service and whether granting this application would harm the sustainability of the Industry.

[34] With respect to demonstrating a need for the proposed service, evidence was filed about the annual Acadian Games in 2024 and 2025, held in Nova Scotia, which demonstrated a request from the organizing committee for transportation services from Autobus Transco. The evidence filed establishes that other carriers were contacted to assist with the transportation, however, they were unable to provide the service. As noted above, both in 2024 and in 2025, the Applicant obtained a temporary permit to provide transportation during the games. The Acadian Games are held annually, for two-weeks, sometimes in Nova Scotia. The games will be held in New Brunswick in 2026, and the Applicant will not be involved. The remainder of the evidence in support of this proposed service came from the testimony of Ms. MacAdam stating that the Applicant received calls for business that it had to decline - including approximately 20 inquiries including for weddings, corporate events and teachers' conferences. However, there was no documentation about these calls before the Board. There were no letters of support or testimonials from potential clients, groups or associations describing why the proposed

service was needed and could not be serviced by existing carriers, particularly with respect to bilingual drivers. Ms. MacAdam testified that almost all requests explained that quotes from other operators were too high and some of the requests were based on wanting a lower cost option but had no need for a bilingual driver. The Board finds the Applicant's evidence on the crucial factor of need for the service to be too general and overall insufficient, especially considering the Board's past decisions in *Black Shag* and *Southland Transportation*. Even if the Board were to rely on the Applicant's oral testimony, 20 inquiries about the availability of charter services does not justify granting charter services to eight school/activity buses.

[35] With this determination, the Board could dismiss the application without considering whether granting this application would affect the sustainability of the Industry. Given that both Bluenose Transit and Coach Atlantic expressed concern for the sustainability of the Industry, the Board will consider this issue.

[36] The Board shares the objectors' concerns when assessing the impact of this request on the sustainability of the Industry. The Board accepts Mr. Buchan's evidence that the charter service proposed by the Applicant would compete in the same market as Bluenose Transit.

[37] Sustainability of the Industry is a key component of the economic regulation of a competitive business sector under the *MC Act*. This was discussed in the *General Public Hearing Decision*, 2020 NSUARB 69, where the Board stated:

[15] In the *Interim Discount Review Decision*, 2013 NSUARB 21, the Board reviewed the objects of the *MC Act*:

...

**(b) Sustainability**

[86] The sustainability of the industry is another key component of the Legislation. The *MC Act* directs the Board to consider each carrier's ability to sustain itself by considering whether it will be able to provide the services on a permanent basis (s. 13(c)). It also requires the Board to consider the sustainability of the industry as a whole by considering the impact on the other transportation services in the province (s. 13(b)) and, in particular, whether there will be an excess of equipment (s. 13(a)). Although this may involve consideration of any transportation services, including rail and air, it is normally limited to the other licensed carriers operating in the province.

...

(See also, *Discount Review Decision*, [*Motor Carrier Industry, Re*] 2015 NSUARB 33; *Deadhead Charges Decision*, *Reference re Motor Carrier Act (Nova Scotia)*, 2015 NSUARB 246).

[38] In *Re Le Transport de Clare Society*, 2015 NSUARB 252, the Board considered the application of a not-for-profit carrier, whose service and rates were subsidized by government and the community, to compete in the same charter market as private operators. The Board determined that sustainability means that a carrier must be able to maintain and repair its vehicles, re-invest in its business, and have a reasonable prospect of recovering investment with a profit. In the absence of the ability to earn a reasonable return, a predictable outcome would be that people and corporations will eventually stop investing in the Industry. The Board further found that when current motor carriers left the Industry, there may be no one to take their place). The Board determined that key components in achieving the objects of the *MC Act*, including sustainability, are the Board's regulation of the number and types/size of vehicles operating in the province, the areas in which the services are provided, the location of the carriers, and "*the rates they charge*" (at para 49, emphasis added). A necessary consequence of sustainability is that the charter market must compete on equal footing. Finally, the Board noted that the two business models were different, each should "operate distinctly within their respective

regulatory context” and “any operator entering the other market should do so on an equal basis” (see, *Re Transport de Clare*, at para. 50).

[39] These same principles of sustainability apply to lower than market charter rates. A company cannot subsidize its lower charter rates by a market priced contract.

[40] The Board finds that Bluenose Transit operates the same vehicles as Autobus Transco, namely a school buses which differs only in exterior colour. The Board finds that the rates proposed by the Applicant for the proposed charter services are almost half the rates which Bluenose Transit charges, and this is before the company files its upcoming application for rate increases. The Board also finds that the Applicant’s lower proposed rates are possible because much of its expenditures for the operation of their vehicles will be subsidized by its contract with the CSAP. The Board accepts the submission of Bluenose Transit and finds that the Applicant’s proposed rates would be harmful to the charter business in Nova Scotia.

[41] For these reasons, the Board finds that there is not sufficient need for the services that cannot be met by existing carriers, such that there would be an excess of equipment if the amendment is granted to Autobus Transco. Further, the Board finds that allowing the Applicant, with its subsidized service and rates, to compete in an unsubsidized corporate market would have a negative impact on other licensed carriers and exacerbate the sustainability of existing licensed carriers.

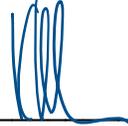
## **VIII CONCLUSION**

[42] The Board has reviewed and considered all evidence and submissions in this matter. Applying the applicable law and the tests developed by the Board under the

*MC Act*, it finds that, on a balance of probabilities, the Applicant has not shown that the facts support the granting of this application. The application is denied.

[43] An Order will issue accordingly.

**DATED** at Halifax, Nova Scotia, this 2<sup>nd</sup> day of March 2026.



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M. Kathleen McManus