

Transportation Network Companies Regulation Development  
Issues Paper for Consultation

Alberta is considering a new regulation under the *Traffic Safety Act* related to transportation network companies (TNCs). On February 29, 2016, Minister Mason announced the provincial framework to address safety concerns with this new form of passenger transportation. Details of the announcement can be found [here](#).

On May 16, 2016, Bill 16, the *Traffic Safety Amendment Act* was introduced. Section 9 of the Bill refers to TNCs. The text of the Bill can be found [here](#).

As a stakeholder that is or could be affected by the proposed regulation, your organization's feedback is requested. While all input is appreciated, the final regulatory development is subject to approval by Cabinet.

The regulation will:

1. Define "transportation network company" and related terms.
2. Establish the requirements all TNCs operating in Alberta must meet.
3. Detail how these requirements will be verified and the role of investigations.

Background Information:

- The *Traffic Safety Act* amendment establishes new rules and penalties for TNCs, not TNC drivers. Drivers are still subject to all requirements and penalties under the *Act* and its regulations (i.e., driver licensing, insurance, rules of the road, etc.).
- Municipalities are able to regulate TNCs and other passenger transportation options under their bylaw authorities. Regardless of a municipality's bylaws, or in the absence of relevant bylaws, all TNCs will must meet, at minimum, the provincial requirements to operate in Alberta.
- Principles of administrative justice and fairness will be used when intervening with disciplinary action. The Registrar of Motor Vehicle Services will determine if, and in what amount, an administrative penalty will be issued. The administrative penalty amount stipulated in the *Traffic Safety Act* amendment is a maximum. The Registrar may issue penalties of a lesser amount.
- Progressive discipline is the process of using increasingly severe steps or measures when a regulated person fails to comply with the requirements of the legislation. In this case, the *Traffic Safety Act* and subsequent regulation will apply to TNCs. A progressive disciplinary policy will be developed to guide the Registrar's decisions.
- Administrative penalties can be appealed to the Alberta Transportation Safety Board.

- Under section 27 of the [Commercial Vehicle Certificate of Insurance Regulation](#), all vehicles used as a taxi must be covered by a minimum \$1 million of passenger hazard insurance. Passenger hazard insurance is a narrow type of third party liability insurance. Generally, taxi companies purchase the broader third party liability coverage already. A change to the *Commercial Vehicle Certificate of Insurance Regulation* may be considered to formally align the requirements of the two industries.

Proposed Definitions:

“transportation network company” means a corporation, partnership, sole proprietorship, association or other entity or individual that offers, uses or operates a transportation network platform as the exclusive means to connect passenger(s) with transportation network drivers.

“transportation network platform” means an online enabled application, digital platform, software, website, or system offered, used or operated by a transportation network company and that is used to prearrange the transportation of passenger(s) for compensation by a transportation network driver.

“transportation network driver” means a person authorized by a transportation network company and operating a private motor vehicle to provide prearranged transportation of passenger(s) for compensation while using a transportation network platform.

“transportation network service” means use of a driver’s private vehicle to provide passenger transportation for compensation.

“police information check” means a document provided exclusively by a municipal, provincial, or federal police service based in Alberta that details, at minimum, an individual’s criminal record history, outstanding criminal charges, pending court dates, and suitability for interaction with vulnerable populations.

Rules:

1. TNC must ensure that, at all times while the driver is using the transportation network platform:
  - a. The driver has a valid and subsisting Alberta Class 1, 2, or 4 licence;
  - b. The driver and vehicle are covered by an automobile insurance policy(s) for TNC services that is approved in accordance with the *Insurance Act* and provides a minimum of \$1,000,000 of third party liability coverage; and
  - c. has a Police Information Check reviewed by and acceptable to the TNC within the past 24 months.
2. Proof of requirements under (1) must be maintained by the TNC for inspection by a peace officer.
  - a. The previous two years of records for active drivers must be maintained.

- b. Records must be maintained for a minimum of 12 months after the driver's last recorded trip.
  - c. A TNC must produce for inspection any record requested by a peace officer. This can include the electronic transfer of records.
3. As a result of inspection under (2), the Registrar may determine a TNC that has not met all requirements under (1) is subject to an administrative penalty.
  4. A TNC must take all reasonable steps to ensure the information required under (1) is current and up to date.

Other considerations:

- The TNC must review and approve each driver's Police Information Check (PIC), as defined above, and make a determination on the driver's suitability, similar to other employers or volunteer organizations. The TNC is expected to establish its own criteria for acceptable PICs. The provincial government is not proposing to establish suitability criteria.
- TNCs would be encouraged to develop and maintain policies for PIC approval and drivers' disclosure of changes to information (for example, to driver licence status).
- PICs with vulnerable sector screens are available only at the driver's local police agency, which may not be in the same jurisdiction where they will do all or the majority of their driving.

Questions for consideration:

1. Do the proposed definitions adequately cover all relevant TNC aspects? Have any terms been missed or not clearly defined?
2. Are the rules sufficiently clear? Do you understand the provincial obligations for TNCs?
3. Would a change to the *Commercial Vehicle Certificate of Insurance Regulation* to require taxis to carry \$1 million in third party liability insurance (replacing passenger hazard insurance) change the type or amount of coverage your company currently obtains?

Request for feedback:

Please provide any written feedback to [trans.officeoftrafficsafety@gov.ab.ca](mailto:trans.officeoftrafficsafety@gov.ab.ca) by end of day on Tuesday, May 24.