Module 1 aims to provide carriers with basic information that will assist them in setting up a trucking or busing business. The contents of this module include information about:

- Writing a Business Plan: 3
- Business Licences and Permits: 4
- Taxes and Employer Responsibilities: 5
- Health and Safety Responsibilities: 6
- Licensing and Registration: 7
- Safety Fitness Certificates: 8
- Safety Fitness Certificate Sample: 9
- Operating Authority Certificates: 10
- Operating Authority Certificate Sample: 11
- Carrier Insurance: 13
- Getting Started Checklist: 14

This is a guide only and is not meant to be a substitute for the actual legislation.
A carrier should write a business plan that describes how a company is going to operate. Planning is useful because it assists a carrier in determining what goals they must meet to be successful. When writing a plan, the following questions should be considered and answered:

1. What kind of company do I want to start?
2. Where do I want to operate?
3. What kind of vehicles do I need?
4. How many vehicles do I need?
5. How many employees should I hire?
6. What documents do I need before I can operate?
7. What laws do I need to follow?
8. What records do I need to keep?
9. How do I operate safely?
10. How much is this going to cost?
11. How much money am I going to make?

Answering these questions and others may take some research. This manual may assist a carrier in getting started with that research once they have decided what kind of business they want to operate. Carriers may also find it helpful to get advice from a lawyer, accountant or consultant before finishing their business plan. Spending the extra time, money and energy on starting a business correctly may assist a carrier in establishing a safe and successful operation.
BUSINESS LICENCES AND PERMITS

Once a carrier decides on what kind of company they want to operate, they may need to apply for a business licence or permit. Each city, town and county has the authority to issue its own business licences. Since each one is different, a carrier needs to find out:

- What kind of licence they need to start a business in a city, town or county;
- How their business might be affected by local laws;
- How their business might be affected by local taxes;
- Whether or not they need a special permit to operate in a city, town or county.

It is important for a new business to get the proper licences and permits. They exist to protect local businesses and to make sure they operate according to the laws of a city, town or county.

For more details on how to properly start a business in Alberta, contact:

Alberta Programs and Services
Business Service Centres
Edmonton: 780-422-7722
Calgary: 403-221-7800
Website: [www.programs.alberta.ca/business/11693.aspx](http://www.programs.alberta.ca/business/11693.aspx)
TAXES AND EMPLOYER RESPONSIBILITIES

When starting a new business, carriers must not only learn about transportation laws, but also business laws. The owner of a company, regardless of what kind of business they operate, should be aware of things such as:

- Business Identification
- Registering Corporations
- Goods and Services Tax
- Customs and Duties
- Personal and Corporate Income Tax
- Employment Insurance
- Canada Pension Plan
- Workers’ Compensation

To get a good understanding of each of these subjects and others relating to finances, carriers may get assistance from accountants, lawyers and/or consultants. Details about each of the above mentioned subjects are also available online at:

www.cra-arc.gc.ca
www.wcb.ab.ca
HEALTH AND SAFETY RESPONSIBILITIES

Carriers should also be aware of things related to the health and safety of all employees in their business. Bus and truck operators are not only required to follow transportation safety laws, but also health and safety laws that apply to their industry.

Employers in Alberta must follow the rules outlined in the *Occupational Health and Safety Act*. An “employer” is:

- A person who is self-employed in an occupation;
- A person who employs one or more workers;
- A person designated by an employer as the employer’s representative; and
- A director or officer of a corporation who oversees the occupational health and safety of the workers employed by the corporation.

It is an employer’s responsibility to ensure they provide a safe workplace for employees. Information on how employers may effectively follow health and safety laws is available online at: [www.work.alberta.ca/occupational-health-safety.html](http://www.work.alberta.ca/occupational-health-safety.html).

**Note:** Occupational Health and Safety requirements are *not* the same as National Safety Code requirements. It is important that carriers consider the requirements of both of these programs.

Carriers may also want to consider taking part in the Partners in Injury Reduction (PIR) Program. This is a program that operates through the combined efforts of Workers’ Compensation Board – Alberta (WCB); the Ministry of Jobs, Skills, Training and Labour; industry partners; safety associations; employers and labour groups.

PIR is designed to encourage injury prevention and the development of effective workplace health, safety and disability management systems. All employers can participate in the PIR program and be eligible for industry rate refunds by maintaining a Certificate of Recognition (COR).

More information on the Partners in Injury Reduction Program (PIR) and on the Certificate of Recognition (COR) is available online at: [www.wcb.ab.ca](http://www.wcb.ab.ca).
Once carriers have decided what kind of vehicles they want to use in their business, they must make sure:

- The vehicles are properly registered;
- They know what kind of operator’s licence their drivers must have to use those vehicles;
- They know where they are allowed to operate those vehicles;
- They know the laws about how to safely operate those vehicles.

The way carriers choose to register their vehicles has a very large effect on the way they operate. It is important that both drivers and vehicles in a new company have the correct licensing to do the work that is expected of them.

Registration can be obtained from any authorized Alberta Registry agent. More details on licensing and registration requirements can be found in Module 3 of this manual.

More information about Alberta Registries is available online at: http://www.servicealberta.gov.ab.ca/registries.cfm

NOTE

Alberta Registry agents should not be contacted for legal advice or consultations as they are not legal bodies. Their purpose is to provide Albertans with requested vehicle registration services.
SAFETY FITNESS CERTIFICATES

Once a carrier has the licences and/or permits they need to operate, they must find out if they need a Safety Fitness Certificate (SFC).

A carrier must apply for a Safety Fitness Certificate under PROVINCIAL law if:

They operate only within Alberta.

They operate a commercial vehicle that is registered for a weight of 11,794 kilograms or more.

They operate a commercial vehicle with a manufacturer’s seating capacity originally designed for 11 or more persons, including the driver.

A carrier must apply for a Safety Fitness Certificate under FEDERAL law if:

They operate in multiple provinces, territories or states.

They operate a commercial vehicle that is registered for a weight of more than 4,500 kilograms.

They operate a commercial vehicle with a manufacturer’s seating capacity originally designed for 11 or more persons, including the driver.

Carriers may obtain a Safety Fitness Certificate by applying online at:

www.transportation.alberta.ca/638.htm
SAFETY FITNESS CERTIFICATE

CERTIFICATE NUMBER
XXXXXXXXXX

HBC NUMBER
ABxxxx-xxxx

VHD NUMBER
XXXX-XXXXX

OPERATING STATUS
Provincial

Certificate Holder
Example Transport (Alberta) Limited
4221 - 53 St.
RED DEER AB T4N 2E1

Carrier Identification and Operating Status
(See Module 3)

EFFECTIVE
JANUARY 01, 2014

EXPIRY (THIS CERTIFICATE EXPIRES AS INDICATED BELOW UNLESS OTHERWISE SUSPENDED OR CANCELLED)
Continuous

Carrier’s Safety Fitness Rating
(See Module 11)

This Carrier holds a SATISFACTORY UNAUDITED Safety Fitness Rating
in the Province of Alberta.

This Certificate is issued pursuant to the Traffic Safety Act. The holder of this Certificate may operate vehicles anywhere in Alberta that are registered for a gross weight of 11,794 kilograms or greater, or designed with a seating capacity of 11 or more persons including the driver. This Certificate is not valid when the carrier operates or intends to operate outside of Alberta.

The original or a copy of this Certificate must be carried in vehicles operating under the authority of this certificate and produced on demand of a Peace Officer.

This Certificate may be cancelled where the holder has not operated a vehicle authorized by this certificate for a 12 month period.

This Certificate may be suspended or cancelled for failing to comply with transportation legislation.

All carriers must read the conditions on their Safety Fitness Certificate. For example, this certificate states that carriers with a “Provincial” Operating Status may not operate vehicles outside of Alberta.

DIRECTOR ALBERTA TRANSPORTATION

COMMERCIAL VEHICLE SAFETY COMPLIANCE IN ALBERTA

Last Updated: June 2018
Carriers who decide to operate a passenger transportation service may also need to apply for an Operating Authority Certificate.

There are different types of passenger services a carrier may offer:

- **Charter Services**: Transportation of a group of passengers on a pre-arranged basis from a common point to a common destination.
- **Scheduled Services**: Passenger transportation service conducted over a specified route or route under a set schedule.
- **Private Services**: Transportation of passengers who are employees, contract workers or members of the registered owner of the vehicle.
- **Industrial Services**: Transportation of another company’s employees under a contractual agreement in excess of 30 days.

More information about Operating Authority Certificates is available in Module 3 of this manual or online at: [www.transportation.alberta.ca/663.htm](http://www.transportation.alberta.ca/663.htm)
**INTRA-PROVINCIAL OPERATING AUTHORITY CERTIFICATE**

**CERTIFICATE HOLDER/ADDRESS**
Example Transport (Alberta) Limited  
4221 – 23 St.  
Red Deer, AB T4N 2E1

**CERTIFICATE NUMBER**
xx-xxxx-xxxx

**MVID**
xxxx-xxxxx

**EFFECTIVE ON**
17-JUN-2013

**THIS CERTIFICATE EXPIRES MIDNIGHT (UNLESS OTHERWISE SUSPENDED OR CANCELLED BY THE REGISTRAR)**
30-JUN-2016

**PURSUANT TO THE AUTHORITY VESTED IN THE REGISTRAR UNDER THE PROVISIONS OF THE TRAFFIC SAFETY ACT PERMISSION IS HEREBY GRANTED TO OPERATE COMMERCIAL VEHICLES IN ACCORDANCE WITH THE FOLLOWING**

**SCHEDULED ROUTE:**
- Is authorized to transport passengers and passenger baggage.
- From: Airdrie in Alberta
- Via: Highway 2
- To: Calgary in Alberta and vice versa

**CHARTER:**
- Is authorized to transport passengers and passenger baggage.
- From: Any point in Alberta
- To: Any point in Alberta

**Section Condition(s):**
- To provide pre-arranged service for groups of passengers to a common destination on a non-recurring basis.

**DIRECTOR, ALBERTA TRANSPORTATION**

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Passenger services this carrier is permitted to provide and the conditions that go with them.
EXTRA-PROVINCIAL OPERATING AUTHORITY CERTIFICATE

CERTIFICATE NUMBER
XX-XXX-XXXX

Section Condition(s):

If any of the routes authorized under this certificate are contracted to another operator, the certificate holder must ensure that the contracted operator has an maintains the following:

1. A valid operating authority certificate authorizing the passenger transportation and package express;
2. A valid commercial vehicle inspection certificate for each vehicle operating under the authority;
3. A Safety Fitness Rating other than “unsatisfactory” or “conditional”; and
4. Insurance as required under the Commercial Vehicle Certificate and Insurance Regulation.

The Certificate Holder must provide 90 days’ notice prior to discontinuance of any of the scheduled services to a community, as set out in this Certificate. The notice must include:

* an outline of which service(s) and communities will be affected; and
* the date the service will discontinue

The notice must be filed with:

* the Director, Carrier Services, by way of written correspondence;
* the affected local governing bodies of the communities (including any affected First Nation Reserve Lands and Metis Settlements) by way of written correspondence;
* the general public by posting the notice:
  (a) in a local/regional newspaper for a minimum of five (5) days;
  (b) along the route at terminal(s) and pick-up/drop-off point(s);
  (c) where ticket(s) may be purchased; and
  (d) on the Certificate Holder’s website (if such a website exists).

Certificate Condition(s):

All vehicles operated under the authority of this certificate must have a vehicle inspection as required under Alberta’s Commercial Vehicle Inspection Program (CVIP) outlined under AR 211/06, AR 121/09. This includes inspections conducted outside of Alberta as recognized under Alberta legislation.

The Registrar may add, remove or change terms and conditions on this certificate at any time at its discretion.

Carriers must read and follow all conditions listed on their Operating Authority Certificate.

DIRECTOR, ALBERTA TRANSPORTATION
A carrier must also make sure they get the correct insurance coverage for their vehicles and type of operations. According to the *Commercial Vehicle Certificate and Insurance Regulation (AR314/2002)*, this may include:

- **Section 24, Cargo Insurance** — carriers must have insurance to cover against loss of or damage to goods transported. Insurance requirements range from $600 to $32,000 depending on the type of cargo being transported and the gross weight of the vehicle. Cargo Insurance is not required for carriers who transport only their own goods. Some goods are exempt from cargo insurance requirements; consult the regulation for further details.

- **Section 25, Liability Insurance** — carriers must have at least $1 million coverage. If a carrier is transporting dangerous goods as defined in Schedule 1 of the *Transportation of Dangerous Goods Regulations*, they may need to have at least $2 million coverage.

- **Section 26, Passenger Hazard Insurance** — carriers offering a passenger service must have passenger hazard insurance of either $1 million or $2 million coverage depending on the number of passengers the vehicle can transport.

- **Section 27, Taxi Insurance** — taxi companies must have at least $1 million of passenger hazard insurance.

- **Section 28, Cargo Insurance (Express Shipments)** — carriers providing a passenger transportation service and offering express shipment services for goods must have cargo insurance of at least $500 for each piece of cargo to cover loss of or damage to each item.

More details on insurance coverage for carriers can be found in Module 3 of this manual.
GETTING STARTED: CHECKLIST

Carriers may find the following checklist helpful when starting a busing or trucking business. Check all tasks that are applicable to your company as they have been completed.

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<thead>
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<tr>
<td>☐</td>
<td>Write a business plan.</td>
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<td>☐</td>
<td>Get assistance from a lawyer, accountant and/or consultant.</td>
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<td>☐</td>
<td>Get all necessary financial information from the Canada Revenue Agency.</td>
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<td>☐</td>
<td>Apply for a business licence and/or permit.</td>
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<td>☐</td>
<td>Get the correct insurance coverage.</td>
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<td>☐</td>
<td>Make sure all vehicles are properly registered.</td>
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<td>☐</td>
<td>Make sure all drivers have the correct operator's licences and training.</td>
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<tr>
<td>☐</td>
<td>Apply for a Safety Fitness Certificate (if applicable).</td>
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<tr>
<td>☐</td>
<td>Apply for an Operating Authority Certificate (if applicable).</td>
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<tr>
<td>☐</td>
<td>Know and follow the provincial and/or federal laws that apply to your business.</td>
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<tr>
<td>☐</td>
<td>Know how to operate your company safely.</td>
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