Module 3 aims to provide carriers with basic information about licensing, registration and insurance. The contents of this module are as follows.

- Driver Licensing 3
- Vehicle Registration 4
- Safety Fitness and Operating Authority Certificates 5
- Operating Status 8
- International Registration Plan (IRP) 11
- International Fuel Tax Agreement (IFTA) Insurance Requirements 12
- Insurance Requirements 13

*This is a guide only and is not meant to be a substitute for the actual legislation*
DRIVER LICENSING

There are five classes of driver’s licences that apply to commercial carriers in Alberta. Each licence allows a driver to operate a different kind of vehicle. It is important that a driver holds the correct licence when operating a vehicle. Not only does the driver need to obtain the proper class of operator’s licence for the vehicle they operate, but they also need to have the proper knowledge and skills to operate a vehicle safely.

The following is a summary of what operations are allowed under each class of licence. Laws about these classes may be found in Sections 21-25 of the *Operator Licensing and Vehicle Control Regulation*, AR 320/2002.

**Class 1**
- Driver may operate any motor vehicle or combination of vehicles, other than a motorcycle;
- Driver must successfully complete an approved air brake endorsement (Q) course.

**Class 2**
- Driver may operate any bus;
- Driver may operate any vehicle that has a Class 3, 4 or 5 operator may drive.

**Class 3**
- Driver may operate a single motor vehicle with 3 or more axles;
- Driver may operate any motor vehicle towing a trailer that is not equipped with air brakes.

**Class 4**
- Driver may operate a taxi, ambulance or bus where seating capacity is not over 24, excluding the operator;
- Driver may operate any vehicle that a Class 5 operator may drive.

**Class 5**
- Driver may operate any motor vehicle or combination of vehicles, other than a motorcycle;
- Driver must successfully complete an approved air brake endorsement (Q) course.

Class 2, 3, 4, or 5 drivers must obtain the air brake endorsement (“Q”) if they want to operate vehicles that are equipped with air brakes. Drivers with a Class 1, 2 or 4 licence may also apply for the school bus driver endorsement (“S”).

For more information about driver licensing in Alberta, refer to the *Commercial Driver’s Guide to Operation, Safety and Licensing* or visit: [www.servicealberta.gov.ab.ca](http://www.servicealberta.gov.ab.ca).
VEHICLE REGISTRATION

There are three classes of licence plates that apply to commercial carriers in Alberta. These plates are different from the ones used on personal vehicles. Each commercial licence plate allows a carrier to perform a certain type of work. It is important for a carrier to find out which class of plate they need. A carrier who does not register a vehicle using the correct class of plate may be charged with an offence or have their vehicle detained until they obtain the proper registration.

The following is a brief summary of what operations are authorized under each class of registration. Registration laws related to these classes may be found in Sections 76-78 of the Operator Licensing and Vehicle Control Regulation, AR 320/2002.

**CLASS 1 PLATES**
Commercial vehicles which are used provincially, federally and internationally for:
- Transporting an owner’s own goods or another person’s goods for compensation;
- Passenger transportation services including school bus, charter bus and taxi operations.

**CLASS 2 PLATES**
Commercial vehicles which perform special operations. Some operations include:
- Transporting goods within a 10 km radius of the registered address;
- Operating provincially while conducting specific industry services. Refer to the regulations for more details.

**CLASS 3 PLATES**
Commercial vehicles which transport goods owned by the owner of the vehicle.

Commercial vehicles that are registered to and operated by governments, municipalities, hospitals, school boards or First Nations bands.

A class 3 plate may NOT be used to transport other persons’ goods for compensation.

More information is available online at: [www.servicealberta.gov.ab.ca/1087.cfm](http://www.servicealberta.gov.ab.ca/1087.cfm)
SAFETY FITNESS AND OPERATING AUTHORITY CERTIFICATES

Depending on how a carrier registers their vehicle, they may need to obtain a Safety Fitness Certificate and/or an Operating Authority Certificate. This table gives a brief summary of common vehicles that may need a certificate to operate.

<table>
<thead>
<tr>
<th>Vehicle or Operation Type</th>
<th>Safety Fitness Certificate Required</th>
<th>Operating Authority Type Required</th>
<th>Vehicle Plate Class Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Passenger Transportation Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Driver Training School using buses defined under the NSC program for training purposes only – no vehicles used for commercial purposes.</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Class 2 Restricted plate</td>
</tr>
<tr>
<td>School Board/Division transporting students; regular school bus runs between homes and school.</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Class 3 Government plate</td>
</tr>
<tr>
<td>School Board/Division transporting students in a bus on field trips that are authorized by the school principal.</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Class 3 Government plate</td>
</tr>
<tr>
<td>Sole Proprietor/Corporation – school bus runs between home and school or transports students on field trips that are authorized by the school principal.</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Class 1 School bus plate</td>
</tr>
<tr>
<td>Commercial Scheduled Service.</td>
<td>Yes</td>
<td>Scheduled Intra or Extra-provincial</td>
<td>Class 1 Commercial bus plate</td>
</tr>
<tr>
<td>Commercial Charter Service.</td>
<td>Yes</td>
<td>Charter Intra or Extra-provincial</td>
<td>Class 1 Commercial bus plate</td>
</tr>
<tr>
<td>Daycare/Nursery School – when transporting children more than once a week and/or charging for the service.</td>
<td>Yes</td>
<td>Private Bus</td>
<td>Class 2 Private bus plate</td>
</tr>
</tbody>
</table>
### MODULE 3: LICENSING, REGISTRATION AND INSURANCE

#### Vehicle or Operation Type

<table>
<thead>
<tr>
<th>Vehicle or Operation Type</th>
<th>Safety Fitness Certificate Required</th>
<th>Operating Authority Type Required</th>
<th>Vehicle Plate Class Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Passenger Transportation Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporations transporting their own employees.</td>
<td>Yes If vehicle is designed for 11 or more passengers (including driver)</td>
<td>Private Bus</td>
<td>Class 2 Private bus plate</td>
</tr>
<tr>
<td>Governments – City, towns, counties, etc.</td>
<td>Yes</td>
<td>Private Bus</td>
<td>Class 3 Government plate</td>
</tr>
<tr>
<td>Government providing Community Service – transporting seniors, community groups, etc.</td>
<td>Yes If vehicle is designed for 11 or more passengers (including driver)</td>
<td>Charter Or Private Bus</td>
<td>Class 3 Government plate</td>
</tr>
<tr>
<td>Community Service Groups transporting seniors, community groups, etc.</td>
<td>Yes If vehicle is designed for 11 or more passengers (including driver)</td>
<td>Charter Or Private Bus</td>
<td>Class 1 or 2 Private bus plate</td>
</tr>
<tr>
<td>Municipal transit bus.</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Class 3</td>
</tr>
<tr>
<td>Corporations providing transit service for and on behalf of a municipality</td>
<td>Yes If vehicle is designed for 11 or more passengers (including driver)</td>
<td>No</td>
<td>Class 1 Commercial bus plate</td>
</tr>
</tbody>
</table>

#### Basic Types of Operating Authority Certificates for Buses/Shuttles:

- **Charter Service** – pre-arranged passenger transportation service, transporting a group of passengers for a common purpose, from a common point to a common destination. Cannot be conducted on a recurring basis.
- **Scheduled Service** – passenger transportation service operated over a specific route or routes on a specified timetable. Usually operated between cities and towns.
- **Private Service** – service provided by a company or organization for the purpose of transporting their employees or members in a vehicle designed for 11 or more persons, including the driver.
- **Industrial Service** – transportation supplied to another person under a contract that has a term of over 30 days.
## Module 3: Licensing, Registration and Insurance

### B. Transporting Goods by Trucks, Tractors, and Trailers

<table>
<thead>
<tr>
<th>Vehicle or Operation Type</th>
<th>Safety Fitness Certificate Required</th>
<th>Operating Authority Type Required</th>
<th>Vehicle Plate Class Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driver Training School using vehicles registered for a weight of 11,794kg or more. Vehicle may not transport goods for compensation.</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Class 2 Restricted plate</td>
</tr>
<tr>
<td>Driver Training School using vehicles registered for a weight of 11,793kg or less operating solely within Alberta. Vehicle may not transport goods for compensation.</td>
<td>No</td>
<td>Not applicable</td>
<td>Class 2 Restricted plate</td>
</tr>
<tr>
<td>Carrier is hauling goods using vehicle registered for 11,794kg or more</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Class 1, 2, or 3</td>
</tr>
<tr>
<td>Carrier is hauling owner’s own goods within a 10km radius of the carrier’s registered address in Alberta.</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Class 2 Restricted plate</td>
</tr>
<tr>
<td>Carrier is a farm operation hauling owner’s own goods to various points.</td>
<td>No</td>
<td>Not applicable</td>
<td>Class 2 Farm plate</td>
</tr>
<tr>
<td>Carrier is hauling other persons’ goods for hire within a 10 km radius of the carrier’s registered address.</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Class 2 Restricted commercial plate</td>
</tr>
</tbody>
</table>

### C. Other

<table>
<thead>
<tr>
<th>Vehicle or Operation Type</th>
<th>Safety Fitness Certificate Required</th>
<th>Operating Authority Type Required</th>
<th>Vehicle Plate Class Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrier is operating a livery (taxi) operation and/or on-demand service.</td>
<td>Yes</td>
<td>Operating Authority Required When vehicle is being used for purposes other than a private passenger vehicle.</td>
<td>Class 1 Ride-for-Hire</td>
</tr>
<tr>
<td>Carrier is operating a short-term rental vehicle with a designed seating capacity of up to 15 passengers.</td>
<td>Yes</td>
<td>Operating Authority Required</td>
<td>Class 1</td>
</tr>
<tr>
<td>Carrier is operating a short-term rental commercial truck.</td>
<td>Yes</td>
<td>Operating Authority Required</td>
<td>Class 1</td>
</tr>
</tbody>
</table>

Last Updated: June 2018
OPERATING STATUS

Carriers who need a Safety Fitness Certificate must also find out whether they are a provincial or federal operator. This means that each carrier must declare whether they will be operating vehicles only within Alberta or outside of the province.

A carrier must have a PROVINCIAL Operating Status if any of the following applies:

- 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 have a FEDERAL Operating Status if any of the following applies:

- They operate in multiple provinces, territories or states.
- They operate a commercial vehicle that is weighing or registered for 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 apply to change their Operating Status if they are making long term changes to their company.

There are currently no permit options available that allow a provincially regulated carrier to operate on a regular and continuous basis outside of Alberta. If a carrier operates any regulated vehicles outside of Alberta, the carrier will be required to obtain a “Federal” Operating Status.
Carriers with a “Provincial” Operating Status who operate near the Alberta/Saskatchewan border may operate within the city limits of Lloydminster on either side of the border.

Provincial carriers may also operate on Highway 17 provided their trip starts and ends in Alberta and no services are received or provided in Saskatchewan. These services may include fuel, accommodation, vehicle loading or unloading, meals, and vehicle repairs or maintenance.

More information about Alberta/Saskatchewan border requirements is available online at: www.transportation.alberta.ca/4560.htm.

**Note:** Carriers operating passenger transportation services may also be required to apply for an Operating Authority Certificate. There are no Operating Authority requirements for truck or tractor operations.
SAFETY FITNESS CERTIFICATE

Certificate Holder

Example Transport (Alberta) Limited
4211 - 53 St.
RED DEER AB T4N 2E1

Certificate Number

XXXXXXXX

NRC Number

ABxxxx-xxxx

MVD Number

XXXX-XXXXX

Operating Bene

Provincial

Certificate Identification and Operating Status

Effective

JANUARY 01, 2014

Expiry (This Certificate Expires As Indicated Below Unless Otherwise Suspended Or Canceled)

Continuous

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

Alberta Government

Commercial Vehicle Safety Compliance in Alberta

Last Updated: June 2018
INTERNATIONAL REGISTRATION PLAN (IRP)

The International Registration Plan (IRP) is an agreement between the United States and Canada that allows for the sharing of commercial vehicle registration fees. This plan was created to encourage the fullest possible use of the highway system between member provinces, territories and states.

**Federal** carriers operating Alberta-plated vehicles can apply through Prorate Services for vehicle registration in other provinces or states. The Alberta government will issue a cab card for each vehicle the carrier operates. The cab card will specify which member IRP locations a vehicle may operate in.

An IRP registration does NOT:

- Exempt a carrier from paying motor fuel taxes in any province or state;
- Exempt a carrier from obtaining an Operating Authority Certificate and/or a Safety Fitness Certificate;
- Allow a carrier to operate outside of Alberta with a Provincial Operating Status;
- Allow a carrier to exceed maximum height, length, width and axle limitations.

For more details on the International Registration Plan (IRP) contact:

**Prorate Services**  
Phone: 403-297-2920  
Toll Free from Within Alberta: 310-0000  
Website: [www.transportation.alberta.ca/561.htm](http://www.transportation.alberta.ca/561.htm)
INTERNATIONAL REGISTRATION PLAN (IRP)

The International Fuel Tax Agreement (IFTA) is an agreement between the United States and Canada that allows federal carriers to operate in more than one location. This plan was created to make it easier for carriers to register, licence, report and pay taxes for motor fuels (such as diesel and gasoline).

A carrier licensed under IFTA is required to send quarterly fuel tax returns to its base jurisdiction, where it is registered.

To register under IFTA, a carrier must have a vehicle that is:

- Registered for a gross vehicle weight of 11,794 kilograms or more;
- A unit with 3 or more axles, regardless of weight.

For more details on the International Fuel Tax Agreement (IFTA), contact:

Alberta Treasury Board and Finance
Phone: 780-427-2731
Toll Free from Within Alberta: 310-0000
Website: www.finance.alberta.ca
INSURANCE REQUIREMENTS

A carrier must ensure they have the correct type of insurance for their operation. According to the Alberta Commercial Vehicle Certificate and Insurance Regulation, (AR314/2002), the following requirements may apply.

**INSURANCE COVERAGE REQUIREMENTS FOR COMMERCIAL TRUCKS**

**Public Liability and Property Damage**

- $1 Million (minimum) of liability and property damage insurance is required for all commercial trucks.

**Cargo Insurance**

- $15,000 to $32,000 of cargo insurance is required depending on the maximum registered gross weight of the vehicle hauling cargo. See the specifications chart below for details.
- If transporting goods owned by the carrier, then the carrier is not required to have cargo insurance.
- If transporting goods in Alberta that are listed on the next page, then no cargo insurance is required at any time.

<table>
<thead>
<tr>
<th>Specifications</th>
<th>Minimum Insurance Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>For each commercial vehicle engaged in the transportation of farm produce other than dairy products</td>
<td>$600</td>
</tr>
<tr>
<td>For each commercial vehicle engaged only in the transportation of unprocessed milk or cream</td>
<td>Actual cash value of goods.</td>
</tr>
<tr>
<td>For each vehicle having a registered gross weight not exceeding 12,700 kilograms.</td>
<td>$15,000</td>
</tr>
<tr>
<td>For each vehicle having a registered gross weight exceeding 12,700 kilograms but not exceeding 18,000 kilograms.</td>
<td>$20,000</td>
</tr>
<tr>
<td>For each vehicle having a registered gross weight of at least 18,000 kilograms but not exceeding 21,000 kilograms.</td>
<td>$20,000</td>
</tr>
<tr>
<td>For each vehicle having a registered gross weight exceeding 21,000 kilograms but not exceeding 37,000 kilograms.</td>
<td>$27,000</td>
</tr>
<tr>
<td>For each vehicle having a registered gross weight exceeding 37,000 kilograms.</td>
<td>$32,000</td>
</tr>
</tbody>
</table>
The following is a list of all goods that are exempted from cargo insurance:

### Schedule 1 of the Alberta Commercial Vehicle Certificate and Insurance Regulation, AR314/2002

- Alfalfa *(raw or pelletised)*
- Animal feed and related concentrates
- Animal supplements *(not for human consumption)*
- Asphalt mix *(bituminous)*
- Brick
- Cement *(dry or wet)*
- Clay
- Coal
- Concrete products
- Condensate
- Crude oil
- Crushed glass
- Dead animals
- Drilling mud
- Fodder
- Garbage
- Grain
- Granite
- Granulite
- Gravel

- Herculite
- Lime
- Loam
- Logs
- Lumber
- Newspapers
- Organic manure
- Peat moss
- Propane
- Salt
- Sand
- Sawdust
- Scrap iron
- Septic tank refuse
- Snow
- Stone
- Sugar beets *(raw or pelletised)*
- Sulphur
- Water
- Woodchips
## InsuRance CouVenCe ReQuiremenTS
### For PaSSenGer TraNSPorrTaTion SerVicEs

### Public Liability and Property Damage
- According to Section 627 of the *Insurance Act*, the registered owner must have at least $200,000 of Public Liability and Property Damage coverage. However, the insurance industry can require a higher coverage limit:
  - The industry standard for buses carrying 10 passengers or less is to have $1 million for travel throughout Canada and $5 million (US) for travel into the United States;
  - The industry standard for buses carrying more than 10 passengers is to have at least $2 million for travel throughout Canada and $5 million (US) for travel into the United States.

### Passenger Hazard Insurance
According to Section 26 of the Alberta *Commercial Vehicle Certificate and Insurance Regulation* (AR314/2002), the following insurance requirements must be met by persons offering passenger transportation services:
- $400,000 (minimum) of insurance is required for bodily injury or death of any one person as a result of any single collision;
- $1 million of insurance is required for bodily injury or death (of 2 or more persons) for each public service passenger vehicle with a seating capacity of 10 or fewer persons, including the driver;
- $2 million of insurance for bodily injury or death (of 2 or more persons) for each public service passenger vehicle with a seating capacity of 11 persons of more, including the driver.

### Express Shipments
- If a bus carrier also offers an express shipment service, then they must also have cargo insurance of at least $500 for each piece of cargo on board.

### NOTE:
Carriers should contact their insurance provider to ensure that they meet all necessary insurance requirements.