



Module 1: Getting Started

Commercial Vehicle Safety Compliance
in Alberta

Module 1: Getting Started 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:

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This module serves only as a guide and cannot replace regulatory legislation.

However, every effort has been made to ensure the information in this module is accurate at the time of preparation. The material in these documents are not intended to represent a full training course in any subject area covered, nor is it intended to be reproduced or sold for commercial purposes or financial gain.

WRITING A BUSINESS PLAN

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.

<p>Government of Alberta ■</p>	<p style="text-align: right;">Application for a Business Licence (Fair Trading Act)</p>																																								
<p><i>This information is being collected for the purposes of licensing requirements in accordance with the Fair Trading Act. Questions about the collection of this information can be directed to the Alberta Government, Director of the Fair Trading Act, 3rd Floor, Commerce Place, 10155 - 102 Street, Edmonton, Alberta, T5J 4L4, 780-427-5210. Outside of Edmonton (in Alberta only), call 310-0000 to be connected toll free.</i></p>																																									
<p>RETURN THIS FORM TO: Service Alberta, Consumer Programs 3B Commerce Place, 10155 102 Street, Edmonton Alberta T5J 4L4 Phone: 780-422-1335 / Fax: 780-427-3033</p>																																									
<p>THIS DOCUMENT MAY BE FILLED OUT ELECTRONICALLY, PRINTED THEN SIGNED (PLEASE TYPE OR PRINT CLEARLY)</p>																																									
<p>1. Name of Sole Proprietor, Partners or Corporation</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<p>2. Corporate Access Number</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> </tr> </table> <p>and / or Partnership Number</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15px; height: 15px; text-align: center;">P</td> <td style="width: 15px; height: 15px; text-align: center;">T</td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> <td style="width: 15px; height: 15px;"></td> </tr> </table>																					P	T																		
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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.alberta.ca/starting-running-business.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:

Canada Revenue Agency: www.cra-arc.gc.ca/

Workers' Compensation Board – Alberta: www.wcb.ab.ca/

Ministry of Service Alberta: www.alberta.ca/service-alberta.aspx

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.

Occupational Health and Safety

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.alberta.ca/occupational-health-safety.aspx.

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

Partners in Injury Reduction (PIR) Program

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, Economy, and Innovation; Ministry of Labour and Immigration; 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/insurance-and-premiums/lower-your-premiums/partnerships-in-injury-reduction-\(pir\).html](http://www.wcb.ab.ca/insurance-and-premiums/lower-your-premiums/partnerships-in-injury-reduction-(pir).html)

LICENSING AND REGISTRATION

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; and
- 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: www.alberta.ca/service-alberta.aspx



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).



PROVINCIAL LAW

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



FEDERAL LAW

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

- They operate a commercial vehicle that is registered for a weight of more than 4,500 kilograms; or
- 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.alberta.ca/safety-fitness-certificate.aspx

Safety Fitness Certificates require renewal once every three years. The Commercial Vehicle Certificate and Insurance Regulation was changed so that all Safety Fitness Certificates issued prior to March 1, 2019 would expire on February 28, 2022. Prior to March 2019, all SFCs were issued as "Continuous" and did not expire. This change ensures more regular check points with commercial carriers to ensure ongoing compliance to transportation safety requirements.

Effective March 1, 2019, new carriers must complete the pre-entry program for New National Safety Code Carriers. More details on pre-entry will be covered later in this manual.

SAFETY FITNESS CERTIFICATE SAMPLES

The following pages show an example of a Provincial and Federal Safety Fitness Certificate.

Please note:

- Safety Fitness Certificates no longer display the Safety Rating
- Safety Rating information can be found on the Carrier Profile at www.trans.gov.ab.ca/TravisWebLogin/welcome.htm



SAFETY FITNESS CERTIFICATE

CERTIFICATE NUMBER

00000000

NSC NUMBER

AB999-9999

MVID

0000-00000

OPERATING STATUS

Provincial

EFFECTIVE

January 1, 2021

CERTIFICATE HOLDER

Sample Carrier

4999 98 Ave NW

Edmonton, Alberta Canada T6B 2X3

Last Revised Date**EXPIRY (THIS CERTIFICATE EXPIRES AS INDICATED BELOW UNLESS OTHERWISE SUSPENDED OR CANCELLED)**

December 31, 2024

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 will 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.



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SAFETY FITNESS CERTIFICATE

CERTIFICATE NUMBER

000000000

NSC NUMBER

AB999-9999

CERTIFICATE HOLDER

Sample Carrier

MVID

0000-00000

4999 98 St NW

Edmonton, Alberta Canada T6B 2X3

OPERATING STATUS

Federal

Last Revised Date**EFFECTIVE**

January 01, 2021

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

December 31, 2024

This Certificate is issued pursuant to the Motor Vehicle Transport Act and the Traffic Safety Act . This Certificate is valid anywhere in Canada and applies to commercial vehicles registered for a gross weight of more than 4,500 kilograms, or designed with a seating capacity of 11 or more persons including the driver . This includes trips operated point-to-point within Canada or from/ to the US border. This Certificate is not valid outside of Canada.

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 will 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.



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PRE-ENTRY PROGRAM

Introduced March 1, 2019, the Pre-entry Program for National Safety Code carriers is required for all commercial carriers applying for a new Safety Fitness Certificate. It is important that the appropriate individual complete the program.

Appropriate individual: If the vehicle(s) are registered to an individual, the appropriate individual must be the registered owner. The appropriate individual for a corporation is a designated officer for the corporation. An officer must be designated in writing by the Director(s) of the corporation and must participate in the corporation's day-to-day operations.

The Pre-entry Program for commercial carriers includes:

- completing the Safety Fitness Certificate Compliance Course
- passing the Safety Fitness Certificate Compliance Knowledge Test at an Alberta Registry Office
- completing a new carrier compliance review within 12 months of the Safety Fitness Certificate being issued.

New Carrier Compliance Review

All carriers going through the Pre-entry Program are required to complete a new carrier compliance review within 9 to 12 months of being issued their Safety Fitness Certificate. Compliance reviews are completed at the cost of the carrier by a third party auditor/reviewer. Carriers that do not complete this requirement within 12 months, will have their certificate suspended and cannot legally operate commercial vehicles under the National Safety Code Program. Any carrier suspended for a period of 6 months will have their safety rating downgraded to "Unsatisfactory" and cannot re-apply for a Safety Fitness Certificate for a period of 6 months.

Review the [New Carrier Fact Sheet](#) for additional information on the application process.

More information about the Pre-entry Program can be found here: www.alberta.ca/pre-entry-requirements-commercial-carriers.aspx

CARRIER INSURANCE

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.

- Write a business plan.
- Get assistance from a lawyer, accountant and/or consultant.
- Get all necessary financial information from the Canada Revenue Agency.
- Apply for a business licence and/or permit.
- Get the correct insurance coverage.
- Make sure all vehicles are properly registered.
- Make sure all drivers have the correct operator's licence and training
- Complete the Pre-entry Program (if applicable) which includes:
 - Complete the Safety Fitness Certificate Compliance course
 - Pass the Safety Fitness Certificate Compliance Knowledge Test at an Alberta Registry
 - Apply for a Safety Fitness Certificate online (if applicable).
 - Complete a new carrier compliance review (NCCR) within 12 months of the Safety Fitness Certificate being issued
- Know and follow the provincial and/or federal laws that apply to your business.
- Know how to operate your company safely.