

Regulatory Impact Analysis Summary

Transport Canada (TC) completed a full Regulatory Impact Analysis (RIA) when they amended their hours of service regulation in 2019. TC detailed RIA reviewed the impacts to the same industry and the same requirements that Ontario is currently proposing but on a larger scale. TC determined the total benefits are estimated to have a present value of \$380.33 million, with an annualized value of \$54.15 million.

Ontario's proposed regulation amendments will yield safety benefits by reducing collision rates (less property damage and fewer injuries and fatalities); reduced out-of-service time for HoS violations; time savings to both the carrier industry (administrative costs) and the province (quicker, more efficient inspections and facility audits); and paper daily logs savings for carriers.

Costs associated with this regulation will be incurred by the carrier for acquisition, installation, activation and the monthly monitoring services of ELDs. To date, there are no ELDs that have been certified by TC. The costs of devices and annual costs are estimated, but not confirmed. The cost of certification or availability of units will have direct impact on cost.

Cost to Carriers

Cost to a carrier includes purchase of the device, installation, activation and monitoring. The average lifespan of ELDs is assumed to be 10 years. ELD costs at an entry or middle level could range from \$150 - \$1000 plus installation and monthly monitoring service fee, which is approximately \$30 per month per device.

Costs to Drivers:

Drivers may need training in order to become familiarized with ELD functionality and/or to be able to accurately read and understand the display or printout structure of the ELD for compliance verification purposes. Industry estimates that the average driver training cost is \$48 per driver.

Cost to Government:

Roadside inspectors and auditors require training on ELD functionality. Training will be absorbed into the cost of regular operations and would therefore not require extra training costs.

Benefits:

Clerical Savings

ELD records will be automatically transmitted and stored therefore clerical personnel will no longer need to handle paper logs manually. On average, it takes about 3.5 minutes to file each paper daily log that has been received from a driver. TC determined that this will result in annual time savings of 14 hours (3.5 minutes x 240 daily logs/60 minutes per hour). Multiplying this time savings by an estimated hourly wage rate of \$26.04 for clerical staff, resulting in a savings of \$365.00 per driver annually.

Time Savings Due to Elimination of Paper Daily Logs

ELDs can reduce the time that is currently needed for a driver to maintain paper daily logs. TC conducted an analysis on the time savings for drivers to fill out a record of duty status with ELDs versus paper daily logs. The time savings was four and a half minutes per driver completing a paper log.

ELDs could also shorten the time needed by enforcement to inspect the driver's record of duty status by allowing inspectors and auditors to quickly identify possible violations. The time for inspectors to verify an ELD record is 14 minutes, in comparison to 17 minutes to verify a paper daily log. The savings generated from reduced time to review an ELD would result in savings of \$1.88 per inspection.

Driver Fatigue:

Driver fatigue is recognized in Canada and internationally as a critical risk factor associated with motor vehicle collisions. Fatigue in commercial drivers is especially important given that large trucks and buses involved in collisions can cause more severe injuries and more frequent fatalities than private passenger vehicles. To mitigate the risk of fatigue, HoS regulations limit a driver's on-duty and driving time and require minimum periods of rest or off-duty time in order to reduce fatigue-related collisions, injuries and fatalities. 20% of collisions in Ontario were directly related to driver fatigue. The use of ELDs will reduce non-compliance with the HoS regulation and therefore reduce driver fatigue.

Unfair Competition

Carriers and drivers who operate in excess of the HoS limits may also have a competitive advantage over those that do not, due to the increased productivity obtained through the additional operational hours.

Paper Log Book Savings:

ELDs will eliminate the need for paper logbooks. A one-month supply of daily logs costs on average \$3.50, amounting to an annual total of \$42 per driver. There are also environmental benefits with reduced paper consumption and impact on landfills.

Reduced Out of Service (OOS) Detention Time

ELDs can minimize non-compliance by automatically recording driving time; increasing the accuracy of the driver's record of duty status and making it more difficult to exceed allowable driving hours. Some OOS violations can result in OOS orders where further operation of the CMV by its driver is prohibited for a specified time period.

Additional Positive Impacts:

- Improved harmonization with TC and other provinces and territories.
- Enhanced carriers' capacity to move goods or passengers
- Increased customer satisfaction through delay reduction due to less OOS orders.

- Meeting public expectations for safer transportation in Ontario.
- Improved quality of life for drivers.