



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Mr. Herb Cox, Chair
The Battlefords

Ms. Cathy Sproule, Deputy Chair
Saskatoon Nutana

Mr. Steven Bonk
Moosomin

Mr. Glen Hart
Last Mountain-Touchwood

Ms. Nancy Heppner
Martensville-Warman

Mr. Everett Hindley
Swift Current

Ms. Lisa Lambert
Saskatoon Churchill-Wildwood

[The committee met at 15:10.]

The Chair: — It being now the hour of 3:10, we will convene the committee. I'd like to welcome committee members: Ms. Sproule is here today; Mr. Bonk is here today; Mr. Hart, Ms. Heppner, Mr. Hindley, and Ms. Lambert.

And this afternoon the committee will be considering several things: firstly, lending and investing activities for Saskatchewan Opportunities Corporation; Bill No. 114, *The Vehicles for Hire Act*; Bill No. 112, *The Miscellaneous Vehicle and Driving Statutes (Cannabis Legislation) Amendment Act, 2017*; and Bill No. 82, *The SaskEnergy Amendment Act, 2017*; and as well our committee resolutions for the 2018-19 estimates.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Opportunities Corporation
Vote 154**

Subvote (SO01)

The Chair: — So we will now begin our consideration of vote 154, Saskatchewan Opportunities Corporation, loans, subvote (SO01). Minister Hargrave, please introduce your officials and make any opening remarks you may have to make.

Hon. Mr. Hargrave: — Thank you, Mr. Chair, and members of the committee. My pleasure to be here this afternoon for the committee's consideration of matters pertaining to the Saskatchewan Opportunities Corporation or SOCO. Joining me here today are the following officials: Van Isman, president and chief executive officer, and Brent Sukenik, chief financial officer.

The purpose of the corporation is to create, encourage, and facilitate business opportunities in the Saskatchewan technology sector, primarily through the development and operation of technology parks. As you are aware, SOCO operates the research and technology parks in Regina and Saskatoon on land leased from the universities of Regina and Saskatchewan respectively. Both facilities are operated under the registered trademark name of Innovation Place.

Innovation Place is an economic development tool of government. Our research and technology parks provide a range of specialized scientific and business amenities that are concentrated in a close proximity to address the needs of emerging and established private sector technology firms. These firms and amenities then become a draw to attract more firms to locate, to start up in the same area.

Collectively the SOCO facility contains 26 buildings with approximately 1.7 million square feet of office, laboratory, greenhouse, and pilot plant space. At the present time, SOCO has 142 tenants leasing space; 87 per cent of these tenants are private sector businesses and research organizations all involved in technology fields. Innovation Place is focused on clustering tenants in specific areas. Tenants can either work directly in the cluster or provide support and technology services to the cluster.

Primary clusters of focus in Saskatoon are agriculture and life sciences, information and communications technology, and mining and other engineering technology.

Primary clusters of focus in Regina are in energy, environmental, and information and communications technology. During the 2016-17 fiscal period, SOCO generated net income of \$517,000. However a far more important statistic is that during that fiscal period, 10 new technology businesses were started within the parks. And I'm advised by the officials here today that this result was replicated in 2017-18 which just recently ended.

Since 1993, 161 new technology businesses have started at Innovation Place. 117, or 73 per cent, are still in business today, which is more than double the five-year survival rate for new businesses. And of the 117 still in business, 111 are based right here in Saskatchewan.

It is now my pleasure to entertain the committee's questions concerning SOCO.

The Chair: — Thank you, Mr. Minister. Just a reminder, officials, to please state your name for the record the first time you speak if you would please. Does any of the members have any questions? I recognize Ms. Sproule.

Ms. Sproule: — Thanks very much, Mr. Chair, and good afternoon to the minister and the officials. Thank you for coming to this committee today to enlighten us on the activities at SOCO. I just want to go over your opening comments. I have a couple of questions there. Last year you said you had 162 tenants and this year it's 142 tenants. Can you share with the committee where those 20 tenants went?

[15:15]

Hon. Mr. Hargrave: — That would be related to the Prince Albert forestry centre. That's part of SOCO.

Ms. Sproule: — So all 20 of those were in the Prince Albert Forest Centre?

Hon. Mr. Hargrave: — Yes, 20.

Ms. Sproule: — It appears that your net income has dropped by over half since the previous fiscal period. You stated it was \$517 million in '16-17, but in '15-16 it was 1.65 million. So I'm just wondering. That's almost, I guess it's over two-thirds of a drop. If you could share with the committee why your income has dropped so much.

Mr. Isman: — Thank you. Van Isman. In response to your question, in 2016-17, we had a write-off of \$1.66 million related to the bankruptcy of a particular tenant.

Ms. Sproule: — Can you share with the committee which tenant that was?

Mr. Isman: — Phenomenome Discoveries Incorporated.

Ms. Sproule: — So that 1.66 million, was that outstanding

lease fees?

Mr. Isman: — Yes, that's partially correct. Phenomenone had been a tenant since they were created in May of 2001. They ran into financial difficulty, and in 2011 they had accrued a debt of 1.16 million to the corporation. And subsequent to that point in time, they asked for some relaxation in terms of pressure. So what happened was that 1.16 million was set aside as a receivable, that it was understood that they would not be making a payment on in the short term. Debt was continuing to accrue on it, and the agreement that had been entered into in 2011 had stipulated that they had to stay current on all of their current lease fees and utility costs from that point in time, on which in fact they had done. But the money continued to collect interest in terms of what the outstanding principal was.

Ms. Sproule: — Thank you. So of that initial \$1.16 million of debt in 2011, was that all related to lease fees or were there other monies involved?

Mr. Isman: — That would've been largely lease fees, with some interest that had accrued up to that point in time.

Ms. Sproule: — So lease fees and interest? Thank you. I'm just looking back. Last year, there was also a discussion around the proposed 3.5 per cent reduction in compensation. And you had indicated, Mr. Minister, that the SOCO had done some initial research and discussed and polled the employees, and that was all gathered but you were waiting for the final implementation of that 3.5 reduction in wages. Can you share with the committee what were the results of those deliberations?

Mr. Sukenik: — Thank you. Brent Sukenik. The total actual results for '17-18, so the 3.5 per cent was achieved in '17-18 and the actual we achieved was over 8 per cent. We achieved that through a combination of attrition and vacancy management.

Ms. Sproule: — Is that about . . . \$300,000 was the amount that was given last year. Is that the figure you . . . 80 per cent of \$300,000?

Mr. Sukenik: — The target that we were working for was \$326,000.

Ms. Sproule: — All right. I'm just going off the figures from last year's estimates. How many positions were — I don't know what the word is — given up to attrition?

Mr. Sukenik: — There were three positions eliminated and the rest was through vacancy management.

Ms. Sproule: — And how many vacant positions are you managing?

Mr. Sukenik: — The actual positions vacant varies, but right now it's between five and six people.

Ms. Sproule: — And are you continuing with vacancy management as a way to manage wages from this point forward, or are there further positions that will be lost because of attrition? Or is that just for last fiscal year?

Hon. Mr. Hargrave: — Right now we're not anticipating any further attrition at SOCO. Vacancy management is something that we've been doing on an ongoing basis to help control expenses as normal businesses would do to try and improve our bottom line. And if it's manageable without creating a problem or affect the service to our tenants, then that's how we're managing it.

Ms. Sproule: — If you are managing your bottom line through vacancy management, what happens to the work that is normally done by the officials that are in those positions?

Hon. Mr. Hargrave: — I'm saying that that is part of what we're doing to manage bottom line is positions if the services aren't being affected. Sometimes there's abilities because of the changing demographics. You lose 20 tenants, you lose a few tenants, you can manage through with less people, as well as things go on as you're doing renovations or as you're doing other work. That doesn't happen all the time and that's why you manage the vacancy. We don't necessarily need the people to sit there if they're not doing anything. Why wouldn't we manage through vacancy?

Ms. Sproule: — I want to go back to something you said in the initial opening comments. You indicated that 10 new technology businesses were started in the last fiscal period '16-17, and yet you said there was a drop in 20 tenants leasing space. So these new 10 businesses, are they leasing within the park at all?

Mr. Isman: — Yes.

Ms. Sproule: — So if those 10 new businesses are leasing within either Regina or Saskatoon, I assume . . . You had 162 tenants last year. You have 142 this year, of which you said those 20 losses were attributable to the Prince Albert Forest Centre. Then wouldn't your number of tenants be 152?

Mr. Isman: — In any particular month, there's always the departure and arrival of tenants. So some will leave, and we'll have some new tenants arrive. Typically a number of firms will leave the park when they're moving beyond research and moving into sort of production mode, which lends itself better to different types of manufacturing space and the like, rather than the scientific space that we have in the parks.

Ms. Sproule: — So I assume then that there were some technology businesses that left the parks then within the last year, in order to do the math.

Mr. Isman: — Yes.

Ms. Sproule: — How many left the parks?

Mr. Isman: — It was actually, I believe, 10. Ten on a net basis.

Ms. Sproule: — Ten net. So 10 new technology businesses were started, and if you net that out, it means 20 left? Or 10 left?

Hon. Mr. Hargrave: — On a net basis, you know, 10 come, 10 left. So we're down . . . We have that 10 improved there, but I mean the 20 still are gone from Prince Albert. I mean that's

where the 162 to 142 comes. There was 10 new technology businesses started. That doesn't mean to say there was 10 additional new ones. That means there was 10 new ones started. So 10 left and 10 started. That's why it still leaves us with the number of 142.

Ms. Sproule: — A net of zero then.

Hon. Mr. Hargrave: — Right. Net being there's a net loss of 20 tenants. Ten come, 10 left, so it leaves us with net zero, but 20 if you count in Prince Albert.

Ms. Sproule: — Is that correct? You said net 10, and you said net zero. So which one is it?

Mr. Sukenik: — It would be the start . . . The 10 that we tracked, that's the start-ups. So that's the way we track start-ups, is their first commercial location. Beyond the 10, there would be, I would say, an estimate of four to five tenants coming and going each month. So the turnover rate on tenants is quite high, so we do have them coming and going. But throughout the year there was no change in the total number of tenants.

Ms. Sproule: — Except for the 20 you lost in the forestry centre. Of those 10 new start-ups, how many were located at Co.Labs?

Mr. Isman: — None.

Ms. Sproule: — So are they in Saskatoon or Regina, the 10 new start-ups?

Mr. Isman: — Interestingly, five in each.

Ms. Sproule: — Thank you. Vacancy rates, if we could just talk about occupancy rates in the Regina and Saskatoon technology parks. Can you share with the committee what your vacancy rates are at the end of March 2018?

Mr. Isman: — Thank you. In Saskatoon the vacancy was 10.65 per cent at March 31st. In Regina it was 7.27 per cent. And overall that worked out to 9.71 per cent.

Ms. Sproule: — I note that that is up slightly in Regina and a bit of a jump in Saskatoon, a year as of March 2017. Is this part of the volatility in turnover that you're talking about, or is this a trend?

Mr. Isman: — Thank you for that question. I would suggest to you that it is neither. In fact we had one significant tenant that left at the end of March in Saskatoon because of a merger that had taken place amongst major scientific companies, and they vacated the premises in Saskatoon which was about 40,000 square feet.

[15:30]

Ms. Sproule: — Thank you. Last year there was a discussion around sale or liquidation on the part of SOCO. Mr. Minister, you indicated that both universities have expressed interest in acquiring their respective research parks, but there's been no formal offer and discussions are continuing. Could you update

the committee on the discussions with the universities in relation to the technology parks?

Hon. Mr. Hargrave: — Discussions are ongoing with the universities, and we've had some back and forth. No formal offer has been presented by either one, but discussions are taking place. We've asked officials to find out sort of what's happening across the rest of the country as far as research parks in the rest of the country, as far as the organization as to their ties with their local universities. Most of them are.

And so we're still optimistic that something might transpire if the universities feel that it's going to benefit them, and that it would benefit the research and development attached to the university, that it would be potentially a thing that could help both universities.

Ms. Sproule: — Have you completed an appraisal of the leaseholds that you have on both campuses recently?

Hon. Mr. Hargrave: — There was valuations conducted in 2017, not appraisals. And they were done on both research parks.

Ms. Sproule: — And what was the purpose of the valuation?

Hon. Mr. Hargrave: — To determine the value.

Ms. Sproule: — Was it for a specific reason that you decided that was an important thing to do at that point in time?

Hon. Mr. Hargrave: — Well it is an important thing if you're in discussions with both the universities about potentially coming to an agreement. We want to make sure that we know what the value is, so that in our discussions we can say we feel the value of this property is X number of dollars, and that we can be able to provide that to the universities so that they can consider that value.

Ms. Sproule: — Is that valuation something you can share with the committee?

Hon. Mr. Hargrave: — No. Contractual obligations don't allow for that to be released.

Ms. Sproule: — Which contractual obligations are you referring to?

Hon. Mr. Hargrave: — The ones that we entered into with the people who did the evaluations.

Ms. Sproule: — With the evaluators? That was the terms of the contract?

Hon. Mr. Hargrave: — Yes.

Ms. Sproule: — Why would you enter into a contract that would release them from . . .

Hon. Mr. Hargrave: — To release them publicly? When we were negotiating and discussing that with the universities, we just didn't feel and they didn't feel that those numbers should be made public.

Ms. Sproule: — I can understand the university not wanting them to be made public, but you said the valuers themselves put that in their contract.

Hon. Mr. Hargrave: — It is, I mean, it is extremely common in appraisals, in evaluations, that the evaluators put that in there as one of their items in there. I mean I've had many appraisals and valuations done for properties that I have, and it's always in there.

Ms. Sproule: — For appraisals we've certainly seen that with Mr. Marquart who had an appraisal done on the properties at the GTH [Global Transportation Hub], and that appraiser refused to release the appraisal numbers. So I've seen it in the appraisal situation. I'm just asking about it in a valuation situation.

Hon. Mr. Hargrave: — It was in their agreement as well.

Ms. Sproule: — Would there be any appraisals being done on the properties? Or is the valuation as far as you're going to go?

Hon. Mr. Hargrave: — Currently, I mean, a valuation would be as far as we would go. That would put us in ... allow discussions to properly take place.

Ms. Sproule: — Time is fleeting, and I will have to move on. I'm looking at the payee disclosure report that CIC [Crown Investments Corporation of Saskatchewan] released in 2016-17, and I have a couple of questions about that. In particular, I just wanted to look at one of your employees, Susan Burton. Her remuneration was \$150,000. Can you share with the committee what work she completed for that remuneration?

Mr. Isman: — That amount included some severance.

Ms. Sproule: — How much was the severance?

Mr. Isman: — I'm sorry, we don't have that information with us today. We can arrange to have it provided to you in writing if you would like.

Ms. Sproule: — Yes please. If you would table it with the Clerk of the committee and then we will have that information on the record. Thank you very much.

In terms of suppliers and other payments, there is a numbered company, 212822 Saskatchewan Inc., that received \$210,000. Can you share with committee the name of that company other than its numbered name, what kind of work they did?

Mr. Isman: — That is the division that is, or subsidiary that is referred to as Boffins Food Services.

Ms. Sproule: — Okay, I'm familiar with that. City of Saskatoon, \$2.6 million. Can you share with the committee what those expenses were for?

Mr. Isman: — That amount is for utilities for our Saskatoon properties.

Ms. Sproule: — Thank you. And then Crown Investments Corporation, \$10.318 million. I assume that's some sort of

dividend, or how does that money flow, or what's the purpose of that payment?

Mr. Sukenik: — That's a combination of the dividends. We pay 90 per cent of our net income by way of dividend. Also a \$10 million equity repayment in that period.

Ms. Sproule: — So the dividend is 318,000, and then the 10 million is an equity repayment?

Mr. Sukenik: — Yes, that would be correct.

Ms. Sproule: — And what was that \$10 million equity repayment for?

Mr. Isman: — Frankly, we were sitting on too much cash.

Ms. Sproule: — You were doing too well.

Mr. Isman: — We had a lot of cash.

Ms. Sproule: — Yes, well. Okay. So was that called on by CIC, or was that a decision that your board made?

Mr. Isman: — There was discussion between CIC and SOCO, but this was approved by the board of directors of SOCO.

Ms. Sproule: — Thank you. University of Regina received a \$1.7 million payment; University of Saskatchewan, \$112,000. I can only assume from those two, the difference, that those are not the lease fees. But if so, could you explain what the lease fees are for the two universities and what these two payments were for?

Mr. Sukenik: — The land lease in Saskatoon is \$5,000 per year. For Regina, it's just a nominal amount. The two amounts in the report of payments, University of Regina, relates to utilities — heating and cooling provided by the university. And then the University of Saskatchewan relates to profit paid. We had previously been managing properties on their behalf and it related to the profit on those properties that we paid to the university.

Ms. Sproule: — All right, thank you. In terms of technology parks, are you looking at starting up technology parks in any other communities in Saskatchewan, or are you limiting it to Regina and Saskatoon for now?

Hon. Mr. Hargrave: — The two universities are primarily based in Saskatoon and Regina so we wouldn't be looking, and we're not looking at this time, at putting technology parks at any other locations at this time.

Ms. Sproule: — Well you know, the University of Saskatchewan has a campus in Prince Albert now, so ... [inaudible].

All right. The Chair has given me the cut-off signal so ... Oh, I think Mr. Isman has one more comment.

Mr. Isman: — Yes. We received an email indicating that the severance on the individual you had requested was \$51,500.

Ms. Sproule: — Thank you. No need to table any more. So the Clerk can take a note of that? Yes, thank you.

All right then. I want to thank you, Mr. Minister, and your officials for the responses today and the good work that SOCO's doing. So thank you for that, and I have no further questions.

The Chair: — Thank you, Ms. Sproule. Vote 154, Saskatchewan Opportunities Corporation, loans, subvote (SO01) in the amount of zero dollars. There is no vote required as this is statutory.

Would you like a one or two minute recess to change officials, Mr. Minister? Or would you like to make any closing comments first?

Hon. Mr. Hargrave: — I just want to thank you, Mr. Chair, and Ms. Sproule, and the rest of the committee, and Hansard, and my officials for being here this afternoon. I know it was very brief, only a half-hour meeting, but I think it still is fairly informative from what is a good operation. So thank you very much, Mr. Chair.

The Chair: — Thank you, Mr. Minister. And we'll take a very, very brief recess to change officials. Thank you.

Hon. Mr. Hargrave: — Thank you.

[The committee recessed for a period of time]

[15:45]

Bill No. 114 — *The Vehicles For Hire Act*

Clause 1

The Chair: — Thank you. Being now the time of 3:45 we will reconvene the committee, and I would like to welcome Ms. Beck this afternoon, who's substituting. And we will now begin our consideration of Bill No. 114, *The Vehicles For Hire Act*, clause 1, short title. Minister Hargrave, would you please introduce your officials and make your opening comments please.

Hon. Mr. Hargrave: — Thank you, Mr. Chair. I have a number of officials joining me today from SGI [Saskatchewan Government Insurance]: Andrew Cartmell, president and CEO [chief executive officer]; Penny McCune, chief operating officer of the Auto Fund; Kwei Quaye, vice-president of traffic safety services; Karol Noe, vice-president of licensing, customer and vehicle services; and Elizabeth Flynn, senior legislative adviser; and Kim Hambleton, senior director of corporate affairs.

The first piece of legislation we'll be discussing today is *The Vehicles for Hire Act*. This legislation fulfills the commitment made by our government in the Throne Speech to encourage municipalities to allow ride-share services to operate in their communities. We believe ride-share services provide drivers with yet another option for a safe ride home if they have been drinking. SGI's responsibility for these services, which are referred to in the bill as transportation network companies, is to

ensure the vehicles are properly registered and insured, that drivers are properly qualified, and that risk rates represent the increased risk. This proposed legislative framework does just that. The authority to future regulate these businesses will reside with the municipalities, as it does currently with taxis.

To help determine the regulations that will be coming forward as a result of this legislation, SGI has been consulting with many stakeholders including the taxi industry, various ride-share companies, municipalities, and more. And I would note that we have met a number of times, or several times anyway, with the Saskatchewan Taxi Association, as have some of my caucus colleagues met with the Saskatchewan Taxi Association.

In the course of these consultations, it's become apparent some amendments to the proposed legislative framework were needed. These amendments provide improved clarity on the relationship between transportation network companies and drivers that provide services through the TNC's [transportation network company] app. The amendments also addresses concerns raised by the TNCs that the current wording requiring TNCs to have a valid business licence in order to operate in a municipality is too restrictive. The wording had been broadened to encompass other ways the municipalities can, or will, grant authorization. The amendments also move certain details, such as the amount of liability insurance required, into regulations to enable potential changes to be made more nimbly in the future.

And thank you, Mr. Chair. We'd be happy to answer any questions, but I would like to apologize to Ms. Beck for the delay, and my delay — and I take full responsibility for it — in providing her with the full amendments, Mr. Chair.

The Chair: — Thank you, Mr. Minister. And I would just remind officials the first time they speak to please state their name for the record, please. Do any members have any questions? I recognize Ms. Beck.

Ms. Beck: — Thank you, Mr. Chair, and thank you, Minister Hargrave, and to your officials and committee members and guests in the gallery gathered with us here today.

Bill 114, *The Vehicles for Hire Act*. I guess my first question is what prompted this piece of legislation? What problem is it meant to address?

Hon. Mr. Hargrave: — The problem it's meant to address is impaired driving. I mean, it's a . . . Impaired driving in this province has been very deplorable over the many number of years, and we have got to arm the province and the people of this province with as many tools in the tool box as we can to combat impaired driving.

The number of deaths is far unacceptable. Last year we had 39 deaths from impaired driving and that's 39 too many deaths, even though that is down 40 per cent over the previous year. We're very pleased that it's down 40 per cent, but if you're one of those family members of the 39 that were killed by an impaired driver, it doesn't make that any easier, to say well overall deaths were down 40 per cent.

This legislation was designed to assist with and be that other

additional tool in the tool belt to help with impaired driving.

Ms. Beck: — Thank you, Mr. Minister, and you certainly will get no debate from me about the importance of addressing our too-high rates, high rates of drinking and driving, impaired driving in this province. I guess a follow-up to that first question: how did TNCs, or sometimes otherwise known as ride-sharing, how did that come to be seen as a tool or a solution to this problem of impaired driving?

Hon. Mr. Hargrave: — The major problem in discussion with the police, with municipalities, and with our officials at SGI, you know, was that people are just making wrong decisions. And how did TNCs come into play? Come into play because that was an option that was being provided in other municipalities in Canada and in the United States. And it was a matter of that, of people being able to have, make that proper decision before they were leaving the facilities, whatever facility that may be, or leaving someone's house, that they could actually go on an app, make that acknowledgement with a TNC that they needed additional . . . that they needed a ride home.

And we feel that that's what we were hearing out in the public, that's what we were hearing from the police, and that's what we're hearing from our officials.

Ms. Beck: — So that idea of introducing TNCs came from police and municipalities. Is that what . . .

Hon. Mr. Hargrave: — Well, it come from people and it come from police. It come from our officials, and it come from just conversations that our MLAs [Member of the Legislative Assembly] were having as they were out and meeting with people in their constituencies. They were complaining that we don't have a ride home. And so what do you expect people to do? And it's like well, we have to be able to try to provide them an additional option for a ride home.

Ms. Beck: — So where people were making these decisions to drink and drive, are they jurisdictions where taxis currently operate or are they outside jurisdictions where taxis operate?

Hon. Mr. Hargrave: — They are in all the jurisdictions. Pretty much I've heard it everywhere I've gone. Obviously just based on population, there's more people in Saskatoon, in Regina that are taking advantage of that, but I've been in small communities of a thousand people that say, well we've got no ride home. And we have to look to see if there's a way that the TNCs can move to smaller centres, and you know, I'd like that in some capacity to be out there in those small centres of a thousand people as well.

Ms. Beck: — So there are people currently in centres that — maybe I'll deal with first of all, that are serviced by taxi companies — that are making the decision, even though they have that option to take a cab, to drink and drive. What is different about the TNCs? What evidence do we have that they would make a different decision if the TNC were available as opposed to having a taxicab available?

Hon. Mr. Hargrave: — Well, there is a study done by Temple University of which I provided to you, basically, I mean some

time ago, a little bit. We also have some information provided to us by Uber showing a drop, a significant drop in incidents from the Edmonton Police Service, you know, a 15 per cent drop in incidents in Edmonton, and I just got that information. But what we're looking at is, in discussing with people, that they were saying, we didn't have an opportunity, we didn't have that ride, we didn't have that opportunity to get a ride home.

You know, there's times when it's just busy. I've experienced that many times myself where I've phoned for a taxi for example and, you know, I have waited an hour. And you know that sometimes when people are impaired, that's sometimes what makes them make that bad decision to get behind the wheel. They go, ah whatever, I've waited long enough. And they make a bad decision. And that bad decision could change their lives. It could change other innocent people's lives.

Ms. Beck: — So just so I have you clearly, there is a concern that because wait times, speaking now about jurisdictions where cabs currently operate, that people are making the decision to drink and drive because they're waiting too long for cabs. Is that . . .

Hon. Mr. Hargrave: — That's partially, not fully, by any stretch of the imagination. We just think that you throw another option out to people, that they will make a decision. It's pretty easy if you have an app for Uber or for Lyft or one of the TNCs, to hit that app and go, oh my ride is . . . and order a ride. It's paid for. If you don't have the cash, you already set up your account with a credit card before that. So it's a little safer for the driver because they're not carrying cash and it's paid for. So it's a little easier, and then you know when your ride is there. So it's just a tool. It's not the be-all end-all to stop impaired driving, but it is a tool in the tool box. And if it saves one life, is it worth it? Yes it is worth it.

Ms. Beck: — A few places I wanted to go. You've referenced the Templeton university study. This was a study in California between 2009 and 2014. And then certainly one that was forwarded by yourself and also by the representative from Uber. Are there other studies, perhaps conflicting studies, with regard to the efficacy of introducing ride sharing or TNCs on the rates of drinking and driving?

Hon. Mr. Hargrave: — That's the only official study that we're aware of. You know we have . . . like I say, Edmonton has showed a significant drop in incidents from 2014 to 2017 and I have those sort of highlights. But it's one where it's . . . I mean it's just recognized that it's giving an option, but there is no specific study that says, yes this will lower your impaired driving.

Ms. Beck: — Thank you. The time period in Edmonton, does that coincide, 2014 to '17, with the introduction of . . .

A Member: — Ride sharing? Yes it does.

Ms. Beck: — What was our reduction in drinking and driving deaths and impairment last year?

Hon. Mr. Hargrave: — Last year it was 40 per cent.

Ms. Beck: — Without the introduction of . . .

Hon. Mr. Hargrave: — Right. Our rate was just lots higher than Alberta's, and I don't know . . . As I said in my remarks a little earlier, 39 is still 39 too many. And we want to see that trend continue on down from 39 down to zero. Zero is a good goal for that.

Ms. Beck: — Again, no disagreement there. My question and my line of questioning is around this: there have been some very significant claims made about the impact of Uber and I'm just trying to, you know, make sure that there's evidence to support that. And my point with Edmonton, as it compared to Saskatchewan's drinking and driving rates year over year, is to ascertain if there are factors aside from the introduction of Uber that might be contributing to the reduction in drinking and driving between . . . I mean, it's hard to point to causality. There may be other factors that go into that reduction.

Hon. Mr. Hargrave: — Well I'd like to make it clear that we're not supportive of Uber or Lyft; we're supportive of TNCs, of ride-share. And ideally — I mean there's a number of companies that do provide ride-share — ideally it'd be a company right here in Saskatchewan and a company involving maybe the taxi companies that are already operating in this province.

[16:00]

And we would think that would be just a wonderful thing to continue, that they could continue to provide a service, a valuable service to the people, that it's not just the large international companies of Uber and Lyft. And ideally it would be a local company or smaller company that could come in and establish that in this province.

And we do know that awareness, increased enforcement are key factors and we feel that was a key factor in the reduction here in Saskatchewan. That's a key factor everywhere, and if you talk to other jurisdictions where . . . In British Columbia for example, they went through administrative penalties in British Columbia and it resulted in significant reduction in deaths from impaired driving. We implemented . . . And thank you for your co-operation when we did implement that, and they started in January of 2017, of those penalties.

And yes we feel strongly that legislation and penalties and enforcement . . . As well, SGI is paying additional monies for enforcement for overtime, for checkstops and for the likes, and that has been another factor, a strong factor — and if you talk to the police forces — in their abilities to stop impaired driving. And we think that that's going to continue on. And we are now, and SGI's committed to continued awareness campaigns and effective awareness campaigns going into the future.

And that's, you know, we want to drive the numbers down. And I don't want to just lower the numbers. I want to get them down to as close to zero as I can, or zero ideally if we can. And if there's another tool that I can put into the tool belt of people so that they make that proper decision and will be making sure that they have that safe ride home, that's going to be one of the key factors, that these people are being able to make that decision.

Ms. Beck: — With regard to jurisdictions that have seen TNCs introduced, do you have statistics with regard to the market share that would be held by Uber and Lyft?

Hon. Mr. Hargrave: — No, I don't have the statistics about market share from Uber or Lyft or any of those companies. They tend to be there, but we know that they have, obviously, a large share. Any discussions I've had with them, they're saying the total number of people seeking a ride has increased dramatically and that the number of rides . . . And this is just through conversation with those companies. So they're saying the number of people looking for the ride has increased dramatically. So the number of rides that the taxicabs are having are very similar to what they had, but there's just that many more people offering, or looking for rides or connecting to their application, or their app on their iPhone or on their mobile device to get the ride.

Ms. Beck: — Thank you for that. My questions . . . The reason for my question was this, with regard to percentage of market share. There was a hope I think expressed by you, Minister, about the ability of small, perhaps Saskatchewan companies to fill this market which would be, you know, something that would be a positive I'm sure.

My concern is this. You have Uber, and I'll speak specifically to Uber because I know their numbers better. This is a \$70 billion international company that spends a great deal on promotion. I have, as I'm sure all members, you know, have received a fairly robust amount of communication just in consideration of this bill from that company. And the extent to which, you know, they would be able to take as much of the market share as they would like, it seems unlikely that an upstart company might be able to compete against such a well-established company. So I enter that as I guess a bit of a caution or concern.

You know, it's great to hope that there will be Saskatchewan companies that will come and fill this need, but they're starting up against, again, a \$70 billion international company. That might provide some difficulty.

Hon. Mr. Hargrave: — Well you know, part of why we're doing some of the things that we're doing is because we want to keep it a level playing field. Nothing would please me more than, for example, if our guests here were to be involved in creating an app to do this.

Uber and Lyft are not at all fussy about how we're doing what we're doing. They don't think that we should have a class 4 licence. They don't think that we should have some of the restrictions on there that we do. But currently . . . And that's why we're doing this level playing field with the taxis, is because their drivers have to have a class 4 licence. And we think that that test and the medicals are important. We already ask that of our cab drivers, and so if you're going to drive a TNC, you should have to have that same qualification. And both Uber and Lyft in other jurisdictions, they refused to go there just because of that. So we know our Saskatchewan Taxi Cab Association, they're not opposed to those things. They're very much in favour of the class 4 licence, they're much in favour of the medical, and they have no problem.

If they were to develop an app that could be handled on a TNC basis, they would compete very strongly. TappCar out of Edmonton, they compete very strongly. And there's a number of other organizations I know that have contacted us that would be considering coming to Saskatchewan once legislation is there, and it depends on what the municipalities say. But they, you know, they feel that they can come and they can compete.

It's like little SaskTel competing against Bell and/or Telus. They're big monsters. I mean, or SGI Canada competing against some of the big insurance companies. We're out there and we get in there and we make our market share. But you know what, we compete and we do our job and we do it very strongly. Could we, you know . . . Are they big and are they scary? Yes, but we're smaller and we're effective in those other things that we do, and we think that there's some small TNCs, be it non-Uber, non-Lyft, that can come to Saskatchewan or be developed right here in Saskatchewan, that can compete for this business and get this business right here, not only in Regina and Saskatoon, but Prince Albert and Ituna and Pense and wherever there's people willing to do that.

So Uber has already said they don't want to go into municipalities under 100,000 people. Well, Saskatchewan is full of those municipalities that's under 100,000 people. In fact, there's only two that's not. But you know, in any other discussions we've had with any other TNCs and/or potential TNCs, they're quite anxious to say, we'd love to be able to provide service to the people of Saskatchewan. And we're going, right on. That's what we love to hear. And that could help with other . . . not only with impaired driving. That could help with other people looking to get to appointments. That could help people to get to their medical appointments or just to go travel to visit other people, that there's a ride-share company in a smaller centre that will provide service to drive from wherever, Weyburn to Regina.

Ms. Beck: — Okay. To what extent have local cab companies, or local cab drivers been consulted prior to this bill?

Hon. Mr. Hargrave: — I have met with the Saskatchewan Taxi Association. I won't quote a number but on several occasions. Our officials have met with the taxi association on several occasions as well trying to get their input. And I think we've developed a good understanding and relationship as to where we're going and what we want to see as an outcome. Not that we want to see a specific company come in and dominate the market. We would love to see it, and I've encouraged anybody in Saskatchewan to develop an app.

SGI has consulted with the Regina taxi companies, the city of Regina, city of Saskatoon, SUMA [Saskatchewan Urban Municipalities Association], SARM [Saskatchewan Association of Rural Municipalities], Regina Airport Authority, Saskatoon Airport Authority, chamber of commerce, Cowboy Taxi, InstaRyde, TappCar, Lyft, Uber. So we've had extensive consultations which I think was necessary because we want to try to get it right for the people of Saskatchewan.

Ms. Beck: — You mentioned earlier on in committee, Minister Hargrave, some of the concerns that were meant to be addressed with this legislation. I think one was, of course, the drinking and driving. Another was inability to get cabs at certain times

during peak hours, for example, in larger urban centres in particular. Has there been anything proposed by the taxicab industry, for example, or by drivers as solutions to those concerns?

Hon. Mr. Hargrave: — Yes, yes there has been. There's been ideas that they've brought forward. They've brought forward a few different ideas that we've sort of looked at. I mean some of it is municipal decisions that the municipalities have to make. We feel that in general that the ability to have a ride-share app is still one that's very strong and viable and that we need, to be able to allow people to make that proper decision.

And we would encourage the local taxi companies, for example, to engage in TNC. They can compete with anybody right now. Yes, because they have talked about the flex-taxi service as well which would allow them to bring on more drivers at peak times. And we understand that and that's an understandable option, as ride-share is a good option.

Ms. Beck: — The flex-service taxis requires amendments or changes to provincial legislation. I guess my larger question is this: this is, you know, one piece of the puzzle with regard to the regulation of vehicle-for-hire in the province. Was there a broader suite of legislation that was considered, like, changes . . . I know that there were, going back to 2015, requests for changes to *The Cities Act* to allow some changes to the way taxi licences were issued. For example, there were requests by the taxi cab industry requesting this flex-service taxis. Again yes, we haven't seen those changes but we have seen this change with regard to the TNCs. And I'm wondering why this wasn't brought forward as a larger suite of amendments to look at a provincial strategy.

Of course wrapped up in all of this is the loss of STC. Was there not an opportunity here to look at a broader provincial transportation strategy, and why was that not undertaken?

Hon. Mr. Hargrave: — Because we're looking at . . . You know, if you look at the number of municipalities that have taxis, there's not that many when you look at it across the province. There's a number but there's not . . . Not every city has a taxi company and ride-share opportunities. We were very optimistic that ride-share would be able to be spread throughout the province, fully throughout the province, and would provide services to people.

With the wind-down of STC, other businesses have come and started and some have been successful, some haven't been. But some are making a bigger . . . expanding their business, but it's a slower process. But we think for a lot of those other communities that the ride-share would provide that opportunity for people throughout the province, rather than just those municipalities.

[16:15]

I know, I have lots of business in Melfort, for example. Melfort's a city in this province of 6,000 people. Well you can't get a cab there. I mean, that's kind of ridiculous, isn't it? So we think that ride-share though would probably be quite successful there because it operates somewhat differently there.

Right. Oh yes, and my officials advise me, and the flex-taxi policy will be addressed in regulations as part of all these changes. So we didn't think that there was a massive need for something different, that this would suffice the need for the people of Saskatchewan to be able to get a vehicle for hire.

Ms. Beck: — I certainly hope that TNCs would, you know, move in and provide services in areas that are underserved, particularly with the loss of STC. There was also a hope that private carriers would move in and do that, which is something that we haven't seen to date. What evidence or what reason do we have to believe that ride-sharing companies, or our TNCs, would be interested in moving into some of these communities?

I grew up in a town of 200 people, for example. You know, people were making decisions to drink and drive. I'm not sure that we would be looking at those companies moving into small markets. What evidence do we have that that need will be filled by these companies?

Hon. Mr. Hargrave: — Well you know, when we talked to some of these TNCs, they said they were interested. I mean I grew up in a town of 75 people. There is only 40 people live there right now. But STC only serviced 250 of the . . . You know, and serviced would be a strong word because they drove by them, so less than half the communities in the province. So what was to happen to those other half of the communities?

So you know, we were losing \$17 million a year on STC and that number was just going up. And if they hadn't had parcel express service for over half of their revenue, the subsidy would have been not \$94 but would have been almost \$200 per ride. So I think . . . And we could save that money. We put it towards social services and education.

But where ride-share will be able to be out to those communities of 500, 700 people. Are they going to have 10 drivers out there? I doubt it. But they might have two. And if they had two of them . . . And I'm sitting at home and I'm watching my show on TV and I go, I need a ride and I go hop in my vehicle. I'm there in two minutes down in that community of 700 people, and I'm giving people a ride.

Right now I know anecdotally, you know, that I hear stories out there where they already have people like that out there. I hear of towns where at the local bar, they phone Fred at home and say Fred, I got a patron here who has drank too much, but he's a farmer and he's got to get home. Can you come and give him a ride? And that these people hop up, leave their chair, and they go and they give the guy a ride home. And you know, that's a service. And that's an individual, for example, that would sign up for a ride-share. They know they're probably not going to get rich off it, but they know they're providing that service.

We know, in talking with other people who are looking to develop an app for Saskatchewan, that they're interested in the smaller communities as well. And they know that they can't just be restricted to Saskatoon and Regina just because that's the easy market, that they know they have to go out to the smaller centres as well because there's a big demand there, and they're all looking at ways of how they can charge out properly for that service. And we think that that's going to happen. Some of these smaller existing TNCs are looking at that, and they

already do that in some areas. And anybody that's developing an app for this province — and we think that that's fairly close — they know that they want to provide and they think that they can provide that service. And it's a way for them to expand their business.

Let's say the taxi association decided they were going to do their own, right. Well instead of just Saskatoon and Regina, now their business is throughout the province. And so it's a good business model for them to be able to say, this is how I'm going to increase my business; this is how I'm going to change my business model. Because every industry . . . My industry changes every year, and I mean it's hard to keep up with it. And the taxi industry is another industry that's changing.

I get a taxi right now when I go to the airport. Well now, at least they text me when they get to my condo to pick me up. I mean, that's something that a few years ago they never even had. But it's evolving, and we think that that's part of . . . The industry is evolving on that and that, you know, there's lots of people that are interested in making this move ahead because they see the advantage of it from a business model. They see the advantage of it as a safety model for the people of Saskatchewan. Because, you know what, in all these conversations we've had with them all, one of the biggest concerns they had is that they want to make sure, and that's why the flex taxis and everything, they don't want impaired drivers on the road as well.

They know, yes, it's a business, and it's income and it's revenue to them, but they don't want to see people die from impaired driving. And that goes with the taxi association. I've had discussions with them. They don't want to see anybody injured or die from that, and that's why they propose a flex taxi. That's why, you know, they may be interested in a TNC. I applaud them for their efforts in that regard.

Ms. Beck: — I certainly understand hope, and I understand anecdote, but what I'm asking is if there's evidence, if there's peer-reviewed studies, evidence from other jurisdictions about the ability of this model to work in smaller centres, the willingness of existing companies to enter into smaller markets. I think we've already established that the larger companies are not interested in centres under 100,000 people. What evidence do we have from other jurisdictions that would lead us to believe with some reasonable amount of confidence that these smaller centres would be serviced by these companies?

Hon. Mr. Hargrave: — Yes, we know that there's opportunity there. I mean I've talked to most of my colleagues on my side of the House, I've talked to you, and I've talked to many other people that are not in politics. But I've got our caucus colleagues, and a lot of them have talked to people out in their constituencies and they know that that demand is there. And wherever there's demand, there's a business opportunity and people will go there. It's not for the one guy, once a week, but there is demand in a lot of these smaller communities.

And I think that, you know, more studies will be done. You know, they will be. There's not a lot right now but I'm very confident, and I think anybody, any of these ride-share companies that we've talked to, are also very confident that, one, that the business is there, and two, that they can provide that service to the people that are out there. So we're looking to

motivate people to make these right decisions and to get out into those small communities.

And as far as SGI goes, I mean we're looking to help them get set up out there. It's not a financial help but it's a help. It's a way for us to get out there and say, we want to work with you and we want you to set up in there.

It saves us, as an insurance company, and I don't mean to talk about . . . You know, lives and injuries are tragic and they're priceless. But as an insurance company, you have to look at that and say every injury costs us this much less as an insurance company, and every life costs us this much less as an insurance company, because we have to pay out on those injuries and some of them are for the rest of their lives and we have to pay out on death. And so SGI says, it's like how they advertise for impaired driving. How they go, like, with the awareness campaign and they look at it as an investment to save money.

And you know, it sounds kind of cold to say that. I mean they all care about the lives and they all care about the injuries — don't get me wrong. But as a business model they say, you know, at the end of the day we don't want to pay out as much money, so if we can invest part of our money into making sure that people are aware of this and that there's opportunities out there for them to make that right choice, to drive, they're going to do that. Because at the end of the day, as an insurance company, as a business, it saves them money.

Ms. Beck: — So the Temple study, I just wanted to go back and make one point about it. As I said, this certainly has been held up as an example of . . . well as the only example, I suppose, of a study. Was it peer reviewed, this study? Was this peer reviewed, the study from Temple?

Hon. Mr. Hargrave: — Not that we're aware of.

Ms. Beck: — I just note, for example, the main assertion in this study with regard to drinking and driving: "Preliminary analysis conducted by ride sharing firms and . . . industry analysts suggest that introduction of Uber and other ride sharing services has a negative . . . [impact] on DUI arrests." The footnote puts you back to the Uber website, so I would just enter that into . . . you know, as a concern about using that one piece of legislation without other evidence.

Hon. Mr. Hargrave: — It's not legislation, but one piece of information, right?

Ms. Beck: — Yes, study, rather.

Hon. Mr. Hargrave: — And I agree. That's why I haven't put . . . You know, you've got to take that with a grain of salt for sure because it, you know, I mean obviously it's in favour of the ride-share. But as we've talked to, as I say, police and whatever, I mean that's . . . People in the police services, that's where we're basing a lot of that on. We see a little bit of positive results coming out of Edmonton and that's from the Edmonton Police Service, not from, you know, an official study. But it doesn't necessarily say it's as a result of ride-share. It just says incidents are down since ride-share started.

Ms. Beck: — Incidents are also down in Saskatchewan.

Hon. Mr. Hargrave: — Exactly. That's because of great legislation, I think, co-operative by both sides of the House. And we've brought in some great legislation, and we have. You know what? But I've been to an announcement on last Thursday and the police are extremely happy and I've talked to them and they say, if you've ever been to an accident scene and you've had to walk and go knock on somebody's door, how tragic it is. And they are so pleased with the direction that we've taken so far. And they're looking forward to improved and continued steps, another tool in the tool belt. I talked to them specifically about ride-share and they said we need more tools in the tool belt to be able to drive that number down even further, because their mission is to get it down to zero. And that is the right goal.

I mean I would like to see a reduction every year in impaired drivers until . . . or not impaired drivers, in deaths and injuries. Impaired driving statistics . . . And I talk to them, I talk to the police. And our increased enforcement, we hear the numbers. They come out every month and they say, oh impaired driving numbers are up. And they agree: they're up because of increased enforcement, increased efforts that they're making. And because of the legislation that we brought in on the .04, and that they can use those other tools that we've given them a year ago to stop people from driving. And now they're out there and they're pushing hard.

Same with distracted driving. They're out there because we changed the legislation because otherwise it'd be like, well I moved my phone and they would go to court and they would say, well I was just moving my phone from my left hand to my right hand. I wasn't actually texting. Well now you can't do that. And so their charges are skyrocketing on distracted driving because it works and because we've given them the tools. Their charges on impaired driving — and not the official criminal code .08, but the administrative penalties — they're up there substantially because now we've given them that strength to use those administrative penalties to take their car away and take their car away for a lengthy period of time.

[16:30]

Ms. Beck: — Have you heard any concerns, or is there reason to have concern, that legislation such as this might have impact on existing industry in the province, specifically the cab industry?

Hon. Mr. Hargrave: — Have I heard of any concerns? For sure I have heard of concerns. The Taxi Cab Association has talked to me about it. I've talked to some cab drivers who've said they look forward to having ride-share and TNCs, you know, because they'll participate. They might drive taxi and they might drive ride-share as well.

But of course it's going to hurt some industry, or has the potential to. But as I said earlier, I mean it's all part of . . . In business you have to continue to change your business model as times progress. I mean ride-share is not something that come out six months ago. It come out a number of years ago.

And so I would hope, and I've said this, and I've spread this, that the model for that industry then is changing. And it started to change some time ago and I would hope that the industries

have changed. Customer expectations, your expectation, and my expectation of a cab, of getting a taxi, or getting a ride has changed over the last numbers of years. I mean, it wasn't that many years ago, I mean, we couldn't text. Well now we can, right? We would have to go to a land line phone, and phone. And now, I mean, maybe you're a lot younger than me, but I remember when, you know, I had one long and two short for a ring.

But the Taxi Cab Association, they know that as well. They know that their business . . . And they've been anticipating that their business model was going to have to change with the advent of Uber. Uber started it all. It's like saying Kleenex. It's like Uber started it all, that eventually it was going to spread it throughout North America, and including all of the provinces in Canada.

Ms. Beck: — Are there different legislative frameworks that TNCs and cab companies operate under?

Hon. Mr. Hargrave: — Yes, it's a level playing field except where it might come to where the municipalities that make up their decisions, right? We're looking to, you know, we're looking to take on inspections. We're looking to . . . Insurance will be a little bit different because they're not driving. If we would require that we're provided with information so we can calculate out properly their insurance, where a taxi is full time providing that service, where a TNC operator is not. And so we would require the companies, the TNC companies to provide us with that information.

So what you might pay \$1,000 currently for your personal vehicle, to drive your personal vehicle insurance, and a taxi might pay \$5,000, while a Lyft driver might be \$2,000 or \$2,500. It's based on because they don't drive their car for ride-share purposes all day, every day, so it might be substantially less.

Ms. Beck: — So a driver for one of the TNCs, were they driving full time, were they driving 40 hours a week, they would pay the same insurance as a taxi cab, is that correct?

Mr. Cartmell: — It's Andrew Cartmell. So taxis are a commercial class and are treated such because the use of the vehicle is basically full-time transporting passengers. And so with ride sharing, it would be a driver using their own vehicle and they would themselves pay a rate based on a light vehicle or an LV class as a private individual. When they were being contracted as a ride-share driver, there would be a separate charge for the increased risk and exposure of transporting passengers while they were operating the vehicle basically in a commercial fashion.

The charge for that exposure is . . . One of the ways we looked at the right charge for that was looking at the taxi rate and computing it based on the number of hours driven and the mileage driven and came up with a per-kilometre charge that is essentially equivalent to an adequate taxi rate in the province of Saskatchewan. So that's how we've tried to ensure a level playing field. I can't say whether that's 40 hours a week or not. I don't have it at my fingertips to know what a typical cab is driven on a weekly basis, but it would be comparable on a per-kilometre basis.

Ms. Beck: — So should the bill pass, you will have drivers looking to purchase the insurance product ahead of driving, and maybe knowing how much they're going to drive. I'm just wondering how responsive that rate is going to be, or how that will be adjusted; how it will be tracked, the number of kilometres; how the initial rate will be calculated.

Mr. Cartmell: — So the driver won't be responsible for arranging for the ride-sharing insurance. The onus will be on the ride-sharing company. So basically SGI will receive data from the ride-sharing companies that will track the mileage and we will charge them for it. The legislation will allow for us to have audit privileges on that data and also the authority . . . I'm not sure what the right technical terminology is, but if we're concerned about the accuracy of the data we can remove the authority of the ride-share company to operate.

Ms. Beck: — There has been concerns with insurance or underinsurance in other jurisdictions. Is that correct?

Mr. Cartmell: — I don't know if there's been concerns. Each province has come up with an approach to it that I believe tries to ensure that the right amount of insurance is provided on those vehicles. It depends on the province and how it was done. So for example in Manitoba, I believe their approach is to put the onus on the driver to buy the top-up coverage whereas in provinces like Ontario and Alberta, the ride-sharing company's responsible to have the coverage.

Ms. Beck: — I think I read a recent article that there was speculation that the ride . . . Uber specifically, I think, would not be potentially moving into Manitoba because of those insurance provisions. Is that correct?

Mr. Cartmell: — I understand they're not currently in favour of the way Manitoba has set it up.

Ms. Beck: — How is it calculated in BC [British Columbia]? How are the insurance rates calculated in BC?

Mr. Cartmell: — I don't believe it's legal yet in BC.

Hon. Mr. Hargrave: — They don't operate in BC.

Ms. Beck: — So I guess that brings me, Minister, to another question. Back in February, anticipating some of the same questions that we're dealing with here today, the legislature in BC undertook a fairly extensive . . . Standing Committee on Crown Corporations looked at the whole issue of TNCs. There were, just to read this into the record, 67 expert witnesses that were invited to present at a public hearing or to provide written submissions. There were three days of hearings on the 8th, 9th, 10th of January of this year. The committee heard 26 presentations and received 12 written submissions. So a fairly extensive and robust committee.

I'm just wondering . . . I'm trying to parallel the process here. Have there been any written submissions that you've received? Has there been, you know, that level of consultation? Certainly we haven't had committee hearings with regard to this here. Was that discussed? Was that considered and . . .

Hon. Mr. Hargrave: — To have that level of committee

hearings?

Ms. Beck: — That's right.

Hon. Mr. Hargrave: — No, that was not part of our thing. Part of the reason, ICBC, which is the Insurance Corporation of British Columbia, I mean they're in a very different place than what the Auto Fund at SGI is in financially. ICBC is nowhere near as financially viable as SGI is: SGI, the Auto Fund. And I know what the . . . [inaudible interjection] . . . Yes, and taxi rates are extremely expensive in Vancouver.

We felt that this was part of our strategy of not providing a better taxi ride, it was part of our overall strategy to do with impaired driving. And that was our main focus, on impaired driving. In our discussions with the companies, the consultation with the companies that we had, with every one of them it was about impaired driving and our strategy of knocking those numbers of accidents and those numbers of injuries and deaths down as part of an impaired driving strategy.

I don't know if BC's was an impaired driving strategy or just a, we want to bring in a TNC strategy. And so they obviously have done things different. Before January, they were actually within days of completing, they were coming to an agreement on ride-share in BC. And then they had that little bit of an election thing and that changed. But they were very close to bringing ride-share into British Columbia in agreement with ICBC and other stakeholders.

Ms. Beck: — I'm trying to understand the relevance of the financial situation of ICBC. Is it because there's a financial liability that this potentially opens SGI up to? I'm just not sure what the . . .

Mr. Cartmell: — I think part of the issue in British Columbia is the fact that they have a rate inadequacy problem with their automobile insurance system in that province. And just for example, a taxi rate in Vancouver today is about 14 or \$15,000 a year for insurance. And I believe that it's probably about 40 per cent inadequate, so those rates aren't the right rate to charge for insurance.

I think one of the issues with ride-sharing coming into Vancouver was what's the right cost to charge the ride-sharing company to have a level playing field with the taxi companies, given the cost of the insurance coverage in the province. I think that's the issue and why it's related back to the financial issues with ICBC.

Ms. Beck: — There certainly were a number of recommendations, and I won't go through them. But there were some concerns that I wanted to just bring forward and see if they hold any concern for folks in this province.

One of the key recommendations was with regard to the impact or requirements to provide service to people who have mobility issues. Has there been any concern expressed about impact here, or any consideration of requirement for TNCs to provide a certain number of rides to people who have mobility issues or maybe use wheelchairs or things like that?

Hon. Mr. Hargrave: — Provincially there is nothing. That

may be a thing that the municipality — Saskatoon or Regina, for example — they may implement into their regulations overseeing taxis and/or a ride-share.

Ms. Beck: — There is a responsibility to provide services, transportation services to people who have disabilities. That's something we've heard concerns about, certainly around the loss of STC.

Some of the considerations, and again this is at the municipal level, have looked at adding a per-trip fee to help fund increased access to accessible transportation. The concern, I think, was again back to that level playing field. If one company has an expectation or requirement to provide service to those who have mobility issues and one doesn't, there's an increased cost associated, or a time cost, associated with delivering that service. The concern is that it unduly impacts one industry over another. Have you heard any of those concerns?

[16:45]

Hon. Mr. Hargrave: — Well that's been there. I mean, have we heard concerns? I mean, if they're in Saskatoon for example, well STC never drove people around the city, right? So I mean, it was not there.

But I mean, if the municipality has that restriction in there for the cabs in Saskatoon . . . We'll use Saskatoon as an example. If they have that restriction in there for that — and I would expect, because they have indicated they want a level playing field, that they'll put that in on the TNCs as well — that they will be able to provide X numbers of rides, they'll have X numbers of opportunities to have people with disabilities serviced.

Ms. Beck: — Mr. Minister, you said that's your expectation. What is your expectation based on? Have you had . . .

Hon. Mr. Hargrave: — Discussions about that.

Ms. Beck: — Conversations with the municipality about that?

Hon. Mr. Hargrave: — Yes, in that they want to . . . and we've been talking about level playing fields with the municipalities, specifically with Saskatoon and Regina, and we've specifically talked about keeping that playing field level. And they're insistent on keeping it level in their discussions with us, and we're in agreement with that. So if they will make it the responsibility of the taxi organizations in Saskatoon, then the indication is that they'll keep a level playing field so that any TNC would have to meet that same requirement. Now they haven't specifically said on disabilities, but that was my expectation from our conversations.

Ms. Beck: — The ride-share companies operate exclusively, to my understanding, on the app-based system, so you would require a credit card in order to access this service. What concerns have you heard with regard to perhaps the increased exposure to danger that cab drivers might experience, that it might create? Again with that, an uneven playing field, have you heard any of those concerns?

Hon. Mr. Hargrave: — No, I haven't actually. But I do know, you know, I mean just because they carry less cash there might

be less opportunity for a criminal to try to rob them for something. But you know some people will get robbed for \$20, I mean, and pretty much everybody carries \$20 in their pocket these days.

So I mean, is there some issue in regards to that? Yes, it is a little easier but, you know, also the fact that they can use a credit card makes it a little easier if they're out at a nightclub or a bar and they don't have any cash left, that they are using a credit card to go, I have no money left. I can't get a safe ride home. So they can use their credit card to get that safe ride home.

Ms. Beck: — Do cab companies in the major centres, do they accept credit cards? Do they have app capabilities, or has that been proposed? I'm just wondering why it would be different for the TNCs?

Hon. Mr. Hargrave: — Do they have app capabilities? They have some basic form of app, but it's not to the degree where they have the technology that the large TNCs have, that the Tapp or Uber or Lyft have.

Ms. Beck: — To use a credit card with cab companies.

Hon. Mr. Hargrave: — Yes. Yes, you can pay with a credit card.

Ms. Beck: — Okay. So, Minister, a few times you've mentioned the notion of a level playing field. Would you characterize, in your conversations with those in the industry and stakeholders, that they view this piece of legislation as providing that level playing field between existing cab companies and the TNCs?

Hon. Mr. Hargrave: — Well we've come a long way. Because I have met with the taxi associations, oh you know, basically since the start, and we've come a long way in our discussions. And we know that they're very concerned about the safety, one, of their drivers and the safety of their clients. And we've tried . . . We've listened to what they've had to say, and I think we worked with them to a large degree. And they've listened to what we've had to say. I think they've come a long way as well with us, and they've learned from what we've learned and what we've had to say.

Are we probably 100 per cent there? Probably not, but that depends a lot on what the city of Regina does, the city of Moose Jaw does, or the city of Saskatoon does on their regulations to make it that level playing field. We've tried to accommodate that thoroughly with . . . Even though the large ride-share companies don't agree with some of the terms or conditions that we're putting into it, but we just felt it was necessary. We do feel that a class 4 licence is necessary. The medical examination is necessary. Some of the large TNCs don't feel that's necessary.

Well, right now all our taxi drivers, they need that class 4. They need that medical, and we feel that it provides safety for the client, and it provides safety for the driver. We feel that it's all necessary. We don't want poor drivers out on the roads, and if they're taxi drivers, or if they're TNC drivers, we want better drivers on the road. They have customers in the vehicle who are

entrusting their safety to that driver, so that's why we've had those discussions with all the parties concerned.

Ms. Beck: — With regard to registration certificates, how will these be issued?

Hon. Mr. Hargrave: — Pardon me?

Ms. Beck: — Registration certificates, as noted in the legislation.

Ms. Noe: — So the vehicle certificate will still be issued in the vehicle owner's name, so the ride-share driver or the vehicle owner, and we will have a blanket insurance policy issued to the transportation network company. So for a person who wants to be a ride-share driver, you'll still get your same vehicle registration certificate you do today.

Ms. Beck: — And what will be the requirements in order to receive that registration certificate?

Hon. Mr. Hargrave: — So the requirement would be one that they're confirmed that they're hired on by the TNC and that the TNC has the appropriate insurance policy, blanket policy over them; that their criminal record check is satisfactory; that they have the class 4 driver's licence, that they've taken that test and passed that medical; and that their vehicle has been inspected.

Ms. Beck: — Thank you. You noted the criminal record check satisfactory and I believe in legislation it says certain Criminal Code convictions. Which Criminal Code convictions would disqualify someone from being a driver?

Hon. Mr. Hargrave: — Any offence of a violent nature, including firearms and weapons offences; any offence involving sexual assault, sexual exploitation, sexual interference, procuring or invitation to sexual touching, trafficking; any offence involving fraud or fraudulent transactions, conspiracy to defraud, the use of false pretences, bribery, extortion, theft; any offence relating to the unlawful operation of a motor vehicle in the last 10 years.

Ms. Beck: — Common assault is included in the violent crimes. With regard to the inspection, who would be conducting the inspections and how frequently would they be undertaken?

Hon. Mr. Hargrave: — We're still finalizing that, but it's SGI inspection stations that are located throughout the province would be doing the inspections, and they'd be done annually. That's the intent.

Ms. Beck: — How many inspections would you anticipate if this were to pass in the first year?

Hon. Mr. Hargrave: — That's a good question. We don't have the number, but it would be a number of thousands of vehicles that would be inspected, we would think. And SGI has an adequate number of inspection stations to provide those inspections for sure.

Ms. Beck: — Any concerns about workload issues or capacity with existing FTE [full-time equivalent] complement to be able to conduct that number of inspections?

Hon. Mr. Hargrave: — These stations are private stations that are accredited and overseen by SGI. So there would be no . . . I mean there's 1,000 accredited inspection stations from SGI, so I doubt that they're . . .

Ms. Beck: — Oh, so they wouldn't be conducted at the SGI . . .

Hon. Mr. Hargrave: — Right.

Ms. Beck: — Inspection stations.

Hon. Mr. Hargrave: — Yes, and they're all certified to provide inspections. And they do inspections now on, let's say, out-of-province vehicles that come to the province. They have to do an inspection on them. And they do those on SGI's behalf.

Ms. Beck: — So they specifically wouldn't be done at the SGI's . . .

Hon. Mr. Hargrave: — Not at their facilities. Not at their SGI offices. It would be done by professionals at these accredited inspections.

[17:00]

Ms. Beck: — I do recall, Minister, that you had indicated that SARM and SUMA and specifically the city of Saskatoon and the city of Regina had been consulted. What have you heard back from them with regard to this legislation? Just to confirm, all municipalities will be responsible for setting up their regulation or just the two major . . . the two larger centres?

Hon. Mr. Hargrave: — All municipalities will have to give approval. Some of the smaller municipalities . . . I mean they won't be necessarily through bylaws. Some of them will be able to just give a written letter. The larger ones, where there's already taxis operating, they'll be doing it through their normal process. Bylaw, right? Bylaw.

Ms. Beck: — So where existing taxis operate, those centres . . . Which centres are those?

Hon. Mr. Hargrave: — The municipality would be given that opportunity, but right now it's like Moose Jaw, Prince Albert, Saskatoon, Regina, North Battleford, Swift Current, Lloydminster. And I don't believe there's . . . There might be one or two more, but they'll be able to determine that on their own. Yes.

Ms. Beck: — They'll be able to determine . . .

Hon. Mr. Hargrave: — Well what they'll do, like on the regulation that they have, on the bylaws. So they'll be able to set their own bylaw in relation to that. The rest of the municipalities, for example Porcupine Plain, they won't need to pass a bylaw that says, we'll let a TNC operate. If they want to pass a bylaw, that'll be up to them. But it sets out the framework for the ride sharing, so they'll be able to just approve it through a letter in council, without a bylaw.

A lot of that would be, you're catching a ride there and they want to drop off and maybe pick somebody up to take them to Saskatoon, let's say. Then they don't . . . The general feeling

was they wouldn't need, their thought was that they wouldn't need to pass a specific bylaw over it. They'd just approve and say it was okay to do it, that they wouldn't have to pass a specific bylaw. The larger ones will pass a bylaw.

Ms. Beck: — So the letter allows those companies to operate in those municipalities? Where will those letters be registered? How will people know which municipalities have passed such a letter or such a bylaw?

Hon. Mr. Hargrave: — The municipalities would keep that letter on file. And the TNCs that would be operating in the province would know and they would have a list of which municipalities, where they are allowed and are not allowed to operate with its . . . But SGI wouldn't keep that. But each municipality would have to give a letter to the TNC that says, we authorize your TNC to operate in our municipality.

Ms. Beck: — How would the drivers be made aware of which communities they were allowed and not allowed into?

Hon. Mr. Hargrave: — The TNC would be able to advise them based on where the individual wants to go, right? They would have that information. I mean they wouldn't be going looking through files every time. They would electronically load it into their app, would be my estimation. I mean they're all pretty sophisticated apps, so if there was a municipality that didn't authorize it, that would probably be flagged when that individual . . . right?

As it is now, I mean you can have an Uber app on your phone and it doesn't work here. It's not allowed here. So it would be very similar if it's not allowed in Porcupine Plain, for example. I would say, sorry, I mean we're not allowed there. And it would come up there just as it is for, you know . . . There's lots of guys that are Uber drivers or Lyft drivers that maybe are holidaying in here but the app doesn't work. So it would not work for that municipality. They would know it's blocked off.

Ms. Beck: — Okay. So we know that to be the case, that it wouldn't operate in those . . .

Hon. Mr. Hargrave: — We know that they need that authorization. Am I policing that? No, but it's part of the regulation that they have to be able to operate within there. And we do audits and so we would know as we're doing these audits. But the ride-share company, the TNC, would know that they need the letter of authorization. They have to have either the appropriate bylaw or the letter of authorization from those municipalities to be able to operate in them. So if it is Porcupine Plain, Saskatchewan that they would . . . That municipality would have to have a letter on file and give permission to the TNC to operate in their municipality.

So is it some legwork for them to get it all done? Yes, it is, but you know, when we met with SARM and SUMA, they can help out with that and they're more than willing to.

Ms. Beck: — These companies know how many municipalities we have?

Hon. Mr. Hargrave: — I didn't tell them that.

Ms. Beck: — All right.

Hon. Mr. Hargrave: — Don't let that out yet.

Ms. Beck: — Okay. So the presumption is until a letter is passed or bylaw is passed, they do not have permission in that jurisdiction.

Hon. Mr. Hargrave: — That's right, that's right.

Ms. Beck: — Okay. With regard to . . . I want to go back again for a minute just to the potential impact on existing industry. And you indicated, Minister, that there has been some back and forth and that there has been movement on understanding, that concerns have been lessened. I'm just wondering what some of the outstanding concerns are with regard to impact that passing this legislation will have on existing cab companies.

Hon. Mr. Hargrave: — Well this legislation, like I said before, is basically the framework. But you know, if there was, I would say if there was a single concern that they had, that would be their suggestion that everything should have in-camera cars . . . No. In-car cameras. Not in-camera cars. So that they should have cameras inside all the TNCs.

Ms. Beck: — And so the only outstanding concern as expressed by the cab companies is that they would like to see . . .

Hon. Mr. Hargrave: — I would say that's their . . . That was one of their larger concerns. There are other smaller items. There may be some other ones. And we've continued discussions with them and we've made some adjustments to make sure that they're somewhat accommodated in that. We're trying to, like you say, we're trying to keep it as level as we can, on a level playing field. So that's where we're at currently.

Ms. Beck: — Okay. What is the concern with the in-car cameras?

Hon. Mr. Hargrave: — They would just like them all to . . . They would just like to have them all have . . . Yes, make it a provincial regulation that every cab and every vehicle for hire had an in-car camera.

Ms. Beck: — For safety reasons or . . .

Hon. Mr. Hargrave: — Privacy, amongst other things.

Ms. Beck: — One of the other pieces of correspondence that I've received in my consultations around this bill, and I alluded to it earlier, is around a request that goes back again to 2015 looking at tendering of taxi plates at fair market value along with the STCA's [Saskatchewan Taxi Cab Association] flex fleet proposal.

I guess I want to go back again to any consideration or consultation that happened around a larger look at transportation. I think this particular change would require opening up *The Cities Act*, something that had been promised back in 2015. Was there any larger scope look at changing legislation for not only TNCs or bringing in TNC legislation, but looking at updating legislation with regard to the cab industry?

Hon. Mr. Hargrave: — You know, a lot of the certificates or medallions or whatever you call them, I mean, they're handled by the municipalities. And you know, each one's a little bit different, but I know the municipalities and the city of Saskatoon has looked at various options on that and as to what they're going to do on that.

Ours was designed to give a framework for provincially, and we have changed a couple of things to make it a little more, I don't know . . . [inaudible interjection] . . . Yes, after consultations with the Saskatchewan Taxi Association, we've changed some of our ideas to more align with theirs. But as far as the medallions and certificate goes, I do understand that that's an issue for sure, but it's an issue that each individual municipality must look at and deal with.

[17:15]

Ms. Beck: — Does it require provincial legislation to make those changes?

Hon. Mr. Hargrave: — Well that would depend on what changes they decide they want to make. So you know, I don't know exactly what the municipalities will want to do to make those changes. I think they're still working on figuring that out, from the last discussion that I had with them.

Ms. Beck: — My understanding was that the commitment that had been made — and it went back three separate ministers, municipal or Government Relations ministers — that the next time that *The Cities Act* was opened up, that those changes would be looked at. And the concern that was brought forward was that they're still waiting for those changes, and this was a piece of legislation that would impact that industry.

Hon. Mr. Hargrave: — Yes, because this doesn't open *The Cities Act*. That's a separate thing. So I'm sure that when we do open that, that's going to be an issue that we're going to look at for sure because we'll be consulting with the cities, and that's one of the things on their order paper . . . or not order paper, on their list of things that they want changed or want looked at, and as they should.

Ms. Beck: — Just to make, I guess more plainly, the concern was that that commitment had gone back to 2015, at least to 2015. The concern expressed was that here were changes that are proposed to impact that industry to a great extent, that were going ahead of opening up *The Cities Act*. And the concern, as expressed, was that this might better have been introduced as a larger suite of legislation including those changes to *The Cities Act*.

Hon. Mr. Hargrave: — What I'll do is I'll check with Government Relations and the Minister Responsible for Government Relations as to when the next time they're opening that Act. I know it's not every year; it's every three or four years. So if that goes back three years, guess what? It's probably getting close to that time, and this would be an issue then for sure that they'd be dealing with, because the cities have been looking for it for a period of . . . since 2015 as you say.

Ms. Beck: — I have some questions with regard to the employment relationship between the drivers and the TNCs.

How would that relationship be characterized?

Hon. Mr. Hargrave: — The TNC driver is not an employee. They're a contract for hire. And that's, I guess, that's the fine line difference . . . [inaudible interjection] . . . Yes, and I should add to that. Each TNC has a little bit different model on that as well. I mean, some of them are, for example, some of them are unionized and so they have a little bit different model than . . . So but that's the general one that we know of. I mean, they're not an employee but they're on a . . . So but each TNC is just a little bit different.

Ms. Beck: — So they're considered contract for hire. Is that the same or different than an independent contractor?

Ms. Flynn: — Elizabeth Flynn. Hi. They're independent contractors, yes.

Ms. Beck: — And as such, are those drivers . . . What types of benefits or eligibility do they have access to? Labour standards or Workers' Comp, employment insurance?

Ms. Flynn: — So my understanding is they're independent contractors. It's like a licensing agreement to get the transportation companies network so the benefits would be determined as an independent contractor. If they were involved in a motor vehicle accident, they would be . . . and the driver was a Saskatchewan resident, he or she would be entitled to Part VIII benefits pursuant to *The Automobile Accident Insurance Act*. I don't know if that's where you're . . .

Ms. Beck: — In part, yes. Would they be eligible for WCB [Workers' Compensation Board] benefits, for example, these independent contractors?

Ms. Flynn: — My understanding would be exactly the same. They can elect, if they want to pay into WCB, they could pay in accordingly. We have reached out to WCB, is my understanding, I've been advised, and letting them know that this is coming.

Ms. Beck: — There was a fairly recent Supreme Court ruling around independent contractors and requirements for Workers' Compensation. I think the case came out of BC initially. Does that have any impact on this legislation?

Hon. Mr. Hargrave: — That won't have any impact. I mean, it might have with WCB, period. And they would, I would imagine that they'd be looking at that because we did give them the . . . We've reached out to them to let them know this is where, this is what we're working on, this is where we're at and they would be checking to see what the impact would be on WCB.

Ms. Beck: — One of the other cautions, and I actually can't remember which article I read it in now, but was with regard to expectations around taxation for the larger ride-sharing companies such as Uber and Lyft. What would those expectations be, were they to set up shop in Saskatchewan?

Hon. Mr. Hargrave: — Well we set up part of the framework that will determine, you know, where we track the mileage and everything like that, so that framework is set up and Finance

will, Finance department and not SGI will be looking at that.

The individual driver's income of course would be taxable, right? So if you're driving and if you're driving a TNC and you're earning X number of dollars, you would be expected to remit taxes on that.

Ms. Beck: — The business model as far as I understand it though is that those companies take a share of that fare.

Hon. Mr. Hargrave: — That's right.

Ms. Beck: — And is that taxable in Saskatchewan, that portion of their . . .

Hon. Mr. Hargrave: — Well it depends on who's operating in Saskatchewan. I mean we're in conversation with the Department of Finance on that as to exactly how that will work if it's an out-of-province company. It might be an in-province company that sets up and not necessarily . . . Everybody assumes it's Uber or Lyft, but it's not necessarily either one of them. It might be just a local made-in-Saskatchewan company.

Ms. Beck: — Those cab companies that currently exist in the province, they pay tax on their earnings from . . .

Hon. Mr. Hargrave: — That's right.

Ms. Beck: — Yes, okay. Another suggestion that had been proposed was for a province-wide taxi service. Is that anything that was considered around consideration of this bill?

Hon. Mr. Hargrave: — Well you know, there's nothing stopping anything if one of the cab companies said, we want to offer our taxi, province-wide taxi company. I mean I don't think that there's anything stopping them from doing that other than municipalities. Again, they all have their own say, right? So if a local taxi company said, I think I'm going to expand my business to Weyburn, if he gets Weyburn's authorization to do it, there would be nothing stopping him from operating cabs in Weyburn.

Ms. Beck: — I think what's . . .

Hon. Mr. Hargrave: — Did I misunderstand the question?

Ms. Beck: — I think so. There was a proposal for something called a Sask plate model for the province as one means to level the playing field, which we've stated is one of the goals here. And using current peak time data from dispatches to define how many new Sask plates would be required, this would be a way to help municipalities deal with peak times, I believe. Have these concerns or these suggestions been brought forward to you? And had there been any consideration of them?

[17:30]

Hon. Mr. Hargrave: — Well you know, that's primarily what we're talking about is that flex policy. That's primarily what that is. Otherwise it's each municipality. If they're talking about going out to Weyburn, well then they need Weyburn's authorization. And if they wanted to bring in . . . Let's say they were operating and they wanted to bring in cars from Weyburn

to operate during peak times, then that would be part of their flex policy.

Now we're not opposed to the flex policy coming into effect, but that's a municipal decision whether or not they allow them to say, we got 10 cabs in Pense and we'd like to bring them in from 11 p.m. till 3 in the morning. And that would be a decision that the municipality of Regina would have to make, not the provincial government. And we would be supportive of that for sure, I mean, anything that's going to give a person that other option to catch that ride home.

Ms. Beck: — All right. Go back one more time to the independent contractors and just a few questions about the employment environment that they operate in. Do labour standards apply to independent contractors? Employment insurance and CPP [Canada Pension Plan] insurable earnings, do those apply?

Hon. Mr. Hargrave: — They're dealt with exactly the way any self-employed individual in the province is dealt with as far as all those things that you question. They are, for all intents and purposes, self-employed, and so they are running their own little business. And so as far as CPP goes, as far as anything else goes, they're operating as that independent business.

Ms. Beck: — So they're self-employed. The TNC, though, is required to have a level of insurance, is that correct?

Hon. Mr. Hargrave: — That's correct, yes.

Ms. Beck: — Okay. And they do pay a portion of the fare back to the TNC, is that correct?

Hon. Mr. Hargrave: — Yes, you're absolutely right. You know, that's the same as any business. I mean, Wendy's restaurant pays a portion of their proceeds back to Wendy's, right, as a royalty, as a fee, right? McDonald's restaurants, they pay a portion back to McDonald's Canada as a, you know, which is so . . . A lot of independent businesses . . . Even though each McDonald's restaurant is an independent business, they still pay a fee to McDonald's Canada.

Ms. Beck: — I suppose, yes, there are different business models.

Hon. Mr. Hargrave: — Per hamburger.

Ms. Beck: — It's been a long time since I worked at McDonald's. All right. Okay. I just want to make sure that I'm not missing anything.

One other concern that was brought forward with regard to other means to address some of the concerns that were outlined at the beginning of our time here in committee — other ways to address things like wait times — one was around the number of licences. Like, for example, in the city of Saskatoon, there's been a 40 per cent population increase since 1989, but a flat number of permanent plates. There have been a couple of provisions for temporary plates, I believe, 21 temporary plates that have an expiry date on them, with regard to wheelchair-accessible units and seasonal passes. I can't read my own writing, I'm sorry. I think there were 21 temporary passes

set to expire at the end of June of this year. Were there conversations in concert with municipalities about other measures, such as increasing the number of licences or increasing number of licences at peak hours, in order to address the stated goal of reducing impaired driving?

Hon. Mr. Hargrave: — Well it's part of the discussion with the municipalities. I mean, flex time was involved in the discussion. SGI was not against working out a similar-type program to the TNCs, as far as a per-kilometre rate if, let's say, they brought on additional vehicles for a surge period of time, for two hours a day and not for 24 hours a day, for example. You know, we talked about a per-kilometre rate for the TNCs, so we indicated we're not opposed to that if the municipalities so chose to implement that.

Ms. Beck: — So the change that would be required from SGI would be that pro-rated insurance rate. Is there any other provincial legislation that would need to be changed in order to enable that type of flexible arrangement?

Hon. Mr. Hargrave: — No, and that's not even legislation. That's just what the insurance company would do.

Ms. Beck: — Okay. Minister, we also have a number of amendments that we will be dealing with here tonight. I'm looking at the time. I know I have registered this with you, but I want on the record my concerns about receiving, at 11 o'clock the day of committee, 11 amendments to a 16-clause piece of legislation, and what that does for legislative process.

Typically we would get 20 hours of consideration on a bill. This is a bill that I think we've established has some potential impacts, some potential negative impacts potentially. And I just wanted to put on the record that what we will be voting on because of all the amendments will be substantially a different bill than was introduced way back, probably in November of last year. So I wanted to make sure that I registered that concern on the record.

Hon. Mr. Hargrave: — You know, just to reaffirm on the record my apology to you that I made both on the phone and earlier in committee here, that I do apologize for our error in not getting them to you and, as minister responsible, I take full blame for that. And I do apologize because it is a very important piece for us all in moving ahead. And I know how hard you personally prepare yourself for committee and whatever it is, if we need extra time today, then I'm more than willing to provide you that time. The Chair might not be, but I'd be willing to provide you that time.

Ms. Beck: — And I don't want to go back and forth a lot on this, and I do understand and I appreciate the apology. I know we could be here till midnight but I understand that your officials have set a certain amount of time aside and we have other bills coming up after this. It also makes it rather impossible for me to check back in with stakeholders with regard to these changes. And I don't feel like I will be able to do my full level of oversight and diligence with regard to my role as the critic because, as I said, we're dealing with a substantially different bill. And that doesn't . . . You know, I take that seriously and I just again wanted to register that. I do thank you for the apology, but it doesn't buy me any more . . .

Not “but.” I would’ve liked to have had more time to consult with stakeholders on those changes.

But we do have a number . . . I believe we have, I don’t even know how many it is — 16 or so amendments to go through, so perhaps we should . . . Eleven? Okay. In order to facilitate that I will conclude my remarks, and thank you.

The Chair: — Thank you, Ms. Beck. And we’ll move now to clause-by-clause consideration of this bill. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

Clause 2

The Chair: — Clause 2. I recognize Mr. Hindley.

Mr. Hindley: — Thank you, Mr. Chair. I’d like to move an amendment:

Amend Clause 2 of the printed Bill:

(a) by striking out the definition of “**transportation network**” and substituting the following:

“ ‘**transportation network**’ means, subject to the regulations, an online enabled application, a digital platform, a software program, a website or other system or technology platform offered, used or facilitated by a transportation network company to enable a person to obtain vehicle-for-hire service”;

(b) by striking out the definition of “**transportation network company**” and substituting the following:

“ ‘**transportation network company**’ means a person or other prescribed entity that offers, uses or facilitates a transportation network”; and

(c) by striking out the definition of “**vehicle-for-hire service**” and substituting the following:

“ ‘**vehicle-for-hire service**’ means a service provided by a driver affiliated with a transportation network company for the pre-arranged transportation of passengers for compensation through the use of a transportation network, but does not include a taxi service”.

The Chair: — Mr. Hindley has moved an amendment to clause 2. Do committee members agree with the amendment as read? I recognize Ms. Beck.

Ms. Beck: — Thank you. Minister, this is the first of a number of amendments that . . . I’m just making sure that I have the right one here . . . Transportation network. This was requested by the TNCs. Why was this change requested over the existing legislation, or the proposed bill, rather?

Ms. Flynn: — Most of the changes you’re going to see in these House amendments are intended to better reflect the relationship between the transportation network company and the drivers. The initial draft suggested the transportation network company possibly had more control over the drivers and so this is more of a reflection of an independent contractor position and facilitating services through their application.

Ms. Beck: — So the existing . . . Without the amendment, the existing Act implies more of an employer-employee relationship potentially?

Ms. Flynn: — It could have been an employer-employee relationship but it didn’t exclude an independent contract relationship.

[17:45]

Ms. Beck: — And this clarifies that it is specifically . . .

Ms. Flynn: — That’s correct.

Ms. Beck: — Yes. And this was a request that was made by the TNCs. Which specific TNCs requested this change?

Hon. Mr. Hargrave: — That was specifically by Uber.

Ms. Beck: — Minister, I guess my concern is here is that I’ve heard you say several times that Uber is potentially . . . doesn’t like a lot of what we’re doing, not interested potentially in coming to Saskatchewan. Yet here we are making changes to legislation to satisfy concerns that they’ve brought forward, and I’m wondering why that’s the case.

Hon. Mr. Hargrave: — Why? Because it applies to any of the TNCs that are going to operate in the province. Most of these people will be, all of these people will be, or it leaves the option open for them to be the independent operators. And because we haven’t had legislation like this before — well we haven’t had TNCs in the province — they’ve helped point out what this could . . . This is a problem with your legislation. And that’s why.

So I don’t care if it’s Uber, Lyft, Tapp, Fred’s TNC service. It all sort of applies to the same thing. And the fact that they’ve been in many municipalities and they’ve worked on legislation with many other municipalities to help through the TNC issue . . . And they’ve pointed it out that this was an area where, because of the relationship of the driver with the company, that this was an area of concern. And it was an area of concern that we didn’t know.

We don’t care if Uber comes here or Lyft comes here or if it’s Tapp or if it’s some other company. This still provides the best and most concise wording around that, and that’s what’s causing a number of the changes in the amendments that you’re seeing.

Ms. Beck: — When was this request made for this change by Uber?

Hon. Mr. Hargrave: — Just shortly after the bill was introduced in the House.

Ms. Beck: — Uber and other ride-share companies had a decision out of California about this very issue, employee versus independent contractors. Was that part of their concern around clarifying that relationship? I know that, I believe, California has moved to classify them as employees.

Hon. Mr. Hargrave: — That was not related to us but, you know, that's possible, one of their concerns. But I think it just goes to more clearly identifying the different options for employees that are out there. I mean, could have that been one of their issues? That could have been. I don't know.

Ms. Beck: — And if they were classified as employees as opposed to independent contractors, that would set up more responsibilities for the TNCs with regard to their . . . well in that case, employees. Is that . . . [inaudible]?

Hon. Mr. Hargrave: — Yes, it's set up that way. Now I mean we don't know exactly what, but I mean there are other companies that operate in the province. Not necessarily TNCs, but they have that same type of setup where there's a facilitator and where they're independent contractors really, working for the company. And so going forward, because this is a new thing to the province . . . I mean we looked at legislation of what's working in other jurisdictions and this was pointed out to us because they operate in many, many jurisdictions, that this is in the area that would cover off the legislation more appropriately to their drivers.

Ms. Beck: — So after these concerns were brought to you, was there research into the legislation in other jurisdictions with this regard?

Hon. Mr. Hargrave: — Well we had researched and we based a lot of our legislation, based on Manitoba and Alberta, because of their jurisdictions right close to us. And so we felt this was the best to — unfortunately too late for you — but I mean it was best to amend that legislation to make it more accurately reflect the position of the drivers and bring that whole full scope of what the drivers mean.

Ms. Beck: — Thank you.

The Chair: — Will the committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 2 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 2 as amended agreed to.]

The Chair: — Clause 3, is that agreed?

Some Hon. Members: — No.

The Chair: — Clause 3 is defeated.

[Clause 3 not agreed to.]

Clause 4

The Chair: — Clause 4. I recognize Mr. Hindley.

Mr. Hindley: — Thank you, Mr. Chair. I'd like to move an amendment to clause 4 of the printed bill:

Amend subsection (1) of Clause 4 of the printed Bill:

(a) by striking out clause (d) and substituting the following:

“(d) establishing requirements respecting, or restrictions on, who may drive a vehicle when offering vehicle-for-hire services”;

(b) by striking out clause (e) and substituting the following:

“(e) regulating the manner in which vehicle-for-hire services may be obtained or purchased by the public”;

(c) in clause (h) by striking out the portion preceding subclause (i) and substituting the following:

“respecting the fees, rates, fares, tolls, tariffs or other charges that may be charged to passengers of vehicle-for-hire services, including:”; and

(d) in subclause (h)(iv) by striking out “customers” and substituting “passengers”.

The Chair: — Mr. Hindley has moved an amendment to clause 4. Do committee members agree with the amendment as read? I recognize Ms. Beck.

Ms. Beck: — I just have a quick question. I think I understand the other portions of the amended section (d). What is the significance of changing “customers” to “passengers” in that clause?

Ms. Noe: — Karol Noe. It was just again to be consistent throughout the bill in the language that was used.

The Chair: — Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 4 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 4 as amended agreed to.]

Clause 5

The Chair: — Clause 5. I recognize Mr. Hindley.

Mr. Hindley: — Thank you, Mr. Chair. I'd like to move an amendment to clause 5 of the printed bill:

by striking out clause (b) and substituting the following:

“(b) the driver affiliated with the transportation network company may complete that trip but may not offer other vehicle-for-hire services in another municipality unless the transportation network company with which the driver is affiliated has a valid and subsisting licence in that municipality or is otherwise authorized to operate in that municipality”.

The Chair: — Mr. Hindley has moved an amendment to clause 5. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 5 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 5 as amended agreed to.]

Clause 6

The Chair: — Clause 6. I recognize Mr. Hindley.

Mr. Hindley: — Thank you, Mr. Chair. I'd like to move an amendment to clause 6 of the printed bill:

Amend Clause 6 of the printed Bill:

(a) in subsection (1) by striking out “transportation network drivers” and substituting “of its affiliated drivers”; and

(b) in subsection (2):

(i) by striking out “transportation network drivers” and substituting “affiliated drivers,”; and

(ii) by striking out “preceding the person’s application to be an authorized driver”.

The Chair: — Mr. Hindley has moved an amendment to clause 6. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 6 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 6 as amended agreed to.]

Clause 7

The Chair: — Clause 7. I recognize Mr. Hindley.

Mr. Hindley: — Thank you, Mr. Chair. I'd like to move an

amendment to clause 7 of the printed bill:

(a) by striking out subsection (1) and substituting the following:

“(1) A vehicle that is to be used by a driver who is affiliated with a transportation network company and that is to provide vehicle-for-hire services:

(a) must be registered with the administrator pursuant to *The Traffic Safety Act* as a vehicle providing vehicle-for-hire services; and

(b) must meet the prescribed requirements to indicate that the vehicle may be used to provide vehicle-for-hire services”;

(b) by striking out the portion of subsection (2) preceding clause (a) and substituting the following:

“The administrator shall not register a vehicle as a vehicle providing vehicle-for-hire services unless the transportation company files with the administrator written evidence, in a form satisfactory to the administrator, that the transportation network company holds a motor vehicle liability insurance policy from an insurance company authorized to carry on the business of insurance in Saskatchewan that insures every vehicle used by drivers affiliated with the transportation network company who provide vehicle-for-hire services and every one of its affiliated drivers in Saskatchewan against the liability imposed by law arising out of the ownership, use or operation of the vehicle and resulting from.”; and

(c) in clause (3)(a) by striking out “\$1,000,000, exclusive of interest and costs” and substituting “the prescribed amount”.

The Chair: — Mr. Hindley has moved an amendment to clause 7. Do committee members agree with the amendment as read? I recognize Ms. Beck.

Ms. Beck: — Thank you, Mr. Chair. There's a removal of the wording around “special feature” out of the bill. The existing proposed clause reads, “. . . as a vehicle providing vehicle-for-hire services and must have a prescribed special feature indicating that the vehicle may be used to provide vehicle-for-hire services.”

In the reason that I was provided for the amendment, it states that this was removed as SGI had not yet determined how it would be marked in the SGI system. The way I read the existing bill was that this would be some sort of mark that would be placed on the car itself. I'm then not clear as to how this special feature now refers to something in the SGI system, so I'm just wondering if you could clarify that for me.

Hon. Mr. Hargrave: — Yes, this is just on the registration certificate. There was still a requirement in the regulation to have a mark on the car — like if it was, let's say it was an Uber — to have a mark that was on the car. But this is just on the registration document itself, like what would keep in your

glovebox.

Ms. Beck: — Okay. Because in this clause it looks like this is something on the vehicle, but in the amended clause it looks like the piece on, I guess, on your licence.

[18:00]

Ms. Noe: — Both. Like the initial wording and the amended wording were just in relation to the registration certificate, what the special feature would be. However, we hadn't determined the system's requirements, whether it's an actual special feature or an intended use code, so we didn't ... Now that we're getting a bit further down, it might not be a special feature, so we didn't want to write that into the Act if, in the end, it's not; it's an intended use code. So we will prescribe the requirements in regulation, but not knowing exactly what it was going to look like, we didn't want to use that wording in the Act.

Ms. Beck: — And my second question is just with regard to the minimum liability as proposed here in legislation now prescribed. Are you that far ahead? Is that the prescription in the regulations at this point?

Ms. Noe: — Yes. The regulations will prescribe the million dollars. But you know, in the future it may need to go up, so putting it in the regulations will allow us to make that change more easily.

The Chair: — Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 7 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 7 as amended agreed to.]

Clause 8

The Chair: — Clause 8. I recognize Mr. Hindley.

Mr. Hindley: — Thank you, Mr. Chair. I'd like to move an amendment to clause 8 of the printed bill:

Amend subsection (1) of clause 8 of the printed Bill:

(a) by striking out “by the transportation network company”; and

(b) by adding “by its affiliated drivers” after “vehicle-for-hire service”.

The Chair: — Mr. Hindley has moved an amendment to clause 8. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8 as amended agreed to.]

Clause 9

The Chair: — Clause 9. I recognize Mr. Hindley.

Mr. Hindley: — Thank you, Mr. Chair. I'd like to move an amendment to clause 9 of the printed bill:

Amend subsection (1) of clause 9 of the printed bill by striking out clauses (b) and (c) and substituting the following:

“(b) the name and address of all drivers who provide vehicle-for-hire services and who are affiliated with the transportation network company in Saskatchewan;

(c) a list of all vehicles used in providing vehicle-for-hire services by drivers affiliated with the transportation network company in Saskatchewan”.

The Chair: — Mr. Hindley has moved an amendment to clause 9. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 9 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 9 as amended agreed to.]

The Chair: — Clause 10, is that agreed?

Some Hon. Members: — No.

The Chair: — Clause 10 is defeated.

[Clause 10 not agreed to.]

Clause 11

The Chair: — Clause 11. I recognize Mr. Hindley.

Mr. Hindley: — Thank you, Mr. Chair. I'd like to move an amendment to clause 11 of the printed bill:

Amend clause (k) of clause 11 of the printed Bill by striking out “a special feature indicating” and substituting “the requirements to indicate”.

The Chair: — Mr. Hindley has moved an amendment to Clause 11. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 11 as amended agreed?

a driver or by all drivers affiliated with the transportation network company; or

Some Hon. Members: — Agreed.

(b) the certificate of insurance required by the transportation network company pursuant to section 8 for its affiliated driver or vehicle or all of its affiliated drivers or vehicles”.

The Chair: — Carried.

[Clause 11 as amended agreed to.]

[Clauses 12 to 16 inclusive agreed to.]

The Chair: — I recognize Mr. Hindley.

The Chair: — Mr. Hindley has moved new clause 10. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

Clause 3

The Chair: — Carried. Is new clause 10 agreed?

Mr. Hindley: — Thank you, Mr. Chair. I'd like to move:

Some Hon. Members: — Agreed.

New clause 3 of the printed Bill

The Chair: — Carried.

Add the following clause after clause 2 of the printed bill:

[Clause 10 agreed to.]

“Licence required to operate

3 Subject to section 5, a transportation network company shall not operate or facilitate vehicle-for-hire services in a municipality unless:

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Vehicles for Hire Act*.

(a) it holds a valid and subsisting licence to operate or facilitate a vehicle-for-hire service; or

I would now ask a member to move that we report Bill No. 114, *The Vehicles for Hire Act* with amendment. Ms. Heppner moves. Is that agreed?

(b) it is otherwise authorized by the municipality to operate or facilitate a vehicle-for-hire service in that municipality”.

Some Hon. Members: — Agreed.

The Chair: — Mr. Hindley, has moved new clause 3. Do committee members agree with the amendments as read?

The Chair: — Carried. I think it would be in order now that we would take a 10-minute recess. Mr. Minister, we're having the same officials back for the next bill? Okay. With the agreement of everyone, we will just take a 10-minute break. Is that agreed?

Some Hon. Members: — Agreed.

[The committee recessed for a period of time.]

The Chair: — Carried. Is new clause 3 agreed?

Bill No. 112 — *The Miscellaneous Vehicle and Driving Statutes (Cannabis Legislation) Amendment Act, 2017*

Some Hon. Members: — Agreed.

Clause 1

The Chair: — Carried.

[Clause 3 agreed to.]

The Chair: — Seeing it is now 6:19, we'll reconvene the committee. We are now going to consider Bill No. 112, *The Miscellaneous Vehicle and Driving Statutes (Cannabis Legislation) Amendment Act, 2017*, clause 1, short title. Minister Hargrave, if you have any new officials to introduce, please do so and make your opening comments, if you would.

The Chair: — I recognize Mr. Hindley.

Hon. Mr. Hargrave: — Thank you, Mr. Chair. I mean next up we have the legislation regarding the drug-impaired driving. Just last week I was able to announce that for 2017, Saskatchewan recorded the lowest number of impaired driving deaths in decades. And while that's very encouraging news, I also pointed out that even one death from impaired driving is one too many. So although it seems that we may be making progress, it's critical to keep focus on this issue.

Clause 10

This proposed legislation needs to be a clear message to drivers that just because using cannabis is going to be legal, it remains illegal to drive while impaired, whether by drugs or alcohol. That is why this legislation proposes a zero tolerance approach.

Mr. Hindley: — Thank you, Mr. Chair. I'd like to move:

New Clause 10 of the printed Bill

Add the following clause after clause 9 of the printed bill:

“Powers of administrator

10 Subject to the regulations, if a transportation network company or any of its affiliated drivers fails to comply with this Act or the regulations, the administrator may suspend, cancel or refuse to issue:

(a) a vehicle registration indicating that the vehicle may be used to provide vehicle-for-hire services by

Specifically the zero tolerance approach means that drivers should not get behind the wheel with any level of impairing drugs in their system that can be detected by a federally approved screening device. Those new screening devices which test saliva are not yet ready for use by law enforcement. In the meantime, officers still have the ability to use a standardized field sobriety test and the drug recognition evaluations, as they do today.

In addition to the pending legalization of cannabis, the federal government has another piece of legislation that includes the addition of three new Criminal Code offences specific to drug-impaired driving. The proposed changes before you today will ensure the same provincial administrative sanctions that are applied to existing impaired driving-related Criminal Code charges are also applied to the three new charges. These are things like driver's licence suspensions and vehicle impoundments, sanctions that law enforcement can impose at the roadside to get impaired drivers off the road immediately.

Thank you, and we'd be happy to answer any questions.

The Chair: — Thank you, Minister, and I guess I'll just remind officials again to please state your name when you first speak. Do any members have any questions? I recognize Ms. Beck.

Ms. Beck: — Thank you, Mr. Chair, and Minister Hargrave, and to your officials again. Now speaking to Bill No. 112 with regard to the cannabis legislation amendment Act, the miscellaneous vehicle and driving statutes, as you mentioned, Minister, this bill largely is in response to changes to federal law regarding the legalization of cannabis and subsequent addition of three new Criminal Code offences. The federal legislation with regard to the Criminal Code offences, where does that stand right now?

Mr. Quaye: — We know it's ... [inaudible interjection] ... Kwei Quaye. The federal legislation is currently in the Senate, and the last that we heard was that the Senators were debating some potential changes to it. We also understand that the federal government wants this legislation passed this summer, so we're just waiting for that to happen.

Ms. Beck: — Thank you. I had heard a program with regards to some of the back and forth between the Senate and the House of Commons with regard to this bill, and that the initial cannabis legalization bill was likely to be passed, but there's a little bit less certainty with regard to when this bill would actually make it out of the Senate and on to the floor of the House.

I guess if there were any changes that were necessitated out of changes to that federal legislation, we would be looking at amendments potentially.

Hon. Mr. Hargrave: — Yes. We're optimistic that we should have it covered, but I guess if the Senate recommends an amendment that goes through, then if need be we'll amend our legislation.

Ms. Beck: — If you could just briefly characterize the three new Criminal Code offences with regards to cannabis.

Mr. Quaye: — With regards to cannabis, the federal

government is introducing the per se levels for cannabis use. For cannabis use between 2 and 5 nanograms, there's a prescribed ... It's prescribed as an offence so there are consequences associated with that. Then there's a per se level above 5 nanograms, which has also its own prescribed consequences. And last but not the least is a combination, hybrid offence which is alcohol and cannabis. And the alcohol with 2.5 nanograms of cannabis will be an offence. So those are the three levels that are being introduced.

Ms. Beck: — Thank you. And with regard to — I don't want to get it wrong — the detection test that is noted in the federal legislation, if I understand correctly, Minister, it is not operational yet. Is that the case? The saliva test.

Hon. Mr. Hargrave: — Yes. Currently they're not available for our use here in Saskatchewan, but we still do have the field sobriety test that we've used. I mean that's been used for alcohol for a lengthy period of time, plus the drug recognition evaluations. And we have a number of officers that are approved on that program.

Ms. Beck: — Was there any additional training that's required of those officers in order to detect levels of impairment due to cannabis? Are there different signals that, or things to look for, that those specially trained officers are trained ...

Hon. Mr. Hargrave: — The standard field sobriety is the standard field sobriety test. The drug recognition is a different one, and that's specialized training. It uses a 12-step procedure, but there is some specialized training in there. It's not part of the field sobriety test. It's a separate training facility that they go through. Some of it is done right here in Regina at the RCMP [Royal Canadian Mounted Police] Depot Division, and some is done down in the United States.

Ms. Beck: — And currently how many of each of those specially trained officers are there that would be trained in standard field sobriety and trained in drug recognition?

Hon. Mr. Hargrave: — On the standard field sobriety tests we have approximately 125 certified. Not approximately; I guess that's an exact number. And since 2008 we've trained 98 drug recognition officers, enforcements, and we expect over the next five years to train another 100 of them.

Ms. Beck: — Would some of those people be dually trained or those are distinct individuals?

Hon. Mr. Hargrave: — Yes. Some of them would have the dual distinction, yes.

Ms. Beck: — How many of those specially trained officers would be on duty at any given time in the province?

Hon. Mr. Hargrave: — We wouldn't know that number. Not all those numbers are reported to us, but as far as the 60 officers that are involved in the CTSS [Combined Traffic Services Saskatchewan] program, they're always available, and so that they can be summoned by a standard non-trained officer to conduct these drug recognition examinations.

Ms. Beck: — There is some time sensitivity associated with,

I'm thinking specifically I guess now, the oral fluid screeners.

Hon. Mr. Hargrave: — We don't have any oral fluid tests yet.

Ms. Beck: — No, I understand that. What I'm reading from is the backgrounder, the Government of Canada backgrounder, with regard to drug-impaired driving offences stating, "The legislation would also create three new offences for having specified levels of a drug in the blood within two hours of driving." So there would be some need to have that level tested within two hours of the person being pulled over.

[18:30]

Hon. Mr. Hargrave: — Definitely. I mean and that's why we're pushing hard to get more officers trained. It's an expensive process, but that's one of the reasons why we want to train a number of more officers. And we're anxiously awaiting the oral fluids examination and we think that that's really important. And you know, we want to have officers trained.

We want another 300 officers trained in the standard field sobriety test. We're working strongly towards that. It's not as detailed a training program as the drug recognition one, but if we have 300 of them certified across the province it'll go a long ways towards getting the initial evaluation done. And then if they felt they needed a drug recognition expert, that they could get one.

Ms. Beck: — What is the latest update on the oral fluid drug screeners, the status of those?

Mr. Quaye: — With respect to the oral fluid devices, the federal government has come out with specifications for devices for the various manufacturers to meet. So it's out there for manufacturers who are interested in providing these devices to come up with the devices for use here in Canada. But the federal government has established all the standards required to meet to be certified for a device.

Ms. Beck: — So it was like an RFP [request for proposal] that's out for manufacturers to provide . . .

Mr. Quaye: — No, I don't know how exactly they do it, but they established the standards that are required. And there are some manufacturers out there who are interested in providing these devices. So it is up to the manufacturers now to meet the standards that have been established.

Ms. Beck: — The level of detection that's being targeted for these oral fluid screeners, is it the 2 nanograms? Is that the minimum that they're being required to screen?

Mr. Quaye: — The oral fluid devices are different from the blood test. The 2 nanograms, 2 to 5 nanograms, and 2.5 nanograms are levels in blood. The oral fluid there depends on oral tests, as it were, and the federal government has specified levels for cannabis, for cocaine, and for methamphetamines for these oral fluid devices. But those are the levels that are supposed to be met by the various manufacturers.

Ms. Beck: — So in order for conviction under these proposed offences, there's a requirement for a blood test to be conducted

within two hours.

Mr. Quaye: — That's correct.

Ms. Beck: — Minister, you noted in your opening comments that what is proposed with this legislation, it's not just the two nanograms, but it is a zero tolerance for drug offences or for drug impairment or use of drugs while operating a motor vehicle. I'm just wondering if you can clarify how that will be detected and enforced.

Ms. McCune: — Penny McCune. So the intention of zero tolerance is just to ensure that the public understands that, with the legalization of cannabis, it's not okay to drive impaired when you're on cannabis.

As far as the distinction, the blood test is used for the Criminal Code and the officers will determine if there are signs of impairment. The saliva may tell them that there is signs of cannabis. They may use smell. But if they aren't able to determine that they're impaired, they can do roadside suspension or the administrative-type suspensions.

Ms. Beck: — Is that an indefinite roadside suspension that's being proposed?

Hon. Mr. Hargrave: — Yes. It's the same as for alcohol, as for the low BAC [blood alcohol concentration] alcohol, the 3-day, 7-day, 21-day, 30-day. And so it's not for . . . That's what those are intended for, and that's what that's being utilized for.

Ms. Beck: — With regard, if I'm remembering correctly, with regard to alcohol impairment, the zero tolerance is in effect for those drivers who are on a graduated licence. Is this zero tolerance for just that category or for all categories of drivers?

Hon. Mr. Hargrave: — The alcohol is 21 years of age and under, and new drivers, right, and new drivers. And the cannabis one is zero tolerance for all drivers regardless of your age.

Ms. Beck: — Is there a time period that is prescribed in terms of consumption of the cannabis product and how much time has to lapse before that . . . Not being very . . .

Hon. Mr. Hargrave: — No, I know what you're getting at though. And no, there is no time frame. Like if you were to use cannabis here, right now, is there an hour, two-hour, three-hour time? No, there isn't, there isn't. It could be immediately or down the road.

The zero tolerance is based on if there's any presence of impairment at all. So if they stop you and you appear impaired, and they do a little field sobriety test and you fail the field sobriety test, they can put those administrative sanctions on you immediately. I think that's what you're meaning?

Ms. Beck: — Yes, yes it was. I'm just wondering if it were the next day, if someone had consumed cannabis and was operating . . . perhaps had a smell on their clothes or something, would that still be in effect the next day?

Hon. Mr. Hargrave: — Well the police have to have

reasonable grounds to stop you and smell on your clothes isn't one of them. But if you were driving erratically? You know, if you, I guess, you break a traffic law and they stop you, they might feel that that's reasonable grounds. But you have to . . . It just can't be because, like I say, it's on your clothes, because it could be your jacket that you were wearing the night before or whatever. They still have to have those reasonable grounds that you are impaired.

Ms. Beck: — There has been some concern expressed around the smell of cannabis constituting reasonable grounds for further investigation. Are you saying that that won't be reasonable grounds, the smell of cannabis?

Hon. Mr. Hargrave: — The smell. You know, like they still have to have reasonable suspicion to pull you over. And let's say they pull you over and they smell cannabis in the vehicle, then that might be an area that they could utilize the sanctions. But they still, to stop you initially, obviously they can't smell you because they're just . . . you're driving and they're driving in a separate vehicle. So they have to have reasonable suspicion that that's what's going on. If it's blowing out your window, maybe.

Ms. Beck: — Might be reasonable grounds. Okay. With regard to the additional officers being trained, I believe the drug recognition officers, you said, was 98 with plans for 100 additional officers, with a long-term goal of 300 officers. Is that correct?

Hon. Mr. Hargrave: — The 300 was for the standard field sobriety test.

Ms. Beck: — How will that roll out, that training, those initial 100 drug recognition officers? When will that training commence and how long does the training take?

Mr. Quaye: — We have 100 DRE [drug recognition expert]-trained people right now, and the plan is to train another 100 over the next five years.

Ms. Beck: — Minister Hargrave, have there been any concerns expressed to you about either capacity to conduct these roadside tests or capacity to conduct the blood tests, or around enforceability of any of these new provisions?

Hon. Mr. Hargrave: — Well we've pretty much heard from all of them. They wished that the whole legalization was delayed for a period of time. But the police also know that there's people right now, obviously, driving around impaired by drugs. Part of the announcement we made last week, you know, five of the impaired deaths were drug-related, not alcohol-related.

So are the police there? The police want to make sure that when they charge somebody that it sticks. And they'll be using lots of the administrative penalties and that's why we want to get more of these field sobriety officers out there, that they can test for that standard field sobriety and so that we can use that administrative and get on that zero tolerance right away, so that we can remove their vehicle for the period of 3, 7, 21, 30 days, whatever the case may be.

[18:45]

So we're anxious to get those officers trained. It's easier to train the field sobriety test officers and that way we can at least enforce our zero tolerance there. The field sobriety training, you know, when the police go through their standard initial training they're given some of it, but this is another full day or two in class and in training facilities, to get that. And it's all local, it's all here, it's all in Saskatchewan. So we'll be able to get those officers trained and I think, we think, and they think that that's really important that we get those officers up and trained so that we can use that standard field sobriety test and we can enforce our zero tolerance.

Ms. Beck: — The training, will that be targeted . . . I guess my concern or my question is about coverage for the province and that two-hour time window in a province that takes I don't know how many hours to drive across. More than eight? Will those officers be dispersed around the province?

Hon. Mr. Hargrave: — Yes, they'll be well distributed. I mean, we've spoken with the RCMP and municipal forces, because we want these field sobriety test officers, these 300, dispersed throughout the province so that they're in the north, south, east, and west and that we can be there. The DREs are a little more difficult, but we're working on building those numbers up. So we think that the first step is these standard field sobriety test officers, and that they're up out there and they're spread out throughout the province, that where every detachment basically has a standard field sobriety test person.

Ms. Beck: — Thank you. Minister, with regard to the instances that you mentioned where, unfortunately, fatalities were attributed to drug impairment, how was that determination made?

Hon. Mr. Hargrave: — That's done by the coroner through the autopsy. And that's part of the reason why there's a long gap between the end of 2017 and before we can actually provide what the numbers are, because we have to wait for the coroner to make that final decision after the autopsy.

Ms. Beck: — Is that using blood testing or blood sampling?

Hon. Mr. Hargrave: — It's through the fluids from the deceased.

Ms. Beck: — Thank you. I think I have asked the questions that I have come with today. Certainly this is an area that is in a bit of flux due to the uncertainty with the federal regulations, or the federal bill rather. But I think I am prepared to conclude my questions with regard to Bill 112.

The Chair: — Thank you, Ms. Beck. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 6 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent

of the Legislative Assembly of Saskatchewan, enacts as follows: *The Miscellaneous Vehicle and Driving Statutes (Cannabis Legislation) Amendment Act, 2017*.

I would now ask a member to move that we report Bill No. 112, *The Miscellaneous Vehicle and Driving Statutes (Cannabis Legislation) Amendment Act, 2017* without amendment. Mr. Bonk so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister, do you have any closing comments?

Hon. Mr. Hargrave: — I do. Thank you very much, Mr. Chair. Mr. Chair, I want to thank you and the Clerk, and I want to thank your committee and especially Ms. Beck, and Mr. Hindley for his fabulous radio voice that he uses to read off all those amendments. And again I want to apologize to Ms. Beck for my error in, in making sure that she didn't have those amendments. And I want to thank Hansard up there. Always does a fabulous job. And I thank you for your time.

The Chair: — Thank you, Minister. Ms. Beck, do you have any closing comments?

Ms. Beck: — Yes, thank you. Thank you to the Chair, committee members. To the Clerks, Hansard, and Minister, to you and to your officials. I know we are a little over the time that we had allocated for this evening. I tried to strike a balance between not keeping folks here too long and doing proper oversight to these bills. So I thank you for your answers, for your preparedness, and for your time here this evening.

The Chair: — Thank you, Ms. Beck. We'll take now . . . And thank you to the minister, and thank you to all of your officials for being here this evening. And thank Ms. Beck for her good work tonight. And we'll now take a very brief recess while we have Minister Eyre come in.

[The committee recessed for a period of time.]

The Chair: — The time is now 6:52 so we will resume committee. I just note that Nicole Rancourt is now substituting for Ms. Sproule.

Bill No. 82 — *The SaskEnergy Amendment Act, 2017*

Clause 1

The Chair: — So we will now be considering Bill No. 82, *The SaskEnergy Amendment Act, 2017*. We will begin our consideration of clause 1, short title. Minister Eyre, please introduce your officials, if you would please, and make your opening comments.

Hon. Ms. Eyre: — Thank you very much, Mr. Chair, members of the committee, for the opportunity to discuss, as mentioned, *The SaskEnergy Amendment Act, 2017* which has been referred to this committee for review. I'll deliver a few brief remarks and then would be pleased to answer questions on the bill.

Officials joining me, Mr. Chair, for this portion of the meeting

are Mr. Ken From, president and chief executive officer; Mr. Mark Guillet, vice-president, general counsel, and corporate secretary; and Mr. Terence Dahlem, senior legal counsel with SaskEnergy.

Mr. Chair, the amendments proposed in Bill 82 will update key sections of *The SaskEnergy Act* to better reflect changes in the marketplace and the design of customer operations. The overall purpose of the proposed amendments is to modernize *The SaskEnergy Act*. By balancing the corporation's requirements with the evolving needs of the customer, SaskEnergy can improve on its ability to accommodate private sector business opportunities while continuing to support growth and competitiveness in the province.

Specifically, proposed changes to the distribution and transportation franchises, sections 23 and 60, will update the Act by addressing present-day industry practices that were uncommon when the original legislation was established in 1992. These changes don't threaten SaskEnergy's core role of providing natural gas service to homes, businesses, and farm industry. In fact, these changes will make it easier and safer for SaskEnergy to work directly with new and expanding businesses which in turn create jobs and help grow our communities.

The amendments will allow SaskEnergy to provide efficiencies and enhanced safety for employees and customers by creating flexibility to determine the end point of the natural gas distribution system. In specific circumstances for safety and for practical reasons, this will allow SaskEnergy to place a customer's natural gas meter outside a customer's facility or even across the road. For example, SaskEnergy employees could access and maintain meters without being exposed to the hazards of some customer sites where hydrogen sulphide may be present, making the situation much safer for employees.

The amendment will also boost compressed natural gas and liquefied natural gas opportunities in the province by allowing for third party trucking by qualified companies. In some areas of the province, CNG [compressed natural gas] and LNG [liquefied natural gas] can be used as an alternate fuel source at temporary sites such as drilling rigs. This creates an opportunity for drilling companies to have better access to a more cost-efficient fuel source, but is not a business function SaskEnergy has available in its operations. This change also makes it possible for SaskEnergy to use LNG or CNG to provide temporary services to customers when needed during pipeline maintenance, construction, or repairs.

Bill 82 will also support the development of enhanced oil recovery and the province's natural gas market by giving operators the right to move high-pressure natural gas across land parcel boundaries within their own operations.

Finally, this bill will move the exclusive business rights definition from the Act into *The SaskEnergy Regulations*. This will allow SaskEnergy to make necessary updates in the future to accommodate changes in technology, industry, and marketplace conditions.

In all these examples, SaskEnergy is dealing with one individual industrial customer, whether a drilling rig, a potash

mine, or an enhanced oil recovery operation. With the changes, SaskEnergy will continue to be involved with the customers as the initial point of connection onto the natural gas system.

SaskEnergy is also proposing amendments to address what are considered housekeeping matters. Changes to sections 16, 34, 35, and 45 are meant to ensure the Act is current with recent case law and corporate policies, and a change to section 12 will prevent SaskEnergy's insurance premiums from rapidly increasing due to nuisance claims, making it consistent with the cities' and SaskPower's legislation. Amendments to sections 54 and 64 will enable the Lieutenant Governor in Council to make and enforce regulations respecting the exclusive business rights definitions to better enable SaskEnergy to make needed updates.

These amendments are intended to meet modern industry needs, align with Crown priorities, and continue to ensure that SaskEnergy's core operations — the distribution and transmission of natural gas to the people of Saskatchewan — remain firmly and securely in place. Thank you, Mr. Chair. My officials and I would now be happy to answer any questions you may have, or committee has, on Bill 82, *The SaskEnergy Amendment Act*.

The Chair: — Thank you, Minister Eyre. I would just ask officials to please state your name when you answer for the first time, if you would please. Are there any members who have questions? I recognize Ms. Rancourt.

Ms. Rancourt: — Thank you, Mr. Chair, and thanks again for the officials for coming out tonight. I know we had a little bit later of a start than we were planning to this evening, and we're missing the first game in the NHL [National Hockey League] finals. So I'll try to make this as brief so we can maybe catch the last part of the game, but we'll see.

So this is a really important Act and I've spent some time reviewing it, along with the regulations. And I was reviewing the minister's remarks when he presented the bill last year, and he indicated, "These updates will allow the corporation to better serve private sector business opportunities to support growth and competitiveness." Can you explain exactly what that means and what ways the changes in this bill will support growth and competitiveness?

Hon. Ms. Eyre: — Thank you, Mr. Chair. So to the member's question, the EOR, enhanced oil recovery amendments and the trucking amendments do in fact support growth in the case of EOR and competitiveness in the case of trucking.

[19:00]

Ms. Rancourt: — Before changes to this piece of legislation, you weren't able to have those agreements with those trucking companies?

Hon. Ms. Eyre: — Well thank you, Ms. Rancourt, Mr. Chair. So of course the situation as exists now and has existed to this point is that these exemptions have proceeded by OC [order in council] individually. Now and what this accomplishes in the bill and as delineated in the bill, it actually makes things more transparent because it's very, very clearly delineated what, you

know, qualifies under both the trucking and the EOR exemptions for who qualifies, what qualifies, what happens. And this is all laid out by, of course, SaskEnergy, which remains the ultimate arbiter in this. So it's an attempt to cut red tape but also to actually increase transparency and increase efficiency. And if officials have anything to add, they can.

Ms. Rancourt: — In regards of increasing transparency, how will the general public know if there are . . . if this is opened up to other trucking companies? Because prior, they could look up an order in council. But if that's going to no longer be the case, how will the general public be able to know this?

Hon. Ms. Eyre: — Well thank you for the question. I think I'll say by virtue of introduction on that point, of course this opens up a non-case-by-case OC process. So because it's these things are now transparently delineated in the Act for trucking and EOR, that provides access, open access in terms of who can qualify and under what circumstances, openly and generally speaking but again, as I previously mentioned, still delineated and arbitered by SaskEnergy.

I think, just as a general comment before we go further, I think it's important to remember that this does for high-pressure operations in the case of EOR, for example, what the former government did for low-pressure. And so again, as you'll know, and as the member will know, Mr. Chair, this has nothing to do with SaskEnergy's core operations, which are providing natural gas distribution and transmission services to customers. It maintains SaskEnergy, absolutely maintains its distribution franchise, period. That has not changed. And again, as mentioned, similar changes were made in 1996 and 2002 in terms of structural changes.

And so you know, these changes are about safety. As mentioned in my opening remarks, they're about moving the end point of the natural gas distribution system so SaskEnergy employees are better protected from exposure to potential hazards, for example. They're about reducing red tape, as mentioned, so allowing qualified customers to truck compressed natural gas and liquefied natural gas to be used as potentially an alternate fuel source at temporary sites such as oil drilling rigs as mentioned. And again, crucially, it allows for an enhanced oil recovery operator the right to move high pressure natural gas across land parcel boundaries within his or her own premises.

So those are the key things that this bill enables. And times have changed and there were similar changes that were necessary in, as I say, you know, under the previous government, most recently in 2006. And so again, happy to go through it in detail as required, but I think that's a general comment that's worthy of just remembering before we go into greater detail.

Ms. Rancourt: — So you indicated that there'll be specific requirements for trucking businesses to be able to apply to provide these services. Can you outline what those requirements will look like?

Hon. Ms. Eyre: — Okay, so they're right in the bill, subsection (9) from section 60, 10(1) to . . . is that . . . sorry, I'll just check the section. What section is that? Subsection (9). So:

TransGas' exclusive right to transport gas pursuant to subsection (2) does not apply to third party transportation of gas by a vehicle if:

- (a) the consumption purpose of the gas is:
 - (i) temporary and transient;
 - (ii) for an industrial or commercial purpose;
 - (iii) for a single party; and [again]
- (b) TransGas consents to the transportation.

So that would be what the bill outlines. In terms of trucking and current practices versus what is accomplished in this bill, again I would say technology has changed. New enhanced oil recovery processes require movement of gas over parcel boundaries and this is an oilfield exception.

So again, like section 23(6) of the distribution franchise, the transportation franchise requires the same exception. So we're in fact protecting the transportation franchise by making it clear that carrying transmission gas over parcel boundaries is not allowed unless you are an EOR operator. So that's very important to emphasize.

Ms. Rancourt: — So have any companies approached the government with regards to wanting to have services? Provide services?

Hon. Ms. Eyre: — So on the trucking side of things, of course they've been addressed by OC, and there have been a number of OCs that have gone forward. And so those would be for the trucking companies that have expressed interest in the trucking side.

In terms of the EOR, a number of companies are interested in this of course for normal reasons of business. It just makes common sense that they would be interested in this and the flexibility that it provides. And again I would just say, very similar to the former government and what it addressed in terms of business practices and efficiency, at that time, in that context, this would address, in this time and in this context, for the needs of modern business. Period.

Ms. Rancourt: — Will any changes within this legislation have an impact on public dividends?

Hon. Ms. Eyre: — No.

Ms. Rancourt: — And why was it decided to not have the complete definitions and parameters within the bill itself? In the previous bill it outlines the definitions, but within this bill it indicates "as defined in the regulations." Why was that decided?

Mr. Guillet: — Mark Guillet. What is being done is the actual definitions are going to be put into the regulations. The definitions can change over time. It's not changing the franchises for both the distribution and the transmission. Those grants of those franchises still remain within the legislation. They are in the Act, *The SaskEnergy Act*. What is being moved into the regulations is the definitions, as are commonly seen that

items that are defined can be put into the regulations, and that's what's being done in this situation here. And it's to be able to address changing needs of specificity for . . . whether it's a technology piece that need to be recognized and to have it into the regulations.

Ms. Rancourt: — So it's pretty hard to understand the full impact of a bill without having that important information of what the definitions are. So would you be able to go through . . . There's some terminology in section 23 and section 60. Could you tell me what those definitions will be in the regulations?

Mr. Guillet: — They are actually, if you look at the way the definitions are, there'll be some substitution of words; they'll be very similar to what is there. They are fairly lengthy definitions that are actually, as they are currently in the Act, they're being moved into the regulations. So what is being proposed is the intention, as the minister had indicated.

You know, I can give you one example is in dealing with deeming a delivery point in order to address the situation so that SaskEnergy employees do not have to enter into an H₂S site, a hydrogen sulphide site. Because technically under the legislation, as was indicated, that you cannot move gas across parcel boundaries, so a deemed delivery point is typically at the meter. So we would have to have a meter in a hydrogen sulphide site. Our employees are not equipped nor trained to deal with hydrogen sulphide because it's a rare situation that they would encounter that in their daily practices.

If we get into a situation where a producer, oil producer is requiring delivery service into their site, by having this change that's being done that we're proposing and having that definition of allowing a deemed definition for a deemed delivery point in the regulations, that would allow us to deliver the gas across the property and then be able to deem the delivery point to actually be into their site. And therefore there would be no franchise violation being done when we're the ones not wanting to enter into their site.

Ms. Rancourt: — Okay. That makes complete sense, and I could see why you would want to make sure of safety for employees. There are two new definitions though in subsection 60, or I mean two new terms that I don't see the definition because they're not in the original Act. So one is the enhanced oil recovery operation and the other one is exclusive right to transport. Could you tell me what the definition will be for those two terms?

Mr. Guillet: — Okay. Enhanced oil recovery, the intention is that it will be defined as meaning an operation that uses methods to extract a larger portion of the oil located in a reservoir than is possible through conventional or primary wells or water flood, through the use of thermal or other stimulation techniques including the introduction of gas.

The other one on dealing with the right to transport, that is currently already in our SaskEnergy Act, so it's being moved.

Ms. Rancourt: — Can you tell me where it is in the Act?

[19:15]

Mr. Guillet: — It is how, if you're dealing with under . . . if you look under the existing section 60, it's the header of sections of the whole part III of *The SaskEnergy Act*. Under transportation of gas, that is the actual heading called exclusive right to transport gas. And then it provides a number of definitions.

Ms. Rancourt: — So those will be the definitions that'll be in the regulations?

Mr. Guillet: — Yes.

Ms. Rancourt: — Sorry to kind of skip back, but when we were talking about providing more opportunities for companies to provide some temporary services and such, and I know there's already companies that are providing that, so will the rates be the same or will that be changed or will there be terms and conditions that'll be any different?

Hon. Ms. Eyre: — I'll answer that. The amendments have absolutely nothing to do with rates, nothing to do with the corporation turning a portion of its distribution franchise over to any private company. Some statements that the member has made in regard to this have an erroneous premise, because the member has asked previously, or has stated previously or suggested that there would be some impact on rates to the companies that would come forward. That's not correct.

Ms. Rancourt: — I don't know if you were talking about myself, but I don't believe I ever said anything like that. But I did . . .

Hon. Ms. Eyre: — I'll just add, those were made in response to exactly this bill by Ms. Rancourt.

Ms. Rancourt: — I said I would be asking if there'll be a change in rates. And I just asked that question.

Hon. Ms. Eyre: — Well I'll quote the member. The quote is, "So I guess some questions would be, what would be the rates to these companies that would come forward?" And the answer I have just made.

Ms. Rancourt: — So I guess I'll ask, how can it be guaranteed that any changes to this bill will not result in services that SaskEnergy or TransGas provides to be privatized?

Hon. Ms. Eyre: — Well I'll just say on that, that any suggestion about privatization, it's not the goal. It's not a consequence of these amendments in any way. This isn't allowing others to participate with SaskEnergy's transportation. The transportation franchise was never intended to include trucking of gas in the first place.

And so these amendments actually clarify that, and they allow all trucking companies the same opportunity to haul CNG and LNG, as the nine previous OC-approved trucking companies, without the need for a further OC. That is the only intention here. And so SaskEnergy is retaining its jurisdiction. It's clarifying its franchise. And, as indicated in the amendments, there is still a need for SaskEnergy's consent, SaskEnergy's involvement, as the distribution franchise kicks in once the gas is removed from the truck via pipe.

Ms. Rancourt: — So will there be any services that TransGas currently provides that will end up being privatized due to the changes to this legislation?

Hon. Ms. Eyre: — SaskEnergy is still absolutely in control of bringing that product to the potential private operators. There's no change in that setup or organization going forward.

Ms. Rancourt: — Why was the fiscal year changed?

Hon. Ms. Eyre: — We believe that was done a year or two years ago. That was simply a government change to make consistent all the fiscal years. That was the only reason for that.

Ms. Rancourt: — And there's updated legislation to reflect the closure of customer services to pedestrian traffic. When was customer services changed to restrict pedestrian traffic?

Hon. Ms. Eyre: — So the customer service offices were closed to the public over two years ago, and SaskEnergy customers now, most SaskEnergy customers pay their bills online or through their bank or by direct withdrawal from their account. So this amendment just clarifies that SaskEnergy's rates and schedules are still and will still be available for viewing by the public. That's required under the Act despite the office closures. This could be done either online or by SaskEnergy providing a hard copy of these materials upon request.

Ms. Rancourt: — And was this done gradually?

Mr. From: — Ken From, CEO of SaskEnergy. The question was about the closure of the pedestrian traffic to some of the area offices. In January of 2014 cashing was removed in all communities except for Regina and Saskatoon, and for those two centres the cashing function was ended in February of 2017.

Ms. Rancourt: — How many staff were impacted?

Mr. From: — Direct impacts on staff, if you mean they're not doing that function anymore, obviously that cashing functioning no longer exists. What we did with people is to deploy them into other areas of the corporation where they could act as a customer services rep, you know, answering questions about the bill or other items such as a line locate or a new service. So they were redeployed throughout the company to do various functions.

Ms. Rancourt: — So was there any positions that were terminated due to this?

Mr. From: — The actual positions that we do in cashing were no longer in existence, but people were not laid off.

Ms. Rancourt: — In what ways are customers currently receiving customer service?

Mr. From: — Customer service, people continue to receive paper bills. We are trying to get more and more customers onto what we call paperless or e-billing, something electronic. I think all organizations are trying to move away from the old method of printing paper, stuffing envelopes, and having postage. That just isn't efficient for any business, whether they're a utility or a

bank or a retailer.

Other ways of doing the customer service . . . For myself I get the e-bill; I have the pre-authorized payments. We have payment plans for those that wish to budget their bills over a constant amount for the year, to smooth out the larger consumption in winter with the reduced consumption in the summertime. We're looking to do a variety of things with customers to make it easier for them to transact, and I think in this world there's new technologies that we can use that just make everyone's life easier to transact and close off the billing and the payments in a much more orderly fashion.

Ms. Rancourt: — That process may work for many, but for many it doesn't, and it provides a barrier if they don't have access to Internet or telephone. And I know in the Prince Albert area there was . . . Well I know SaskPower was taking some of that customer service base from SaskEnergy when it was closed there, and potentially SaskTel as well. So they could go into another Crown corporation or they could go into their bank. There's a lot of seniors or people who don't have the ability or the access to the services that you were talking about. So what would be in place now so that people could walk in someplace and get services?

Mr. From: — Well just the ones that you mentioned. SaskTel, in any centre they're at, a customer can come in and pay their SaskEnergy bill. SaskPower I believe has a cashiering office in Prince Albert, so they can do it that way. I believe most banks, you can go in there and pay your utility bills. And you can use mail. You can mail in a cheque.

Ms. Rancourt: — And if we're talking not only with regards to payments but actual customer service — so you're having an issue with your meter — what avenues do they have to talk directly to a SaskEnergy employee?

Mr. From: — Sure. For that the best thing to do is to phone the office and set up an appointment like you would with any other business, to talk about the issue that you may have.

Ms. Rancourt: — So amendments within this legislation makes the failure to comply with regulations an offence, allowing for better enforcement of the regulations. Had that been an issue prior? Why was that decided to be something to be put within here?

Mr. Guillet: — It has not been a significant issue. There has been some situations where we've had people who have neglected and directly ignored too, and hit our pipelines, and have been repeat offenders. So it's a public safety issue and it's an additional deterrent to be having people who are perennial or on repeated offences on creating a hazardous situation for the general public.

So it was viewed with some of the changes that we did on setting out some of the setbacks and requirements and obligations in the regulations, that this was the piece that needed to come into the Act when we were going to make an amendment, to make it very, very clear that there are also potential offences that can be determined and have some penalty for it.

Ms. Rancourt: — And changes to allow the corporation the right to enter the premises and lands where there are pipelines but gas service is not active, I believe that was something that was added recently because of a court decision. Can you give me a little bit more background of that?

Mr. Guillet: — Yes, that's correct. This is a situation that was a recent court decision that came through. It was in a criminal case that SaskEnergy wasn't a party or directly involved in it, but it had been . . . A court judge had made some comment in the case that because our legislation made reference that it's going onto a customer's premises, that if that person who is receiving service is no longer viewed as a customer, if they've been disconnected . . . And therefore based upon that decision, that court decision which you were referencing, that is the situation where we needed to make sure that we still have the ability to go and access our facilities that are located on a customer or former customer's premises. And it's a safety-related issue that we still need to be able to access to go in to deal with those facilities.

So you're correct that this is due to a recent court decision that came through in a matter that we weren't directly involved in. And that's why the legislative proposal is coming forward in this bill to make that correction, that we still have access.

Ms. Rancourt: — And I believe there used to be, and maybe there currently still is, some rules or regulations of once a customer service is terminated, there is a time period after that termination that the corporation would go in and remove their belongings, like the meter or whatever was part of their belongings, off that premises. Is that still, like is there a time frame that you would take your equipment off a piece of land that was vacant, or is it indefinite?

Mr. Guillet: — Those will be determined on a case-by-case basis, whether or not . . . Is this an abandonment of a situation? That's when we probably would have removed. Otherwise, if it's just a change in tenancy, we don't remove our facilities. If it's going to be a disconnect, then we would, you know, you would padlock the system so that it's not tampered with. So removal of facilities would be one of the last steps that would be done. There's no time frame. It's on each individual case-by-case basis. You don't want to duplicate by removing and then a few months later have to go back and put in new systems. That's not efficient to do it that way.

Ms. Rancourt: — I think that's why there was a certain time frame that was put forward. I know previously when I was a meter reader, there would be places where it would just look like there was a meter there, but no longer has, because the home was vacant. And I thought it was a year, was the kind of the timeline, but again like it would be based on the individual determination of how long that service was going to be disconnected.

[19:30]

That's all the questions I have this evening with regards to this bill. So I want to thank all the officials that were here this evening to answer some of these questions, and thank the committee members for listening attentively, and the staff that are here as well. So thank you, and have a good evening.

The Chair: — Thank you, Ms. Rancourt. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 12 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows: *The SaskEnergy Amendment Act, 2017*.

I would ask a member to move that we report Bill No. 82, *The SaskEnergy Amendment Act, 2017* without amendment. Ms. Lambert moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister, do you have any closing comments that you would like to make at this time?

Hon. Ms. Eyre: — Well thank you, Mr. Chair. I will just say I think it's important just to remember that transmission and distribution in this case, as exclusive rights and core responsibilities of SaskEnergy, remain firmly in the Act, and that hasn't changed. And the primary intention is here to deal with the transportation franchise just in response to changes to the industry.

Obviously a lot has changed since the Act came into effect in 1992. It used to be that high-pressure gas was brought to refineries by pipeline and delivered from there, and that was pretty much the end of it. But nowadays of course gas has to be brought to oil fields and not just to one site but from one site or parcel to another. And so when it comes to enhanced oil recovery, for example, companies don't want to sit around and wait for a TransGas line to be built. They need flexibility. And they're still subject to gas inspections through Energy and Resources, provincial gas inspections, and in fact they have access to many of the same sophisticated engineers that SaskEnergy does.

So again this was simply about creating an exception much as the former government did as mentioned in the '90s and early 2000s on the distribution side. And back when this Act was brought into being, transportation of LNG and compressed gas simply wasn't envisaged, certainly not by truck, and all gas was transported by a pipeline. So as I've said, SaskEnergy isn't in the trucking business. It never has been. And so when the gas comes out of a company truck, it still has to go back into the SaskEnergy system and that's where it will remain, and that hasn't changed.

So on that note, Mr. Chair, thank you to committee members and to Ms. Rancourt for her questions. I certainly want to thank officials for all the work they have done on this. It's been a bit of long process, as I understand it, for a number of years. And so here we are, and I thank them very much for all their work.

The Chair: — Thank you, Minister, and I also thank your

officials. And that would conclude our business on this bill. We'll take about a one-minute recess and we'll get to the fun part.

[The committee recessed for a period of time.]

The Chair: — Okay. I'll call the committee back to order and we'll do committee resolutions.

General Revenue Fund Central Services Vote 13

The Chair: — We'll start with vote 13, Central Services, central management and services, subvote (CS01) in the amount of \$49,000. There is no vote as this is statutory. Property management, subvote (CS02) in the amount of \$3,992,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Transportation and other services, subvote (CS05) in the amount of \$3,657,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Project management, subvote (CS03) in the amount of zero dollars. This is for informational purposes only. There is no vote needed.

Information technology, subvote (CS11) in the amount of \$13,324,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Major capital asset acquisitions, subvote (CS07) in the amount of \$51,167,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Provincial capital commission, subvote (CS13) in the amount of \$10,199,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of \$790,000. Non-appropriated expense adjustments are a non-cash adjustment presented for informational purposes only. No amount is to be voted.

Central Services, vote 13, \$82,339,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019 the following sums for Central Services in the amount of \$82,339,000.

Mr. Bonk. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Finance
Vote 18**

The Chair: — Okay, Finance. Okay, central management and services, subvote (FI01) in the amount of \$7,091,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Treasury management, subvote (FI04) in the amount of \$1,565,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Provincial comptroller, subvote (FI03) in the amount of \$10,704,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Budget analysis, subvote (FI06) in the amount of \$6,171,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Revenue, subvote (FI05) in the amount of \$27,917,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Personnel policy secretariat, subvote (FI10) in the amount of \$498,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Research and development tax credit, subvote (FI12) in the amount of \$5,000,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Miscellaneous payments, subvote (FI08) in the amount of \$22,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Pension and benefits, subvote (FI09) in the amount of \$159,470,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of \$2,126,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Finance, vote 18, \$218,438,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for Finance in the amount of \$218,438,000.

Ms. Lambert. Thank you. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Finance — Debt Servicing
Vote 12**

The Chair: — Vote 12, Finance, debt servicing statutory. Debt servicing, subvote (FD01) in the amount of \$406,450,000. There is no vote required as this is statutory.

Crown corporation debt servicing, subvote (FD02) in the amount of \$19,150,000. There is no vote as this is statutory.

Finance, debt servicing, vote 12, \$425,600,000. There is no vote as this is statutory.

**General Revenue Fund
Public Service Commission
Vote 33**

The Chair: — Vote 33, Public Service Commission, central management and services, subvote (PS01) in the amount of \$5,028,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Human resource service centre, subvote (PS06) in the amount of \$10,409,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Employee relations and strategic human resource services, subvote (PS04) in the amount of \$9,418,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Human resource consulting services, (PS03) in the amount of \$8,164,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of \$305,000. Non-appropriated expense adjustments are non-cash adjustments presented for information purposes only. No amount is to be voted.

Public Service Commission, vote 33, for \$33,019,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for the Public Service Commission in the amount of \$33,019,000.

Mr. Hindley so moves. Agreed?

[19:45]

Some Hon. Members: — Agreed.

The Chair: — Carried. We're nearly done.

**General Revenue Fund
Lending and Investing Activities
Municipal Financing Corporation of Saskatchewan
Vote 151**

The Chair: — Vote 151, Municipal Financing Corporation of Saskatchewan, statutory. Loans, subvote (MF01) in the amount of \$18,000,000. There's no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Power Corporation
Vote 152**

The Chair: — Vote 152, Saskatchewan Power Corporation, statutory. Loans, subvote (PW01) in the amount of \$369,900,000. There is no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Telecommunications Holding Corporation
Vote 153**

The Chair: — Vote 153, Saskatchewan Telecommunications Holding Corporation, statutory, loans, subvote (ST01) in the amount of \$117,500,000. There is no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Water Corporation
Vote 140**

The Chair: — Vote 140, Saskatchewan Water Corporation, statutory, loans, subvote (SW01) in the amount of \$25,700,000. There is no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
SaskEnergy Incorporated
Vote 150**

The Chair: — Vote 150, SaskEnergy Incorporated, statutory, loans, subvote (SE01) in the amount of \$200,000,000. There is no vote in this as this is statutory.

**General Revenue Fund
Advances to Revolving Funds
Vote 195**

The Chair: — Vote 195, advances to revolving fund, statutory. Advances to revolving funds, vote 195 in the amount of \$274,000. There is no vote as this is statutory.

**General Revenue Fund
Debt Redemption, Sinking Fund and Interest Payments
Debt Redemption
Vote 175**

The Chair: — Vote 175, debt redemption, statutory. Debt redemption, vote 175 in the amount of 586,031,000. There is no vote as this is statutory.

**General Revenue Fund
Debt Redemption, Sinking Fund and Interest Payments
Sinking Fund Payments — Government Share
Vote 176**

The Chair: — Vote 176, sinking fund payments — government share, statutory. Sinking fund payments — government share, vote 176 in the amount of \$107,192,000. There is no vote as this is statutory.

**General Revenue Fund
Debt Redemption, Sinking Fund and Interest Payments
Interest on Gross Debt — Crown Enterprise Share
Vote 177**

The Chair: — Vote 177, interest on gross debt — Crown enterprise share, statutory. Interest on gross debt — Crown enterprise share, vote 177 in the amount of zero dollars. This is for informational purposes. There is no vote as this is statutory.

We'd also like to advise the committee that we consider the General Revenue Fund non-budgetary appropriation for Saskatchewan Liquor and Gaming Authority. At this time, we will conclude our consideration of the General Revenue Fund non-budgetary appropriation for Saskatchewan Liquor and Gaming Authority.

Committee members, you have before you a draft of the fifth report of the Standing Committee on Crown and Central Agencies. We require a member to move the following motion:

That the fifth report of the Standing Committee on Crown and Central Agencies be adopted and presented to the Assembly.

Mr. Bonk. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. That concludes our business this evening. I will ask a member to move a motion of adjournment. Mr. Hart has moved a motion to adjourn. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned until Wednesday, June 20th, 2018 at 8:30 a.m.

[The committee adjourned at 19:49.]