

The Sensor: Legal Insights into Autonomous Vehicles

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Québec moves forward with regulation of autonomous vehicles

Since the release of the Report of the Standing Senate Committee on Transport and Communications¹ on Smart Vehicles (hereinafter the "**Report**") last January (which included sixteen (16) recommendations to the federal government), two fatal accidents involving autonomous vehicles occurred in the U.S.

On March 27, 2018, we [issued a special bulletin](#) dealing with the "Tempe Incident" providing insights into the regulatory environment across Canada and the need for a change. Building on that publication, this month's article delves specifically into the Québec regulatory framework and the question of whether these accidents will have an impact on the new legislation intended to facilitate the use of autonomous vehicles on public roads in Québec.

Québec, having recently adopted the *Act to amend the Highway Safety Code and other provisions*² (hereinafter the "**Act to amend the HSC**" or the "**Act**"), has moved forward with the regulation of autonomous vehicles on its roads with the adoption of Bill n° 165, which received Royal Assent on April 18, 2018.

As part of these recent changes, Québec is now in a position to authorize pilot projects for testing autonomous vehicles on Québec roads. As well, as of May 18, 2018, level 3 autonomous vehicles will be excluded from the statutory prohibition of driving autonomous vehicles on Quebec roads.

The Highway Safety Code

The Québec Highway Safety Code (hereinafter "**HSC**")³ governs the use of vehicles, pedestrian traffic, and road safety.

In December 2017, a long-awaited bill to amend the HSC and other provisions was presented to the Québec National Assembly⁴. Having been the object of special consultations and public hearings during the last few months, it was adopted by the Québec National Assembly on April 17, 2018, with some provisions coming into force on April 18, whereas others will come into force on May 18, 2018.

First, the Act provides for the definition of "autonomous vehicle" that reads as follows:

"Autonomous vehicle": means a road vehicle equipped with an automated driving system that can operate a vehicle at driving automation level 3, 4 or 5 of the SAE International's Standard J3016."⁵

¹ Standing Senate Committee on Transport and Communications, "Driving Change: Technology and the Future of the Automated Vehicle", Ottawa, (29 January 2018) [**Report**], online: <https://sencanada.ca/content/sen/committee/421/TRCM/Reports/COM_RPT_TRCM_AutomatedVehicles_e.pdf>.

² LQ 2018, c 7

³ CQLR, c C-24.2.

⁴ Bill 165, *An Act to amend the Highway Safety Code and other provisions*, 1st Sess, 41st Leg, 2017 [**Bill**].

⁵ LQ 2018, c 7, s. 4

This definition refers to the most commonly used standard SAE J3016. This standard establishes the degree of automation of autonomous vehicles on a scale of 0 to 5. Level 5 corresponds to the highest degree of automation requiring no human intervention⁶.

The Act also includes the new section 492.8, which codifies the prohibition of driving autonomous vehicles on the Québec highway system with the exception of autonomous vehicles at driving automation level 3 of the SAE International's Standard J3016 eligible for sale in Canada⁷.

Finally, the Act introduces section 633.1, which regulates and authorizes the implementation of pilot projects for autonomous vehicles:

"Section 633.1 of the Code is amended

(1) by replacing the second paragraph by the following paragraphs:

After consultation with the Société, the Minister may, by order, authorize the implementation of pilot projects to study, test or innovate in respect of any matter relevant to this Code. For the purposes of road safety, the Minister may in particular develop new rules on traffic or vehicle use. The Minister shall set the rules and conditions for the implementation of a pilot project. The Minister may also, as part of a pilot project, authorize any person or body to use a vehicle in compliance with the standards and rules prescribed by the Minister. The provisions of a pilot project prevail over any inconsistent provision of this Code and its regulations.

As regards pilot projects relating to autonomous vehicles, the Minister may also provide for an exemption from the insurance contribution associated with the authorization to operate a vehicle and set the minimum required amount of liability insurance guaranteeing compensation for property damage caused by an automobile. The Minister may also require the manufacturer or distributor to reimburse the Société for compensation that it will be required to pay in the event of an automobile accident. Those special rules prevail over the rules prescribed by the Automobile Insurance Act (chapter A-25) and its regulations."⁸

Allowing the testing of autonomous vehicles on Québec roads is certainly a step in the right direction. However, given the speed at which new technologies are advancing in this area and following the Report, which contains several recommendations, a legal vacuum remains around several important issues, including security, insurance and liability.

Automobile Insurance Act

Although the Act also includes certain amendments to the Québec *Automobile Insurance Act* ("**QAIA**")⁹, none of them concern autonomous vehicles. This may well be something that the Government of Québec may have to consider in terms of future amendments to the QAIA to clarify the legal responsibility of drivers and manufacturers when it comes to autonomous driving.

Indeed, as stipulated in the recently introduced section 633.1 of the HSC¹⁰, the Minister may require the manufacturer or distributor to reimburse the "Société" for damages in the event of an automobile accident in the context of the pilot project. That said, it is not clear what enforcement power the Minister has in enforcing this provision.

In Québec, one of the foundations of the Automobile Insurance Plan is the no-fault compensation system that applies to any bodily injury sustained in an accident involving a motor vehicle¹¹. This regime does not take into account the responsibility of the driver involved in such an accident and that is why it is not possible for the victim to

⁶ The Society of Automotive Engineers (SAE) defined in 2014 a common language and a standard (J3016) for classifying autonomous vehicles. Level 0 refers to 100% driver-controlled driving while Level 5 is the highest degree of automation that requires no human intervention. See an article by Kevin LaRoche and Robert Love from BLG, *Autonomous Vehicles*, 2016, online: <<http://blg.com/en/News-And-Publications/Documents/Autonomous-Vehicles2016.pdf>>.

⁷ LQ 2018, c 7, s. 492.8.

⁸ LQ 2018, c 7, s. 633.1

⁹ CQLR c A-25 [QAIA].

¹⁰ LQ 2018, c 7, s. 633.1

¹¹ QAIA, *supra* note 9, s 5.

institute proceedings against the person responsible for such a road accident. The government is solely responsible for compensating such a victim.

However, in the event of property damage, the at-fault driver remains liable for the damage he or she causes, subject to the exceptions provided for in paragraph 108 of the QAIA. This is the reason why the QAIA requires all vehicle owners to subscribe to a liability insurance policy¹².

What must be remembered in light of the new section 633.1 of the HSC, which takes precedence over the QAIA, is that in the event of an accident caused by an autonomous vehicle as part of a pilot project, the Government of Québec has decided to give the Minister the option of holding the manufacturer of the vehicle liable for any resulting damage. However, we believe that the guidelines surrounding this section will have to be defined and that while this new provision opens the door to hold manufacturers liable, proof of their liability will have to be made in court.

Conclusion

While the recent legislative changes are a step in the right direction, there are still many aspects such as security, cyber security, privacy, infrastructure, insurance and liability that are not governed by the current Québec legislative framework. We hope that the recent release of the Report will encourage the Québec government to review its legislation and to make other changes to the HSC and the QAIA with respect to autonomous driving on a proactive basis. It remains to be seen what impact these changes will have on safety, insurance and liability.

Authored by:

[Josiane Brault](#)

[Julie C. Fortier](#)

Canadian Development of Autonomous Aerial Systems Receives \$49.5 Million Boost

Autonomous aerial taxis operating without assistance from a human operator may be the next innovation phenomenon, and Canada is poised to be at the forefront in advancing autonomous engineering and manufacturing for vertical flight.

On April 16, 2018 the Minister of Innovation, Science and Economic Development Canada announced that the Federal Government would be investing \$49.5 million in an aerospace consortium for autonomous aerial systems development. This consortium, led by Bell Helicopter Textron Canada Ltd., involves an additional 18 industry and academic partners who will be developing technologies for helicopter and UAV operations both with, and without, crewmembers. In addition to the Government's investment, the Consortium will also be investing \$125 million into the project.

The Federal Government's announcement was made during this year's Aéro-Montréal's Aerospace Innovation Forum, and the announcement lends itself to the projection that the aerospace consortium will create or maintain more than 300 jobs in Canada and contribute to almost \$178 million to Canada's DGP over the next five years.

Authored by:

[Kate Ayre](#)

Your feedback is appreciated. Please email us at AVs@blg.com with suggestions or comments.

¹² *Ibid*, s 84.

BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T +1.403.232.9500
F +1.403.266.1395

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T +1.514.954.2555
F +1.514.879.9015

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T +1.613.237.5160
F +1.613.230.8842

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

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