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Chair: Peter Schiefke



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• (0825)

[English]

The Chair (Peter Schiefke (Vaudreuil, Lib.)): I call this meeting to order.

Welcome to meeting number 10 of the Standing Committee on Transport, Infrastructure and Communities. Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, September 18, 2025, the committee is resuming its study on the changing landscape of truck drivers in Canada.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. I'd like to take a few minutes to comment for the benefit of our witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking. For those on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

This is a reminder that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function if you wish to get the attention of the clerk or the chair. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

Before I welcome our witnesses, I want to share an important piece of information. I have two lovely placards that my son made for me. This one is the yellow placard. When you have 15 seconds left in your time, I will raise it. If I raise the red one, it means that you are out of time and that I will have the unfortunate job of cutting you off. I do not like to do it, but I do it for the benefit of our members, who all have a fixed amount of question time.

With that, colleagues, I'd like to welcome our witnesses for today.

From the Atlantic Provinces Trucking Association, we have Chris McKee, executive director. Welcome to you, sir.

From Spring Creek Carriers Inc., we have the president, Mark Bylsma, who is chair of the Ontario Trucking Association.

[Translation]

Finally, we welcome the vice president of Transport St-Pamphile Inc., Véronique Gagnon.

[English]

We'll start with our opening remarks.

For that, I'll turn the floor over to you, Mr. McKee. You have five minutes, sir.

Chris McKee (Executive Director, Atlantic Provinces Trucking Association): Mr. Chair and members of the committee, good morning. Thank you for allowing me to appear before you today.

My name is Chris McKee, and I am here on behalf of the members of the Atlantic Provinces Trucking Association. We are a privately funded non-profit group representing about 340 member companies that employ tens of thousands of Canadians across the Atlantic provinces. We are proud to be one of seven provincial associations that make up the Canadian Trucking Alliance.

I appear before you this morning because our members are suffering under the truck driver misclassification scheme that's proliferating in our industry, known as "Driver Inc." Many of these members are generational family businesses, both large and small, that are now facing an existential crisis. Our members are being punished for doing things the right way, for being good corporate citizens.

Driver Inc. has weakened our industry from a safety, labour and competitive standpoint. This is a crisis of fairness, safety and the rule of law: If you follow the law, you lose; if you cheat, you win. Right now in Canada's trucking industry, the cheaters are winning.

In Atlantic Canada, we are witnessing carriers downsizing fleets and reducing truck counts. We are seeing them pause or scale back employee benefits, such as health and dental benefits and RRSP contributions. In worst-case scenarios, they are laying off staff just to stay afloat and to compete against the bad actors that are flooding our marketplace.

As you've heard from witnesses who appeared before this committee earlier in the week, in the simplest terms, Driver Inc. is an illegal model whereby companies misclassify drivers as independent contractors instead of as employees. Drivers are often coerced into incorporating themselves, even though they drive company trucks and the company pays for their fuel, insurance and maintenance. Under the Canada Labour Code, those individuals are clearly defined as employees, not contractors.

Let's call it what it is: Driver Inc. is payroll fraud, tax fraud and labour fraud. This scheme allows companies to avoid paying payroll taxes like CPP and EI, costing Ottawa billions of dollars a year. They avoid labour obligations, such as overtime, holidays and paid leave. They avoid workers' compensation premiums, leaving drivers unprotected in the event of injury.

We estimate that these firms can undercut legitimate carriers by 25% to 30% per driver and avoid a payroll burden. This translates to between \$20,000 and \$30,000 per year per driver.

The perceived benefit to drivers is also deeply concerning. The continued moratorium on T4As removes accountability and has enabled a widespread underground economy to thrive in our sector.

Our members are not afraid of healthy competition. They are not losing because they're inefficient. They're losing because they follow the law. Rates are being driven to unsustainable levels, eroding profitability for compliant carriers.

In fact, one carrier I recently spoke with a few days ago just lost a major contract. The competing carrier that took the contract was quoting rates that have not been seen since the 1990s. This is how cheap these guys are, coming in and taking business from compliant companies.

As you also heard this week, training and safety standards are collapsing. As these operators cut corners on wages, they also cut corners on maintenance and compliance, and it is making our highways less safe.

Governments are losing millions annually and employment standards are eroding. Wages collapse and the driver shortage worsens because good people don't want to join an industry in which the rule-breakers are calling the shots. Every time a Driver Inc. company wins a contract, a legitimate Canadian business loses, and so do their workers, our communities and our tax base.

This committee does not need to invent new tools. They already exist. The government just needs to use them.

Our recommendations are aligned with those of our colleagues at the Canadian Trucking Alliance. We ask that you lift the T4A moratorium immediately, provide further resources to the CRA and ESDC to hire auditors, and continue to encourage information sharing among federal departments. We ask that you eliminate Drive Inc. fleets from government and Crown contracts, bar non-compliant carriers from immigration and training programs through the use of preferred and trusted employer models, and accelerate the work that Transport Canada is doing on a national carrier database for full transparency.

The bad actors are thriving, and they're expanding into Atlantic Canada. They're threatening the survival of compliant fleets, hollowing out our tax base and putting our public safety at risk.

Trucking is vital to our regional economy. We already face higher costs than many of our peers, longer empty miles and higher fuel prices. This is just another part of a perfect storm that is impacting our fleets.

• (0830)

It's time for Canada to take the same elbows-up approach on this issue that we've taken in trade and competitiveness: defending those who play by the rules, standing up for fairness and refusing to let the lawbreakers elbow their way to the front of the line.

Thank you very much for your time.

The Chair: Thank you very much, Mr. McKee.

Next we'll go to Mr. Bylsma.

Mr. Bylsma, the floor is yours for five minutes, sir.

Mark Bylsma (President, Spring Creek Carriers Inc.): Thank you, Mr. Chair.

Good morning. I'd like to thank the committee for giving the crisis of Driver Inc. the time it deserves today.

My name is Mark Bylsma. I am the president of Spring Creek Carriers and the current chair of the Ontario Trucking Association.

Spring Creek is located in Beamsville, Ontario, in the riding of Niagara West. We operate approximately 40 trucks, primarily hauling less than truckload freight between the U.S. and Canada.

We're a first-generation family business and we're celebrating 30 years of business this year. It is sad to say that we will not be a second-generation family business. Like many of our colleagues and many other family trucking companies, we've told our kids to find a career in a different industry, because unlike 30 years ago, there's no future for trucking in Canada.

The sole reason for this last statement is summarized by these two words: Driver Inc. In my remarks, I'm going to assume that you have read the CTA report and costing appendix, as it explains this crisis very well, along with our recommendations.

As an owner, I've done the math. As a relatively small carrier, if I utilize the illegal Driver Inc. model just for tax purposes, not including the additional shortcuts and scams the CTA has summarized in their report, we would save, conservatively, \$1.5 million per year in payroll taxes and employee benefits like vacations, overtime and sick days. When you compare that to my revenue of under \$15 million, you can see that this is more than 10%. Most people in our industry don't make 10% in a good year.

I'm going to get a little granular in some numbers. My average revenue per shipment last year was \$650. The Driver Inc. crowd can do that for \$585, and in today's economic climate I'll lose an order over \$10. Imagine if my customers could save \$65. They wouldn't even call me again.

This isn't about the Driver Inc. crowd being smarter and more efficient. It's about stealing \$65 on every order. It's about stealing \$1.5 million from the Canadian people and from our government every year. Those numbers are small in comparison to the overall problem, because Spring Creek is small in comparison to the overall industry. The billions of dollars outlined in the CTA package are not made up. They're not fabricated.

I am and will forever be a capitalist. Only the strong survive. "Laissez-faire" is what I've always said. What does laissez-faire mean? It's defined as a hands-off approach in economics and leadership that advocates for minimal government intervention or supervision to allow individuals and markets to operate freely, but our government has gone too far. They are allowing individuals and markets to break every conceivable law to line their own pockets: tax evasion, labour and immigration abuse, crime, corruption, and the list goes on.

As a member company of the CTA and the OTA, Spring Creek believes in employee rights and employee standards, and we believe in an environment of fair competition where everyone plays by the same rules. I want to stress that these are not rules that our associations or I have made up. These are rules set out by our government. This committee needs to recommend ways to stop those who don't believe in these things and to restore law and order to our industry.

This is the tip of the iceberg. We are in crisis, and if nothing is done today, this lawlessness will decimate our industry and this contagious disease will spread out of control throughout all sectors. Our government, I would say, is complicit in this. By not doing anything, by not enforcing your own legislation, you've been saying and are continuing to say that Driver Inc. is okay and that it's acceptable to break the laws of our land.

If the government doesn't do anything, my company will fail. If we fail, it's not because we weren't efficient. It's not because we were lazy or didn't work hard. On the contrary, we have been forced to be extremely efficient just to survive to see today. Our business was built on abiding by the laws of the land, with honesty and accountability. This is what our nation was built on, but this new culture of corruption being allowed to proliferate within our industry is what my business and this country will die from.

We need the federal government to get in the game; protect employee rights; help the provinces—and the federal government, for

that matter—collect their fair share of income tax, employee health tax, payroll taxes, etc.; follow the recommendations by the CTA report; and rid our industry of the lawlessness that has taken it over.

Thank you very much.

● (0835)

The Chair: Thank you, Mr. Bylsma.

[*Translation*]

Ms. Gagnon, you have the floor for five minutes.

Véronique Gagnon (Vice-President, Transport St-Pamphile Inc.): Thank you and hello, Mr. Chair.

Let me introduce myself. My name is Véronique Gagnon. I am co-owner of Transport St-Pamphile, a company that has been operating trucks with flatbed trailers since 1948. I am the third generation at Transport St-Pamphile.

Being a truck driver is not just a career choice. It's a vocation. It's a way of life. For some time now, illegal drivers have been appearing on our roads, creating chaos both in terms of road safety and in our industry, trucking.

While the prices of trucks and trailers are skyrocketing, and insurance, parts, tires and labour have all increased, we are being overtaken by these individuals who are pulling the rug out from under us.

Ridiculous rates show their lack of understanding of operating costs in the transportation industry. Their actions bring shame to our profession, which should be carried out with the utmost professionalism and a strong sense of belonging.

A professional driver anticipates and predicts what is coming. Their skills enable them to avoid the worst every day. These people have neither knowledge nor respect for those with whom they share the road.

Our vehicles get hit in truck stops, but we are never compensated for the damage caused. When they can, they take advantage of our stops at pumps to steal fuel from us. They don't know how their trucks work. Let me give you an example. One of my drivers had to open the hood of one of their trucks at customs because the customs officer asked him to open the hood. The driver didn't know how to open the hood of his truck. My driver had to help him so that he could then go through customs himself. Mr. Chair, opening the hood is a mandatory step every morning during the pre-trip inspection.

We have also seen people pour windshield washer fluid on the ground to try to get traction on icy roads. That's not how the profession works. These people lack knowledge. They are dangerous, they don't respect driving hours, they don't pay their fees, they don't maintain their equipment, they aren't insured and they're all underpaid. All of these factors allow them to reduce their rates, which leads us, the proud carriers who respect the law and other road users, straight into a wall.

We, the carriers who pay our taxes, have a strong sense of belonging and still believe in the internal solidarity of the profession. By tolerating these actions, you are discouraging those who are passionate about transportation. We are losing more and more good drivers who don't want to share the road with these people. This must stop today, Mr. Chair.

You need to visit the companies to ensure that these people have the necessary skills to be truck drivers. When renewing licence plates, why not require proof of adequate insurance? These people are not insured on the road.

We, who have been working in transportation for decades, need your financial support, for one thing, because we didn't bring this situation upon ourselves, and it's putting our businesses under. Rather, you imposed it on us.

Mr. Chair, what will become of us? Is there any way out of this nightmare?

The Chair: Thank you, Ms. Gagnon.

[English]

We'll begin today's line of questioning with Mr. Albas.

Mr. Albas, the floor is yours. You have six minutes, sir.

Dan Albas (Okanagan Lake West—South Kelowna, CPC): Thank you, Mr. Chair.

Thank you to all of our witnesses for coming.

To be brutally honest with you, I have to say that, after 10 years of successive Liberal failures on this file, Canadian lives and livelihoods are at risk. I think you've painted that picture. Conservatives want to restore your industry, restore safety to our streets and crack down on these bad actors, including the people who are allowing this to happen.

I'm going to start my questions with Mr. McKee, who is here on behalf of the Atlantic Provinces Trucking Association.

In our last committee meeting, we heard that the Liberal government's policies, like those on immigration, were fuelling Driver Inc. Is that happening in your experience?

Second, you mentioned Crown corporations and government contracting with Driver Inc. Is that the provincial government? Is that the federal government? Please give us some concrete examples.

• (0840)

Chris McKee: In terms of labour fraud in the Atlantic provinces, the preliminary data we are looking at shows that it's not as prevalent in the Atlantic provinces as it is in other provinces in this coun-

try. We have preferred-employer programs at the provincial level in the Atlantic provinces, which means that after employers go through a robust screening process, they are put to the front of the line for provincial nominee programs, for the Atlantic immigration program and for the temporary foreign worker program.

While there is evidence of immigration fraud and indentured servitude in this industry—I'm not disputing that—we feel that in the Atlantic provinces it's not as prevalent. Where we're really seeing the issue is with the guys and fleets coming in from other jurisdictions to basically poach, to be blunt, lanes from our compliant carriers.

Dan Albas: You said that Crown corporations and governments are utilizing Driver Inc. and fuelling it. Can you give me a concrete example, please?

Chris McKee: I wouldn't say I have a concrete example. It's anecdotal at this point, but we really feel there's no screening process with the federal government or provincial governments to ensure that Crown corporations are not utilizing this model. We do know, from many of our members, that Canada Post is one organization that seems to be utilizing Driver Inc. companies when possible in order to save money. We all know Canada Post is under financial pressure.

Dan Albas: We'll need to talk about that more, but I have limited time.

Wayne Long is the secretary of state responsible for the CRA. He says he understands business. He is from Atlantic Canada, from New Brunswick. Have you met with him about your concerns? Has he expressed any concern for your industry?

Chris McKee: We have not. We've met with several MPs from both sides of the floor on this issue, but we have not met with Mr. Long.

Dan Albas: What would you tell Mr. Long right now when it comes to the CRA? What does he need to do today?

Chris McKee: We need to immediately lift the moratorium on T4As. We need to start creating a paper trail so that we can begin to track these guys—the companies and the drivers—who may be shirking their tax obligations.

Dan Albas: Thank you.

The Chair: Thank you very much, Mr. Albas.

I'll now turn the floor over to Mr. Muys.

Mr. Muys, the floor is yours. You have three minutes, sir.

Dan Muys (Flamborough—Glanbrook—Brant North, CPC): Thank you, Mr. Chair.

My question is for Mr. Bylsma.

The Liberals have talked about cracking down on this for years, and the problem is festering. Actually, it's at a crisis point now, and Conservatives want to fix it.

When you talked about your business and said it's not going to succeed to a second generation, you broke down the numbers very nicely, which I think paint a very stark picture. My constituency office is 30 minutes from your shop, so I know that this is a huge issue in that area and throughout Ontario. What is the single biggest failure of federal enforcement that has allowed this to persist for this long?

Mark Bylsma: My presentation was mostly about the numbers, so I think the biggest thing the federal government can do is go through the CRA. As my colleague just said, lift the moratorium on the T4As. What we need to do is start allowing a paper trail to occur so the government can find the bad actors.

It's not a matter of spending more money as a government, because the billions of dollars that would be collected by hiring the necessary staff to track these people down and enforce the law would pay for itself and then some. There would be a significant return on investment for the government to go that direction.

Dan Muys: As a solution, you've mentioned one very obvious one, and there are others. I know there were others in the CTA report as well, which the OTA has been advocating for.

Is this a problem of political will? Is it bureaucratic inertia, or is it simply that the government doesn't understand your industry? You've painted a picture of the economics of it.

Mark Bylsma: It's my personal opinion that it's a matter of a lack of political will. We've been chasing this up the chain for probably a decade. This started in 2011 when they put the moratorium on T4As, and it has gotten out of control. Some crafty lawyers and accountants have figured out ways to work around some of the rules for PSBs and that type of thing to create this lawless portion of our industry.

• (0845)

Dan Muys: It's, as your colleague said, fraud.

Mark Bylsma: That's correct—absolute fraud.

Dan Muys: Thank you very much.

The Chair: Thank you very much, Mr. Muys.

Next we'll go to Mr. Kelloway.

Mr. Kelloway, the floor is yours. You have six minutes, sir.

Mike Kelloway (Sydney—Glace Bay, Lib.): Thank you, Mr. Chair.

Thanks to the witnesses today and to the previous witnesses from Tuesday. This is an important study, and I'm glad it's being brought to this forum.

Most of my questions will be directed towards Mr. McKee, but I want to get a sense from all three of you on a particular question. Was the move by Harper to deregulate the industry in 2011, in hindsight, a good idea, yes or no?

We can start with Mr. Bylsma.

Mark Bylsma: Deregulation is fine. As I said in my presentation, I'm a capitalist. I have no problem with deregulation. The only problem I have is that there's legislation....

I'm part socialist. I know that as a government, you have bills to pay, but we need to collect evenly and equally from everybody. I'm paying CPP, EI, WSIB, employer health taxes, etc., and I'm paying my drivers for 10 sick days, three personal days, bereavement pay, overtime—all of those things. They should be as well, not just billing them as contractors and not paying for any of those employee rights.

Mike Kelloway: Is that somewhere in the middle?

Mark Bylsma: What do you mean?

Mike Kelloway: Was it a good idea to deregulate?

Mark Bylsma: Absolutely. It's a great idea. I'm a capitalist, but I still believe that we should—

Mike Kelloway: But you are kind of a socialist.

Mark Bylsma: We should all pay our fair share. If I'm paying for all those things, so should the Driver Inc. crowd. They're having me for breakfast, lunch and dinner because they're not paying for those things.

I'm not looking for a handout. I used the number \$1.5 million—

Mike Kelloway: Thank you, sir. I don't have that much time. I apologize. I wish I had more time.

Mr. McKee, was it a good idea?

Chris McKee: I echo the comments of my colleague.

As I said in my statement, our carriers are not losing because they're inefficient. They welcome healthy competition. We just want a level playing field. We want the laws that are in place enforced. That's it.

Mike Kelloway: That's right.

Go ahead, Ms. Gagnon.

[*Translation*]

Véronique Gagnon: I agree with my colleagues. I think it was indeed a good idea. Everything has been said.

[*English*]

Mike Kelloway: With the last session, and now with this session, we've been learning that there are definitive roles for industry. The provincial governments have major roles. As you said, you put forward some recommendations in terms of Revenue Canada. This was brought up in the last meeting.

I want to go back to Mr. McKee about a news release on his website. It says, "Provinces and territories have a key role to play in the oversight of the industry, and it can't come fast enough." What role do they play and how can they address this issue as provincial governments?

I appreciate that we're here. It's a federal committee, and you're talking about the existing roles that need to be tightened considerably, particularly with the CRA. However, there's a whole other realm: provincial governments and their responsibility. As a case in point, we heard in the last meeting that individuals are getting two days of training, then being put on a transfer truck. How that happens in any provincial regime is astonishing to me.

Could you speak about the provincial side of things? You can dovetail it into the federal side of things, if you like.

Chris McKee: Sure. Thank you.

From a provincial perspective, we're having some measure of success with some of our provinces out east when it comes to truck driver training. There's oversight of the training schools in each province.

There has to be a solid system in place to ensure good outcomes. We require our provinces—whether it be the enforcement people or our national safety code auditors through the CCMTA—to work closely with law enforcement and ESDC auditors to conduct more roadside blitzes and focus on the roadside enforcement of this issue, because that's how we're going to catch a lot of these guys.

• (0850)

Mike Kelloway: We heard from some of the witnesses on Tuesday that the Quebec government is not doing enough to enforce laws, ensure proper training and crack down on the issue. Do the inactions in Quebec impact safety in Atlantic Canada?

Chris McKee: I don't want to speak for my colleagues in Quebec, and I'm not well versed enough on what is not being done in Quebec to point a finger, but I will say that any inaction, whether in Quebec or Ontario, is impacting safety standards on New Brunswick, Nova Scotia and Newfoundland highways, absolutely.

Mike Kelloway: I ask because everything is interconnected.

Maybe we can go to Ms. Gagnon.

Ms. Gagnon, we heard testimony and some stories, which previous witnesses brought up, about training, development and safety in Quebec. For Quebecers, this has to be terrifying given the people who drive the trucks—the people who are on the roads. They have it in their minds that the individual behind the wheel needs the requisite hours and training.

Can you speak about the anxiety you face in your industry, but also about the people on the roads in your province?

[*Translation*]

Véronique Gagnon: It is very stressful for us and our employees to share the road with these people. As I said in my opening remarks, you have to understand the road. These people don't understand the road. It's clear that they're there to do a job, and it seems that someone simply found one for them; however, as I said earlier, this is a vocation. Most truckers have had this profession ingrained in them since they were young. They grow up with respect for others on the road.

Right now, we have people who don't obey the law in poorly maintained vehicles, which often causes accidents or breakdowns that congest the roads. They don't understand road signs, either.

The Chair: Thank you, Ms. Gagnon. Unfortunately, there is no more time for comments.

I now give the floor to Mr. Barsalou-Duval for six minutes.

Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Thank you, Mr. Chair

Thank you to the witnesses for being here today.

This study is really important. People are dying on the roads, businesses are closing and people with honest jobs are losing them. It's sad to see, and it's entirely due to the government's inaction, which could change things simply by enforcing the laws.

I would like to pick up where the conversation left off. A few moments ago, one of the government representatives echoed what the Minister of Transport, Mr. MacKinnon, said yesterday. Simply put, he said that it was up to Quebec alone to resolve the situation and that it wasn't a federal issue. That was pretty much the message he conveyed yesterday, so that's what my Liberal colleagues are trying to push right now. They're saying that it's Quebec's fault.

I have a question for you, Ms. Gagnon. Do most of the at-fault truck drivers come from Quebec?

Véronique Gagnon: No, most of the at-fault truck drivers come from Ontario.

Xavier Barsalou-Duval: Thank you very much, Ms. Gagnon.

Véronique Gagnon: In fact, that's what we're seeing.

Xavier Barsalou-Duval: This isn't about blaming Ontario, but about recognizing the reality of the situation.

I have another question, and it's for all three of you. You come from three different regions: Ms. Gagnon is from Quebec, Mr. McKee is from the Atlantic region and Mr. Bylsma is from Ontario. Based on your testimony, I understand that you all face the same problem, namely the presence of these Driver Inc. truckers who don't comply with the law. Is that correct?

What do you think, Ms. Gagnon?

Véronique Gagnon: That's right.

Xavier Barsalou-Duval: Mr. McKee, do you agree as well?

[*English*]

Chris McKee: That's correct. We're seeing safety standards decline on our region's highways.

I echo the comment of my colleague that our own drivers are fearful for their lives a lot of days when they go on the road. Our preliminary data from our roadside enforcement blitzes and from looking at immigration programs and potential fraud shows that a majority of these companies are not domiciled in the Atlantic provinces. They are usually domiciled in Ontario, as my colleague stated. Again, where it impacts carriers in our region is that they're coming in and doing business in our region. It's still a problem for us, even though they are not necessarily baseplated in our provinces.

[Translation]

Xavier Barsalou-Duval: Mr. Bylsma, do you have anything to add?

I assume that you are experiencing this issue even more acutely since you are in Ontario.

• (0855)

[English]

Mark Bylsma: It's going to be a joint effort among all jurisdictions and the fed. In my opinion, this started with tax evasion, and it's grown from there, from one thing to the next thing. Once this group of business leaders decided they knew how to evade taxes, they started figuring out ways to cheat training, to cheat labour laws and to cheat immigration. I'm a Dutchman, so let's talk about dikes. The more holes you fill in the dikes, the more they drill new ones. It's just getting worse and worse.

Ontario has a good start going. Ontario is doing things like the WSIB carrier audit, which has resulted in \$6.8 million in assessments. The MTO, WSIB and ESDC have a joint enforcement at the Whitby scale in Ontario, and one of the findings was that 65% of the drivers pulled over were with Driver Inc. The WSIB sends targeted letters to new start-ups.

There's intelligence sharing among the WSIB, the Ministry of Transport of Ontario and the Minister of Finance, but the CRA doesn't want to jump in the same sandbox and share information. Then, of course, there's Operation Deterrence, which Ontario put into place at the beginning of this year. They had 48,000 commercial vehicle inspections, and they're on pace to completing well over 100,000 in 2025.

Is that everything that can possibly be done? It's a good start. As I said in my notes, we all have to get on this, get in the game together and work together to eliminate it before they come up with new schemes and scams.

[Translation]

Xavier Barsalou-Duval: Thank you, all three of you.

I will continue along these lines. I am not a constitutional expert, but to my knowledge, interprovincial transportation falls under federal jurisdiction. The Canada Revenue Agency, which collects taxes, is a federal institution. Employment and Social Development Canada monitors classification errors, such as cases where self-employed workers should instead have employee status. The federal government is responsible for this. The federal government is also responsible for temporary foreign workers and asylum seekers, study permits, safety certificates and electronic logging devices.

I imagine all three of you agree on that.

A voice: Yes.

Xavier Barsalou-Duval: That's a fact. It's certainly difficult to say otherwise. I just wanted to point that out, because I think the government tends to pass the buck to the provinces. That doesn't mean that the provinces can't do certain things, but the federal government can take action on several fronts.

I'd like to come back to the points I raised and the fact that you placed a lot of emphasis on the issue of tax evasion. Are there other areas where the federal government could take direct action?

Véronique Gagnon: Yes, as a matter of fact, we must take action directly within companies.

When I discussed the situation with some MPs from my region, it became clear that highway controllers would need to be tasked with resolving the current situation. In my opinion, it is up to the federal government to actually go into companies and ask the right questions in order to stop these people before they hit the road. That's the main thing.

I also mentioned that certain insurance policies and documents should be required when renewing licence plates. Obviously, this process would be more a matter for the provinces.

The Chair: Thank you very much, Ms. Gagnon.

Mr. Groleau, you have the floor for five minutes.

Jason Groleau (Beauce, CPC): Thank you, Mr. Chair.

I would also like to thank my colleagues and guests for joining us today.

My Liberal colleague blames the Harper government of 2011 and criticizes the Quebec government for not taking responsibility. I would like to remind him that the Liberals have been in power for 10 years, so this is quite absurd. Lives are at stake, but he is bringing up ancient history that dates back 14 years. Let's be serious, please.

My question is for you, Ms. Gagnon. Road safety and support for our businesses are priorities for the Conservative Party. You own a company that has been in business for 70 years. Can you tell us about the "Driver Inc." phenomenon and the financial repercussions related to safety that you're seeing in your company in Saint-Pamphile?

• (0900)

Véronique Gagnon: The financial impact is huge, that's for sure. We know that the economy is in bad shape and that we have serious problems, so companies in the industry have no choice but to turn to the cheapest trucking companies, because they too have less money. So they use these cheap transport services that cost less, and we end up without work. When loading, these people arrive at our factories without adequate safety equipment, for example, with improper boots or safety helmets.

There is a cost to upholding all this safety. We bear that cost, but they don't respect it. As a result, our trucks are parked while these people parade right under our noses. They come and take our work. As a result, we have drivers who are questioning their desire to drive trucks because we can no longer fill our truckers' work weeks. Not to mention that vehicles are becoming more and more expensive, and it's difficult to sit idle while these people do our hauling with trucks that are obviously cheaper than the ones we put on the road.

Jason Groleau: Ms. Gagnon, earlier you said that a "Driver Inc." driver, who was alone, was unable to open his hood when going through customs.

Véronique Gagnon: Yes, he couldn't open his hood. What's really unfortunate for my employees is that they have no choice but to help these people, because trucking has always been a profession where solidarity is the norm. Drivers are far from home and left to fend for themselves, so they have no choice but to help each other. We have to share the road with these people who need help; otherwise we won't be able to move forward either. We can't just sit back and predict the worst.

In this particular case, if our driver hadn't opened the hood, the customs officer would have waited for the other driver to open it.

Jason Groleau: Do you think it's normal for a driver not to be able to open the hood of his truck?

Véronique Gagnon: It is absolutely unacceptable, because opening the hood is a mandatory step during the daily morning inspection before setting off.

Jason Groleau: Is it mandatory every morning?

Véronique Gagnon: Yes, you have to be able to open the hood.

Jason Groleau: In your experience, how many years has the problem been getting worse?

Véronique Gagnon: This problem hasn't been affecting the trucking industry for very many years. I would say that we have seen a shift over the past three or four years.

Jason Groleau: Is the Liberal government supporting you? Is it helping you through this crisis? Is it listening to your needs?

Véronique Gagnon: No, we have absolutely no help or support.

Jason Groleau: You're left to figure it out for yourself.

Véronique Gagnon: We're left to fend for ourselves. We're left to our own devices in all this. As I said, this comes at a cost. Earlier, I was talking about insurance. We need to be aware that people who have accidents on the road need to be insured, because we'll soon end up with truck graveyards along the highway, since tow trucks won't want to tow them anymore.

Jason Groleau: What message is the Liberal government sending to companies that cheat and to companies like yours that operate properly and follow the rules? Is it asking you to cheat too? What message is it sending you?

Véronique Gagnon: We definitely feel that the requirements are stricter for us than for them.

However, we will not start cheating. We would rather leave the profession than start acting like them. That's plain and simple

Jason Groleau: Thank you very much, Ms. Gagnon

The Chair: Thank you, Mr. Groleau.

Mr. Lauzon, you now have the floor for five minutes.

Stéphane Lauzon (Argenteuil—La Petite-Nation, Lib.): Thank you very much, Mr. Chair.

I would like to thank the witnesses for being here.

My first question is for Mr. McKee.

We heard you loud and clear. You said that it was very important to enforce the law, and you placed a lot of emphasis on the T4A. Indeed, there is a moratorium. My colleague says that we shouldn't blame the Conservatives, but contrary to what he says, in 2011 and 2013, the Conservatives imposed a moratorium on the T4A. We are monitoring the issue, as Ms. Gagnon said.

Mr. McKee, in recent years, we have taken measures in the budget to change certain data. The Conservatives voted against this in the budget statement. You know the impact this has on the Atlantic region. T4A cannot solve everything, even though it is an important component. I agree with you on that.

Tell me about other measures besides the T4A that could improve the situation for drivers.

● (0905)

[English]

Chris McKee: One thing that would be very beneficial would be to have a uniform national carrier database across all provinces. We need the provinces to work together to share information on these fleets. Often, what happens is that these people may be caught, they may be audited and they may be fined, but upon follow-up visits by ESDC auditors, they've disappeared; they've changed names. We call it ghosting.

If we had a national database supported by all provinces sharing the same amount of data and sharing all types of carrier safety and insurance information, driver information and driver profiles, this would be one step to really help us keep track of these carriers.

As for the T4A issue, as much as you've asked me to talk past it, I think almost immediately we could see positive benefits for this issue. Lifting that moratorium would restore a paper trail. Within one tax year, we'd likely see non-compliance drop sharply because these companies and drivers would know that their transactions are being tracked. We really see that as the number one benefit.

As I said in my statements, continue to encourage or support Transport Canada and the provinces in the work they're doing to create a national carrier database where you, as a government, know everybody who is running a tractor trailer down the highways in this country and are able to look to see if they are safe and compliant carriers.

[*Translation*]

Stéphane Lauzon: Thank you for your response.

My next question is for Mr. Bylsma.

You care deeply about your company. It provides many well-paid jobs within a strict legislative framework. Our colleague from the Bloc Québécois has provided us with a comprehensive list of possible connections with the federal government, particularly with regard to foreign workers, tax regulations and so on.

I would like to return to the question I asked Mr. McKee. The T4A is not a silver bullet. Within the provinces and territories, we still have certain responsibilities. Do you agree that the legislative framework for licensing is provincial? Do you agree that the eligibility criteria for drivers include language and mandatory training, and that they must therefore pass a test?

You have spoken extensively about the lack of safety due to regulations not being followed. I believe that a comprehensive evaluation process is carried out in each of your provinces. Do you question the provincial system that governs Class 1 truck driver licences for your company or for competing companies that hinder your success?

[*English*]

Mark Bylsma: Yes, I agree. It needs to be both.

I'm the chair of the Ontario Trucking Association. We lobby Queen's Park. We're constantly working on it. I think I gave you the five bullets that Queen's Park is working on through its different ministries.

It has to be a collaborative approach. The WSIB has found \$6.8 million in assessments and penalties. The CRA and the different departments need to work collaboratively with the federal government. The federal government needs to be willing to take the data and say, "Who are you finding as non-compliant so we can also go after them?"

There's not one silver bullet here. There are a whole bunch of different things.

The Chair: Thank you, Mr. Bylsma.

Mark Bylsma: I'm sorry. I saw the red card in the corner of my eye. I was ignoring you.

The Chair: No worries. You're not the first, sir, and you won't be the last.

Voices: Oh, oh!

• (0910)

[*Translation*]

The Chair: Thank you, Mr. Lauzon.

Mr. Barsalou-Duval, you have the floor for two and a half minutes.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

Ms. Gagnon, I would like to address something you mentioned. The other two witnesses may agree.

A year or two ago, this committee conducted a study on the labour shortage in the transportation sector, and one of the main findings was that there was a labour shortage in the trucking industry, among others. Many people in the trucking industry had mentioned this to us. You also mentioned that it is becoming difficult to retain your staff, and I have heard the same from other carriers.

Do you feel that the government's inaction on the "Driver Inc." phenomenon will exacerbate the labour shortage you are currently experiencing? What will be the long-term outcome?

Véronique Gagnon: It will certainly worsen the shortage because, as I said earlier, our passionate and proud workers are discouraged. They are thinking about doing something else. These are people who deserve pay raises, but we are not able to offer them that at the moment, or even offer them a better quality of life or better conditions, because we have illegal drivers getting in our way.

When the government decides to take all these people off the road, the result will be a worse labour shortage. The longer we wait to act, the worse it will be, because good employees and those who are passionate about their work will leave their jobs. That is where we are headed.

Xavier Barsalou-Duval: Could we reach a point where only fraudulent and dangerous drivers remain on the roads, and there are no more compliant drivers and companies?

Véronique Gagnon: That's what I fear. Proud people like us are completely discouraged. We have no resources or support. We feel that their business model is now the norm in the transportation industry. We feel that we should adopt their business model, but that's out of the question. If that's the way it is, we're going to walk away.

Xavier Barsalou-Duval: Are you telling me that fraud is becoming the norm?

Véronique Gagnon: It's unfortunate to say, but that's how we see it. These people are literally replacing us.

Xavier Barsalou-Duval: Thank you.

The Chair: Thank you very much, Mr. Barsalou-Duval.

[*English*]

Next we have Mr. Lewis.

The floor is yours. You have five minutes, sir.

Chris Lewis (Essex, CPC): Thank you, Mr. Chair.

Thank you to all of the witnesses who have brought testimony forward this morning.

I'd like to start with Mr. Bylsma.

Your testimony was excellent and heartbreaking. I heard your story about how you're not going to have a generational business. Conservatives always want our highways safe. I come from a generational business. There's nothing more heartbreaking than when a leader says that. I needed to make that statement.

Thank you for being the chair of the Ontario Trucking Association, by the way. You actually represent Morrice Transportation and Wolverine transportation down in my riding.

You said in one of your answers that you've been chasing up the chain for likely a decade. A decade, ironically, is 10 years of the Liberals being in power.

My question for you is on the association. Have you met with the ministers? Have you met with government officials? Have they reached out to you? If so, what have they said?

Mark Bylsma: I would say the Ontario Trucking Association and the Canadian Trucking Alliance have great relationships with all levels of government, right from the Ministry of Transportation to finance and everyone else.

They've all been made aware of this over the last 10 years. There is no one of substance who can actually do something about it who doesn't know about it.

To get it granular and get at exactly who knows what, you'd have to ask our staff, who are at the back of the room if you want to talk to them after this dialogue.

Chris Lewis: Everybody has been made aware of it, but no action has been taken. Is that correct?

Mark Bylsma: That is correct.

We're starting on that. I mentioned the five things in Ontario. There's a lot more going on than that, but those are the most effective things that we're seeing the greatest results from. That's why I wanted to list them. More needs to be done, but I think it needs to be in collaboration with both the federal government and every provincial government.

• (0915)

Chris Lewis: This question is for both you and Mr. McKee.

Is there a certain sector of bad actors? Is there a certain consumable shipped in a certain sector in which there are more bad actors than in others?

Here's my thought process. We heard Donald Trump say yesterday that he's going to take a whole bunch of our auto jobs away from us. These are a whole bunch of transport jobs that aren't going to be happening, when every part for every car goes back and forth across the busiest international border crossing seven times. These are a whole bunch of jobs that will be lost.

Is there a certain sector that needs to be targeted?

Chris McKee: I can speak to that very quickly.

Anecdotally, my members notice it. Their heaviest impact would be on what we call general freight or dry vans—your dry 53-foot trailers—and the refrigerated sector. We're not seeing a proliferation of these companies so much in the heavy and oversized sector

of our industry or in the more complex loads; we're seeing it with general freight.

I don't want to throw out names, because I don't want to paint someone with a brush wrongly, but there are grocery suppliers transporting loads from Ontario to Atlantic Canada and vice versa. We're seeing a bit of it infiltrate the ports as well—we service major ports in Atlantic Canada—but for the most part, I would say it is the dry van and the refrigerated sectors that are suffering the most.

My colleagues may disagree based on their own experience.

Chris Lewis: Mr. Bylsma, go ahead.

Mark Bylsma: You mentioned folks like Wolverine and Morrice, and I think Onfreight is down there as well. When I speak to those colleagues, they say they feel like there's a lot of misclassification and abuse going on in the automotive sector.

I play in the general freight markets; it's less-than-truckload. I'll move furniture, nuts and bolts, kitchen cabinetry—whatever. It's always something different, but we see that as well in the general freight market.

Some of our colleagues who are into more specialized and oversized tankers are starting to see it a bit, but not to the degree that it is with the dry vans.

Chris Lewis: Thank you very much, gentlemen.

The Chair: Thank you, Mr. Lewis.

Finally, for this round, we'll go to Ms. Nguyen.

Ms. Nguyen, the floor is yours. You have five minutes, please.

Chi Nguyen (Spadina—Harbourfront, Lib.): Thank you, Mr. Chair.

Thank you very much to the witnesses for being here this morning.

[*Translation*]

It's really important to hear your comments.

[*English*]

You mentioned, Mr. Bylsma, some of the work that had been done and some of the data in the audits, and you noted that ESDC was involved in that. It sounds like some really positive steps are coming, but it's early days.

Could you talk a bit more about whether or not those are positive steps and where else you would like to see the federal role stepping in?

Mark Bylsma: Those are definitely positive steps. We see them working jointly at this scale and identifying carriers and drivers who are circumventing all the laws of the land. Ramping that up significantly would help.

Working between the federal and provincial jurisdictions and having collaboration is where we really need to see.... First of all, with the CRA, as I said earlier, it's a return on investment. We're not asking you guys to spend any more money, but you're going to bring in billions. I don't think we need to look at this and say we have to put a.... We're just asking you to enforce your own rules. By the way, there is some really low-hanging fruit that will more than pay for it.

Chi Nguyen: On this idea of a shared database where we could better track and coordinate bad actors or all the companies, I understand that a provincial database exists where some of that data is collected.

Is that correct, Mr. McKee?

Chris McKee: That is correct. Each province has its own iteration with some still using Excel spreadsheets.

Really, what we're looking for is a national carrier database that would track safety information, tax information and labour compliance indicators like WCB data. If we see gross non-compliance within a certain company for not paying WCB for their workers, we know there's a problem. That would allow the auditors at ESDC to further pursue that.

Again, I echo the comment that this is a joint effort between the federal government and the provinces. At the end of the day, the rules in place to help enforce this lie within the federal government.

• (0920)

Chi Nguyen: Would you welcome or recommend a larger role for the federal government in terms of collaboration and a more robust database?

Chris McKee: Absolutely.

Chi Nguyen: We could track things like the insurance piece as well.

Chris McKee: That's correct, yes.

Chi Nguyen: I understand that's at the provincial level, so the role for the province could be better integrated and harmonized if we had coordination at that level.

Chris McKee: Exactly. We need coordination among the provinces. That work is under way, to the best of our understanding.

We just need this committee and this government to continue to support that and to continue to provide resources to ESDC to help it continue these audits and provide more auditors.

Chi Nguyen: Could you speak, all three of you, about the role of the provinces in the enforcement piece? From my understanding, that work is done at the provincial level.

What about resourcing for that? What would it look like to improve that?

Chris McKee: Generally, for provinces, the low-hanging fruit to help tackle this problem is analyzing WCB data, as we said. WCB

in each province is generally a quasi-governmental organization. If it's headquartered or baseplated in the provinces, it's an easy search of a database to see how many payroll violations each company or each firm has, and then you can audit accordingly.

Mark Bylsma: I'm going to speak on behalf of Ontario. There is a great deal of effort being made in the Ministry of Transportation and Ministry of Finance. As I said before, we need to see that ramp up.

It's a lot about road safety. We're holding their feet to the fire on driver training, the safety of drivers on the road and more presence at the scales. This is where we're going to deal with the safety issue. The Ontario government is working toward having a greater presence at the scales, but it's great having other government departments there to help audit as well. That will help with targeting.

Going back to one of your previous comments about getting all the departments to work collaboratively, it's also about taking action. It's not just about having the database so we can all say, "Oh look, we have this wonderful database." It's about actually putting the resources in place so we can take action against these criminals, basically—the tax evaders.

The Chair: Thank you very much, Ms. Nguyen.

Thank you, Mr. Bylsma and Mr. McKee.

[*Translation*]

Ms. Gagnon, thank you for being here.

Xavier Barsalou-Duval: Mr. Chair, I rise on a point of order.

I don't want to name names or accuse anyone, but I just want to know if it is permitted to use a phone to take photos while the committee is in session.

The Chair: No, it is not permitted. I've passed the message on to everyone.

Thank you, Mr. Barsalou-Duval.

[*English*]

I want to thank all of our witnesses for their appearance here today and for their testimony on this very important study. We look forward to sharing the results of this study with you when it's completed. We wish you safe travels home.

Colleagues, we're going to suspend for two minutes to allow for a transition to our second round of witnesses.

This meeting is suspended.

- (0920) _____ (Pause) _____
- (0930)

The Chair: I call the meeting back to order.

Before we move forward, I would like to make a few comments for the benefit of our second round of witnesses.

First of all, welcome to you all.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking.

For those on Zoom, at the bottom of your screen, you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the earpiece to select the desired channel.

As a reminder, all comments should be addressed through the chair.

I have two placards with me. I have a yellow placard and a red placard. If I hold up the yellow placard, it means you have 15 seconds left, and I'll kindly ask that you wrap up. If I hold up the red placard, I will be in the unfortunate situation of having to cut your mic off so that I can turn the floor over to another member for questioning.

Colleagues, I'd like to welcome our second round of witnesses.

[*Translation*]

We welcome the president of the *Fraternité des constables du contrôle routier du Québec*, Jean-Claude Daignault.

[*English*]

From the Toronto Police Service, we have Matt Moyer, an inspector in traffic services, joining us by video conference. Thank you for your presence, sir.

From Teamsters Canada, we have Mariam Abou-Dib, executive director of government affairs. Welcome to you as well.

We'll begin our opening remarks with Jean-Claude Daignault.

[*Translation*]

Mr. Daignault, you have five minutes.

Jean-Claude Daignault (President, Fraternité des constables du contrôle routier du Québec): Honourable members, thank you.

I represent the union of the *Fraternité des constables du contrôle routier du Québec*, and I will begin by explaining the role of highway controllers.

Highway controllers are the equivalent of the Quebec transportation police. They intercept approximately 100,000 trucks per year.

What is known as the "Driver Inc." model is a cancer that is currently eating away at the trucking industry in two areas: the economy, and road safety and road users.

I won't talk about the economic aspect, because it's not my area of expertise and it's not part of our mandate. However, road safety and road users definitely are. As highway controllers, we enforce a dozen Quebec laws and some 50 regulations, including the regulation respecting the hours of driving and rest of heavy vehicle drivers, which will form the basis of our presentation.

Unfortunately, there are currently far too many deaths on our roads, and this is a cause for concern. In our work, we have found that the regulations on driving hours have many loopholes and that it is easy to circumvent the system. The system was put in place several years ago in response to the regulation. Previously, truck drivers used a paper logbook. Now they use an electronic logbook called an "electronic logging device."

Strangely enough, even union members tell me that it was much easier to do their job and catch cheaters when truckers used paper logs, because the electronic logging device does not give them access to specific keys that allow them to access certain information associated with electronic logs.

Our brief includes six recommendations, four of which relate to the regulation respecting the hours of driving. It should be noted that the federal commercial vehicle driver hours of service regulations were subsequently adopted by all provinces. However, we cannot tell each province to adopt its own driving hours regulations. That would be completely unworkable. For example, if we decided to set the number of driving hours per day at 13, 14 with the rest of the work, and the province of Ontario decided to set this number at 15 and another province set it at 16, it would be unmanageable for companies. Basically, the federal government has a huge responsibility, since the provinces base their regulations on federal regulations. Quebec's provincial regulations are almost a carbon copy of the federal regulations.

Two other recommendations are not directly related to the regulations and concern truck insurance. We have never been able to check insurance anywhere in Canada. Even when we are given a certificate, we have no way of verifying whether it is valid or not. When we try to call the insurance companies, they say they cannot answer because personal information is involved.

Obviously, when you stop a truck with a fifth-wheel tractor registered in Alberta and a semi-trailer from British Columbia, you can't enforce provincial laws. Obviously, there is no national safety registry. Each province manages things its own way.

When companies that commit fraud run into problems in one province, they move to another province, and life is good. They start their scheme all over again. It's like getting married three or four times in different provinces. That's what's happening right now.

There is no doubt that the “Driver Inc.” model poses many problems. What we are proposing will not solve everything, but it is still fairly easy and quick to change a regulation. This could send a very clear message to the illegal industry to fall into line and start complying with the regulations again.

Returning to the regulation respecting the hours of driving, Canadian law enforcement agencies currently have no way of verifying whether the information recorded in the electronic logging device is true or false. There is none. If I'm dealing with a legal company that has a payroll system, I can compare the information recorded in the logging device with the information provided by that company. All I have to do is go to the company's offices and ask to see their payroll system. If a driver is paid for 40 hours, that's the number that should appear in their device.

The problem we have is that we cannot know if a driver has been paid for 80 hours, even if the logbook shows that he has worked 40 hours, because in the “Driver Inc.” model, the driver isn't paid by the hour. He receives a lump sum.

- (0935)

In our brief, we gave an example of a cheque for just over \$2,500 for two weeks of work. This doesn't include expenses, gas or taxes. Ultimately, the government will reap the benefits.

Thank you.

The Chair: Thank you, Mr. Daignault.

[English]

Next we'll go to Mr. Moyer.

Mr. Moyer, the floor is yours. You have five minutes for your opening remarks, sir.

Matt Moyer (Inspector, Traffic Services, Toronto Police Service): Good morning and thank you, Mr. Chair.

Thank you for having me, committee members.

I am speaking to you from Toronto. I am currently the inspector of traffic services. We have a very large unit that does enforcement and education for the City of Toronto.

One of our biggest challenges moving forward is traffic congestion, but that is part and parcel of some of the issues that have been raised and discussed this morning by the other witnesses. I will refer to them very briefly and open myself to questions later.

There's always the issue of our relationship with the trucking industry and what our role is when it comes to traffic safety and public safety. I will say to the committee this morning that we have members designated for dealing with compliance and for issues in trucking and transportation in the province of Ontario and, more importantly, in the city of Toronto.

One of the challenges we have had is regarding training. I want the committee to know, first and foremost, that a very limited number of officers are properly trained to do CVSA compliance and hold people to a standard. That represents a challenge for us every day.

With trucks that are moving into the city, we often do what we call level I and level II compliance checks. This raises a challenge for our members because officer safety is paramount. Finding some place to stop an 18-wheeler coming through the city of Toronto when traffic congestion is such a problem is a great challenge to public and officer safety. We are often required to use malls just to hold people to deal with the compliance issues.

I heard a term used by the witnesses previously this morning, “bad actors”. Well, bad actors are what keep us in business, and, yes, we do run across them, so I'll highlight a couple of the challenges we've had with the trucking industry.

One is the Ministry of the Attorney General. We've had a hot and cold relationship simply because a number of charges we've laid are not always dealt with according to what we believe sets the proper message both to drivers and to trucking companies. Charges are often dropped or traded off for a lesser charge simply to move the process through the court system. That has always been a challenge for us and continues to be a challenge. It's our challenge, and we are dealing with it. We are having good conversations, but we still, as one of the previous witnesses said, have a ways to go.

The office that I overlook in Toronto deals with enforcement and investigation. We have a motor squad, a recon office and the CVSA. We are multi-faceted in our approach. One of the questions asked of me previously was about my relationship with the Highway Traffic Act and other police services in Ontario. We have the OACP meeting, which is a committee. It is the Ontario Association of Chiefs of Police. I am part of the traffic committee. We have a great working relationship with other police services in Ontario, but to suggest that our priorities are always aligned is not necessarily accurate.

When you're policing a city congested with four million people and a losing hockey team, it's very difficult to keep people focused on compliance and some of the issues regarding the rules of the road, really.

We don't deal with big trucks as much, because if they're coming through our city, they're coming along the 401. If they're stopping, we deal with them. If they pass by, they move right across the province and on to the next province. We have a limited number of interactions. For those who do come through the city, we most certainly try to stop and engage as many as possible. I've often said that it doesn't necessarily require you to have a ticket in your hand when you're leaving. Sometimes a good conversation can be as impactful.

According to the standards set out by the province, we do many level I and level II inspections, which speaks to the inspections of drivers' licences and the inspections of vehicles.

That's our role. I will open myself to any questions you might have.

Thank you, Mr. Chair.

● (0940)

The Chair: Thank you very much, Inspector Moyer.

Next we'll go to Ms. Abou-Dib.

The floor is yours for five minutes, please.

Mariam Abou-Dib (Executive Director, Government Affairs, Teamsters Canada): Thank you.

First, on behalf of the 130,000 members of Teamsters Canada, thank you, esteemed committee members, for inviting us to these important hearings, which are hopefully meant to find solutions to the crisis that is plaguing our trucking industry, creating unsafe roads and unsafe working conditions for drivers, and contributing to a significant amount of missing tax dollars. Moreover, the crisis is also creating a climate of fear and xenophobia in our industry that, if left unaddressed, will only worsen and result in grave unintended consequences for all drivers out there.

Second, dear committee members, this is not a new issue. Teamsters, alongside several partners, including an unlikely one in the Canadian Trucking Alliance, with which we continue to work closely on this particular file, have been raising awareness and speaking to the government for just under a decade. Yes, we do have good laws in Canada, but the primary problem is enforcement. We are in a crisis of compliance, and this crisis has given birth to others. We agree fully with the CTA's presented outline of these crises yesterday—namely, in road safety, human rights abuses, labour laws and tax fraud.

We are not sure what the government is waiting for anymore. In 2022 and 2024, the fall economic statements from the federal government committed to addressing the problem. However, we are, and we remain, far from accomplishing this. More needs to be done.

As I'm certain you've been hearing over and over again, a major component of this model is that it treats employees of trucking companies as independent contractors. This is not meant to target owner-operators who are in fact legitimate. Many are Teamster members. We are talking about drivers who have been tricked, forced or required to incorporate in order for employers to bypass the mandatory deductions for income tax, overtime pay, vacation pay, sick days and so on and so forth.

Unfortunately, we also know that this results in the potential evasion of income taxes, whether knowingly or not, where employees don't report their deductions. The impact of that is well known. We concur with the CTA's numbers and well-researched statistics. They are conservative estimates worth restating here. The amounts saved amount to millions of illegal savings each year for various companies. For the government, this translates into billions of dollars in lost revenue.

There are important driver and public safety concerns. The government's own data shows that trucking companies that misclassify drivers are more likely to operate with drivers who are untrained

and undertrained and have questionable insurance, licensing and certification. Let's be clear: This puts lives in danger—those of our drivers and those in our communities.

We would be remiss not to mention that another contribution to this scheme is the misuse and abuse of the temporary foreign worker program. Some companies are engaging in modern-day indentured labour with workers who do not know their rights or obligations and who fall into unsafe and illegal dependencies on employers who abuse the system. Just to add fuel to the fire, this is now resulting in xenophobic attitudes toward drivers who may or may not be new Canadians and many non-white drivers in the industry.

We recognize the efforts the government has made, but clearly they're not enough. The onus remains on the employee, whose circumstances are already precarious, to lodge a complaint or to raise these issues. Much more proaction on the part of the government and enforcement is needed.

We'll conclude by echoing the calls for more coordination between the federal and provincial governments and agencies on a national misclassification blitz in the trucking industry, with real penalties that employers will actually feel. Many more resources are required in order to increase the deployment of various government agencies to truck inspection stations and along the roads across this country. There is an urgent need to expedite the completion of and investment in a national database by Transport Canada that will create the necessary oversight and knowledge of who owns and operates these fleets, with their safety records, in all provinces. We also need a thorough review of the temporary foreign worker program and an end to closed permits, where much of the abuse takes place.

Thank you very much for your time.

● (0945)

The Chair: Thank you very much, Ms. Abou-Dib.

We'll begin our line of questioning today with Mr. Lewis.

The floor is yours. You have six minutes.

Chris Lewis: Thank you, Mr. Chair.

Thank you to all the witnesses for this morning's testimony. I appreciate it.

Ms. Abou-Dib, down in the Windsor-Essex area, we have Teamsters Local Union 879. I'm sure you're aware of them. They're excellent folks. What types of commodities do they pull? Which companies do they pull for?

Mariam Abou-Dib: I will not be able to tell you what the companies are, but I can tell you that the freight pulled in southern Ontario varies. It is quite diverse and pretty much goes from the very heavy to the freight we were discussing this morning, with the general freight and the refrigerated freight. I would concur that if you're going to be doing inspections, you should definitely focus on the companies in those areas.

We also work in the ports in southern Ontario.

● (0950)

Chris Lewis: That's good to know. Thank you.

What about in the auto industry?

Mariam Abou-Dib: We work with various companies that move automobiles from one place to another, as well as parts.

Chris Lewis: I bring that up because we know that about 150 jobs have been lost at Stellantis. We now have 700 jobs out of Oshawa at General Motors that have been lost and 900 out of the CAMI plant in Ingersoll. It's very concerning. You mentioned that it's not a new issue and you've been dealing with it for just under a decade, which is 10 years with the Liberals at the helm. Ironically, that's what the CTA president said yesterday.

At the very end of your testimony, you talked about the TFW program and how employees don't know their rights. Can you expand on that, please, and on how the immigration side of this file is hurting your members?

Mariam Abou-Dib: First of all, on the decade, this phenomenon has been raised officially since about 2018, but it has been going on for longer than a decade. It was in 2018 that we realized it was going to surface in ways that are extremely dangerous.

To be fair, in 2021, the government began to take various actions. I'm saying this is a new thing and more needs to be done because the government has been engaging in various actions since at least 2021. I can tell you what they are, but I'll go to the temporary foreign worker program for the sake of time.

Chris Lewis: Thank you for that.

Mariam Abou-Dib: There's a lot I can tell you that could be very wrong with the temporary foreign worker program in the way it is used and abused, but for the purpose of the truck drivers, one of the major problems is that a lot of carriers are sponsoring workers from other countries to come here and drive and they require them to incorporate. First and foremost, that should not happen. Someone who is coming from another country should not be in a position where they suddenly own their own company.

The second problem is closed permits. It's an even more important problem. These companies end up completely controlling the fate of the worker. This one company controls them, and the worker can no longer move from one company to another. These workers—

Chris Lewis: I get it. I apologize for cutting you off, but my time is limited and I want to ask you one more question, which I think is incredibly important.

On Tuesday, the president of the CTA gave his testimony. He said there are 103.5 hours of training under MELT. That's what the

government mandates. He mentioned that the CTA does a minimum of 200 hours.

Who do your members train with or under? How many hours do they have to spend in the classroom and in the cab with a trainer?

Mariam Abou-Dib: The training varies, but on average, the training work falls in line with the Canadian Trucking Alliance hours you have. That goes for most of our members as well.

Chris Lewis: Thank you so very much. I appreciate it.

The Chair: Thank you, Mr. Lewis.

[*Translation*]

Mr. Lauzon, you have the floor for six minutes.

Stéphane Lauzon: Thank you, Mr. Chair.

I would like to thank the witnesses for being here.

Mr. Daignault, I'm very pleased that you're with us today. Thank you for your testimony.

All of the witnesses, both today and at the last meeting, have spoken to us about fraud and illegal conduct.

You have shared your recommendations with us and clearly demonstrated that you have few options for enforcing existing legislation.

I would like to better understand the extent to which you can conduct checks. If an individual has potentially obtained their licence illegally, how can you ascertain its validity?

● (0955)

Jean-Claude Daignault: Are you talking about their driver's licence?

Stéphane Lauzon: Yes.

Jean-Claude Daignault: We are unable to go that far.

Stéphane Lauzon: A representative from the Toronto Police Service is here, and you represent all highway controllers.

With regard to access to information, could better collaboration between the police, the Société de l'assurance automobile du Québec and the highway controllers help you in your work and solve part of the problem?

Jean-Claude Daignault: That could help us. However, when someone who has been stopped has a valid driver's licence, we still have to check everything else. And it's "everything else" that is the most problematic.

If someone has tampered with their driving hours, there's not much we can do. However, if their vehicle has a lot of mechanical defects, then we can intervene.

When we stop a driver and their truck, we can do something about certain things, but when it comes to investigating companies, investigators hit a wall really quickly.

When it comes to driver's licences, there's fraud, and there always will be. That's nothing new. A person we stopped the day before yesterday had two valid Ontario driver's licences.

So we have some leeway in that regard, but we can't trace it back to the source. I've been doing this job for 34 years, and I can tell you that there is fraud in every province, and there always will be. However, that's not the biggest issue.

Stéphane Lauzon: Let's talk about the challenges. You have the authority to inspect the general condition of the truck and tires. However, witnesses have told us that some drivers speak neither French nor English.

Does the law require you to communicate with truck drivers in Canada in either English or French?

Jean-Claude Daignault: There is no law or regulation that requires a driver to speak French or English.

Most members of my organization speak both languages. If a driver speaks neither French nor English, we try to work it out. The driver can call their boss and let the constable talk to them. It's not normal, but it's a situation that comes up more and more.

Stéphane Lauzon: It must be a problem when reading signs and directions.

Jean-Claude Daignault: Yes.

Stéphane Lauzon: On behalf of the committee, I want to tell all the witnesses that members of Parliament, whether Liberal, Conservative or Bloc Québécois, are deeply concerned about this situation. As you know, our government has taken a number of measures to address this issue. We have introduced legislation to improve communication between the Canada Revenue Agency and the Department of Employment and Social Development in order to facilitate the sharing of information. I believe that the key to success is communication between the federal government, the provinces, the police and traffic enforcement officers.

That said, this committee will draft a report containing recommendations to the federal government. We want to be able to act quickly and help you. To that end, what recommendations would you like us to make?

Jean-Claude Daignault: The federal government could quickly amend federal regulations on driving and working hours.

Let me give you a specific example. Currently, we can take vehicles out of service. If we find that a driver has exceeded the maximum number of hours allowed, the vehicle is taken out of service, and the driver can't drive it for a certain number of hours until they comply with the standard. However, there are no out-of-service actions in place for fraudulent companies, even though in many cases these are the companies defrauding the driving hours system.

I'll give you a very specific example. You should come to a checkpoint in Quebec to see how it works. In fact, I've talked to my employer about it, and you're all invited. Getting back to my example, it's the company that puts the driver's name in the electronic logbook. If the company decides to put a driver's name—

• (1000)

Stéphane Lauzon: It can add an *e* instead of an *r*.

Jean-Claude Daignault: That's right. The company can add an *e* or anything else, and that's it, we can't hold on to their vehicle. We give the company a report and send the driver on their way.

Stéphane Lauzon: Thank you, Mr. Chair.

The Chair: Thank you very much, Mr. Lauzon.

Mr. Barsalou-Duval, you have the floor for six minutes.

Xavier Barsalou-Duval: Thank you very much, Mr. Chair.

I will continue to ask you questions, Mr. Daignault.

We were talking about the electronic logging device, which, to my knowledge, is regulated by the federal government, which oversees its operation. If I understand correctly, you're saying that you have no way of knowing when the company makes changes.

Why is that the case?

Jean-Claude Daignault: It's an electronic system, so it's computer-based. When we stop a vehicle, the driver or the company gives us whatever they want to give us.

It's also important to understand that this isn't instantaneous. When we stop a truck and ask the driver to give us their driving hours, they send them to us by email. Sometimes it can take 30 minutes before we receive the email. This gives companies the opportunity to modify the driving hours they send us.

Xavier Barsalou-Duval: Do you have access to the changes made by the companies?

Jean-Claude Daignault: No, but we recommend this change in our brief. Currently, there is only one legal entity, namely the provincial government of Saskatchewan, which has ruled that officers who do our work can view in read-only mode, meaning they cannot make any changes, if changes to driving hours have been made.

Some trucking companies tell drivers who have exceeded their driving hours to pull over and wait for a while. Strangely enough, after 15 minutes, their driving hours become compliant. However, we cannot verify this because it isn't covered by federal regulations.

Xavier Barsalou-Duval: So far, several speakers, including you, have said that when you stop a truck coming from Ontario, for example, you have no information about any violations the driver may have committed there, only about those committed in Quebec. You say that you need data sharing or a way of knowing what violations have been committed in other provinces.

I would like to talk more about this issue, because we know that there can also be fraud or violations involving employment insurance, the Canada Revenue Agency, or immigration.

Would having access to information about federal violations be useful in your work?

Jean-Claude Daignault: The more information we have, the more we can do, that's for sure.

As I said earlier, we would need a payroll system to be required by federal regulations on driving hours so that we can actually verify the information in the electronic logbook. We don't want to know the amounts, but if we knew that the company was making source deductions, we could use that.

Xavier Barsalou-Duval: Thank you, but I mainly wanted to confirm that you also do not have access to federal violations.

Jean-Claude Daignault: No, not at all. We're very fortunate when it comes to Quebec. I can find out immediately if a company has committed an offence in Baie-Comeau in the last 10 years, even if I am in Montreal. However, as soon as we leave the province, that's it; we no longer know what's going on.

Xavier Barsalou-Duval: Thank you.

I will now turn to Ms. Abou-Dib.

Earlier, you mentioned in your opening remarks a kind of xenophobia that is beginning to emerge in the industry. How can this be explained? Is it due in part to the fact that fraudsters exploit workers from specific communities?

Mariam Abou-Dib: Yes, in the trucking industry, some companies hire truckers from a given community, whether legally or not, and some of these people have been involved in accidents, which has led to some generalizations and a negative backlash against that community.

• (1005)

Xavier Barsalou-Duval: Do you think that government inaction on fraud in the system amplifies this xenophobia? From what I've seen, it seems to mainly affect the Indian and Sikh communities in the Brampton area. These communities appear to have been exposed and targeted.

If the government lets things slide, will it get worse?

Mariam Abou-Dib: Of course it will get worse if we don't talk about it and take action.

Xavier Barsalou-Duval: I would add that a number of these people have temporary immigrant status in Canada, which means they are often less familiar with our laws.

We have proposed prohibiting temporary immigrants from forming legal entities to ensure that they work only as employees, in particular to protect their rights.

Do you think this would be a good step?

Mariam Abou-Dib: Yes, absolutely. This measure would protect these workers.

The Chair: Thank you very much, Ms. Abou-Dib.

Now it's your turn, Mr. Groleau. You have the floor for five minutes.

Jason Groleau: Thank you, Mr. Chair.

I would like to thank all of our witnesses for being here.

Before I begin, I would like to give a reminder for the second time this morning to my Liberal colleagues, who are still saying that this situation was caused by a decision made in 2011.

Over the past 10 years, the situation has changed in Canada and around the world. Some witnesses tell us that the "Drivers Inc." phenomenon has grown over the past four or five years. Yet the Liberals have been in power for 10 years. They have done nothing.

Experts are proposing to reinstate the T4A slip. The Liberals have the power to do so, but they refuse and don't want to talk about it. The solution to the problem is simple: Reinstate the form. Thank you.

Mr. Daignault, hello. Thank you for being here. You are the president of the Fraternité des constables du contrôle routier du Québec. I imagine that safety is a priority for everyone here.

How would you assess the current state of road safety in Quebec?

Jean-Claude Daignault: It's getting worse because the "Drivers Inc." phenomenon has grown significantly. I'm not saying that's the only cause, but it's a big part of the problem. On page 6 of our brief, we show a cheque that was given to a driver who operated his vehicle but did not own it. He received a paycheque for \$2,555 for two weeks. With that, he had to pay for the vehicle rental, gas, and so on, not to mention taxes. It's peanuts.

I give this example because, in order to earn such a salary, you have to have a vehicle that's much older than those used by reputable transport companies. Older vehicles need more maintenance, but these people aren't able to take care of them, so we end up with dangerous vehicles on the road. Every day, vehicles are stopped and banned from the road. They have to be towed or repaired on the spot. It's not a matter of a broken turn signal, but of poor braking, for example, or steering that no longer works, or tires that are too worn. There's a video on my website where you can see a controller turning the bolts that hold the tires in place.

These are things we didn't see 10 or 15 years ago. The situation has really deteriorated and, unfortunately, even if we manage to stop some of these vehicles, it still results in deaths.

• (1010)

Jason Groleau: You said that the problem with the "Drivers Inc." model has grown in recent years.

How many years do you think it has been?

Jean-Claude Daignault: I have often worked at the Les Cèdres checkpoint, located at the Ontario-Quebec border on Highway 20. I would say that the problem has been growing every year for the past 10 years.

Jason Groleau: Earlier, you mentioned insurance papers and the fact that it isn't possible to verify whether a person was insured. They're exchanged between trucks.

Can you tell me a little more about the situation surrounding insurance papers?

Jean-Claude Daignault: First of all, as individuals, we have cars. We take out insurance with an insurance company, which issues us a document to put in our vehicle. We don't ask any questions. While car insurance costs \$1,000 or \$2,000, in heavy transportation, insurance for large trucks can cost tens of thousands of dollars.

These people receive a document, and it's the same document that individuals have in their vehicles. However, we don't know if it's valid or not. First, they can create one. Then, they can take out insurance with a company, cancel the policy a week later, and keep the document that was valid. Is the insurance valid? We can't know.

Jason Groleau: You're telling me that you can't verify whether it's valid or not.

Jean-Claude Daignault: That's right, we can't. When we call insurance companies, only about 25% of them give us that information. When we find someone who doesn't have insurance, we still need proof to go to court. Earlier, my colleague from Ontario talked about the traffic fines that prosecutors don't want to use to prosecute because the situation isn't clear enough. In our industry, we need evidence that is beyond a reasonable doubt.

Jason Groleau: What are some obvious solutions the committee can offer to help improve security in Canada?

Jean-Claude Daignault: In our brief, we focus on road safety, and we've made four recommendations regarding the regulations on hours of driving and rest.

I think they could be implemented very quickly and would send a clear message.

Jason Groleau: Thank you.

The Chair: Thank you very much, Mr. Groleau.

[*English*]

Next we have Ms. Nguyen.

Ms. Nguyen, the floor is yours. You have five minutes, please.

Chi Nguyen: Thank you, Mr. Chair.

[*Translation*]

Thank you very much, Mr. Daignault.

[*English*]

Thank you very much, Inspector Moyer and Ms. Abou-Dib.

Thank you in particular for keeping our roads safe. It's a really critical piece of making sure that we all feel safe in our communities. I appreciate that particularly in Toronto, where I represent the riding of Spadina—Harbourfront, Inspector Moyer.

All three of you have touched a bit on the idea of a national database. I know work is in play and that provinces have their own databases. I asked a bit earlier about where we could see a stronger federal role and what kinds of elements would be useful in a database there.

Would it be a helpful enforcement tool, Monsieur Daignault, to have a database that had datasets—maybe not in Excel spread-

sheets, but something a bit more modernized? Could you speak to that as an opportunity for a resource and tool for the sector?

[*Translation*]

Jean-Claude Daignault: Who should answer first?

[*English*]

Chi Nguyen: You can each take a turn.

[*Translation*]

Jean-Claude Daignault: I'll let the others speak first.

[*English*]

Chi Nguyen: I'll ask Inspector Moyer.

Matt Moyer: Thank you. I appreciate your question.

There's not a lot of conversation at the municipal level about that. I have to be frank and up front about that. Particularly at our level, the only issue we have with the collection of that data, which has become even more prevalent in the policing world, is privacy and the sharing of information.

I do not have intimate knowledge of a national database and its impact on policing in Toronto. I will defer to the other speakers, if you don't mind.

Chi Nguyen: Ms. Abou-Dib, do you want to weigh in on that? I think you mentioned it as well.

Mariam Abou-Dib: What we support is the ability of the federal government to communicate, coordinate and work with the provinces. This is an example. Whether it's on misclassification...I think information needs to be shared, absolutely taking into consideration privacy issues, in order for each jurisdiction to play their role and play it effectively.

Whether it's through the various statistics and the companies that would allow... If a red flag comes up, whether it's in federal or provincial jurisdiction, that flag should be visible to those jurisdictions in various inspections or while they're playing their roles.

• (1015)

Chi Nguyen: I also want to probe a bit into the role of the provinces.

Ms. Abou-Dib, I'm wondering if you could speak to whether you are having conversations at the provincial level with other provinces. In particular, I'm interested in whether or not there have been productive conversations for you at the provincial level in Ontario.

Mariam Abou-Dib: I would say that especially in Ontario the discussions have been somewhat productive. What's not new is the buck-passing that often happens in the jurisdiction wars. That is why our position remains that the provinces and the federal government need to better coordinate their roles on this particular issue.

Chi Nguyen: This is my last question.

You had spoken a bit about this, but I would love to hear more about recommendations, Ms. Abou-Dib, for how we respond to the growing xenophobia and ensure there are better protections for workers.

Mariam Abou-Dib: I know there's openness at the federal level to reviewing the temporary foreign worker program, so I want to recognize that.

I think the issue here, more importantly, is with closed permits, which often trap workers in situations of extreme exploitation. Where there's a need for these workers to be brought into the country to fill a gap, let's maintain that this is in fact the reason for their presence. They need to understand what their rights and obligations are. That's extremely important, and more often than not, they don't.

The Chair: Thank you very much, Ms. Nguyen.

Thank you, Ms. Abou-Dib.

[*Translation*]

We'll continue with today's final questioner.

Mr. Barsalou-Duval, you have the floor for two and a half minutes.

Xavier Barsalou-Duval: Thank you, Mr. Chair.

I will continue with Ms. Abou-Dib.

I imagine that many of the members that Teamsters represents are on the ground in the trucking industry and see this situation day after day. We know that union jobs can often lead to better working conditions.

Do the practices that are causing the boom in incorporated drivers and forcing people into terrible working conditions have an impact on the working conditions of your members?

Mariam Abou-Dib: Yes.

First, it causes unfair competition between companies. Unfortunately, more and more of them are choosing to break the law. They offer lower wages to these improperly incorporated drivers. They save money on benefits, as has been described. As a result, there will be job losses. In fact, this has already begun. We are losing members, but ultimately, because of the "Driver Inc." model, these workers are losing their jobs. In addition, those who keep their jobs are victims of competition between companies to offer lower wages and poor working conditions. Yes, there is a direct impact on our union members.

Xavier Barsalou-Duval: For our part, we're also hearing about wage cuts in some companies. Have you witnessed this?

• (1020)

Mariam Abou-Dib: Yes. As we said, due to wage competition, the companies our members work for want are seeking compromises and concessions during negotiations.

Xavier Barsalou-Duval: Can anything to be done to correct the misclassifications that are often made fraudulently and intentionally to pay less tax and diminish people's working conditions?

Mariam Abou-Dib: Certainly. The recommendations you have heard throughout the week are positive. They will force companies to stop engaging in this type of conduct.

Xavier Barsalou-Duval: Thank you very much.

The Chair: Thank you, Mr. Barsalou-Duval.

[*English*]

Next we'll go to Dr. Lewis.

Dr. Lewis, the floor is yours for five minutes.

Leslyn Lewis (Haldimand—Norfolk, CPC): Thank you.

Inspector Moyer, the federal government's neglect of enforcement doesn't just hurt workers. It puts communities at risk. In cities like Toronto and along the rural routes in Haldimand—Norfolk where I live, we're seeing growing concerns about fatigue, accountability and road safety.

From your frontline perspective, how serious is this problem, and do you see the consequence of Ottawa's inaction showing up on our roads?

The Chair: I believe Mr. Moyer may have left.

Leslyn Lewis: Okay. I will then turn my question to—

The Chair: It looks like Mr. Daignault would like to answer that, Dr. Lewis.

Leslyn Lewis: Oh, that's wonderful.

[*Translation*]

Jean-Claude Daignault: We're seeing the implications of driving hours. Many drivers under the "Drivers Inc." regime exceed the maximum driving hours. A recent accident in the Montreal area is an example: The driver had not had eight consecutive hours of rest in a 57-hour period.

Two weeks ago, another case was reported: The driver had been driving for 27 consecutive hours, while the regulations stipulate a maximum of 13 to 14 hours. Why are there such discrepancies? These drivers are unable to make the round trip between point A and point B. For example, the Toronto—Montreal route takes about six hours. However, some of these drivers try to make the round trip in the same day. Traffic and road conditions make this impossible. As a result, they exceed the number of hours of driving allowed and falsify their logbooks to make everything appear to be in compliance with the rules.

This causes accidents and deaths.

[*English*]

Leslyn Lewis: Thank you for that answer.

My next question is for Ms. Abou-Dib.

We heard in testimony today that misclassifying drivers isn't just unfair. It is unsafe. However, despite years of warning, the federal government has stood by while unsafe and illegal employment schemes take root. Trucking now accounts for 85% of confirmed labour code violations, yet there's been no meaningful enforcement. The lack of enforcement is putting Canadians at risk on the road.

From your perspective, what does the ongoing neglect reveal? Has Ottawa failed more by refusing to enforce existing laws or by ignoring the need to modernize these laws to deal with today's misclassification practices?

Mariam Abou-Dib: I think the government has taken some action. We should be fair with respect to the fact that it is looking at, turning its attention to and, in fact, investing money in trying to engage in enforcing the law. The problem is that it isn't enough. More needs to happen, including what we've been talking about. It isn't just about money. It's also about investment in coordination with the provinces and more coordination among the various departments.

What's happening right now with these companies is that they're being allowed to make demands on drivers that would absolutely not fly with legitimate drivers, or drivers who are properly classified as employees. With incorporated drivers, companies have a lot more flexibility in the law and in the loopholes they find, and they engage in abuse with respect to temporary foreign workers. Those workers don't even know what their rights are. When they do, they are still trapped in a particular legal framework they can do very little about.

The action the government needs to take is multipronged. It needs to be coordinated. The kind of investment required is a lot more than a study, a pilot project, research or education. Real penalties that hurt also need to be implemented.

• (1025)

Leslyn Lewis: Tell me about the real-world—

The Chair: Thank you very much, Dr. Lewis. I'm sorry, but there's no time left. I appreciate it.

Thank you, Ms. Abou-Dib.

Finally for today, we will turn the floor over to Mr. Kelloway.

You have five minutes, sir.

Mike Kelloway: Thank you, Mr. Chair, and thanks to the witnesses.

Mr. Daignault, I'll address my questions to you.

First, to you and Mr. Moyer, thank you for your service in law enforcement. It is absolutely essential. My questions are going to be in line with law enforcement.

I'm wondering if there's any collaboration with the traffic services that fall under you and with some of the commercial training schools to promote safety practices and things of that nature. Is that something that happens, or is that something that doesn't happen at the moment?

[*Translation*]

Jean-Claude Daignault: In Quebec, there is no real coordination between law enforcement and driving schools. They are two independent entities that work in silos. I've seen a driving school truck with five passengers sitting on the bed of a cab, taking a course.

We work on the road, but what happens in schools is another matter entirely.

[*English*]

Mike Kelloway: The other question I have is one that I wasn't going to ask. In my family, my father was in charge of mine rescue, so essentially he was a first responder who saw quite a lot—probably too much—underground at accidents and things of that nature. I think the same could be said for law enforcement.

I'm wondering, if it's okay with you, if you can expand on what ramifications you see on your own staff from the traffic stops or accidents that happen or may happen when people are poorly trained or misclassified, or a combination thereof, and driving large vehicles.

We talk here about—and rightly so—the importance of safety to the truck drivers across Canada and the people on highways. I'm wondering if you can speak just a little about your experiences, sir, and how this impacts you and your men and women on the force.

[*Translation*]

Jean-Claude Daignault: Personally, I have been called upon to investigate fatal accidents in my area of expertise. Often, when we arrive at the scene, we ask ourselves the following questions: “How many hours has the driver been driving?”, “Are they transporting hazardous materials?”, “What is the mechanical condition of the vehicle?”

It's true that sometimes accidents are understandable and result from a lack of attention. However, we've noticed lately that the maximum number of driving hours is increasingly being exceeded.

This is unfortunate because these accidents are preventable, provided that the company that employs the driver prohibits them from going over this number of hours. But that's not the case. It's unfortunate because it leads to deaths and injuries. There aren't always fatalities, but many people are injured in these accidents, and I think it could easily be avoided with a few changes. It would send a message, you know?

It's not that the law will change and everything will be fixed overnight, but it will send a clear message to the government: It must consider trucking safety to be important and, by extension, the responsibility of companies.

As I said earlier, the regulation respecting the hours of driving and rest of heavy vehicle drivers are primarily aimed at drivers. We have little control over companies. Once we have control over companies, there will be changes in behaviour, and our roads will become safer.

• (1030)

[*English*]

Mike Kelloway: Ms. Abou-Dib, we talked about recommendations, and you put forward the need for greater coordination. That stands out for me. I'm wondering if you can take the time to provide us, if you haven't already, with some other recommendations that may tie into coordination, like greater collaboration between the provinces and the federal side of things. Clearly, this is not a challenge that only one entity can take on. There has to be collaboration. I'm wondering if you could highlight, very quickly, anything you may not have mentioned today.

Mariam Abou-Dib: Actually, one thing did come to mind that I didn't mention in the presentation. It was about training. We talked about the number of hours that truck drivers should be engaging in, as our members and the carriers at CTA do, as you heard.

The other point that is a provincial and federal point of contention is about apprenticeship and training. Truck driving should

be seen in the same way that Red Seal trades are seen. If that were the case, it would help solve a lot of problems with respect to the recognition of the value and importance of this work, at both the provincial level and the federal level. That needs to happen together.

The Chair: Thank you very much, Mr. Kelloway.

To our witnesses, on behalf of all members, I want to thank you for your time and your testimony today and for contributing to this very important study. We wish you safe travels home, for those of you who are travelling.

We look forward to resuming after the break, on Tuesday, October 21.

With that, colleagues, this meeting is adjourned.

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