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• (1530)

[English]

The Chair (Peter Schiefke (Vaudreuil, Lib.)): Welcome to meeting number nine 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, the committee commences 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 would like to make a few comments for the benefit of the witnesses and our members before beginning.

Please wait until I recognize you by name before speaking. For those participating by video conference, please 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.

All comments should be addressed through the chair.

For members joining us in the room, I have two placards. If I lift up the yellow placard, it means please wrap up your remarks. If I hold up the red placard, it means that I will have no choice but to cut you off to ensure that we have equal time given to all members of all parties.

I would now like to now welcome our witnesses.

Appearing with us today from the Canadian Trucking Alliance, we have Stephen Laskowski, president and chief executive officer; Geoffrey Wood, senior vice-president, policy; and Jonathan Blackham, director, policy and public affairs. From Trucking Human Resources Canada, we have Angela Splinter, chief executive officer. From the Women's Trucking Federation of Canada, we have Johanne Couture, executive director; and Shelley Walker, chief executive officer.

Welcome to you all.

I'd like to thank you all on behalf of all members for appearing today. I will turn the floor over to Mr. Laskowski.

You have five minutes for your opening remarks.

Stephen Laskowski (President and Chief Executive Officer, Canadian Trucking Alliance): Thank you, Mr. Chair.

Thanks to all the committee members for committing to studying the crisis that is destroying our industry, causing carnage on our highways and robbing our social network of billions of dollars each year.

The CTA comprises seven provincial trucking associations, and our membership has over 5,000 carrier and supplier members from across the country. In turn, these companies employ over a quarter of a million Canadians.

I want to lead my brief opening comments with what I believe you will quickly realize about this issue, that the Driver Inc. crisis in our industry is not a problem without clear and identifiable solutions. It's simply a crisis without the necessary political will to solve the problem.

The issue the committee is examining is not a new one to our sector, nor should it be to the federal government. CTA has been sounding the alarm with the federal cabinet and provinces about this issue since 2018. The problems identified in 2018 have since been left to grow unchecked, and in 2025 they have evolved into a full-blown crisis of compliance, road safety, drug trafficking, human rights abuses, rampant labour law and tax fraud. It's been allowed to become out of control.

In the 2022 fall economic statement from the federal government, the issue of Driver Inc. was addressed by name, with over half of a page dedicated to the issue. The statement spoke about the tax and labour abuse taking place, and it stated that further details, particularly as they relate to taxation, would be revealed in the 2023 budget. At the time, the industry took this to represent the government's acknowledgement of the issue and their commitment to fix it. However, when the 2023 budget arrived, it was completely silent on the issue and has left the industry questioning why ever since. Nonetheless, we are hopeful that this study sheds a light on this issue and why it is being allowed to persist for nearly a decade.

What is Driver Inc.? As the name suggests, it simply means incorporated drivers, but, of course, it is much more than just that. Driver Inc. was born in 2011, and is the offspring of the PSB tax classification, the introduction of a temporary moratorium on T4As and the knowledge that unscrupulous trucking owners have had for a long time, which is that there is significant lack of enforcement and coordination among the federal departments of labour, CRA and their provincial labour and tax equivalents.

This issue does not stem from a lack of education or knowledge about the industry or governments. It's a well-thought-out scam that has expanded over the years to now incorporate immigration fraud, driver training fraud, human trafficking, the movement of contraband and illegal cross-border shipments. This growing scam furthers the deterioration of highway safety across the country and the bankruptcies of many legitimate law-abiding trucking companies that are critical to the fabric of your communities. The unfortunate truth about this scam is that bad actors are not only winning; they are also taking over the industry and the Canadian supply chain.

How does it work? Different departments have different independence tests, but some of the key components of all of them include ownership of tools, control integration and the opportunity for profit and loss. In trucking, a Driver Inc. driver fails all of these and is virtually indistinguishable from a traditional employee. They work under the direction of the company and the driver of the company trucks. The only difference is that they are coached or coerced or they elect to incorporate themselves in an attempt to masquerade as something other than an employee. For the company, they use this justification to strip workers of all their labour rights entitlements under the federal labour code. Together, this allows the company owner to pocket at least \$20,000 to \$30,000 per year, per driver.

On the flip side, exploiting CRA blind spots created by the T4A moratorium and the historical lack of interest in PSBs provide the opportunity to commit tax evasion. This is not hyperbole. It is verifiable fact. However, ESDC and CRA have studied the issue, and both have found rampant non-compliance centred in the trucking industry, exactly as labour has been saying for years.

We have submitted a brief to the committee that explains the problem in detail, provides glimpses of the mountain of evidence that has surfaced over the years and provides details on what is needed.

- (1535)

These solutions include ending the T4A moratorium immediately; implementing a part three to the CRA's work on PSBs; coordinating with all federal and provincial governments and agencies on a national misclassification blitz in the trucking industry with real penalties; deploying CRA, RCMP, ESDC and IRCC to truck inspection stations across the country; implementing new security measures for Canadian and U.S. trucks crossing the international border to end criminal ownership, which has infiltrated Canadian fleets; and expediting the completion and investment into the national database by Transport Canada that will create necessary oversight and knowledge of who owns and operates these fleets and their safety records in all provinces and territories.

There are also a host of other solutions that are in that larger document that you all have.

Thank you again for the opportunity to address this committee, and I look forward to discussing these issues with you here today. This is a critical issue for our industry.

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

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

Angela Splinter (Chief Executive Officer, Trucking Human Resources Canada): Good afternoon and thank you for the invitation to speak here today.

We welcome this timely study on the examination of issues impacting Canada's trucking and logistics sector. Trucking HR Canada is a national workforce development council that works collaboratively with stakeholders in commercial transportation, public policy, training and economic analysis, ensuring Canada's freight transportation network has the skilled workforce it needs. We offer a range of HR-related programs and resources, and we are the industry's national authority on labour market information.

As a national not-for-profit, we are funded through federal and provincial grants and contributions and our own sustainable programming. We engage over 10,000 stakeholders through our communication and outreach initiatives.

As the dominant mode of transportation in Canada's supply chain, the trucking and logistics sector is the most significant enabler of Canadian growth and prosperity. Our labour market data shows that 340,000 truck drivers are currently operating in Canada, reaching into every community nationwide. When we consider the priorities of Canadians today, expanding international trade, strengthening internal trade, driving economic growth, meeting housing and grocery needs, and curbing inflation, the trucking and logistics sector is key as these priorities all rely on effective goods movement.

While our nation's supply chain, stability and economic viability rely on a strong trucking sector, we continue to experience more job vacancies than other industries.

Driver Inc. is a clear violation of tax and labour compliance practised by unethical trucking companies. Why is this a significant industry issue? It represents a black market and illegal rogue practice within the Canadian trucking sector, characterized by the deliberate misclassification of truck drivers as independent contractors rather than employees.

I will speak to three specific areas of concern.

The first is the impact on employee protections. This misclassification is strategically deployed to circumvent mandatory tax obligations and labour regulations, enabling companies to avoid remitting income and payroll taxes, EI, CPP contributions and other statutory employee benefits. It also circumvents obligations related to overtime pay and fundamental employee benefits. As a result, many truck drivers under this model lose vital protections, including job stability, retirement benefits, sick leave and holiday pay. These employment standards are core to Canada's labour culture, and essential to fairness and equity in the workplace. Their erosion puts employees at risk and weakens the foundation of our social safety net.

The second is the impact on our industry's ability to recruit and retain workers. The Driver Inc. model is directly impacting the long-term sustainability and stability of our workforce. This negative reputation fostered by these unethical practices is prompting new entrants and existing workers to seek opportunities elsewhere. There is a growing concern that the lack of labour protections will have a profound impact on the availability of skilled workers in the future. The Driver Inc. model is a well-known practice within the industry, leading to more candidates inquiring about the model. This makes it harder for compliant fleets to recruit in an already small pool.

The third is the impact on Canadian priorities. With the current economic climate and trade issues, it is more important than ever that our country has a safe, secure and compliant transportation infrastructure. This model directly impacts government tax revenue streams and contributes to an uneven competitive landscape within the trucking industry, disadvantaging compliant carriers who adhere to labour and tax laws. The Driver Inc. model is creating a rigged market where compliant carriers struggle to compete against those exploiting the model for cost savings and profit.

A serious concern here is that without adequately addressing the issue, compliant carriers may be tempted to take an "if we can't beat them, join them" stance.

Canada's truck drivers keep our economy and our daily lives moving. They deserve fair treatment, safe working conditions and employers who play by the rules. The Driver Inc. model undermines all of this.

It is not just a labour issue, it's a matter of ethics, equity and national integrity. We owe it to every legitimate carrier, every worker and every taxpayer to end this practice once and for all, and build a stronger, fairer industry together.

Thank you.

• (1540)

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

Next we'll go to Ms. Couture.

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

Johanne Couture (Executive Director, Women's Trucking Federation of Canada): Thank you.

[Translation]

Good afternoon, Mr. Chair and members of the committee.

[English]

My name is Johanne Couture. I serve as the executive director of the Women's Trucking Federation of Canada.

I've been a professional driver for 31 years, 27 of those as an owner-operator. I haul dangerous goods in a liquid chemical tanker for cross-border trade contracted to one of Canada's largest carriers. I've travelled throughout all 10 provinces and the lower 48 states in every imaginable condition. That experience makes me a subject matter expert in road safety, and I am here to speak about how Driver Inc. is eroding it.

I'm not just an advocate today. I am the voice of thousands of professionals, owner-operators, small carriers, instructors and drivers who are being pushed out of the industry by the unchecked spread of Driver Inc.

Financial pressure is being placed on those who follow the rules while profit-driven actors cut corners on safety, maintenance and training. They don't care about the drivers they put in the trucks or the public sharing the road—that's your family and mine.

Driver Inc. is not innovation. It's exploitation disguised as flexibility. It misclassifies employee drivers as independent contractors, stripping them of basic protection while allowing carriers to dodge source deductions that fund social programs. These drivers lose out on benefits and face added liabilities in the event of a workplace accident. This model rewards evasion and punishes compliance.

For small and mid-sized carriers, Driver Inc. is a death sentence. They're forced to compete with operators who underbid contracts by cutting corners. Owner-operators are pressured to accept rates that don't even cover costs. That's not competition; that's coercion.

Insurance premiums are rising not because of individual risk but because of an overall increase in claims. Some insurers have even pulled out of the commercial market entirely.

As for safety, when drivers are misclassified, there's no employer oversight. No one is checking hours of service, vehicle maintenance or training. We're seeing more fatigue-related accidents, poorly maintained equipment and unnecessary risks on our roads. This isn't just a labour issue; it's a public safety issue. What message are we sending to the next generation?

• (1545)

Young people see instability, exploitation and lack of respect for the profession. A step forward is coordinated action from all levels of government. Consistent enforcement across all jurisdictions is a must. We need a national trucking credential that protects workers, supports compliant carriers and restores integrity to our sector—a credential that educates everyone on their rights and responsibilities. Fixing the financial deficiencies of Driver Inc. will have a mirror effect on fixing highway safety for all users.

[Translation]

Thank you for your attention.

I look forward to your questions.

The Chair: Thank you, Ms. Couture.

Ms. Walker, you have the floor.

[English]

Shelley Walker (Chief Executive Officer, Women's Trucking Federation of Canada): Good afternoon, Chair and members of the committee.

My name is Shelley Walker. I'm the CEO of the Women's Trucking Federation of Canada. I've been a professional driver for over 30 years and now lead national efforts to promote safety, equality and integrity in trucking. Through WTFC, I support women, youth, newcomers and under-represented groups in building sustainable careers, and I lead the Know Human Trafficking campaign to educate our industry and the public about exploitation and forced labour. Trucking is uniquely positioned to be both a target of exploitation and a frontline defence against it. That's why I'm here today, to call for an end to predatory misclassification schemes like Driver Inc. that destabilize our industry and create fertile ground for trafficking.

Let me be clear. We fully support the lawful owner-operator model, but Driver Inc. is entirely different. It misclassifies employee drivers, strips them of protections, shifts liability onto individuals and rewards carriers who cut corners at the expense of safety and fairness.

Only 4.3% of truck drivers in Canada are women. Under Driver Inc., maternity leave, predictable schedules and workplace accommodations disappear, making it nearly impossible for women and other under-represented groups to build lasting careers. If we're serious about equity, we must ensure that every driver has the security that only employee status provides.

We're also seeing a rise in labour trafficking. Vulnerable drivers, often newcomers, are lured into fee-heavy arrangements and then trapped by withheld passports, phantom surcharges and threats. This is debt bondage in motion, a stain on our industry and a threat to Canadian values.

Predatory carriers gain up to a 30% cost advantage by outsourcing wages, benefits and safety obligations. Honest operators can't compete. Investment in training and maintenance dries up, and road safety suffers, with more fatigue-related collisions, mechanical failures and risk for Canadian families.

WTFC has submitted a proposal for a national trucking credential, a practical, enforceable solution to restore integrity, protect vulnerable workers and raise professional standards across Canada. The time for consultation has passed. What we need now is decisive action. By funding and implementing this credential, Canada can send a clear message that exploitation has no place in our supply chain, and trucking will remain a profession built on fairness, accountability and pride.

Thank you for your time and attention.

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

[Translation]

Thank you, Ms. Couture.

[English]

Thank you both for your steadfast dedication to the trucking industry and serving Canadians for decades by moving our economy forward.

We begin our line of questioning today 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 being here today.

Canadians are feeling unsafe on the roads, and they are feeling unsafe in their communities. I hear the language from all of our witnesses here today, things like "criminality", "exploitation", "forced labour" and "chaos". These are not things that I would usually associate with the trucking industry, which used to be a job that could put food on the table for a family. The companies that I know in my area, like Berry & Smith Trucking, have great reputations as family generational businesses.

Mr. Laskowski, you said that there is neglect after 10 years of successive Liberal governments. Can we start with where the neglect has been most acute in your industry?

• (1550)

Stephen Laskowski: From a federal perspective, it's twofold. The major responsibility at the federal level is at the CRA with the PSB and the T4A and then on the labour side with misclassification.

I'll start on the tax side. With the T4As, the moratorium went in in 2011. It was supposed to be temporary. We're now moving on 14 years. The definition of temporary, I don't believe, is 14 years. It is an open gateway for misclassification and tax evasion. There are no records of these folks, so they were able to hide. That is why there are many drivers participating in this. Some are forced and some are coerced, as you've heard, and then others see it as winning the lottery and the government doesn't care.

Dan Albas: Earlier this spring, Mark Carney called an election, and that killed some important parliamentary authorizations that would have allowed CRA to do this work, to be getting on the misclassification.

What's the CTA's opinion of this setback?

Stephen Laskowski: We need that legislation back. It is critical that the CRA and the ESDC work together. They've committed to us to do that, and that's an important step. It's a step, not the whole solution, but a step.

Dan Albas: I've heard that 85% of the complaints regarding the Canada Labour Code stem from the trucking industry. Is that about right?

Stephen Laskowski: The short answer is yes, but I'm quite verbose, as you're about to all find out over the next hour.

I think you and others who have said it are shocked that this isn't your father's trucking company anymore. We are all here as long-serving trucking industry members. It gives us no great pride to come here to talk about our industry the way you just heard it. We need this industry cleaned up, and the reality is that the answer is yes.

Dan Albas: In your opinion, there are some very bad actors out there who are ruining your industry and who are making our highways unsafe and your industry chaotic.

Would you also say that the government has been adding fuel to the fire by its continued inaction? What are some of the tangible steps that it should immediately take to secure our roads?

Stephen Laskowski: Bring back the T4As, enforce PSBs and start going out with serious teeth to enforce misclassification at the federal level.

Dan Albas: I'd like to go to Ms. Walker at the Women's Trucking Federation of Canada.

You mentioned exploitation and forced labour earlier. Those are shocking words to me. Who are these people who are being abused and how, in this day and age, are we allowing this kind of conduct?

Shelley Walker: I think what might be shocking for the committee members to hear is that these are people who are coming to Canada through legitimate pathways. They're coming as TFWs through LMIA's. They're recruited over in their own home countries.

Dan Albas: Are you saying that our immigration system is fuelling this?

Shelley Walker: Yes.

Dan Albas: Explain that, please. How is the lack of action at the Canadian government level allowing this kind of gross behaviour?

Shelley Walker: A lot of times for most of these immigrants, when they come over here and they're on a work placement, they have to work at one place. They don't know what that employer is like other than what they're told when they're recruited.

I have drivers now who I have helped who had been living inside a truck, which is a little box. They're being paid 38¢ a mile. The rest of the fleet is being paid 70¢ a mile. They don't have their passports. They're run in Canada only.

Dan Albas: I only have limited time, but I just want to say thank you to all of you for being brave and coming forward to say something. I know that you've all had a great career in this industry, so it must sadden you.

Canada's Conservatives believe this can be fixed but only if the government starts taking action now.

• (1555)

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

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 for being here and for your testimony.

Ms. Couture and Ms. Walker, you're truck drivers. It was only, for many Canadians, during COVID that we realized how much we rely on you and how essential you are. I want to say thank you for everything you do, and, of course, to the advocates, as well.

This will be basically a nod-type of question for many of you, because I have a few questions. When you have a committee like this, you devise your questions beforehand. Then you hear testimony, and you scrap those questions and go for the testimony questions.

I think it was referenced in 2022 in the fall economic statement that the government committed about \$26 million over five years to ESDC to take stronger action on misclassification and conduct more audits. Understanding that this is a complex issue, was that, in your opinion, a decent move to move forward?

A nod from anybody would suffice.

A voice: Yes.

Mike Kelloway: Would you all agree that it's constructive?

Stephen Laskowski: I would say it's constructive and it's helpful, but it doesn't go near the level of this problem.

Mike Kelloway: That's a fair point.

CRA and ESDC signed an information-sharing arrangement in March 2025 to enhance enforcement in the federally regulated trucking sector.

Again, is that under the category of constructive?

Stephen Laskowski: It is constructive, but long overdue.

Mike Kelloway: All right. Those were two items that the Conservatives voted against. I find that interesting.

I want to go into questions with respect to roles and responsibilities.

Ms. Splinter, how much of a role does the federal government play in regulating the industry? You spoke to this to some degree, but I wonder if you could unpack that, knowing that we have a limited amount of time and I have some more questions for you.

Angela Splinter: I just want to clarify something: Do you want to know how much of a role they have in regulating Driver Inc., or in other aspects? With Driver Inc., what the CTA has been lobbying the government on is with the CRA. They see the issue being around tax evasion.

I spoke to other issues that are happening broadly from an HR perspective and how it's impacting our workforce. Getting into specifics on the regulation piece gets me outside of my mandate and what I do at Trucking HR Canada. I think that would be better directed, perhaps, to the Canadian Trucking Alliance.

Mike Kelloway: Can we go to them?

Stephen Laskowski: Specifically with regard to the CRA and the taxation issue, this is complicated, but we can simplify it. The CRA has committed to bringing back T4As, but it needs to happen now. Fourteen years is long enough. Step one is you bring that back.

Step two is the personal services business model. It was studied by the CRA, and Jonathan has been involved in that and can provide a little bit more detail. Simply put, the CRA has discovered that we have a big problem with PSBs. Trucking is our number one problem, so the question from the CTA is this: Why hasn't action occurred? Why did the fall economic statement say that the CRA was going to give us answers in the 2023 budget when there has been silence ever since, while the crisis grows?

You can see it in the larger document, toward the end: it is billions of dollars; we have costed it. The CRA has been provided these documents. You are looking at between \$1 billion and \$5 billion, depending on how you want to cut it. As for government, as we know right now, Prime Minister Carney is leading our nation in trade and also said we have to limit expenses. We are here, as an industry, to give you \$5 billion to clean our industry up. Why hasn't the CRA taken us up on our offer?

Mike Kelloway: I appreciate the answer to that question.

This would be a question for you, but also perhaps for some of the other folks who are here.

One thing that was brought up in the testimony was a national trucking credentialing system. I want to unpack that a bit and get a sense of it. Is that the federal government playing a larger role in regulating the industry? Should the government take back some of

the oversight of the industry that it had, I think, during the eighties? Are they the same, or are they two different things? Are you looking for the federal government to take over more of the oversight, or is this something different in terms of the national credentialing system?

• (1600)

Shelley Walker: The national credential is different. You were talking about the eighties, and that was before deregulation, which is a totally different scenario from what we face today with Driver Inc.

Every province is doing its own thing when it comes to transportation, and it needs federal mandate oversight. The federal mandate for 103.5 hours is not enough. We need drivers to be encompassed more. Part of this is not only addressing the issues with truck training across the province but it is addressing Driver Inc., it is addressing forced labour and it is addressing human trafficking. It's every person in the industry who is involved, as well as government, and our provincial and federal counterparts.

It needs to be a team approach. That's the only way we're going to change it, because we have 13 provinces and territories that don't talk to each other.

The Chair: Thank you very much.

[*Translation*]

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

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

Thank you to the witnesses for being here today. Their testimony is truly enlightening, and these things deserve to be highlighted. That's why we wanted to move forward with this study.

I'd like to take this opportunity to tell you that yesterday we held a press conference with stakeholders from the trucking industry. There were 10 to 15 companies present, in addition to national associations. They mobilized, mobilized hard, to be there because it's a matter of life and death for them. It's a matter of life and death not only for legitimate businesses, but also for people on the road.

I find it absolutely astounding that the government has yet to acknowledge this. So far, it seems to have remained silent, and chosen to be wilfully blind to the situation.

Mr. Laskowski, how many meetings have you had with the government on this?

[*English*]

Stephen Laskowski: I've lost count of the number of meetings I've had with the government, with Jonathan and Geoffrey. We've been lobbying this issue officially since 2018. The government has been very responsive in granting us meetings. We've had multiple meetings.

The issue is whether we're going to get some action. I believe you would have heard that from the carriers you're dealing with.

This is a complicated issue. We're a mature organization and complicated issues take time, but not seven years.

[*Translation*]

Xavier Barsalou-Duval: If you've lost track of the meetings, that means that the government is well aware of the problem and has been informed of solutions that could be put in place to solve it.

As you mentioned, in its 2022 economic statement, the government said, in a way, that it understood the problem and took note of it, since it wanted to put measures in place to solve it. However, that commitment wasn't in budget 2023.

My question is twofold.

Do you know what happened to the amounts announced in the 2022 economic statement?

Did you get any explanation as to why the details weren't provided afterwards?

[*English*]

Stephen Laskowski: I want to clarify what happened and what didn't happen.

The money was given to the ministry of labour—ESDC—to enter an enforcement. That is an action and it is a good step forward, to be quite honest with you. We're thankful for it, but it's like giving us an umbrella in a hurricane. We need a lot more enforcement than that.

What didn't happen was the commitment in that economic statement that we would get a resolution from CRA.

Folks, this isn't complicated. I'm not trying to be dismissive or look argumentative. It's really simple. Bring back the T4As, which you've had on moratorium for 14 years, and start enforcing the personal services businesses, which you've studied. They committed to enforcing PSBs and then they uncommitted.

Maybe Jonathan, if the committee will allow, can explain the study that took place.

Mr. Chair, would you allow my representative to explain what happened here?

• (1605)

The Chair: It would be up to Mr. Barsalou-Duval. It is his time to give.

[*Translation*]

Xavier Barsalou-Duval: Mr. Chair, how much time do I have left?

The Chair: You have two and a half minutes left, Mr. Barsalou-Duval.

Xavier Barsalou-Duval: All right.

I'll be sharing my time with Mr. Blackham.

[*English*]

Jonathan Blackham (Director, Policy and Public Affairs, Canadian Trucking Alliance): Thanks.

There's the T4A issue, there's the PSB issue and they're related. When CRA studied the PSB issue, they found gross non-compliance.

When the personal services business classification was first introduced, trucking was nearly non-existent. It was something that professionals used—IT and that sort of thing. This was the eighties and nineties. Now we fast-forward to today and we find that trucking is by far the number one user of the model.

When CRA studied it, they identified on average just under \$17,000 per person in tax evasion. They identified trucking as the number one user.

Within that, they also found the reasoning. When speaking with people in the sector and asking why they were engaging in this, it was all the answers the industry had always said. They talked about how their employer told them to do it. They talked about how they were told it was a condition of employment. They were told it was a grey area for taxation. They were told it was some safe haven in the tax world. Of course, none of this was true. CRA knows all of this.

[*Translation*]

Xavier Barsalou-Duval: Thank you for your answer.

What I take away from that is the number you mentioned. You explained that close to \$70,000 wasn't taxed for every driver who incorporated. That's money lost to the public purse.

Do I understand correctly?

[*English*]

Jonathan Blackham: It was \$17,000 per driver.

[*Translation*]

Xavier Barsalou-Duval: All right.

[*English*]

Jonathan Blackham: Just in that small sample, it was millions.

[*Translation*]

Xavier Barsalou-Duval: We suspect that it's even higher today.

Mr. Laskowski, earlier, the Parliamentary Secretary pointed out a number of things the government has done or intends to do on this issue.

Since 2022, 2023 or 2024, do you think this phenomenon has been decreasing or growing?

[*English*]

The Chair: Give a very short response, please.

Give a very short response, please.

Stephen Laskowski: The answer is that it's becoming progressively worse. Inside the document you have there, you will see the stats from ESDC presenting on this, and it is the one that I will say is the most clear to understand what you are dealing with.

When ESDC went to visit these carriers—let's be clear, the trucking owners—they found that 25% of them were in gross violation. When they went back a month or 45 days later to see if they were getting compliance, they couldn't find them. They were gone. This is what we are dealing with.

The Chair: Thank you very much.

Ms. Nguyen, the floor is yours.

You have five minutes, please.

Chi Nguyen (Spadina—Harbourfront, Lib.): Thank you very much.

Thank you very much to the witnesses for coming to join us today on an issue that deserves some important discussion.

Ms. Walker talked about the exploitation of folks in the sector, recognizing that some people who are doing this work, especially newcomers, came through legitimate pathways. I want to recognize that they came under those conditions and it sounds like they are being exploited in ways that are really challenging.

I am curious about the HR pipeline challenges across the sector. I wonder if Angela could comment on this.

Where are we, and how do we forecast so we can build and ensure that this is an industry that has the HR resourcing that we need?

Angela Splinter: It's a concern for us in terms of that pipeline. As I mentioned, more and more carriers are having drivers come in saying that they want to be paid under this model. We're hearing anecdotally from employers across the country around that.

The second thing is that now it's spreading into other occupations, into more warehousing roles. That's a challenge, but it's also that image of the industry. This practice is harming our industry.

The workers currently in the industry are discouraged seeing this, seeing workers being treated unfairly. As was mentioned, recruiting new workers into our sector remains a challenge.

We need more women and young people, and this is not helping us. That is a serious concern for an industry that continually has higher vacancies.

• (1610)

Chi Nguyen: Could I ask other witnesses to comment on this issue as well?

Stephen Laskowski: I'll try not to hog the mic. I'm prone to that.

With regard to recruitment, I think the biggest takeaway you have is as it relates to Driver Inc.

In parts of Canada we did a survey. We asked our carriers to ask their recruiters what the biggest trend is that they are seeing in the marketplace with regard to driver recruitment and hiring. Depending where you are, seven out of 10 or eight out of 10 drivers who

walk through that door, looking for a job, responding to an ad, want to be paid under the Driver Inc. model.

What does that mean for the future of our industry? It means this: If you don't choose to go to the underground economy, despite your principles, you will have no one to drive your truck.

Drivers now—good drivers, law-abiding drivers, long-term drivers—are now going to the owners and saying that because we are in a horrible economy, raises are hard to come by and they see what's happening in the marketplace. They are saying to their owner, if I can't get a raise, I am leaving you. I am going down the street to the Driver Inc. company—because everybody knows who they are—and I will start working in the underground economy too. Folks, this isn't hyperbole and I'm not here to be political, but because the government has clearly said that it doesn't care, they are saying, I need the extra \$15,000 to \$20,000 a year in my pocket because it's a huge difference for my family.

That is the crisis facing my membership, this industry and public highways.

Chi Nguyen: Do either Ms. Couture or Ms. Walker have anything else to add on that one?

Shelley Walker: Things really need to change. Driver Inc. is causing a lot of issues within our sector. It is forcing drivers out. We have professional drivers now who are questioning why they're doing it. We have drivers who are refusing to run Highway 11/17 through northern Ontario because they don't want to die on those roads.

I can tell you that in the span of six months, I was hit three times on Highway 11/17 through northern Ontario. One of those times I was pushed right into the rock cut. That's scary, especially when your teammate is sleeping in the bunk.

We really need to do something about these drivers who are coming in from these companies. It needs to stop.

We are seeing where their trucks are breaking down. I had a female driver who was stranded in B.C. She was out of Ontario. It was Christmastime and her carrier told her, it's your problem, not mine. She reached out for help. CBSA had taken her truck out of service. There she was, sitting with no place to go, in a truck that didn't run and it was freezing cold outside. I flew that driver home.

The Chair: Thank you very much.

[Translation]

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

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

Dear witnesses, thank you for being here. I know that you aren't here with a light heart today.

I'd like to begin my remarks by recalling a tragedy that profoundly affected the Beauce region and upset an entire community. A 26-year-old woman died in Vallée-Jonction. This woman was the victim of an accident caused by a truck driver working for a subcontractor company. The company used a scheme called "Drive Inc." This company was already under investigation for serious issues related to vehicle maintenance, including the transportation of excessive loads.

The safety of Canadians must be a priority.

How can the Liberal government allow a company under investigation for such serious offences to continue operating on our roads and endanger the lives of citizens?

It's shameful.

Mr. Laskowski, can you briefly describe the Driver Inc. illegal scheme?

[English]

Stephen Laskowski: The strategy itself was born in 2018 when the moratorium on T4As was born. You marry that with the personal services business model and as an owner you're looking at \$20,000 to \$30,000 per year, per driver in savings. There are other benefits as we move along.

With regard to how it then evolved over time, you started to attract non-professional owners. For the owners I represent and that other folks represent, when they get into trucking, it's not a business to just make money; it's a commitment to public safety.

What happened with regard to the underground economy is that trucks were no longer looked at as a matter of security and responsibility, but as cash registers. As a cash register, you could care little about the principles of safety, about the families you impact, about whether your employee is in a safe truck or about or those who share the road.

We have seen this deterioration over 14 years.

Shelley brought up Highway 11/17. The Ontario Trucking Association surveyed 1,200 professional truck drivers and 90% of them said that they no longer want to drive Highway 11/17 because they're scared for their lives—not because of poor maintenance, animals or potholes, but because of their fellow truck drivers.

• (1615)

[Translation]

Jason Groleau: Thank you, Mr. Laskowski.

Ms. Couture, who are these companies using the Driver Inc. scheme and where do they come from?

Johanne Couture: They come from all over the place. Some come from Ontario, others from Quebec. In fact, they come from every province.

Jason Groleau: Who can incorporate into a Driver Inc. company?

Johanne Couture: Anyone can do that.

Immigrants come here after they've been sold a dream. Their employers have them sign certain documents so that they can incorpo-

rate into a Driver Inc. company, telling them that they'll be better paid and won't pay taxes. That's already tax evasion. People from other countries who come here with a closed work permit have no choice but to stay with those employers, and that's what they do.

I'll give you a concrete example. A driver hired by company A must make a delivery from Toronto to Cornwall, and that company warns him that he can't be late because the customer in Cornwall imposes a \$1,000 fine as soon as there's a 30-minute delay.

Jason Groleau: Do these people receive the same training as everyone else in the trucking industry?

Are those companies as strict as private companies?

Johanne Couture: Those companies don't provide training. They operate with threats. Drivers are threatened, and they're scared. Regardless of what happens, a flat tire, an accident, traffic congestion or a delay in Cornwall is their fault and the fine is levied on their pay.

Jason Groleau: Do you have any idea how long it takes someone to get a driver's licence, based on the Driver Inc. model?

I've seen horror stories.

Johanne Couture: For some, it can take six to eight weeks. For others, it can take a weekend.

Jason Groleau: Did you say a weekend?

Johanne Couture: Yes, that's correct.

Jason Groleau: We can wonder how safety rules can be respected if driver training is only given on a single weekend. It's unbelievable.

Johanne Couture: It's because they aren't shown everything. They aren't given all the training. They're just shown how to take the test at the Société d'assurance automobile du Québec, or SAAQ, or Serco Canada, or any other similar centre in other provinces. The purpose of this type of business is not to get them to become professional drivers.

Jason Groleau: Do you feel safe on our roads?

Johanne Couture: No, I don't feel safe. Ms. Walker referred earlier to Routes 11 and 17. I don't want to use them.

The Chair: Thank you, Ms. Couture.

Thank you very much, Mr. Groleau.

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

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

The testimony today is quite striking.

Ms. Couture and Ms. Walker, you said that those drivers were paid 38¢ per mile, compared to a normal rate of 78¢ per mile. I don't know what that means, 38¢ or 78¢ per mile. What I take from this is that those drivers are paid about half of what a driver usually makes.

Let's take the example of 38¢ per mile. For someone who works full time, what does that mean in terms of salary?

Johanne Couture: I'd have to do the math—

Xavier Barsalou-Duval: For 78¢, how much would they get? We'll be able to deduce how much they get for 38¢.

Johanne Couture: For 78¢, that would be a salary of \$100,000 per year.

Xavier Barsalou-Duval: So those drivers are paid roughly \$50,000 a year compared to \$100,000 a year.

Johanne Couture: Yes, that's right.

Xavier Barsalou-Duval: You said that a lot of those people come from temporary immigration. Their passports would be confiscated. They'd also be threatened by their community because they have temporary status and can be removed from the country at any time.

Yesterday, the Bloc Québécois and industry representatives proposed ten measures that the government could implement. Mr. Laskowski mentioned some of them. I'm thinking in particular of the measure to increase the number of audits that the Canada Revenue Agency and Employment and Social Development Canada do.

We'd go even further. We believe that audits should be done automatically for any new business in the field. The right of temporary immigrants to incorporate should also be eliminated. They could still work, but as salaried employees, so that they would be supervised. As a result, employers would be held responsible for unpaid taxes.

Do you agree with those recommendations?

• (1620)

Johanne Couture: Yes, I totally agree.

Immigrants should be prohibited from incorporating when they arrive in this country. They arrive here on a temporary work permit. We should give them the opportunity to work as wage earners so that they can learn how things are done in Canada. They may come from a country with different customs and standards.

If they are employees, training must be provided to them. At the same time, they'll learn about their rights and responsibilities.

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

Ms. Splinter, you used an expression earlier that corresponds to the following proverb in French: "if you can't beat them, join them," which means that one should do as those companies do.

In your opinion, what would be the impact on the industry if everyone started operating under the Driver Inc. model?

The Chair: There are 15 seconds left.

[English]

Angela Splinter: I think we'll have significant implications to all workers. Employers are very frustrated, and it's very hard for them to operate in an unfair market. These are real concerns that I think impact all of us. We've heard today about the issues around training and safety. We need to address this issue.

[Translation]

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

[English]

Thank you, Ms. Splinter.

Dr. Lewis, you have the floor for five minutes, please.

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

In regions like Haldimand-Norfolk, trucking is the backbone of our local economy. It supports our farmers, manufacturers and small businesses that depend on reliable transportation to move goods across the province and the country. I'm hearing a growing concern with the Driver Inc. model that it is undermining competition, exploiting workers and creating serious gaps in safety. This problem is something that has been building for years, and this Liberal government has failed to act.

My question is for the Canadian Trucking Alliance.

In your opinion, do you believe that the government should do more like legislating a model of shared responsibility where incorporation remains possible but carriers cannot use it to shield against safety, tax and labour obligations?

Stephen Laskowski: Incorporation is important to our industry as owner-operators. You have an example right here. Johanne and Shelley are owner-operators. They are incorporated. In essence, they are small businesses, but they operate under the small business act and run their business accordingly.

What needs to be understood here is that there are zero taxable benefits to incorporating as a truck driver as a personal services business.

Folks, if we had to do a quick show of hands and I asked you if you wanted to incorporate as a PSB but pay more taxes, would anybody want to sign up? That's the reality of the personal services business tax model.

By the way, you forgo overtime. You forgo holiday pay. You forgo 10 paid sick days. That's thousands of dollars, and you pay more tax.

Leslyn Lewis: Thank you for that answer.

We also know that the current Liberal government has not taken the safety concerns of Driver Inc. seriously. Transport Canada data itself shows that driver fatigue is a factor in a significant number of commercial vehicle crashes. Can you please tell me about the gaps in enforcing breaks and rest time, and in making sure that the cause of fatigue and the risk to citizens is not present on the highways, and how Driver Inc. affects that?

Stephen Laskowski: I'll pass it to Jeff, and I'll add a little comment, just to clarify for committee members.

In short, enforcement of those rules is a provincial responsibility. However, what we are asking the national government and committees to do is to audit carriers. Over 90% of the trucking companies in this province, Ontario, are known as “satisfactory—unaudited”. What does that mean, folks? Nobody knows anything about them. Nobody has visited them, ever. We need to change our thinking about how we audit and govern our trucking industry from a safety perspective.

I take no great pleasure in what I'm about to say: Do not trust us. You can trust my members. They will always do the right thing and put safety first. They will park a truck and park a driver if they believe that truck is unsafe or that driver isn't fit for the road. They will forgo the money. However, there are a growing number of carriers who couldn't care less, and you just heard about it. They will put a driver in an unsafe truck, and they couldn't care less about who they impact. As I just said to you, 25% cent of carriers that ESDC goes back to see and to enforce are gone.

• (1625)

Leslyn Lewis: Who is accountable for auditing compliance, for example, in the Driver Inc. situation? Is it the carrier, the trucking company, the incorporated driver or the driver? For example, who makes sure that logs aren't fabricated, that they're not taking loads that are too heavy, that breaks are taken and that there's an audited enforcement of the entire industry? Whose responsibility is that?

Stephen Laskowski: The quick answer is this: From a labour perspective, it's shared by ESDC, or the department of labour, and provincial authorities. From a tax perspective, it's CRA. From a safety perspective, it's a joint process. The actual “on the road” is done by the provinces, but the federal government here in Transport Canada has a role.

Geoff, maybe you can explain a bit of the role of Transport Canada in truck safety.

Geoffrey Wood (Senior Vice-President, Policy, Canadian Trucking Alliance): Transport Canada governs hours of service—so how long drivers can drive—and the transportation of dangerous goods. They have delegated, through the Motor Vehicle Transport Act the authority to the provinces and territories to manage truck safety. Transport's role is, really, twofold. They control the regulations, hours of services and dangerous goods, but they have also, through the Motor Vehicle Transport Act, delegated the authority to the provinces to do the safety piece.

We feel there is a role for Transport Canada to develop a system through which coordinated or consistent data goes in, and then everybody can be measured the same way. That process is under way. We need that accelerated.

Leslyn Lewis: How are they currently doing in—

The Chair: Thank you, Dr. Lewis.

Unfortunately, we went over by 40 seconds. It was a great question, so I wanted to give you the time to get the answer.

Leslyn Lewis: Thank you.

The Chair: Finally, for this round, we go to Mr. Greaves.

Mr. Greaves, the floor is yours. You have five minutes, please.

Will Greaves (Victoria, Lib.): Thank you very much, Mr. Chair.

Good afternoon to the witnesses. Thank you so much for joining us today.

I'd like to clarify one point before going into questions in a different vein. The first question is for Mr. Laskowski. In your opening remarks, you made reference to the year 2011. I want to clarify the significance of that year for this crisis in your industry that you're referring to. That's the year in which the CRA made these changes, imposing a moratorium on the T4As for workers in your sector. Is that correct?

Stephen Laskowski: That's correct.

Will Greaves: Okay, so if we had to choose a date when this problem was set in motion, we might point to 2011 as when some of these decisions were implemented.

Stephen Laskowski: That was the beginning of it.

Will Greaves: Okay, and it has continued until the present day, very clearly, from your testimony. Thank you. In 2011, under the previous Conservative government, then, was when—

Stephen Laskowski: The moratorium was put in under that government.

Will Greaves: Thank you.

I'd like to clarify for myself the prevalence of this problem of misclassification of drivers in your sector. This is for Ms. Splinter. The information that we were provided before this committee meeting indicated that as many as 63% of truckers in the province of Ontario may be misclassified. Is that correct, or approximately correct, to the best of your understanding?

Angela Splinter: I can't quantify that. Our labour market information uses publicly available data—as an example, census data. Individuals we don't know might not be reporting their employment status properly. They could be reporting themselves as an employee but still be misclassified by their employer. For us, and the work that we do, it's a challenge.

To answer that question, I think investigation and enforcement by other federal and provincial authorities would be able to provide a more accurate or telling way to assess the number of drivers classified as Driver Inc.

Will Greaves: Thank you for that.

Perhaps to the CTA, could you provide a general sense on the accuracy of that number, please?

Stephen Laskowski: I'll turn it over to Jonathan.

Jonathan Blackham: Yes, that's right.

There is an ESDC audit activity going on right now through the misclassification team. They're finding about a 62% non-compliance rate in Ontario, over 40% in Quebec and about 40% nationally.

• (1630)

Will Greaves: It's very high nationally, but Ontario does seem to be an outlier in terms of the severity of this problem. Is that correct?

Stephen Laskowski: It's the mecca of trucking companies. It's the hub of it, but the answer is yes.

Will Greaves: In that sense, I wonder if you could speak briefly to what actions the Ontario government may have taken to try to address this significant problem within the Ontario trucking sector specifically. Has there been action taken under the Ontario labour code or has the Ford government been responsive to your group's or others' efforts on this?

Stephen Laskowski: From a labour standpoint, the answer is yes. They used to do random audits in Ontario. Now they do focused audits, and they are around coverage of WSIB. They stopped random audits because they're finding fudged gross compliance.

Jonathan, do you want to provide some of the work there?

Jonathan Blackham: Instead of randomly auditing companies in the sector, they started focusing their efforts on looking for misclassification. Since they've begun, they've found hundreds and hundreds of companies guilty of misclassification, and tens of millions of dollars in premiums have been recovered, so it's quite a successful enforcement action on misclassification.

Will Greaves: Well, then, I guess my question for all of the witnesses, or anybody who would care to answer, would be as follows: In light of the scale of the misclassification problem you have identified across many provinces, including Ontario, and some of the issues that have been raised around training, certification and so forth, is it the recommendation of the witnesses that the trucking sector in Canada would be best served if those responsibilities for regulation, oversight and safety were a federal responsibility, not a provincial responsibility?

Stephen Laskowski: Boy, you're opening a can of worms on that one.

Will Greaves: Never.

Stephen Laskowski: The reality is that the federal government controls interprovincial trade—any truck that crosses the provinces. It has deferred the responsibility of the enforcement of those regulations to the provinces through a series of codes, which are standardized.

Could the federal government do a better job of providing more accurate information with regard to consistency across the industry? Yes. Could it act as a better way to coordinate harmonization of safety regulations? Yes. There is an expanded role of that. With regard to the provinces, and how they do it, yes, there does not need

to be an evolutionary process with regard to safety enforcement but a revolutionary one.

I will emphasize what I'm saying again without great pride—actually with quite a cringe, and my members cringe. Do not trust our industry. Provincial regulations are based on trust. They are based on the idea that companies will follow the law if they are told what the law is. Remember this when you walk away from this table: 25% of companies, when they were told they were wrong in doing something, disappeared. They are gaming the system because we do not have the proper oversight, enforcement and penalties.

The Chair: Thank you very much.

On behalf of all members of this committee, I would like to thank our witnesses for giving us their time and sharing their expertise and their testimony with us today. I wish you safe travels home.

I'm going to suspend, colleagues, for five minutes to allow for the clerk to welcome our next round of witnesses.

The meeting is suspended to the call of the chair.

• (1630)

(Pause)

• (1645)

The Chair: I call this meeting back to order.

I'd now like to welcome our witnesses in the second panel.

[*Translation*]

I welcome Mr. Steve Bourgeois, consultant, who is appearing as an individual.

[*English*]

From the Truck Training Schools Association of Ontario, we have Ken Adams, chairman of the board; and from Kriska Transportation Group, we have Mark Seymour, chief executive officer, who is joining us by video conference.

Thank you all for taking the time to appear before us today.

[*Translation*]

We'll start with Mr. Bourgeois.

Mr. Bourgeois, you have the floor for five minutes to make your opening statement.

Steve Bourgeois (Consultant, As an Individual): Good morning, everyone.

My name is Steve Bourgeois. I'm a consultant and certified trainer with the Commission des transports du Québec. I've been a truck driver for 34 years. I've done transportation in the United States, in Canada, and even on ice roads in the territories. I love it, but it's not like it used to be, unfortunately.

Thank you for welcoming us on behalf of the Assez, c'est assez group, or Enough is Enough. Thank you for taking the time to listen to what we have to say.

Our goal is to defend road safety, the dignity and legitimacy of our profession. We're speaking on behalf of the 15,000 citizens who signed our petition asking for your help. The Bloc Québécois responded by allowing us to do what we're doing today. We thank them very much.

The Driver Inc. phenomenon, which you've been hearing about for some time now, has an impact on taxation and employment. It has evolved since the 1990s and especially in recent years. I'd like to present another aspect of this phenomenon that will surely interest you. These are what we call "ghost drivers".

The use of ghost drivers is on the rise in Canada. This practice circumvents security standards, insurance obligations and training requirements. It puts road users at risk, weakens the system and responsible businesses, and devalues truckers.

In Quebec, an increase in serious accidents has been demonstrated. Between 2023 and 2024, there was a 35% increase in fatalities. In 2025, that percentage will certainly be higher, given the cases we're already talking about. It's going to be quite a dramatic increase.

There's unfair competition with companies that comply with current standards. We aren't against the integration of new workers. On the contrary, we need them. However, we're against the exploitation of immigrants and the casualization of our trade.

Transportation is a regulated and demanding sector, which is essential for public safety. We're proposing solutions, such as increased on-the-ground screening by appropriate authorities, such as those related to immigration, the RCMP, the Department of Transport, police services and highway traffic controllers.

Clear penalties must be imposed on companies that hire drivers illegally. The word "hire" is overstated, because, as we'll discuss later, many of those drivers aren't even paid.

We're proposing concrete solutions. At the federal level, it would be to develop a national insurance database that would be accessible to all provinces, as was mentioned by the previous witnesses. The United States uses form MCS-90. We could learn from them here in Canada.

Immigration and worker status controls must also be strengthened through systematic checks of work permits and student visas. In fact, some drivers here are on student visas, driving trucks without a licence, without insurance and without training.

We also recommend that the government conduct national awareness campaigns and harmonize safety and training standards, such as Standard 16 and MELT, which are taught in schools and provide more training than the minimum required by government.

I'll conclude by adding that compliance with the rules shouldn't be optional. It's a condition of trust. We call for solidarity, vigilance and action. The Enough is Enough group continues to defend the rights of transport workers and the guarantee of a safe, fair and professional service for all.

I look forward to your questions.

• (1650)

[English]

I can answer in English if you prefer.

Thank you very much.

[Translation]

The Chair: Thank you very much, Mr. Bourgeois. You can answer questions in the language of your choice, either English or French.

[English]

Next we'll go to Mr. Adams.

Mr. Adams, the floor is yours. You have five minutes, sir.

Ken Adams (Chairman of the Board, Truck Training Schools Association of Ontario): Thank you for inviting me today, Mr. Chair and committee members.

My name is Ken Adams, and I am chairman of the board for the Truck Training Schools Association of Ontario. We represent over 40 independent regulated schools committed to safety, compliance and excellence and have done so for the last 30 years.

While I've only been in this industry the past 11 years, I've seen a great decline in the quality and the treatment of drivers. I served as a member of the Toronto Police Service and spent my first eight years of duty in a traffic unit, and this is where my passion for road safety comes from.

I currently own and operate a truck training school right here in Ottawa, Crossroads Truck and Career Academy. I sit on various committees with the Ontario government and participate in stakeholder consultations with the Ministry of Transportation.

We're here because Driver Inc. misclassification didn't start on the highway; it began in the classroom. We've seen carriers buy or influence schools to fast-track them through bare-bones programs, undermine the provincial licensing standards and shift the training liability away from these carriers. This isn't theory. Our members lose revenue, accreditation and staff to these corner-cutting outfits while public safety and the students' well-being are all suffering. Good schools are closing their doors and even more non-compliant schools enter through those doors.

It's a systematic threat to training schools. There is a conflict of interest: Carrier-owned or affiliated schools exist to feed cheap, un-protected "contractors" into fleets, never to produce a qualified or safe driver. They compress their curriculums. Key modules—hours of service, vehicle inspection protocols, emergency response and air brake certification—are all truncated or completely skipped.

There is document fraud and bribery. Records are falsified, examiners are being bribed and unqualified graduates emerge with full licenses to operate 80,000-pound trucks on our city streets and highways. I address every single one of my classes to let them know that they are driving killing machines. What they hit, they destroy. This is a serious job, and we can't have under-trained or fast-tracked people out on the roads.

Offshore payments and exploitation of the students are happening. Students will wire tuition via WhatsApp to anonymous accounts, and they'll find themselves trapped in labour trafficking conditions. Make no mistake about it: Labour trafficking is happening in trucking.

There are real-world consequences, like safety risks. Under-trained drivers mean more incidents, including, unfortunately, fatalities; roadside defects and compliance violations; rising costs for the honest carriers; and the endangerment of every single road user.

We have erosion of quality providers. Reputable schools cannot compete on price or speed, and we're risking losing our best instructors and our best schools.

This affects workforce integrity. Newcomers who drive our industry growth are misclassified, underpaid, not paid overtime and told that they owe the company for their immigration costs and training. They are being pushed to work well over the hours of service that they should be working—again, endangering everybody's lives—and they're too fearful to speak up. Also, they're stripped of any kind of health benefits, or any benefits, for that matter.

What are the solutions? One is ownership transparency. Require all licensed schools to publicly disclose any controlling interest and related party ties to carriers. Mandate unannounced provincial audits of curriculum delivery, equipment condition, instructor credentials and student files. Partner with the CRA to trace irregular tuition flows and offshore payments.

• (1655)

A national trucking credential was mentioned before. We need to adopt a harmonized curriculum with an embedded eight-hour labour trafficking response module to protect our newcomers. Issue a blockchain-secured safety passport linking verified hours, audit history and real-time verification and trainee protections. Mandate orientation on labour rights, tax laws and compliant mechanisms to support these newcomers. Form a joint federal-provincial industry body including labour programs the CRA, Transport Canada, WT-FC, TTSAO and CTA to share data on these repeat offenders and emerging risks.

This committee has a rare opportunity to end the upstream enablers of Driver Inc. Implement these measures to help protect the students, and we can have safe roads.

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

Next we will go to Mr. Seymour.

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

Mark Seymour (Chief Executive Officer, Kriska Transportation Group): Thank you for this opportunity to address the committee.

My name is Mark Seymour, as introduced. I'm the chief executive officer of the Kriska Group based in Prescott, Ontario, and I'm former chair of the Ontario Trucking Association and the Canadian Trucking Alliance.

I started as a truck driver at 18 years of age. I'm 61 now. I've had the privilege of spending 40-plus years in the industry. With my extended time and experience, I can honestly say that the Driver Inc. model has significantly weakened our industry in many ways.

Certainly safety has been mentioned a number of times. Other issues are labour, respect, public perception and, of particular concern to me, the competitive standpoint by which we've really been presented a liability.

Our industry has been taken over by the underground economy at many levels. If you don't act fast, fleets like mine with 47 years in business—I'm a second-generation proud trucking company owner—simply won't be around. We follow the rules. We have grown our business from three trucks to 800 trucks by following the rules. Our people pay their taxes. We deduct the taxes. We provide holidays and benefits, and we do all those things properly, and that all costs money. Those costs are very important to our industry and to our country.

We simply won't exist because we can't compete. We have intentionally had to shrink our business in the last three years by upwards of 25% because we simply cannot compete, and we can't attract new people to our business and, frankly, to our industry.

We operate about 800 trucks, and we have a very low turnover relative to industry standards, less than 20%. That's still approximately 160 truck drivers a year that we need to hire. Well over 50% of those who apply are only interested in driving as contractors and not as employees. It's a widespread situation that has made its way into recruiting and made it incredibly difficult for us to grow.

The situation has really stifled our ability to continue to invest, as we traditionally have, in new equipment. I'm certainly not going to suggest that we will not maintain our equipment or that we will not continue to replace equipment, but we certainly can't replace it at the rate and pace that we would like to and the way we have in the past.

The impact of the 10 paid sick days is a tremendous cost to our business and to our industry, particularly for those who respect the law and adhere to it. That in itself is incredibly punitive to us, respecting the law and providing those 10 paid sick days.

Let me make it clear: I support competition. I've been in this business for over 40 years, and we've survived. In fact, we've grown considerably.

The competition must be based on service and price, where price is from the same foundation of all who compete, and that is in a regulatory way and an administrative way where there are no corners cut and no shortcuts made. We simply do the right thing the right way all the time.

I'm certainly not here looking for help to run my business. I'm here to help support making it right for all those who are simply not doing it the right way.

Thank you.

• (1700)

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

[*Translation*]

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

Jason Groleau: Thank you, Mr. Chair.

Witnesses, thank you for being here to talk about the problem of illegal drivers, the phenomenon called "Driver Inc."

Mr. Bourgeois, you've been a consultant and trainer for several years. One witness said earlier that, in less than two days, someone could get a driver's licence and go on the road.

Are you aware of that?

Steve Bourgeois: I also offered training for a number of years.

I'll tell you that two days is even a long time. Some are able to get a licence in two or four hours. It's like a song you have to learn. Once the truckers have learned it, they go around the truck. They start with a small truck with just one axle and a trailer with just one axle that they put in automatic mode. All they have to do is drive down the street, not on the sidewalk, and obey the law as much as possible to get a permit. The next day, they'll be able to board a double-trailer truck carrying a 62,500 kilogram load and drive on Route 389. Right now, that's how things are done.

Jason Groleau: It doesn't make sense.

How long do you think rigorous training should last if we want to ensure the safety of our citizens?

You're an expert in that area. How long do you think it takes to train someone and make sure they're driving safely?

Steve Bourgeois: In Quebec, there's a Diploma of Vocation Studies, or DVS, which has been around for several years. In addition, companies are being asked to continue training people who receive a DVS, to ensure that they've fully understood. It's an intensive five-month training course, where you see all the regulations, Standard 10, hours of service, and so on.

Businesses must continue to help young people who drive trucks to make sure they're working safely. A number of companies will even keep them in Quebec before removing them from the province, but that's a decision made by companies that have a good conscience.

Earlier, I was talking about Route 389. I always wanted to go there when I was young, but I was always told that there was no way I'd drive on it until I'd driven for at least three years. Today, unlicensed drivers are driving on Route 389, which is a dangerous road.

Jason Groleau: Many people don't have a licence and drive on Route 389.

Is that correct?

Steve Bourgeois: Yes, some people don't have licences. You can check this with Contrôle routier Québec. A number of interventions targeted people who didn't have licences or insurance.

They're just in a truck.

Jason Groleau: What are the standards of the Liberal government?

What action is it taking to verify those licences?

Is there a way to verify them effectively?

Steve Bourgeois: The federal government has introduced Standard 16, which is mandatory training.

That said, I'll talk about Quebec because I'm from Quebec. This standard still isn't in effect. It should be in December, but again, it's a bit ambiguous. We're waiting to see what will happen.

Jason Groleau: Regarding the Driver Inc. phenomenon, a witness told us earlier that drivers were threatened, that they had to deliver the load or else they wouldn't be paid.

Are you aware of that?

Steve Bourgeois: I could send you a copy of reports that have been published, particularly in Alberta. They're available and public.

People bring in people of the same nationality and say, for example, that it costs \$10,000 to come to Canada. Once those people are here, as Ms. Couture said earlier, their passports are taken away and they're detained in Canada. They're told that they now have to pay \$40,000. So they have to drive and work. The contract stipulates that delivery must be done, whether it's done safely or not, for drivers who are accompanied by two or three people in the truck. There are lots of similar examples.

Jason Groleau: A month ago, one person drove 57 hours straight, taking just a few breaks. It's normal for them to be tired.

What are the standards for that?

Steve Bourgeois: According to the standards, drivers are allowed to drive for 13 hours a day and must have eight consecutive hours of sleep before returning to work. They're also required to take a two-hour break during the day. In total, this represents 10 hours of breaks per 24 hours.

However, some people don't respect that at all, and they drive without keeping a log. Yet Canada has had a law on electronic logging devices for quite some time.

• (1705)

Jason Groleau: There's no follow-up or rigour regarding that, and anyone can do anything.

Is that what you're telling us?

Steve Bourgeois: Currently, the system can be easily circumvented.

Jason Groleau: Is the government aware of that?

Steve Bourgeois: That's why we're here today. We talk about all the problems in transportation. I raised the issue of security, but I didn't even talk about money and technology. We could talk about that for hours. I think I don't have that much time today, but I'd be happy to come back and explain to you what's going on.

Right now, all it takes to get a new log is changing a letter.

Jason Groleau: What do you mean?

Steve Bourgeois: My driver's licence starts with B, since my name is Bourgeois. I might make a mistake by putting an A, but I'm getting an electronic log that's going to work perfectly. The controller isn't going to see anything.

It's for that reason that one of the conditions put forward by the Bloc Québécois is to require that a driver be taken out of service whenever there's evidence that key information hasn't been entered correctly. Highway traffic control officers, OPP or Ministry of Transportation officers don't have the tools to do that. So changes have to be made.

It's stricter in the United States. A computer system, not a person, checks drivers' records.

Jason Groleau: Thank you, Mr. Bourgeois.

Mr. Adams, you're the president of an association of training schools for truck drivers in Ontario. I saw a documentary on CBC's *Marketplace* about MELT schools. They don't seem to be serious at all.

Could you tell me more about that?

[English]

Ken Adams: Unfortunately, there are more and more of these schools popping up all over the place. It is because of just that. *Marketplace* was not just a fabrication. That's what's happening out there in the world.

You talked about what we think is a good number of hours for training. At my school, the minimum is 200. The minimum in this province is 103. A lot of schools aren't even doing 103.5. That is a big problem.

[Translation]

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

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

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

I'd like to thank all the witnesses who are here today to discuss an issue that's important to us all. It's important for the safety of our fellow citizens and the good of the industry.

I was a vocational teacher for 21 years, and I lived near a truck driving school. I was able to sense how rigorous the training of young people was and how well prepared they were. They spent a lot of hours in the field.

That said, the federal government has always worked with the provinces. Until 1980, driver training was under federal jurisdiction and then it was transferred to the provinces.

Mr. Bourgeois, in light of everything you've told us today, do you think the federal government should take up the torch and again assume responsibility for road transportation and training, or should we let the provinces take care of it, as they're doing right now?

Steve Bourgeois: If we leave that to the provinces, perhaps there should be some oversight. Soon, there will be mandatory training in Quebec. I'm anxious to know who will monitor that.

We saw the results of the MELT program in Ontario by watching the *Marketplace* report on CBC. I hope it won't be the same in all provinces, otherwise we'll see each other here again in two years. That would require more rigorous monitoring.

Stéphane Lauzon: Could you give me some details on the training that's being given in Quebec? Who gives it? How are the permits drafted in Quebec, for example?

I believe you work only in Quebec, don't you?

Steve Bourgeois: Yes, that's correct.

Stéphane Lauzon: That might be a good question for Mr. Adams and Mr. Seymour as well, but tell me a little bit about the current process with respect to licensing, regulations, and so on. I'm not talking about immigration, but only about the exact process that a Canadian from Quebec must follow to obtain a permit and become a driver in his province.

• (1710)

Steve Bourgeois: Currently, in Quebec, there's no mandatory training. First, individuals must complete a form on their medical condition to determine if they're fit to operate a heavy vehicle. Then they get a temporary permit to learn the ropes, as I was saying earlier, in terms of the security round. That's all there is right now.

There are small schools all over the place that improvise as such to give people tips for passing the SAAQ exam. Once people have learned the safety part, they'll take the SAAQ exam. Then they're going to drive with a small truck to make sure it's easy, and they get their licence.

Stéphane Lauzon: Should we go after the government, which has made permits too easy to obtain, as you say? For example, in your case, should we go after the Government of Quebec and the SAAQ and require that the process for obtaining a Class 1 licence be more consistent or standardized compared to the current process?

When I got my Class 3 licence, my friends told me that I should have gotten my Class 1 licence right away because it would already be done. However, I didn't have the training related to the Class 1 licence.

Should the provinces change those regulations?

Steve Bourgeois: Yes, they should.

Stéphane Lauzon: Mr. Seymour, earlier, a witness told us not to trust entrepreneurs because they don't take responsibility. We were a little surprised by that. You're an exemplary entrepreneur and you've evolved by partnering with several companies, always in a straight line.

Tell us a bit about the comment made by that witness, who told us not to trust the entrepreneurs his organization represented because they're the ones at fault.

What is a government supposed to do when it hears that?

[English]

Mark Seymour: I would like to add that it's really important to trust and verify. I think what would be best said is, simply, that we have too much of an honour system right now, and the honour system has found its way into abuse. We have enough regulation, but not enough with teeth. We have enough regulation without enforcement. What we have done is extended the benefit of trust to all when not all deserve it. It's very clear that not all people who cross the border have been given FAST or NEXUS cards: There's a trust and verify.... The piece that's missing, very much so, is verifying, through enforcement, audit and verification. That would be my best expansion of "Do not trust anyone".

[Translation]

Stéphane Lauzon: Thank you.

My question is again for you, Mr. Seymour, but Mr. Adams could also answer it.

The current Canada Labour Code prohibits misclassification. There's a whole system in place: We have regulations, we have traffic monitors, we have police and we have a licensing process. In other words, there's a structure to prevent wrongdoing.

Why is the code not applicable on the ground, as it must be according to existing regulations?

[English]

Ken Adams: The reason is that we don't have enough. We do not have enough investigators and police officers on the roads. We've allowed this to get out of control. This didn't happen overnight, it's not going to get fixed overnight, but together, with all of us, and with all of my fellow industry leaders who are here today, we can get this fixed.

[Translation]

Stéphane Lauzon: Sorry, I think my time is up.

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

[English]

Thank you very much, Mr. Adams.

[Translation]

We'll now go to Mr. Barsalou-Duval for six minutes.

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

I'd like to thank the three witnesses for being with us today.

This really is an important topic. I'm repeating myself, but I don't think we can repeat it enough when it comes to lives. Lives have been cut short on the road. I think we can never overstate the importance of saving lives, which are put at risk by poorly trained and exploited drivers.

Mr. Bourgeois, you're a safety, compliance and training consultant. In your experience, what are the main signs that a driver in front of us, for example, isn't following the regulations, that he's non-compliant?

Steve Bourgeois: On the road, we're able to identify those drivers easily, not because we're better, but because they're easy to see.

Drivers are speeding and aren't following the regulations requiring their vehicles to travel at a maximum speed of 105 km per hour. They're going to wander and they won't stay between the lines. In the towns, they don't know how to turn street corners properly. They'll drive up the curbs and tear down trees.

Yesterday, one of them was on the Victoria Bridge in Montreal. Trucks aren't allowed on that bridge because it's too fragile. The driver went onto the bridge, because he didn't read the signs. Drivers can't read the signs. So there's a lot of training to be done in that area.

We have to verify whether they understand our languages. We've seen people take driving tests with a microphone and a camera so that someone can whisper answers to them. With a phone, you can even take a picture of the questions, translate them into your language, and then check the right boxes. Come on, it's illogical and we're wondering why people die on our roads.

Some provinces, like Ontario, Manitoba and Alberta have begun publishing studies. I'm not talking about Quebec, because nothing has been done yet, but it's coming. Every week, we try to talk to Quebec representatives. We have to move forward, and quickly, because illegal drivers are on the roads a lot faster than we are. Furthermore, this situation has nothing to do with immigration.

Those drivers must abide by the same laws as we do. In Quebec, for example, it takes 36 months of road experience with a Class 5 vehicle to get a licence to drive a heavy vehicle. After two months, they get a licence.

How does that happen? My son is 18 years old, and he drives trucks with me. He already knows how to drive a manual car, and he only has a Class 5 licence because we're in a closed system. He's eager to get his licence to drive heavy vehicles, but he won't be able to until he completes this 36-month period.

That's how Quebec had a lot of professional drivers, because the trade was passed on from generation to generation. It's certainly the same principle for Mr. Seymour.

• (1715)

Xavier Barsalou-Duval: Thank you.

You know many professional drivers. I think you have a good network in the industry.

How do professional drivers see their future in the industry right now?

Steve Bourgeois: They see it in a very negative way. As was said earlier, some people are thinking about leaving the profession to work in another field. Some have gone back to school. There are job openings for bus drivers in Montreal. In addition, many of them no longer want to use Routes 11 and 17. They don't want to go there any more.

This winter, we'll see what happens on Route 389, the road to Fermont, Quebec. It's a "very dangerous" road. A professional can go down that road without a problem, but inexperienced drivers go down that road, without ever having driven in the snow.

I'm going to target India again, even though I know it's not right—sorry. However, CBC's *Marketplace* and Brampton investigations showed that accidents were caused by Indian immigrants. They go down Route 389 with unsafe trucks, which have very worn tires, and they walk around in the snow. This is how many accidents happen. Yes, professional drivers are afraid. They want to get out of the business.

Xavier Barsalou-Duval: In your opinion, is a temporary immigrant who just set foot in the country and only got a few hours of training ready to go into business for himself and travel all over Canada?

Steve Bourgeois: No, it's impossible. He can't do that. It takes a lot more training to drive heavy vehicles. Just think about securing the load on a flatbed truck. You have to comply with Standard 10 concerning the 50% limit of the load's mass, the panels, and the cargo length. On the 401 and everywhere, I see trucks missing two or three chains. Sometimes farm tractors are strapped to the back and front, whereas chains are supposed to be tied to all four corners.

Xavier Barsalou-Duval: Do you think those people are ill-intentioned, or the victims of a system?

Steve Bourgeois: They're clearly victims. We bring them here and tell them that this is how things work in Canada when it's not true and there are standards to follow.

The people who bring them here make them believe that this is how it works. The drivers are going to incorporate themselves to avoid paying taxes, and they're going to take a key and get into a truck. They don't know anything. They come here and they're not trained. Yes, they're victims.

Xavier Barsalou-Duval: Mr. Seymour, how do you feel about the situation in your company?

You said that you had reduced your activities and staff by 25%. How do you manage to survive and remain competitive in a market where competitors don't play by the rules?

[English]

Mark Seymour: It's a real challenge. You have to pivot and adjust.

One thing our industry is known for is its resiliency. We are just doing what we have to do, in order to do the best we can. I'm not here to look for a life preserver, by any means. It's just not fair and it's really hurting the hard-working men and women.

I want to expand on something that was said earlier. I don't blame the hard-working men and women who are doing what they're doing, because they don't know any better. They haven't been properly trained. They just want to work. They want to earn and they want to provide for their families. It's not intentional, I don't think. It's simply a matter of training, auditing and compliance.

• (1720)

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

[Translation]

Thank you very much, Mr. Barsalou-Duval.

[English]

Next, we'll go to Mr. Lewis.

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

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

Thank you to the committee.

Thank you also to the witnesses. It has been really good testimony in both the first and the second hour this morning. It is certainly a vital discussion here today. After 10 years of Liberal inaction, quite frankly, we have communities that are at risk and we have Canadian families being seriously hurt or killed on Canadian roads, so this discussion is very important.

My riding of Essex is right next to the busiest international border crossing in North America. I have an awful lot of transport traffic that goes back and forth across the 401 corridor between our neighbours in Michigan and our country.

Mr. Adams, my first question is for you, sir. By the way, thank you for your service with the Toronto police department.

You had mentioned that about 103.5 hours is the industry standard for training.

Ken Adams: That's the minimum standard allowed in this province.

Chris Lewis: Your company offers 200 hours of training.

How many hours does a person need to sit in the classroom and then how many hours would a person need to sit in a cab with an instructor to be safe on the roads, in your opinion?

Ken Adams: In my opinion, a minimum of 200 hours. In classroom, a minimum of 40 hours.

My friend beside me says that you need to know your logbooks. We don't use logbooks. We use the ELDs now. And as is well known to everyone, you can go through a back door and change them around. The ELD was there to remove the logbook issue where you could have two and three...but ELDs can be also compromised.

So we have ELD training. We have load securement training. We have laws and regulations, weights and limitations, safety compliance, and map and trip planning because a GPS doesn't always work.

This is the base that these students need before they even touch a truck.

Then when we get out there, they need to be behind the wheel. They need to be driving the truck. They need to be backing it up, inspecting it, making sure it is safe for the road. My minimum program at my particular school is 200 hours. The next level up is 250. But again, we're not even seeing 103.5 hours being done. It's "get them through as fast as we can, get them on the road, make us money".

How do people run off the road and flip trucks on a beautiful sunny day? If we get a massive snowstorm, okay, but not on a beautiful sunny day. There's a lack of training, and it's serious.

Chris Lewis: In your opinion does MELT work? Does it work in Ontario? Does it work in Canada?

Ken Adams: In my opinion, MELT was a good starting point, but it certainly is not enough.

Chris Lewis: Thank you, Mr. Adams.

Mr. Seymour, I found it absolutely gut-wrenching and astonishing when you mentioned that just a couple of years ago you had to throttle back your company 25% in a time when we need more transport trucks delivering our goods. In my region of Essex there are so many greenhouses that we send 90% of our produce to the States.

Does your company have an issue in that the Canadian MELT is not compatible in the United States and/or vice versa? Being from a cross-border community, I'm just curious about whether your drivers run into this problem in the United States?

Mark Seymour: Our drivers don't. We're a company that will hire a newly licenced driver, but we spend a tremendous amount of time researching what school they went to and certainly Mr. Adams' school is one. In fact, my son went to Ken's school.

We accredit the schools where they come from. Then we invest another three to six weeks of training in that newly licenced driver, which would account for hundreds more hours. Our drivers don't have an issue when they are in the United States because they're safe and they're compliant and they're well trained.

Now accidents happen. Things can happen, but when audited and when checked and when in an accident, God forbid, we don't have a problem because we've provided due diligence and it doesn't cause a problem for us.

• (1725)

Chris Lewis: Thank you to the witnesses.

The Chair: Next we'll go to Mr. Kelloway.

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

Mike Kelloway: Thank you, Mr. Chair.

Thanks to the witnesses for being here today.

Like my colleague to my right, my career predominantly was involved in training and development at the Nova Scotia Community College. When I hear examples of people getting their licence for a particular level in terms of truck driving in two days, in three days, my jaw drops.

Throughout this testimony we talked about training, safety, information sharing and enforcement, which are predominantly if not solely focused on the provinces. When I think of training and development in particular, I want to ask a couple of questions.

It's the provincial responsibility. Mr. Adams, you talked about the fact that, and I don't want to put words into your mouth, there's not enough enforcement, there are not enough people doing due diligence to ensure that in no world should you complete a program in two days to drive a truck. Two weeks? You said 200 hours, I think.

Ken Adams: It's two weeks to complete.

Mike Kelloway: Mr. Adams, I'll start with you, and then I'll go to Mr. Bourgeois.

Give us some examples of training provincially. What needs to be tightened? We can get into money, because, obviously, everything comes down to investments. If we want to have skilled people, we need skilled training and skilled enforcement to keep people safe.

Can you drill down, in terms of training, into what could be done provincially? What can the federal government do to strengthen the responsibility of the provinces? Should we do that?

Ken Adams: We talked about a national training standard. Every trainer across this province should have to be certified, and there should be a database for that certification. At least we would know that person had been trained properly. We need to get more investigators, or hidden investigators like we saw on *Marketplace*, into these schools where there are constant complaints.

There is data out there. We know where the truck accidents are happening and who is driving. MELT requires every single school to enter, into a ministry database, that person's name before they are allowed to take the road test, meaning that everyone knows which school that person went to. If that school has a disproportionate number of people having accidents, then maybe there's a problem at that school.

Mike Kelloway: Mr. Bourgeois, can you chime in on that?

Steve Bourgeois: It's exactly like he said. We need more hours, and we need some people to make sure they are doing what they're supposed to do. In MELT, they were just paying, doing some stuff and nobody was looking at them until they were found out. We have to do something more than that, provincially or federally. Maybe they have to do some spot checks, like he said, undercover or whatever. You can do whatever you need to. People are dying on the road right now, and we need to do something like that.

Mike Kelloway: There are a couple of things that are striking for me, listening to this testimony, and they are around training and enforcement. If you have private or not-private trainers training people in eight hours when that should be at least a 200-hour program, there's a fundamental breakdown in terms of what the provincial government is doing.

That's not passing the buck. What could the federal government do to assist the provincial government? Is it more investment? Is it strategic investment in enforcement? Is it strategic investment in other types of programs? The reality is that the provincial government is responsible for it, but what would be some pathways to help if you had the pen, from a federal perspective?

• (1730)

Ken Adams: I would have a national training standard, and I would have some very severe penalties for the people who are violating this. There's an individual, right now, who killed a 35-year-

old lady and her seven-year-old child, took off, left the country and just returned, and he's out on bail. We need some very strict laws and sentencing to stop it.

Steve Bourgeois: You could seize their passport and flag it at the airport to make sure they don't go back. They just caught one in the U.S. to bring him back to Quebec. He killed somebody in Quebec. He just came back. He walked to Mexico to get into the U.S. He did something wrong in California. He thought nobody would see him. They flew him back to Quebec to make sure he's going to comply in court.

[Translation]

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

[English]

Thank you, Mr. Adams.

[Translation]

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

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

My colleagues opposite have talked a lot about the training responsibilities of Quebec or other provinces. I think talking about it is good because there's an important element to it.

I'd like to talk about the public data on the current situation regarding the number of trucking companies without employees. According to Statistics Canada, in Quebec, five years ago, there were about 9,000; today, there are about 11,000. In Ontario, there were about 30,000 five years ago and now there are 50,000. However, there are 2,000 more incorporated drivers in Quebec and 20,000 more in Ontario.

Obviously, some of those people may operate completely legally, but I think that shows the scope of the phenomenon. We also saw the *Marketplace* report, on CBC, which said that convenience training was clearly being given.

I'm going to link back to what I said earlier. Interprovincial transportation falls under federal jurisdiction, and the federal government delegates its authority to issue safety fitness certificates to provincial authorities. It could decide to take back that power in the case of a recalcitrant province where the phenomenon is concentrated. For example, it could decide to target Ontario by saying it will no longer have the right to issue safety certificates if it doesn't make necessary changes.

Mr. Bourgeois, do you think this could be a possible solution?

Steve Bourgeois: Yes, that would be a good solution. It could stop the hemorrhaging we're experiencing for as long as it takes to solve the problem.

Indeed, according to one survey, the number of this type of trucking company has increased significantly in Ontario.

With respect to traffic stops in Quebec, many of the vehicles impounded are from outside the province, including Ontario, due to issues with licences, plates, or invalid insurance.

So there's a problem. I wouldn't say that this is the case for everyone, but we're seeing a major problem in Ontario. Perhaps that should be monitored immediately, as should immigration. Those are the two things to look at in terms of what's going on.

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

Mr. Adams, the CBC's *Marketplace* report said that training could cost less than \$1,000.

How much does it cost for you to train?

Do you think that, for \$1,000, we can provide real training?

[English]

Ken Adams: To take a 200-hour course at my school is \$10,000. There is no way. That wouldn't pay for the fuel in the truck. That wouldn't pay my trainer's wages for that time. It's impossible.

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

[Translation]

Thank you, Mr. Barsalou-Duval.

[English]

Next, we'll go to a lightning round with Mr. Barrett for four minutes, followed by Ms. Nguyen for four minutes.

Mr. Barrett, the floor is yours.

Michael Barrett (Leeds—Grenville—Thousand Islands—Rideau Lakes, CPC): Thanks very much.

I want to quickly say thank you to Johanne Couture, who was here on the last panel, for her role in the trucking industry, and I want to welcome Mark Seymour. These are two constituents of the great riding of Leeds—Grenville—Thousand Islands—Rideau Lakes. It's a pleasure to have your voice elevated in Parliament today.

Mr. Seymour, do you think the current enforcement by the Government of Canada and federal agencies is enough with respect to labour laws, tax laws and immigration laws?

• (1735)

Mark Seymour: No, or we wouldn't have this problem.

There's regulation in place, but there's not enough oversight and enforcement. It's the enforcement piece that's missing. I don't think there's necessarily a need for more regulation, but there's one hell of a need for enforcement of the existing regulation.

Michael Barrett: All right.

Can you tell me about the impact on local jobs? I should note that your company, Kriska, has consistently been named one of Canada's best-managed companies. Congratulations on that.

Mark Seymour: Thank you.

Michael Barrett: It sounds like some of those jobs are disappearing with the expansion of this Driver Inc. model. What's the impact on the number of jobs you're able to offer in Prescott, Ontario, given the current state of affairs?

Mark Seymour: Each time we contract our fleet, there's not an equal number of non-driving staff, but, as I said earlier, the contraction of the size of our business has been about 25% over the last two years—not all in one month, but it has been a slow burn over time. Through the growth of Driver Inc., there's been a contraction of non-Driver Inc. carriers and employers. Our economy isn't growing, the movement of goods is not growing and, therefore, the need for more capacity is not there. It's simply a transition from the tax-paying, law-abiding trucking companies towards the movement of Driver Inc.

Our employment numbers have been cut by 25%. We have gone from approximately 1,200 employees to approximately 950 employers in the last two years simply because of this. It has not been because of any reason other than this.

Michael Barrett: I have just about a minute left, and I have two questions for you.

Do you think that National Safety Code standard 16 should be mandatory and would it help if that were enforced?

Can you quickly comment on the effect on the travelling public of the Driver Inc. model? How safe are people driving on Canada's highways with drivers who don't meet the standards you require of your drivers?

Mark Seymour: On the National Safety Code, if there's going to be a national code, there needs to be national oversight, national enforcement and a national audit. Without all four pieces of that, it's not going to work.

On safety, if people are out driving a big truck fully loaded at 80,000 pounds with limited training, it stands to reason they're not going to be as safe as the alternative: someone who's properly trained and properly prepared to do that type of work. It's just common sense to me.

Michael Barrett: Thank you, sir.

The Chair: Ms. Nguyen, the floor is yours. You have four minutes, please.

Chi Nguyen: Thank you very much.

Thank you again to the witnesses for joining us for another really important round of conversation on this topic.

Mr. Adams, thank you for keeping our streets safe in Toronto. Every time I pass a truck when I'm on my bicycle, I hold my breath, just in case, because I'm nervous as a cyclist. I want to feel safe on our roads. I think every Canadian deserves that.

Ken Adams: Do you move to the right as well?

Chi Nguyen: Always—that's what we do, and those bike lanes are also important.

I want to ask a quick follow-up question to Mr. Seymour. On the reduction of your workforce, do you have a sense of whether or not those drivers have left trucking in general, or have they gone to a different model?

Mark Seymour: They wouldn't leave our model for the other model because they would not want to give up their employment rights and protections, their holidays and their sick pay, etc. Most of our contraction has been through attrition or through retirement. In some cases, they've moved on to a different profession. It's been over time that there's been a contraction, but we don't lose people to the Driver Inc. model because they won't give up what they have while working at our place.

Chi Nguyen: Thank you. That's helpful context for me.

I would love to hear a recommendation from each of you around the right role for the federal government here. It's the province's role to do the safety piece and enforcement, but where should we draw the line? We talked about the national standards. Does that make sense, given the role the province has?

• (1740)

Ken Adams: Absolutely, I think the national safety standard...but, again, the CRA should be getting involved in this as well. Let's see where some of these payments are coming from, if we do have these offshore payments. It's a good way to catch some of the players quickly, so that we can remove the bad apples and the non-compliance, so we can start making our roads safer.

Steve Bourgeois: Exactly, we should start with that, and that would be a good thing to do.

Mark Seymour: The reinstatement of T4A brings a federal oversight to this as well. Without that, there's not the conduit between the CRA and the contractor who's pretending to be a contractor but is, really, an employee. The T4A reinstatement by federal jurisdiction, with oversight, would be a very important tool.

Chi Nguyen: Thank you very much.

I'm done with my questions. Mr. Lauzon can take the rest of my time.

[*Translation*]

Stéphane Lauzon: Thank you very much, Ms. Nguyen, for sharing your time with me.

Mr. Bourgeois, earlier you made a rather important comment for this committee with regard to SAAQ exams.

Our legislation allows provinces and territories to interpret regulations. However, you mentioned that in doing a quick search on SAAQ exams, you found that there were a lot of irregularities during the exams, which we find quite absurd.

On the SAAQ site, it says that the conduct of exams is monitored, that cameras are strictly prohibited, that SAAQ professionals are present, that exams must be in French or English and that supervision is provided on-site. So you're telling this committee that the SAAQ is really on the wrong track.

For the benefit of this committee, could you tell us more about how the SAAQ is on the wrong track when it comes to issuing licences?

Steve Bourgeois: A public study even showed that bribes were paid and people got their driver's licences as a result. All of this information is provided on-site.

Stéphane Lauzon: With respect to the practical test, you told us two things.

You said that some people who take the practical test are unable to read signs. However, SAAQ officials accompany them during the test. They have to monitor them, and they know the language displayed, which can only be French or English. No other language or translation is permitted. The SAAQ site specifies that signage can only be in English or French.

You're telling us that some drivers who don't speak French or English take to the road with SAAQ escorts, that they're unable to read traffic signs, but that they have a driver's licence.

Can you tell us more about that?

Steve Bourgeois: Go to Boulevard Henri-Bourassa in Montreal. That's where the hub is. I'll give you a tour of the area without any problem.

Stéphane Lauzon: For the benefit of this committee, I think it's very important that we be able to act on the recommendations. We're not going to be able to deal with everything at once, but if we can deal with each of the small pieces this way, that's fine.

Earlier, in response to a question from Mr. Barrett, Mr. Seymour contradicted himself. The question was whether the federal government could do more. The answer was yes, but that the provinces should be given more responsibility for claims.

Mr. Seymour told us that the provinces need to legislate more, but—

The Chair: Thank you, Mr. Lauzon.

Stéphane Lauzon: Do you think the federal government is doing enough?

Thank you.

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

[*English*]

Mr. Bourgeois, Mr. Adams and Mr. Seymour, thank you very much for sharing your testimony with us today on this very important study. We wish you safe travels home.

With that, colleagues, this meeting is adjourned. I'll see you all on Thursday morning.

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