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# Standing Committee on Transport, Infrastructure and Communities

EVIDENCE

**NUMBER 018**

Wednesday, January 28, 2026

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Chair: Peter Schiefke





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Wednesday, January 28, 2026

• (1630)

[*Translation*]

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

Welcome to meeting number 18 of the House of Commons Standing Committee on Transport, Infrastructure and Communities.

Pursuant to Standing Order 108(2), and the motions adopted by the committee on Thursday, September 18, 2025, and on Thursday, December 11, 2025, the committee is resuming its study of the changing landscape of truck drivers in Canada.

[*English*]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders.

I'd like to take a moment to make a few comments for the benefit of our witnesses and our members.

First, 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.

I'll remind you that all comments should be addressed through the chair.

For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can, and we appreciate your patience and understanding in this regard.

I would now like to welcome our witnesses.

Appearing before us today, from 6S Trinity Transport Ltd., we have Stacey Horlings, the owner, joining us by video conference. Welcome.

From J&R Hall Transport Inc., we have Mr. Jeff Hall, president. Welcome to you.

From Ludwig Transport Limited, we have Mr. Michael Ludwig, operations manager.

I want to thank all three of you for joining us today.

We're now going to proceed with opening remarks. For that, I will turn the floor over to Ms. Horlings.

The floor is yours for your opening remarks. You have five minutes, please.

**Stacey Horlings (Owner, 6S Trinity Transport Ltd.):** Thank you, Chair and committee members, for the opportunity to speak today.

My name is Stacey Horlings, and I am a business owner in the transportation sector. I'm here today because Canada's trucking industry is facing a serious and growing problem. This issue is not theoretical. It's happening right now to real businesses in every province.

At its core, the problem is simple: Freight brokers and trucking companies that are brokering freight are not required to carry a surety bond when operating domestically. This gap has allowed anybody, regardless of experience and financial capacity or ethics, to open a freight broker business, hire a trucking company to do the work, then collect money from customers and disappear without paying the trucking companies that actually move the freight.

Trucking companies provide the service and pay for the fuel, insurance, registration and maintenance only to be left with an unpaid invoice and no recourse. While legal action is technically available, in practice, it is slow, costly and ineffective. In many cases, it requires interprovincial enforcement of judgments, forcing carriers to spend additional time and money transferring court orders from one province to another.

In numerous cases, by the time the judgment is secured, the broker has closed the business, dissolved the corporation and reappeared under a different company name, rendering the judgment effectively worthless. This creates a system in which bad actors face minimal consequences while legitimate trucking companies absorb the financial loss, the legal costs and the painful financial trickle-down effect these things have.

As an example, brokers in other industries are required to be licensed, regulated and financially accountable. Take insurance and real estate brokers as an example. They have strict licensing requirements, carry an errors and omissions insurance policy and, in many cases, maintain a bond or trust account to protect clients from financial loss due to fraud, misappropriation and misconduct. The same safeguards are desperately needed in the transportation industry.

In the United States, the FMCSA requires any company that brokers freight to carry a surety bond as a condition of operating. I might add that this has recently been updated to prevent unstable freight brokers from engaging in business that will financially harm the transportation companies.

A surety bond does three critical things. First, it establishes credibility. A broker must demonstrate financial responsibility before being allowed to operate. Second, it protects carriers and shippers. If a broker fails to pay, the bond ensures compensation. Third, it enforces accountability. Brokers who fail to comply lose their authority.

This is not excessive regulation, but basic financial responsibility. Canada currently lacks these protections, and bad actors know it. Requiring a surety bond would protect trucking companies and level the playing field for ethical brokers. More importantly, I believe this will help restore trust across our industry and prevent honest businesses from being unfairly punished.

I urge the committee to recommend a framework to be put into place that would require mandatory surety bonds for freight brokers. Trucking companies are not asking for special treatment. They're asking to be paid for the work already done. As a follow-up, if I'm allowed the time, I would like to share how I believe the safety on the road ties in with financial accountability.

Thank you for your time. I welcome questions.

• (1635)

**The Chair:** Thank you very much, Ms. Horlings. I'm sure you'll be able to share that information when one of the members asks you a question on the subject.

I just want to share with the two witnesses who are here in person that I have a yellow card and a red card. The yellow card is to let you know that your time is running out. The red card means your time has ended. I don't want to cut you off, but to ensure that there's equity of time amongst members, I'm going to be very strict with the time today.

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

**Michael Ludwig (Operations Manager, Ludwig Transport Limited):** Thank you.

Chair and members of the committee, thank you for the opportunity to appear today.

My name is Michael Ludwig. I operate a family-run trucking company based in Simcoe, Ontario, which has been in operation since 1961. We operate dry vans, refrigerated equipment and intermodal containers throughout North America. We have survived

multiple industry cycles by focusing on compliance, safety and long-term sustainability.

I am here today not as a representative of any association or as a theorist, but as an operator living with the real-world consequences of what is commonly referred to as Driver Inc.

I have provided the committee with a written submission outlining evidence, impacts and recommendations. Today I want to focus on what this looks like from the operator's seat.

In plain language, Driver Inc. is not self-employment: It is the misclassification of employees as independent contractors in order to avoid payroll taxes and basic employment protections. Drivers labelled as independent do not control their rates, customers or working conditions, yet they are made responsible for compliance, risk and long-term financial security without real entrepreneurial risk or genuine independence.

What is occurring is payroll fraud that has become normalized across large portions of the trucking industry.

Driver Inc. did not emerge because carriers are inherently malicious; it emerged because trucking operates on extremely thin margins. Enforcement is fragmented, and price—not compliance—has become the dominant factor in shipper decision-making. When enforcement is inconsistent and the market rewards the lowest price, regardless of how it is achieved, non-compliance becomes a competitive advantage. This creates a system in which compliant carriers are punished while non-compliant ones are rewarded.

The damage from this model falls into four main areas.

The first is legitimate carriers. Over the last 42 months, in one of the worst and longest downturns this industry has experienced, either compliant carriers have exited the market or they are now seriously considering the adoption of Driver Inc. simply to survive. This pressure is structural, not moral.

The second is the drivers. Drivers operating under Driver Inc. are often led to believe they are earning more, but they are trading away CPP, EI, workers' compensation coverage and long-term financial security. They are one injury, one enforcement action or one economic downturn away from collapse.

Third is government. CPP and EI contributions are lost. Income tax revenue is deferred or never collected. When reassessments finally occur, the money is often gone, usually out of the country, and the companies no longer exist.

The fourth is safety. When responsibility is fragmented, accountability weakens. Hours-of-service violations become easier to hide, maintenance is deferred and equipment standards slip. When everyone is labelled as independent, it becomes unclear who is ultimately responsible for safety outcomes on Canadian roads.

Enforcement has not kept pace with the scale of the problem. CRA action is largely reactive and often occurs after the damage is done.

The most troubling part of this reality is that I am sitting here today before lawmakers describing a system that can push otherwise compliant carriers toward illegality simply to survive.

More guidance documents or voluntary compliance initiatives will not solve the issue. Drivers are not in a position to challenge the structure they are placed in, and carriers will not police themselves. Compliant operators cannot survive in a system in which enforcement is optional. What would make a difference is predictable, early and coordinated enforcement, meaning joint action from the CRA, labour authorities and transportation regulators, with real consequences for deliberate misclassification and with accountability that reaches those who knowingly benefit from non-compliant pricing.

This is not about eliminating legitimate owner-operators. Genuine independent contractors exist and should continue to exist. This is about ensuring that independence is real and not fictional.

Driver Inc. is no longer a loophole at the margins of the industry. It is rapidly becoming the dominant operating model. If nothing changes, Canada risks losing its compliant trucking industry entirely. Once that capacity is gone, it will not be easy to rebuild.

Thank you. I look forward to your questions.

• (1640)

**The Chair:** Thank you very much, Mr. Ludwig.

Next we'll go to Mr. Hall.

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

**Jeff Hall (President, J&R Hall Transport Inc.):** Good afternoon, Mr. Chair and members of the committee.

Allow me to say thanks for your efforts to date on the topic of the changing landscape of truck drivers in Canada. It's my genuine hope that we can make a difference and change the direction of an industry that has supported my family for four generations, and I hope, a fifth. I have time; the fifth's top age is only 11.

Here is a quick history of J&R Hall. We have 270 staff members, from Ontario to British Columbia. We haul expedited high-value products for about 500 customers. We operate 110 trucks, and we have six terminals across Canada. We employ staff from each province in western Canada. My grandfather began in 1949. Throughout the years, there have been a few name changes, from

John T. Hall & Son to Drumbo Transport, Ayrline Transport and lastly, since 1987, J&R Hall Transport, all owned by my family.

Our industry and my family appreciate the commitment of the federal government to involving the CRA and ESDC in controlling the lawlessness in trucking. However, we have a long way to go. Even today, six out of 10 drivers who apply at our place want to be illegitimate contractors, known as Driver Inc. Simply put, there is not enough being done, and the future of my family business is in jeopardy.

In recent years, our industry has unfortunately attracted some of the lowest-calibre participants. The lack of ethics and respect for law and order is jeopardizing my family business, which took decades of care, investment and credibility to build.

We are competing with individuals who stole five trucks out of my yard in 2025 alone. We operate in rural Ontario on my grandfather's farm, not in a major urban area. We have since recovered four; most had our decals and the VIN numbers removed and have gone to the downside.

I would like to stress that we worked to recover our vehicles with our own resources. Our police had no interest in investigating these crimes, nor were there consequences for the individuals who stole my trucks.

These trucks, which have my family name on them, were undoubtedly going to be used for illegal purposes. Carriers and nefarious fleets operate the trucks unsafely and illegally, and they put every one of us at risk every day. Check out the trucks on the road today with the green hoods, white cabs and yellow doors, and you'll see brand B carriers. As a child, I remember very well driving with my father in bad weather: "Pull in behind a truck. We'll be safe." Today, nobody wants to be near a truck, and frankly, I don't blame them.

On that note, I'd also like to address safety. Less than half of 1% of fleets today have an "excellent" CVOR safety rating. I'm proud to say we do. Many of the brand B fleets we compete with do not share our vision for safety, yet all of us and our families share the road with them. Many are unaudited because they don't have an office or don't have employees. They have Driver Inc. They have contractors, and there is no proof of a documented company. Imagine if they were constantly visited by ESDC and Transport Canada, as we have been, to the tune of five—yes, five—audits this year.

Likewise, inspection scales are not open 24-7 throughout our country and can be easily avoided by carriers that operate dangerously. Our trucks cross the scales. We have bypass systems in our trucks to go past the scales, especially in British Columbia, due to our consistent safety record and performance.

Unscrupulous fleets are also allowed to utilize facility insurance or government insurance as if it were no big deal. The reason they do this is that they are too great a risk for normal insurance. Well, if the shoe fits, put it on. Don't let them be in business. Why do our provincial governments invest in bad businesses with my tax dollars?

Please allow me to comment on how we can ensure and enhance truck safety by addressing the lack of places for drivers to stop and rest in Canada, specifically Ontario.

As you may know, hours of service regulations for drivers determine route planning and trip planning. In the U.S., we have rest stops with heated washrooms that are cleaned daily, at a minimum, and vending machines that provide drinks and snacks for drivers. In fact, the U.S. government is actively planning to expand and increase their investment in rest stops.

Today, in northern Ontario, our drivers have little to nothing compared with these amenities. We're constantly asked not to park in service centres, because they don't have room. At some scales, we are provided with portable washrooms that don't get cleaned. Our snowplow turnouts in northern Ontario are so disgustingly dirty that you don't even want to drive into them, and they're rarely cleaned or policed.

• (1645)

We desperately need rest stops with parking and at least some services in northern Ontario. We also need snow removal equipment in places like Batchawana Bay. Accidents are often caused by poorly trained drivers or untrained drivers, but often winter maintenance is virtually non-existent. The stretch of road from Sault Ste. Marie to White River along the east end of Lake Superior is the worst section of road in the province, due to weather and wildlife.

We have installed moose bumpers on our trucks to protect us; wouldn't it be a novel idea for the province to try to protect every traveller in that section, as well as the wildlife?

**The Chair:** Mr. Hall, I'm going to have to ask you to wrap up, if that's okay. If you have any final points, I want to let you know that you could submit a written submission so that we can include it in the testimony.

**Jeff Hall:** In closing, I would like to say thank you again for the invitation to speak. Thank you for the time spent to consider the

needs of the industry and what the fifth generation of my family will need to succeed in the transportation industry. If I can ever be of assistance moving forward, I'm all in.

Please, let's stop talking about these problems; let's get something done about them.

Thank you.

**The Chair:** Thank you very much, Mr. Hall.

We'll go right into our line of questioning, and for that, we'll turn the floor over to Ms. Cody.

Ms. Cody, the floor is yours. You have six minutes, please.

• (1650)

**Connie Cody (Cambridge, CPC):** Thank you, Chair. Through you, I want to thank all the witnesses for coming out today. It's a really important issue being brought to this committee.

My first question is for Mr. Hall.

Cambridge is a hub of the trucking sector. Many people tell me they feel uneasy when they are driving on the road with transport trucks, and even more so with the increased accidents and all the unsafe driving that is witnessed. Recently, many have been calling our northern roads a death trap.

From your experience, how would you assess the overall safety standards in the trucking sector, both in driver training and truck maintenance? What concerns do you see on the road today? Would a national strategy help resolve the issues?

**Jeff Hall:** Recently we've seen driver schools put out of business for unfit practices. This has contributed to the poor quality of the drivers on the road.

I mentioned the northern Ontario part of it. Poor road conditions contribute, but some of the drivers shouldn't be allowed to go further north than Barrie without training. Drivers need to be trained.

I would personally recommend a graduated licence system. Today drivers can go on a three-month program and then be given a B-train loaded with 150,000 pounds of gasoline to take to Vancouver. They don't have training for that, so they definitely need more training.

A national program would help, and I'd love to be a part of trying to arrange it.

**Connie Cody:** You also noted that a lack of adequate rest areas on the highways across Canada has real labour force impacts. Women drivers often face added challenges when safe facilities aren't available.

Given the federal role in extraprovincial trucking and national transportation corridors, can you expand on how the shortage of safe rest areas affects drivers? What federal measures could help address this?

**Jeff Hall:** It's gotten worse since the hours-of-service laws changed a few years back. Drivers try to maximize everything. They don't do split sleeper berths, so if they don't plan their trips appropriately or if they get delayed due to accidents, traffic or weather, they end up stopping in places that don't have services.

I believe we have added two rest areas in northern Ontario. One is Batchawana Bay and one is right at the Manitoba border. I believe the one at Batchawana Bay has parking for six trucks. I can tell you that last week the road was closed at Batchawana Bay for 39 hours. Six trucks can park there. Six trucks can go to the wash-room there. The others—I'm going to guess 1,000—can't. It's huge.

**Connie Cody:** My next question is for Mr. Ludwig. Thank you for coming today.

You have operated a family-run trucking company in Simcoe for decades, moving freight through local roads, border routes and regional supply chains that communities in southwestern Ontario rely on every day.

In your testimony, you underlined that Driver Inc. isn't just a labour issue but also a safety governance failure. From what you see on the ground in and around Simcoe, what risk does this enforcement gap pose to public safety, accountability and standards such as hours of service and vehicle maintenance? Do you believe the federal government has treated those risks with the same seriousness that it applies to other transportation safety issues?

**Michael Ludwig:** The short answer is no.

In our area, we don't see a lot of that problem, but we travel to areas in which we do see that as being an issue. Drivers who aren't trained properly or are skirting the law are simply not safe. They don't worry about what their equipment is like. They go around scales. They go to places where they can't get caught.

One of our big lanes is between the Fort Erie border and CP Rail in Vaughan. Lots of times my guys are running up and down the QEW, doing their thing and doing what they're supposed to do; we'll see guys travelling all the way out as far as Brantford to bypass scales, get around them, go up Highway 6 and cut back into Toronto the back way because the equipment is simply not safe.

I'm sorry; what was the rest of your question?

**Connie Cody:** I can go on to....

Insurance costs are going up. I'm wondering if you think insurance costs are increasing from the crime or from the drivers or businesses that are not properly insured.

**Michael Ludwig:** My insurance costs are not going up, but that's because I run a very safe company.

Insurance costs in general are probably going up. That's because of a lack of safe drivers and more exposure to lawsuits within the marketplace. It's only a matter of time before somebody gets one that's \$1 billion. It's already happened in Florida. It's only a matter of time before it comes here.

**Connie Cody:** I'd like to go back to Mr. Hall.

We're hearing more and more about mental health being a real challenge across the country, and truckers are no exception. Long hours, isolation, stress and time away from family can take a real toll.

With most trucks now monitored through federally mandated electronic logging and with many drivers being paid by the mile, do you feel this federally regulated structure creates pressure on drivers or encourages unnecessary risk as they try to maximize their mileage within the allowable driving time?

• (1655)

**Jeff Hall:** The hours-of-service requirement that has been created now is fair to drivers, but the structure of it creates some pressure on drivers. I'll give you an example.

Let's say the next town where I can stop in northern Ontario is Thunder Bay, and right now I'm in Marathon. It's a three-hour drive, and an hour into the drive there's an accident that shuts the road down—the two-lane road, I will add—for two hours. There is nowhere else for drivers to stop.

The hours-of-service rule contributes to mental health on the one side, but the structure also helps create pressure.

**The Chair:** Thank you very much, Ms. Cody, and thank you very much, Mr. Hall.

Next we'll go to Mr. Greaves.

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

**Will Greaves (Victoria, Lib.):** Thank you, Mr. Chair, and thank you to our witnesses for being here today.

I'd like to start with Mr. Hall.

Thank you for your testimony, sir. I have driven those highways in northern Ontario, although not in a big truck. I have some first-hand understanding of the challenges you described.

You mentioned that your business operates west from Ontario all the way to B.C., so your drivers will have experience with the different kinds of enforcement and inspections in the western provinces and in Ontario itself.

Could you speak to differences your business and your drivers have experienced in enforcement in the different provinces? Are there some that are clearly more efficient, more proactive, safer?

**Jeff Hall:** I would say that the roads contribute to safety a little more in western Canada, but from the point of view of safety and enforcement, nine times out of 10, I can drive from southwestern Ontario to the Ontario-Manitoba border before I cross a scale that's open. There is a scale at the Manitoba border at West Hawk that hardly ever closes. I can then go from there to Golden, British Columbia, and nine out of 10 of those scales will not be open. Golden, British Columbia, is another one that is often open, but it's not uncommon to drive from Ontario to the west coast and not cross more than one or two scales that are open.

**Will Greaves:** Thank you.

One specific thing that you shared during your opening statement is that six out of 10 applicants for work at your company are essentially looking to be employed as independent contractors under the Driver Inc. model. That's an interesting observation. It's a little different from what we've heard at this committee from other witnesses, who've spoken more about unscrupulous companies employing drivers under the Driver Inc. model as a way of avoiding payroll taxes.

Could you elaborate on that, please? What's happening with these individuals who want to be employed in this way?

**Jeff Hall:** I think there's been a bit of noise made, and that's created a bit of a stir. I referred to the brand-B carriers. Some of them are reaching out.

I'm going to say that half the drivers who apply at our place only phone in. They ask that question initially. As soon as they get the answer, it's a click and a dial tone; they're gone.

We have some walk-ins. As I mentioned, we're in rural Ontario, so we're not really popular for people walking in without a plan in mind. However, six out of 10 is what my safety department gave me as today's numbers. It's kind of scary.

We've never dabbled in that part of the industry. We are attracting so many only because of the noise that ESDC and others—WSIB—are making around the industry.

**Will Greaves:** Would it be fair to say that perhaps it's more recent, as more public attention is being paid to the Driver Inc. model, that you're seeing applicants responding to that attention and seeking to be employed in that way?

**Jeff Hall:** I would say it's more recent, yes, but I would also say that the number is growing because of the benefits of it, or what they refer to as the benefits of it.

**Will Greaves:** Thank you.

Mr. Ludwig, thank you for being here with us this afternoon.

Previous witnesses to this committee have shared testimony that they tried to meet with the provincial Ministry of Transportation in Ontario on issues related to enforcement and road safety but have not had a lot of success. Could you speak to your firm's experience in trying to engage with MTO in Ontario to express the concerns that you've raised about safety and enforcement?

• (1700)

**Michael Ludwig:** It's rather interesting. Recently we were a CVOR "excellent" carrier. We're now off by 1.3% and have lost our

excellent carrier status. When we were excellent, because we run a lot in the QEW corridor, we were hunted relentlessly by law enforcement officers, with scales at Vineland and Oakville constantly trying to find something wrong with our trucks. Inevitably, if they couldn't find something, we would get what would be called "chafing air lines", which is an indefensible action, but it goes against your CVOR record.

Once our record dropped us from "excellent" to "satisfactory", the number of inspections that we endure has decreased to almost zero. We went down from 40 to 60 a month to zero to 10 a month. I guess that's the way MTO likes to treat their better carriers. You're hunted relentlessly until you fail.

In speaking with other ministry people, I have had successes in speaking with people in London on particular issues. I have had no successes at all in speaking with MTO people in Hamilton on other issues. It's kind of a crapshoot.

**The Chair:** Thank you very much, Mr. Greaves, and thank you, Mr. Ludwig.

[*Translation*]

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

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

I thank the witnesses for being with us today.

I am happy.... In fact, it's an odd way to say it. I should instead say that I'm unhappy to note that the situation reported to me by people in the industry in Quebec seems quite comparable to what you're telling us today. Some witnesses who came to testify here before the committee told us that there was no problem, that everything was fine and that the Driver Inc. model was one of the seven wonders of the world. I'm glad to hear a different tune today.

Based on your experience, do you feel that the rise of the Driver Inc. phenomenon is related to the increase in accidents on the roads? If so, what connection can be made between the two?

Mr. Ludwig can start answering the question. Mr. Hall may then have some comments to add.

[*English*]

**Michael Ludwig:** Does Driver Inc. lead to safety problems? That's what I understand you're asking.

Yes, there is no question that it leads to safety problems. A Driver Inc. driver could come and drive for me, and I would know that he has put in his 14-hour shift. Then he could drive over to Jeff's place and drive for him and put in another 14 hours, and nobody knows that this man has just worked for 28 hours straight with no sleep. Clearly, that's a problem out there on the streets.

Driver Inc. drivers are made responsible for equipment they don't own. If the driver is in an accident, where do the police, the MTO, SAAQ or whoever else go to find the maintenance records, the hours-of-service records, the qualification records—everything that we legitimate carriers, when you ask for them, can have for you in 10 minutes? They're all scanned—all the maintenance records, everything. You can't do that with a Driver Inc. fleet, because that information is simply not readily available.

These people know that, and they get away with driving junk and not caring about who they run into, who they run over.

[*Translation*]

**Xavier Barsalou-Duval:** Witnesses told us at the committee that there were people who no longer wanted to drive due to the risks. Former drivers are apparently leaving the industry because it has become impossible.

Have you experienced that? Is this something that's been reported to you by drivers? People are apparently leaving the industry due to the large number of incompetent drivers and the Driver Inc. model.

• (1705)

[*English*]

**Michael Ludwig:** Yes, absolutely, it is.

I don't get that too much with my drivers, because we drive in a different area, but I can imagine Jeff's drivers, who have to drive up Highway 11 and Highway 17 on the Trans-Canada, going that way.

It's like murderers' row. It's a terrible thing to say, but the chances of a driver getting in an accident up there are probably 10 times what they are here, maybe more. It's inevitable that you're going to get into one.

I would think that if you drove up there for five years, you would have at least one, and it wouldn't be your fault. Someone would run into you, and typically, it's another truck. When another truck, ranging anywhere from 80,000 to 140,000 pounds, runs into you at 100 or 105 kilometres an hour, you can imagine that there are not going to be too many survivors.

Do you want to be one of those statistics? I don't, and not a lot of drivers do. I understand why they want to get out.

[*Translation*]

**Xavier Barsalou-Duval:** Mr. Hall, would you like to add any comments?

[*English*]

**Jeff Hall:** Yes, I do, absolutely.

One leads to the next. Driver Inc. is tax evasion. Driver Inc. then leads to equipment maintenance evasion. It leads to hauling illegal loads, employing—not employing, but hiring—illegal people. It's all blended in together.

Have we lost drivers who are afraid to go to northern Ontario? I'll use northern Ontario specifically, because it's near and dear to me. Absolutely, we have. The calibre of driver has decreased exponentially across the country. It's exaggerated in northern Ontario, specifically in the area along the east end of Lake Superior, which I

mentioned to you. You have wildlife to contend with. You have weather, hills, inexperienced drivers and poorly maintained roads. One definitely blends into the other.

[*Translation*]

**Xavier Barsalou-Duval:** What proportion of the industry does the Driver Inc. model account for, according to your estimates? Is it 5%? Is it marginal? Is it 10%, 50%? In fact, do you have a rough idea of the scale of the problem?

[*English*]

**Michael Ludwig:** Do I have...?

**Xavier Barsalou-Duval:** I mean the percentage.

**Michael Ludwig:** You're asking the percentage of drivers in that area who are Driver Inc.

There are quite a few. At one time, there were companies that would take the mileage from a mileage program that said it was *x* number of miles from Toronto to Vancouver and it should take 53.4 hours to drive that route, so they would pay the minimum wage for that number of hours. Well, it—

**The Chair:** Thank you very much, Mr. Ludwig.

[*Translation*]

Thank you, Mr. Barsalou-Duval.

[*English*]

We'll go to Mr. Motz.

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

**Glen Motz (Medicine Hat—Cardston—Warner, CPC):** Thank you very much, Chair.

Thank you, witnesses.

Stacey, it's nice to see you. I'm going to keep you busy for the next five minutes. It's great to have you as a witness.

You bring an issue different from Driver Inc. to this whole trucking conversation. I was intrigued to hear about the idea behind the bonding and the failure to have security bonds. You touched on it before you relinquished your time.

In your view, what's the impact on road safety, on the manufacturers, on carriers and on market fairness of having carriers who aren't bonded or having bonding brokers, freight brokers, who aren't secured?

**Stacey Horlings:** Thank you, Mr. Chair.

I'll share with you a simple scenario.

Bob was sitting in his basement one day and was talking to a friend, Scott. Scott works at a manufacturing plant and expressed his struggle with trying to find a truck for a shipment leaving his facility.

Wouldn't you know it? Bob is now selling loads that his buddy Scott gave him to trucking companies. Bob just opened up his computer and called himself a freight broker.

Bob puts the load on the load board. He's not trained. He's not experienced in finding qualified carriers. The only thing Bob really cares about is how much money he makes at the end of the day.

Bob places the load with ABC Trucking Company for \$800. ABC Trucking needs this load to get the driver back home. Bob invoices his buddy for \$2,500, and Bob just made \$1,700 with no concern about who has been entrusted with that load or who's behind the wheel.

This tends to relate to Driver Inc. We need to know who's behind the wheel.

Bob's also irresponsible. He takes his friends out and spends all the money, even the \$800 to pay ABC Trucking.

That's an exact scenario of what it looks like with a broker—some brokers, I should add.

There are three issues here.

The first is that ABC didn't get paid, and financial pressures force carriers to cut corners and hire underqualified drivers and delay critical repairs and maintenance.

Second, Bob can operate without any training or industry knowledge, and he has no financial risk of his own. He doesn't employ drivers, yet he controls the decisions that directly impact who's on the road.

The last thing is the broker boards. They're not required to have any oversight. The load boards collect \$800 a month from ABC Trucking Company and they collect \$800 from Bob. As long as both parties continue to pay, the system functions financially.

• (1710)

**Glen Motz:** What you're saying, and you said it briefly, is that the scam by the freight brokers in not having security goes hand in hand with Driver Inc. and the challenges we have with unscrupulous drivers and companies that follow along.

It's probably impossible to put an economic figure on this. You talked about road safety, and the other gentlemen from Ludwig and Hall certainly covered some of that.

I'm solutions-oriented. You have this problem with Driver Inc. You have this problem with the brokers. What's the solution? How does the government properly introduce legislation or regulations to make this work?

**The Chair:** Give a 15-second response, please.

**Stacey Horlings:** When responsibility is clearly defined and enforced at each level of a financial transaction in the trucking industry, safety stops being an afterthought and starts becoming the foundation of the system.

**The Chair:** Thank you very much, Ms. Horlings.

Thank you very much, Mr. Motz.

Next we'll go to Ms. Nguyen.

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

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

I'd like to thank the witnesses for being here today and sharing some perspectives that we certainly need in this conversation about making sure that our roads continue to be safe.

We know, obviously, that in the enforcement of safety, we set the standards federally, but the enforcement is on the provincial side.

Mr. Hall, you talked about your experience in the interprovincial context. Given that experience, can you talk about some of the best practices you are seeing in provinces that are doing this well so that we can think about how we recommend more of these best practices across the country? What jurisdictions are doing roadside enforcement with an approach that you think is really effective?

**Jeff Hall:** To me, it's all about opening the scales. At West Hawk, which is on the Manitoba-Ontario border, the scale hardly ever closes. We don't have problems of poorly maintained roads, poorly operated trucks. They get into Winnipeg, but when you go west out of Winnipeg, this ends.

Open up the scales. The province has invested millions of dollars into a few new scales. There's one just outside Thunder Bay right now that has visibility of traffic going both ways for probably two miles. It's open, I'm going to say, eight hours a day, maybe four days a week. There's a truck stop two miles away from it, so if a driver knows he can't pass the safety and knows he's out of hours, he sits there in the truck stop at Pass Lake and waits for the lights to stop flashing. Then he carries on.

It's so easy for these guys to operate. If the scales were open 24-7—not just in Ontario but in every province—we would all be safer, and I don't just mean truckers. I mean that everybody would be safer.

• (1715)

**Chi Nguyen:** I'm curious about whether the other witnesses have anything to add to that—good practices or considerations that we might share with other levels of government or provinces that we do this work with.

**Michael Ludwig:** Do more audits, definitely. I'm going to use MTO as an example. Loosen the purse strings a bit. Hire more inspectors. Train inspectors better. Hire more auditors. Get out there. Get into the trucking industry everywhere, and get things done.

As a quick example, at the CP Rail terminal in Vaughan, you would be hard pressed to find an MTO officer anywhere near there. Just have a look at the equipment that runs in and out of there. That could be “fine city” all day long if law enforcement were to show up and do their job.

**Chi Nguyen:** Thank you very much.

Stacey, did you have anything to add to that?

**Stacey Horlings:** I just have to add, Chair, that it starts at the top, from shippers and receivers knowing who's coming in their door and being accountable. Trucking company owners and freight brokers all need to do more than just worrying about the bottom dollar. They need to pay for good service and know that they're getting a quality driver who comes through their shipping and receiving.

**Chi Nguyen:** I also want to ask a bit about training. I know that's not a role that we play here, but if we think about what you'd like to see as national standards—more of that work—is there anything else you'd like to suggest we consider as we continue this?

**Michael Ludwig:** Is that question for me?

**Chi Nguyen:** Yes.

**Michael Ludwig:** MELT training is 103.5 hours. For the people I put through training, I add in an additional 30. That's just for basic training, before they get their licence. I pay for that myself. Then I bring people in, and they run with one of my drivers, who is a trainer himself, for four to six weeks, until my trainer is comfortable with that person being able to do the job properly. If the potential driver does not have it by that time and if we think they have the potential, we'll send them back to school. If we really don't think this is the lifestyle for them, then we'll suggest that a change of career may be in order.

**The Chair:** Thank you very much, Mr. Ludwig, and thank you, MP Nguyen.

[Translation]

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

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

You both shared with us the challenges you face. You also mentioned how this phenomenon was truly a horror on the roads and really detrimental to safety.

Has this phenomenon also had an impact on your sales figures? If nothing is done, to what extent do you think you can pass on your businesses to the next generation? How long do you think you can last like this?

Mr. Hall, you may begin.

[English]

**Jeff Hall:** What is happening and its effect on our business from the dollar point of view is that the less scrupulous carriers are driving rates down. They'll go to our best customers and convince them that they can do this for less. Our best customers put pressure on us. They don't necessarily walk, but they put pressure on us and say that XYZ is doing this for \$500 less. Okay, then, I'll do it for \$250 less.

At the end of the day, we need our customers to be our business partners. We need to be profitable. Profit in the trucking industry seems to be a bad word. Customers will pay for it if there aren't people out there cutting corners and offering to do it for less.

• (1720)

[Translation]

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

[English]

**Michael Ludwig:** Our business will probably not be here by the end of 2027 if the problems of Driver Inc. and road safety are not solved. It's just the simple economic numbers.

We burned our war chest through this past economic downturn. The unreasonable pressure from Driver Inc. fleets is pretty much unbearable. I just don't see a fiscal way forward beyond this for too much longer. There's no point in throwing good money after bad.

[Translation]

**Xavier Barsalou-Duval:** In that case, how do you explain that you, who are carriers with good safety ratings, are constantly inspected, while it seems that no effort is made to catch those who operate under the Driver Inc. model?

We even have communications from the federal government stating that the approach in this area is educational. Do you think the federal government's approach is the right one?

**The Chair:** You have 15 seconds left to answer.

[English]

**Michael Ludwig:** Increased federal guidelines are the right way to go. Let the provinces follow, but hold the provinces accountable to meet the federal standards.

[Translation]

**The Chair:** Thank you very much, Mr. Ludwig.

Thank you, Mr. Barsalou-Duval.

[English]

Next, we'll go to Mr. Lawrence.

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

**Philip Lawrence (Northumberland—Clarke, CPC):** Thank you.

I'll start with you, Ms. Horlings, and carry on from my colleague's questions.

You have said that the lack of carriers' need for a bond or insurance is inhibiting the ability to have safe vehicles. In general, my principle with respect to federalism is national where necessary and provincial where possible. I very much think that in this case, we need national involvement: national data, national licensing and perhaps national insurance.

Would you agree with those comments? If so, please tell me why.

**Stacey Horlings:** Yes, I agree with those comments, even in terms of a surety bond and coordinating with the United States FM-CSA. If a broker decides not to pay a trucking company in the U.S. and I try to go after their bond and collect, sometimes I will get a hard no, because it delivered on the Canadian side or it picked up on the Canadian side. From a national standpoint, absolutely, these things need to be in place.

**Philip Lawrence:** Based on what you just said, if you were making a claim, it would be easier to collect from a U.S. carrier than it would be from a Canadian carrier. Did I misunderstand that?

**Stacey Horlings:** Technically, yes, it would be easier, because there's nothing in place in Canada that protects the collection of money. With the U.S., at least there's a surety bond that allows us to try to collect.

**Philip Lawrence:** Thank you very much for that. That's some very helpful testimony.

At this point, Mr. Hall and Mr. Ludwig, I'll turn to you.

Mr. Ludwig, thank you for your very candid conversation. It can't be easy to say the words that you just said.

I suspect that while Driver Inc. is an issue—don't get me wrong—it's also often a symptom. It's not just the missing out on CPP and other things that is actually doing it. I believe there's also a greater association with things like not doing proper training and not doing proper vehicle maintenance. Would either of you agree with that?

**Michael Ludwig:** You, sir, are absolutely correct.

**Jeff Hall:** Absolutely.

**Philip Lawrence:** Thank you very much.

The other thing, Mr. Ludwig, is that your testimony really brought it home to me that as much as these conversations are necessary, now is really the time for action, and that if the federal government doesn't take action within a reasonable time, irreparable harm will be done to your very important industry.

Would you also agree with that? Could you expand on some of the potential impacts?

• (1725)

**Michael Ludwig:** Yes, absolutely. The choice I face today, as we move forward and, as I've said, probably to the end of 2027, is that if we do nothing, I have to decide whether my company is going to continue. If it is, and you don't do anything, I have to go with the Driver Inc. model. Otherwise, I'm done. I just can't make enough money to stay alive.

**Philip Lawrence:** Mr. Hall, would you like to comment on that?

**Jeff Hall:** Wages are probably the highest percentage of our costs. The second is fuel. We have about a 30% uptick in accessorial costs with our wages. If we can eliminate them and join the Driver Inc. field, and then if we can eliminate the effort we put into repairs and maintenance in our equipment, we can lower prices, but we won't be doing anybody any favours.

There will be no future for family businesses in trucking.

**Philip Lawrence:** Would you also agree with Ms. Horlings that there's a need out there for national information? To me, the lack of

national information and the lack of enforcement are some of the things that are driving a race to the bottom. Would you agree with that as well?

**Jeff Hall:** [*Inaudible—Editor*]

**Michael Ludwig:** I would as well.

**Philip Lawrence:** Thank you.

That's fine.

**The Chair:** Thank you very much, Mr. Lawrence.

Finally, for this round of questioning, we'll turn the floor over to Mr. Kelloway, who's joining us online.

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

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

Hello to the witnesses. It's really important testimony today. That goes without saying.

Just over my right shoulder—I don't know if you can see—there's a miner's hat and a miner's lantern. My dad was in charge of mine rescue for the Cape Breton mines for years. I used to pal around with him quite a lot when I was a young man. The amount of effort that went into the training, the follow-up training and the auditing in terms of mine rescue.... For those who don't know, for the men who would go down for a crisis or recovery, or to assist someone in some way, there was rigorous training—it wasn't a one-off—and it was consistently followed up with auditing.

A couple of things come to mind, and MP Lawrence touched upon them. So far in the testimony, from a variety of sources, we've heard about a lack of training, follow-up training and enforcement, as well as a lack of accountability because of the lack of enforcement and training.

I want to start with Mr. Hall and then go to Mr. Ludwig and Ms. Horlings for a second. Looking at going forward on recommendations, I want to make sure that we get the right terminology from you in terms of the recommendations. I'm hearing that we need more investment in enforcement, training and accountability; more audits; and more inspections. They're not the sole cure, but they are part of the process in trying to make things better.

I'm also hearing—and not just in this testimony—about a national database. I want to ask you this question. I'm hearing about more federal involvement in the management of training and the follow-up of training, because it is a joint enterprise. The province does certain things and we do certain things. Maybe we could start there, Mr. Hall, because I want to see the next generation of Halls on the road. Mr. Ludwig, I don't want to see you go out of business. Ms. Horlings, I want to see you keep doing what you're doing.

Mr. Hall, going to you, we could start with training, enforcement and recommendations, and on the national database and more federal involvement in what is traditionally provincial territory.

**Jeff Hall:** Federal involvement is mandatory. Going to training, our drivers travel in different jurisdictions. If we have graduated licensing, somebody can drive within Saskatchewan, between Regina and Saskatoon, maybe with less experience than a guy who's going west out of Calgary at midnight with a loaded set of B-trains full of fuel.

The training needs to be graduated for drivers. There needs to be accountability from the safety and compliance points of view. It needs to be set up federally, but we also need all the provinces to buy into it. Some provinces get a little lax, and some are a little more interested, depending on where you're going. You have to push them all, but change is mandatory. Change has to happen, or businesses like ours will not be here, and roads are just going to get worse.

• (1730)

**Mike Kelloway:** Okay.

Mr. Ludwig.

**Michael Ludwig:** You asked for solutions.

**Mike Kelloway:** Yes.

**Michael Ludwig:** As far as training and stuff go, I agree with Jeff.

There are two really simple solutions that this body of people can probably manage in a few hours, if not a few weeks. One is T4As for everyone from the shipper on down. Let's track the money. Everybody's watched a crime show, and that's the overwhelming modus operandi: Follow the money. Following the money takes you everywhere you need to go.

We also need to stop providing facility insurance to commercial, for-profit entities. All we're doing is insuring bad people. My tax dollars are going to be paid when those big judgments come into play. If the best minds in risk analysis won't insure these people, why in the Lord's name would the government? The best risk assessors don't work for the government; they work for private industry. They won't touch these people, so why do you?

**Mike Kelloway:** MP Lawrence mentioned something, and I'm just interested in your take—everyone's, actually. We'll go next to Ms. Horlings.

Driver Inc. is obviously a focus of this study. It's an aspect of it and a huge driver, but are the issues even deeper than Driver Inc.? I just want to confirm this. When we're trying to establish what the priorities and the problems are, we're obviously focused on Driver Inc., but the things I heard today with respect to the situation of the

truck stops, the roadways and the lack of scales actually play a fundamental role in safety.

It's a problem, I'll grant you, from your perspective, but there seem to be a lot of deeper issues here, right?

**Stacey Horlings:** Do you want me to start on this one?

**Mike Kelloway:** Sure.

**The Chair:** We only have time for you, Ms. Horlings, so I'll turn the floor over to you for 20 seconds, please.

**Stacey Horlings:** There are many deep issues within the trucking industry that need to be addressed, including what Mr. Ludwig said in terms of insurance companies. Wherever there's a financial transaction that takes place within the industry, it needs to be reviewed. It's as simple as that.

**Mike Kelloway:** Thank you, Ms. Horlings.

**The Chair:** Thank you, Ms. Horlings.

Thank you very much, Mr. Kelloway.

On behalf of the entire committee, I want to thank our three witnesses for being here today and sharing their experiences as owners and operators of trucking companies across the country. It's very helpful for our study and very helpful for our members.

We're going to suspend for a couple of minutes, colleagues, as we transition to the next round of witnesses.

I want to wish our witnesses for today who are leaving Ottawa a safe voyage home.

This meeting is suspended.

• (1730)

(Pause)

• (1740)

**The Chair:** I call the meeting back to order.

[*Translation*]

Colleagues, I would now like to welcome the witnesses.

We welcome two representatives from the Association des professionnels du dépannage du Québec. We have Mr. Réjean Breton, president and CEO.

[*English*]

We also have Mr. Mike Burstall, vice-president.

From Carmen Transportation Solutions Ltd., we have Vince Tarantini, president.

Thanks to all of you for appearing before us today.

We begin with our opening remarks.

[*Translation*]

I now give the floor to Mr. Breton for five minutes.

**Réjean Breton (Chief Executive Officer, Association des professionnels du dépannage du Québec):** Thank you very much, committee members, for having us today.

The Association des professionnels du dépannage du Québec represents 385 companies related to the roadside assistance industry throughout all of Quebec. These companies make emergency calls 24 hours a day, 7 days a week, among others for police forces, including the Sûreté du Québec under a service agreement, and for peace officers from Contrôle routier Québec.

We also participate in several round tables, including with the Ministère des Transports et de la Mobilité durable and the Société de l'assurance automobile du Québec.

We would like to raise your awareness today about the emergence of the Driver Inc. phenomenon and its repercussions.

We will not reiterate all the other elements that have already been submitted to this committee to date and carefully detailed by other associations related to the trucking industry in Quebec, including the Association du camionnage du Québec, represented here today, as well as other trucking associations in Canada.

The roadside assistance industry faces the following challenges.

There are many tractor-trailers associated with the Driver Inc. model on public roads. When they're in trouble after being in a collision, getting stuck or breaking down, the police, in accordance with a requirement of the agreement, require towing companies to intervene.

In addition, in the event of a mechanical problem—which we see on a daily basis—a peace officer from Contrôle routier Québec can seize a heavy vehicle and require that it be stored in an impound lot. However, when there's a failure to pay or a vehicle is abandoned and not claimed by that type of driver, the tow yard attendants are faced with trucks that take up storage space, not to mention environmental management under the Environment Quality Act.

Aside from a few heavy vehicles related to the Driver Inc. model that may happen to be insured and for which we sometimes receive financial compensation, most stored heavy vehicles are not claimed. If we sometimes dare to accept payment of an invoice by credit card, it is cancelled a few hours later by the driver associated with the Driver Inc. model, who claims to have been a victim of fraud.

Some towing companies are now being forced to illegitimately assume non-payment fees for services rendered at the request of peace officers. For information purposes, the amount is \$3.8 million for the last two years.

Robust solutions must be sought through a collaborative and integrated approach, and it must be based on consultation among the various stakeholders.

Here is what we recommend.

Given our obligation to intervene at the request of the authorities to clear the road network, the Association des professionnels du dépannage du Québec and the entire road industry in Canada are seeking, among the various measures to be implemented, a payment guarantee mechanism for towing companies.

We also believe that shippers who financially benefit from the Driver Inc. phenomenon must be part of the administrative and operational responsibility chain because, by turning a blind eye, they're complicit in this national scam.

The administrators of laws and regulations must obtain and perceive the leadership of all elected officials, regardless of their political allegiance. We must legislate not only with regard to the Quebec Highway Safety Code and that of each province, but also with regard to the Criminal Code and the penal system.

We would also like to see an insurance mechanism to check whether or not heavy vehicles are insured.

With all due respect, the towing industry trusts the House of Commons and this committee to acknowledge this national scourge, which will greatly harm the national economy if nothing is done.

I respectfully submit this to you.

Thank you.

● (1745)

**The Chair:** Thank you very much, Mr. Breton.

[*English*]

Next, we'll go to Mr. Tarantini.

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

**Vince Tarantini (President, Carmen Transportation Solutions Ltd.):** Mr. Chair and members of the committee, thank you for the opportunity to appear.

I am an Ontario-based carrier, and my company has operated in this industry for over 40 years, with a strong focus on safety and compliance. I'm here because what is happening in the trucking industry is no longer just a business problem. It has become a public safety issue and a fair competition issue.

The crisis has outgrown provincial tools alone and now requires increased federal collaboration. I will highlight several key issues that I am concerned about.

The first is driver licensing and training. From an operational standpoint, we see this during driver evaluations. Drivers arrive with valid commercial licences and several years in the industry, yet their skill level is often far below what it should be. We are not talking about new drivers. We are talking about drivers with years of experience who still struggle with basic tasks. Whether this results from fraud, weak oversight or poor training quality, the outcome is the same: People are entering the industry with credentials that do not match their actual competency. In private discussions with drivers, it is common to hear that licences can be obtained through informal networks instead of through proper training and testing. This points to a broken system of training and licensing.

The second is driver misclassification. Misclassification has not disappeared. It has adapted. It is evolving. My recruiting department continues to report that many drivers are still actively seeking arrangements that avoid normal employment obligations. Some carriers continue to structure work in ways that disguise true employment relationships. Enforcement pressure has changed the form but not the behaviour. ESDC must adapt its enforcement.

The third is insurance loopholes. Facility insurance was created decades ago as a last-resort mechanism, not as a standing operating model for trucking fleets. Today, some carriers use it strategically to avoid normal underwriting standards. This allows unsafe or non-compliant carriers to remain in business at artificially low costs. While insurance regulation is primarily provincial, the abuse of facility insurance through misrepresentation and under-reporting should raise federal concerns related to fraud, labour compliance, highway safety and cross-border trade.

The fourth is weak business-level enforcement. Enforcement remains heavily focused on roadside checks while business-level non-compliance continues largely undetected. Federal systems dealing with taxation, employment and business registration are not well aligned with transportation oversight. This includes things ranging from illegal truck yards to abuse of DriveON safety certification processes, business models that appear compliant on paper but not in practice and frequent changes in corporate identity to avoid regulatory scrutiny. These are not separate problems. They are connected. They point to one conclusion: lack of agency coordination and oversight.

In closing, this committee has an opportunity to restore order to an industry that is essential to Canada's economy. We are not asking for protection from competition. We're asking for fair competition, for enforcement of existing laws and for collaboration in an area that has outgrown provincial tools alone.

Thank you.

• (1750)

**The Chair:** Thank you very much, Mr. Tarantini.

We'll jump right into our line of questioning.

For that, I'll turn the floor over to Mr. Albas.

Mr. Albas, you have the floor for six minutes, please.

[*Translation*]

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

It is important for me to mention that today's testimony is very important. I'd like to clarify that I asked the Association des professionnels du dépannage du Québec to be here. Thank you for that.

To begin, can you tell us which province most of the abandoned vehicles are from?

**Réjean Breton:** When we talk with our roadside assistance colleagues from other Canadian provinces, we find that the number of stored and abandoned vehicles is the same everywhere, proportionally. For example, in the maritimes, where there are fewer heavy vehicles associated with the Driver Inc. model, of course, there are fewer vehicles stored in impound lots.

I believe that from western Canada to the maritimes, Quebec and Ontario are major arteries of the road network on which many trucks associated with the Driver Inc. model operate, particularly on major roads like highways and the Trans-Canada.

**Dan Albas:** What's the source of these vehicles? Are they from a particular province?

**Réjean Breton:** Excuse me, are you talking about the source of the vehicles or the type of vehicle?

[*English*]

**Dan Albas:** I mean the province the vehicles come from. Is there one province that stands out?

[*Translation*]

**Réjean Breton:** Okay.

What we notice when we tow Driver Inc. vehicles is that most, if not the vast majority, are registered in Ontario.

**Dan Albas:** How many vehicles have been abandoned in your province?

**Réjean Breton:** Currently, in Quebec, 312 Driver Inc. trucks are in impound lots, which represents \$3.8 million in bills submitted by towing companies. Of course, the figure of \$3.8 million is higher today. However, there are companies that have not yet submitted their invoices to our office because they believe they'll be paid within a few days or weeks. They hope to be.

**Dan Albas:** We've heard many allusions to a race to the bottom. What are the results for your industry, particularly for small businesses operating in Quebec?

**Réjean Breton:** In Quebec, all towing companies are required to have a memorandum of understanding, essentially a contract, with a police force, giving them exclusivity to operate on the road network. However, since about 78% of the heavy vehicles that are towed are vehicles from the Driver Inc. model, you can imagine the financial burden they have to bear to manage this issue.

Many companies in Quebec are considering the possibility of not renewing their memorandum with the Sûreté du Québec, so they are not obligated to intervene. In short, they'll choose their clientele. If they have to tow a vehicle from a reliable company or carrier, of course, they will intervene. If this is not the case and it's a Driver Inc. vehicle, there may be undue pressure to intervene to clear the road network, and this would be done voluntarily. However, the contract does not state that they must work voluntarily to clear the road network at the request of the government.

So, if towing companies in Quebec decide not to renew their agreement, there will definitely be a road safety issue.

• (1755)

**Dan Albas:** That's tragic. It's a bad situation, for sure.

In your opinion, are there solutions that could address this situation, such as a new federal approach or regulations for the industry in general? What specific change would be best, in your opinion?

**Réjean Breton:** In our opinion, aside from the recommendations I mentioned earlier, the federal government should have a partnership with, among others, the Insurance Bureau of Canada so we can do a check on the spot, promptly and at any time, to determine whether a heavy vehicle, regardless of its origin, may be insured. That's the first thing that needs to be considered on the ground. As I mentioned earlier, volunteering at the request of the government represents an economic problem that we will no longer be able to face in a few months in Quebec.

[English]

**Dan Albas:** I'm going to quickly ask a question in English. We've heard about facility insurance not being sufficient. Do you believe there needs to be a federal standard of insurance, as well as verification when a trucking company or an individual is transiting extraprovincially?

**Mike Burstall (Vice-President, Association des professionnels du dépannage du Québec):** I'll answer, because I'm bilingual.

Yes, he's asking that we be able to check the insurance or that the police officer or anybody on-site has the ability to check it right away.

The driver can cancel it tomorrow. He'll have insurance today—his pink slip is good, let's say—and tomorrow he can cancel it, so he's not insured.

**The Chair:** Thank you, Mr. Albas. Unfortunately, the time is up, sir.

Thank you to our witnesses for responding to those questions.

Next, we'll turn the floor over to Mr. Greaves.

Mr. Greaves, you have six minutes, sir.

**Will Greaves:** Thank you, Mr. Chair.

Thank you to our witnesses for being with us this evening.

My first question is for Mr. Tarantini. Thank you for your opening statement, sir. You mentioned that licences are sometimes obtained through personal networks, and I wonder if you could elaborate on that for the committee. Trucking licences are issued by the relevant provincial authorities. When you say they're obtained through personal networks, is that fraudulent? What is the mechanism that's happening?

Clarify if you can, please.

**Vince Tarantini:** The issuing of driver's licences isn't limited to going to a testing facility and getting tested by the government; some individuals have taken it upon themselves to get the authority to issue licences. I've never had that interest, because it's very onerous and it's a responsibility that should be taken seriously by those who do it.

Many driving schools have been reported in the news lately as being shut down as a result of the fraudulent activities they'd embarked on. It's not a secret out there. Most drivers know this, whether they've obtained their licence through paying a fee of several hundred dollars for their licence.... Training climbed as high as \$10,000 once the MELT program came into play several years back. Competition started to drive the price down, of course, but not to the point where you're paying hundreds of dollars instead of \$7,000, \$8,000 or \$9,000 for a licence.

**Will Greaves:** Thank you for clarifying that.

In your view, would one potential way to address the Driver Inc. model be through more effective oversight of the driving schools on the licensing side, as well as some of the other pieces that have been presented to the committee?

**Vince Tarantini:** Yes, and there's an association that has been lobbying hard for this. We, as an industry, want better-trained drivers. Don't we all? If you're taking a cab or a bus or are driving by a commercial vehicle on the road, you have some sort of idea that the person has been trained properly, and you have no concern—except there hasn't been quality training given to these individuals.

**Will Greaves:** On the same point, would it be, in your view, advisable to have some kind of national or federal standard, rather than individual provinces' potentially having different levels of oversight or different standards that they monitor within their own provincial jurisdictions for driving schools?

• (1800)

**Vince Tarantini:** Yes, of course, but it needs to have a mentoring process and it needs to have an escalation process, similar to what Jeff was talking about earlier as a pathway for success.

A lot of trades have journeymen. They have a journey to get to the end of the road. Truck driving somehow gets the short end of the stick, even though it's a missile driving down the road. It can be turned into a weapon at a moment's notice.

With a lot of the accidents the drivers I've spoken to have had, they have no clear explanation for how they got into them in the first place. They just don't recall. They don't understand how they ran off the road or how the accident happened. Today, we have the benefit of having a lot of video cameras in our fleets, in other fleets and on social media. Drivers are just not ready for the accident until it happens. They replay it, and somebody walks them through it and says, "This is the moment you went wrong", circling back to the beginning of the incident.

It's a little late to be training the drivers, but it needs to be done, even at that point.

**Will Greaves:** Better late than never. Thank you.

Do I have time for another question, Mr. Chair? I have 30 seconds. Wonderful.

I'll direct my question to Mr. Burstall. Thank you very much for being here, sir.

We've heard at this committee from many witnesses, including today, that labour law violations—specifically regarding overtime, rest periods and safety protocols—may be significantly under-reported by drivers in the trucking and towing sectors. In your experience, what do you think leads to this under-reporting, and what would be the most effective way to address it?

**Mike Burstall:** By "under-reporting", are you talking about the electronic logbooks and all of that?

**Will Greaves:** Yes.

**Mike Burstall:** The towing industry is regulated with electronic logbooks. We're very well taken care of.

On the other end, for the transport, I understand that they're finding tricks to go around them, as they did with the paper logbook before. I'm a contractor in Montreal. We do several highways in the city. I've never seen so many accidents happening as have been happening in the past five years. A lot of them are not experienced drivers. They'll pull into a parking lot and hit a hydro pole. In the past, a driver would try to back up and wiggle around it, and he would get himself out. Now, with Driver Inc., they know how to go forward, and that's it. They don't know how to go backwards. They hit that pole and they keep going. They destroy other structures and hit overpasses. When drivers would normally back up, they'll try to go forward.

Experience is a big issue in the industry.

**The Chair:** Thank you very much, Mr. Greaves.

Thank you, Mr. Burstall.

[Translation]

We will continue with Mr. Barsalou-Duval.

You have the floor for six minutes.

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

Mr. Breton, in your opening remarks earlier, you mentioned that you had \$3.8 million in unpaid invoices. For me, \$3.8 million seems like a big number. From day to day, what does that represent in concrete terms on the ground? Does that mean you see one case a day, ten a day, or one a week?

And how do vehicles from the Driver Inc. model compare to regular vehicles on the road? In fact, what tells you that there are many more vehicles from the Driver Inc. model? Do you have any numbers on that?

**Réjean Breton:** We counted them in 2024. Our association has an internal communication channel from its members. We asked them two years ago to let us know each time they intervened with a heavy truck used under the Driver Inc. model. For information purposes, in 2024, there were three incidents per day in Quebec involving vehicles used under the Driver Inc. model. This includes minor incidents, as my colleague Mr. Burstall mentioned earlier.

● (1805)

**Xavier Barsalou-Duval:** So that's three a day for Driver Inc. drivers. How many were there for the others?

**Réjean Breton:** As I mentioned earlier, 78% of the heavy trucks we're currently towing are driven by Driver Inc. drivers. That's three out of four trucks. I can tell you that the fourth truck, which belongs to a carrier that doesn't necessarily participate in the Driver Inc. model, is actually an accident. For the others, we know that the accident was caused by road negligence, due to the driver's lack of skill.

As tow truck operators, we're on the front lines, so we're able to check that, just like peace officers, of course. We're among the first four responders to arrive at the scene of a road incident, including a vehicle getting stuck or an accident.

I mentioned to you earlier that there were three incidents per day in 2024. In 2025, it was four a day. Imagine, last year in Quebec, there were almost 1,200 incidents involving Driver Inc. drivers. Of that number, as the media has mentioned, we know very well that there have unfortunately been accidents with injuries and fatalities. That's very unfortunate.

I repeat: We can see that road incidents involving this type of clientele are due to negligence, compared to others.

**Xavier Barsalou-Duval:** You say that about three quarters of these road accidents involve Driver Inc. drivers. In my opinion, when it comes to a case requiring towing, it's quite clear that there's an impact on road safety.

Furthermore, how do you know that a vehicle is used under the Driver Inc. model? How do you manage to distinguish these vehicles? Are there any clues or ways to find out?

**Réjean Breton:** As the saying goes, “A picture is worth a thousand words.”

First, we notice that the vehicle’s licence plate is not even secured with bolts. Very often, it’s secured with an elastic band, a rope, or plastic ties. It’s because these drivers change it randomly, probably depending on the province they’re going to or if they’ve had a road incident. That’s the first element we notice.

We also note, of course, the condition of the vehicle. We just need to check the tires first. We can also see if, within a few minutes of it being parked, there’s a significant oil leak under the truck’s engine because it’s not maintained.

In short, these are all technical elements that allow us to realize that it’s this type of clientele.

**Xavier Barsalou-Duval:** You say that the plates are held in place with plastic ties. Why would they be secured with plastic ties instead of being secured normally?

**Réjean Breton:** That’s exactly it.

I’ll explain a situation that’s not uncommon to see in Quebec. Sometimes, while waiting for the police or tow truck to arrive, the driver of the heavy truck takes out a piece of cardboard about 30 inches by 30 inches, or even smaller than that, and places it with tape over the name that’s already on the door of the vehicle. Why? It may be because he called his boss, who told him that the company had reached the maximum number of points allowed by the COVR program, the commercial vehicle operator’s registration program, or by the HVOO rules, for heavy vehicle owners and operators, in Quebec. The boss may have told the driver to hurry up and change the name or the RIN, the registrant identification number, because when the authorities arrive at the scene, they need to see that it’s another company that’s supposedly identified.

**Xavier Barsalou-Duval:** So there’s fraud related to the vehicle in the accident: They change the plates, they change the business numbers, they change the name of the company displayed on the truck.

**Réjean Breton:** Yes. Not only do we have testimony on the ground, but I suggest you check social media and you’ll see for yourself on a daily basis.

**Xavier Barsalou-Duval:** You say that many of these companies don’t pay. Why aren’t they paying for the trucks? Why don’t they come retrieve them? How come you can’t get paid?

**Réjean Breton:** Indeed, since we have a contract with authorities to intervene on the road network, of course, the authorities requesting our intervention are a third party representing the government with respect to the road network. It’s not the government that pays; it’s the person being towed.

When we tow a truck from a reliable company, even if the driver’s involved in an accident, he knows that, if an unfortunate incident occurs on the road, the company has to pay. It’s part of the business world.

For companies that use the Driver Inc. model, however, we find that not only is payment a taboo topic, but so is human life, just like fair competition.

**The Chair:** Thank you, Mr. Breton and Mr. Barsalou-Duval.

[English]

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

**Connie Cody:** Thank you, Chair.

Again, thank you to our witnesses for coming here today.

We know there are a lot of moving parts when it comes to keeping our roads safe—everything from training, enforcement, qualifications and regulations to the pressures drivers face every day.

Mr. Tarantini, this question is for you. Are the safety concerns greater today than they were 10 years ago? If so, what do you think has changed and how should our federal strategy change to address these concerns?

• (1810)

**Vince Tarantini:** Yes, it’s a big question, because things have changed so much in my time.

I obtained my licence 35 years ago, and it’s not remotely close: The drivers that come out today just simply don’t know what they don’t know. The trucks have been engineered to be much easier to drive than when I first started. Their automated transmissions make it very easy for drivers who would not have been licensed 10 years ago.

Automated transmissions came into play about 10 years ago and really took over the industry, even though they started earlier than that. Over the past decade, drivers who would not have been qualified to drive prior to that are now driving on the roads. Also, tying into that, the Driver Inc. wage meant that some skilled drivers left the industry because it simply wasn’t enough to match what they’re expected to do on the job, and we have harvested drivers who are simply not skilled.

They’re not safe, and they’re not aware of it. They’re getting themselves into trouble with easy, minor situations that even a medium-trained driver—not an advanced driver—should know about. There are incidents that senior drivers—drivers who have been driving for 30 years—have never encountered, and they can still get into an accident. That’s possible, yes, but statistically that’s much higher now. We even see it with drivers who join our company and within a year or two have had an incident happen that shouldn’t happen to somebody who’s been driving for 10 or 15 years.

When you review the incident with them... We did this just last week, and I overheard a safety meeting with this driver. I walked in just to hear what he was saying. I asked him how many hours he was trained and when he got his licence. He told me that he was trained for about three or four months over the course of weekends, because he was working Monday to Friday. I asked him, "When you got your licence, were you confident when you hit the road driving? What was your first job?" He said, "Well, my first job was driving from Toronto to Vancouver." I thought, you know, that's not where you start your driving career.

**Connie Cody:** Yes. It seems as though the first year for a driver can be a big adjustment in getting used to the equipment, the hours and the realities of life on the road.

Are new drivers, especially those you talk about, untrained and unprepared for Canada's winter weather and more at risk of an accident, especially on our northern highways?

**Vince Tarantini:** Absolutely, they are.

**Connie Cody:** Could you expand on that?

**Vince Tarantini:** As my colleague suggested, when looking at a truck being driven down the road, it's evident to those of us in the industry—those of us who are drivers or technically inclined—and very easy for us to highlight a truck that's not ready for the road. There are little technical terms that we look for.

I'll look for trucks with their fifth wheel positioned all the way back in the winter, rather than moving it forward so that you have better steerability on the truck. Now, granted, this means the truck is properly scaled, etc. There are a lot of factors that go into balancing weight on a truck, but it's evident to a seasoned driver, a skilled driver and a trained driver when it's not how you set up your vehicle going down the road. Furthermore, if you ask a driver if there's anything evident in their set-up that is incorrect, they won't know how to answer.

**Connie Cody:** My next question is for Mr. Burstall or Mr. Breton.

Mr. Breton, you mentioned that fraud is happening and that drivers are changing the company names pretty much on the spot.

How urgent is it for the federal government to make our roads safer for both drivers and the public? Would national data collection be part of an improved strategy to address the issue?

**Mike Burstall:** Something has to be done, for sure, because I've witnessed, as you said, not just the changing of the plates.... When we impound a truck for a wreck and there's an environmental issue, we have to do a search on the company, on Driver Inc. When we do the search, it's bouncing from PO box to PO box. It could be out east or out west, and it's almost impossible to find the owner of the truck, so where do I go now?

I have some equipment right now with an environmental problem that we've towed and that we have to take charge of, and I have to pay for it. I can't find the owner, so it's a definite problem.

• (1815)

**The Chair:** Thank you, Mr. Burstall.

Thank you, Ms. Cody.

Next, we'll go to Ms. Nguyen. The floor is yours. You have five minutes.

**Chi Nguyen:** Thank you, Mr. Chair.

Thank you very much to the witnesses for joining us this evening.

I'd like to start with you, Mr. Tarantini. You started to describe the informal networks to access licences. I was hoping you could elaborate on that, because I'm not sure I fully understood what you were saying. What is that mechanism? Can you tell us a bit more about it?

**Vince Tarantini:** There was news coverage of this, I think, a year or two ago. They went undercover and they highlighted this. Somebody walks into a driving school and says, "I'm looking to get a driver's licence. What will it cost me?" They'll name a price, but the price really doesn't matter; it's just a lot less than what it should cost. Of course, they're getting a lot less training than what they would need to do the job.

It's been well documented and well reported. There's been news coverage, which was very impressive to me.

**Chi Nguyen:** Thanks, Mr. Tarantini. That sounds to me as though it's inadequate training, and all of these pieces are something the provincial government needs to crack down on. It doesn't actually sound as though their licences are appropriate.

I'm curious, having heard other testimony today, about what your experience has been like around enforcement and safety, what you've experienced in your operations and whether you see the MTO doing that effectively.

**Vince Tarantini:** What type of enforcement?

**Chi Nguyen:** Checks on your work, etc. What's the experience for you?

**Vince Tarantini:** I agree that we don't get audited enough. The last time I was audited was many years ago. It's required at all levels, whether it's the MTO coming out....

Recently, we had a death at work. Unfortunately, somebody passed away suddenly due to their personal health. We had a visit from ESDC, the health and safety committee side, and the conversation quickly turned to Driver Inc., which I was happy to entertain. It was discussed thoroughly that there are not enough boots on the ground.

**Chi Nguyen:** You also mentioned the idea of technology, such as dashboards, cameras and other tools. Are there other things we should consider as ways to create more safety on the roads?

**Vince Tarantini:** Mike mentioned logbooks. There's still an issue with certified devices. The technology is such that there are a lot of software developers who have developed the software, but they're self-certifying the technology, which means altering logs. That has shifted from paper altering to digital altering. Those of us who are with legacy technology companies have taken a very robust approach to the integrity of the data and non-manipulation, either from the driver's seat or from the office.

With a lot of drivers we hire, one question they ask us is, "Do we need to unplug our devices from the cab of the truck in order to remove satellite visibility and tracking so that we can continue the day beyond our legally required hours?" We tell them no and ask them to tell us more about their experience, and they'll share varying stories with us, so it's very common.

**Chi Nguyen:** I want to ask the other witnesses about the idea that there are signals and signs you can see that make you suspect these are potentially Driver Inc. drivers or trucks that aren't being operated safely.

Do you have a sense of why there isn't more enforcement or the ability to crack down on that?

**Mike Burstall:** I think the volume is too high now. The controllers in Quebec are tired of checking them, because it's very complicated. They don't understand. They can't find their paperwork. They're tired of being there.

What's happening in Quebec is that they're checking the good companies more. They know that they're in order and that it will take half an hour for them to do the job. Right now it's guaranteed: You'll see that it's a good Quebec company pulled over to the side. Driver Inc. isn't pulled over anymore. They've lost interest in checking them. It's too long.

• (1820)

**Chi Nguyen:** That's really shocking to hear.

**The Chair:** Unfortunately, that's the end of your time, Ms. Nguyen. That was a great line of questioning with great answers.

We will now go to Mr. Barsalou-Duval.

[*Translation*]

You have the floor for two and a half minutes.

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

At the beginning of October, the Bloc Québécois submitted 10 requests to the federal government that we believe should be implemented to bring about changes and put an end to the Driver Inc. phenomenon, among other things, and to make road transport in Canada safe. These are requests supported by the industry, including the Association du camionnage du Québec, among others, and many other Quebec companies.

Among these 10 requests, we propose the creation of a national offence registry and a national insurance registry. I see that the creation of a national insurance registry is something you are also proposing. The reason we're proposing this is that we're often told that companies or people who hire these Driver Inc. drivers in Quebec have no way of knowing if any offences have been committed in Ontario. There's no way to know whether or not the company is

insured. Often, these companies are not insured or their paperwork is no longer valid. We should therefore have these types of records.

Obviously, traffic violations and enforcement on the road are the jurisdiction of Quebec or the provinces. It's the same thing for insurance. However, Quebec cannot require that the other provinces have this data.

If there were federal leadership that allowed for the creation of a data exchange, would that be something desirable, in your opinion?

**Réjean Breton:** Certainly. That's why we're here today. The federal government must oversee these events across the country, implement strict measures and provide tools to law enforcement officers on the ground to enforce them.

As my colleague Mr. Burstall mentioned, we can see that the role of peace officers, whether in Quebec, Ontario, western Canada or the maritimes, has not been adapted to address the new Driver Inc. crime model because Parliament has not provided them with the tools.

**Xavier Barsalou-Duval:** Thank you.

In effect, I have a motion to submit. I know that my speaking time is not quite over. According to the scheduled agenda, we were supposed to have representatives from Canada Post here today. Unfortunately, they're not here. Therefore, my motion proposes the following:

That the committee order Canada Post to appear before it within 15 days following the adoption of this motion, in order to testify with full transparency and good faith as part of the study of the changing landscape of truck drivers in Canada given its possible links with companies practising the "Driver Inc." model and the concerns raised by the industry and affected carriers.

Mr. Chair, may I explain this motion? In effect, it's already part of the invitations that have been submitted by the committee.

**The Chair:** Yes, you can explain it.

**Xavier Barsalou-Duval:** Ultimately, I hope to have the support of all my colleagues so we can hear the comments from Canada Post. Several witnesses have raised their concerns about Canada Post using Driver Inc. drivers.

[*English*]

**The Chair:** I'll turn the floor over to Mr. Albas.

**Dan Albas:** I have a quick question for my colleague Mr. Barsalou-Duval.

Who from Canada Post are you calling for? To me, it would make sense to ask the CEO to come. I'm wondering if you could clarify that for me, sir.

[*Translation*]

**Xavier Barsalou-Duval:** In my opinion, it would seem natural for the CEO to come testify. I didn't specify it in my motion, but it can be the subject of an amendment.

**The Chair:** I will suspend the meeting to give the committee members a chance to read this motion properly in both official languages.

[*English*]

The meeting is suspended to the call of the chair.

• (1820) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1835)

**The Chair:** Let's get back to order, colleagues. There have been discussions off-line. The clerk was quite helpful with finding a solution for us to follow.

Mr. Clerk, I'll turn the floor over to you very briefly so that you can explain to the members a possible path forward.

**The Clerk of the Committee (Philip den Ouden):** Thank you, Chair.

It depends on the committee's intent with this motion. If the intent is to invite, then the motion should say clearly that the intent is to invite. If the intent is to summon, the motion should say that the intent is to summon. If it is a summons, then the motion should also include the name of the individual being summoned and a timeline by which they should appear before the committee.

It is also possible for the committee to adopt a motion or debate a motion that invites a witness and then triggers a summons if the invited witness refuses the invitation.

**The Chair:** Okay. Thank you very much, Mr. Clerk. That is quite helpful.

Mr. Greaves, I saw your hand up. Which option would you like to pursue, sir?

• (1840)

**Will Greaves:** In light of the desire to have somebody from Canada Post come and speak directly to support, perhaps, their assertion that they do not use the Driver Inc. model, we would move an amendment to the motion to the effect of what the clerk has just laid out.

**The Chair:** To be clear, it would be that we are inviting them for a second time and letting them know that, should they refuse to appear for a second time, a summons will be issued.

**Will Greaves:** That's correct.

**The Chair:** Okay.

Are we all on the same page here?

[*Translation*]

Do we have the support of the Bloc Québécois?

**Xavier Barsalou-Duval:** Yes. I just wanted to thank my colleague across the aisle for his wonderful collaboration. I hope this is the beginning of a year of collaboration that will continue.

**The Chair:** That's perfect, thank you very much.

[*English*]

Mr. Albas.

**Dan Albas:** It sounds as though we have unanimous consent, but I want to clarify that if we do not have someone from Canada Post present—or the CEO from Canada Post present—we will then issue a summons at the call of the chair. Is that correct?

**The Chair:** Yes. Are we all on the same page on that?

Mr. Greaves.

**Will Greaves:** Is the second invitation specific to the president of Canada Post, or would the committee be satisfied with some other senior official from Canada Post coming? This is a question for clarification because the motion doesn't currently specify an individual.

**The Chair:** Mr. Barsalou-Duval.

[*Translation*]

**Xavier Barsalou-Duval:** In fact, in the discussions we had earlier, I noted that the intent was to receive the CEO of Canada Post. If he wants to be accompanied by someone else, I don't think there's any objection. We understand that other people may know the details of the activities better than the CEO and that they can accompany him.

That said, I believe that comments from the CEO would carry much more weight than those from someone else who doesn't have such a pivotal role or doesn't hold a position of such great authority in the organization.

**The Chair:** I see that Mr. Albas has his hand up.

Mr. Albas, you have the floor.

[*English*]

**Dan Albas:** I [*Inaudible—Editor*] reflect on it, so I appreciate MP Greaves' intervention and friendly amendment, and certainly Conservatives will accept it.

However, I want to point out one thing we should not accept as a committee: the fact that we received a letter from Canada Post. Of course, letters are its specialty. Unfortunately, its letter was not signed by anyone. This is not accountability. I thank my colleagues for agreeing to bring the CEO; that is accountability. Either we're a parliamentary committee or we are not, and I think Canada Post owes this committee a visit.

**The Chair:** Thank you, Mr. Albas.

I think there is consent for this. I like the idea that Mr. Barsalou-Duval put forward, which is to say the CEO and accompanying team members, who may be more equipped to answer certain questions. Does that work for everyone?

**Some hon. members:** Agreed.

**The Chair:** Okay. Do we have unanimous consent for the motion?

(Motion agreed to)

**The Chair:** Thank you very much, colleagues.

If it's okay with everybody, we'll go back to our line of questioning.

Mr. Albas, I know that you are very keen on continuing, so I'll turn the floor over to you for five minutes, followed by Ms. O'Rourke, and then we'll conclude for the day. The floor is yours, sir.

**Dan Albas:** Mr. Tarantini, thank you for your testimony and for the work you do to drive our economy. Your description of a truck being a missile, I thought, was quite apt because there is a safety... We heard very clearly from our witnesses at the last committee meeting how tragic and deadly those missiles can be when they're not driven safely, so I appreciate your being here.

We've heard a number of questions around facility insurance, and that does seem to be an Ontario issue. I don't hear the same things coming from British Columbia. Do you believe that the federal government should put...if you're going to be an extraprovincial carrier, that there should be minimum requirements for insurance from a reputable company?

**Vince Tarantini:** Yes, and that's been in play. From my understanding, the minimum requirement has never not been in play. It's the structure of how it's done. There are insurance brokers now advising carriers with bad records that, rather than going to the open market to get pricing from a legitimate insurance company, they should price immediately with facility insurance. They select from a menu and very specifically select liability insurance at a lower cost than we would pay in the open market and then buy the other items of insurance coverage on the open market and aggregate that. This is because, simply put, on the open market, they would not survive.

Facility insurance wasn't meant to be penal; it was meant to change behaviour, and behaviour doesn't change when it's not monetary, unfortunately. If the people being targeted specifically with insurance issues.... During my time in an insurance captive that I'm part of, we have seen many try to enter our group of insurance coverage simply because they can't afford insurance coverage, but they're not willing to change their safety practices. They're not willing to increase their hiring or training criteria; they simply take drivers with fresh driver's licences and employ them. That is an industry problem; even if someone does get a driver's licence, most trucking companies won't take a new driver, because they don't have the two years' minimum insurance requirements that a lot of insurance companies want.

It's a very convoluted insurance issue.

• (1845)

**Dan Albas:** One question I would ask is this: We've had many witnesses talk about a national database, including the CTA first and foremost. Do you believe the database should also allow for the instant verification of current insurance at the minimum level and standard?

**Vince Tarantini:** Yes. We heard testimony earlier with regard to freight brokers. Insurance companies will issue certificates of insurance, and the purpose of this is to notify the related parties that insurance is active. Should the insurance go away, you'll get notification from the insurance company that there's no insurance coverage on the company. I don't see why that couldn't be enacted in other areas, as we've just been describing.

More importantly, there is the reconciliation that goes on between an insurance company insuring a bunch of equipment, whether it's trucks or trailers—it doesn't matter what it is—and the database.

In our case, the MTO—the Ministry of Transportation—has a record to reconcile. Fifty trucks need 50 insurance policies, but that simply doesn't happen, so there's never an opportunity to reconcile that and hold anybody to account.

I have never understood why those two agencies simply can't reconcile and align themselves so there's no fraud in the marketplace in this regard.

**Dan Albas:** Okay.

I'd like to go back to the Quebec association for tow trucking.

What does it mean if this continues with your industry? You said earlier that the MOUs...your companies would leave that. What does it mean for the province of Quebec, and will this happen in other provinces if the same problem continues?

**Mike Burstall:** Are you talking monetarily—money-wise?

**Dan Albas:** Yes.

I imagine any business that has losses and can't reclaim its fees will go out of business.

**Mike Burstall:** Yes, but it ties in with.... I think this committee is also really focused on the safety of the people on the road. If I'm not going to get paid for what I'm doing, there's a good chance I'm not going to send our equipment to go clear the road. Unfortunately, I have contracts with the ministry of transport and the City of Montreal, and I have time delays to respect; otherwise, I'll be fined.

When I go to a job, I want to get paid, but now the big problem is with Driver Inc. As we discussed before, we're not getting paid. It's now coming to the point at which we're asking to be paid before we go to the job, and we're not going to clear the roads if we're not paid. That's a safety issue for the fire trucks and ambulances; it's a big safety issue. This is where we are right now because, as you just said, we have to get paid for what we do.

**The Chair:** Thank you, Mr. Burstall.

Thank you, Mr. Albas.

Finally for today, we have Ms. O'Rourke.

Ms. O'Rourke, the floor is yours. You have five minutes, please.

**Dominique O'Rourke (Guelph, Lib.):** Thank you very much, Chair Schiefke.

I was stunned to learn recently that the MTO doesn't oversee the operation of driving schools, but the ministry of colleges and universities is responsible for the trucking schools. Frankly, that is astounding. The testimony we've heard over the last two hours has pointed to a number of areas of provincial responsibility, so I'm curious to know this: Is it your recommendation to this committee that provinces urgently invest in additional resources for enforcement, training, audits and staffing of weigh scales, etc., yes or no?

**Vince Tarantini:** Yes.

**Dominique O'Rourke:** I have another quick one. Do you support and welcome the steps the federal government has proposed and that are before the House to tackle this issue? These are T4As and increased ESDC audits. Would you urge all members of this committee to support them?

**Vince Tarantini:** Yes.

[Translation]

**Dominique O'Rourke:** Okay.

We will speak in French for a moment.

The witnesses are asking us to intervene in an area of provincial jurisdiction: training, law enforcement, increasing the hours of operation for weigh stations, inspections, data collection and oversight of driving schools.

How do you envision an optimal system that will respect provincial jurisdictions and not be too burdensome in terms of regulation, which concerns some members of this committee?

How do you envision a system that will react quickly? We've heard witnesses say that they would cease their activities in 2027 if the situation did not improve.

What is urgent? What needs to be done in the medium term?

• (1850)

**Réjean Breton:** We believe that not only can people from the transport departments of Ontario, Quebec and across Canada come together, but so can those from all public safety ministries in the provinces and Canada, because public safety is the primary concern.

It is not only partners from the tax field who should be included in the national committee. Partners in public safety are also needed, as well as partners in the environmental sector. You can't even imagine how many litres of diesel spilled along the roads in Canada have not been recovered following accidents involving a heavy vehicle driven by a Driver Inc. driver. This figure is exponential.

As mentioned earlier, when representatives from the Quebec or Canadian environment department intervene at a collision scene involving a heavy vehicle and find that the vehicle belongs to a com-

pany that subscribes to the Driver Inc. model, I believe they take the easier route. Yes, they warn the truck driver at the scene and read him his rights, for example, they tell him that he must recover the contaminants and call a decontamination company, but that's it. A few days or a few weeks later, you can go to the scene and notice that there are small lakes of contaminants. It's like this everywhere in Canada right now, and it's very unfortunate.

[English]

**Dominique O'Rourke:** Mr. Tarantini, do you want to weigh in on what you think an optimal system would be so that the federal government doesn't move into provincial jurisdictions, or become overly regulatory...in a way that we can move quickly? We're hearing that people's livelihoods are imminently at risk. What do you think the system should look like?

**Vince Tarantini:** Very specifically, what area are you talking about? We're talking about a wide array of issues that we cover, from driver training to compliance. I even mentioned that some of the safety certifications Ontario has adopted through the DriveON program still have resistance within the industry. There's still some fraud going on with that.

We have fragmentation. We all have vehicles crossing jurisdictions. We're expected to comply in multiple jurisdictions. The geography across Canada is vast. It's not the same in B.C. as it is in Saskatchewan or Quebec and so on and so forth. There has to be an alignment. Agencies have to work together on all matters.

There was testimony earlier about Driver Inc. being a bad branch. It's actually in the roots. Driver Inc. is a gateway to some of the other practices we're talking about. It has to be aligned provincially and nationally.

**Dominique O'Rourke:** What is the Insurance Bureau of Canada's position on facility for commercial vehicles? Are they at the table? I used to work in insurance. I'm quite stunned that they're not thinking of their broader risk exposure.

[Translation]

**Réjean Breton:** I mentioned the Insurance Bureau of Canada earlier. I think we could reach out to them to suggest some solutions.

Will it be with the automobile insurers' group from the respective provinces? Maybe it would be, but the Insurance Bureau of Canada certainly has the tools to help us.

If all the stakeholders are acting in good faith, we'll eventually find solutions to address this phenomenon, which causes fiscal and economic issues, undermines fair competition and, above all, has consequences on human lives, and this happens every day in Canada.





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