



April 13, 2016

Canada Drayage Inc.
Suite 100 – 1305 Kingsway Ave.
Port Coquitlam, B.C. V3C 4W1

Via email: scottp@fastfrate.com
Via email: roe.sharma@cditrucks.com
Original via mail

Attention: Ms. Patricia Scott

Dear Ms. Scott:

Re: Notice of Payment Order against Canada Drayage Inc. (CDI) to Comply with the *Container Trucking Act* (the “*Act*”) and the *Container Trucking Regulation* (the “*Regulation*”)

As you are aware, the Office of the BC Container Trucking Commissioner (OBCCTC) has conducted an audit of your company following receipt of complaints alleging CDI had failed to pay the minimum rates of pay and fuel surcharges as required by the *Regulation*, in particular, retroactive wage amounts owing under the *Act* to its owner operators.

I have received a report from our auditor. The report indicates that upon commencement of the audit, the auditor contacted Teamsters Local Union 31 (“the Union”) and CDI and was advised that both parties were seeking an opportunity to resolve remuneration issues through the grievance procedure. The OBCCTC agreed to the request that the audit be held in abeyance pending the outcome of that process. The auditor was subsequently advised by CDI, the Union, and some CDI owner operators that CDI had brought itself into compliance with *the Regulation* and had made retroactive remuneration payments back to January 1, 2015. However, pay adjustments for 2014 remained outstanding.

At the request of the OBCCTC, the auditor re-opened the audit and conducted an audit for the period March 27 to December 31, 2014 for fuel surcharge payments and for the period April 3 to December 31, 2014 for minimum hourly rates. This audit has been concluded and the auditor has provided the interim audit findings to CDI and has specified the amount of adjustment payments to drivers required pursuant to the *Act* and the *Regulation*.

The auditor has given her calculations to CDI, and the company does not dispute them. Leonard Wyss, CDI’s Chief Financial Officer has indicated in writing that CDI believes that a request from the auditor to pay retroactive rates back to March 27, 2014 is unfair and wishes to appeal the auditor’s findings. I have considered this letter and the auditor’s report. CDI’s position contravenes the provisions of the *Act*, the *Regulation*, and the related industry memos and decisions that were issued by the OBCCTC in 2015 and 2016.

Section 9 of *the Act* provides that, if a licensee fails to comply with *the Act* or *the Regulation*, the Commissioner may order the licensee to comply promptly or within a period that the Commissioner specifies. In the circumstances, I find it is appropriate to order that CDI pay the retroactive wage amounts found by the auditor to be owing to drivers pursuant to the audit. Specifically, I order that CDI pay the following amount which is the auditor’s calculations as of today’s date: \$372,784.26.

The amount noted above must be paid by no later than 4 p.m. on April 20, 2016. I trust CDI will begin to take immediate steps to comply with this Order.

Failure to comply with this Order will be viewed as serious non-compliance with *the Act*, and available penalties under the *Act* include suspension or cancellation of CDI's license and the imposition of an administrative fine of up to \$500,000. This Order will be published as required by Section 11 of *the Act*. This Order does not constitute notice of penalty pursuant to Section 34 of *the Act*.

Sincerely,

OFFICE OF THE BC CONTAINER TRUCKING COMMISSIONER

A handwritten signature in blue ink, appearing to read 'Michael Crawford', is written over the typed name.

Michael Crawford
Deputy Commissioner

CC: Duncan MacPhail, Container Trucking Commissioner