



OFFICE OF THE  
BRITISH COLUMBIA CONTAINER  
TRUCKING COMMISSIONER

# Rate Review Recommendation Report

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## Executive Summary

The recommendations provided in this report reflect the inputs received through the Commissioner's consultation process and the analysis provided by Cascadia Partners to assist in considering future rate increases. They are based on the Minister of Transportation and Infrastructure's stated goals of ensuring equity, stability and competitiveness in the industry, and for reasons expressed in this report, are based on the purpose to provide stakeholders in the drayage sector with an opportunity to review my proposals on rates and provide input or feedback to inform any changes.

It has been almost ten years since the labor unrest which led to the signing of the Joint Action Plan, the introduction of the *Container Trucking Act (the "Act")*, *Container Trucking Regulation (the "Regulation")* and the formation of the OBCCTC. Since 2014, government reform measures and actions taken by the OBCCTC have assisted in advancing the industry beyond many of the issues that were inherent in 2014. The recommendations in this report are intended to aid in further reform, in recognition of the changes which have occurred since 2014.

What I am recommending in this report has been carefully thought out to benefit all the stakeholders, making sure everyone's concerns are taken into account. After reviewing the inputs shared by Cascadia Partners in their Trucking Compensation Study and analysis, I have identified three distinct concerns related to company drivers, IOs and Licensees. Minimum rates for company drivers have fallen behind the rate of inflation and there is a greater wage gap between company drivers and independent operators; minimum trip rates for independent operators have not been adjusted for a lengthy period of time, and sporadic and dramatic minimum rate increases create a difficulty for Licensees who want to remain competitive with other jurisdictions but are unable to anticipate the time and percentages of the increases.

And thus, I have five recommendations for consideration:

1. Inflation adjustment and wage gap correction to the minimum hourly rate for company drivers and indirectly employed operators ("IEOs");
2. Overtime rate based on Employment Standards Act's short haul driver calculation for Company and Indirectly Employed operators (IEOs) who work more than 9 hours a day or 45 hours a week;
3. Introduce an inflation adjustment on July 1, 2023 to Independent Operator hourly rates, trip rates and minimum call out rates;

4. Introduce annual minimum rate increases for trip rates, hourly rates, and minimum call out rates on July 1 based on the previous year's annual average BC Consumer Price Index with a mandatory comprehensive rate review every four years;
5. Review PMR and Fuel Surcharge with the Industry Advisory Committee to ensure they are covering unexpected cost increases.

The contents of this report and its recommendations reflect the unique jurisdictional realities and issues inherent in the Lower Mainland drayage sector. The future success of the legislative scheme, and ultimately the Lower Mainland drayage sector, will continue to be based on effective collaboration and cooperation between the provincial and federal governments, their related agencies and industry partners/stakeholders.

While the Commissioner has the authority under the Act and the Regulations to set the minimum rates, it is important that those in the drayage sector are able to review the Cascadia Report and the recommendations and make any submissions before a final rate order is issued. The OBCCTC will accept submissions from interested parties on the proposed rate increases until March 2, 2023. Any Rate Order changes will not be made before April 1, 2023.

## ਕਾਰਜਕਾਰੀ ਸੰਖੇਪ ਵਿਚ

ਇਸ ਰਿਪੋਰਟ ਵਿੱਚ ਪ੍ਰਦਾਨ ਕੀਤੀਆਂ ਗਈਆਂ ਸਿਫਾਰਸ਼ਾਂ ਕਮਿਸ਼ਨਰ ਦੀ ਸਲਾਹ-ਮਸ਼ਵਰੇ ਦੀ ਪ੍ਰਕਿਰਿਆ ਦੁਆਰਾ ਪ੍ਰਾਪਤ ਇਨਪੁੱਟਾਂ ਅਤੇ ਭਵਿੱਖੀ ਰੇਟਜ਼ ਵਿੱਚ ਵਾਧੇ 'ਤੇ ਵਿਚਾਰ ਕਰਨ ਵਿੱਚ ਸਹਾਇਤਾ ਕਰਨ ਲਈ ਕੈਸਕੇਡੀਆ ਪਾਰਟਨਰਜ਼ ਦੁਆਰਾ ਪ੍ਰਦਾਨ ਕੀਤੇ ਗਏ ਵਿਸ਼ਲੇਸ਼ਣ ਨੂੰ ਰੇਟਸਾਉਂਦੀਆਂ ਹਨ। ਇਹ ਉਦਯੋਗ ਵਿੱਚ ਇਕੁਇਟੀ, ਸਥਿਰਤਾ ਅਤੇ ਮੁਕਾਬਲੇ ਨੂੰ ਯਕੀਨੀ ਬਣਾਉਣ ਦੇ ਮਨਿਸਟਰ ਆਫ਼ ਟਰਾਂਸਪੋਰਟੇਸ਼ਨ ਐਂਡ ਇਨਫਰਾਸਟਰਕਚਰ ਦੇ ਦੱਸੇ ਗਏ ਟੀਚਿਆਂ 'ਤੇ ਅਧਾਰਤ ਹਨ, ਅਤੇ ਇਸ ਰਿਪੋਰਟ ਵਿੱਚ ਰੇਟਸਾਏ ਗਏ ਕਾਰਨਾਂ ਕਰਕੇ, ਡਰੇਜ਼ ਸੈਕਟਰ ਵਿੱਚ ਸਟੇਕਹੋਲਡਰਾਂ ਨੂੰ ਮੇਰੇ ਪ੍ਰਸਤਾਵਾਂ ਦੀ ਸਮੀਖਿਆ ਕਰਨ ਦਾ ਮੌਕਾ ਪ੍ਰਦਾਨ ਕਰਨ ਦੇ ਉਦੇਸ਼ 'ਤੇ ਅਧਾਰਤ ਹਨ। ਰੇਟਜ਼ 'ਤੇ ਅਤੇ ਕਿਸੇ ਵੀ ਬਦਲਾਅ ਨੂੰ ਸੂਚਿਤ ਕਰਨ ਲਈ ਇਨਪੁੱਟ ਜਾਂ ਫੀਡਬੈਕ ਪ੍ਰਦਾਨ ਕਰੋ।

ਮਜ਼ਦੂਰ ਅਸ਼ਾਂਤੀ ਨੂੰ ਲਗਭਗ ਦਸ ਸਾਲ ਹੋ ਗਏ ਹਨ ਜਿਸ ਕਾਰਨ ਸਾਂਝੀ ਕਾਰਜ ਯੋਜਨਾ 'ਤੇ ਹਸਤਾਖਰ ਕੀਤੇ ਗਏ, ਕੰਟੇਨਰ ਟਰੱਕਿੰਗ ਐਕਟ ("ਐਕਟ"), ਕੰਟੇਨਰ ਟਰੱਕਿੰਗ ਰੈਗੂਲੇਸ਼ਨ ("ਰੈਗੂਲੇਸ਼ਨ") ਅਤੇ ਓ ਬੀ ਸੀ ਸੀ ਟੀ ਸੀ ਦੇ

ਗਠਨ ਦੀ ਸ਼ੁਰੂਆਤ ਹੋਈ। ਇਸ ਰਿਪੋਰਟ ਵਿਚਲੀਆਂ ਸਿਫਾਰਸ਼ਾਂ 2014 ਤੋਂ ਬਾਅਦ ਆਈਆਂ ਤਬਦੀਲੀਆਂ ਨੂੰ ਮਾਨਤਾ ਦਿੰਦੇ ਹੋਏ, ਹੋਰ ਸੁਧਾਰਾਂ ਵਿਚ ਸਹਾਇਤਾ ਕਰਨ ਲਈ ਹਨ।

ਇਸ ਰਿਪੋਰਟ ਵਿੱਚ ਮੈਂ ਜੋ ਸਿਫਾਰਸ਼ ਕਰ ਰਿਹਾ ਹਾਂ, ਉਹ ਸਾਰੇ ਸਟੇਕਹੋਲਡਰਾਂ ਨੂੰ ਲਾਭ ਪਹੁੰਚਾਉਣ ਲਈ ਧਿਆਨ ਨਾਲ ਸੋਚੀਆਂ ਗਈਆਂ ਹਨ ਅਤੇ ਹਰ ਕਿਸੇ ਦੀਆਂ ਚਿੰਤਾਵਾਂ ਅਤੇ ਦ੍ਰਿਸ਼ਟੀਕੋਣ ਨੂੰ ਧਿਆਨ ਵਿੱਚ ਰੱਖਿਆ ਗਿਆ ਹੈ। ਕੈਸਕੇਡੀਆ ਪਾਰਟਨਰਜ਼ ਦੁਆਰਾ ਆਪਣੇ ਟਰੱਕਿੰਗ ਕੰਪਨਸੇਸ਼ਨ ਸਟੱਡੀ ਅਤੇ ਵਿਸ਼ਲੇਸ਼ਣ ਵਿੱਚ ਸਾਂਜੀਆਂ ਕੀਤੀਆਂ ਗਈਆਂ ਇੰਪੁਟਾਂ ਦੀ ਸਮੀਖਿਆ ਕਰਨ ਤੋਂ ਬਾਅਦ, ਮੈਂ ਕੰਪਨੀ ਡਰਾਈਵਰਾਂ, ਆਈ ਓ ਅਤੇ ਲਾਇਸੈਂਸੀਆਂ ਨਾਲ ਸਬੰਧਤ ਤਿੰਨ ਵੱਖਰੀਆਂ ਚਿੰਤਾਵਾਂ ਦੀ ਪਛਾਣ ਕੀਤੀ ਹੈ। ਕੰਪਨੀ ਡਰਾਈਵਰਾਂ ਲਈ ਘੱਟੋ-ਘੱਟ ਰੇਟਜ਼ ਮਹਿੰਗਾਈ ਦੀ ਰੇਟ ਤੋਂ ਪਿੱਛੇ ਰਹਿ ਗਈਆਂ ਹਨ ਅਤੇ ਕੰਪਨੀ ਡਰਾਈਵਰਾਂ ਅਤੇ ਆਈ ਓ ਵਿਚਕਾਰ ਵੱਧ ਤਨਖਾਹ ਦਾ ਪਾੜਾ ਹੈ; ਆਈ ਓਮ ਲਈ ਨਿਊਨਤਮ ਟ੍ਰਿਪ ਰੇਟਾਂ ਨੂੰ ਲੰਬੇ ਸਮੇਂ ਲਈ ਐਡਜਸਟ ਨਹੀਂ ਕੀਤਾ ਗਿਆ ਹੈ, ਅਤੇ ਘੱਟੋ-ਘੱਟ ਰੇਟਜ਼ ਵਿੱਚ ਅਚਾਣਕ ਵਾਧਾ ਲਾਇਸੈਂਸੀਆਂ ਲਈ ਮੁਸ਼ਕਲ ਪੈਦਾ ਕਰਦਾ ਹੈ ਜੋ ਹੋਰ ਅਧਿਕਾਰ ਖੇਤਰਾਂ ਦੇ ਨਾਲ ਪ੍ਰਤੀਯੋਗੀ ਬਣੇ ਰਹਿਣਾ ਚਾਹੁੰਦੇ ਹਨ ਪਰ ਵਾਧੇ ਦੇ ਸਮੇਂ ਅਤੇ ਪ੍ਰਤੀਸ਼ਟ ਦਾ ਅਨੁਮਾਨ ਲਗਾਉਣ ਵਿੱਚ ਅਸਮਰੱਥ ਹਨ।

ਅਤੇ ਇਸ ਕਰਕੇ ਮੇਰੇ ਕੋਲ ਵਿਚਾਰ ਲਈ ਪੰਜ ਸਿਫਾਰਸ਼ਾਂ ਹਨ:

1. ਕੰਪਨੀ ਡਰਾਈਵਰਾਂ ਅਤੇ ਆਈ ਓ ਲਈ ਘੱਟੋ-ਘੱਟ ਘੱਟੇ ਦੀ ਰੇਟ ਲਈ ਮਹਿੰਗਾਈ ਵਿਵਸਥਾ ਅਤੇ ਤਨਖਾਹ ਦੇ ਅੰਤਰ ਵਿੱਚ ਸੁਧਾਰ;
2. ਇੱਕ ਦਿਨ ਵਿੱਚ 9 ਘੰਟੇ ਜਾਂ ਇੱਕ ਹਫ਼ਤੇ ਵਿੱਚ 45 ਘੰਟੇ ਤੋਂ ਵੱਧ ਕੰਮ ਕਰਨ ਵਾਲੇ ਕੰਪਨੀ ਡਰਾਈਵਰਾਂ ਅਤੇ ਆਈ ਓ ਲਈ ਐਮਪਲੋਇਮੈਂਟ ਸਟੈਂਡਰਡ ਐਕਟ ਦੀ ਸ਼ੇਰਟ ਹੌਲ ਦੀ ਡਰਾਈਵਰ ਗਣਨਾ 'ਤੇ ਆਧਾਰਿਤ ਓਵਰਟਾਈਮ ਰੇਟ;
3. 1 ਜੁਲਾਈ, 2023 ਨੂੰ ਆਈ ਓ ਦੀਆਂ ਪ੍ਰਤੀ ਘੰਟਾ ਰੇਟਜ਼, ਤ੍ਰਿਪ ਰੇਟਜ਼ ਅਤੇ ਘੱਟੋ-ਘੱਟ ਕਾਲ ਆਊਟ ਰੇਟਜ਼ ਲਈ ਇੱਕ ਮਹਿੰਗਾਈ ਵਿਵਸਥਾ;
4. ਹਰ ਸਾਲ 1 ਜੁਲਾਈ ਨੂੰ ਪਿਛਲੇ ਸਾਲਾਂ ਦੀ ਸਾਲਾਨਾ ਐਸਤ BC ਕੰਜੂਮਰ ਪਰਾਈਸ ਇੰਡੈਕਸ ਦੇ ਆਧਾਰ 'ਤੇ, ਤ੍ਰਿਪ ਰੇਟਜ਼, ਪ੍ਰਤੀ ਘੰਟਾ ਰੇਟਜ਼ ਅਤੇ ਘੱਟੋ-ਘੱਟ ਕਾਲ ਆਊਟ ਰੇਟਜ਼ ਵਿੱਚ ਵਾਧਾ ਅਤੇ ਹਰ ਚਾਰ ਸਾਲਾਂ ਵਿੱਚ ਇੱਕ ਲਾਜ਼ਮੀ ਵਿਆਪਕ ਰੇਟ ਸਮੀਖਿਆ;
5. ਇੰਡਸਟਰੀ ਅੱਡਵਾਈਜ਼ਰੀ ਕਮਿਟੀ ਦੇ ਨਾਲ, ਪੀ ਐਮ ਆਰ ਅਤੇ ਫਿਯੂਲ ਸਰਚਾਰਜ ਦੀ ਸਮੀਖਿਆ, ਵੇਖਣ ਲਈ ਕਿ ਉਹ ਅਚਾਨਕ ਵਾਧੇ ਨੂੰ ਕਵਰ ਕਰ ਰਹੇ ਹਨ।

ਇਹ ਰਿਪੋਰਟ ਅਤੇ ਇਸ ਦੀਆਂ ਸਿਫਾਰਸ਼ਾਂ ਲੇਅਰ ਮੈਨਲੈਂਡ ਡਰੇਜ਼ ਸੈਕਟਰ ਵਿੱਚ ਹਕੀਕਤਾਂ ਅਤੇ ਮੁੱਦਿਆਂ ਨੂੰ ਰੇਟਸਾਉਂਦੀਆਂ ਹਨ। ਵਿਧਾਨਕ ਯੋਜਨਾ ਅਤੇ ਲੇਅਰ ਮੈਨਲੈਂਡ ਡਰੇਜ਼ ਸੈਕਟਰ ਦੀ ਭਵਿੱਖੀ ਸਫਲਤਾ ਸੂਬਾਈ ਅਤੇ ਸੰਘੀ ਸਰਕਾਰਾਂ, ਉਹਨਾਂ ਦੀਆਂ ਸਬੰਧਤ ਏਜੰਸੀਆਂ ਅਤੇ ਇੰਡਸਟਰੀ ਪਾਰਟਨਰਾਂ/ਸਟੇਕਹੋਲਡਰਾਂ ਵਿੱਚ ਸਹਿਯੋਗ 'ਤੇ ਅਧਾਰਤ ਰਹਿਣਗੀਆਂ।

ਹਾਲਾਂਕਿ ਕਮਿਸ਼ਨਰ ਕੋਲ ਐਕਟ ਅਤੇ ਨਿਯਮਾਂ ਦੇ ਅਧੀਨ ਘੱਟੋ-ਘੱਟ ਰੇਟਜ਼ ਨਿਰਧਾਰਤ ਕਰਨ ਦਾ ਅਧਿਕਾਰ ਹੈ, ਇਹ ਮਹੱਤਵਪੂਰਨ ਹੈ ਕਿ ਜੇ ਡਰੇਜ਼ ਸੈਕਟਰ ਵਿੱਚ ਹਨ, ਉਹ ਕੈਸਕੇਡੀਆ ਰਿਪੋਰਟ ਅਤੇ ਸਿਫਾਰਸ਼ਾਂ ਦੀ ਸਮੀਖਿਆ ਕਰ ਸਕਣ ਅਤੇ ਅੰਤਮ ਰੇਟ ਆਰਡਰ ਜਾਰੀ ਕੀਤੇ ਜਾਣ ਤੋਂ ਪਹਿਲਾਂ ਕੋਈ ਵੀ ਬੇਨਤੀ ਕਰ ਸਕਣ। ਓ ਬੀ ਸੀ ਸੀ ਟੀ ਸੀ 2 ਮਾਰਚ, 2023 ਤੱਕ ਪ੍ਰਸਤਾਵਿਤ ਰੇਟਜ਼ ਦੇ ਵਾਧੇ 'ਤੇ ਦਿਲਚਸਪੀ ਰੱਖਣ ਵਾਲੀਆਂ ਧਿਰਾਂ ਤੋਂ ਸਬਮਿਸ਼ਨਾਂ ਨੂੰ ਸਵੀਕਾਰ ਕਰੇਗਾ। 1 ਅਪ੍ਰੈਲ, 2023 ਤੋਂ ਪਹਿਲਾਂ ਕੋਈ ਵੀ ਰੇਟ ਆਰਡਰ ਬਦਲਾਅ ਨਹੀਂ ਕੀਤੇ ਜਾਣਗੇ।

## Introduction

The Office of the BC Container Trucking Commissioner's ("OBCCTC") 2018 Container Trucking Regulations Part 4 (Rates and Renumeration) Recommendation Report made a series of recommendations that resulted in increases to the hourly rates for drivers and independent operators ("IOs") changes to the trip rates, and modification of the fuel surcharge formula. In 2019, the Container Trucking Commissioner (the "Commissioner") was given the authority to set future rates and fuel surcharges.

The OBCCTC subsequently embarked on a journey of stakeholder consultation combined with research into the current economic factors in the drayage sector to assist in determining the proper renumeration. Because over \$500 million a day in container traffic flows through the Port of Vancouver<sup>1</sup>, this is not a simple exercise. Not surprisingly, this methodical approach is time consuming and often results in delays in implementing wage increases. In fact, there have only been two general rate increases since the Commissioner has had the ability to set the rates.

On April 28, 2022, the OBCCTC committed to utilizing third party resources to inform the question of future rate increases. As part of that commitment, the OBCCTC tasked Cascadia Partners ("Cascadia") to produce a Trucking Compensation Study to assist the Commissioner in considering future rate increases. The study was to include:

- Analysis of the variability in driver compensation in the Lower Mainland;
- Comparison to drayage compensation and conditions in other port jurisdictions including Montreal, Seattle, Prince Rupert and Los Angeles/Long Beach; and
- Comparison of driver compensation for drayage to other heavy-duty trucking roles in British Columbia.

Stakeholders in the drayage sector were invited to be interviewed by Cascadia. Over 40 interviews were conducted, including interviews with drivers, trucking company officials, union representatives and industry associations.

On September 7, 2022, I was appointed as the new Commissioner and began a series of meetings with stakeholders in the drayage sector. I also undertook a review of several of the issues surrounding renumeration and looked at previous reports by the Commissioner and OBCCTC decisions.

On December 1, 2022, Cascadia presented its finding to the OBCCTC in its Trucking Compensation Study.

The purpose of this report is to provide stakeholders in the drayage sector with an opportunity to review my proposals on rates and provide input or feedback to inform any changes.

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<sup>1</sup> BC Maritime Employer's Association, Economic Impact Study November 14, 2022

## Background

Not surprisingly, the question of the appropriateness of the current remuneration is contentious. One tool to balance the competing perspectives on wages is an empirical rate study analysis. The results should also be consistent with the Ministry of Transportation's stated goals: sustainable growth, equity, and stability in the drayage sector.

To better understand stakeholder concerns, I met with drivers, union representatives, company owners, company representatives and various associations.

On the issue of rate reviews, I deciphered three distinct concerns:

1. Company drivers are concerned at the length of time they have been working without wage increases; they are also concerned with the difficulties associated with enforcement of entitlements under the Employment Standards Act - particularly overtime;
2. IOs are concerned with access to work and enforcement of remuneration entitlements under the *Container Trucking Act* ; and
3. CTS licensees are concerned that unexpected payroll costs may mean they cannot recoup those increases from their customers in a timely way and that they must compete with other licensees who do not pay entitlements in accordance with the *Container Trucking Act* and the Employment Standards Act.

Cascadia's 2022 *Trucking Compensation Study* ("*Cascadia Study*") provides some empirical support for these concerns in these areas:

### Company Drivers:

The minimum hourly rate increases for company drivers have not kept up with the rate of inflation. Despite three rate increases since 2018, the hourly rate for company drivers has still fallen 5.4% behind the inflation rate over the same period. Coupled with the 10-12 hours a day and 50-60 hours a week worked by the typical company driver, the failure of the rate to keep up with inflation is exacerbated. Company drivers have not seen increases in remuneration similar to IO's and as a result there has been a widening gap between the wages of company drivers and IO's

### Independent Operators:

While rate increases for hourly IOs have kept up with the rate of inflation, the trip rates paid to IOs have fallen significantly below the rate of inflation. The introduction of the Position Movement Rate in 2019 and the variable fuel surcharge applied to the trip rate helped ensure that IOs' overall remuneration kept up with the rate of inflation.

### CTS Licensees:

Trucking companies compensating drivers by the trip have difficulty recouping ancillary costs or offering higher compensation because their customers use the Commissioner's published trip rates as a starting point in negotiations.

It is trite socio-economic theory that when the cost of living goes up, the same amount of money is worth less. It is also well known that, if left unchecked, this can have disruptive consequences. With the 2022 inflation rate sitting at 6.6% and the Bank of Canada predicting a Consumer Price Index increase of another 4% in 2023 and 2.2% in 2024<sup>2</sup>, driver wages – especially for company drivers – are at high risk of being further eroded if adjustments are not made. The lower purchasing power overall for the women and men who move good contributes to instability in an industry heavily relied on by all British Columbians. Historically, the drayage sector has seen labour unrest when there has been downward pressure on driver wages. Additionally, there is a retention and recruitment risk as drayage company drivers are in the bottom half of the average hourly rates for roles with similar risk profiles in the Lower Mainland<sup>3</sup>. Finally, if hourly wages are devalued further, the gap between company drivers and IOs will create greater inequity and contribute to further instability.

We must remember the importance of balancing the need for competitiveness in the drayage sector and the need for fair increase in wages paid to drivers – after all it means little to increase remuneration if the work is not there. The *Cascadia Study* suggests that the Lower Mainland drayage sector could sustain an equitable increase in driver remuneration and remain competitive with other jurisdictions. Average hourly rates for company drivers are sandwiched between other Canadian ports (Prince Rupert and Montreal) and American ports (i.e., Seattle and Los Angeles). However, while the Vancouver hourly rates are 0.33% higher than Prince Rupert's and 6% higher than Montreal's, they are 35% lower than the average rates paid in the American ports. The average trip rate<sup>4</sup> for IOs is also sandwiched between those paid in Toronto and Seattle. IOs in Vancouver are remunerated 2.8% higher than those in Toronto but 19% less than their counterparts in Seattle. However, Vancouver has an advantage over Seattle and Toronto when comparing the variable fuel surcharge (Vancouver 48%, Seattle 30% and Toronto 15%).

If all of the proposals in this report are adopted, Vancouver will remain in its historic place in between Prince Rupert and Montreal and Seattle and Los Angeles, allowing the industry to retain its competitive advantage.

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<sup>2</sup> Bank of Canada *Monetary Policy Report* October 2022

<sup>3</sup> *Cascadia Study*, section 5.1

<sup>4</sup> Added PMR to Average Trip Rate for Vancouver and Toronto

## Proposal 1

### **Inflation adjustment and wage gap correction to the hourly rate for company drivers and indirectly employed operators (“IEOs”)**

There are two distinct issues with the hourly rates for company drivers and IEOs:

- 1) the minimum rates have not kept up with the rate of inflation; and
- 2) the minimum rates have not kept up with the remuneration paid to Independent Operators.

The *Cascadia Study* identifies that the 2022 hourly rates paid to company drivers are 5.4% below 2018 rates when adjusted for inflation. In other words, the purchasing power of today’s minimum rates is less than it was in 2018.

While the minimum rates for company drivers have fallen behind the rate of inflation since 2018, the minimum rate increases for IOs have exceeded the inflation rate by more than 10% over the same period. The concern for the OBCCTC is that if the gap between minimum rates for company drivers and IOs remains, the inequity will likely cause instability in the industry as more company drivers are forced to seek out being an IO to earn better wages or licensees move away from IO’s because of the significantly lower costs for company drivers.

In order to sustain the purchasing power of the minimum rates for company drivers and close the wage gap between company drivers and IOs to continue stability in the drayage sector, I am recommending that two adjustments be made.

In order to address the loss of purchasing power of the minimum rate for company drivers, the current rate for company drivers needs to be adjusted by 5.4% -- by approximately \$1.50 per hour.

While this adjustment alone would provide company drivers with the same purchasing power they had in 2018, it would not address the gap in wages between company drivers and IOs. The company drivers would also continue to fall behind if they did not receive the estimated 6.2% inflation rate increase in 2023.

But simply making a correction for the loss of purchasing power and keeping with inflation in 2023, the problem remains that there will still be a big wage gap between the company drivers and the IO’s. One solution would not amend the wages for IO’s but for reasons set out below, I recommend a different path.

A combined increase of the 2023 inflation rate and the correction rate that would close the gap between company drivers and IO’s would immediately bring the total hourly rate by over \$4.00 per hour. Such an immediate increase in 2023 would be dramatic for the industry. Recognizing that this wage gap did not occur overnight, it would be appropriate to fix the gap over a period of time to ensure the industry can

adapt. I propose staggering the wage gap adjustment over a three-year period in order to ease the correction to the company driver minimum rates.

Prior delays in moving the company driver rates at the rate of inflation and equal to the increases to IOs has placed us in this position. It must also be noted that, despite these increases, the overall proposed company driver rates would still leave Vancouver behind the hourly rates of Seattle and Los Angeles, which have an average drayage rate of \$37.11 an hour, and ahead of Prince Rupert and Montreal -- thus maintaining the Lower Mainland drayage sector's historical place in the middle.

Appendix A attaches the proposed minimum rate increases for company drivers and indirectly employer operators.

## Proposal 2

### **Overtime rate based on Employment Standards Act's short haul driver rate for company and indirectly employed operators (IEO') who work more than 9 hours a day or 45 hours a week**

Many drivers who work for licensees regulated under the *Container Trucking Act* are entitled to be paid overtime rates after 9 hours a day or 45 hours a week as set out in the *Employment Standards Act ("ESA") and Regulation*.

Currently, drivers who complain they are not paid overtime in accordance with the *ESA* are directed to the Director of Employment Standards. However, the failure to pay overtime rates to company drivers and IEOs persists in the industry. The *Cascadia Study* reports anecdotal evidence similar to that reported in previous Commissioner reports and audit reports – mainly, that some drivers are not being paid overtime rates.

The failure to pay overtime rates creates instability in the industry in two main ways. Firstly, it devalues the minimum hourly rate set by the Commissioner. Secondly, it creates an improper competitive advantage for companies who fail to pay the overtime and may lead other licensees to resist paying overtime to remain competitive.

Setting different rates based on hours worked is not new to the Commissioner. Drivers with 2340 hours of driving experience or less are paid an hourly rate lower than drivers who exceed those hours of experience.

Section 22 of the *Container Trucking Act* allows the Commissioner to similarly establish a new rate based on the number of hours worked on a daily and weekly basis. Such a rate would mirror the overtime formula set out in section 37.3(3) of the *Employment Standards Regulation*. Like any rate change in the Commissioner's Rate Order, this rate would be enforced by the OBCCTC as of the date of its introduction.

I have reviewed the Independent Operators rates to see how overtime could be calculated for those paid by the hour and the trip rate. The challenge with both the trip rates and hourly rates is that both rates include remuneration for fixed costs paid by the operator. For example, the insurance rates of an Independent Operator do not increase when they exceed 9 hours in a day. However, there is a wage component in their remuneration, but it was unclear to me how that could translate into an overtime rate. At this point, I do not have a recommendation for how overtime could be calculated for IO's.

The proposal would set an overtime rate effective April 1, 2023 is set out in Appendix B.

### Proposal 3

#### **Introduce an inflation adjustment on July 1, 2023 to Independent Operator hourly rates, trip rates and minimum call out rates**

Since the introduction of the *Container Trucking Act*, the trip rates for IOs— with some small modifications — have remained the same since 2015. The *Cascadia Study* observed that the impact of the Position Movement Rate (PMR) and the Fuel Surcharge (FSR) has enabled the total remuneration for IOs to increase more than the rate of inflation since 2015. However, the *Cascadia Study* noted the volatility of the FSR with fluctuations in fuel costs and did not consider how much of the FSR was used to offset the increase in IO fuel costs.

Also interesting in the *Cascadia Study* is the observation from licensees that the failure to increase the trip rates over the years has led to difficult negotiations with their shipping customers. As I understand it, the licensees' customers use the published trip rates as a starting point in negotiations and since the trip rates have not been adjusted for some time, they do not reflect the actual costs of shipping. The licensees are forced to justify the true cost of shipping to their shipping or lose business to another competitor. Either result contributes to instability in the industry.

Given the volatility of fuel prices and the lack of guarantees about the number of container moves each day, an increase in the trip rates will ensure that IO remuneration continues to stay on par with the rate of inflation. An increase will also ensure that licensees are able to charge rates that better reflect the actual costs of shipping.

The Commissioner's 2018 *Container Trucking Regulation Part 4 (Rates and Remuneration) Recommendation Report* made a series of recommendations including phased IO hourly rate increases up to \$70.00 per hour. The current rate for I/O hourly drivers is \$63.48 per hour if an I/O has performed less than 2340 collective hours of container trucking services for any licensee or licensees and \$64.93 per hour if an I/O has performed more than (or equal to) 2340 collective hours of container trucking services for any licensee or licensees.

A wage increase should be made on July 1, 2023 to continue moving toward the \$70.00 per hour target for I/O hourly workers.

Finally, the minimum call-out rate for I/Os who receive the trip rate should be increased in accordance with the inflation adjustment (estimated at 6.2%) to ensure a minimum daily remuneration based approximately on 4 hours of work.

Appendix C attaches a proposed wage schedule based on the estimated inflation adjustment for hourly rate I/O's.

Appendix D attaches a proposed adjustment to the minimum call-out rate.

Appendix E attaches a proposed adjustment to the On-Dock Trip Rates.

Appendix F attaches a proposed adjustment to the Off-Dock Trip Rates.

## **Proposal 4**

**Introduce annual minimum rate increases for trip rates, hourly rates, and minimum call out rates on July 1 of each year based on the previous year's annual average BC Consumer Price Index with a mandatory comprehensive rate review every four years.**

In the short history of the OBCCTC, rate reviews have generally been conducted once every two years via a process of submissions, consultations, industry reviews, deliberations and, finally, implementation. While these types of rate reviews are prudent and transparent mechanisms, the downside is that the process involved is protracted by design, slow to adjust to immediate economic realities, and can lead to unpredictable and volatile wage increases once finally implemented.

Over the last few years, the dramatic increase in the consumer price index has exacerbated the problems caused by delayed rate increases. The loss of the minimum rates' purchasing power and the contrast between the trip rate and the actual costs of shipping have become more acute since 2021.

The Ministry of Labour's approach to indexing both the minimum wage and the piece rates in the agricultural section is a model that makes more immediate adjustments based on the economic situation facing many workers in the province. This approach avoids a scenario of stagnant wages for prolonged periods followed by rapid increases over a short period of time that are difficult for some employers to absorb.

Proposal 4 is to index hourly rates and trip rates to inflation by mirroring the calculation used to set the minimum wage in British Columbia – which is based on the previous calendar year’s average CPI rate.

Increases would go into effect on July 1 of each year and would apply globally: to hourly rates, trip rates, and minimum call out rates. This would give certainty to those working in the industry that their wages will not fall behind the cost of living. It would also give licensees time to adapt to the new rates and to negotiate with shippers knowing the hourly rates and trip rates in advance.

At the same time, the formal rate reviews should continue to ensure that the industry remains competitive and that the rates set by the Commissioner can be absorbed by the industry. However, the formal rate reviews should occur every four years to allow for proper analysis of the state of the industry. The Commissioner would accept submissions from industry stakeholders who are familiar with the trends and wages in the overall sector and other jurisdictions and provide recommendations for the Commissioner to consider along with other empirical data. This would also allow different stakeholders to perform their own analysis of industry rates and make submissions to the Commissioner.

Attached in each Appendix is a proposed wage table using the latest inflation estimates from the Bank of Canada for 2023 and 2024. This proposal is subject to feedback from the stakeholders and any changes to the previous calendar year’s average CPI rate.

## **Proposal 5**

### **Review PMR and Fuel Surcharge to ensure they are covering unexpected increases**

The PMR and the fuel surcharge are important tools in maintaining stability in the drayage sector and shielding the IOs from unsustainable cost increases.

The *Cascadia Study*’s findings on fuel surcharge deserve more study. According to Cascadia, given the rapid rise in fuel rates over the last 18 months, gross compensation per trip has grown by 50% since January 2021. However, the *Cascadia Study* does not provide a detailed analysis of the increase in actual fuel costs for the average driver, so it is difficult to ascertain if the fuel surcharge is meeting its intended purpose.

Given the volatility of fuel costs, it would not be prudent without more information at this time to change the fuel surcharge formula. However, the *Cascadia Study* identifies that Toronto has a lower fuel surcharge (15%) but a higher PMR rate (\$60.00) than those in Vancouver. There may be value in looking at adjusting both those rates to bring more certainty to the rates paid to drivers that will also protect them from the volatility of fuel costs.

I recommend that this be discussed with the Industry Advisory Committee to review any potential changes.

## Next Steps

Invitation for submissions on proposed rate increases

The OBCCTC will accept submissions from interested parties on the proposed rate increases until March 2, 2023. I will then review the submissions before publishing the final rate order.



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Glen MacInnes  
Container Trucking Commissioner

## Appendix A

| COMPANY DRIVERS AND INDIRECTLY EMPLOYED OPERATORS |                |   |                          |                       |                       |                     |                       |
|---|----------------|---|--------------------------|-----------------------|-----------------------|---------------------|-----------------------|
| Date of Rate Order                                | Inflation Rate |   | Wage Gap Correction Rate | Less than 2,340 hours |                       | 2,340 hours or more |                       |
|   |                |   |                          | New Hourly Rate       | Total Hourly Increase | New Hourly Rate     | Total Hourly Increase |
| July 1, 2025<br>(based on estimated CPI)          | 2.1%           | + | \$0.75                   | \$33.72               | \$1.43                | \$35.14             | \$1.46                |
| July 1, 2024<br>(based on estimated CPI)          | 4%             | + | \$0.75                   | \$32.30               | \$1.96                | \$33.69             | \$2.02                |
| July 1, 2023<br>(proposed rate)                   | 6.2%           | + | \$1.00                   | \$30.33               | \$2.71                | \$31.67             | \$2.79                |
| July 1, 2022                                      | 5.0%           |   | N/A                      | \$27.62               | N/A                   | \$28.88             | N/A                   |
| July 1, 2021                                      | 0.0%           |   | N/A                      | \$26.30               | N/A                   | \$27.50             | N/A                   |
| July 1, 2020                                      | 0.0%           |   | N/A                      | \$26.30               | N/A                   | \$27.50             | N/A                   |
| July 1, 2019                                      | 2.0%           |   | N/A                      | \$26.30               | N/A                   | \$27.50             | N/A                   |
| June 1, 2018                                      | 2.6%           |   | N/A                      | \$25.78               | N/A                   | \$26.96             | N/A                   |
| May 14, 2017                                      | 0.0%           |   | N/A                      | \$25.13               | N/A                   | \$26.28             | N/A                   |
| May 14, 2016                                      | 0.0%           |   | N/A                      | \$25.13               | N/A                   | \$26.28             | N/A                   |
| May 14, 2015                                      | N/A            |   | N/A                      | \$25.13               | N/A                   | \$26.28             | N/A                   |

## Appendix B

| NEW OVERTIME RATE   |                          |  |  |
|---|--------------------------|--|--|
| Starting April 1, 2023  | 9 hours or less in a day | More than 9 hours in a day   | More than 45 hours per week <sup>5</sup>                                       |
| Company Driver and Indirectly Employed Operator (less than 2,340 hours) | Hourly Rate              | 1 ½ times the Hourly Rate for the hours worked in excess of 9 hours in a day | 1 ½ times the Hourly Rate for the hours worked in excess of 45 hours in a week |
| Company Driver and Indirectly Employed Operator (2,340 hours or more)   | Hourly Rate              | 1 ½ times the Hourly Rate for the hours worked in excess of 9 hours in a day | 1 ½ times the Hourly Rate for the hours worked in excess of 45 hours in a week |

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<sup>5</sup> Part 1 section 1 of the *ESA* defines a week from Sunday to Saturday for the purpose of calculating overtime. Only the first nine hours of each workday counts toward the calculation of weekly overtime.

## Appendix C

| <b>Independent Operators (Hourly Rate)</b> |                                      |                              |                            |
|--|--------------------------------------|------------------------------|----------------------------|
| <b>Date of Rate Order</b>                  | <b>Inflation Percentage Increase</b> | <b>Less than 2,340 hours</b> | <b>2,340 hours or more</b> |
| July 1, 2025<br>(based on estimated CPI)   | 2.1%                                 | \$71.58                      | \$73.22                    |
| July 1, 2024<br>(based on estimated CPI)   | 4%                                   | \$70.11                      | \$71.71                    |
| July 1, 2023<br>(proposed)                 | 6.2%                                 | \$67.41                      | \$68.96                    |
| July 1, 2022                               | 10.0%                                | \$63.48                      | \$64.93                    |
| July 1, 2021                               | 0%                                   | \$57.71                      | \$59.03                    |
| April 1, 2020                              | 10.0%                                | \$57.71                      | \$59.03                    |
| July 1, 2019                               | 2.0%                                 | \$52.46                      | \$53.66                    |
| June 1, 2018                               | 2.6%                                 | \$51.43                      | \$52.61                    |
| Rate prior to June 1, 2018                 | N/A                                  | \$50.13                      | \$51.28                    |

## Appendix D

| I/O Minimum Call Out | Rate     | Increase |
|----------------------|----------|----------|
| July 1, 2025         | \$339.00 | 2.1%     |
| July 1, 2024         | \$332.00 | 4.0%     |
| July 1, 2023         | \$319.00 | 6.2%     |
| July 1, 2022         | \$300.00 | N/A      |

## Appendix E

| ON-DOCK TRIP RATES |                                     |                                     |              |              |              |                                       |              |              |              |  |              |              |              |
|--------------------|-------------------------------------|-------------------------------------|--------------|--------------|--------------|---------------------------------------|--------------|--------------|--------------|--|--------------|--------------|--------------|
| ITEM               | Column 1<br>Origin/Destination Area | Column 2<br>Trip to or From Vanterm |              |              |              | Column 3<br>Trip to or from Deltaport |              |              |              | Column 4<br>Trip to or from Fraser Surrey Docks (\$) |              |              |              |
|                    |                                     |                                     | 6.2%         | 4%           | 2.1%         |                                       | 6.2%         | 4%           | 2.1%         |  | 6.2%         | 4%           | 2.1%         |
|                    |                                     | Current                             | July 1, 2023 | July 1, 2024 | July 1, 2025 | Current                               | July 1, 2023 | July 1, 2024 | July 1, 2025 | Current  | July 1, 2023 | July 1, 2024 | July 1, 2025 |
| 1                  | Abbotsford East                     | \$ 240.12                           | \$ 255.01    | \$ 265.21    | \$ 270.78    | \$ 240.12                             | \$ 255.01    | \$ 265.21    | \$ 270.78    | \$ 210.90  | \$ 223.98    | \$ 232.93    | \$ 237.83    |
| 2                  | Abbotsford West                     | \$ 205.10                           | \$ 217.82    | \$ 226.53    | \$ 231.29    | \$ 205.10                             | \$ 217.82    | \$ 226.53    | \$ 231.29    | \$ 187.60  | \$ 199.23    | \$ 207.20    | \$ 211.55    |
| 3                  | Burnaby North                       | \$ 123.10                           | \$ 130.73    | \$ 135.96    | \$ 138.82    | \$ 164.10                             | \$ 174.27    | \$ 181.25    | \$ 185.05    | \$ 128.90  | \$ 136.89    | \$ 142.37    | \$ 145.36    |
| 4                  | Burnaby South                       | \$ 128.90                           | \$ 136.89    | \$ 142.37    | \$ 145.36    | \$ 158.20                             | \$ 168.01    | \$ 174.73    | \$ 178.40    | \$ 123.10  | \$ 130.73    | \$ 135.96    | \$ 138.82    |
| 5                  | Chilliwack                          | \$ 263.50                           | \$ 279.84    | \$ 291.03    | \$ 297.14    | \$ 263.50                             | \$ 279.84    | \$ 291.03    | \$ 297.14    | \$ 228.50  | \$ 242.67    | \$ 252.37    | \$ 257.67    |
| 6                  | Cloverdale                          | \$ 158.20                           | \$ 168.01    | \$ 174.73    | \$ 178.40    | \$ 158.20                             | \$ 168.01    | \$ 174.73    | \$ 178.40    | \$ 140.70  | \$ 149.42    | \$ 155.40    | \$ 158.66    |
| 7                  | Annacis                             | \$ 140.70                           | \$ 149.42    | \$ 155.40    | \$ 158.66    | \$ 140.70                             | \$ 149.42    | \$ 155.40    | \$ 158.66    | \$ 117.20  | \$ 124.47    | \$ 129.45    | \$ 132.16    |
| 8                  | Delta                               | \$ 158.20                           | \$ 168.01    | \$ 174.73    | \$ 178.40    | \$ 117.20                             | \$ 124.47    | \$ 129.45    | \$ 132.16    | \$ 117.20  | \$ 124.47    | \$ 129.45    | \$ 132.16    |
| 9                  | Tri Cities North                    | \$ 146.50                           | \$ 155.58    | \$ 161.81    | \$ 165.20    | \$ 175.80                             | \$ 186.70    | \$ 194.17    | \$ 198.25    | \$ 140.70  | \$ 149.42    | \$ 155.40    | \$ 158.66    |
| 10                 | Maple Ridge                         | \$ 187.60                           | \$ 199.23    | \$ 207.20    | \$ 211.55    | \$ 193.40                             | \$ 205.39    | \$ 213.61    | \$ 218.09    | \$ 158.20  | \$ 168.01    | \$ 174.73    | \$ 178.40    |
| 11                 | Langley West                        | \$ 181.70                           | \$ 192.97    | \$ 200.68    | \$ 204.90    | \$ 181.70                             | \$ 192.97    | \$ 200.68    | \$ 204.90    | \$ 140.70  | \$ 149.42    | \$ 155.40    | \$ 158.66    |
| 12                 | Langley East                        | \$ 193.40                           | \$ 205.39    | \$ 213.61    | \$ 218.09    | \$ 193.40                             | \$ 205.39    | \$ 213.61    | \$ 218.09    | \$ 158.20  | \$ 168.01    | \$ 174.73    | \$ 178.40    |
| 13                 | Mission                             | \$ 216.90                           | \$ 230.35    | \$ 239.56    | \$ 244.59    | \$ 222.70                             | \$ 236.51    | \$ 245.97    | \$ 251.13    | \$ 193.40  | \$ 205.39    | \$ 213.61    | \$ 218.09    |
| 14                 | New Westminster                     | \$ 134.80                           | \$ 143.16    | \$ 148.88    | \$ 152.01    | \$ 158.20                             | \$ 168.01    | \$ 174.73    | \$ 178.40    | \$ 123.10  | \$ 130.73    | \$ 135.96    | \$ 138.82    |
| 15                 | North Vancouver                     | \$ 123.10                           | \$ 130.73    | \$ 135.96    | \$ 138.82    | \$ 169.90                             | \$ 180.43    | \$ 187.65    | \$ 191.59    | \$ 158.20  | \$ 168.01    | \$ 174.73    | \$ 178.40    |
| 16                 | Pacific Highway                     | \$ 193.40                           | \$ 205.39    | \$ 213.61    | \$ 218.09    | \$ 158.20                             | \$ 168.01    | \$ 174.73    | \$ 178.40    | \$ 140.97  | \$ 149.71    | \$ 155.70    | \$ 158.97    |
| 17                 | Pitt Meadows                        | \$ 158.20                           | \$ 168.01    | \$ 174.73    | \$ 178.40    | \$ 175.80                             | \$ 186.70    | \$ 194.17    | \$ 198.25    | \$ 140.70  | \$ 149.42    | \$ 155.40    | \$ 158.66    |
| 18                 | Port Kells                          | \$ 158.20                           | \$ 168.01    | \$ 174.73    | \$ 178.40    | \$ 169.20                             | \$ 179.69    | \$ 186.88    | \$ 190.80    | \$ 128.90  | \$ 136.89    | \$ 142.37    | \$ 145.36    |
| 19                 | Tri Cities South                    | \$ 140.70                           | \$ 149.42    | \$ 155.40    | \$ 158.66    | \$ 169.20                             | \$ 179.69    | \$ 186.88    | \$ 190.80    | \$ 134.80  | \$ 143.16    | \$ 148.88    | \$ 152.01    |
| 20                 | Richmond North                      | \$ 123.10                           | \$ 130.73    | \$ 135.96    | \$ 138.82    | \$ 140.70                             | \$ 149.42    | \$ 155.40    | \$ 158.66    | \$ 123.10  | \$ 130.73    | \$ 135.96    | \$ 138.82    |
| 21                 | Richmond South                      | \$ 128.90                           | \$ 136.89    | \$ 142.37    | \$ 145.36    | \$ 128.90                             | \$ 136.89    | \$ 142.37    | \$ 145.36    | \$ 123.10  | \$ 130.73    | \$ 135.96    | \$ 138.82    |
| 22                 | Surrey North                        | \$ 140.70                           | \$ 149.42    | \$ 155.40    | \$ 158.66    | \$ 140.70                             | \$ 149.42    | \$ 155.40    | \$ 158.66    | \$ 117.20  | \$ 124.47    | \$ 129.45    | \$ 132.16    |
| 23                 | Surrey Central                      | \$ 158.20                           | \$ 168.01    | \$ 174.73    | \$ 178.40    | \$ 140.70                             | \$ 149.42    | \$ 155.40    | \$ 158.66    | \$ 140.70  | \$ 149.42    | \$ 155.40    | \$ 158.66    |
| 24                 | Vancouver North                     | \$ 117.20                           | \$ 124.47    | \$ 129.45    | \$ 132.16    | \$ 164.10                             | \$ 174.27    | \$ 181.25    | \$ 185.05    | \$ 146.50  | \$ 155.58    | \$ 161.81    | \$ 165.20    |
| 25                 | Vancouver South                     | \$ 117.20                           | \$ 124.47    | \$ 129.45    | \$ 132.16    | \$ 158.20                             | \$ 168.01    | \$ 174.73    | \$ 178.40    | \$ 140.70  | \$ 149.42    | \$ 155.40    | \$ 158.66    |
| 26                 | West Vancouver                      | \$ 128.90                           | \$ 136.89    | \$ 142.37    | \$ 145.36    | \$ 175.80                             | \$ 186.70    | \$ 194.17    | \$ 198.25    | \$ 164.10  | \$ 174.27    | \$ 181.25    | \$ 185.05    |

| Example of Trip Renumeration  |           |           |           |           |
|-------------------------------|-----------|-----------|-----------|-----------|
| Tri Cities North to Deltaport | Current   | 01-Jul-23 | 01-Jul-24 | 01-Jul-25 |
| On Dock Trip Rate             | \$ 175.80 | \$ 187.40 | \$ 194.90 | \$ 198.99 |
| PMR                           | \$ 25.00  | \$ 25.00  | \$ 25.00  | \$ 25.00  |
| Fuel Surcharge Rate*          | \$ 63.29  | \$ 67.46  | \$ 70.16  | \$ 71.64  |
| Total                         | \$ 264.09 | \$ 279.86 | \$ 290.06 | \$ 295.63 |

\*based on January 2023 FSR of 36% if remained constant

## Appendix F

| OFF-DOCK TRIP RATES (Current) (INDEPENDENT OPERATORS) |          |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |  |
|---|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|
| Column 1  | Column 2 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |  |
|   | A        | B   | C   | D   | E   | F   | G   | H   | I   | J   | K   | L   | M   | N   | O   | P   | Q   | R   | S   | T   | U   | V   | W   | X   | Y   | Z   |  |
| A   | 105      | 115 | 171 | 171 | 115 | 146 | 166 | 166 | 171 | 141 | 136 | 125 | 115 | 166 | 182 | 146 | 166 | 146 | 166 | 176 | 171 | 156 | 151 | 182 | 176 | 187 |  |
| B   | 115      | 105 | 156 | 156 | 125 | 131 | 151 | 151 | 156 | 131 | 125 | 115 | 115 | 151 | 166 | 136 | 156 | 136 | 151 | 161 | 156 | 141 | 136 | 166 | 161 | 171 |  |
| C   | 171      | 156 | 105 | 115 | 187 | 125 | 125 | 136 | 120 | 141 | 136 | 146 | 166 | 120 | 120 | 141 | 125 | 125 | 120 | 120 | 125 | 120 | 125 | 115 | 115 | 125 |  |
| D   | 171      | 156 | 115 | 105 | 187 | 125 | 120 | 125 | 120 | 141 | 136 | 141 | 166 | 115 | 120 | 136 | 125 | 125 | 120 | 120 | 125 | 120 | 125 | 115 | 115 | 125 |  |
| E   | 115      | 125 | 187 | 187 | 105 | 156 | 182 | 182 | 187 | 151 | 146 | 136 | 125 | 182 | 197 | 156 | 176 | 161 | 182 | 192 | 187 | 171 | 166 | 197 | 192 | 202 |  |
| F   | 146      | 131 | 125 | 125 | 156 | 105 | 125 | 120 | 131 | 136 | 115 | 120 | 141 | 120 | 136 | 115 | 131 | 115 | 125 | 131 | 131 | 115 | 115 | 136 | 131 | 141 |  |
| G   | 166      | 151 | 125 | 120 | 182 | 125 | 105 | 115 | 131 | 151 | 131 | 136 | 166 | 115 | 125 | 125 | 136 | 125 | 125 | 115 | 120 | 120 | 120 | 125 | 120 | 131 |  |
| H   | 166      | 151 | 136 | 125 | 182 | 120 | 115 | 105 | 136 | 151 | 131 | 136 | 171 | 120 | 131 | 120 | 136 | 125 | 131 | 120 | 115 | 115 | 115 | 131 | 125 | 136 |  |
| I   | 171      | 156 | 120 | 120 | 187 | 131 | 131 | 136 | 105 | 125 | 136 | 141 | 141 | 125 | 131 | 136 | 120 | 131 | 115 | 131 | 136 | 120 | 131 | 131 | 131 | 136 |  |
| J   | 141      | 131 | 141 | 141 | 151 | 136 | 151 | 151 | 125 | 105 | 131 | 136 | 115 | 131 | 146 | 141 | 115 | 136 | 125 | 156 | 156 | 136 | 136 | 146 | 151 | 151 |  |
| K   | 136      | 125 | 136 | 136 | 146 | 115 | 131 | 131 | 136 | 131 | 105 | 115 | 136 | 131 | 146 | 120 | 141 | 115 | 131 | 141 | 136 | 120 | 120 | 141 | 141 | 151 |  |
| L   | 125      | 115 | 146 | 141 | 136 | 120 | 136 | 136 | 141 | 136 | 115 | 105 | 131 | 136 | 151 | 125 | 146 | 120 | 136 | 146 | 141 | 125 | 125 | 146 | 146 | 156 |  |
| M   | 115      | 115 | 166 | 166 | 125 | 141 | 166 | 171 | 141 | 115 | 136 | 131 | 105 | 161 | 176 | 146 | 131 | 141 | 141 | 182 | 176 | 146 | 146 | 182 | 182 | 182 |  |
| N   | 166      | 151 | 120 | 115 | 182 | 120 | 115 | 120 | 125 | 131 | 131 | 136 | 161 | 105 | 125 | 125 | 125 | 120 | 120 | 115 | 120 | 115 | 120 | 120 | 120 | 131 |  |
| O   | 182      | 166 | 120 | 120 | 197 | 136 | 125 | 131 | 131 | 146 | 146 | 151 | 176 | 125 | 105 | 146 | 136 | 136 | 131 | 120 | 125 | 131 | 136 | 115 | 120 | 115 |  |
| P   | 146      | 136 | 141 | 136 | 156 | 115 | 125 | 120 | 136 | 141 | 120 | 125 | 146 | 125 | 146 | 105 | 136 | 125 | 131 | 131 | 125 | 120 | 115 | 141 | 136 | 146 |  |
| Q   | 166      | 156 | 125 | 125 | 176 | 131 | 136 | 136 | 120 | 115 | 141 | 146 | 131 | 125 | 136 | 136 | 105 | 131 | 120 | 136 | 141 | 125 | 131 | 131 | 136 | 141 |  |
| R   | 146      | 136 | 125 | 125 | 161 | 115 | 125 | 125 | 131 | 136 | 115 | 120 | 141 | 120 | 136 | 125 | 131 | 105 | 125 | 131 | 131 | 115 | 120 | 136 | 131 | 141 |  |
| S   | 166      | 151 | 120 | 120 | 182 | 125 | 125 | 131 | 115 | 125 | 131 | 136 | 141 | 120 | 131 | 131 | 120 | 125 | 105 | 125 | 131 | 115 | 125 | 125 | 125 | 136 |  |
| T   | 176      | 161 | 120 | 120 | 192 | 131 | 115 | 120 | 131 | 156 | 141 | 146 | 182 | 115 | 120 | 131 | 136 | 131 | 125 | 105 | 115 | 120 | 125 | 115 | 115 | 125 |  |
| U   | 141      | 156 | 125 | 125 | 187 | 131 | 120 | 115 | 136 | 156 | 136 | 141 | 176 | 120 | 125 | 125 | 141 | 131 | 131 | 115 | 105 | 120 | 120 | 120 | 120 | 131 |  |
| V   | 156      | 141 | 120 | 120 | 171 | 115 | 120 | 115 | 120 | 136 | 120 | 125 | 146 | 115 | 131 | 120 | 125 | 115 | 115 | 120 | 120 | 105 | 115 | 131 | 125 | 131 |  |
| W   | 151      | 136 | 125 | 125 | 166 | 115 | 120 | 115 | 131 | 136 | 120 | 125 | 146 | 120 | 136 | 115 | 131 | 120 | 125 | 125 | 120 | 115 | 105 | 136 | 131 | 141 |  |
| X   | 182      | 166 | 115 | 115 | 197 | 136 | 125 | 131 | 131 | 146 | 141 | 146 | 182 | 120 | 115 | 141 | 131 | 136 | 125 | 115 | 120 | 131 | 136 | 105 | 105 | 120 |  |
| Y   | 176      | 161 | 115 | 115 | 192 | 131 | 120 | 125 | 131 | 151 | 141 | 146 | 182 | 120 | 120 | 136 | 136 | 131 | 125 | 115 | 120 | 125 | 131 | 105 | 105 | 125 |  |
| Z   | 187      | 171 | 125 | 125 | 202 | 141 | 131 | 136 | 136 | 151 | 151 | 156 | 182 | 131 | 115 | 146 | 141 | 141 | 136 | 125 | 131 | 131 | 141 | 120 | 125 | 105 |  |

| Example of Trip Renumeration                 |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Richmond North (T) to<br>Abbotsford West (B) | Current   | 01-Jul-23 | 01-Jul-24 | 01-Jul-25 |
| Off Dock Trip Rate                           | \$ 161.00 | \$ 172.00 | \$ 178.00 | \$ 182.00 |
| PMR  | \$ 25.00  | \$ 25.00  | \$ 25.00  | \$ 25.00  |
| Fuel Surcharge Rate*                         | \$ 57.96  | \$ 61.92  | \$ 64.08  | \$ 65.52  |
| Total  | \$ 243.96 | \$ 258.92 | \$ 267.08 | \$ 272.52 |

\*based on January 2023 FSR of 36% if remained constant

| OFF-DOCK TRIP RATES Proposed July 1, 2023 (INDEPENDENT OPERATORS) |          |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |  |
|---|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|
| Column 1  | Column 2 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |  |
|   | A        | B   | C   | D   | E   | F   | G   | H   | I   | J   | K   | L   | M   | N   | O   | P   | Q   | R   | S   | T   | U   | V   | W   | X   | Y   | Z   |  |
| A   | 112      | 123 | 182 | 182 | 123 | 156 | 177 | 177 | 182 | 150 | 145 | 133 | 123 | 177 | 194 | 156 | 177 | 156 | 177 | 188 | 182 | 166 | 161 | 194 | 188 | 199 |  |
| B   | 123      | 112 | 166 | 166 | 133 | 140 | 161 | 161 | 166 | 140 | 133 | 123 | 123 | 161 | 177 | 145 | 166 | 145 | 161 | 172 | 166 | 150 | 145 | 177 | 172 | 182 |  |
| C   | 182      | 166 | 112 | 123 | 199 | 133 | 133 | 145 | 128 | 150 | 145 | 156 | 177 | 128 | 128 | 150 | 133 | 133 | 128 | 128 | 133 | 128 | 133 | 123 | 123 | 133 |  |
| D   | 182      | 166 | 123 | 112 | 199 | 133 | 128 | 133 | 128 | 150 | 145 | 150 | 177 | 123 | 128 | 145 | 133 | 133 | 128 | 128 | 133 | 128 | 133 | 123 | 123 | 133 |  |
| E   | 123      | 133 | 199 | 199 | 112 | 166 | 194 | 194 | 199 | 161 | 156 | 145 | 133 | 194 | 210 | 166 | 188 | 172 | 194 | 205 | 199 | 182 | 177 | 210 | 205 | 215 |  |
| F   | 156      | 140 | 133 | 133 | 166 | 112 | 133 | 128 | 140 | 145 | 123 | 128 | 150 | 128 | 145 | 123 | 140 | 123 | 133 | 140 | 140 | 123 | 123 | 145 | 140 | 150 |  |
| G   | 177      | 161 | 133 | 128 | 194 | 133 | 112 | 123 | 140 | 161 | 140 | 145 | 177 | 123 | 133 | 133 | 145 | 133 | 133 | 123 | 128 | 128 | 128 | 133 | 128 | 140 |  |
| H   | 177      | 161 | 145 | 133 | 194 | 128 | 123 | 112 | 145 | 161 | 140 | 145 | 182 | 128 | 140 | 128 | 145 | 133 | 140 | 128 | 123 | 123 | 123 | 140 | 133 | 145 |  |
| I   | 182      | 166 | 128 | 128 | 199 | 140 | 140 | 145 | 112 | 133 | 145 | 150 | 150 | 133 | 140 | 145 | 128 | 140 | 123 | 140 | 145 | 128 | 140 | 140 | 140 | 145 |  |
| J   | 150      | 140 | 150 | 150 | 161 | 145 | 161 | 161 | 133 | 112 | 140 | 145 | 123 | 140 | 156 | 150 | 123 | 145 | 133 | 166 | 166 | 145 | 145 | 156 | 161 | 161 |  |
| K   | 145      | 133 | 145 | 145 | 156 | 123 | 140 | 140 | 145 | 140 | 112 | 123 | 145 | 140 | 156 | 128 | 150 | 123 | 140 | 150 | 145 | 128 | 128 | 150 | 150 | 161 |  |
| L   | 133      | 123 | 156 | 150 | 145 | 128 | 145 | 145 | 150 | 145 | 123 | 112 | 140 | 145 | 161 | 133 | 156 | 128 | 145 | 156 | 150 | 133 | 133 | 156 | 156 | 166 |  |
| M   | 123      | 123 | 177 | 177 | 133 | 150 | 177 | 182 | 150 | 123 | 145 | 140 | 112 | 172 | 188 | 156 | 140 | 150 | 150 | 194 | 188 | 156 | 156 | 194 | 194 | 194 |  |
| N   | 177      | 161 | 128 | 123 | 194 | 128 | 123 | 128 | 133 | 140 | 140 | 145 | 172 | 112 | 133 | 133 | 133 | 128 | 128 | 123 | 128 | 123 | 128 | 128 | 128 | 140 |  |
| O   | 194      | 177 | 128 | 128 | 210 | 145 | 133 | 140 | 140 | 156 | 156 | 161 | 188 | 133 | 112 | 156 | 145 | 145 | 140 | 128 | 133 | 140 | 145 | 123 | 128 | 123 |  |
| P   | 156      | 145 | 150 | 145 | 166 | 123 | 133 | 128 | 145 | 150 | 128 | 133 | 156 | 133 | 156 | 112 | 145 | 133 | 140 | 140 | 133 | 128 | 123 | 150 | 145 | 156 |  |
| Q   | 177      | 166 | 133 | 133 | 188 | 140 | 145 | 145 | 128 | 123 | 150 | 156 | 140 | 133 | 145 | 145 | 112 | 140 | 128 | 145 | 150 | 133 | 140 | 140 | 145 | 150 |  |
| R   | 156      | 145 | 133 | 133 | 172 | 123 | 133 | 133 | 140 | 145 | 123 | 128 | 150 | 128 | 145 | 133 | 140 | 112 | 133 | 140 | 140 | 123 | 128 | 145 | 140 | 150 |  |
| S   | 177      | 161 | 128 | 128 | 194 | 133 | 133 | 140 | 123 | 133 | 140 | 145 | 150 | 128 | 140 | 140 | 128 | 133 | 112 | 133 | 140 | 123 | 133 | 133 | 133 | 145 |  |
| T   | 188      | 172 | 128 | 128 | 205 | 140 | 123 | 128 | 140 | 166 | 150 | 156 | 194 | 123 | 128 | 140 | 145 | 140 | 133 | 112 | 123 | 128 | 133 | 123 | 123 | 133 |  |
| U   | 150      | 166 | 133 | 133 | 199 | 140 | 128 | 123 | 145 | 166 | 145 | 150 | 188 | 128 | 133 | 133 | 150 | 140 | 140 | 123 | 112 | 128 | 128 | 128 | 128 | 140 |  |
| V   | 166      | 150 | 128 | 128 | 182 | 123 | 128 | 123 | 128 | 145 | 128 | 133 | 156 | 123 | 140 | 128 | 133 | 123 | 123 | 128 | 128 | 112 | 123 | 140 | 133 | 140 |  |
| W   | 161      | 145 | 133 | 133 | 177 | 123 | 128 | 123 | 140 | 145 | 128 | 133 | 156 | 128 | 145 | 123 | 140 | 128 | 133 | 133 | 128 | 123 | 112 | 145 | 140 | 150 |  |
| X   | 194      | 177 | 123 | 123 | 210 | 145 | 133 | 140 | 140 | 156 | 150 | 156 | 194 | 128 | 123 | 150 | 140 | 145 | 133 | 123 | 128 | 140 | 145 | 112 | 112 | 128 |  |
| Y   | 188      | 172 | 123 | 123 | 205 | 140 | 128 | 133 | 140 | 161 | 150 | 156 | 194 | 128 | 128 | 145 | 145 | 140 | 133 | 123 | 128 | 133 | 140 | 112 | 112 | 133 |  |
| Z   | 199      | 182 | 133 | 133 | 215 | 150 | 140 | 145 | 145 | 161 | 161 | 166 | 194 | 140 | 123 | 156 | 150 | 150 | 145 | 133 | 140 | 140 | 150 | 128 | 133 | 112 |  |

| OFF-DOCK TRIP RATES Proposed July 1, 2024 (INDEPENDENT OPERATORS) |          |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
|---|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Column 1  | Column 2 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
|   | A        | B   | C   | D   | E   | F   | G   | H   | I   | J   | K   | L   | M   | N   | O   | P   | Q   | R   | S   | T   | U   | V   | W   | X   | Y   | Z   |
| A   | 116      | 127 | 190 | 190 | 127 | 162 | 184 | 184 | 190 | 156 | 151 | 139 | 127 | 184 | 202 | 162 | 184 | 162 | 184 | 195 | 190 | 173 | 167 | 202 | 195 | 207 |
| B   | 127      | 116 | 173 | 173 | 139 | 145 | 167 | 167 | 173 | 145 | 139 | 127 | 127 | 167 | 184 | 151 | 173 | 151 | 167 | 178 | 173 | 156 | 151 | 184 | 178 | 190 |
| C   | 190      | 173 | 116 | 127 | 207 | 139 | 139 | 151 | 133 | 156 | 151 | 162 | 184 | 133 | 133 | 156 | 139 | 139 | 133 | 133 | 139 | 133 | 139 | 127 | 127 | 139 |
| D   | 190      | 173 | 127 | 116 | 207 | 139 | 133 | 139 | 133 | 156 | 151 | 156 | 184 | 127 | 133 | 151 | 139 | 139 | 133 | 133 | 139 | 133 | 139 | 127 | 127 | 139 |
| E   | 127      | 139 | 207 | 207 | 116 | 173 | 202 | 202 | 207 | 167 | 162 | 151 | 139 | 202 | 218 | 173 | 195 | 178 | 202 | 213 | 207 | 190 | 184 | 218 | 213 | 224 |
| F   | 162      | 145 | 139 | 139 | 173 | 116 | 139 | 133 | 145 | 151 | 127 | 133 | 156 | 133 | 151 | 127 | 145 | 127 | 139 | 145 | 145 | 127 | 127 | 151 | 145 | 156 |
| G   | 184      | 167 | 139 | 133 | 202 | 139 | 116 | 127 | 145 | 167 | 145 | 151 | 184 | 127 | 139 | 139 | 151 | 139 | 139 | 127 | 133 | 133 | 133 | 139 | 133 | 145 |
| H   | 184      | 167 | 151 | 139 | 202 | 133 | 127 | 116 | 151 | 167 | 145 | 151 | 190 | 133 | 145 | 133 | 151 | 139 | 145 | 133 | 127 | 127 | 127 | 145 | 139 | 151 |
| I   | 190      | 173 | 133 | 133 | 207 | 145 | 145 | 151 | 116 | 139 | 151 | 156 | 156 | 139 | 145 | 151 | 133 | 145 | 127 | 145 | 151 | 133 | 145 | 145 | 145 | 151 |
| J   | 156      | 145 | 156 | 156 | 167 | 151 | 167 | 167 | 139 | 116 | 145 | 151 | 127 | 145 | 162 | 156 | 127 | 151 | 139 | 173 | 173 | 151 | 151 | 162 | 167 | 167 |
| K   | 151      | 139 | 151 | 151 | 162 | 127 | 145 | 145 | 151 | 145 | 116 | 127 | 151 | 145 | 162 | 133 | 156 | 127 | 145 | 156 | 151 | 133 | 133 | 156 | 156 | 167 |
| L   | 139      | 127 | 162 | 156 | 151 | 133 | 151 | 151 | 156 | 151 | 127 | 116 | 145 | 151 | 167 | 139 | 162 | 133 | 151 | 162 | 156 | 139 | 139 | 162 | 162 | 173 |
| M   | 127      | 127 | 184 | 184 | 139 | 156 | 184 | 190 | 156 | 127 | 151 | 145 | 116 | 178 | 195 | 162 | 145 | 156 | 156 | 202 | 195 | 162 | 162 | 202 | 202 | 202 |
| N   | 184      | 167 | 133 | 127 | 202 | 133 | 127 | 133 | 139 | 145 | 145 | 151 | 178 | 116 | 139 | 139 | 139 | 133 | 133 | 127 | 133 | 127 | 133 | 133 | 133 | 145 |
| O   | 202      | 184 | 133 | 133 | 218 | 151 | 139 | 145 | 145 | 162 | 162 | 167 | 195 | 139 | 116 | 162 | 151 | 151 | 145 | 133 | 139 | 145 | 151 | 127 | 133 | 127 |
| P   | 162      | 151 | 156 | 151 | 173 | 127 | 139 | 133 | 151 | 156 | 133 | 139 | 162 | 139 | 162 | 116 | 151 | 139 | 145 | 145 | 139 | 133 | 127 | 156 | 151 | 162 |
| Q   | 184      | 173 | 139 | 139 | 195 | 145 | 151 | 151 | 133 | 127 | 156 | 162 | 145 | 139 | 151 | 151 | 116 | 145 | 133 | 151 | 156 | 139 | 145 | 145 | 151 | 156 |
| R   | 162      | 151 | 139 | 139 | 178 | 127 | 139 | 139 | 145 | 151 | 127 | 133 | 156 | 133 | 151 | 139 | 145 | 116 | 139 | 145 | 145 | 127 | 133 | 151 | 145 | 156 |
| S   | 184      | 167 | 133 | 133 | 202 | 139 | 139 | 145 | 127 | 139 | 145 | 151 | 156 | 133 | 145 | 145 | 133 | 139 | 116 | 139 | 145 | 127 | 139 | 139 | 139 | 151 |
| T   | 195      | 178 | 133 | 133 | 213 | 145 | 127 | 133 | 145 | 173 | 156 | 162 | 202 | 127 | 133 | 145 | 151 | 145 | 139 | 116 | 127 | 133 | 139 | 127 | 127 | 139 |
| U   | 156      | 173 | 139 | 139 | 207 | 145 | 133 | 127 | 151 | 173 | 151 | 156 | 195 | 133 | 139 | 139 | 156 | 145 | 145 | 127 | 116 | 133 | 133 | 133 | 133 | 145 |
| V   | 173      | 156 | 133 | 133 | 190 | 127 | 133 | 127 | 133 | 151 | 133 | 139 | 162 | 127 | 145 | 133 | 139 | 127 | 127 | 133 | 133 | 116 | 127 | 145 | 139 | 145 |
| W   | 167      | 151 | 139 | 139 | 184 | 127 | 133 | 127 | 145 | 151 | 133 | 139 | 162 | 133 | 151 | 127 | 145 | 133 | 139 | 139 | 133 | 127 | 116 | 151 | 145 | 156 |
| X   | 202      | 184 | 127 | 127 | 218 | 151 | 139 | 145 | 145 | 162 | 156 | 162 | 202 | 133 | 127 | 156 | 145 | 151 | 139 | 127 | 133 | 145 | 151 | 116 | 116 | 133 |
| Y   | 195      | 178 | 127 | 127 | 213 | 145 | 133 | 139 | 145 | 167 | 156 | 162 | 202 | 133 | 133 | 151 | 151 | 145 | 139 | 127 | 133 | 139 | 145 | 116 | 116 | 139 |
| Z   | 207      | 190 | 139 | 139 | 224 | 156 | 145 | 151 | 151 | 167 | 167 | 173 | 202 | 145 | 127 | 162 | 156 | 156 | 151 | 139 | 145 | 145 | 156 | 133 | 139 | 116 |

| OFF-DOCK TRIP RATES Proposed July 1, 2025 (INDEPENDENT OPERATORS) |          |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
|---|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Column 1  | Column 2 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
|   | A        | B   | C   | D   | E   | F   | G   | H   | I   | J   | K   | L   | M   | N   | O   | P   | Q   | R   | S   | T   | U   | V   | W   | X   | Y   | Z   |
| A   | 119      | 130 | 194 | 194 | 130 | 165 | 188 | 188 | 194 | 160 | 154 | 141 | 130 | 188 | 206 | 165 | 188 | 165 | 188 | 199 | 194 | 177 | 171 | 206 | 199 | 212 |
| B   | 130      | 119 | 177 | 177 | 141 | 148 | 171 | 171 | 177 | 148 | 141 | 130 | 130 | 171 | 188 | 154 | 177 | 154 | 171 | 182 | 177 | 160 | 154 | 188 | 182 | 194 |
| C   | 194      | 177 | 119 | 130 | 212 | 141 | 141 | 154 | 136 | 160 | 154 | 165 | 188 | 136 | 136 | 160 | 141 | 141 | 136 | 136 | 141 | 136 | 141 | 130 | 130 | 141 |
| D   | 194      | 177 | 130 | 119 | 212 | 141 | 136 | 141 | 136 | 160 | 154 | 160 | 188 | 130 | 136 | 154 | 141 | 141 | 136 | 136 | 141 | 136 | 141 | 130 | 130 | 141 |
| E   | 130      | 141 | 212 | 212 | 119 | 177 | 206 | 206 | 212 | 171 | 165 | 154 | 141 | 206 | 223 | 177 | 199 | 182 | 206 | 217 | 212 | 194 | 188 | 223 | 217 | 229 |
| F   | 165      | 148 | 141 | 141 | 177 | 119 | 141 | 136 | 148 | 154 | 130 | 136 | 160 | 136 | 154 | 130 | 148 | 130 | 141 | 148 | 148 | 130 | 130 | 154 | 148 | 160 |
| G   | 188      | 171 | 141 | 136 | 206 | 141 | 119 | 130 | 148 | 171 | 148 | 154 | 188 | 130 | 141 | 141 | 154 | 141 | 141 | 130 | 136 | 136 | 136 | 141 | 136 | 148 |
| H   | 188      | 171 | 154 | 141 | 206 | 136 | 130 | 119 | 154 | 171 | 148 | 154 | 194 | 136 | 148 | 136 | 154 | 141 | 148 | 136 | 130 | 130 | 130 | 148 | 141 | 154 |
| I   | 194      | 177 | 136 | 136 | 212 | 148 | 148 | 154 | 119 | 141 | 154 | 160 | 160 | 141 | 148 | 154 | 136 | 148 | 130 | 148 | 154 | 136 | 148 | 148 | 148 | 154 |
| J   | 160      | 148 | 160 | 160 | 171 | 154 | 171 | 171 | 141 | 119 | 148 | 154 | 130 | 148 | 165 | 160 | 130 | 154 | 141 | 177 | 177 | 154 | 154 | 165 | 171 | 171 |
| K   | 154      | 141 | 154 | 154 | 165 | 130 | 148 | 148 | 154 | 148 | 119 | 130 | 154 | 148 | 165 | 136 | 160 | 130 | 148 | 160 | 154 | 136 | 136 | 160 | 160 | 171 |
| L   | 141      | 130 | 165 | 160 | 154 | 136 | 154 | 154 | 160 | 154 | 130 | 119 | 148 | 154 | 171 | 141 | 165 | 136 | 154 | 165 | 160 | 141 | 141 | 165 | 165 | 177 |
| M   | 130      | 130 | 188 | 188 | 141 | 160 | 188 | 194 | 160 | 130 | 154 | 148 | 119 | 182 | 199 | 165 | 148 | 160 | 160 | 206 | 199 | 165 | 165 | 206 | 206 | 206 |
| N   | 188      | 171 | 136 | 130 | 206 | 136 | 130 | 136 | 141 | 148 | 148 | 154 | 182 | 119 | 141 | 141 | 141 | 136 | 136 | 130 | 136 | 130 | 136 | 136 | 136 | 148 |
| O   | 206      | 188 | 136 | 136 | 223 | 154 | 141 | 148 | 148 | 165 | 165 | 171 | 199 | 141 | 119 | 165 | 154 | 154 | 148 | 136 | 141 | 148 | 154 | 130 | 136 | 130 |
| P   | 165      | 154 | 160 | 154 | 177 | 130 | 141 | 136 | 154 | 160 | 136 | 141 | 165 | 141 | 165 | 119 | 154 | 141 | 148 | 148 | 141 | 136 | 130 | 160 | 154 | 165 |
| Q   | 188      | 177 | 141 | 141 | 199 | 148 | 154 | 154 | 136 | 130 | 160 | 165 | 148 | 141 | 154 | 154 | 119 | 148 | 136 | 154 | 160 | 141 | 148 | 148 | 154 | 160 |
| R   | 165      | 154 | 141 | 141 | 182 | 130 | 141 | 141 | 148 | 154 | 130 | 136 | 160 | 136 | 154 | 141 | 148 | 119 | 141 | 148 | 148 | 130 | 136 | 154 | 148 | 160 |
| S   | 188      | 171 | 136 | 136 | 206 | 141 | 141 | 148 | 130 | 141 | 148 | 154 | 160 | 136 | 148 | 148 | 136 | 141 | 119 | 141 | 148 | 130 | 141 | 141 | 141 | 154 |
| T   | 199      | 182 | 136 | 136 | 217 | 148 | 130 | 136 | 148 | 177 | 160 | 165 | 206 | 130 | 136 | 148 | 154 | 148 | 141 | 119 | 130 | 136 | 141 | 130 | 130 | 141 |
| U   | 160      | 177 | 141 | 141 | 212 | 148 | 136 | 130 | 154 | 177 | 154 | 160 | 199 | 136 | 141 | 141 | 160 | 148 | 148 | 130 | 119 | 136 | 136 | 136 | 136 | 148 |
| V   | 177      | 160 | 136 | 136 | 194 | 130 | 136 | 130 | 136 | 154 | 136 | 141 | 165 | 130 | 148 | 136 | 141 | 130 | 130 | 136 | 136 | 119 | 130 | 148 | 141 | 148 |
| W   | 171      | 154 | 141 | 141 | 188 | 130 | 136 | 130 | 148 | 154 | 136 | 141 | 165 | 136 | 154 | 130 | 148 | 136 | 141 | 141 | 136 | 130 | 119 | 154 | 148 | 160 |
| X   | 206      | 188 | 130 | 130 | 223 | 154 | 141 | 148 | 148 | 165 | 160 | 165 | 206 | 136 | 130 | 160 | 148 | 154 | 141 | 130 | 136 | 148 | 154 | 119 | 119 | 136 |
| Y   | 199      | 182 | 130 | 130 | 217 | 148 | 136 | 141 | 148 | 171 | 160 | 165 | 206 | 136 | 136 | 154 | 154 | 148 | 141 | 130 | 136 | 141 | 148 | 119 | 119 | 141 |
| Z   | 212      | 194 | 141 | 141 | 229 | 160 | 148 | 154 | 154 | 171 | 171 | 177 | 206 | 148 | 130 | 165 | 160 | 160 | 154 | 141 | 148 | 148 | 160 | 136 | 141 | 119 |

# **Trucking Compensation Study – by Cascadia Partners**



Vancouver Fraser Port Authority  
Office of the BC Trucking Commissioner

## **Trucking Compensation Study**

*Prepared by:*  
*Jared Friedman, Partner*  
*Pietra Basilij, Engagement Manager*

*December 1, 2022*



**CASCADIA**  
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## Executive Summary

**Objective:** The Office of the BC Container Trucking Commissioner (OBCCTC) and the Vancouver Fraser Port Authority (VFPA) are seeking insights on how compensation and working conditions for drayage drivers in the Vancouver Gateway compares to driver compensation and working conditions in drayage in other jurisdictions as well as non-drayage driving positions in comparable industries in the Lower Mainland.

While adjusting drayage driver compensation can decrease the risk of labour disruptions, it also impacts the competitiveness of the Gateway, and thus the availability of work for the drayage industry. Given their respective roles and governance regarding drayage regulations, both the OBCCTC and the VFPA have an active interest in the current state of the drayage sector and its impact on the overall success of the Vancouver Gateway.

### Components of the Trucking Compensation Study include:

1. Understanding variability in Vancouver drayage compensation and working conditions within the Lower Mainland
2. A comparison with drayage compensation and working conditions in other port jurisdictions, including Montreal, Prince Rupert, Seattle, Los Angeles and Long Beach
3. A comparison with driver compensation and working conditions in other heavy-duty trucking roles in BC

To gain a comprehensive understanding of the Vancouver drayage sector, this study included a combination of interviews, research, and analysis.

### Key insights from the report include:

- a. Across Canada there is a lack of qualified truck drivers seeking employment; the national job vacancy rate for trucking is currently 8.7%, which exceeds the national job vacancy rate for all industries of 5.2%. In BC, the job vacancy issue for trucking is even more pronounced, with a rate consistently above 10% and recently as high as 14%.
- b. However, despite the high vacancy rate in the BC trucking industry, drayage companies did not report significant issues for recruiting drivers, and the OBCCTC receives 10 times more applications than available positions for new independent operators.
- c. While some trucking and driving roles in Vancouver such as long-haul and tanker drivers pay higher wages than drayage, drayage is seen as a preferred option for many drivers when considering work-life balance, consistency of work, and on-the-job risks. The average hourly rate for port drayage company drivers is on par with the average rate for comparable trucking roles in Vancouver, such as construction and garbage trucks.
- d. Compared to other industry segments, port drayage has a greater number of regulations and is less competitive between trucking companies, which increases the stability and consistency of work for both employee drivers and independent operators.

- e. The OBCCTC minimum rates are commonly the actual rates for employees. Given the desirability of drayage, employers do not typically need to pay higher hourly rates. In some cases, employers pay higher rates for seniority or less desirable shifts and may provide employees with additional benefits.
- f. The OBCCTC minimum trip rates are the prevalent rates for independent operators. Strong unions have had limited success in negotiating above the minimum.
- g. Trucking companies identified that beneficial cargo owners have visibility to the OBCCTC minimum rates and negotiate trucking companies down to those rates plus a mark-up for chassis rental and administration, limiting their margins to pay independent operators a higher trip rate.
- h. Between January 2018 and July 2022, there has been uneven growth in minimum rates for company drivers and independent operators. Inflation totalled 15.3% in British Columbia over this period while company drivers, hourly I/Os, and trip rate I/Os have seen their rate growth peak at 9.9%, 69.3%, and 61% respectively. However, a significant portion of the compensation growth of I/Os is a result of the fuel surcharge.
- i. Regardless of the preference given to the drayage industry, drivers (both employees and independent operators) continue to have concerns over unresolved issues in the industry, such as the consistency of rate reviews, the risk of driver abuse, overtime pay eligibility, the fairness of dispatching, facility conditions, and cost of living in the Vancouver area.

**Forward looking considerations:**

We are currently in a period of significant inflation compared to the last 10 years, as well as high volatility in fuel prices. Going forward, the impact of inflation on drayage and other trucking segments may quickly change the comparable wages, and a drop in fuel prices would impact the net income of independent operators due to the significant impact the fuel surcharge formula has on the minimum rate.

While the fuel surcharge currently covers some additional costs attributed to inflation, interviews pointed to additional rising costs for independent operators, such as rising truck costs, additional parking costs, and longer downtimes for repairs. As of November 2022, the fuel surcharge sits at 50%. Its peak of 56% in July 2022 represented a 14-fold increase from January 2021 and a 7-fold increase from January 2018 (when the fuel surcharge was 8%). Because the fuel surcharge fluctuates month-to-month, a proportion of independent operators' compensation growth is variable and dependent on a variety of inflationary and other factors.

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# 1. STUDY PURPOSE & METHODOLOGY

Drayage plays a critical role in the Vancouver Gateway, moving containerized imports and exports, as well as empty containers, between deep-sea port terminals, transload facilities, rail yards, and empty container depots. In 2021, drayage accounted for 1.5 million container moves throughout the gateway, about 800,000 of which were laden container moves transporting imports and exports to/from deep-sea terminals. This equates to the drayage sector performing an average of 35,000-40,000 drayage trips per week within the lower mainland.

Following work stoppages in 2010 and 2014, the Office of the BC Container Trucking Commission (OBCCTC) was established to support the regulation of drayage rates, compensation, auditing, and compliance aspects, ensuring drivers would be paid fair and equitable rates while minimizing delays and congestion at port terminals. The OBCCTC sets minimum drayage driver compensation rates and controls the number of trucks and Independent Operators that can be given Truck Tags under the port Truck Licensing System (TLS).

## 1.1 Study Purpose & Objectives

This report gathers information regarding current drayage driver compensation and working conditions in the Lower Mainland and compares it to driver compensation and working conditions across numerous driving sectors and port jurisdictions. The findings and analysis provide insight into:

- Variability in drayage driver compensation throughout the Vancouver Gateway;
- How drayage driver compensation and working conditions in the Vancouver Gateway compares to other port jurisdictions, including Prince Rupert, Montreal, Toronto, Seattle/Tacoma, and Los Angeles/Long Beach; and
- How drayage driver compensation and working conditions in the Lower Mainland compares to other similar driving roles in the region.

The intent of this report is to:

- Provide insight into the impact of regulations on driver compensation and working conditions in the Vancouver Gateway;
- Inform the upcoming OBCCTC Rate Review (tentatively scheduled for 2022/23); and
- Provide a solid foundation of insights on compensation and working conditions in local drayage as to inform OBCCTC and VFPA responses to industry concerns.

## 1.2 Approach & Methodology

To gain a comprehensive understanding of the Vancouver drayage sector, this study included a combination of interviews, research, and analysis. This work confirmed compensation rates, working conditions, and skill and experience requirements across other drayage jurisdictions and other similar trucking and driving roles within Vancouver.

### 1.2.1 Interviews

- Overall, 42 interviews were conducted, focusing on both Vancouver drayage and non-drayage driving roles, as well as drayage trucking in Prince Rupert, Montreal, Toronto, Los Angeles, and Seattle.
- 25 of these interviews focused on the Vancouver drayage sector. Significant efforts were made to ensure that a range of perspectives were taken into consideration during the interview process. This

included interviewing 15 company drivers, 6 trucking company representatives, 2 unions, and 2 industry associations. Interviewees were both directly contacted and all stakeholders (company drivers, independent operators, union representatives, and drayage companies) were given an open opportunity to participate in the study through an industry wide bulletin (<http://obcctc.ca/wp-content/uploads/2022/06/2022-06-08-Trucking-Compensation-Study-Bulletin-FINAL.pdf>). For drivers, 15 company driver interviews were conducted across 12 companies, and 1 independent operator was directly interviewed. While there was low engagement from independent operators, a union that represents a large portion of union-represented independent operators was interviewed and provided valuable context for this report.

- 6 interviews focused on the non-drayage sector in Vancouver, providing data for a comparison of rates and working conditions between Vancouver drayage and other heavy-duty trucking roles.
- The remaining 12 interviews focused on drayage compensation and working conditions in other port jurisdictions, including Montreal, Prince Rupert, Seattle, Los Angeles, and Toronto.

### 1.2.2 Research & Data Analysis

Data analysis was used to validate and substantiate insights from the interviews with industry associations, union representatives, drivers, and trucking companies. Data comparisons were also made between company employees paid hourly rates, independent operators paid by trip rate and independent operators paid hourly.

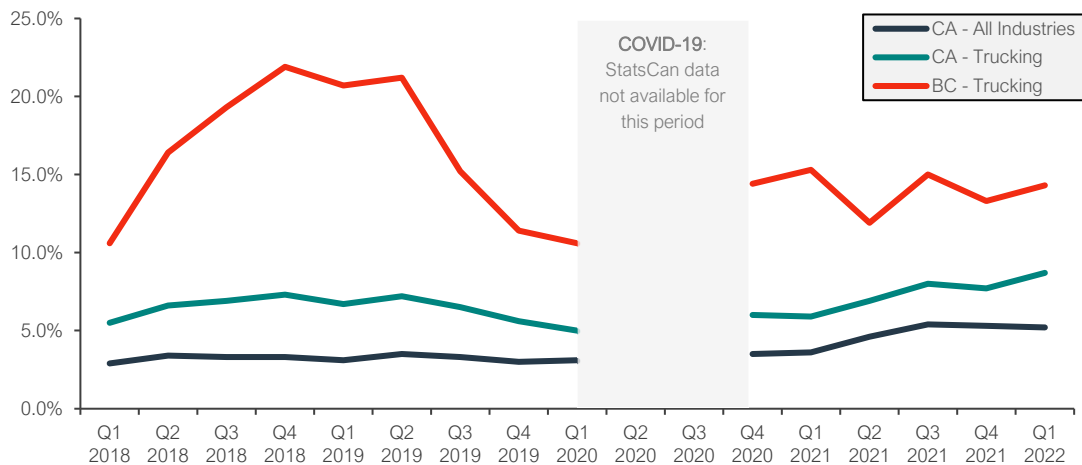
Specifically, the analysis used the following data and information sources:

- Statistics Canada, including data on industry (NAICS) and occupational (NOC) wages and employment and from the Consumer Price Index
- Collective bargaining agreements between select unions and drayage companies, as well as between select unions and other driving industries in the Lower Mainland
- OBCCTC data, including rate order regulations, fuel surcharge, 2021 truck tag applications for 24 drayage companies, and a 2021 unionized tag breakdown of all TLS-licenced drayage companies
- Port drayage data, including trip-level data by TLS tag
- Job boards and online job posting site data, such as Indeed.com and ZipRecruiter.com
- Fuel price data from Kalibrate (formerly The Kent Group) and Natural Resources Canada
- Living Wage rates from the Canadian Center for Policy Alternatives, the Institute for Socioeconomic Research and Information (IRIS), and MIT's Living Wage Calculator
- Minimum wage rates and driver licence requirements from Canadian provincial governments and U.S. state and municipal governments
- ICBC data on active Class 1 drivers licenses in British Columbia
- Truck driving school programs across all jurisdictions to determine training costs
- Broad analysis and surveying of reputable news media across port jurisdictions

## 2. CONTEXT FOR DRAYAGE DRIVER COMPENSATION AND WORKING CONDITIONS

### 2.1 National Driver Shortage

National and provincial trucking associations have been vocal over the past year about the mounting truck driver shortage, and the following data validates their concerns. As illustrated by Figure 1, the Canadian trucking industry has been unable to bring its job vacancy rate (measured as the ratio of job vacancies to total labour demand) back in line with the national average for more than four years. Rather, a persistent 2-3 percentage point gap between national trucking and the national average means that the Canadian trucking industry has consistently struggled to fill vacancies relative to other industries.



**Figure 1: Job vacancy rates by industry-geography pair, Q1 2018 to Q1 2022.**

(Source: Statistics Canada)

And while the national shortage of truck drivers could be viewed as concerning, the problem is even more severe in British Columbia. The job vacancy rate sits at 14.3% today in British Columbia's trucking industry, with 2,850 vacancies in Q1 2022 alone. Over the past four years, the key labour market statistic has not fallen below 10.6% (3.7 times the national average in Q1 2018), peaking at a staggering 21.9% (6.6 times the national average in Q4 2018).

However, according to interviews with truck drivers, companies, unions, and industry associations, the drayage sector has remained largely unaffected by these material driver shortages. Rather, drayage is seen as a preferred option within the British Columbian trucking industry, offering drivers attractive pay while allowing them to drive close to home. And as shown in Section 3 of this report, the pay and flexibility of independent operators is a particularly attractive proposition for drivers today, driving a growing interest amongst employees in acquiring their own truck.

### 2.2 Drayage Impact on Supply Chain Costs

Prior to 2019, drayage represented a substantial portion of overall transportation costs for importers and exporters through the Vancouver gateway, with some reports of drayage accounting for up to 20% of the overall origin-destination transportation costs for containers moving between Asia and Canada. Emerging market dynamics during the COVID-19 pandemic resulted in increases of ocean freight costs by 3 to 4 times

pre-pandemic levels. While beneficial cargo owners remain concerned over the total cost of shipping through the Vancouver Gateway, the recent focus has become ensuring fluidity of the gateway and the cost of ocean freight, and less focus has been given to the cost of drayage.

## 2.3 Policy, Regulations, and Representation

### 2.3.1 Policy and Regulations

Like most industries, drayage compensation and working conditions are influenced by policy, regulations, and additional stakeholders such as unions, associations, and advocacy groups. Following work stoppages in 2010 and 2014, the OBCCTC was established under the province's 2014 Container Trucking Act. Specific duties the OBCCTC is charged with include:

- Conducting ongoing reviews of rates, regulations, and policies based on consultations with industry;
- Issuing Licences and Truck Tags;
- Investigating, auditing, and enforcing compliance with the Container Trucking Act; and
- Overseeing the confidential Drayage Complaint Line.

The Vancouver Gateway has a greater number of regulations than many port drayage ecosystems. Across a jurisdictional scan of six port cities (Vancouver, Prince Rupert, Montreal, Toronto, Seattle, and Los Angeles), no other province, state, or port has a Trucking Commissioner or similarly regulated port trucking environment to British Columbia which limits the number of companies, trucks or drivers, or which sets minimum rates for drayage. According to interviews across other jurisdictions, driver compensation rates are set by the market with typically limited involvement by unions. The influence of policy and regulations on drayage in other jurisdictions is further analyzed in [Section 4.2: Policy and Regulatory Trends Across Jurisdictions](#).

### 2.3.2 Unions

As with many other driving roles for heavy-duty vehicles, a large portion of Vancouver drayage drivers are represented by local union chapters. According to 2021 OBCCTC data, while only 29% of drayage companies with a TLS licence have agreements for their drivers, nearly 50% of all drivers (both company drivers and independent operators) are represented by a union. This is because 7 of the 10 largest trucking companies (defined as having the most TLS tags) have collective agreements.

While TLS tags are nearly evenly split amongst company drivers and independent operators (800 company driver tags and 792 independent operator tags), independent operators are disproportionately represented by unions. Approximately two-thirds of independent operators are represented by a union, as opposed to only one-third of company drivers (68% vs. 28%).

The unions active in the drayage space typically have national and/or international affiliations and represent additional industries such as construction, retail, wholesale, food industries, and more. The exception to this is Canadian Owner-Operator Workers' Association, Local 2001 (COOWA), which is a small local union whose primary members are about 7% of licenced drayage drivers across four companies. Despite its name, the latest data suggests that COOWA only represents company drivers and not independent operators. On the other end of the spectrum, Unifor has the largest presence in Vancouver drayage with collective agreements at eight companies covering more than half of all union represented independent operators.

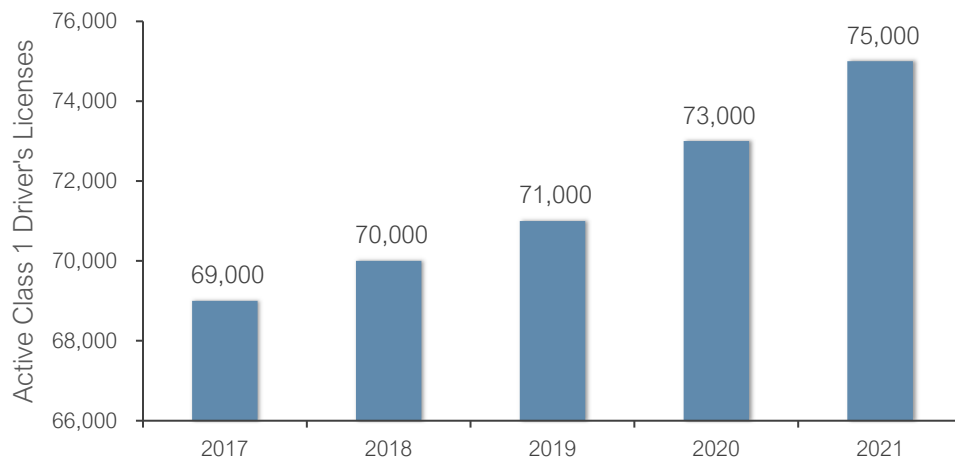
The affect of unions in other port jurisdictions is further examined in **Section 4. Drayage in Other Jurisdictions**.

### Key Insights: Unions

- 29% of Vancouver drayage companies licenced with the port have collective agreements
- Nearly 50% of drayage drivers are represented by a union
  - 68% of independent operators are represented by a union as compared to 28% of company drivers
- Unifor has the largest union presence in the Vancouver Gateway, with collective agreements at 8 companies representing 58% of all unionized independent operators.

### 2.3.3 Drayage Driver Licensing

As of October 2021, drivers who want to obtain a Class 1 licence in BC must now complete a 140-hour Mandatory Entry-Level Training (MELT) course. According to online research, the average cost of this training in BC is approximately \$15,000, acting as a new barrier to entering the industry. Grants are available from WorkSafeBC and other organizations that could potentially cut this cost to approximately \$7,500. It is unclear what kind of impact this will have on worker availability and new entrants to the profession. This issue was brought up as a barrier to the industry in several interviews with drayage stakeholders in Vancouver, but it is too early to validate if this will be the trend. The number of active Class 1 driver's licenses grew steadily from 69,000 to 75,000 between 2017 and 2021 (see Figure 2), but the impact of the course's introduction will not be fully understood until the Insurance Corporation of British Columbia (ICBC) releases data on the number of active licenses in 2022.



**Figure 2:** Number of active Class 1 driver's licenses, by year (ICBC Data)

## 3. DRAYAGE IN VANCOUVER

### 3.1 Summary

Drayage truck driving appears to be an attractive profession in the Lower Mainland, based on employment rates, compensation, and work-life balance. As a result of TLS reform, the number of trucks competing for port drayage business has been reduced from a high of 2,500 in 2014 to 1,600 trucks currently, which is beneficial to maintaining consistent compensation levels for drivers and independent operators, irrespective of applicable rate increases.

Direct employees or “company drivers” instead of independent operators are used most frequently as a comparison throughout this report because they are a common model across all jurisdictions. In contrast, independent operators are paid either hourly or by trip rates at a higher compensation rate than company drivers to account for their operating expenses, and therefore cannot as easily be compared to other trucking jobs with different underlying cost structures. While the company driver and independent operator models are further explained in the Section 3.2, the following analysis shows the typical compensation for company drivers as compared to the 2021 living wage in Metro Vancouver and the government-regulated minimum wage for British Columbia.

While the minimum wage is the legal minimum employers must pay their employees (varying by province/state and in some cases, by city), the living wage is a measurement often calculated by community groups and policy groups to demonstrate the hourly wage people need to earn to cover the actual costs of living in their community, including rent, childcare, food, and transportation. The 2021 living wage calculated by the Canadian Center for Policy Alternatives is based on a family of 2 working adults with 2 children where the adults each work a 35-hour week.

As Table 1 shows from an OBCCTC 2021 data set representing 138 company drivers across 8 companies, the company driver hourly compensation range is above both the minimum wage and living wage. The company driver range started at \$26.30 per hour, which was the OBCCTC minimum rate (2021) for new drivers with less than 2,340 collective hours of container trucking services. The average hourly rate from this same data set was \$27.59, just nine cents above the OBCTCC minimum rate of \$27.50 per hour for drivers above the 2,340-hour threshold. The high-end rate in this data set was \$35.31 per hour. As discussed later in this report, higher rates for company drivers are often linked to seniority at the company.

**Table 1: Vancouver Drayage Company Driver Hourly Compensation Comparisons**

|                       | Lowest Rate | Average Rate | Highest Rate | Living Wage | Minimum Wage |
|-----------------------|-------------|--------------|--------------|-------------|--------------|
| <b>Company Driver</b> | \$26.30     | \$27.59      | \$35.31      | \$20.52     | \$15.65      |

Based on interviews and validated by a subset of the same OBCCTC 2021 data set, company drivers commonly work 50-60 hours a week, providing a monthly revenue over \$6,000 a month. Eligibility of overtime pay, however, is an issue of top concern according to non-unionized drivers, which they believe is potentially costing drivers thousands of dollars a month. This issue is further discussed in Section 3.9.

### 3.2 Prevalence of Operating Models by Company

In the Vancouver drayage sector, truck drivers are compensated in one of three ways:

1. Company drivers employed directly by the drayage company and compensated by the hour
2. Independent operators (I/Os) contracted by the drayage company and compensated by the hour
3. Independent operators (I/Os) contracted by the drayage company and compensated by trip rates.

Trucking companies are not limited to one particular model – 44.3% of all trucking companies with a TLS licence hire both company drivers and independent operators. The most popular model among these companies is hiring company drivers only (46.8% of Vancouver drayage companies), while only 8.9% of companies solely contract independent operators.

Drivers may be represented by a union under any of the three models, and total compensation including benefits varies from company to company. The two additional factors that typically have the most influence on compensation are overtime pay and seniority.

The following three sections outlined compensation and working conditions for each of these operating models.

### 3.3 Company Drivers (or Directly Employed Operators)

Company drivers are workers who are directly employed by a drayage company and compensated by the hour. They incur few expenses compared to independent operators, as the company pays for the truck, maintenance, fuel and other operating costs. Drivers did share via interviews that they often pay for their own personal safety equipment and cell phone to keep in touch with dispatch.

#### 3.3.1 Historical Minimum Rate Increases

Since the beginning of 2018, company employees have seen three increases to their applicable minimum rates set by the OBCCTC. As outlined in Table 2, these increases have resulted in hourly wage increases of \$2.49 for those with less than 2,340 collective hours of container trucking services and \$2.60 for those with 2,340 collective hours or more. In both cases, this amounts to wage growth of 9.9% over a four-and-a-half-year period. With the Consumer Price Index (CPI) for British Columbia increasing by 15.3% over this period, this means that company employees' compensation has not matched the pace with inflation.

**Table 2:** OBCCTC Rate Order Amendments for Company Drivers (Directly Employed Operators)

| Date of Rate Order Amendments             | Percentage Increase | Collective hours of container trucking services |                     |
|---|---------------------|---|---------------------|
|   |                     | Less than 2,340 hours                           | 2,340 hours or more |
| July 1 <sup>st</sup> , 2022               | 5.0%                | \$27.62   | \$28.88             |
| July 1 <sup>st</sup> , 2019               | 2.0%                | \$26.30   | \$27.50             |
| June 1 <sup>st</sup> , 2018               | 2.6%                | \$25.78   | \$26.96             |
| Rate prior to June 1 <sup>st</sup> , 2018 | N/A                 | \$25.13   | \$26.28             |

### 3.3.2 Working Conditions

Based on interviews, a typical company driver works 10-12 hours a day and 50-60 hours a week. As per BC employment law and regulations, drayage truck drivers are eligible for overtime after working 9 hours in a day and 45 hours in a week (only the first nine hours count toward the weekly 45 hours). Issues raised by interviewed drivers regarding overtime is further covered in section [3.8: Vancouver Drayage Company Topics of Concern](#).

## 3.4 Independent Operators (Hourly)

Independent operators own their own truck and are contracted by drayage companies. For those paid by the hour, their compensation consists of their hourly rate and a fuel surcharge. However, while their gross compensation is higher than company drivers, they also incur significantly more expenses since they own their own truck and are responsible for both variable costs (such as vehicle maintenance and fuel) and fixed costs (such as licensing and insurance).

### 3.4.1 Historical Minimum Rate Increases

Compared to company drivers, independent operators compensated by the hour have seen relatively higher levels of growth in their applicable OBCCTC minimum rates. Since the beginning of 2018, four rate increases have resulted in minimum hourly rates increasing by \$13.35 for those with less than 2,340 collective hours of container trucking services and \$13.65 for those with more than 2,340 collective hours. In both cases, this represents a 26.6% increase in their baseline hourly rates, which is significantly more than inflation over that period (15.3%). Table 3 outlines these historical rate order amendments.

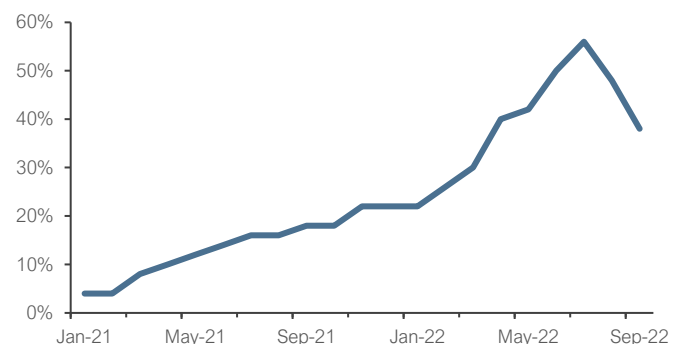
**Table 3: OBCCTC Rate Order Amendments for Independent Operators (Hourly)**

| Date of Rate Order Amendments             | Percentage Increase | Collective hours of container trucking services |                     |
|---|---------------------|---|---------------------|
|   |                     | Less than 2,340 hours                           | 2,340 hours of more |
| July 1 <sup>st</sup> , 2022               | 10.0%               | \$63.48   | \$64.93             |
| April 1 <sup>st</sup> , 2020              | 10.0%               | \$57.71   | \$59.03             |
| July 1 <sup>st</sup> , 2019               | 2.0%                | \$52.46   | \$53.66             |
| June 1 <sup>st</sup> , 2018               | 2.6%                | \$51.43   | \$52.61             |
| Rate prior to June 1 <sup>st</sup> , 2018 | N/A                 | \$50.13   | \$51.28             |

### 3.4.2 Historical Fuel Surcharge Growth

Independent operators' wages are also supplemented by a fuel surcharge. The fuel surcharge is a multiplier applied to the total wage and is calculated as a 2% increase in rate for every 5-cent increase in fuel price over the benchmark price of \$1.05.

While the fuel surcharge plays an important role in adjusting independent operators' compensation in response to fluctuations in the cost of their expenses (namely, fuel), it has also resulted in the



**Figure 3: Recent growth in the fuel surcharge, January 2021 to present**

outsized growth of their rate. Based on the fuel component of OBCCTC's minimum rates identified in the 2018 rate review, a five-cent increase in fuel prices results in I/Os' compensation increasing by three-to-four times the increase in their fuel expenses (variable depending on their truck's fuel efficiency).

Over the past 18 months, rising fuel prices have resulted in the rapid expansion of the fuel surcharge. As of November 2022, the fuel surcharge sits at 50%. However, its peak of 56% in July 2022 represented a 14-fold increase from January 2021 and a 7-fold increase from January 2018 (when the fuel surcharge was 8%).

When accounting for the fuel surcharge, independent operators' hourly minimum compensation rate has increased by 69.3% between January 2018 and July 2022 (the most recent month for which Consumer Price Index data is available). This is more than four times the rate of inflation over that period (15.3%) and two thirds of this growth can be attributed to the fuel surcharge. Because the fuel surcharge fluctuates month-to-month, a proportion of independent operators' compensation growth is variable and dependent on a variety of inflationary and other factors.

### **3.4.3 Working Conditions**

Working conditions can be more flexible for independent operators for a few reasons. First, they have more control over their schedule as a contractor. Depending on dispatching, it can be common for more senior independent operators to start and end their day earlier than their company driver counterpart. Because their pay is typically higher than company drivers, this can also result in them working less hours for more pay than company drivers. This schedule flexibility can also allow them to take extended vacations to visit family, though these conditions still need to be negotiated with trucking companies. Due to the OBCCTC limiting the number of trucks and independent operators, it can be difficult for a trucking company to replace or bring on an additional independent operator because they are limited to choose from the approved independent operator list.

## **3.5 Independent Operators (Trip Rate)**

For independent operators paid by the trip, their compensation consists of the applicable trip rate, a fuel surcharge, and a positioning movement rate (PMR) of \$25. In this case, the fuel surcharge is exclusive of the positioning movement rate (i.e., it is applied to the applicable trip rate only).

### **3.5.1 Historical Minimum Rate Increases**

While there have been a number of upward amendments to the hourly rates for both company drivers and independent operators from January 2018 to July 2022, trip rates have only been updated once, in July 2019. The highest volume trip rates saw an increase of 2% to 6%, however an additional \$25 Positioning Move Rate of \$25 was added at the same time, making the overall increase per trip 16% to 21%. The Consumer Price Index (CPI) for British Columbia increased by 15.3% over this period

### **3.5.2 Historical Fuel Surcharge Growth**

As outlined in **Section 3.4.2**, the fuel surcharge has grown rapidly over the past 18 months due to rising fuel prices. This increase – from 4% in January 2021 to 56% in July 2022 – resulted in a 50% increase in drivers' gross compensation per trip. This growth significantly outpaced inflation over the period (9.9%); however, with fuel prices do fluctuate from month-to-month and the November 2022 fuel surcharge is currently 50%.

### 3.5.3 Introduction of the Positioning Movement Rate

The introduction of the positioning movement rate (PMR) has been the most significant source of wage growth for trip rate independent operators since January 2018. Beginning on July 1<sup>st</sup>, 2019, the OBCCTC mandated that these drivers receive an additional \$25 with each on- or off-dock trip rate payment. Depending on the trip, this represented a 9.5 – 23.8% increase on the applicable trip rate.

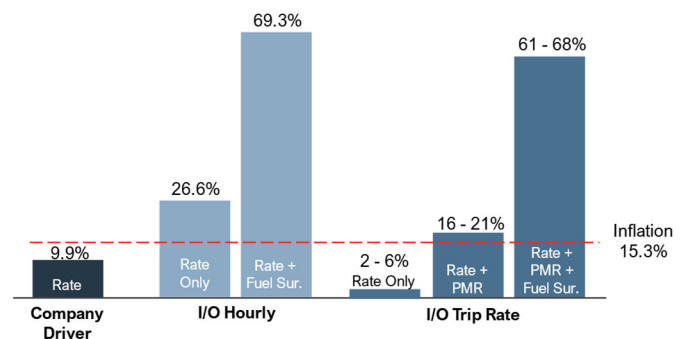
### 3.5.4 Working Conditions

Independent operators are subject to the same working conditions, regardless of whether they are compensated by the hour or trip. See **Section 3.4.3** for information on independent operators' working conditions.

## 3.6 Operating Model Rate Growth Relative to Inflation

As outlined in Sections 3.3 – 3.5, compensation growth for each of these operating models have come at different times and in different forms (i.e., through baseline rate increases, the introduction of the PMR, and fuel surcharge growth).

Between January 2018 and July 2022, the Consumer Price Index for BC rose by 15.3%. Over the same period, minimum hourly rates for employees increased by 9.9%, minimum hourly rates for independent operators increased by 26.6%, and the highest volume routes for independent operator trip rates increased by 16% to 21% depending on the origin and destination. (ex: A common high-volume trip between Deltaport and Coast2000 increased from \$126.40 to \$153.90, 18%, when including the trip rate increase and addition of the PMR). When accounting for the fuel surcharge (which grew from 8% in January 2018 to 56% in July 2022), both classes of independent operators begin to pull away from employees in terms of compensation growth – fuel surcharge adjusted I/O Hourly Rates grew by 69.3% and fuel surcharge adjusted I/O Trip Rates grew by 61 to 68%. Because the fuel surcharge fluctuates month-to-month, a proportion of independent operators' compensation growth is variable and dependent on a variety of inflationary and other factors.



**Figure 4: Comparison of operating models' compensation growth relative to inflation, January 2018 - July 2022**

## 3.7 Propagation of Minimum Rates as the Effective Rates

The Commissioner's office sets minimum rates for each category of driver compensation: company drivers paid hourly, independent operators paid hourly, and independent operators paid by trip rates. These rates represent the minimum compensation and can be raised or supplemented by trucking companies at their discretion or through negotiations, to meet their hiring or retention needs.

Research suggests that employees paid hourly (union and non-union) typically receive the rate set by the Commissioner's office. Higher hourly rates are most commonly a result of seniority – individuals reported rates as high as \$35/hr, which is 20% above the minimum rate. Historically, some unions have negotiated benefits packages for employees, however the hourly rates typically remain linked to the Commissioner's

rate. A shift premium for nights or weekends was reported in some cases, though it is not common across the trucking companies or drivers that were interviewed.

Independent operators are predominantly compensated by trip rates. For independent operators compensated by hourly rates, the rate set by the Commissioner's office is the prevalent compensation rate, though one union identified some additional compensation elements such benefits.

For independent operators paid by trip rate, the OBCCTC rate tables are prevalent with the most notable exception being an increased rate for trips to and from a rail yard as part of a separate union agreement. Trucking companies identified that the publicly available Commissioner's office rates have essentially become an upper bound for drayage rates; beneficial cargo owners have visibility to the rates that must be paid to independent operators and they negotiate trucking companies down to the Commissioner's office rates plus a mark-up for chassis rental and administration. As a result, trucking companies have very little negotiating leverage with their customers for drayage fees, which in turn limits any flexibility for negotiations of higher or additional compensation between trucking companies and independent operators paid by trip rates.

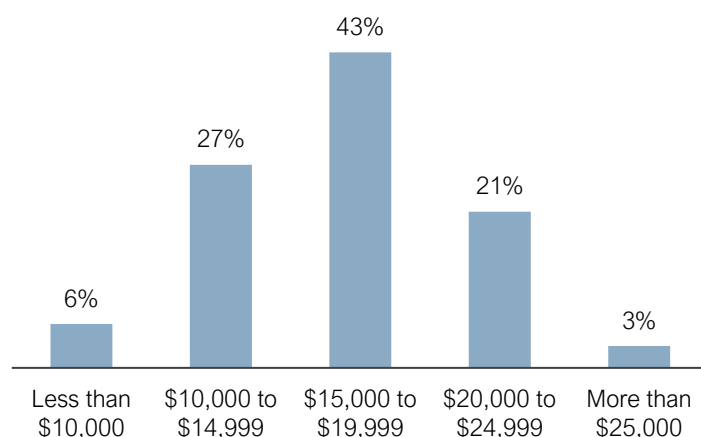
### Key Insight: Trip Rate Compensation Allows Little Flexibility

Trucking companies compensating drivers as hourly employees or hourly paid independent operators have flexibility to offer higher compensation or benefits over the Commissioner's minimum rates, depending on their operating model. However, trucking companies compensating drivers by trip rate have very low flexibility to offer higher compensation or benefits as a result of their customers using Commissioner minimum rates as the anchor for their negotiated maximum rate.

## 3.8 Variability in Experience of Independent Operators

Just as important as average and minimum compensation is the extent to which compensation varies across drivers. Are there material differences in how much drivers earn? And for an individual driver, does their compensation vary much from month to month? Based on five months of confidential and anonymized compensation data for over 150 independent operators, it is clear that the answer to both of these questions is 'yes'.

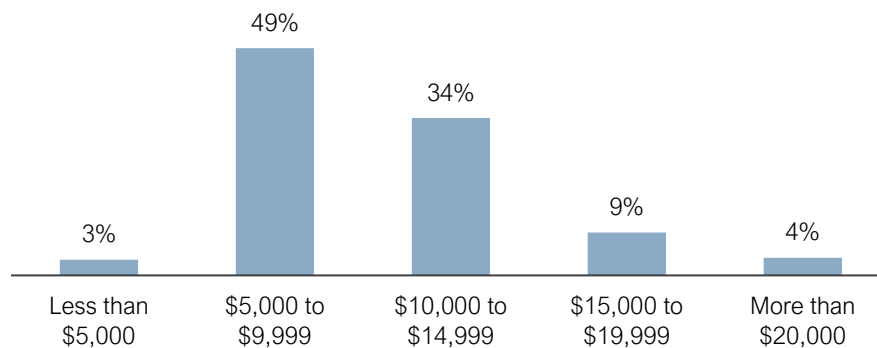
First, consider compensation differences across drivers. Figure 5 depicts the distribution of independent operators across five compensation categories, showcasing the wide range of average monthly compensation across individuals. At the extremes, some drivers (6%) earn less than \$10,000 per month on average, whereas others (3%) earn more than \$25,000. But even between the intermediate categories – \$10,000 to \$14,999 (27%) and \$20,000 to \$24,999 (21%) – there is a gap in average monthly compensation of between \$5,000 and \$15,000.



**Figure 5: Distribution of independent operators' average monthly compensation, January - May 2022**

The variation observed between drivers is likely due to a combination of factors. The observed differences may be partially attributable to the choices of drivers. For example, one of the key findings from interviews within the drayage community was that flexibility of work – including working part time or taking extended vacations – is top of mind for drivers considering becoming an independent operator. However, the extent of variation observed suggests that other factors – such as seniority and dispatching are likely also at play.

Second, consider the extent to which individual drivers' compensation fluctuates from month-to-month. As illustrated by Figure 6, large swings in compensation are a near-universal experience for independent operators, with just 3% of drivers maintaining monthly earnings within a \$5,000 band over the 5-month period. Rather, nearly half of drivers (49%) experience fluctuations of between \$5,000 and \$9,999 and more than one-third experience swings of between \$10,000 and \$14,999. Again, some of this variation (particularly for the 4% of drivers experiencing month-to-month swings of more than \$20,000) is likely attributable to drivers' vacation and workload choices.



**Figure 6:** Distribution of independent operators' month-to-month compensation variation, January - May 2022

### 3.9 Vancouver Drayage Company Driver Topics of Concern

Though drayage is a highly attractive option for drivers and independent operators, some concerns were expressed by drivers during the interviews. While these factors, outlined in Table 4, could not be validated within the available data and were not confirmed through any site/field visits, it is important to understand the current concerns and perceptions of drivers when considering the long-term attractiveness of drayage to drivers, beyond financial compensation.

**Table 4:** Vancouver Drayage Company Driver Concerns

| Concerns        | Company Hourly Employees   |
|-----------------|--|
| <b>Overtime</b> | <ul style="list-style-type: none"> <li>As per BC employment law and regulations, short-haul truck drivers are eligible for overtime after working 9 hours in a day and 45 hours in a week (only the first nine hours count toward the weekly 45 hours)</li> <li>Non-unionized drivers stated that in some cases they did not receive overtime pay when they were eligible</li> <li>Most drivers interviewed are aware of their rights regarding overtime, but are fearful to broach the subject for risk that their shifts will be cut or that they will be fired</li> <li>Drivers lack awareness of open positions with higher compensation at other companies that pay higher regular rates and/or offer overtime shifts at a 1.5x rate</li> </ul> |

|                                  |  |
|----------------------------------|--|
|                                  | <ul style="list-style-type: none"> <li>Frustration with having to file complaints with the Employment Standards Branch, as opposed to resolving issues with the Trucking Commissioner who already has oversight to minimum rates and wages.</li> </ul>   |
| <b>Frequency of Rate Reviews</b> | <ul style="list-style-type: none"> <li>Organizations representing drivers expressed concerns over the frequency and consistency of rate reviews. There is an expectation of annual rates reviews that has not been met.</li> <li>Unions and drivers have historically waited for rate reviews from the OBCCTC prior to engaging with employers on direct negotiations. Without certainty of timing and future scope of regulations (ex: recent industry engagement by the OBCCTC included the potential for significant changes to rate structures and scope of oversight), unions and drivers often delay engaging employers.</li> </ul>  |
| <b>Dispatching</b>               | <ul style="list-style-type: none"> <li>Dispatching practices are highly variable, depending on the trucking company</li> <li>Dispatching practices range from a transparent rotation, to preference given to senior drivers, to preference given to specific individuals</li> <li>New drivers dispatched based on seniority expressed concerns that they are given short notice of their shift start time (typically the night before their shift) and are often told that their shift will be extended without advanced notice, making it difficult for drivers to make commitments and practice a work-life balance until they gain seniority.</li> </ul>  |
| <b>Shift Variability</b>         | <ul style="list-style-type: none"> <li>Depending on the trucking company, shift duration and shift extensions can be highly variable and are related to the volume of work the company takes on and the terminal operations (i.e., wait times and night gates).</li> <li>Interviewed drivers expressed concerns that short notice of extensions to their shifts makes it difficult for them to spend time with families or plan their lives in advance, which disrupts their work-life balance and is often the very reason why so many drivers left long-haul trucking to begin with.</li> <li>Day shift workers will have the opportunity to extend their shift dependent on workload, but evening shift does not have the opportunity to extend, limiting the number of hours that evening shift drivers can work even when they do want to pick up additional shifts.</li> <li>Night shifts are also more likely to be cancelled on short notice if night gates are cancelled at the terminals.</li> </ul> |
| <b>Secondary Jobs</b>            | <ul style="list-style-type: none"> <li>Some drivers choose to work as Uber or taxi drivers after their shifts to supplement their incomes</li> <li>Per BC Motor Vehicle Act regulations, drivers are allowed a maximum of 13 hours of driving a commercial vehicle a day, creating potential conflict for drivers seeking these additional driving jobs</li> <li>Working secondary driving jobs puts drivers at risk of increased accidents, since they are often tired and stressed after the physical demands of being on the road all day</li> </ul>  |
| <b>Changes in Cost of Living</b> | <ul style="list-style-type: none"> <li>Company drivers are typically being compensated at the regulated minimum hourly rate, with minimal variability</li> <li>~57% of companies pay company drivers the regulated hourly rate (12 out of 21 companies represented by interviews and OBCCTC data), while ~43% of companies offer higher rates (9 out of the 21 companies)</li> <li>Many drivers shared the sentiment that cost of living is increasing (childcare, rent, groceries), without their hourly rate increasing proportionately in response</li> </ul>   |

|                            |   |
|----------------------------|---|
| <b>Facility Conditions</b> | <ul style="list-style-type: none"> <li>• Drivers commented that they are treated unfairly at some port facilities, citing a lack of respect and washrooms that are unsanitary at terminals</li> <li>• In recent years, one driver interviewed recalled how it required a group of drivers to organize on the issue and speak with the Trucking Commissioner to see improvements at one facility.</li> </ul> |
|----------------------------|---|

### 3.10 Availability of Drayage Drivers

While there is a truck driver shortage across Canada and in British Columbia (**Section 2.1 National Driver Shortage**) this shortage is not being seen at comparable or concerning levels in the drayage industry in the Lower Mainland. Instead, as validated by interviews, the driver shortage is predominantly the long-haul trucking industry, while drayage driver positions can be quite competitive.

Still, both large and small drayage companies in the Lower Mainland have some trouble filling company driver roles quickly. Trucking executives at large companies indicated that there can be issues filling the occasional night shift, but that these issues are limited and do not affect overall recruitment. However, this issue can have a magnified impact on a smaller company, where there are less drivers and less resiliency in the business model to compensate with overtime and additional shifts. In interviews with two executives from small trucking companies (each with less than 30 trucks and drivers), both stated that they are having difficulty recruiting and retaining company drivers long term. Both executives believe a major reason for losing company drivers is that the employees are shifting to independent operators (further discussed in the next section).

### 3.11 Attractiveness of Drayage & Desire to Become an Independent Operator

Drayage truck driving appears to be an attractive profession in the Lower Mainland, based on employment rates, compensation, and work-life balance. More than half of the Vancouver drivers interviewed entered the drayage industry after initially driving long-haul routes, even though long-haul has a more lucrative hourly rate. During their stints in long-haul, drivers recounted long days and weeks on the road, as well as the personal sacrifice of spending time away from home, family, and friends. Starting a family was often the trigger to the transition to drayage because they wanted to come home every night to their families and have a better work-life balance.

Another attraction to the drayage sector is the TLS system. By limiting the number of trucks and independent operators that are able to service the port, the TLS system ensures a volume of container moves to a limited number of companies, trucks and independent operators. The number of trucks competing for port drayage business has been reduced from a high of 2,500 in 2014 to 1,600 trucks currently. For these companies and drivers, their consistency of work is higher than other trucking segments, with approximately 41% of the port's total container volume (3.7 million TEUs) moving through the drayage system.

In addition, companies and Independent Operators are compensated for terminal wait times that exceed pre-set limits. This compensation is unique to Vancouver ports and positively influences a reduction in wait times, which lessens frustrations for all drivers, and increases the opportunity for more trips and greater compensation for independent operators.

Within the drayage sector, independent operators are a particularly coveted position. While it does involve the costs, risks, and responsibilities associated with owning your own truck, independent ownership currently offers drivers a dual benefit of more control over working hours and a higher rate of pay (as outlined in

Section 3.2). Company drivers are well aware of these benefits, with those interviewed as part of this study expressing a desire to save money in order to purchase their own truck.

This desire to transition to an independent operator role was validated by data from the OBCCTC. In March 2019, there were 20 independent operator positions available and the OBCTCC received 204 applications from company drivers and local and long-haul independent operators. Previously, when independent operator position applications were not open to company drivers, the OBCTCC had approximately 50% less applications and many complaints from company drivers that they were not eligible to make the transition.

## 4. DRAYAGE IN OTHER JURISDICTIONS

### 4.1 Summary

Company drivers are used most frequently as a comparison throughout this section because they are the most common driver type across jurisdictions and are easily comparable because they are paid by the hour, as opposed to the more variable trip rate for some independent operators. A brief comparison of independent operators across Vancouver, Seattle, and Toronto is included at the end of this section. As previously discussed, and validated by interviews across jurisdictions, it is unique to Vancouver that rates are set by a Trucking Commissioner.

When comparing compensation across port jurisdictions, Vancouver finds itself firmly in between its peers in Prince Rupert, Montreal, Seattle, and LA. As outlined by Table 5, the average hourly wage in Vancouver's drayage sector today is \$27.59, above its two Canadian peers but below its American peers. Considering the ratio of the average drayage rate to the living wage in each city levels the playing field to allow for better comparison. Vancouver has one of the most favorable ratios, tying with Montreal and above both Seattle and Los Angeles.

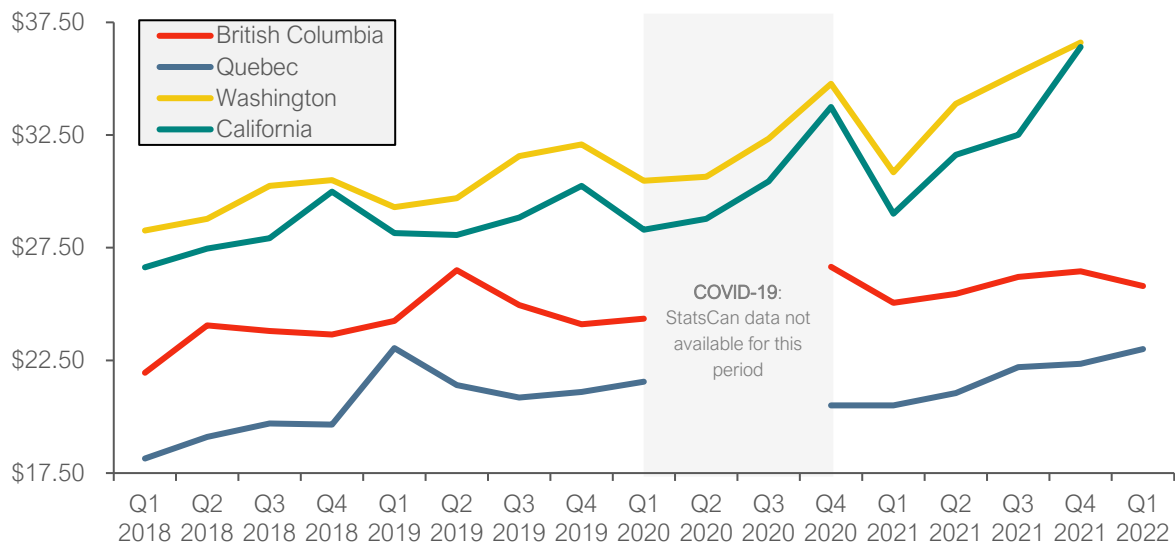
Truckers in British Columbia have historically been wedged between their peers in Quebec (below) and Washington and California (above) when it comes to compensation. Figure 7, which depicts the evolution of hourly wages in the broader trucking industry (inclusive of drayage, long-haul trucking, and other forms of general freight trucking), shows that this wedge has been present since at least Q1 2018.

**Table 5:** Comparison of hourly wages for company drayage drivers across jurisdictions (CAD / hour)

| City                 | Minimum Drayage Rate | Average Drayage Rate | Maximum Drayage Rate | Living Wage | Minimum Wage | Ratio of Drayage / Living Wage |
|----------------------|----------------------|----------------------|----------------------|-------------|--------------|--------------------------------|
| <b>Vancouver</b>     | \$26.30              | \$27.59              | \$35.31              | \$20.52     | \$15.65      | 1.34                           |
| <b>Prince Rupert</b> | -                    | \$27.50              | \$29.00              | \$15.65*    | \$15.65      | 1.76                           |
| <b>Montreal</b>      | \$24.00              | \$26.00              | \$30.00              | \$19.40     | \$14.25      | 1.34                           |
| <b>Seattle</b>       | -                    | \$37.17              | -                    | \$34.28     | \$22.22      | 1.08                           |
| <b>LA</b>            | \$26.00              | \$37.11              | \$39.00              | \$39.53     | \$20.53      | 0.94                           |

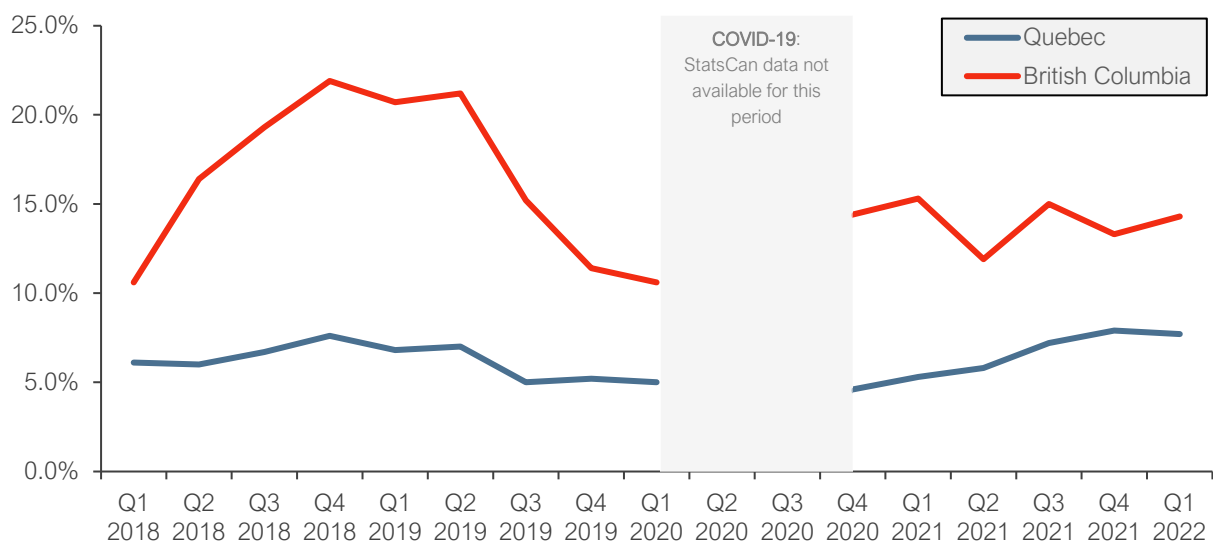
\*The BC minimum wage is assumed as the living wage for Prince Rupert. Living wages reported for the Lower Mainland and Vancouver Island range from \$16.33 (Nanaimo) to \$20.52 (Metro-Vancouver) as per the Canadian Center for Policy Alternatives 2021.

All living wage rates in this table are based on a family of 2 working adults with 2 children. The living wage for Montreal is from an April 2021 report by the Institut de Recherche et d'Informations Socioéconomiques (IRIS), and the living wages for Seattle and LA are from MIT's Living Wage Calculator.



**Figure 7: Evolution of hourly wages in the trucking industry (NAICS 4841) across jurisdictions, Q1 2018 - Q1 2022**

The fact that this wedge has been maintained over an extended period suggests that it may be due to structural differences between these jurisdictions. On the one hand, broader labour market conditions in British Columbia may be a contributing factor. As illustrated by Figure 8, the trucking industry in British Columbia (NAICS 4841) has maintained vacancy rates that are consistently higher than those observed in Quebec. This means that a higher proportion of labour demand has remained unmet in British Columbia's trucking industry, resulting in upward wage pressure relative to Quebec.



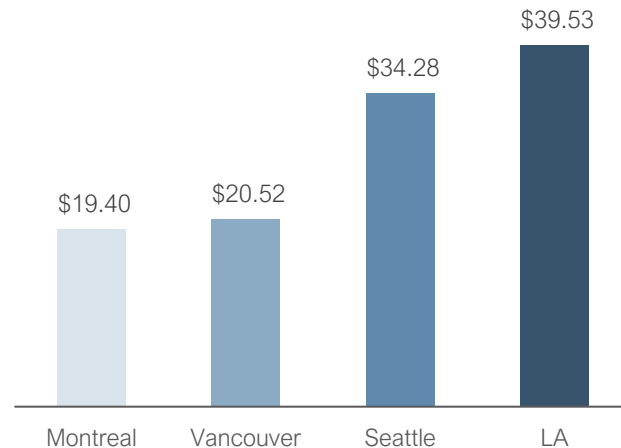
**Figure 8: Evolution of vacancy rates across British Columbia and Quebec, Q1 2018 - Q1 2022**

On the other hand, cost-of-living differences between the port jurisdictions may also be contributing to the observed compensation gaps. As illustrated by Figure 9, Vancouver also finds itself sandwiched between Montreal (below) and Seattle and Los Angeles (above) in a comparison of living wages. This is aligned with the hypothesis that structural differences between the regions are the primary driver of the wage variation

observed across them. However, the record levels of inflation being observed across both Canada and the United States in 2022 may quickly upset this balance. Should these inflationary pressures continue, Vancouver drayage drivers could be left behind compared to their peers in jurisdictions where market forces are more influential to wages than regulations.

Finally, this phenomenon does not appear to be exclusive to hourly-compensated drivers. Rather, independent operators compensated by trip rates in Vancouver also find themselves sandwiched between two other jurisdictions in which trip rates are prevalent – Seattle and Toronto.

When considering additional factors of fuel surcharges, PMR equivalents, and comparable working conditions as shown in Table 6, Vancouver independent operators still earn similar revenue.



**Figure 9: Comparison of living wage across jurisdictions**

**Table 6: Typical Independent Operator Daily Compensation Across Port Cities (\$CAD)**

| City      | Average Trip Rate | Fuel Surcharge (July 2022) | PMR Equivalent | Typical Trips Per Day | Typical Daily Compensation |
|-----------|-------------------|----------------------------|----------------|-----------------------|----------------------------|
| Vancouver | \$160             | 48%                        | \$25           | 4                     | \$1,047                    |
| Seattle   | \$220             | 30%                        | -              | 4                     | \$1,144                    |
| Toronto   | \$120             | 15%                        | \$60           | 6                     | \$1,188                    |

## 4.2 Policy and Regulatory Trends Across Jurisdictions

Like in most industries, policies and regulations influence compensation and working conditions in drayage. In the jurisdictional scan, this was most prevalent in the variety of training requirements for licencing, as well as the impact of unions and state legislature on operating models.

### 4.2.1 Licencing and Training Requirements

As previously discussed in Section 2, a recent policy development in British Columbia is that in order for drivers to obtain a Class 1 licence, they must now complete a 140-hour Mandatory Entry-Level Training (MELT) course. According to online research, the average cost of this training in BC is approximately \$15,000, which local drayage stakeholders have expressed as a significant barrier to entering the industry.

British Columbia is not an exception when it comes to training requirements – instead the exception is Quebec. Per the Société de l'assurance automobile du Québec (SAAQ), training is not required for a Class 1 licence (heavy-duty truck) if the driver has 36 months of experience with a Class 5 (automobile) licence. The minimum Class 5 experience requirement is 24 months, but Quebec drivers with between 24 and 36 months of Class 5 experience are required to take additional training. There are two options for this training: (1) a Diploma of Vocational Studies (DEP) which for Quebec residents typically costs \$150 for 615 hours of training over 5 months, or (2) a shorter but more expensive trucking school program which typically costs \$1,600 for 60 hours of training.

All other provinces and states in scope (British Columbia, Ontario, Washington, and California) require training for a licence to drive a heavy-duty truck. Notably, BC has the longest and most expensive course requirements compared to the other port jurisdictions researched for this study (see Table 7).

**Table 7: Driver Licence Training Requirements for Drayage Trucking**

| State / Province and Port Cities                    | Type of Licence | Training Hours Required  | Approx. Average Training Cost (CAD) |
|---|-----------------|--|-------------------------------------|
| <b>British Columbia</b><br>Vancouver, Prince Rupert | Class 1         | 140 hours  | \$15,000                            |
| <b>Quebec</b><br>Montreal                           | Class 1         | 0 hours<br>- Zero training hours required for drivers with 36 months of a Class 5 (automobile) licence -   | \$0                                 |
| <b>Ontario</b><br>Toronto                           | Class A         | 103.5 hours  | \$8,000                             |
| <b>California</b><br>Los Angeles & Long Beach       | Class A CDL     | - No hour requirement -<br>Drivers required to complete a federally approved course (with no hour requirement) and score $\geq 80\%$ on a post-course assessment | \$5,500                             |
| <b>Washington</b><br>Seattle & Tacoma               | Class A CDL     | 40 hours   | \$7,000                             |

## 4.2.2 Independent Operator Model Under Scrutiny on the West Coast

In September 2019, California Governor Gavin Newsom signed into law Assembly Bill No. 5, Worker Status: Employees and Independent Contractors (AB 5). AB 5 makes it more difficult for workers to be classified as independent contractors instead of new employees. One of the conditions in the new law is that independent operators must perform work “outside the usual course of the hiring entity’s business.” This directly impacts the independent operator model of drayage trucking in California. Exceptions to these conditions were made for some professions, such as hair stylists who rent chairs in a salon, but the trucking industry was not afforded the same treatment. The California Trucking Association then brought the issue to the U.S. Supreme Court in June 2022, where the justices chose not to take up the case. The state law is expected to go into effect soon, leaving many California drayage companies scrambling to re-evaluate their operating models.

Teamsters in California are in favor of AB 5, as they have been advocating drayage companies for years to convert to an employee model rather than utilizing independent operators. Doug Bloch, political director for Teamsters Joint Council 7 in California and Nevada, explained to industry publication *FreightWaves* that their goal is for drayage companies to “take responsibility for these drivers” by converting them to employees and ensuring payment of at least minimum wage.

A similar bill has been on the Washington State legislature agenda but has yet to be brought up for a vote. Washington drayage stakeholders are actively monitoring this legislative trend, as they are concerned about the negative impact on their industry. The majority of drayage truck drivers in Washington State are independent operators and can often make six-figures a year in US dollars.

Given that organized labour's primary reason for supporting AB 5 is to ensure a fair wage for drayage drivers, this policy trend may not make its way further north due to the presence of the OBCCTC. A minimum trip rate is already in place, and as discussed in section 3.11, independent operators are a particularly coveted position within the drayage sector.

### 4.3 Port Jurisdiction Profiles

The following profiles compare drayage characteristics across Vancouver, Prince Rupert, Montreal, Toronto, Seattle, and Los Angeles.

#### Prince Rupert – Drayage, Hourly Employees

|  |   |
|--|---|
| <b>Compensation</b>  | Low Rate: \$27.50/hr<br>High Rate: \$29.00/hr   |
| <b>Lifestyle</b>   | <ul style="list-style-type: none"> <li>Majority of drivers are unionized and work for Gat Leedm, a company serving ~90% of drayage needs in Prince Rupert</li> <li>Gat Leedm pays greater than the minimum rate, with benefits, pension, and overtime</li> </ul>                        |
| <b>Barriers/Risks</b>  | <ul style="list-style-type: none"> <li>Medium-high barriers to entry – requires a Class 1 license (140 hours and ~\$15,000 in training costs)</li> <li>High demand for drivers – difficult to retain and recruit drivers because they don't want to relocate to a rural area</li> </ul> |
| <b>Comparison To Vancouver Drayage</b>   |   |
| <ul style="list-style-type: none"> <li><b>Same qualifications and start-up costs</b> as Vancouver drayage</li> <li><b>Less variability in compensation</b> because Gat Leedm employs ~90% of drayage drivers at a set rate of \$29.00</li> </ul> |   |

#### Montreal – Drayage, Hourly Employees

|  |  |
|--|--|
| <b>Compensation</b>  | Average Rate: \$26.00/hr<br>Low Rate: \$24.00/hr<br>High Rate: \$30.00/hr  |
| <b>Lifestyle</b>   | <ul style="list-style-type: none"> <li>Steady and consistent hours of work (45-55 hours/week) with overtime pay provides predictability for drivers and allows them to have a good work-life balance</li> </ul>  |
| <b>Barriers/Risks</b>  | <ul style="list-style-type: none"> <li>Low barriers to entry – zero hours of training required with 36 months of Class 5 (automobile) licence; otherwise, 24-months of Class 5 driving experience plus training with costs from \$150 over 5 months or ~\$1,600 over ~2 months</li> <li>Due to high demand for drivers within Montreal, companies have started to cover licensing and training fees to entice new drivers to enter the industry</li> </ul> |
| <b>Comparison To Vancouver Drayage</b>   |  |
| <ul style="list-style-type: none"> <li><b>Lower barriers to entry</b> – companies are covering licensing fees and training costs to entice new drivers to enter the industry</li> <li>Drayage company drivers <b>work fewer hours</b> in Montreal than Vancouver, while still maintaining a steady full-time schedule</li> </ul> |  |

## Toronto – Drayage, Hourly Employees

|                       |   |
|-----------------------|---|
| <b>Compensation</b>   | Average Rate: \$25.00/hr  |
| <b>Lifestyle</b>      | <ul style="list-style-type: none"> <li>As a smaller logistics hub and rail depot, the pandemic has exacerbated sub-optimal working conditions and challenges</li> <li>Backlogs due to recent supply chain issues are leading to inefficiencies in the railyard - drivers have reported wait times of 6-7 hours at the railyard for a container – if a driver's shift is 10-hours long, there is not enough time to complete an additional trip</li> </ul>   |
| <b>Barriers/Risks</b> | <ul style="list-style-type: none"> <li>Medium-high barriers to entry – requires Class A license (103.5 hours and ~\$8,000 in training costs)</li> <li>Current challenges include full warehouses that are creating a severe backlog for the container industry, while additional capacity and land is unavailable due to local policies</li> <li>"Drivers want to drive" – drivers are leaving the industry due to the frustration with long wait times</li> <li>High demand with decreasing availability – companies are finding it difficult to hire new drivers</li> </ul> |

### Comparison To Vancouver Drayage

- Inefficiencies due to recent supply chain issues** are at times causing backlogs up to 6-7 hours at the railyard, resulting in drivers losing opportunities for multiple trips in their day
- Companies are finding it **difficult to recruit and retain drivers**
- Similar barriers to entry, but with **half the training costs**

## Seattle – Drayage, Hourly Employees

|                       |   |
|-----------------------|---|
| <b>Compensation</b>   | Average Rate: \$37.17/hr  |
| <b>Lifestyle</b>      | <ul style="list-style-type: none"> <li>Most drivers in Seattle and Tacoma are independent operators that typically make &gt;\$100,000/year while taking 2-4 months off to visit families and friends in their home countries</li> <li>Following driver advocacy, the Washington state legislature passed a bill ensuring improved accessibility of washrooms</li> <li>Long wait times and the need for additional rest stops are additional top concerns of drivers</li> </ul>  |
| <b>Barriers/Risks</b> | <ul style="list-style-type: none"> <li>Risks include volatility and feasibility of operating models – during the pandemic with increased demand at the port, many company drivers left their positions to start their own businesses as independent operators – but many of these start-ups are now closing due to high fuel prices</li> <li>Medium-high barriers to entry – requires Class A license (40 hours and ~\$7,000 in training costs)</li> <li>Shortage of drivers in long haul trucking, but not in drayage</li> </ul> |

### Comparison To Vancouver Drayage

- Similar medium-high barriers to entry, but with **half of the training hours and costs** as compared to Vancouver
- Drivers have similar concerns regarding **accessibility of clean washrooms**

## Los Angeles – Drayage, Hourly Employees

|                       |  |
|-----------------------|--|
| <b>Compensation</b>   | Average Rate: \$37.11/hr<br>Low Rate: \$26.00/hr<br>High Rate: \$39.00/hr  |
| <b>Lifestyle</b>      | <ul style="list-style-type: none"> <li>Long wait times at the port negatively impact a driver's ability to complete trips</li> <li>According to union interviews, due to the intricate nature of driving a large truck at the port, drivers note safety and cleanliness as their top concerns in addition to the high stress nature of the job</li> </ul>  |
| <b>Barriers/Risks</b> | <ul style="list-style-type: none"> <li>Drivers are high in demand – trucking companies can't find enough drayage truck drivers to fill posted job openings</li> <li>Barriers to entry rising (from low to medium) – while commercial Class A truck driving licence requires ~\$5,500 in training costs that is typically covered by trucking companies, recent state legislation (AB 5) effectively eliminates the independent operator operating model</li> </ul> |

### Comparison To Vancouver Drayage

- LA drayage drivers **are in lower availability compared to Vancouver**, and trucking companies have difficulty recruiting drivers
- Unions have an influential role in raising driver compensation** and successfully advocating for policy changes at the state level
- Growing barriers to entry** – unlike Vancouver, **trucking companies typically cover the driver's cost of training** required for a license, and recent state legislation effectively **eliminates the independent operator operating model**

## 5. DRAYAGE COMPARED TO OTHER DRIVING ROLES

### 5.1 Summary

During interviews, it was common for drayage company drivers to share their perception that other driving roles in the Lower Mainland were being paid at a higher hourly rate. When the company drivers were asked why they don't pursue other driving jobs with higher compensation, there was no single or consistent response. Some said that the competition for these higher paid jobs was too steep, and it was difficult to get a job as a bus driver or a longshoreman. There were also some negative perceptions of construction and dump truck driving, such as the work is inconsistent and "dirty". As previously discussed in [Section 3.6: Attractiveness of Drayage & Desire to Become an Independent Operator](#), it was also common for drivers to share how they left long-haul for drayage because they wanted to be closer to their families and have a more flexible schedule.

When compared to other driving roles across the Lower Mainland, drayage company drivers are in the bottom half of the average rates, above garbage and construction drivers which are roles with similar risk profiles. Research and analysis uncovered reasons for this rate differential in compensation, as shown in the following table and industry profiles. Note: The comparison in rates is based on company drivers compensated hourly.

**Table 8:** Compensation Rates for Driving Roles Across the Lower Mainland as Compared to Drayage Company Drivers (CAD / Hour)

| Occupation                         | Factors Affecting Rate Differential to Drayage  | Minimum | Average | Maximum |
|------------------------------------|---|---------|---------|---------|
| <b>Port Drayage company driver</b> | -   | \$26.30 | \$27.59 | \$35.31 |
| <b>Long-haul truck driver</b>      | <ul style="list-style-type: none"> <li>• Driver shortage</li> <li>• Longer hours</li> <li>• Extended travel</li> <li>• Greater risk</li> </ul>                                  | -       | \$52.04 | -       |
| <b>Longshoreman</b>                | <ul style="list-style-type: none"> <li>• Physical labour outside of the truck</li> <li>• Barriers to entry</li> <li>• Extended graduated tenure</li> <li>• High risk</li> </ul> | -       | \$48.23 | -       |
| <b>Tanker driver</b>               | <ul style="list-style-type: none"> <li>• Hazardous material certifications</li> <li>• High risk</li> </ul>  | \$22.55 | \$36.70 | \$48.95 |
| <b>Bus driver</b>                  | <ul style="list-style-type: none"> <li>• Strong union influence</li> <li>• Split shifts when low seniority</li> <li>• Extended graduated tenure</li> </ul>                      | \$25.70 | \$31.21 | \$36.71 |
| <b>Garbage truck driver</b>        | <ul style="list-style-type: none"> <li>• Strong union influence in public sector</li> <li>• May include physical labour outside of the truck</li> </ul>                         | \$27.00 | \$27.60 | \$30.00 |
| <b>Construction driver</b>         | <ul style="list-style-type: none"> <li>• Driver shortage</li> </ul>   | \$24.00 | \$27.66 | \$41.66 |

## 5.2 Profiles of Other Trucking Occupations

### Long-haul Truck Drivers

|   |  |
|---|--|
| <b>Compensation</b>   | Average Rate: \$52.04/hr   |
| <b>Lifestyle</b>  | <ul style="list-style-type: none"> <li>• Difficult work-life balance; drivers are often away from their homes, family, and friends for days or weeks at a time</li> <li>• Repeatedly driving for long periods of time is physically and mentally taxing</li> <li>• Drivers have increased personal expenses related to being on the road (accommodation, meals, etc.)</li> <li>• Overtime requirements for long-haul truck drivers do not apply until after 60 hours per week</li> </ul> |
| <b>Barriers/Risks</b>   | <ul style="list-style-type: none"> <li>• Medium-high barriers to entry – requires a Class 1 license (~\$15,000 in training costs)</li> <li>• Long-haul drivers are in high demand since drivers are continuously leaving these roles for more attractive options</li> </ul>  |
| <b>Comparison To Vancouver Drayage</b>  |  |
| <ul style="list-style-type: none"> <li>• Compared with drayage, <b>long-haul truck drivers are in higher demand</b> because they often leave long-haul for more attractive options</li> <li>• The average rate for long-haul drivers is <b>~2X the average rate of drayage</b> company drivers</li> <li>• Long-haul drivers have even more <b>difficulty maintaining a work-life balance</b> compared to drayage, have <b>increased personal expenses</b> while on the road, and driving for long periods of time repeatedly can be <b>more physically and mentally draining</b></li> </ul> |  |

### Tanker Truck Drivers

|   |  |
|---|--|
| <b>Compensation</b>   | Average Rate: \$36.70/hr<br>Low Rate: \$22.55/hr<br>High Rate: \$48.95/hr  |
| <b>Lifestyle</b>  | <ul style="list-style-type: none"> <li>• Drivers are subject to an hours of service regulation, limiting the time driving and on duty</li> <li>• Drivers may start work at any time of day or night and may drive up to 13 hours per day – an exception to this is logging truck/oil field operators that can be on duty up to 15 hours per day and often starting work between 3 and 4 am</li> <li>• Overtime requirements for long-haul tanker truck drivers do not apply until after 60 hours per week</li> </ul> |
| <b>Barriers/Risks</b>   | <ul style="list-style-type: none"> <li>• High barriers to entry - requires a Class 1 license (~\$15,000 in training costs) and the Transportation of Dangerous Goods certificate</li> <li>• High-risk job involving maneuvering extremely hazardous cargo</li> </ul>   |
| <b>Comparison To Vancouver Drayage</b>  |  |
| <ul style="list-style-type: none"> <li>• Tanker truck drivers often use <b>more highly prescriptive and technical procedures</b> than drayage, requiring <b>more specialized training</b></li> <li>• <b>Higher risk</b> than drayage drivers due to carrying hazardous materials/dangerous cargo</li> </ul> |  |



## Dump Truck/Construction Truck Drivers

|  |   |
|--|---|
| <b>Compensation</b>  | Average Rate: \$27.66/hr<br>Low Rate: \$24.00/hr<br>High Rate: \$41.66/hr (typically in rural areas that require relocation, such as Abbotsford)  |
| <b>Lifestyle</b>   | <ul style="list-style-type: none"> <li>• Considered within the trucking industry to not provide steady work</li> <li>• Perceived by some to be a "dirty" role within trucking</li> <li>• Follows a defined, more predictable schedule that is aligned with daytime working hours</li> </ul>                           |
| <b>Barriers/Risks</b>  | <ul style="list-style-type: none"> <li>• Medium-high barriers to entry – requires a Class 1 license (~\$15,000 in training costs)</li> <li>• High-risk environment – drivers are transferring heavy loads and working on gravel/dirty roads, where drivers need to maneuver and exercise increased caution</li> </ul> |
| <b>Comparison To Vancouver Drayage</b>   |   |
| <ul style="list-style-type: none"> <li>• <b>Similar barriers to entry as drayage</b> (medium-high) with similar qualifications and training requirements</li> <li>• <b>Riskier work environment</b> – transferring heavier loads than drayage and working on gravel/dirt roads that are difficult to maneuver</li> <li>• <b>Volume of work is inconsistent</b> because of variability in the construction industry</li> <li>• Allows drivers to have a <b>better work-life balance</b> compared to drayage because work is usually scheduled during daytime hours</li> </ul> |   |



## Bus Drivers

|   |  |
|---|--|
| <b>Compensation</b>   | Training wage: \$25.70/hr<br>*Every 8 months, eligible for a wage increase up to a maximum of \$36.71/hr   |
| <b>Lifestyle</b>  | <ul style="list-style-type: none"> <li>• Drivers entering the industry with low seniority are subject to working split shifts (3-4 hour breaks between morning and afternoon shifts) with variability of shifts available</li> <li>• Overtime rates apply when a shift exceeds 7.5 hours, and access to overtime shifts is based on seniority</li> </ul>   |
| <b>Barriers/Risks</b>   | <ul style="list-style-type: none"> <li>• Driver safety is a risk that varies depending on the municipality because of their interaction with the public</li> <li>• Low barriers to entry for driving a public bus – once a driver is hired, the bus company will pay for the training costs and compensate the driver when they are being trained</li> <li>• Competitive to break into the predominantly public industry</li> <li>• Low barrier to entry – Class 2 license required for municipal buses and non-public driving roles require an additional certification (~\$1,600)</li> </ul> |
| <b>Comparison To Vancouver Drayage</b>  |  |
| <ul style="list-style-type: none"> <li>• Bus drivers generally work within a <b>highly unionized environment</b> (eligible for overtime, benefits, pension)</li> <li>• <b>Low barrier to entry</b> for becoming a bus driver – <b>bus companies typically cover the cost of training and certification</b> for drivers</li> <li>• <b>Similar starting conditions as the drayage industry</b>, where new drivers usually work evening shifts – drivers entering the bus industry with <b>low seniority</b> also must initially work <b>more unfavorable shift times</b> (evenings/nights or split shifts)</li> </ul> |  |



## Garbage Truck Drivers

|                       |   |
|-----------------------|---|
| <b>Compensation</b>   | Average Rate: \$27.60/hr<br>Low Rate: \$27.00/hr<br>High Rate: \$30.00/hr   |
| <b>Lifestyle</b>      | <ul style="list-style-type: none"> <li>Can be a physically demanding job – commercial drivers often need to leave the truck cab in all types of weather and manually move bins, while municipal waste removal is more static as drivers do not frequently need to leave the cab</li> <li>Municipal drivers typically work Monday – Friday, starting 7:00 – 9:00 am, ending 3:00-5:00 pm</li> <li>Industrial/commercial drivers (~30-40% of fleet) work rotating shifts schedules depending on the customers they serve</li> </ul> |
| <b>Barriers/Risks</b> | <ul style="list-style-type: none"> <li>Low barriers to entry – requires a Class 3 license and some roles might require the Transportation of Dangerous Goods certificate</li> </ul>   |

### Comparison To Vancouver Drayage

- Garbage truck operator roles can be **more physically demanding** than drayage – drayage drivers often don't leave the cab of their truck, whereas garbage truck drivers, particularly in commercial/industrial roles, conduct more physical labour
- Hours of work for municipal drivers are more **conducive to a work-life balance**
- Hours of work for commercial/industrial roles are **more similar to drayage with longer shift lengths**, but **schedules can be more predictable**



## Longshoremen

|                       |   |
|-----------------------|---|
| <b>Compensation</b>   | Starting Rate: \$48.23/hr   |
| <b>Lifestyle</b>      | <ul style="list-style-type: none"> <li>Workers initially start as temporary employees and can work whatever shifts are available (mostly evenings and nights)</li> <li>As a worker gains seniority, they become eligible to apply for full-time roles</li> <li>In-house training program provided, port is open 24/7 and there are 3, 8-hour shifts available</li> <li>Scope of work is widespread and caters to a wide range of people and skills, beyond solely physical labour roles (duties can include administration, dispatching, machine operation, other union roles)</li> <li>Paid overtime, with benefits and pension</li> </ul> |
| <b>Barriers/Risks</b> | <ul style="list-style-type: none"> <li>Competitive to get hired – when hiring happens ~2-3 times a year, applications are distributed based on a lottery system (preference is given to tradesmen and former truck drivers)</li> <li>Low start-up costs as registration fees are minimal (~\$100-200) and no previous qualifications are required</li> <li>Once application is processed, need to pass a basic Math and English entrance test and a physical demand test</li> <li>Nature of work is physically demanding and there is a high risk for injury when loading and unloading cargo at the port</li> </ul>                        |

### Comparison To Vancouver Drayage

- Increased level of risk for injury** compared to drayage
- Like drayage, workers **start off by working evening shifts until they build seniority**
- No limitations in the maximum amount of hours** a longshoreman can work vs. drayage drivers have a daily maximum of 13 hours
- Higher starting wage** compared to drayage (\$48.23 vs. \$27.50) and **lower start-up costs**
- More options to work in different roles**

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