



June 13, 2024

Jeevan Chohan Transport Ltd.  
9221 137 A Street,  
Surrey, BC V3V 5W7

## **Commissioner's Decision** **Jeevan Chohan Transport Ltd. (CTC Decision No. 10/2024)**

### **Introduction**

1. Jeevan Chohan Transport Ltd. ("JCT") is a licensee within the meaning of the *Container Trucking Act* (the "Act").
2. Section 16(1)(b) of the *Act* states that a licensee must carry out the container trucking service in compliance with:
  - (i) this Act and the regulations,
  - (ii) the license, and
  - (iii) if applicable, an order issued to the person under the Act.
3. Section 21(1) of the *Act* states that the Commissioner, after providing notice to the licensee, may cancel a licence if the Commissioner is satisfied that the licensee is no longer carrying out container trucking services.
4. Under sections 22 and 23 of the *Act*, minimum rates that licensees must pay to truckers who provide container trucking services are established by the Commissioner ("Rate Order"), and a licensee must comply with those rates. Section 23(2) states:

A licensee who employs or retains a trucker to provide container trucking services must pay the trucker a rate and a fuel surcharge that is not less than the rate and fuel surcharge established under section 22 for those container trucking services.

5. Under section 31 of the *Act*, the Commissioner may conduct an audit or investigation to ensure compliance with the *Act*, the *Container Trucking Regulation* (the "*Regulation*") or a licence.

### **Audit Report**

6. On December 19, 2023, JCT was advised by letter addressed to Mr. Harinder Chohan that it was the subject of a random audit to determine if its company drivers were being paid in accordance with the Rate Order as required and was requested to provide certain payroll records.

7. The auditor requested payroll records for December 2019, May and November 2020, March and December 2021, September and August and October 2022, and January and August 2023 (“Audit Period”) no later than January 5, 2024.
8. JCT did not provide the auditor with the requested records by the deadline and the Registrar sent an email to JCT at the email address provided in its most recent licence application on January 10, 2024, regarding its failure to provide the records.
9. On January 12, 2024, the Deputy Commissioner phoned JCT at the phone number included in its most recent licence application and was told by the person she spoke to that Mr. Chohan, the principal of JCT, was not there and the phone number belonged to a company called Super Star.
10. On January 19, 2024, the Deputy Commissioner made repeated attempts to reach Mr. Chohan at the phone number on file and eventually reached a Super Star customer service representative and a dispatcher who both stated Mr. Chohan had retired, and Super Star now uses JCT’s truck tags.
11. On January 22, 2024, the Deputy Commissioner advised JCT that it had received information from two Super Star employees that Mr. Chohan had retired, and Super Star was now using JCT’s truck tags. JCT was advised that it appeared a change of control had occurred in breach of section 6.28 of its CTS license and was provided with an opportunity to provide a response.
12. On January 30, 2024, Mr. Chohan advised that he sold his shares in Super Star Trucking Ltd. to Mr. Kanwar Rattanpaul (“Mr. Rattanpaul”) in 2022 but remained the owner of JCT. He further advised that JCT had also transferred all of its customers to Super Star. JCT also says that in order to keep its drivers working, it entered into an agreement to provide container trucking services to Super Star and Super Star would continue to pay the JCT drivers as it had when Mr. Chohan owned both companies. Mr. Chohan stated that all the payroll records requested were with Super Star and that the requested information was submitted to the OBCCTC during Super Star’s audit in 2023. Finally, JCT stated that the two Super Star employees who spoke to the Deputy Commissioner were not aware of this arrangement.
13. The auditor confirmed that a change of control application was approved for Mr. Chohan’s sale of Super Star to Mr. Rattanpaul. The OBCCTC does not have any record of a change of control application for JCT.
14. The auditor reached two drivers who were listed on JCT’s approved company driver list as part of its 2022 CTS license application and confirmed they now work for Super Star and confirmed they are dispatched by Super Star.
15. The auditor was unable to acquire any of the records from JCT as requested in its December 19, 2023, correspondence and considered that JCT was therefore in breach of Appendix D of its CTS license.

16. On March 28, 2024, the auditor prepared a report (“Audit Report”) that concluded JCT appeared to no longer be operating, had failed to provide required information, and appeared to have transfer its assigned tags to Super Star in breach of section 6.26 and 6.27 of its CTS license.
17. On April 3, 2024, JCT and Super Star were provided a copy of the Audit Report and were invited to provide a submission.

### **Licensee Response**

18. On May 2, 2024, Mr. Chohan on behalf of JCT provided a submission (“Submission”) in response to the Audit Report. Super Star did not provide a response by the deadline.
19. JCT states that its customers and chassis were transferred to Super Star as part of the sale in 2022 and as a result JCT was left with no customers or chassis to move containers. Despite its efforts to seek new customers, JCT says that it was forced to use the trucks it owned to contract with Super Star to move containers and, Super Star processed the drivers’ payroll “for simplicity.” JCT assumed that the recent audit of Super Star would satisfy the OBCCTC that JCT was compliant since some of JCT’s former drivers were reviewed in that audit.
20. JCT says it now recognizes its arrangement with Super Star meant JCT could not provide its own payroll records as required under its CTS license and going forward it will separate the payroll for its drivers and JCT will invoice Super Star for the work.
21. Furthermore, JCT states the intention was not to transfer its two truck tags to Super Star but simply an inadvertent misunderstanding and seeks leniency based on its size and the impact on its drivers.

### **Decision**

22. I accept that JCT and Super Star, under Mr. Chohan’s ownership, were integrated and JCT relied on Super Star for certain administrative tasks, which continued following the sale of Super Star in May 2022. However, after the sale of Super Star to a new owner, Super Star continued to dispatch the tagged trucks owned by JCT, paid JCT’s former drivers to drive the tagged trucks assigned to JCT and serviced JCT’s customers. Mr. Chohan’s or JCT’s inability to demonstrate any ongoing and continuous involvement in container trucking services – including referring the auditor to Super Star for JCT payroll records - is consistent with a person who has retired and/or a licensee who no longer performs container trucking services. I was provided no evidence that JCT had a contractual relationship with Super Star to perform container trucking services after the sale of Super Star or with evidence of financial transactions between JCT and Super Star in support of the existence of such an arrangement. I also fail to understand how the Super Star employees’ not being aware of an alleged contractual arrangement between the two companies would result in them both saying that Mr. Chohan was retired and had transferred the truck tags. And I was provided no explanation as to why JCT’s former employees would be under the impression they now work for Super Star if the asserted arrangement between JCT and Super Star actually existed.

23. By failing to perform container trucking services following the sale of Super Star and allowing Super Star to use JCT's tags as its own, JCT in effect transferred its truck tags to Super Star. I accept that the integration of JCT and Super Star under Mr. Chohan's ownership of both licensed companies may have led JCT to believe it could simply carry on in the same manner once Super Star had been sold to the new owner. However, truck tags are assigned by the OBCCTC to each licensee based on the container trucking services work they have, and licensees are prohibited from transferring the truck tags to another licensee. In this case, JCT was awarded two truck tags and it cannot transfer those tags to Super Star.
24. In Roadstar Transport Company Ltd. (CTC Decision No. 01/2019), then-Commissioner Crawford found that "the unapproved transfer of truck tags can result in their commodification" and noted that "it is difficult to hold licensees accountable for the remuneration and fair treatment of their drivers if an unauthorized truck tag transfer has occurred and another company is effectively controlling the truck tags and the associated drivers."<sup>1</sup> I adopt this analysis.
25. In addition, truck tags are a key tool in limiting the number of trucks to the number of containers in the drayage system. If the ratio of truck tags to containers is too high, issues of undercutting will resurface and lead to the instability that led to three previous labour disruptions at the port. Understandably, competing licensees would all like more truck tags and that is why the OBCCTC requires each licensee to present a business case for establishing the number of truck tags it needs. The OBCCTC has prohibited the transfer of truck tags between licensees to ensure a licensee does not circumnavigate the process of demonstrating a need for truck tags by buying or receiving truck tags from licensees who are prepared to sell them. In other words, the prohibition is meant to prevent a system based on actual need from giving way to the highest bidder.
26. I am not persuaded that JCT's proposal that it places its two former drivers under its payroll and create a formal subcontracting relationship would be anything more than a paperwork exercise. At the very least, Mr. Chohan appears from the Audit Report to have little involvement in the day-to-day operation of container trucking services, and I find that allowing JCT to restructure itself in the manner it proposes would only continue the façade that it is directly involved in container trucking services. It would also allow Super Star to continue to be the beneficiary of two truck tags that were assigned to JCT.
27. I also do not accept JCT's assertion that all the information requested on December 19, 2023, was provided to the OBCCTC during a separate audit of Super Star in 2023. First, I note that in Super Star Trucking Ltd. (CTC Decision No. 14/2023) the audit period was May and June of 2019, March and October of 2020, April and August of 2021, May and October 2022 and January 2023. Those dates do not align with the dates identified in the Audit Period in this case, so the records requested in this audit were not in fact produced during the audit of Super Star. Second, for the

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<sup>1</sup> Paragraph 30

dates that do overlap (i.e. January 2023), I found that Super Star did not provide the timesheets that recorded the drivers' hours or the required electronic records per section 6.10 of the CTS licence. Finally, if Super Star was in possession of JCT's payroll records – especially those records that predate the sale of Super Star -- it is still JCT's responsibly to provide them and it failed to do so.

28. In A-Can Transport Ltd. and MDW Express Transport Ltd. (CTC Decision No. 09/2019) and Dayal Transport Systems Inc. (CTC Decision No. 08/2019), the Commissioner issued a \$20,000 administrative penalty after the licensee transferred some of its truck tags to another licensee and warned against the practice of having a licensee's drivers being paid and dispatched by another licensee.
29. I have considered whether this may be appropriate case for a financial penalty similar to those issued in A-Can and Dayal Transport. However, the facts in those cases are different. In Dayal and A-Can the licensees involved had an ongoing container trucking services business and implied in each decision is that the truck tags are to be returned to the licensee so that they can properly use them.
30. In this case, for the reasons set out above, I am satisfied that JCT is no longer carrying out container trucking services. Super Star has effectively used JCT's truck tags as if they belonged to Super Star in violation of section 6.26 and 6.27 of its CTS license. Furthermore, JCT does not appear to be in control of or have direct access to the payroll records that are required to be kept and provided to the OBCCTC upon request as set out in Appendix D of the CTS licence. Finally, I am not satisfied that Mr. Chohan or JCT will continue to perform container trucking services and to allow JCT to have a license would enrich Super Star and JCT at the expense of other licensees.
31. Section 21 of the *Act* states that a license may be cancelled with notice after it is determined that a licensee no longer is performing container trucking services. In my opinion, this section exists because there are a limited number of licenses. Given my findings that JCT is no longer involved in container trucking services and the lack of any direct control over its payroll processes or records that would ensure accountability, I have determined that this is an appropriate case to cancel JCT's license.
32. Section 34 of the *Act* provides that, if the Commissioner is satisfied that a licensee has failed to comply with the *Act* or the terms and conditions of the licence, the Commissioner may impose a penalty or penalties on the licensee. Available penalties include suspending or cancelling the licensee's licence or imposing an administrative fine.
33. As set out above, JCT has also failed to provide the payroll records requested on December 19, 2023, as required under Appendix D of its CTS license. The general importance of proper record-keeping has been canvassed extensively in previous audits and communications of

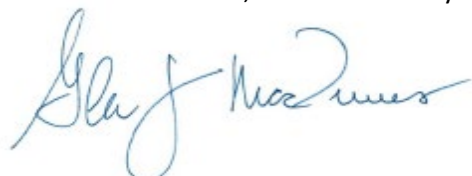
the OBCCTC. In Hutchison Cargo Terminal Inc. (CTC Decision No. 27/2018), the Commissioner penalized Hutchison in the amount of \$20,000 for its failure to produce records and noted that the purpose of the fine was also one of general deterrence.

34. Given my finding that JCT transferred its truck tags to Super Star and failed to provide any records related to the Audit Period to the auditor initially or following the Audit Report and incorrectly insisted that another licensee has already provided the requested records, I find that an administrative penalty is appropriate, and I propose an administrative penalty of \$20,000. This penalty reflects the seriousness of the violations and is one of a general deterrence. I will address Super Star's acceptance of JCT's truck tags in a separate decision.

### **Conclusion**

35. In summary, JCT has been found to have violated its CTS license by transferring its truck tags to Super Star and failing to provide the required payroll records covering the Audit Period. Furthermore, I find that JCT is no longer performing container trucking services.
36. In the result and in accordance with sections 21(1) and 34(2) of the *Act*, I hereby give notice as follows:
- a. I propose that Jeevan Chohan Transport Ltd. be issued an administrative penalty of \$20,000;
  - b. That Jeevan Chohan Transport Ltd.'s Container Trucking Services Licence No. 22-056 be cancelled;
37. Should it wish to do so Jeevan Chohan Transport Ltd. has 7 days from the receipt of this notice to provide the Commissioner with a written response setting out why the proposed penalty should not be imposed and/or its CTS License should not be cancelled.
38. If Jeevan Chohan Transport Ltd. provides a written response in accordance with the above, I will consider its response and I will provide notice to Jeevan Chohan Transport Ltd. of my decision respecting that response.
39. This decision will be delivered to Jeevan Chohan Transport Ltd. and may be published on the Commissioner's website ([www.obcctc.ca](http://www.obcctc.ca)) after Jeevan Chohan Transport Ltd.'s response period has closed.

Dated at Vancouver, B.C. this 13<sup>th</sup> day of June 2024.



Glen MacInnes  
Commissioner