



January 30, 2025

Embassy Transportation Inc.
2651 No. 5 Road
Richmond, BC V6X 2S8

Commissioner's Decision

Embassy Transportation Inc (CTC Decision No 03/2025)

(Application for Reconsideration of CTC Decision No. 13/2024)

(Application for Reconsideration of November 22, 2024 conditional licence approval rescindment)

Introduction

1. On December 23, 2024, the Office of the BC Container Trucking Commissioner ("OBCCTC") received an application from Embassy Transportation Inc. ("Embassy") pursuant to section 38 of the Container Trucking Act ("Act") seeking reconsideration of a November 27, 2024, Decision Notice (CTC Decision No. 13/2024) and of a November 22, 2024 notice from the OBCCTC rescinding its conditional approval of Embassy's 2024 CTS license application. Embassy seeks a reconsideration of the \$60,000 administrative penalty. Embassy also asks for a reconsideration of its 2024 CTS licence application.

Commissioner's Decision and Decision Notice

2. On July 10, 2024, in Embassy Transportation Inc. (CTC Decision No. 13/2024) I found that Embassy failed to substantially comply with orders issued on November 24, 2023 ("Original Orders"), failed to maintain the required payroll records in violation of Appendix D to Schedule 1 of its 2022 CTS license, and failed to demonstrate that it has an electronically generated payroll system as required under section 6.7 and 6.10 of its CTS license. I ordered Embassy to immediately pay its drivers the \$69,724.40 adjustment found to be owing by the auditor and advised if the amount was not paid within fifteen days that I would call on Embassy's security bond. I proposed an administrative penalty of \$60,000.00 and a suspension of its CTS license for two-weeks or until such time as it had complied with all the Original Orders ("2024 Decision").
3. On November 27, 2024, I considered Embassy's response to the 2024 Decision and issued the \$60,000 administrative fine and the two-week licence suspension, beginning of November 30, 2024 ("Decision Notice").¹
4. The Commissioner's Decision and the Decision Notice were published on or around November 27, 2024.

¹ The suspension was served on November 30, 2024 but for unrelated reasons Embassy was not issued a 2024 CTS licence which would have started on December 1, 2024 and therefore the balance of the suspension became moot.

2024 CTS License

5. On October 25, 2024, the OBCCTC conditionally approved Embassy's 2024 CTS licence application. Embassy was advised that it must meet certain requirements by November 8, 2024, including having a signed and properly executed bond or irrevocable line of credit in the amount of \$250,000.00.
6. On November 22, 2024, the OBCCTC advised Embassy that it had not received confirmation of its Access Agreement with the Vancouver Fraser Port Authority, proof of payment of its annual fees, or a signed and properly executed bond or irrevocable line of credit in the amount of \$250,000.00 and its conditional approval was rescinded, and its 2024 CTS licence application withdrawn.
7. On November 26, 2024, Embassy advised that it had provided a copy of the Access Agreement and its payment of annual fees but was unable to provide a security in the amount of \$250,000. Embassy alleged that it was unable to secure a new security because the OBCCTC failed to provide its security provider with its consent and improperly called its current security bond.
8. On November 28, 2024, the OBCCTC confirmed that it had received a copy of the Access Agreement and the payment of its annual fees but that it had not received confirmation of security and confirmed that Embassy's conditional license had therefore been rescinded. The OBCCTC also advised that its consent is not required for a security provider to provide a bond in the form required and that Embassy was notified in April of 2024 that its current security provider had terminated its bond effective November 30, 2024.

Request for Reconsideration

9. Embassy seeks to have the administrative penalty waived or lowered and to be granted a 2024 CTS licence with a timeline to bring itself into compliance.
10. Embassy states that it took steps to comply with the Original Orders including recalculating the wages owed over the period required. It also states that the wages owing was discovered by Embassy's proactive efforts and not through an auditor, because the auditor only investigated certain months, but Embassy reviewed driver wages for the entire period in question.
11. Embassy also states that it promptly made the necessary adjustments to become compliant with section 6.7 and 6.10 of its CTS licence following "OBCCTC's recommendations."
12. Embassy argues the OBCCTC improperly called Embassy's security bond in or around November 2024 as Embassy complied with the July 10, 2024 payment order by issuing each driver a cheque and securing the drivers' agreement to delay depositing the cheques until Embassy was able to raise the necessary funds. Embassy says this delay was necessary given the state of the Canadian economy in July 2024 and Embassy's ability to pay at the time.

13. Embassy states that it provided the OBCCTC with copies of the cheques issued in July 2024 after it was notified in or around September 2024 that the OBCCTC was calling the security and was “shocked to learn” in December 2024 that the OBCCTC had indeed called the security. Embassy argues that the lack of notification that the OBCCTC was calling security impacted its ability to meet the requirements to for a 2024 CTS license.
14. Finally, Embassy argues that it provides reliable and responsive service to a niche ethnic customer base in the Lower Mainland and acknowledges that it has made errors but asks that it be permitted to continue operations.

Reconsideration

15. Embassy’s suggestion that it discovered an underpayment of approximately \$58,000 on its own initiative is misleading and does not persuade me that an administrative penalty is unnecessary. The reason Embassy “discovered” the underpayment is because the Original Orders required Embassy to review its payroll records. At paragraph 30 of the 2024 Decision, I addressed how Embassy failed to review the required payroll records during the entire period covered by the Original Orders and how its “guesstimate” of the amount owed to its drivers was lower than what was actually determined to be owed.
16. I am also not persuaded that the administrative penalty should be reduced or eliminated because Embassy became compliant with sections 6.7 and 6.10 at some unspecified point in time. At paragraph 24 of the 2024 Decision, I stated that the proposed administrative penalty was for failing to comply with section 6.7 and 6.10 of the CTS license during the audit period. It was not clear at that point whether Embassy had become compliance with sections 6.7 and 6.10, but it was clear that it had not been compliant until at least January 2023.
17. Turning to Embassy’s argument that confusion and miscommunication led to the OBCCTC unnecessarily calling the security bond which resulted in Embassy failing to secure a new bond for its 2024 CTS licence, I find Embassy’s submission detailing how it issued approximately \$58,000 in cheques to the drivers and simultaneously advised them it did not have the funds to cover the amounts owing to be telling. As set out in paragraph 10 of the Decision Notice, the OBCCTC does not understand that the drivers received payment of approximately \$58,000 owing from Embassy. Embassy’s provision of copies of the cheques issued to the drivers to the OBCCTC – presumably the same cheques the drivers were told not to cash – is not evidence of compliance. Furthermore, Embassy’s insistence that it complied with the order to pay its drivers conflicts with its explanation that it could not afford to pay its drivers due to the Canadian economy and its financial situation. Embassy should not have been “shocked” when it learned that its security had been called. The security is in place to ensure drivers get paid and Embassy’s attempts to demonstrate payment had been made when in fact it had not are one of the reasons security is required.
18. Finally, one of the mandatory requirements for a 2024 CTS license was that applicants hold valid security in an amount correlated with the number of truck tags awarded. Embassy was granted conditional approval for a 2024 CTS license and that was rescinded when it failed to

provide evidence of a valid security by the deadline. Although it would not change my analysis, I note that Embassy still has not submitted security.

19. Embassy did not provide any evidence to the OBCCTC that it complied with the Original Orders and therefore I am not persuaded that the suspension should be cancelled or reduced.

Conclusion

20. For these reasons, I confirm my decision to impose a \$60,000.00 administrative penalty and hereby dismiss Embassy's application for reconsideration of the Decision Notice and its 2024 CTS Licence application.

Dated at Vancouver, BC, this 30th day of January 2025.

A handwritten signature in blue ink, appearing to read "Glen MacInnes". The signature is fluid and cursive, with the first name "Glen" being more prominent than the last name "MacInnes".

Glen MacInnes
Commissioner