



July 10, 2025

Provincial Transportation Ltd.
Unit 238 - 8138 128th Street
Surrey, BC V3W 1R1

Prudential Transportation Ltd
Unit 238 - 8138 128th Street
Surrey, BC V3W 1R1

Commissioner's Decisions

Provincial Transportation Ltd. (CTC Decision No. 20/2025) and Prudential Transportation Ltd. (CTC Decision No. 21/2025)

Introduction

1. Provincial Transportation Ltd. ("Provincial") and Prudential Transportation Ltd. ("Prudential") (together, the "Companies") are both licensees within the meaning of the *Container Trucking Act* (the "Act").
2. The Companies are Related Persons pursuant to the *Container Trucking Regulation* ("Regulation") and the 2024 Container Trucking Services ("CTS") license and their operations are integrated.
3. 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. In particular, 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.
4. Under section 31 of the *Act*, the Commissioner may initiate an audit or investigation to ensure compliance with the *Act*, the *Regulation* and the CTS license whether or not a complaint has been received by the Commissioner.
5. As part of the random audits initiated by the Commissioner, an auditor was directed to audit Provincial and Prudential to determine if truckers were being paid at least the required minimum rates.
6. This is the second audit for each of the Companies. Provincial was issued a letter of compliance in 2017 following its first audit. In Prudential Transportation Ltd. (CTC Decision No. 21/2017), the Deputy Commissioner found Prudential made improper business cost deductions when it charged its drivers a total of \$1,825.00 for failing to "notify the dispatcher" between March 1, 2015 to February 2017. The Deputy Commissioner exercised his discretion and did not issue an administrative penalty.

Audit Report

7. On November 7, 2023, and November 10, 2023, respectively, the OBCCTC sent Provincial and Prudential a request for records for December 2019, March and November 2020, May and December 2021, March and April 2022 and May and July 2023 ("Audit Period").
8. Prudential provided all of the requested records and Provincial provided most of the requested records with the exception of daily hour records for company drivers for December 2019, March and November 2020, May and December 2021, and March and April 2022 ("Missing Timesheets"). Provincial did not provide an explanation for the Missing Timesheets.
9. The auditor reviewed Provincial company drivers' wage statements and could only confirm that the total hours paid matched the summary of total hours worked. The auditor determined based on the information that the drivers were paid at least the minimum regulated rates.
10. The auditor reviewed Provincial independent operators' ("IOs") wage statements and noted discrepancies between the earnings reported on their wage statements and the amount paid to the drivers as recorded on the banking information. Provincial advised the auditor that the differences were the result of certain payroll deductions but did not provide the auditor with supporting documentation. Since Provincial was unable to provide the auditor with a satisfactory explanation for the discrepancies the auditor determined that the errors were the result of poor record keeping and that some drivers were not paid all the wages they were owed in each pay period.
11. The auditor also noted that some Provincial IOs were not paid the PMR for each container trucking services move. Provincial explained that it does not pay PMR on 53-foot containers; however, there was nothing in the documentation that would enable the auditor to determine which moves were 53-foot containers or whether those container moves did not attract the PMR. Furthermore, the auditor was unable to determine which trips did not attract the PMR because Provincial reported a gross PMR amount in its records instead of attributing the rate to specific container movements.
12. The auditor concluded that during the Audit Period Provincial underpaid its IOs a total of \$600.00 in unpaid PMR and \$2,251.33 due to discrepancies between the amount earned and the amount paid.
13. The auditor found similar discrepancies in Prudential's payroll records. Prudential explained that some of the discrepancies are the result of payroll deductions for Worker's Compensation premiums, Vancouver Fraser Port Authority penalties and fuel expenses. These arrangements were not documented and the auditor was unable to reconcile amounts paid to the IOs.
14. The auditor also noted that some Prudential IOs were not paid the PMR for each container trucking services moves for reasons similar to those provided by Provincial.
15. The auditor concluded that Prudential failed to pay the PMR for 74 trips during the Audit Period for a total of \$1,850.00 and owed \$19,819.88 due to discrepancies between the amount earned and the amount paid to the IOs during the Audit Period.

16. In mid-April 2024 each of the Companies was provided with an audit report ("Audit Report") and worksheet. The Companies were provided with an opportunity to respond to their respective Audit Reports no later than May 16, 2024.

Companies' Response

17. The Companies disputed the findings of their respective Audit Reports and provided a series of emails and company documents in response to them. The Companies asked for an opportunity to provide the OBCCTC with explanations of how the documents explain the discrepancies in the payroll records.
18. The auditor was no longer employed by the OBCCTC at that point and I directed another auditor to meet with the Companies to review the submitted material and provide a supplemental audit report.

Supplemental Audit Reports

19. The second auditor reviewed the material submitted by the Companies before and after their Audit Reports. On November 14, 2024, the second auditor issued a supplemental audit report ("First Supplemental Audit Report") advising that the documentation provided to the OBCCTC in May 2024 did not explain the discrepancies found in the respective Audit Reports. A copy of the First Supplemental Audit Report was provided to the Companies with an opportunity to provide a response.
20. On December 2, 17 and 18, 2024, the Companies provided a series of spreadsheets and documents and requested an opportunity to meet with the auditor to explain the relevance of the documents. In summary, the Companies explained the following:
- PMR was not paid for 53 Foot containers as they do not attract the PMR rate.
 - The WCB deduction was for an IO that could not get WCB.
 - Some drivers had company fuel cards and fuel costs were deducted accordingly.
 - The auditor incorrectly found that the PMR was not paid for certain trips involving the transportation of dangerous goods which were in fact paid the PMR.
21. On February 25, 2025, the auditor met with representatives of the Companies to review the additional payroll material.

Administration Fee

22. The auditor randomly selected the November 2024 payroll period and one Prudential IO to understand the Companies' payroll system.¹ The auditor reviewed the IO's wage statements containing a deduction of \$887.26 for fuel where the accompanying fuel car invoice was \$807.26. Prudential explained that it charges any driver who uses the fuel card an \$80.00 internal administration fee. The auditor determined that the IO was paid the proper PMR, Fuel Surcharge and trip rates for the month of November 2024.

¹ Although the driver selected was from Prudential's driver listing, because Provincial and Prudential drivers are dispatched and paid from through the same payroll system, I accept that the one sample was sufficient.

23. The auditor determined that the \$80.00 administrative fee was a business cost associated with the licensee and that therefore Prudential's deductions for same from two IOs in November 2020, May 2021, March 2022 and April 2022 were improper and the IOs are owed a total of \$320.00. No similar deductions were identified in Provincial's payroll during the Audit Period.

Port Fines

24. The auditor then randomly selected one pay period noted in Prudential's Audit Report as having discrepancies between the wage statements and the net amount paid to its drivers and reviewed one IO's wage statement, which indicated he earned \$3,230.51 in May 2021 but was only paid \$2,705.51 according to the bank records for a difference of \$525.00. When asked for an explanation of the difference, Prudential advised that it had deducted the amount from the IO's wages because Prudential was penalized \$525.00 by the Vancouver Fraser Port Authority ("VFPA") after the IO allegedly failed to follow the VFPA's procedures. The \$525.00 deduction was not noted on the wage statement, but the \$525.00 fine documentation was provided to the OBCCTC in response to the original request for records. The auditor noted that one other Prudential IO was deducted \$525.00 in May 2021 for similar reasons for a total of \$1,050.00 in unauthorized deductions.
25. The auditor explained to Prudential that since it had made a contractual agreement with VFPA and was responsible for the actions of the drivers who access its property, such fines are considered business costs and are not permissible deductions. Prudential advised the auditor that it has since stopped making these deductions.

PMR

26. At the February 2025 meeting with the auditor, Prudential for the first time provided the auditor with correspondence it received from former Commissioner Crawford on March 31, 2020 ("March 2020 letter") about the application of the PMR to container moves between railways and facilities in the Lower Mainland. Prudential² asked the former Commissioner to confirm its understand that the two following scenarios did not attract the PMR because they were not "port related moves" based on its understanding of Canadian National Transportation Ltd. (CTC Decision No. 02/2019) ("CNTL"):
- a. Empty ocean containers going from CN/CP to an Off Dock location (Delco, Coast, Harbourlink, etc)³
 - b. Loaded ocean containers that are picked up at CN/CP and taken to a customer where the container is unloaded and then returned to an Off Dock location.
27. The former Commissioner advised Prudential that the two scenarios would attract the regulated off-dock rate including the PMR. In addition, the former Commissioner advised Prudential not to rely on CNTL given the unique circumstances of that audit. However, he appreciated CNTL had caused some industry confusion and agreed that he would not require Prudential to compensate drivers for missing PMR between the date it was initiated (September 2019) and the date of the March 2020 letter. The

² The March 2020 letter was also addressed to Unifor Local VCTA as it has provided the Commissioner with a submission on the applicability of the PMR to the scenarios.

³ Prudential clarified at some point that it was asking about "empty marine containers" referenced in CNTL Decision.

former Commissioner further advised Prudential that it must pay the PMR in accordance with his interpretation going forward.

28. Fifty-two of the seventy-four missing PMR payments to Prudential I/Os identified in the Audit Report were prior to March 2020. The auditor then reviewed the twenty-two remaining discrepancies and was satisfied in all but two circumstances that the auditor mistakenly determined that the PMR was not paid on certain dangerous goods trips when the PMR was in fact paid because of the way Prudential recorded the movements on their payroll records. However, the auditor confirmed that a total of two PMR payments (\$50.00) were not made in May 2021 and July 2023. Overall, the auditor did not see a “systemic issue with PMR compliance.”
29. Fifteen of the twenty-four missing PMR payments to Provincial I/Os identified in the Audit Report were prior to March 2020. The auditor reviewed the nine remaining discrepancies and was satisfied in all but two circumstances that the PMR was indeed paid on certain dangerous goods trips. The auditor confirmed that two PMR payments (\$50.00) were not paid to one driver in May 2021 but also did not find that they indicated a “systemic issue with PMR compliance.”

Remaining Discrepancies

30. Prudential agreed with the auditor that \$884.15 was owed to multiple IOs in March and November 2020, and July 2023 due to either mathematical errors or the absence of any explanation for the discrepancy.
31. In addition, the auditor noted that Prudential had made additional deductions during the Audit Period:

Pay Period	Driver	Amount	Deduction
March 2022	JS	\$177.80	New Company Sign for Truck
March 2022	BG	\$250.00	moving wrong container
April 2022	GB	\$200.00	Parts
May 2023	5 Drivers	\$390.00	Deduction of \$78 each for app
Multiple Periods	NK	\$1,350.01	WCB premiums
Total		\$2,367.81	

32. Prudential was not able to provide documentation in support of the deductions and the auditor concluded each of these deductions were either unsupported or properly classified as business costs and therefore not permitted.
33. The auditor determined that Provincial also made two improper deductions. In May 2022, Provincial deducted \$175.00 from an IO’s wages after he mistakenly took the wrong container resulting in Provincial incurring an additional reservation fee. In December 2021, Provincial deducted \$1,000.00 from an IO’s wages after Provincial paid a towing company to move the I/O’s disabled truck. Provincial explained that the deduction was partial payment toward the towing costs and provided three different invoices from a towing company issued on or around April 2021. One invoice for \$1,616.03 was for recovering a 40-foot container from a ditch on April 3, 2021. A second invoice for \$1,654.51

was for recovering a 40-foot container chassis on April 3, 2021. A third invoice for \$393.66 was for moving a container chassis from Prudential's yard to an undisclosed ship. The auditor was unable to reach the IO to confirm the arrangement Prudential described.

34. On April 14, 2025, the auditor prepared separate supplemental audit reports for Prudential and Provincial ("Second Supplemental Audit Reports"). The auditor noted that deductions or additions to the drivers' wages were not consistently accounted for on the drivers' wage statements; however, she ultimately accepted the Companies' explanations for most of discrepancies noted in the Audit Report and First Supplemental Audit Report and adopted the former Commissioner's agreement not to seek repayment for the PMR prior to March 2020. Based on the auditor's revised calculations, she determined that Prudential underpaid its IOs a total of \$4,671.96 during the Audit Period when it failed to pay the regulated rates and made improper business cost deductions. The auditor also determined that Provincial failed to pay the regulated rates and made improper deductions during the Audit Period and owed three drivers a total of \$1,225.00.
35. A copy of the Second Supplemental Audit Reports and working papers were sent to Prudential on April 28, 2025 and Provincial on May 8, 2025 and they were invited to respond. The Companies responded by the deadline.

Companies' Response

36. Prudential agrees with the auditor's assessment of a total of \$2,476.87 owing to the drivers for the missing PMR and improper deductions but disputes that \$1,350.01 for WCB premiums was improperly deducted from one IO's multiple wage statements during the Audit Period. Prudential explains that the IO could not get WCB coverage and he provided authorization for Prudential to make the deductions on his behalf.
37. Provincial did not dispute that it failed to pay one driver the PMR and improperly deducted monies from another IO who took the wrong container for a total of \$225.00. However, Provincial disputes that it improperly deducted \$1,000 for towing costs from one driver in December 2021 and states that "at the end of the day it was taken care of by ICBC." Provincial provided an accident report completed by the IO, correspondence between Mr. Randeep Dhaliwal and a representative of ICBC, and Commercial Vehicle Safety and Enforcement Branch ("CVSE") documentation prohibiting the IO's vehicle (Vehicle Identification Number ("VIN") starting with 1XKD and BC license plate MB4128) and associated trailer (VIN starting with 2MN3 and BC License Plate 70328B) from being used on a public road any further.

Decision

38. The Companies' incomplete record keeping hindered the ability of the auditors to complete a timely audit. Specifically, the Companies initially failed to identify all the deductions made in a pay period resulting in an unnecessarily protracted reconciliation process that ultimately discovered some of the deductions were not permitted under the CTS license and/or the Act. Furthermore, Provincial failed to provide the Missing Timesheets which hindered the ability of the auditor to confirm that the drivers had been paid correctly for all the hours they worked in the pay periods involved. I find that the Companies are in breach of Appendix D(4)(f) to Schedule 1 of the CTS license.

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39. I accept that Prudential is not required to compensate drivers for any unpaid PMR before March 2020 based on the former Commissioner's March 2020 letter. While the March 2020 letter is addressed specifically to Prudential and not Provincial, the licensees are Related Persons with the same owner, and I find it reasonable that the Commissioner's assurance extended to Provincial.
40. The Companies do not explain why they accept the auditor's conclusion that the PMR should have been paid on the identified moves after March 2020 but I do not accept that the PMR would not apply to all 53-foot container moves. At paragraph 53 of Simard Westlink Inc. (CTC Decision No. 04/2024) - Reconsideration Decision, I stated that a container's dimensions are not necessarily relevant to whether a container is "furnished or approved by an ocean carrier for the marine transportation of goods" and set out some the indicia of a "container" under the Act. If the Companies' position is that the PMR does not apply to 53-foot containers, I apply the analysis set out in Simard: simply because a container is 53 feet does not mean it does not attract the regulated rates, including the PMR.
41. It is undisputed that Provincial failed to pay the PMR (\$50.00) in May 2021 and made an improper deduction totaling \$175.00 in May 2022.
42. Provincial has not provided sufficient evidence to support the \$1,000 towing deduction in December 2021. I have reviewed the invoices contained in the Provincial's Second Supplemental Audit Report and confirm that the license plate and the VIN listed are those of the trailer – not the IO's truck. It is reasonable to assume that the IO does not own the trailer given that trailers are normally owned or leased by the licensee. Furthermore, I was provided with no evidence that the IO agrees that this is the reason for the deduction or Provincial initially paid for towing his vehicle. Finally, the \$1,000 deduction does not match any invoice. I agree with the auditor that the deduction was a business cost (the cost of recovering and moving Provincial's trailer and container) and therefore cannot be deducted pursuant to section 24 of the Act and Appendix E(2) to Schedule 1 of the CTS License.
43. It is undisputed that Prudential failed to pay the PMR in May 2021 and July 2023, underpaid three IOs due to mathematical errors in March and November 2020 and July 2023, and made a series of improper deductions as outlined in the Second Supplemental Audit Report – except for the WorkSafe BC premium deductions for one IO. I agree with the auditor's uncontested analysis that each of the deductions identified in the Second Supplemental Audit Report for Prudential were in breach of section 24 of the Act and Appendix E(2) to Schedule 1 of the CTS License.
44. I am not persuaded that Prudential was entitled to deduct the WCB premiums it remitted to WorkSafe BC from the IO's wages. Likelier than not, Prudential was paying its required WCB premiums on behalf of the IO who worked and then tried to recover the costs from the IO. Additionally, I do not accept, based on April 7, 2017 email from the IO, that the IO agreed to the deduction in any event. That email starts off the sentence with "If you are going to charge me [the WCB premiums]...." and concludes with the statement "I don't have a problem for you to deduct from my next statement as long as you provide me a wcb statement show the amount and any account summary showing the [NJ] was covered under PRUDENTIAL's wcb for the months of Jan Feb Mar 2017". I do not find that the IO's email evidence was an agreement nor was I provided any evidence that Prudential provided the IO with the information he requested – regardless, I find that such an expense is a business cost and therefore cannot be deducted and the IO's agreement is not relevant.

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45. Prudential has also failed to substantiate any correlation between amount deducted from the IO wages the amount it paid to WCB in premiums and therefore I find that Prudential failed to pay the IO in accordance with the Rate Order.
46. Based on the above, I find that Prudential was in breach of section 23 of the *Act* when it failed to pay the two IOs the PMR in May 2021 and July 2023 (\$50.00 total) and failed to pay the regulated rates to multiple IOs in March and November 2020 and July 2023 due to mathematical errors (\$884.15 total). I also find based on the above that Prudential was in breach of section 24 of the *Act* and Appendix E(2) to Schedule 1 of the CTS License when it improperly deducted \$2,367.80 from drivers' wages during the Audit Period to recover business costs.
47. Section 34 of the *Act* provides that, if the Commissioner is satisfied that a licensee has failed to comply with the *Act*, the Commissioner may impose a penalty or penalties on the licensee. Available penalties include suspending or cancelling the licensee's license or imposing an administrative fine. Under section 28 of the *Regulation*, an administrative fine for a contravention relating to the payment of remuneration, wait time remuneration or fuel surcharge can be an amount up to \$500,000. In any other case, an administrative fine can be up to \$10,000.
48. The seriousness of the available penalties indicates the potential gravity of non-compliance with the *Act*. The *Act* is beneficial legislation intended to ensure that licensees pay their employees and IOs in compliance with the established rates. Licensees must comply with the legislation, as well as the terms and conditions of their licences, and the Commissioner is tasked under the *Act* with investigating and enforcing compliance.
49. In keeping with the above-described purpose of the legislation the factors which will be considered when assessing the appropriate administrative penalty include the following as set out in Smart Choice Transportation Ltd. (CTC Decision No. 21/2016):
- The seriousness of the respondent's conduct;
 - The harm suffered by drivers as a result of the respondent's conduct;
 - The damage done to the integrity of Container Trucking Industry;
 - The extent to which the licensee was enriched;
 - Factors that mitigate the respondent's conduct;
 - The respondent's past conduct;
 - The need to demonstrate the consequences of inappropriate conduct to those who enjoy the benefits of having a CTS licence;
 - The need to deter licensees from engaging in inappropriate conduct, and
 - Orders made by the Commission in similar circumstances in the past.
50. The failure to maintain complete, accurate and up-to-date records is a serious violation of a licensee's obligation under the legislation and interferes with the OBCCTC's fulfillment of its rate compliance mandate and its ability to properly perform audits in a timely and accurate way – see HAP Enterprises Ltd (CTC Decision No. 17/2016); Forfar Enterprises Ltd. (CTC Decision No. 13/2025).
51. I adopt the analysis in each of these cases.

52. In this case, the Companies' poor record keeping delayed the audits and prevented the auditor from determining the actual amount owed to drivers at various stages. The initial problem for the auditor was simple, the wages statements provided by the Companies for some of its drivers did match the payment made to the drivers. After a yearlong investigation, an audit report, supplemental audit reports, a series of emails from the Companies with various explanations for the discrepancies, and ultimately a face-to-face meeting, the Companies were finally able to demonstrate to the auditor the reason for the discrepancies. Section 28 of the *Employment Standards Act* ("ESA") is incorporated into the 2020 CTS license and section 27 and 28 of the *ESA* into the 2022 CTS license, meaning that during the Audit Period, the Companies were required to identify the deductions and the reasons for them. Since 2022, the Companies were also required to identify the reasons for the deductions on the driver's wage statements. The Companies did neither.
53. Paying less than the regulated rate is also a serious offense and the experience of the OBCCTC has shown the ingenuity of some licensees to avoid paying the regulated rate – including paying less than the regulated rate through improper payroll deductions. In this case, the Companies were eventually forthcoming to the auditor about the reasons for the deductions, but I am unclear why the reasons for the deductions were not communicated to the drivers through their wage statements. Appendix D of the CTS license requires licensees to keep records and provide wage statements to drivers with sufficient information to understand how the licensee calculated the amount of money they were paid in the pay period. In this case, the Companies did not provide a clear explanation for the deductions and but for the audit it may not have been discovered that the drivers were in fact not paid the regulated rates during the Audit Period.
54. While the outstanding amount was relatively small, payment to the drivers was delayed for an extended period. I was provided with no explanation by Provincial for its Missing Timesheets. I have also considered that Prudential was issued an administrative penalty of \$9,000 for making improper business cost deductions in Prudential Transportation Ltd. (CTC Decision No. 21/2017) and has repeated the offense.
55. In the result and in accordance with section 34(2) of the *Act*, I hereby order and give notice as follows:
- a. I propose to impose an administrative fine against Provincial in the amount of \$4,500.00.
 - b. I propose to impose an escalating administrative penalty against Prudential in the amount of \$9,000.00
56. Based on the above and pursuant to section 9 of the *Act*, I order the following within 30 days of the date of these decisions that:
- a. Provincial to pay its drivers \$1,225.00 (\$50.00 + \$175.00 + \$1,000.00) less any statutory deductions as outlined in the Second Supplemental Audit (Provincial) working papers and provide proof of payment to the OBCCTC Registrar.
 - b. Prudential to pay its drivers \$4,671.96 (\$50.00+ \$884.15+\$1050.00+\$2,367.81) less any

statutory deductions as outlined in the Second Supplemental Audit (Prudential) working papers and provide proof of payment to the OBCCTC Registrar.

57. I also order the Companies, no later than September 1, 2025 to:

- a. Review their payroll records from November 1, 2019 to the date of this decision (excluding the Audit Period) and make the appropriate adjustments to bring itself into compliance with the Act. In particular, the Companies must ensure that any deduction made is not in breach of section 24 of the Act and/or Appendix E(2) to Schedule 1 of the CTS License.
- b. Advise the OBCCTC Registrar of any adjustments made and provide proof of payment to their drivers of the same.
- c. Ensure that the wage statements provided to its drivers going forward are in compliance with Appendix D (B)(1)(f)(i) and provide evidence of the same to the OBCCTC Registrar.

58. Should they wish to do so, the Companies have 7 days from receipt of this notice to provide the Commissioner with a written response setting out why the proposed penalties should not be imposed.

59. If the Companies provide a written response in accordance with the above, I will consider that response and I will provide notice to Companies of my decision to either:

- Refrain from imposing any or all of the penalty; or
- Impose any or all of the proposed penalty.

60. This decision will be delivered to the Companies and will be published on the Commissioner's website (www.obcctc.ca) after the Companies' response period has been closed.

Dated at Vancouver, B.C., this 10th day of July 2025.

A handwritten signature in blue ink, appearing to read 'Glen MacInnes', is written over a light blue horizontal line.

Glen MacInnes
Commissioner