October 28, 2025

Canaan Shipping Co. Ltd.
11371 Twigg Place,
Richmond, BC V6V 3C9

Canaan Shipping Co. Ltd. (CTC Decision No. 28/2025) – Decision Notice

Introduction

1. In Canaan Shipping Co. Ltd. (CTC Decision No. 28/2025), ("Decision") I determined that Canaan Shipping Co. Ltd. ("Canaan") violated section 23 of the *Container Trucking Act* ("Act") when it failed to pay company drivers the regulated rates for work performed in July and September of 2024. I ordered Canaan to pay company drivers a sum of $319.88 and review its payroll records between May 1, 2023 and September 24, 2025 (except for the pay periods in May 2023, July and September 2024) to ensure that it is compliant with the overtime rates set out in the Rate Order and to make the appropriate payments to its drivers to bring itself into compliance if not.

2. In the Decision, an administrative fine in the amount of $5,000.00 was proposed for the reasons set out in paragraphs 14 and 15. Consistent with s. 34(2) of the *Act,* Canaan was given 7 days to provide a written response setting out why the proposed penalty should not be imposed.

3. Canaan provided a submission within the timeline.

Canaan's Response

4. As mentioned at paragraph 10 of the Decision, Canaan did not provide a response to the June 24, 2025 Audit Report but has now provided additional information for my consideration.

5. Canaan does not dispute that it failed to comply with the Rate Order when it failed to properly calculate the weekly overtime rates for drivers in September 2024, but says this was the result of a "configuration error" with its payroll system and not "willful non-compliance." Canaan argues that the corrective actions it took immediately upon learning of the error in its weekly overtime calculation, including conducting an internal audit to identify the total amount owing as a result of the error, are evidence of their "transparency and our commitment to restitution."

6. Canaan disputes the Commissioner's finding at paragraph 14 of the Decision that "the total amount owing is likely to be more considering that Canaan does dispute that it has failed to pay weekly overtime since the amended Rate Order was introduced on May 1, 2023." Canaan argues that the amount owing was known as its internal audit – supported by its third-party payroll provider - had determined that "the total underpayment during the Audit Period was just $319.18, arising solely from the payroll system's technical misalignment" and its findings were shared with the auditor. Furthermore, Canaan argues that the financial impact was minimal and "full financial restitution was offered immediately" but that it was advised to "defer payment until a decision was issued."

7. Canaan argues that the unintentional errors resulting in a minimal amount owing to drivers are dissimilar to those decisions cited at paragraph 15 of the Decision. In Royal City Roadline Transport Inc. (CTC Decision No. 08/2024), the Commissioner found that the licensee and its Related Person "co-ordinated to avoid paying the overtime rate" and the licensee was only fined $2,000. Canaan notes that the Related Person was also issued an administrative fine of $2,000 for a similar offense.[1] In addition, Canaan argues that the administrative penalty of $6,000 was not based on the licensee's failure to pay the regulated overtime rate (see Team Transport Services Ltd. (CTC Decision No. 16/2024) – Supplemental Decision, paragraph 15).

8. Canaan states that it should be given consideration because it was cooperative at all points during the audit and when it learned that it had failed to comply with the Rate Order it attempted to take immediate steps to pay its drivers. Furthermore, Canaan states that the current fine imposes an "undue reputational burden" for what it argues was "fundamentally a clerical error." Canaan argues that the administrative fine should not be imposed or, alternatively, should be reduced.

Consideration of Canaan's Response

9. I am not persuaded by Canaan's arguments that the proposed administrative penalty should not be imposed because the breach was the result of an unintentional "configuration error" or because it will cause an "undue reputational burden."

10. I accept that these underpayments were likely unintentional as the amount of money found to be owing does not suggest that Caanan engaged in a sustained pattern of deliberately inaccurate accounting resulting in rate underpayments for their own enrichment to the detriment of their drivers. This is consistent with my finding at paragraph 16 of the Decision that Caanan took proactive steps to correct the errors during the audit process. The fact remains that Canaan's accounting errors – even if unintentional -- resulted in the underpayment of its drivers, which factors into a consideration of the appropriate penalty. See Supersonic Transport Ltd. (CTC Decision No. 24/2018) – Decision Notice; Orca Canadian Transport Ltd. (CTC Decision No. 09/2020) – Decision Notice, and PTG Transport Ltd. (CTC Decision No. 11/2021) – Commissioner's Decision.

11. And while I understand Canaan's concerns about the negative consequences that flow from any finding of noncompliance, administrative penalties are meant to discourage the licensee from engaging in the same or similar conduct in the future and to send a clear deterrent message to other licensees that the conduct will not be tolerated in the drayage sector.

12. Canaan's submission states that its internal review found that $319.18 was owed to the drivers since May 2023 but this is the exact amount the auditor determined was owed for July and September 2024. In my opinion, it is highly improbable that the auditor would randomly select the only two months since May 2023 when drivers earned weekly overtime and were not paid. However, I accept that Canaan engaged a third party to conduct an internal audit and the auditor did not review the results pending the outcome of the Commissioner's Decision.

[1] Big Boss Transport Inc. (CTC Decision No. 09/2024) – Commissioner's Decision and Decision Notice.

13. I am not persuaded that Big Boss and Royal City Roadline are completely distinguishable from this case as both deal with the failure to pay regulated overtime. In both of those cases, the amounts owed to the drivers were similarly small. Although I found that Big Boss and Royal City Roadline coordinated to avoid paying the regulated overtime rates – a finding I did not make in this case - the previous administrative fines in both those cases were $1,500 and $2,000 respectively, whereas, as noted at paragraph 4 of the Decision, Cannan has already received administrative penalties of $1,500 and $20,000. As per paragraph 16 of the Decision, I took into account that Cannan's previous administrative penalties were significantly more than those imposed in Big Boss and Royal City Roadline.

14. I agree with Canaan that the administrative penalty in Team Transport was not for a failure to pay overtime and Team Transport ought not to have been considered in the Decision. Therefore, I will amend my order and reduce the penalty such that it is consistent with other cases where licensees have failed to pay regulated overtime. See Super Star Trucking Ltd (CTC No. 10/2025), Smart Choice Transport Ltd. (CTC Decision No. 01/2025), Best Can Trucking Ltd. (CTC Decision No. 12/2025).

Conclusion

15. Having carefully considering Canaan's submission and for the reasons outlined above, I reduce the penalty to $3,000.00.

16. In the result, I hereby order Canaan to pay an administrative fine in the amount of $3,000.00. Section 35(2) of the *Container Trucking Act* requires that fines be paid within 30 days of the date of this Decision Notice. Payment should be made by delivering to the OBCCTC a cheque in the amount of $3,000 payable to the Minister of Finance.

17. Finally, I note that Canaan may request a reconsideration by filing a Notice of Reconsideration with the Commissioner not more than 30 days after Canaan's receipt of this Decision Notice. A Notice of Reconsideration must be:
    a. made in writing,
    b. identify the decision for which a reconsideration is requested,
    c. state why the decision should be changed,
    d. state the outcome requested,
    e. include the name, an address for delivery, and telephone number of the applicant and, if the applicant is represented by counsel, include the full name, address for delivery and telephone number of the applicant's counsel,
    f. signed by the applicant or the applicant's counsel.

18. Despite the filing of a Notice of Reconsideration, but subject to section 39(2) of the *Act*, the above order remains in effect until the reconsideration application is determined.

19. This Decision Notice along with the Commissioner's Decision will be published on the OBCCTC's website.

Dated at Vancouver, B.C., this 28th day of October 2025.

Glen MacInnes
Commissioner