



September 25, 2026

Canada Drayage Inc.
1375 Kingsway Ave
Port Coquitlam BC V3C 1S2

Canada Drayage Inc. (CTC Decision No. 08/2026) – Decision Notice

Introduction

1. In [Canada Drayage Inc.](#) (CTC Decision No. 08/2026) (“Commissioner’s Decision”), I determined that Canada Drayage Inc. (“CDI”) was in breach of section 23 of the *Act* when it failed to pay the regulated rates to eleven drivers between December 2020 and December 2025 and failed to pay its drivers as required by Orders #1 and #2 in the [Notice of Order against Canada Drayage Inc. to Comply with the Container Trucking Act and Container Trucking Services Licence](#) (November 29, 2024) (“2024 Order”).
2. I also ordered CDI, pursuant to section 9 of the *Container Trucking Act* (the “*Act*”), to pay the drivers in question a total of \$383,823.35 (“Amount Owing”) as set out in Appendix A of the Commissioner’s Decision and provide the auditor with evidence of payment no later than July 15, 2026.
3. I also determined that this was an appropriate case to issue a penalty for the reasons set out in paragraphs 41 to 44 of the Commissioner’s Decision. Consistent with s. 34(2) of the *Act*, I proposed to impose an administrative fine against CDI in the amount of \$100,000.00. I advised CDI that I would consider its written response to the proposed penalty if it was received within 7 days (no later than July 15, 2026).
4. On July 9, 2026, counsel for CDI sought, and was granted with conditions, an extension to reply to the proposed penalty until July 27, 2026.
5. On July 14, 2026, counsel for CDI sought an extension to the deadline to pay the Amount Owing until July 29, 2026. CDI also disputed the payment of wages to Mr. Jatinder Rai and Mr. Sukhwinder Sidhu (\$47,736.50 and \$38,689.86 respectively) on the basis that they worked for Canada Drayage (B.C.) Inc. (“CDIBC”) and were not performing regulated container trucking services. Finally, CDI proposed to “voluntarily” pay the drivers in question the Amount Owing less the amounts owed to Mr. Rai and Mr. Sidhu in exchange for “CDI to be released [presumably by the Commissioner] from further claims.” The OBCCTC did not provide an immediate response to CDI’s “proposal” and on July 23, 2026, counsel for CDI advised that he had “endeavored to make payment [of the Amount Owing] by July 15, 2026, pursuant to the Decision, but was unable to in part due to [counsel’s] delay in responding to my client on the required next steps.” CDI has since paid the Amount Owing (including payments to Mr. Rai and Mr. Sidhu) and I will therefore not comment on its “proposal.”

6. On July 27, 2026, counsel for CDI submitted a response to the proposed penalty.
7. Between July 28 and August 25, 2026, CDI provided the auditor with copies of electronic funds transfers to each of the drivers in Appendix A of the Commissioner's Decision and with a majority of the required completed compliance forms. CDI advised that six of the drivers in question were no longer employed by CDI and CDI had been unsuccessful in having them fill out the compliance forms. CDI provided copies of bank records that showed the individual amounts were deposited in each of the six driver's accounts.
8. On August 26, 2026, the auditor submitted a compliance report advising that CDI had demonstrated payment to each driver through its bank records, but all the payments were after the July 15, 2026 deadline.

Licensee's Response and Consideration of Response

9. CDI asks that the proposed penalty be cancelled or reduced.
10. CDI does not dispute that it failed to pay the regulated rates to its drivers but "feel[s] it is imperative to stress, and for the CTC to consider, CDI's motives throughout the jurisdictional dispute" about the type of container trucking services work that is captured by the *Act*. CDI says it "cannot envision what they could do differently than CDI has done to both respect the CTC's authority while not prejudicing their own legal rights and entitlements" and its "honest and good faith dispute" with the Commissioner's application of the *Act* should not be interpreted as the "thumbing its nose at the CTC."
11. For the reasons set out below, I am not persuaded by CDI's submissions and have determined that the appropriate administrative penalty is \$100,000.

Smart Choice Factors

12. CDI argues that the factors in Smart Choice Transportation Ltd. (CTC Decision No. 2/2026) do not support the proposed penalty. CDI's submission repeats many of the arguments raised in previous submissions. I have summarized CDI's arguments and my response using the headings provided in its submission.

Seriousness of the licensee's conduct

13. CDI does not dispute the importance of section 23 of the *Act* but argues the breach in this case is "on the lower end of the spectrum of severity" given that the driver's bargaining agent "expressly negotiated" the Impugned Rates with CDI and "it can reasonably be expected that such concerns [with the rates] would have been raised directly by the drivers or their union, not from the CTC."
14. CDI argues that the fact that its delay in payment kept its drivers from being made "financially whole" should not be a factor in the assessment of the penalty. CDI maintains that the legislature's failure to prescribe interest on amounts owing to drivers "should not be unilaterally corrected by the CTC by increasing an attendant penalty."

15. CDI argues that the Commissioner's Decision mischaracterizes its decision to surrender its CTS licence as an attempt to evade accountability for any money found to be owing to drivers under the Act. CDI argues that its decision was made for financial reasons as it did not want to pay the regulated rates to drivers and also wanted to "avoid future disputes with the CTC."
16. CDI argues that the Audit Report issued April 28, 2026 did not contain a proposed administrative penalty and speculates that if the "CDI simply paid the amount set out in the Audit rather than provide submissions on May 29, 2026, which it was invited to do, it is reasonable to expect that that the Penalty would not have been issued at all." CDI argues that it is therefore being penalized for responding to the Audit Report.
17. I do not agree that CDI's failure to pay their drivers the regulated rates is on the "lower end of the spectrum of severity." As stated in paragraph 42 of the Commissioner's Decision, the amount owing is significant. In paragraph 44 of the Decision, I referenced Embassy Transportation Inc. (CTC Decision No. 09/2025). In that case, I found that the licensee owed its drivers a total of \$246,429.40 for work performed between May 1, 2023 and November 30, 2024 and imposed an administrative penalty of \$100,000.
18. I am not convinced that the absence of any complaints about underpayment from the drivers or their union lessens the severity of the breach. At paragraphs 7-12 of the Notice of Order against Canada Drayage Inc. to Comply with the Container Trucking Act and Container Trucking Services Licence (November 29, 2024), I noted that in 2022 CDI and the Union raised opposing views about the application of the Act to certain containers movements and that later a driver filed a complaint about the underpayment of wages for "rail division work."
19. The proposed penalty does not attempt to "correct" the legislature's decision not to include interest in the payment of outstanding wages. Administrative penalties are not distributed to drivers but rather paid to the Minister of Finance. At paragraph 42 of the Commissioner's Decision, I stressed the importance of timely payment in part because drivers cannot be made financially whole through interest payments. In this case, CDI's delay injured the drivers not only because they cannot collect interest on money owing and warrants a penalty.
20. CDI's submissions are clear – they do not believe the work performed by the drivers attracts the regulated rates. CDI may have surrendered its licence to avoid "future disputes" but the monies owing to its drivers (later quantified and described as the Amount Owing) was still a live issue as CDI had not produced the required records or paid the regulated rates to its drivers since December 2020. By surrendering its CTS licence, CDI had less reason to provide the records needed to determine the actual amount owing to drivers as their licence was no longer at risk if their non-compliance continued.
21. Regarding CDI's suggestion that it was "punished" for responding to the Audit Report, the auditor is not a decision-maker, and her Audit Report only described how she calculated the Amount Owing. As set out in Parts D and E the OBCCTC Rules of Practice and Procedure, if, after receiving the audit report the Commissioner considers that the licensee may have breached the Act, Regulation or licence, a copy will be provided to the licensee for a response. Section 34 of the Act is clear that if

(after receiving the licensee's response to the audit report), the Commissioner determines that a breach has occurred a Commissioner's decision is issued and a penalty may be proposed. The licensee then has an opportunity to respond to the penalty proposed. CDI's suggestion that payment of the Amount Owing upon receipt of the Audit Report would have avoided an administrative penalty is not consistent with the *Act* or the Rules.

Harm suffered by drivers as result of the licensee's conduct

22. CDI argues that any harm suffered by the drivers is "relatively minor" as the Amount Owing has been paid and "any such harm has now been substantially cured."
23. I am not convinced that nearly \$400,000 in wages owed to drivers is "relatively minor" or that the payment of the Amount Owing "substantially cured" any harm. The Amount Owing accrued between December 2020 and December 2025. Drivers went undercompensated for up to five years. The nature of the harm is self-evident. I am also not convinced that the harm is "substantially cured" because CDI has now, late in the day, paid the Amount Owing. Also, the full extent of the harm is unknown because CDI failed to provide the required records as ordered.

The damage done to the integrity of the container trucking industry

24. CDI argues that its actions were intended to "ensure that the proper scope and jurisdiction of the *Act* is applied and respected" and that its conduct has not prejudiced or affected the integrity of the container trucking industry, but rather "protects it again the CTC exceeding its jurisdiction...."
25. In Canada Drayage Inc. (CTC Decision No. 18/2025) – Decision Notice, I found at paragraphs 23 and 24 that it was not open to CDI (or any licensee) to unilaterally act in accordance with its interpretation of the *Act* until such time as the courts make a determination unique to it. I adopt that analysis in this case. CDI has provided me with no supporting authority for its position. There may be valid reasons for the Commissioner to suspend an order or to make an order effective at a future date, but these are questions for the Commissioner under the *Act*. Licensees are not automatically entitled to wait until the courts determine their arguments. A selective adherence to the *Act* as advanced by CDI - would undermine the integrity of the container trucking industry and would interfere with the Commissioner's administration of the *Act*.
26. At paragraph 37 of Canada Drayage Inc. (CTC Decision No 18/2025) – Decision Notice, I noted correspondence sent to CDI on April 20, 2020 stating that movements of containers by licensees to and from rail yards are captured by the *Act* and the Commissioner had made clear on multiple other occasions that licensees must pay the regulated rates for container movements to and from the rail yards. CDI first approached the OBCCTC in 2022¹ about the "jurisdictional issue" - two years after the April 20, 2020 letter - and continued to pay less than the regulated rates for the impugned work. The "jurisdictional issue" was addressed in *Simard Westlink Inc. v Office of the British Columbia Container Trucking Commissioner* 2025 BCSC 2178 on November 4, 2025 confirming the Commissioner's interpretation as set out in its April 20, 2020 letter. Despite putting CDI on notice in 2020 and the subsequent court decision in 2025, CDI did not "ensure that the proper scope and

¹ See Paragraph 7, Notice of Order against Canada Drayage Inc. to Comply with the Container Trucking Act and Container Trucking Services Licence (November 29, 2024)

jurisdiction of the *Act* is applied and respected”, but instead “took its marbles home” by surrendering its licence and failing to pay the regulated rates for the impugned work. While I do not accept CDI was entitled to engage in such a selective adherence to the *Act*, it did not live up to the very conditions it purported needed to be in place to pay the drivers the regulated rates.

The extent to which the licensee was enriched

27. CDI argues that there was no finding in the Commissioner’s Decision that the breach enriched the licensee and that should weigh in its favour.
28. It would not be fair to say that CDI was not enriched or was not found to be enriched in the Decision. CDI was in possession of wages that belonged to the drivers totaling \$383,823.35 over an approximately five-year period and extent of any further enrichment is unknown because CDI failed to provide the required records as ordered. The finding was implicit in the Decision.

Factors that mitigate the licensee’s conduct

29. CDI argues that the Commissioner ought to consider that CDI acted “honestly and in good faith and in a co-operative manner” when it initially reached out the Commissioner in search of clarity about the application of the *Act* to certain container movements and its conduct during the audit was “reflective of an organization that is attempting to address a bona fide legal dispute...”
30. CDI also argues that its decision to “surrender its license” should be considered as “a form of a penalty CDI has already incurred...” and ought to weigh against the proposed penalty.
31. CDI also argues that its payment of the Amount Owing should be considered a mitigating factor.
32. I am not convinced that CDI’s purported search for clarity about the Commissioner’s interpretation of the *Act* before complying with the orders or paying its drivers the regulated rates excuses or mitigates its breaches. At paragraph 37 of Canada Drayage Inc. (CTC Decision No 18/2025) – Decision Notice, I noted correspondence sent to CDI on April 20, 2020 stating that movements of containers by licensees to and from rail yards are captured by the *Act* and the Commissioner had made clear on multiple other occasions that licensees must pay the regulated rates for container movements to and from the rail yards. Additionally, as I will address below, CDI appears to acknowledge the “jurisdictional issue” was addressed in *Simard Westlink Inc. v Office of the British Columbia Container Trucking Commissioner* 2025 BCSC 2178. Instead of providing the required payroll records as ordered when that decision was issued, CDI purported to surrender its CTS licence.
33. As discussed above, I am also not persuaded that CDI’s attempt to surrender its licence should be considered a penalty more than an attempt to shield itself from additional liability. CDI deliberately withheld payroll records to hinder any determination of the amount owing to its drivers and, when the “jurisdictional issue” was not determined in its favour, attempted to surrender its CTS licence
34. CDI was anything but cooperative in the OBCCTC’s efforts to determine the amount owing to drivers. The Amount Owing was ultimately determined based mostly on payroll records provided

by the drivers themselves because CDI has never produced its records. Failing to provide the payroll records needed to determine the total amount owed to drivers undermines CDI's assertions of "good faith" and cooperation.

35. Additionally, CDI had to be ordered to pay the Amount Owing and did not comply by the deadline. CDI's eventual compliance with the order for payment is not a mitigating factor. The fact is that CDI did not pay the Amount Owing until its security was about to be realized.

Licensee's past conduct

36. CDI argues that its repeated breaches are related to the "one central dispute" which is substantially different from repeated misconduct by other licensees that shows contempt for the *Act*.
37. CDI also argues that aside from this "one central dispute with the CTC" it has only been subject to one other finding of non-compliance with the *Act* and "if a single instance of non-compliance...is considered to be an aggravating factor...organizations will have less of an incentive to ensure compliance with the *Act* after a single instance of non-compliance has been found."
38. I am unconvinced by CDI's argument that its breaches should be compartmentalized in the manner advanced. Each administrative penalty is issued – in part – to encourage compliance with the *Act* in the future. They do not address future related (or unrelated) breaches for the simple reason they are intended to dissuade any such future breaches. In Canada Drayage Inc. (CTC Decision No 18/2025) and Canada Drayage Inc. (CTC Decision No. 37/2025, CDI was issued administrative penalties (including license suspensions) for, *inter alia*, failing to comply with an order pursuant to section 40 of the *Act* to produce its August 2021 and January 2022 payroll records and failing to provide the required payroll records for January 8, 2025 pursuant to Appendix D of the 2024 CTS licence). CDI has been clear that it did not believe the Commissioner had jurisdiction to require the production of payroll records and it was not going to comply with the Commissioner's request for information. CDI's conduct repeatedly challenged the authority of the Commissioner and could not be excused without penalty. While CDI's reasons for non-compliance in this case were based on its similar misapprehension of the *Act*, those breaches were for different section of the *Act* and – in part – occurred after the two decisions above were issued.
39. Nor am I convinced that licensees will be less incentivized to comply with the *Act* if one contravention may qualify as an aggravating factor. Penalties affect the contravening licensee directly and also have a deterrent effect on licensees more broadly.

Need to demonstrate the consequences of inappropriate conduct to those who enjoy the benefits of having a container trucking services license.

40. CDI argues that the administrative penalty will not deter other licensees from attempting to avoid liability by surrendering their licence because CDI did not surrender its CTS license to avoid accountability for the Amount Owing.
41. CDI further argues that imposing the proposed penalty will disincentivize licensees from paying any amount owing in order to "at least avoid a substantial administrative penalty."

42. CDI also argues that the Commissioner should distinguish between those licensees that show a “wanton disregard for the authority of the CTC” and those who engage in a *bona fide* dispute with the CTC.
43. I have set out above why I believe that CDI’s decision to surrender its licence was – at least in part – motivated by its desire to shield itself from liability. Regardless of the motive, the proposed penalty will deter others from avoiding or limiting accountability for the breaches by surrendering their licence.
44. I remain unconvinced that penalizing CDI after its payment of the Amount Owing will send the “wrong message” to the industry. CDI was ordered to pay the Amount Owing. If it had not, the OBCCTC would have called its security and CDI may have been subject to another separate penalty for failing to comply with the order to pay.
45. Finally, I am not persuaded that the severity of breaches in question is lessened when there is a “*bona fide*” jurisdictional dispute. At paragraph 24 of Canada Drayage Inc. (CTC Decision No 18/2025), I noted that the selective adherence to the *Act* as advanced by CDI would interfere with the Commissioner’s administration of the *Act* as there would be no mechanism in place to compel compliance. I adopt that analysis here and remain unconvinced that a lower monetary penalty is appropriate. A lower penalty could encourage licensees to assert “*bona fide* reasons” for non-compliant behaviour instead of complying with an order to produce and challenging the Commissioner’s interpretation simultaneously.

The need to deter those licensees from engaging in inappropriate conduct

46. CDI argues that the Commissioner should not expect licensees to comply with orders the licensee “genuinely believe(s) are unlawful” but rather allow the issue to be adjudicated by the courts before requiring the licensee to comply with the order. CDI argues that “now that the jurisdictional issue has been addressed by the B.C. Supreme Court through the *Simard* judicial review released in November 2025, the Penalty should have no bearing on other licensees bringing forward similar jurisdictional challenges.”
47. I have set out above why I am unpersuaded that CDI’s approach was a “*bona fide*” jurisdictional dispute. I also note that CDI’s argument is undercut by the very facts in this case. As CDI notes, the “*bona fide*” jurisdictional issue was addressed by the court and yet CDI did not – and still has not -- complied with the Order #3 in the 2024 Order.

Orders made by the Commissioner in similar circumstances in the past

48. CDI argues that Quality Forest Products Ltd. (CTC Decision No. 08/2025) and Embassy Transportation Inc. (CTC Decision No. 09/2025) are not appropriate comparators. CDI argues it has not engaged in an ongoing strategy to cover up its misconduct as occurred in the first case or that it has failed to pay any wages at all as occurred in the second.

49. The general theme in both of those decisions was that each licensee engaged in conduct that unnecessarily and deliberately delayed payment to drivers. In those decisions that conduct culminated in orders for payment of approximately \$57,000 and \$203,000 respectively. While CDI's conduct may not have been as convert, its refusal to cooperate throughout the audit process kept the total amount actually owed to drivers from being ascertained and caused a delay in payment of substantially more money than in either of the other cases and is just as culpable.

Conclusion

50. I am not persuaded to reduce or refrain from imposing the proposed administrative penalty. Having carefully considered CDI's submissions, and for the reasons set out here and in the Commissioner's Decision, I order CDI to pay an administrative fine of \$100,000.00.
51. Section 35(2) of the *Act* requires this fine to be paid within 30 days of the issuance of this Decision Notice. Payment should be made by delivering to the OBCCTC a cheque in the amount of \$100,000.00 payable to the Minister of Finance.
52. Finally, I note that CDI may request a reconsideration of the Commissioner's Decision by filing a Notice of Reconsideration with the Commissioner not more than 30 days after CDI'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.
53. Despite the filing of a Notice of Reconsideration, and subject to section 39(2) of the *Act*, the above order remains in effect until the reconsideration application is determined.

This decision notice along with the Commissioner's decision will be published on the Commissioner's website (www.obcctc.ca).

Dated at Vancouver, B.C. this 25th day of September 2026.



Glen MacInnes
Commissioner