



Trucking Industry Challenges & Solutions OTA Update

IHSA Fleet Safety Council – 28th Annual Educational Conference



Ontario
Trucking
Association

The Core Principles of OTA

- As an organization we adhere and believe in the principals of fair competition, a free market and the strongest commitment to compliance that includes ***operations, labour, taxation and environment.***
- These principles have and will continue to drive our policy moving forward.
- OTA has led on issues like MELT, speed limiters and ELDs and will continue on issues of tax compliance, truck safety and level-playing field.
- This is the right thing to do for the industry, but it's not always popular in all parts of the industry.

Facing & Dealing with Our Challenges

- Non-compliance of significant regulatory regimes in trucking has become a "business-plan" for a small but growing number of fleets in Ontario/ Canada.
- These fleets compete with compliant carriers on cost, service and labour recruiting, which creates the un-level playing field
- We must face the reality of these challenges and work with governments to enforce the current rules, so the cost of compliance is borne by all in the industry

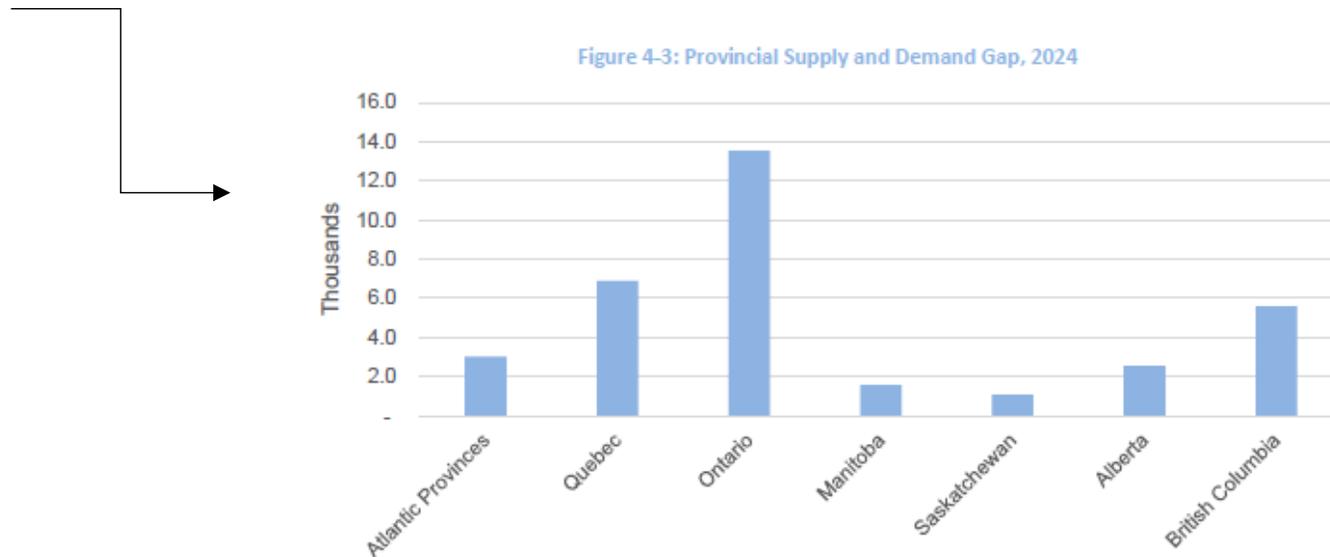
Challenges

OTA's top priority policy areas are:

- **Addressing Driver Shortage**
- **Hours of Service Compliance and Electronic Logging Devices (ELDs)**
- **Tax Compliance & Labour Code**
- **Fleet Safety Compliance**
- **Environmental Compliance**

Challenge: Driver Shortage (DS)

- Current demographic model is unsustainable (rapidly aging driver population with a shrinking pool of young/new entrants).
- The estimated driver supply gap is **34,000** drivers by **2024**.
- Driver shortage exists in every Province.



DS Solutions – Immigration

- Increasing access to immigration channels remains a strong focus for OTA & CTA.
- Immigration of a qualified work-force has traditionally been the way address labour shortages.



- Rural and Northern Immigration Program (trucking included);
- Trusted Employer/Recognized Employer Program (longer term)

- Streamlining of Labour Market Impact Assessments (LMIA) and Application Process for Temporary Foreign Worker Program (TFWP)

DS Solutions – Pre-Licence Training



- MELT - Implemented in ON July 2017, AB and SK March 2019, MB Sept 2019 and driven by industry;
- Council of Transportation Ministers has set January 2020 for national standard for pre-licence training in national safety code (NSC), Premiers want pre-licence training implemented 2021;
- Purpose is to raise the bar for training, qualifications and competencies of entry level truck drivers and raises professionalism of industry;
- Achieved through standardized training development based on National Occupational Standard (NOS) that includes in-class, in yard, practical on-road training and standardized consistent road tests;
- With professionalism comes a more attractive occupation.

DS Solutions – Changing Perceptions



- Attract people to industry
- Truck driving jobs are not going away (ADAS vs. Autonomous)
- Lots of jobs in trucking, not just truck drivers

Hours of Service Compliance - Challenges

- Paper system outdated
- Paper log books allow trucking industry to creatively hide bad weather, congestion and dock delays and provide shipping community unrealistic transit time expectations
- While productivity can be maximized for shippers and non-compliant carriers/drivers under the paper-based log book system it is predicated upon a false baseline

ABC Carrier Inc.
Name of Carrier's
123 St. Good Ave., NY
Main Office Address
456 St. First Ave., NY
Home Terminal Address

Total Miles Driving Today: 650
Total Mileage Today: 650

Truck/Trailer Numbers: 85/44
Driver's Full Signature: _____
Co-Driver Name: _____

	1	2	3	4	5	6	7	8	9	10	11	NOON	1	2	3	4	5	6	7	8	9	10	11
OFF DUTY																							
SLEEPING																							
DRIVING																							
ON DUTY NOT DRIVING																							
REMARKS																							

SHIPPING DOCUMENTS

Manifest No. _____

Shipper _____

WikiHow to Fill a Log Book

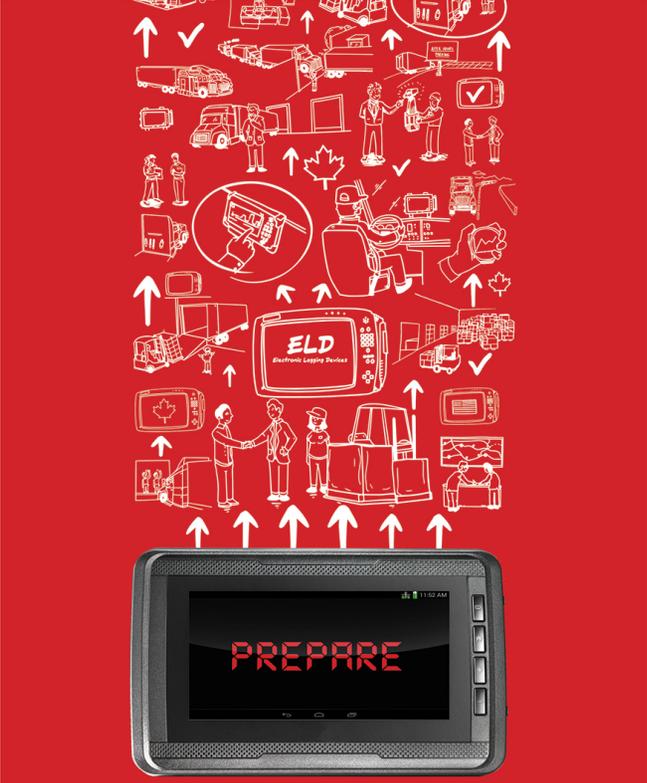
HOS Solutions - ELDs

- Transitioning from a paper-based compliance regime to electronic monitoring
- Ability to truly capture time
- ELDs required in US since December 2017 / final implementation Dec 2019
- Canadian Proposed Rule issued December 2017
- Gazette II issued summer 2019
- Coming into force date for federally regulated carriers June 2021
- Request to also have provincially-regulated carriers where driver is required to maintain a log book to use ELD's at same time as federal carriers
- 3rd party certification of ELD devices essential in Canada
- Educate drivers/carriers/supply-chain on transition to June 2021

HOS Solutions - ELDs

PREPARE

ELECTRONIC LOGGING DEVICE REGULATIONS ARE A GREAT STEP FORWARD FOR OUR INDUSTRY. THESE DEVICES WILL NOT ONLY KEEP THE ROADS SAFER FOR EVERYONE BY HELPING TO ELIMINATE FATIGUE, THEY ARE GOING TO WORK TOWARDS A MORE EFFICIENT AND COMMUNICATIVE TRANSPORTATION PROCESS. CARRIERS, SHIPPERS AND RECEIVERS WILL NEED TO WORK CLOSER TOGETHER THAN EVER BEFORE TO ENSURE INEFFICIENCIES ARE REMOVED FROM THE SUPPLY CHAIN. THIS MEANS THAT OUR TRUCK DRIVERS ARE DRIVING – NOT WAITING – AND THAT’S GOOD FOR EVERYONE. MAKE SURE YOUR FREIGHT IS MOVING WITH A CARRIER WHO USES TAMPER-PROOF ELDs.



Electronic Logging Device regulations are a great step forward for our industry. These devices will not only keep the roads safer for everyone by helping to eliminate fatigue, they are going to work towards a more efficient and communicative transportation process. Carriers, shippers and receivers will need to work closer together than ever before to ensure inefficiencies are removed from the supply chain. This means that our truck drivers are driving – not waiting – and that’s good for everyone. Make sure your freight is moving with a carrier who uses tamper-proof ELDs.

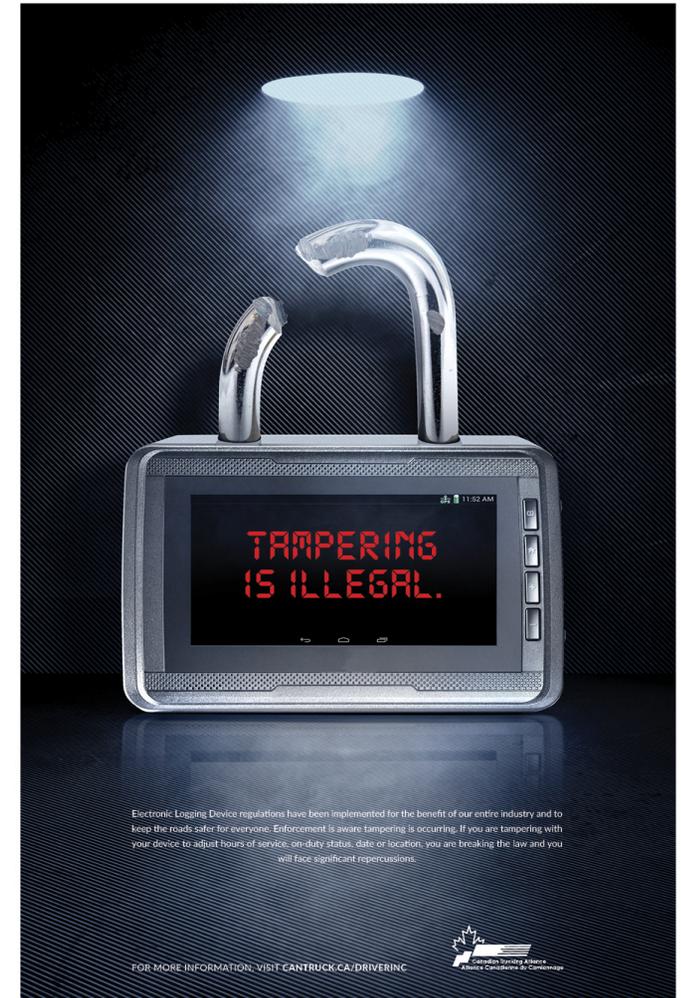
FOR MORE INFORMATION, VISIT CANTRUCK.CA/DRIVERINC



HOS Solutions - ELDs

TAMPERING IS ILLEGAL.

ELECTRONIC LOGGING DEVICE REGULATIONS HAVE BEEN IMPLEMENTED FOR THE BENEFIT OF OUR ENTIRE INDUSTRY AND TO KEEP THE ROADS SAFER FOR EVERYONE. ENFORCEMENT IS AWARE TAMPERING IS OCCURRING. IF YOU ARE TAMPERING WITH YOUR DEVICE TO ADJUST HOURS OF SERVICE, ON-DUTY STATUS, DATE OR LOCATION, YOU ARE BREAKING THE LAW AND YOU WILL FACE SIGNIFICANT REPERCUSSIONS.

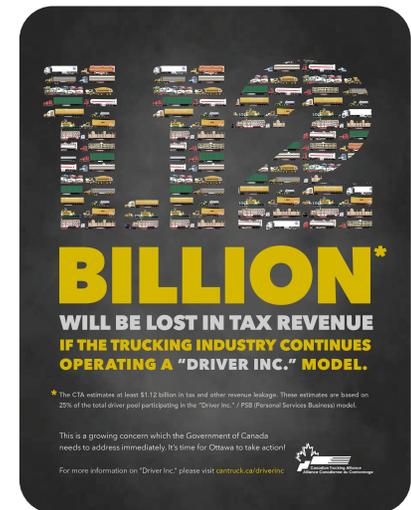
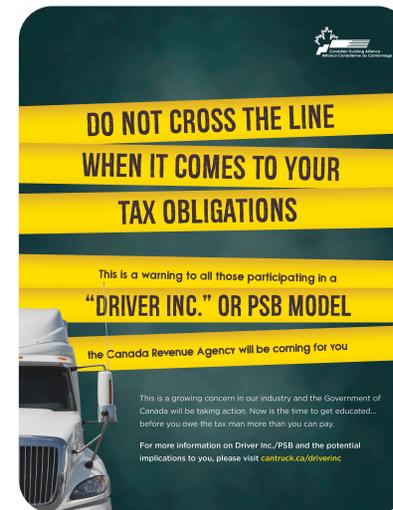


Tax Compliance and Labour Code - Challenges

- Driver Inc.
- A hiring model that **improperly classifies** drivers as independent contractors (without coming close to meeting the traditional test for independence).
- The **carrier avoids** – payroll taxes (e.g. CPP and EI), can get around labour code responsibilities (e.g. paying overtime) and in some cases workers compensation responsibilities (as companies are not required to pay WSIB on independent contractors).
- For the driver, they often see a slight bump in pay (as payroll taxes are being avoided) and the carrier is seeing huge cost savings. The drivers are also often taking advantages of **small business tax** measure that they are not technically entitled to.
- Used as a **driver recruiting** tool
- Leakage estimated in excess of **\$1 billion annually**. (approx. 9% of tax leakage nationally)

Tax Compliance and Labour Code - Solutions

- CTA launched a significant campaign last year that resulted in CRA & ESDC ruling on the subject:
- CRA: Driver Inc. is a PSB
- ESDC: Driver Inc. is an employee
- CTA's goal in 2019-2020: Enforcement
- WSIB enforcement focusing on Driver Inc operations avoiding premium payments
- Corrective debt adjustments beginning



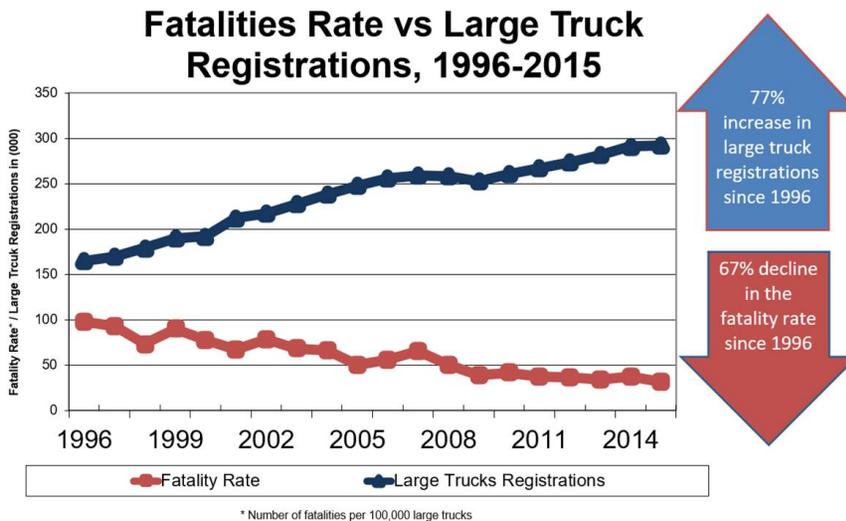
Fleet Safety Compliance - Challenges



- High Risk & Unknown Drivers
- High Risk & Unknown Carriers

Fleet Safety Compliance - Challenges

- Our industry is committed to road safety and the numbers show it. Since the mid 90's we have seen a **67%** decline in the fatality rate from large truck collisions despite an increase in truck traffic of **77%** and for collisions that do occur – truck driver is shown to be driving properly **70%** of the time.



- Despite good record, we need to do better – status quo is not good enough
- Humboldt Issues need to be addressed

Fleet Safety Compliance - Solutions

- Humboldt Collision has brought significant attention to truck safety;
- CTA developed a 10-point action plan with governments on:
 - **Technology** (ELD's, forward facing cameras, driver facing technology to reduce distraction & ADAS)
 - **Training** (mandatory pre-licence training & distracted driving awareness training as component of pre-licence training)
 - **Enforcement** (smart scales, focusing on human factors, identifying high risk drivers and carriers)
 - **Education** (best practices guide to assist purchasers of transportation services in identifying high risk carriers)



Status Update October 2019

CTA 10 POINT

ACTION PLAN TO RAISE THE BAR FOR

TRUCK SAFETY



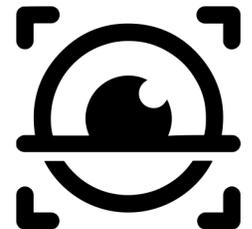
1 Introduce regulations this summer to mandate the use of electronic logging devices (ELDs) for all carriers required to maintain a logbook by June 2021. *“In Progress”*



2 Consult with the Federal Government, commercial vehicle manufacturing and trucking industry to explore the feasibility of developing regulations requiring the installation of forward-facing cameras in all new and existing federally-regulated commercial vehicles. *“Pending”*

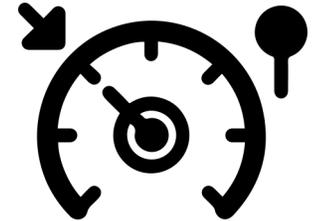


3 Partner with governments, manufacturers and the trucking industry to assess the availability and feasibility of increasing the use of additional in-cab technologies that monitor distracted driving behaviour of commercial drivers. *“Pending”*



4

Begin working with the governments, manufacturing and the trucking industry to assess the market readiness of advanced driver assist systems (ADAS), including speed limiters to mandate set speeds on heavy trucks, and determine the role governments can play in increasing the penetration rate of driver assist technology in the marketplace. *“In Progress”*



5

Encourage all provinces to introduce mandatory entry level training (MELT) for commercial truck drivers based on the national occupational standard (NOS). *“In Progress”*



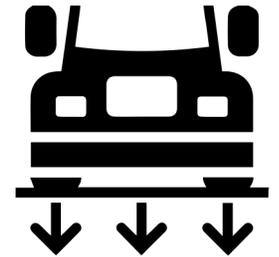
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Work with governments, trucking and the training industry to develop a distracted driving awareness module for commercial vehicle drivers to be incorporated into all provincial MELT programs and other training programs. *“In Progress”*



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7 Explore with the provinces and the federal government ways to expand the use of on-road safety prescreening technology (pre-clearance/pre-screening) to assist provincial enforcement officials in identifying commercial vehicle operators that require further attention and intervention. *“In Progress”*



8 Work with federal and provincial governments to better focus on-road enforcement related to known human factors that contribute to collisions. *“In Progress”*



9 Work with federal and provincial governments to develop a better proactive system to identify trucking companies and drivers that pose a risk to public safety including such measures as mandatory drug and alcohol testing and new entrant education and evaluation programs. *“In Progress”*



10 Work with federal and provincial governments to develop a ‘best practices’ guide to assist purchasers of transportation services in identifying unsafe operators. *“In Progress”*



Environmental Compliance - Challenge

- Truck emissions are highly regulated to the point where they are **smog free**, however some fleets choose to circumvent the rules and remove emission controls to increase their bottom line on fuel economy and maintenance.
- A non-compliant diesel truck engine emits **40 X's** more nitrous oxides (NO_x) and particulate matter (PM) which are cancer causing pollutants.



Environmental Compliance - Solutions

- CTA Proposal to CCMTA to update NSC 11B and roadside inspections to include engine test to ensure emissions equipment is functioning properly and facility reviews.
- OTA submission to Drive Clean Review mirrors CTA proposal
- MECP on-road program enhanced
- MECP facilities program enhanced



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