Hearings: Study of the changing landscape of truck drivers in Canada

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Submitted to:

The House of Commons' Standing Committee on Transport, Infrastructure and Communities (TRAN)

Appearing:

Appearing: Stephen Laskowski, President & CEO; Geoffrey Wood, Senior VP Policy; Jonathan Blackham, Director Policy



Opening Comments

- Thanks to all committee members for committing to studying the crisis that is destroying our industry, causing carnage on our roadways and robbing our social network of billions of dollars each year.
- The Canadian Trucking Alliance (CTA) is comprised of seven provincial trucking associations, and our membership has over 4500 carrier and supplier members from across the country.
- I want to lead my brief opening comments with what I believe you will quickly realize about this issue: that the Driver Inc. crisis in our industry is not a problem without clear and identifiable solutions; it's simply a crisis without the necessary political will to solve the problem.
- The issue the committee is examining is not a new one to our sector, nor should it be to the federal government. CTA has been sounding the alarm with the federal cabinet and provinces about this issue since 2018.
- The problem which began in 2018, has been left to grow unchecked; and in 2025, has evolved into a full blown a crisis a crisis of compliance, road safety, drug trafficking, human rights abuses, rampant labour law and tax fraud. It's been allowed to become out of control.
- In the Fall of 2022, the Fall Economic statement from the federal government agreed this issue had to be addressed and committed to fixing the problem; but for reasons unknown to the Alliance, that commitment was never fulfilled.
- We are hopeful this study highlights the reasons why that unfulfilled commitment must finally be addressed.

Driver Inc: What Is It?

- Driver Inc was born in 2011 and is the offspring of the Personal Services Business
 (PSB) tax classification; the introduction of a temporary moratorium on T4A's and; the
 knowledge that unscrupulous trucking owners' have had for a long time that there is
 a significant lack of enforcement and coordination between the federal departments
 of Labour, the Canada Revenue Agency (CRA) and their provincial labour and tax
 equivalents.
- This issue does not stem from a lack of education or knowledge about the industry or governments. It's an elaborate and organized scam that has expanded over many years to incorporate immigration fraud, trucking training fraud, human trafficking, the movement of contraband and illegal cross-border shipments.

- This growing scam leads to serious deterioration of highway safety across the country and the bankruptcy of many legitimate law-abiding trucking companies that are critical to the fabric of your communities.
- The unfortunate outcome of this scam is that the bad actors are not only winning, but they are taking over the industry and the Canadian supply chain.

How It Works:

- To be a contractor (truck driver) under federal law you must own/lease your own vehicle.
- These unscrupulous owners request/demand that drivers register as a PSB.
- The benefit: the owners forgo all payroll taxes and labour code obligations/costs (federal/provincial).
- Benefit to Drivers: Due to the temporary moratorium remaining in place, T4As are still
 not required in 2025. Becoming a PSB is the key to the participation in the
 underground economy.

Solutions We Hope the Committee Recommends:

- End T4A moratorium immediately
- Reimplement Part Three of CRA's PSB Pilot Enforcement
- Coordinate with all federal and provincial governments and agencies on a national Misclassification Blitz on the trucking industry with real penalties.
- Deploy CRA/RCMP/ESDC/IRCC to truck inspection stations across the country.
- Implement new security measures for Canadian and US trucks crossing the international border to end criminal ownership which has infiltrated Canadian fleets.
- Expedite the completion and investment into a national database by Transport Canada that will create necessary oversite and knowledge of who owns and operates these fleets and their safety records in all provinces and territories.

