

# Interprovincial Trade Barriers in Trucking

**October  
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# Canadian Trucking Alliance

The Canadian Trucking Alliance (CTA) is a federation of provincial trucking associations. With over 4,500 member carriers, the Alliance represents a broad cross-section of the industry — all carrier sizes, regions, commodity-based service and specialty. The bulk of CTA's membership consists of small and medium-sized businesses. However, CTA also represents some of the largest transportation enterprises in North America. CTA's operations are guided by its Board of Directors, consisting principally of chief executive officers, presidents and senior executives of trucking companies from across the country.

*CTA is the national representative of the industry's viewpoints on policy, regulatory and legislative issues along with conducting public relations activities on behalf of the industry.*

## ABOUT THE INDUSTRY

Our economy is multi-faceted, ranging from farming and natural resources to manufacturing and knowledge-based businesses — all of which depend on the movement of freight in some way. The industry generates over \$65 billion in revenues per year, with the for-hire sector accounting for over \$40 billion of that total. In

terms of GDP, the transportation services sector represents 4.2% of total economic output. Of that, trucking accounts for a greater total share than air, rail and marine combined. The trucking industry is responsible for creating over 400,000 direct jobs in Canada — over 300,000 of which are truck drivers. The for-hire segment of the industry produces over \$24 billion in personal income on an annual basis, which in turn generates \$4.2 billion in personal income taxes and \$4.1 billion in indirect taxes for government.

**“Trucking is the dominant mode of freight transportation in Canada, moving approximately 90% of all consumer products & foodstuffs and almost two-thirds (by value) of Canada's trade with the United States. Nearly 1% of the Canadian population and over 1.5% of the labour force are truck drivers by profession.”**

## TRUCKING MOVES THE CANADIAN ECONOMY

The simple reason trucking is the dominant mode of freight transportation is the flexible, timely, door-to-door service that only trucks can provide. Trucking works with all the other modes, but its major market is the time-sensitive

delivery of small shipments of lighter-weight, high value-added products over relatively short distances. The just-in-time inventory system, which remains a key to Canada's international competitiveness, is built around the truck. Other modes — like rail and marine — dominate in the movement of heavier, bulkier commodities that are generally less time sensitive.

**“Trucking is a derived demand industry.**

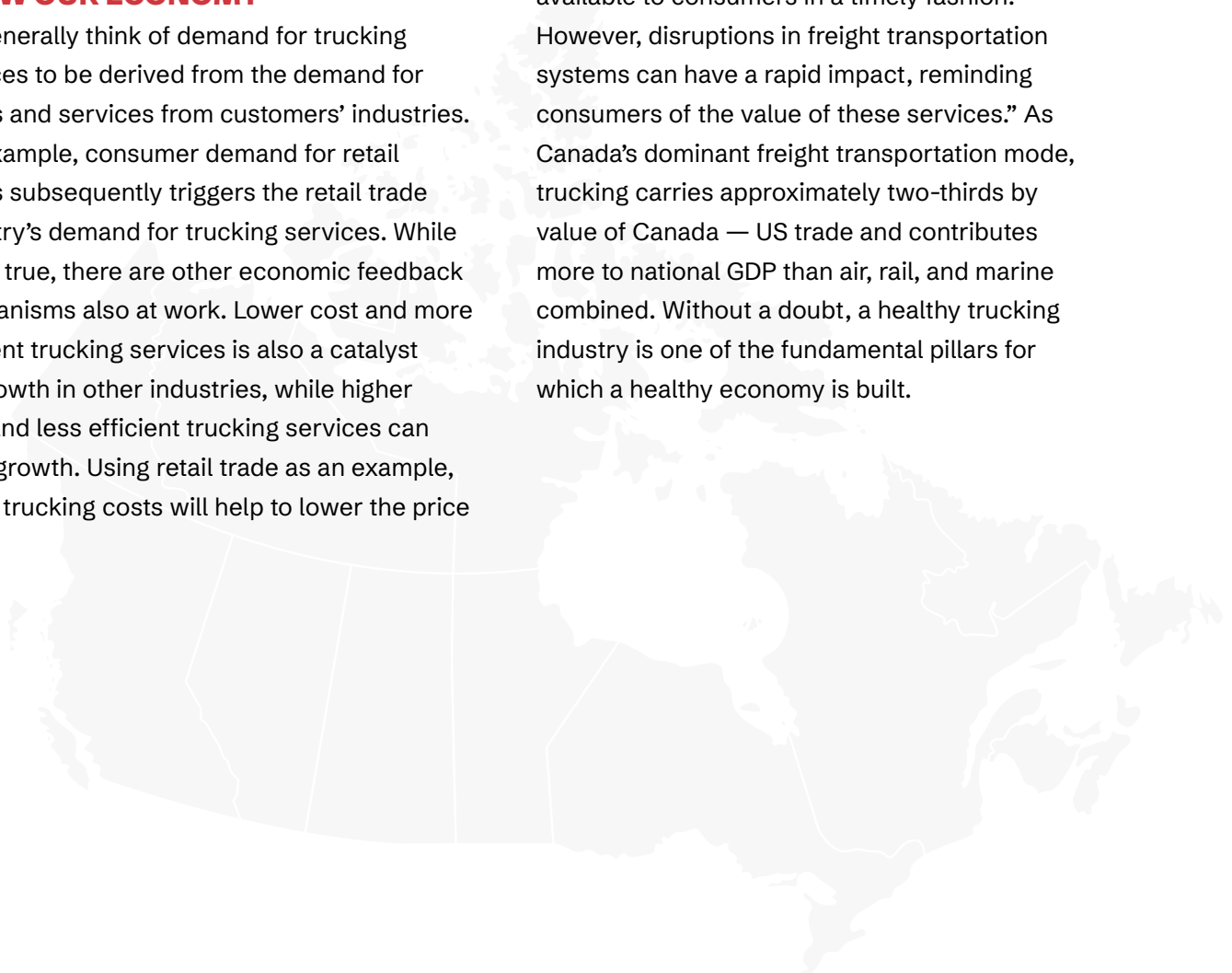
**As the economy goes, so goes trucking.**

**As such, trucking is an excellent leading indicator of economic activity.”**

### **INVESTING IN A MORE EFFICIENT NATIONAL TRUCKING SECTOR WILL GROW OUR ECONOMY**

We generally think of demand for trucking services to be derived from the demand for goods and services from customers' industries. For example, consumer demand for retail goods subsequently triggers the retail trade industry's demand for trucking services. While this is true, there are other economic feedback mechanisms also at work. Lower cost and more efficient trucking services is also a catalyst for growth in other industries, while higher cost and less efficient trucking services can stifle growth. Using retail trade as an example, lower trucking costs will help to lower the price

of retail goods that consumers buy, thereby stimulating consumer demand for those goods. It is important to understand the companies that make up the trucking industry are not the only stakeholders that have an interest in maintaining the sustainability of trucking and the long-haul trucking model, in particular. The industry's customers (shippers) and their customers' customers (the general public) will also be directly affected, negatively or positively, by the trucking industry's ability to move business inputs and final goods to market more efficiently. As the Conference Board of Canada has cautioned, “we generally take the benefits of freight transportation for granted, in part because the system typically works well — at least in terms of making a variety of products available to consumers in a timely fashion. However, disruptions in freight transportation systems can have a rapid impact, reminding consumers of the value of these services.” As Canada's dominant freight transportation mode, trucking carries approximately two-thirds by value of Canada — US trade and contributes more to national GDP than air, rail, and marine combined. Without a doubt, a healthy trucking industry is one of the fundamental pillars for which a healthy economy is built.





## Introduction

Interprovincial trade barriers are often overlooked for a multitude of reasons, including the potential jurisdictional complexities or perceived challenges involved in working with multiple stakeholders offering varying viewpoints. These issues can most often be resolved by taking a collaborative and common-sense approach to implementing solutions, a process which most often leads to mutually beneficial efficiencies that will support Canadian businesses in a meaningful and impactful way.

The CTA and provincial association members had the opportunity to meet with representatives from the Privy Council Office (PCO) to discuss internal trade barriers that are impacting the fluidity and efficiency of goods movement impacting our nation's domestic supply chain. CTA applauds the approach being taken to tackle these multifaceted issues and your willingness to take a leadership role in addressing internal trade barriers that are impacting businesses of all sizes across our country.

# Interprovincial Trade Barriers in Trucking

CTA has been working with our members to create a list of interprovincial trade barriers which includes input from carriers operating across multiple provinces, moving varying types of goods, and representing multiple segments of our industry. Below is a list of items submitted to CTA (listed in no specific preference) along with accompanying examples to further illustrate these issues and their impact on our sector, economy, and supply chain.

## **ALIGNING AND IMPROVING WINTER ROAD MAINTENANCE STANDARDS**

Ensuring that roads are cleared and maintained in a timely, reciprocal standard across all

provinces and territories continues to be a significant irritant for fleets and truck drivers. Poor or inconsistent winter maintenance standards create an environment where truck drivers do not feel safe on our roadways and can often lead to them refusing to work during inclement weather conditions because of safety concerns. This also creates a supply chain bottleneck, leading to deliveries not being made within their usual timeframe, creating a further ripple effect on our customers' operations and to the end-users of these goods and services. The provinces and territories must work together, potentially through the formation of a working group, to align and improve winter road maintenance standards between provinces.

### **Example of Impact →**

For every 1 km/h reduction in speed from a truck's average operating speed on long-haul routes (80km/h), a decrease in the efficiencies of the truck and driver of about 1.25% is experienced if roads are not sufficiently maintained in wintertime.

With daily/weekly time limits on a driver's availability, a reduction in the functional speed of a highway segment can result in drivers needing to take an extra daily off-duty period of 10 hours or the requirement to complete a 36-hour reset almost doubles, triples or quadruple transit times between Canadian cities.



## **INCREASED ACCESS TO REST AREAS FOR TRUCK DRIVERS**

The need for a robust network of rest areas has remained a legacy issue within our industry that has yet to be discussed or addressed in a coordinated effort across the country. The urgency regarding the lack of rest areas is further compounded by mandatory hours of service requirements for truck drivers, which require set rest periods each day, and is supported by the third-party certified electronic logging device (ELD) mandate recently implemented across Canada, which we strongly support. In many areas of the country and along the National Highway System (NHS), the lack of rest areas with adequate services and

security to support all truck drivers, or the extended distances between them that exceed NHS design guidelines, create unnecessary barriers to interprovincial goods movement and additional stresses for our sector's already limited supply of truck drivers. These realities will be further stressed as our industry continues its path towards decarbonization, where charging and refueling infrastructure across all jurisdictions will be required in tandem with rest area availability. This issue requires a commitment to developing a coordinated planning and funding effort by the federal, provincial, and territorial governments as soon as possible.



### Example of Impact →

NHS design guidelines indicate rest areas should be located every 1 to 2 hours driving time — so approximately 80 km to 160 km in distance apart. A driver that cannot be guaranteed parking, may cut their day short by an hour, two, three hours or more to ensure they can meet their hours-of-service obligations limiting their productivity. For every hour where the driver/truck are dormant represents an impact to efficiency of 7 to 10 %.

Should drivers wish to maximize their driving time, and there are no areas to park as prescribed by the NHS design guidelines can result in drivers being forced to park on highway shoulders or exit/entrance ramps which can cause safety concerns or result in monetary fines for illegally parking.

Regional examples from the provincial trucking associations where the 80 to 160 km distances are not met on stretches of the NHS include:

#### British Columbia —

The majority of rest areas in BC are lacking in basic services and are often outside the 80 to 160 km distances. Sufficient lighting, and areas large enough to support heavy-haul vehicle configurations, despite being a significant trade corridor linking Canada to the rest of the world through Canada's most active ports in Metro Vancouver are challenges. Priorities highway segments from BCTA membership include:

Highway 1 (particularly north/east of Hope), Highway 5 (particularly outside the Coquihalla network) Highway 16, Highway 3 & Highway 97.

#### Alberta —

Hwy 35 Peace River to High Level (295 km) without rest area. Hwy 40 Grande Prairie to Grande Cache (190 km) without rest area.

#### Saskatchewan —

Hwy 1 covers 655 km across the province. Based on the NHS guidelines there should be between 4 and 8 truck rest area locations along Hwy 1. Currently there are only two private facilities located in Moose Jaw and Balgonie which

are approximately 100 km apart. These would represent the only locations along Hwy that meet the NHS design guidelines, however there are no other truck parking facilities on Hwy 1.

### Manitoba —

Trans-Canada Highway in Manitoba is 490 kms in length and has two rest areas that are serviced east of Winnipeg. There is nothing west of Winnipeg 317 kms to the Saskatchewan border. Highway 6 (feeder route to the national Highway System) north to Thompson Manitoba 760 kms has no rest areas. Manitoba is in desperate need in this area.

### Ontario —

Hwy 11 Ryland to Nipigon (approx. 395 km) rest areas only available Victoria Day through Thanksgiving. Hwy 17 Wawa to Marathon (approx. 190 km) — one rest area (Struthers) with two parking spots & washroom and second location 15 km north of Wawa one or two parking spots — no washroom.

### Quebec —

Hwy 117 Val-D'or to Mont Laurier (289 km) and Hwy 138 Tadoussac to Sept-Iles (426 km) additional truck stops and rest areas necessary.

### New Brunswick —

Highway #2 between Perth Andover and Fredericton (North/South between Edmundston and Woodstock, especially. The concern here for rest areas is that this road in Winter is often extremely dangerous (road clearing insufficient) but there are very few spots to pull over in between these two connector points.). Highway 17 is also absent of rest areas.

### Newfoundland —

Highway 1 There is a major lack of rest areas in Newfoundland and TCH Highway 1 is 2-lane highway across the province.



## TWINNING OF HIGHWAY 185 IN QUEBEC

If completed, the twinning would connect all of Eastern Canada with four lane highways from Halifax to Toronto. Upgrading Highway 185, often cited as one of the most dangerous highways in Canada, should markedly improve safety. From a trade perspective, it would also allow the trucking industry to run long-combination vehicles (LCVs) from Halifax to Toronto, making the delivery of goods much more efficient while reducing emissions. Based on CTA's current

understanding of this issue, the funding to support the twinning of Highway 185 is available but the completion of this critical piece of infrastructure has been delayed due to, amongst others, the steps leading to the expropriation. The CTA, Atlantic Provinces Trucking Association (APTA) and Quebec Trucking Association (QTA) continue to actively engage their respective governments on this topic. CTA, APTA and QTA will work to ensure that the twinning of Route 158 is completed in 2026 as envisioned by the Government of Quebec.

### Example →

Twinning Highway 185 would help both New Brunswick and Nova Scotia be more competitive in moving goods and as well as contributing significantly to annual GDP. Gains ranging from \$1 billion to \$1.78 billion in GDP nationally; \$350 to \$600 million for both New Brunswick and Nova Scotia; and \$100 to \$160 million for Quebec and Ontario. Conversely, if Highway 185 is not twinned by 2028, the loss to New Brunswick's economy alone from this single lane is a net present value (lump sum today) of nearly \$3 billion in lost GDP over the next decade. The total cost of inaction can be measured in four key ways (1) cost increases of 20-30% [decreasing competitiveness]; (2) increased carbon emissions; (3) increasing safety issues; (4) direct impacts on drivers navigating the route.

## LCV HARMONIZATION IN WESTERN PROVINCES

Some Western Canadian carriers have highlighted the need to further harmonize certain requirements, such as training standards between provinces through their respective Long Combination Vehicle (LCV) programs. These requirements may also include permit conditions and harmonizing licenses and certifications for truck drivers operating these

vehicles. Alignment on these requirements will also reduce administrative red tape and allow for more streamlined movement of LCV vehicles throughout Western Canada. Two separate memorandums of understanding (MoU) specific to LCVs were established (2012) for turnpike double operations and (2014) for rocky mountain double operations in Western Canada with governments of Alberta, British Columbia, Manitoba and Saskatchewan as signing parties:

**“The parties to the Memorandum of Understanding are intent on reducing barriers to efficient interprovincial transportation by agreeing to common standards for operation of Longer Combination Vehicles (LCV) while ensuring highway safety is enhanced and the highway infrastructure is protected”.**

Industry is keen to meet with all governments to continue these important discussions towards further harmonization.

## **OVERSIZE/OVERWEIGHT SECTOR ISSUES**

Carriers that move oversize and overweight equipment, such as cranes, heavy earthmoving and excavation equipment, wind turbine blades and other commodities vital to major infrastructure and construction projects, have strongly indicated this segment requires rapid modernization to reduce inefficient processes that can often delay infrastructure projects through unnecessary impediments. These includes the development of electronic permitting systems to modernize permit approvals, which will avoid delays with construction projects. There are also barriers between provinces, such as different definitions of sunrise and sunset between the western provinces, that create illogical constraints which impede the movement of truck drivers and these oversize goods,

impacting the time sensitive completion of these projects. Consistent definitions across all provinces should be the end goal to address these challenges.

Other items that are broader in scope but also fall under oversize/overweight related issues that create operational challenges requiring harmonization include:

- **Minimum Clearance Requirements for Construction Zones:** CTA supports reviewing regulatory or legislative amendments within each jurisdiction to set minimum horizontal and vertical clearances for construction zones. Minimum clearances for construction zones, such as those implemented in jurisdictions like Manitoba, consistently controlling construction zone setup and staging to assist with the movement of oversize loads. This will also help modernize the auto-issuance of permits for these types of equipment removing administrative delays.
- **National Standard for Bridge Heights:** Investigating how bridge heights on the NHS can be set to a minimum standard moving forward, will ensure operational predictability and consistency, and will help accommodate the movement of over-height loads by reducing red tape and streamlining the administrative process involved with issuing permits.

### Examples →

A high percentage of horizontal or vertical clearance restrictions are often fluid and at the discretion of construction contractors, which requires constant, labour-intensive reviews by permit office staff before permits can be issued. Permits approved one day may be voided the next day because of changing construction staging; or worse, the load arrives where inaccurate information was provided to the permit office and carrier only to find the clearances are not sufficient, which results in a collision or damage to infrastructure. Placing controls that specify that construction zones must meet certain dimensions could accommodate a higher percentage of the typical oversize loads and ensure permits can be issued more expeditiously or that automatic issuance/online systems could be more effectively utilized.

### AVAILABILITY OF MOTOR CARRIER INFORMATION

Having a centralized system where safety related data and other types of information, such as verification of labour and tax compliance, available for all trucking companies operating in Canada will help ensure a level playing field in our sector. It will also heighten accountability and provide shippers/customers with accurate information regarding the compliance status of trucking operators they procure. Ensuring this data is readily available will combat the use of the “Driver Inc.” tax avoidance and labour abuse scheme by carriers who have adopted this non-compliant scheme into their business approach. Easy identification of carriers participating in Driver Inc. will support transparency within the industry and enable

more efficient enforcement to curb related issues such as labour exploitation. The ability to have this information available across the sector in Canada has been a long-standing request by many within our industry. Trucking companies also use provincial/territorial carrier profiles to help identify other qualified partner carriers they could choose to do business with.



**Example →**

If a prospective shipper wants to validate that they are working with a reputable carrier, they will need to seek out compliance data from multiple sources. This would require a significant investment in time and knowledge on what data should be reviewed and how to access it from the various provincial and/or federal agencies:

- Carrier safety performance data such as collision rates or out-of-service rates must be accessed or requested via the provincial agency responsible for monitoring National Safety Code performance. The level of detail and types of data which are available vary significantly between provinces and territories.
- Workplace compensation data such as numbers of employees registered, or number of claims, must be accessed via the provincial Workplace Insurance Board. Again, the type of data available varies significantly between provinces and territories.
- Access to tax compliance data can require written requests to both federal and provincial agencies.

Furthermore, in cases where a carrier is registered in multiple Canadian jurisdictions, this information must be sourced for each province/territory where the carrier has established operations.

**DEVELOPING A SYSTEM OF OVERSIGHT/ACCOUNTABILITY FOR TRUCK SAFETY**

CTA strongly supports the consistent oversight and accountability of all trucking companies operating on Canadian roads from a safety perspective, regardless of their base of jurisdiction. This can be accomplished by ensuring each provincial and territorial system follows the prescribed National Safety Code (NSC) standards, and that those systems produce compatible and comparable information on the safety performance of trucking companies. If inconsistencies in the existing

systems do exist, a coordinated commitment must be put in place to bring alignment where necessary. If this alignment is not achievable, the development of a national system that will address these outstanding issues should be explored further. This process must also address the requirement for provincial and territorial governments to fully comply with their obligations under the Motor Vehicle Transport Act (MVTA), which requires monitoring and enforcement of regulations on carriers operating in their jurisdictions.

**Example →**

How carriers are rated and monitored varies significantly across provinces and territories. Some examples include:

**Timelines —** The amount of time a non-compliance event or NSC points affects a carrier's rating can vary, with some jurisdictions only considering events within the past year and others evaluating events over multiple years. This creates an imbalance on how long non-compliant events impact a carrier's safety performance metrics.

**Intervention Thresholds —** The point at which a province will intervene with a non-compliant carrier through a warning letter, facility audit, or other sanction varies significantly across provinces. Two carriers with the same number of non-compliant events may encounter different sanctions based on which province they are registered to. Worse yet, one province may choose to initiate an intervention whereas another will not, based on the same number of non-compliant events. Furthermore, the methodology used to calculate compliance levels is not always public, making it impossible to determine the level of imbalance between the jurisdictions.

**Facility Audits —** Facility audit methodology and scoring varies wildly across the provinces and territories. There is no consistency on what will result in a failed audit between jurisdictions, meaning the same audit could result in differing results.

The result of these imbalances is that some non-compliant carriers will go “jurisdiction shopping”. These carriers will transfer their operations on paper to a province with lesser oversight and enforcement as an avoidance technique.

Furthermore, “chameleon carriers” will often exploit the lack of alignment among provinces/territories to avoid prosecution, interventions, or other penalties associated with poor safety performance. Chameleon carriers are companies which knowingly flaunt safety regulations by artificially closing their business once their record degrades, only to reincarnate themselves as a new entity and artificially wash their record clean. These carriers often switch jurisdictions when reincarnating themselves as they are aware the lack of communication between provinces/territories will assist in avoiding detection.



## **SPRING WEIGHT RESTRICTIONS AND ROAD BANS**

The patchwork of weight regulations across jurisdictions during the spring season creates logistical challenges and inefficiencies for the supply chain when shipping interprovincial goods. The impact of these restrictions are arguably even more pronounced on carriers that travel on rural routes within provinces. Fleets using rural routes are finding it increasingly difficult to fully engage in commerce while adhering to the different road ban regulations within municipalities and provincial jurisdictions. The varied nature of weight restrictions and road bans can significantly increase transport time and creates unnecessary operational complexities. Also, the availability of up-to-date road condition information, or a central hub that illustrates road closures, floods, avalanches etc. in real-time would be a very useful tool for carriers and truck drivers and will ensure more efficient and timely delivery of interprovincial goods. It is recommended that coordinated discussions commence amongst the jurisdictions to determine a path forward that will reduce these challenges.

## **EXPANDING ACCESS TO CELL SERVICE**

The timely exchange of data and use of technology to share information across platforms helps ensure our sector can continue to serve Canada's supply chain needs as seamlessly as possible. This includes communication between drivers and dispatchers, and relaying information related to pickups and deliveries and other processes which are critical to efficient trucking operations. These actions are all contingent upon consistent and reliable internet and cell service being available. Increasing cell service, particularly on remote stretches of highway that serve major freight corridors across Canada, are imperative for companies and drivers that operate in northern regions, including for health and safety purposes while on the road.

## **INCREASING ACCESS TO TRADE DATA**

Lastly, representatives from the PCO emphasized there are federal initiatives planned to increase and expand access to data, which would undoubtedly strengthen interprovincial trade and the economic impact of freight movement even further. Due to the significant lack of data available to our industry, CTA would strongly support any initiatives that would create or increase the availability of accurate and timely data related to our industry and other modes of transport. The Alliance would welcome further discussions on this topic, including how we may be able to assist in data collection efforts.



## Conclusion & Next Steps

CTA would like to thank you once again for your leadership on advancing these issues. The Alliance hopes that this correspondence can form the basis for further discussions and the development of a coordinated and collaborative workplan to address these topics. We would also

welcome the opportunity to discuss these issues with Minister LeBlanc in the future. As always, CTA along with the provincial associations, stand ready to provide additional information and support should it be required.

**Contact →**

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