

PMTC Head Office

From: PMTC Head Office
Sent: Friday, April 24, 2020 8:11 AM
Subject: E-Bulletin: Trucking Coalition Letter to the Federal Government- Increasing Meal Deducibility for Truck Drivers & Improving Cash Flow for Trucking Companies
Attachments: Joint Letter- Meal Allowance & Payroll[12].pdf

E-Bulletin

April 24/2020

Please note that the PMTC has collected all E-bulletins as it relates to Covid-19 and placed them all for reference on our member website if our members need to refer back to them, under E-news Hub/Covid-19 Bulletins

Good morning PMTC Members, please see attached and below and letter that was sent to the Federal Government on behalf of 5 separate Associations in Canada. If you have any questions, please let us know.

To date, the Government of Canada has provided excellent support for our industry working through a myriad of policy issues. The Government of Canada has also introduced a number of financial measures designed to assist Canadian citizens and businesses suffering financial hardship as a result of this pandemic. However, the reality is that these relief measures, including the Canada Emergency Wage Subsidy (CEWS), are not sufficient for the trucking industry.

Earlier this month a survey of over 100 trucking companies, who together still actively employ over 50,000 Canadians was conducted.

Some of the key finding from that survey include the following:

- On average carriers have experienced a 27% decrease in revenue;
- Carriers report a 200% increase in 'empty miles' (the condition when trucks are travelling, but are not generating any payload revenue for their services);
- Without an improvement in economic conditions, 37% of fleets have significant concerns regarding the continuation of their operations;
- 63% of fleets indicated their customers have recently asked for payment deferrals or simply have not paid the trucking company for their services.
- 55% have had to lay-off staff as a result of the pandemic. Of the remaining 45%, many indicated they still may be forced to lay-off staff if conditions do not soon improve.

If we polled the same carriers today, the numbers would be worse. The situation is simply not sustainable. Canada needs its trucking industry to not only keep critical operations going through this crisis, but to be ready with available capacity to get the economy jumpstarted when conditions improve. Without a healthy trucking industry – which carries over 90% of all goods at some point in the supply chain and two-thirds by value of Canada-US trade – an economic recovery for Canada will not be possible. This situation needs to be addressed.

Solution: The trucking industry is asking for a three-month deferral of payroll taxes with an 18-month recovery period.

The negative impact of COVID-19 on our nations truck drivers has also been far reaching. Among these are rapidly rising costs for food while drivers are on the road. As the crisis has progressed, access to food for truck drivers – who travel both domestically and internationally – has become severely strained and, when available, considerably more expensive. For example, the price of water has increased by almost 300% in some places along with food and other necessities while on the road.

Solution: To provide needed relief for truck drivers grappling with soaring food costs while on the road, we are recommending the Government of Canada adjust the meal allowance for both long-haul and short haul drivers. As mentioned, Canada will need a healthy trucking industry with available capacity as things move towards the recovery phase and policy makers begin to restart the economy. If the industry is not ready and our leading trucking companies are closed, that economic recovery will never be possible. Let's do what we can now to avoid this scenario and work together to keep Canada's trucking industry operational, the economy functioning and recognize the rising costs facing the heroes behind the wheel as they face rising food costs associated with operating during the COVID-19 crisis.