

Port Transportation Association



To the Attention of Michael Crawford
Office of the British Columbia Container Trucking Commissioner
1085 Cambie St. Vancouver, BC V6B 5L7

March 27, 2020

RE: Response to the letter from the OBCCTC dated March 16,2020

Mr. Crawford,

The PTA would like to thank you for your timely response to our submission regarding the 2020 reform license package.

Within the letter we sent, there were specific points that we were attempting to convey to you while at the same time, looking to receive a response that would clarify the Commissioner's position. To simplify the communications regarding the content of the letter sent to you and the response received from your office, we will attempt to address the issues in point form.

By taking this step, we are hoping that we will receive clear concise answers that will help us relay the information to our members.

1. **PTA Statement:** The PTA had indicated that due to the policy change which *now* does not allow for joint companies to apply, companies will face significant financial hardship.

OBCCTC Response: The OBCCTC stated that this policy change is intended to prevent further non-compliant activity.

OBCCTC Response: The OBCCTC stated that it "acknowledges" that this measure will have a financial impact on smaller companies by noting the increased cost for joint companies will be an additional \$12,500.00 to the current license costs, plus a increase in the cost of posting a single security annual bond.

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For transparency and industry purposes, the PTA intends to distribute all content and post all meaningful dialogue on our website, to be viewed by both industry and the public.

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The PTA suggests that with the decision notice posted to the OBCCTC website on February 10, 2020 pertaining to Gulzar and Jet Speed, the OBCCTC has sent a clear message to the industry that non-compliant companies will in fact have their license or licenses canceled.

With this precedence being set, we feel that companies will fall in line (in terms of regular compliance) and that placing a financial squeeze on smaller companies to force them out, will not be necessary.

The OBCCTC has expressed concern regarding the challenges auditors face when auditing smaller companies, specifically in identifying container moves and payments to drivers. The challenge could easily be eliminated if the OBCCTC implemented a minimum standard with respect to computer dispatch software. We have mentioned in the past that with proper software, vital information could easily be extracted in terms of container movement and payments to drivers. All container movements, including all stops and times would be logged in the system and could easily be corroborated with the PORT GPS units.

This tool would enable the OBBCTC to not only have confidence in the tracking of containers and diver payments, it would drastically cut down on audit times.

The PTA encourages the OBCCTC to consult with the industry or industry professionals to ensure that the financial impact that the OBCCTC has acknowledged, does not place companies in a position that would effectively plant a seed for non-compliance. The industry needs positive change, and we should be moving forward with policies that support this, rather than implementing policies that would place financial advantages to larger companies right out of the gate.

With the above stated, we request that the OBCCTC answer the below questions as clearly as can be expected, taking into consideration the comments subsequent to the OBCCTC statements above.

- i. Does the OBCCTC agree that it is not only small companies that have been found to be non-compliant?
- ii. Does the OBCCTC agree that policies put in place by the OBCCTC should be attainable by the group that the policy is intended for?
- iii. Does the OBCCTC agree that action by the OBCCTC should be taken with the VFPA to address the fee structure to ensure all companies are in a position to compete fairly in relation to the annual fee structure?

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- iv. Does the OBCCTC agree that a prudent approach to the reformed license would be to ensure the fee structure is fair and to monitor the companies over this next term for compliance and transparency?
 - v. Does the OBCCTC agree that if all companies adopt a minimum standard in terms of computer software to track container movements and driver payables; that this measure would satisfy the OBCCTC's concerns of streamlining audit processes?
2. **PTA Statement:** The PTA had indicated that our members were concerned that the OBCCTC had the intention to reduce company owned truck tags.

OBCCTC Response: The OBCCTC stated drivers, licensees and other industry participants have indicated that the number of trucks performing container truck services exceed the available work opportunities.

The PTA encourages the OBCCTC to take a different approach to the information received by said parties. The OBCCTC should only make pivotal changes to the tag allocations when considering the following:

- a) Are the majority of complaints coming from larger companies?
- b) Are the complaints coming from the bottom 20 percent of the larger companies' roster of drivers?
- c) Have the parties supplied sufficient data to prove this claim? (**Hearsay would not meet the test of any decision maker**).

With the aforementioned taken into consideration, we believe that the OBCCTC should be directing their tag cutting to the companies from which the complaints derive from and refrain from removing tags from companies that have diversified operations that allow for drivers to keep busy during off-peak periods at the terminals.

If the TLS system was comprised of companies that have diversified in an effort to keep their employees busy (i.e. without being 100% reliant on the ports) during slow periods, we would not see the same degree of labor unrest.

It is of our opinion that the OBCCTC should focus on cutting the number of tags to companies with more than 60 tags. Dispatching that number of trucks, with truck efficiency at top of mind, is an impossible

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task. We often see companies of that size dispatching trucks to a one-way only run in order to display the utilization of truck tags.

We can all agree that there is not enough port work to go around, and that it is not the Commissioner's job to ensure all tagged trucks have work. This is a task that company owners should be required to undertake. We believe the OBCCTC should explain to drivers and labor groups that the sole purpose of the OBCCTC is to ensure the payment of drivers. This is something we seem to have lost sight of over the years, resulting in the allowance of labor groups to use the OBCCTC as a union negotiating tool.

Simply stated, the PTA does not encourage a practice that would allow for larger companies to maintain their excessive tag count, only to have these companies and their respective labor groups lobby the OBCCTC to reduce the number of tags of smaller companies or to create a vehicle (the purposed policy) to do that for them.

In all actuality, this is a volatile industry and it is perceived that things will only get worse. We need companies large and small to take the initiative NOT to overstaff and only work with what's needed.

The members of PTA agree that it should not be the Commissioner's concern as to how many tags there are out there, rather to focus the OBCCTC's concern on ensuring payment is being made to the drivers in accordance with the Act.

Again, with the recent Jet Speed and Gulzar decision, we are certain that the industry understands the ramifications of non-compliance, thus severely curbing the idea of any noncompliance.

With the above stated, we request that the OBCCTC answer the below questions as clearly as can be expected. Again, taking into consideration the comments subsequent to the OBCCTC statements above.

- i. Does the OBCCTC agree that the mandate of the OBCCTC should not be to regulate the size of companies, rather only to ensure that companies are paying their labor in accordance with the Act?

The PTA once again thanks you for your attention and review of our concerns in order to further clarify the position of the OBCCTC and the policy changes. We kindly ask for your reply within five business days.

Sincerely,

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CC:

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