



March 16, 2020

Port Transportation Association
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Re: Response to CTS License Reform 2020 - Consultation Final Package

I am writing in response to your March 12, 2020 letter regarding the Office of the BC Container Trucking Commissioner's (OBCCTC) upcoming licensing period.

The OBCCTC recently concluded an extensive licencing consultation which was outlined in the CTS Licence Reform 2020 – Consultation Report. Included in the Consultation Report is detail regarding planned reforms to the CTS License, the application process and the Truck Tag Policy including the OBCCTC's plan to remove joint licences.

The Consultation Report explained in detail how the joint licence class has created a number of challenges for the administration of the CTS licensing regime. The elimination of joint licences is intended and expected to prevent further non-compliant activity and streamline the audit and investigation process by focusing on the operations of single licensees whose businesses are primarily focused on Lower Mainland drayage activity.

The OBCCTC acknowledges that this measure will have a financial impact on smaller companies. However, there are significant costs associated with operating a compliant company under licence including investment in proper record keeping, payroll and dispatch systems. Companies that perform container trucking services in the Lower Mainland must also account for licensing costs. For the 11 companies under a joint licence that have less than five trucks, the removal of joint licences will result in a \$12,500.00 increase to their current licence cost as well as the increased cost associated with posting a single security.

With respect to the truck tag target being set for the next licencing period, drivers, licensees and other industry participants have advised the OBCCTC that the number of trucks performing container trucking services exceeds the available work opportunities. This has, in part, contributed to past work stoppages and to past and present rate undercutting. The OBCCTC has therefore set the truck tag target between 1450 and 1550. This target range represents an overall reduction of between 150 and 250 truck tags. Tags assigned to independent operator trucks will not be exempt from reduction. In assessing the performance of existing licence holder applicants, the OBCCTC will review a range of performance metrics over a multi-year period in recognition of recent economic challenges.

Finally, I note that the OBCCTC is actively tracking the impact of COVID-19 and is prepared to amend licensing timelines if required.

Yours truly,

OFFICE OF THE BC CONTAINER TRUCKING COMMISSIONER

Michael Crawford
Commissioner