

Port Transportation Association



May 14, 2020

RE: Bad Order Containers & Dead Run Costs

To Whom It May Concern,

Over the past week, Port Transportation Association has reached out to each shipping line in effort to bring attention to bad order containers, and the importance of safety with items like container door latches. We thank those lines that have responded and have taken this matter seriously.

Like any review of current practices, these discussions have also brought forth the concern of the extra costs incurred by drayage companies in cases where a bad order container is discovered post unloading.

At this point in time, if a unit is empty and deemed to be bad order in Vancouver and the shipping line does not have an alternative depot to accept the unit in said condition same day, it creates an extra leg as we wait for either a vessel ETA at the ports or the ports do not have the capacity to be able to issue a same day reservation. GCT for example, will not issue same day reservations after 11:00am regardless of capacity.

Under BC law, each movement of a container is treated as a separate trip and consequently, each movement requires drivers to be remunerated the minimum trip-rate (The complete order from the Office of the British Columbia Container Trucking Commissioner is attached for your reference). Thus, being said, the current shipping line bad order return policies do not work in British Columbia.

Customers are currently seeing too many containers trigger a “dead run” charge back to the them for an extra leg that was not anticipated or budgeted for.

We understand that shipping lines aspire to keep their movement cost as low as possible, that being said, the shipping lines must understand that trucking companies cannot absorb the dead run move to place the shipping company in an advantage to have them store units at their terminal while taking away the utilization of carrier owned chassis.

We can all agree that land and equipment have a fixed cost attached to them and must be charged out accordingly, or shipping lines wouldn't endeavor to charge carriers for detention or demurrage on their own owned equipment should it be out in the community too long or sitting on dock too long.

1

P.O. Box 1791 Parksville, BC V9P 2H6

778-228-0544

Ptavancouver@gmail.com

<https://ptavancouver.com/>

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We completely understand the ideology of that practice, but at the same time shipping lines must respect carrier's hard assets and land utilization and afford them the same consideration that shipping lines attract by way of detention charges.

We would also like to note, that in a few conversations we've had with various shipping lines in regard to the condition of empty containers being released from the Ports, the onus of the container condition has been placed solely on the truck driver. It is understood by all that a truck driver is well within his right to refuse any container deemed damaged or in poor condition, however we would once again like to make note in writing that truck drivers should not be used as free container inspectors. We feel that shipping lines should pay terminals to inspect all containers prior to release or should the units travel by CN or CP, have them inspected prior to in-gating to be attested as good order units.

Like with anything, what works in one region may not work across all, and it is with this in mind we once again ask all shipping lines to review current practices to make the necessary adjustments to provide adequate equipment and tailored policies that work within British Columbian and at the same time acknowledging B.C Government law.

We would like to thank those shipping lines that have already taken steps to provide a high level of service to those within the BC drayage community, and call on those who may not have, to work with us to improve upon current practices.

The PTA is currently gathering information from our members with the intent to list shipping lines that respect Canadian law and ensure that their policies do not conflict with Canadian Law.

We will strive to ensure that all of our information is fact based.

This information will be shared with shippers and brokers worldwide in an effort to provide a clearer understanding about the potential hidden costs that may arise when containers are either shipped to or shipped from Vancouver.

Sincerely,

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ENCLOSURE: 1: OBBCTC Dead Runs & Pre-Pulls



October 22, 2018

Dead Runs and Pre-pulls

This Bulletin is a reminder to all stakeholders of a recent Decision issued by the Commissioner (United Coastal Logistics Ltd. (CTC Decision No. 25/2018) in which payment for dead runs and pre-pulls is discussed.

Pre-pulls, where a driver is remunerated for only one move of a container when two moves of a container occur, is a form of trip splitting and is a contravention of the *Container Trucking Act* (the “Act”) and *Container Trucking Regulation* (the “Regulation”).

Unpaid container moves or dead runs are also a contravention of the *Act* and *Regulation*. Under the *Regulation*, each movement of a container is treated as a separate trip and consequently each movement of a container requires payment of the minimum “per trip” rate.

For further information please refer to the Decision on the Commissioner’s website:
<http://www.obcctc.ca>

Sincerely,

OFFICE OF THE BC CONTAINER TRUCKING COMMISSIONER

Michael Crawford
Commissioner