

Port Transportation Association



Parliament Hill Office
House of Commons
Ottawa, Ontario
K1A 0A6

June 1, 2020

Dear Hon. Garneau,

Please accept this letter as a follow up to our original letter sent on April 29, 2020 in regard to the review and suspension of TLS license fee payments for BC drayage companies in response to the COVID-19 economic slow down.

As previously noted, these issues were previously addressed to the Vancouver Fraser Port Authority (VFPA). To date, there has been no financial relief, and there has been a refusal to engage in discussions around financial relief or the low container volumes.

The VFPA has countered the Port Transportation Association's (PTA) claim that the overall container volumes have been on a decline, however recently published reports on the VFPA website (and attached for your reference) confirm that overall tonnage dipped by -4.6% as of March and the Year-To-Date container numbers have dipped almost double that percentage at -8.9% as of April 2020.

Given that the Canadian economy was significantly halted towards the end of March, one can assume with certainty, that these numbers will only continue to grow as companies and Canadian consumers alter typical practices and spending long after the economy begins to restart.

As the PTA is made up of small and medium sized drayage companies, many have diversified over the years to reduce complete reliance on the Ports to earn revenue. While the diversification provides some relief, recent reports are confirming what we are already experiencing – Canadian commercial transport is only operating at 79% of normal capacity due COVID-19 and the resulting economy.

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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.

Port Transportation Association



Even with a diversified revenue source, BC drayage companies will feel the negative financial impact by the substantial fees that are collected by the VFPA from our members to be able operate within the VFPA land.

Furthermore, since the implementations of Canada's strictest environmental regulations in 2008, all TLS members have been required to continually update equipment to meet the latest requirements as trucks age out on a rolling system based on unit age. For example, effective August 1, 2019 trucks accessing Port lands could be no older than a 2014 made unit, and 2014 units will become ineligible come this summer. These age requirements are result in mandatory updates, despite the fact that no make or model commercial tractor has introduced motor updates or increased environmental benefits since 2013.

While the PTA is in favour of the aggressive environmental measures in place, it should be noted that at no point have these equipment upgrades been subsidized by either the VFPA or the Government of Canada. These environmental protections have come at the full expense of TLS members.

With continuous equipment upgrades and repair costs factored into the cost of doing business on VFPA lands, TLS members have taken on financial risk in order to assist VFPA with their goals, and therefore it is disheartening to see the simple request of a review and potential financial relief in return from the VFPA during a period of hardship, ignored.

The PTA would like to call attention to actions taken by the Chinese Government in effort to revive Import and Exports and stabilize their supply chain. Between March 1 and June 30, 2020, the government suspended or reduced port and other logistics fees at nine major ports. They have also called on insurance companies to assist by encouraging the reduction of premiums for commercial vehicles.

Once again, we call on our Canadian Government and the VFPA to complete a review in terms of the fees that are being charged in relation to what revenue can be generated by TLS companies of all sizes and composition and follow through on the promise to assist its hard-working Canadians and Canadian companies during these unprecedented events.

The PTA feels very strongly that a fair and financially obtainable Port system is a priority, now more than ever, and will continue to voice our concerns in as many avenues as necessary, including but not limited to paid am radio information bulletins to achieve what we feel is a necessary review process. Now is the time to work proactively to ensure a strong and financially stable supply chain, as we work to rebuild our economy and move into our new normal and we would appreciate your support on this issue.

Port Transportation Association



We thank you for your consideration and ask for a reply within the next ten business days.

Sincerely,

Port Transportation Association

Enclosure: 2 pages

CC:

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ALL Cargo Types	March 2020	March 2019	% Growth
ALL COMMODITIES	34,527,072	34,655,878	-0.4%
Animal Products, Dairy & Produce	388,042	393,033	-1.3%
Animal Hides, Skins & Raw Fur	37,585	39,782	-5.5%
Dairy Products	24,956	16,713	49.3%
Meat, Fish & Poultry	220,116	222,358	-1.0%
Produce	105,385	114,180	-7.7%
Chemicals, Basic Metals and Minerals	4,115,275	4,026,028	2.2%
Basic Metals	379,888	484,420	-21.6%
Inorganic Chemicals	574,849	216,763	165.2%
Minerals	2,192,577	2,395,645	-8.5%
Ores & Concentrates	350,914	316,203	11.0%
Organic Chemicals	402,904	400,974	0.5%
Other Products of Chemical Industries	214,143	212,023	1.0%
Coal	8,553,618	8,322,673	2.8%
Metallurgical Coal	5,697,965	6,157,758	-7.5%
Other/Unspecified Coal	78,807	167,081	-52.8%
Thermal Coal	2,776,846	1,997,834	39.0%
Consumer & Related Goods	2,036,160	2,181,776	-6.7%
Electronics	41,989	48,112	-12.7%
Health & Medical	7,250	7,336	-1.2%
Horticultural Products	6,039	6,553	-7.8%
Household Goods	806,988	949,097	-15.0%
Miscellaneous Goods	1,111,488	1,107,836	0.3%
Textiles	61,973	62,477	-0.8%
Tobacco & Related Products	432	364	18.8%
Fertilizers	3,018,369	3,163,388	-4.6%
Nitrogen-Based Fertilizers	2,267	1,632	38.9%
Other Fertilizers	18,501	5,775	220.4%
Phosphate-Based Fertilizers	9,404	8,174	15.0%
Potash & Potassium-Based Fertilizers	2,287,305	2,403,781	-4.8%
Sulphur	700,892	744,027	-5.8%
Forest Products	4,650,832	6,098,893	-23.7%
Logs	1,392,327	2,156,916	-35.4%
Lumber	496,288	831,073	-40.3%
Other Wood Products	141,134	229,621	-38.5%
Paper & Paperboard	346,009	429,615	-19.5%
Sheets, Panels & Boards	63,747	81,662	-21.9%
Waste Paper	67,501	95,303	-29.2%
Woodchips	1,174,132	1,289,360	-8.9%
Woodpulp	969,693	985,343	-1.6%
Grain, Specialty Crops & Feed	7,421,363	7,053,967	5.2%
Animal Feed	400,500	390,077	2.7%
Barley (not including feed)	338,675	532,644	-36.4%
Canola	2,177,875	1,699,245	28.2%
Other Cereals	325,169	279,328	16.4%
Specialty Crops	1,510,087	1,488,706	1.4%
Wheat	2,669,058	2,663,967	0.2%
Machinery, Vehicles, Construction & Materials	1,385,059	1,552,737	-10.8%
Construction & Materials	644,755	736,605	-12.5%
Industrial, Auto and Vehicle Parts	342,598	369,182	-7.2%
Machinery	260,644	300,463	-13.3%
Vehicles	137,063	146,487	-6.4%
Petroleum Products	2,205,439	1,256,410	75.5%
Aviation & Jet Fuel	236,838	159,993	48.0%
Crude Petroleum	636,863	212,398	199.8%
Diesel & Fuel Oils	857,709	609,896	40.6%
Gasoline	459,281	269,505	70.4%
Kerosene, Distillate & Coke	107	29	270.0%
Other Petroleum Products	14,640	4,589	219.0%
Processed Food Products	752,915	606,973	24.0%
Animal/Vegetable Oils, Fats & Waxes	439,976	321,488	36.9%
Beverages	78,128	91,139	-14.3%
Other Prepared Food Products	191,199	158,421	20.7%
Prepared Grain Products	43,612	35,925	21.4%

Cargo Tonnage by Various Groupings	March 2020	March 2019	% Growth
Tonnage by Direction	34,527,072	34,655,878	-0.4%
Import	7,014,356	7,262,713	-3.4%
Export	27,512,717	27,393,165	0.4%
Tonnage by Cargo Type	34,527,072	34,655,878	-0.4%
Auto	99,702	105,219	-5.2%
Break Bulk	3,285,234	4,126,737	-20.4%
Bulk Dry	21,860,692	21,553,240	1.4%
Bulk Liquid	3,092,972	1,946,907	58.9%
Container	6,188,472	6,923,775	-10.6%
Foreign/Domestic Tonnage	34,527,072	34,655,878	-0.4%
Domestic	6,507,633	7,127,879	-8.7%
Foreign	28,019,440	27,527,999	1.8%

Container Statistics by TEU	March 2020	March 2019	% Growth
Total Container TEU	734,855	843,039	-12.8%
Total Inbound TEU	385,485	438,926	-12.2%
Total Outbound TEU	349,370	404,113	-13.5%
Total Empty TEU	109,865	124,965	-12.1%
Empty Inbound TEU	16,336	8,590	90.2%
Empty Outbound TEU	93,529	116,375	-19.6%
Total Laden TEU	624,990	718,074	-13.0%
Laden Inbound TEU	369,149	430,336	-14.2%
Laden Outbound TEU	255,842	287,739	-11.1%

Foreign Vessels and GRT	March 2020	March 2019	% Growth
Foreign Vessel Calls	631	636	-0.8%
Gross Registered Tonnage	30,399,435	31,878,824	-4.6%

	FULL				EMPTY					TOTAL TEU	TOTAL CONTN
	20s	40s	45s	TEUs	20s	40s	45s	53s	TEUs		
IMPORT											
YTD Apr 2020	74,518	215,403	5,796	518,365	14,663	3,765	n/a	n/a	22,193	540,558	314,145
YTD Apr 2019	79,181	240,142	7,128	575,503	3,616	2,790	n/a	732	11,136	586,639	333,589
DIFFERENCE	-4,663	-24,739	-1,332	-57,138	11,047	975	n/a	-732	11,057	-46,081	-19,444
% DIFFERENCE	-5.9%	-10.3%	-18.7%	-9.9%	305.5%	34.9%	n/a	n/a	99.3%	-7.9%	-5.8%
EXPORT											
YTD Apr 2020	67,977	138,104	1,476	347,506	11,167	52,981	3,791	n/a	125,659	473,165	275,496
YTD Apr 2019	67,735	156,622	1,846	385,133	13,732	69,271	4,277	n/a	161,897	547,030	313,483
DIFFERENCE	242	-18,518	-370	-37,627	-2,565	-16,290	-486	n/a	-36,239	-73,865	-37,987
% DIFFERENCE	0.4%	-11.8%	-20.0%	-9.8%	-18.7%	-23.5%	-11.4%	n/a	-22.4%	-13.5%	-12.1%
TOTAL											
YTD Apr 2020	142,495	353,507	7,272	865,871	25,830	56,746	3,791	n/a	147,852	1,013,723	589,641
YTD Apr 2019	146,916	396,764	8,974	960,636	17,348	72,061	4,277	732	173,033	1,133,669	647,072
DIFFERENCE	-4,421	-43,257	-1,702	-94,765	8,482	-15,315	-486	-732	-25,181	-119,946	-57,431
% DIFFERENCE	-3.0%	-10.9%	-19.0%	-9.9%	48.9%	-21.3%	-11.4%	n/a	-14.6%	-10.6%	-8.9%