

Port Transportation Association



Mr. Greg Rogge
Director, Land Operations
Vancouver Fraser Port Authority
999 Canada Place
Vancouver, BC V6C 3T4

May 9, 2020

RE: TLS Fee Review

Dear Greg,

As you are aware, having received a copy of the most recent letter sent by the Port Transportation Association to Hon. Marc Garneau, and the Ministry of Transportation, we are continuing to push for the suspension of TLS fees along with a complete review of the current fee structure. Out of respect to the Vancouver Fraser Port Authority, we are also attempting to address this issue with you once again.

Port Transportation Association (PTA) stands firm on its beliefs, as expressed in our previous letters to Vancouver Fraser Port Authority (VFPA), that COVID-19 and the resulting economic slowdown of both imports and exports should result in the temporary suspension of TLS fees. The very VFPA reports posted to your website show a decrease of 4.6% in overall tonnage as of March, and a decrease of 8.9% in overall container traffic as of April.

These most recent reports do not take into account that the Canadian economy was all but shut down well into May, and even today, is operating at a reduced capacity as Canadian businesses and citizens struggle to rearrange themselves to fit into Canada's new normal. Despite best efforts, the Canadian economy is struggling, and will continue to do so for the foreseeable future.

We would like to call your attention to actions taken in China in attempt to revive Import and Export traffic and stabilize their supply chain. Between March 1 and June 30, 2020, port and other logistics fees

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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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were suspended or reduced at nine of their major ports. We strongly believe the VFPA is in a position to implement similar actions and should do so as part of your “Foundations for a Brighter Future” initiative that has been recently advertised to improve trade and boost the economy.

COVID-19 has unearthed weaknesses and areas that must be improved upon within many industries. The drayage sector has not been immune to these discoveries, thus we are also calling on VFPA to complete a full 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.

The VFPA has Canada’s strictest environmental regulations since their implementation in 2008, and these regulations encompass the equipment used by TLS members. These regulations have introduced substantial ongoing equipment costs to purchase and maintain equipment that is phased out on a rolling system based on age. To date, TLS members have bore these costs without any financial assistance from VFPA or the Canadian Government, to remain as TLS members.

Between the equipment and TLS fees, TLS members take on significant financial costs to be able to operate on VFPA lands. Even with a diversified revenue source, BC drayage companies will and are feeling the negative financial impact by the substantial fees that are collected by. The financial impact will only grow as we continue to face declining import and exports within Canada.

We insist that the TLS fees are reviewed to ensure the financial obligations required by VFPA are in adequate proportion to the TLS member’s size and the ability to recoup the cost through revenue earned on VFPA land.

The corporations that operate in Vancouver and that have contractual financial obligations with the VFPA whether those obligations involve the TLS licencing, real estate, or any marine activity, understand that the VFPA operates at arms length from the Federal Government. Having said all of that, we strongly believe that the VFPA has an obligation to treat Canadian companies fairly and dignity. To date, the responses that we have received have not outlined why the VFPA takes the position not to provide any financial relief to TLS license holders.

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As the Federal Government has pointed out, the VFPA has been mandated to operate on a commercial basis within the parameters of the Act and its letters patent. If the VFPA is operating on a commercial level, financial concessions should be considered due to the drop in Port container traffic.

The PTA feels that carriers should in fact shoulder some of the financial burden to pay for administration and security, but certainly not all of it.

We ask that if financial relief is not granted and a review of fees is not completed, that the VFPA provide in detail as to what the total annual TLS fees collected amount to, and a detailed report that would clearly indicate where the fees have been allocated.

The PTA and its members believe that the VFPA should exercise financial transparency with respect to this matter, and who (if any other) the contributors are as well and justification for such.

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.

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

Sincerely,

Port Transportation Association

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CC:

Peter Xotta

Hon. Marc Garneau

Ministry of Transportation