



Office of the BC Container Trucking Commissioner CTS Licence Tag Management Policy DRAFT March 2019

PURPOSE

This is the policy of the Office of the BC Container Trucking Commissioner (the “OBCCTC”) on the issuance, withdrawal and management of truck tags assigned to Licensees. It is consistent with the purpose of the *Container Trucking Act* and *Container Trucking Regulation* (“the legislation”) and is intended to balance the number of trucks with the volume of container movements in the sector generally, and more specifically, encourage the movement of drivers to high performing companies.

Under this policy, the OBCCTC issues Class A truck tags (for trucks that require access to a marine terminal) and Class B truck tags (to be assigned exclusively to trucks that only perform off-dock Container Trucking Services in support of a Licensee’s regulated on-dock container movements).

Licensees and current and prospective Independent Operators (“I/Os”) must follow this policy when applying for additional tags, moving Sponsorship/Joinder, or seeking to be added to the I/O List.

AUTHORITY

In conjunction with the legislation, the Container Trucking Licence (the “Licence”) establishes the authority of the Container Trucking Commissioner (the “Commissioner”) to determine the number of truck tags associated with the Licence and impose conditions upon the Licensee.

PRINCIPLES

The following principles will apply in the application of this policy:

- Truck tags are assigned to a Licensee and not to individual I/Os.
- Truck Tags are not transferrable in the event of a change in control or sale of a licensed company.
- Licensees are accountable for ensuring that tagged trucks are performing Container Trucking Services as defined by the legislation.
- Conversion of a company tag to an I/O tag is not permitted.
- Conversion of an I/O tag to a company tag is not permitted.
- Truck tags have no monetary value and cannot be explicitly or implicitly or directly or indirectly assigned, transferred, shared, traded, bought or sold.

CRITERIA

The Commissioner considers a Licensee's **on-dock** performance metrics (including those under the VFPA's performance review program) and the size and performance of the I/O fleet under Sponsorship/Joinder when issuing and withdrawing additional **Class A tags** and may consider a Licensee's **off-dock performance metrics and performance of the I/O fleet under Sponsorship** when issuing and withdrawing additional **Class B tags**.

POLICY

1. The number of authorized tags assigned to a Licence may vary throughout the term of the Licence.
2. The Commissioner will review and determine the number of Class A and B tags to be allocated to each applicant under an approved Licence based upon information provided by the VFPA, including a performance review that identifies, in part, the number of on and -off dock trips per day conducted by each tagged truck and any other matters that the Commissioner in his or her discretion may consider relevant.

Tag Application Process

3. Additional tags will not be granted during the Licence application process.
4. A Licensee will not be granted additional tags if there is an active audit or investigation being conducted by the OBCCTC.
5. Licensees may apply to increase the number of Class A and B tags authorized under its Licence 3 times per year. Applications will be accepted for a two-week period in the months of January, May and September. The specific dates of the application periods will be posted on the OBCCTC website. Licensees must complete the **Additional Tag Request Form** and submit the supporting documents outlined below.
6. To qualify for additional tags, Licensees must provide a business plan detailing all of the following:
 - The planned use of the additional tags;
 - The estimated impact of additional tags on the performance metrics of a Licensee's existing tag allotment;
 - A schedule for the implementation of the additional tags.
7. The business plan must also demonstrate **or include** one or more of the following:
 - Existing business is difficult to service due to the high utilization of the current tag allotment **with evidence to support:**
 - An increase in the number of containers being transported per month for at least the three months preceding the application,
 - Analysis of the capacity within the fleet and the required number of tags needed to move the increased container volume, and
 - Sustained use of third party or sub-contracted services;
 - **Verifiable documentation that a** current customer has increased its container movement volume;
 - **Signed contracts demonstrating that** new business has been secured necessitating additional capacity;

- An Independent Operator has indicated, in writing, support for the additional truck tag application on the basis that the granting of an additional truck tag will result in their sponsorship;
 - Written representation from a union/bargaining agent (if applicable) and/or,
 - Any other evidence, criteria or information that the Commissioner may request or view as relevant.
8. The business plan may include an analysis of company truck and/or I/O truck trips/movement records to accurately assess the number of off-dock trips per day undertaken by the applicant's drivers and/or I/Os.
 9. Additional tags will be issued subject to the Licensee's adherence to the terms and conditions of the VFPA's Access Agreement and its compliance with the Licence and the legislation.
 10. Licensees will be advised of the Commissioner's decision in writing. If approval is granted, the Licensee must then inform the VFPA and secure approval to add a truck within 45 days of the date of the Commissioner's written approval or the approval will automatically expire, unless consent is granted in advance by the OBCCTC to extend the timeframe.
 11. A Licensee is responsible for ensuring its security (Bonding) requirements under the Licence and Regulation are met based upon the number of Class A and B tags assigned to the Licence. A Licensee is also responsible for paying all Truck Licensing Program fees associated with an increase in its Class A truck tag allotment if applicable.

Provisional Tags

12. Licensees may also apply to the Commissioner for a 90-day temporary Class A or B tag ("Provisional Tag") to accommodate an I/O leave of absence, due to extraordinary circumstances, that has exceeded or is expected to exceed one month in duration. The Provisional Tag will automatically expire after 90 days, unless terminated earlier or extended as a result of a Commissioner-approved request for extension by the Licensee, both at the discretion of the Commissioner.

Tag Withdrawal Process

13. Approval of additional truck tags is subject to a Licensee maintaining the performance metrics associated with all the truck tags assigned to it under its Joint CTS Licence as well as its performance requirements under the VFPA's Access Agreement. Failure to maintain performance may result in a reduction of the number of truck tags the Licence.
14. During the annual additional tag application review periods (January, May and September), the Commissioner will review the performance levels of all Licensees and withdraw Class A tags from Licensees not maintaining Class A tag performance and/or evidencing a prolonged decrease in Class A tag performance and container movement volumes.

15. In conducting its performance review, the OBCCTC examines and compares the performance of licensees within the following groupings based on the size of a licensee's Class A tagged fleet and its performance within the grouping:
 - a. Small Sized Licensees 2-9 trucks
 - b. Medium Sized Licensees 10-20 trucks
 - c. Large Sized Licensees 21 + trucks
16. The Commissioner will utilize the Licensee's Balance Scorecard as issued monthly by the VFPA, as well as and any other information that the Commissioner may consider relevant. **This may include any information provided by a licensee regarding its fleet performance.**
17. Should the Commissioner consider reducing the number of tags under a Licence, the Commissioner will provide the Licensee with a warning and a 90-day opportunity to improve **Class A** tag performance, which is detailed on the Licensee's Balanced Scorecard. If, after 90 days, **Class A** tag performance has not improved, the Licensee will be given reasonable notice of the Commissioner's intention to withdraw the **Class A** tags. **The number of Class A tags withdrawn will be based upon the on-dock utilization of the Licensee's tags. Licensees are permitted to select which tags are to be withdrawn.**
18. Licensees may voluntarily surrender tags at any time. The VFPA is prepared to amend Access Agreement charges to reflect Licensees who voluntarily surrendering tags.
19. **Any tag that has remained vacant for longer than 90 days will be removed from the Licensee.**

Independent Operator List

20. The Commissioner's I/O List is intended to increase sponsorship opportunities for I/Os. **When seeking sponsorship, I/Os must advise Licensees about their status on the List. Licensees seeking to sponsor I/Os may also contact the OBCCTC to confirm an I/O's status on the List.**
21. Status on the I/O List is associated with an individual, not with a tag. **Tags do not move between Licences.** I/O's cannot transfer their place on the I/O List to another I/O.
22. An I/O shall not perform Container Trucking Services on behalf of any Licensee unless the I/O is on the I/O List.
23. Licensees shall only sponsor and join to I/Os on the I/O List.
24. In order to ensure the objective of this policy and the integrity of the I/O List, and avoid the forced conversion of I/Os to employees, in accordance with Appendix A to Schedule 1 of the Licence ("Prohibited Practices") a Licensee must not require an I/O to sell his or her Equipment (as defined in the Licence) to the Licensee.
25. The maximum number of I/Os on the I/O List is set by the Commissioner, and is reviewed monthly and adjusted as necessary at the discretion of the Commissioner.

26. The I/O List is comprised of three types of I/Os: Active I/Os, Eligible I/Os, and Inactive I/Os.

- Active I/Os

An Active I/O is an I/O who is working under an active Sponsorship/Joinder.

Active I/Os on the I/O List may move to a new Sponsorship/Joinder **if the receiving Licensee has a vacant tag.**

- Eligible I/Os

An Eligible I/O is an I/O who is not working under an active Sponsorship/Joinder and is available to Licensees for Sponsorship/Joinder.

I/Os remain on the I/O List as Eligible I/Os for a maximum of 90 days from the date of termination of a Sponsorship/Joinder.

If an Eligible I/O does not become an Active I/O within the 90 days, the Eligible I/O will be removed from the I/O List.

The associated TLS-approved trucks of Eligible I/Os will not be deemed by VFPA to be exiting TLS ~~as of January 1, 2018~~; however, the trucks remain subject to TLS requirements.

~~Subject to the discretion of the Commissioner, it is anticipated that approximately 10% of the I/O List will be comprised of Eligible I/Os.~~

- Inactive I/Os

An Inactive I/O is a Sponsored/Joined I/O who is unable to perform Container Trucking Services due to a temporary recess of the Licensee's tag by the Commissioner (ex. as the result of a bargaining unit grievance process).

New I/O List Applicants

27. The Commissioner will monitor the I/O List and, if satisfied that it is desirable to add new Eligible I/Os to the I/O List, will publish a request for applications.

28. Applicants must complete an application and demonstrate that they meet the following criteria:

- 5 (five) or more years of experience in providing local drayage and/or long haul (highway) container trucking services; and
- Subject to the discretion of the Commissioner, the applicant was not a company employee of a License holder in the three months prior to being placed on the I/O list.

Applicants must also declare that they are aware of and will meet the following conditions within 60 days of receiving written confirmation they have been added to the list:

- Acquire a compliant vehicle that meets or exceeds the Vancouver Fraser Port Authority (“VFPA”) truck age requirement;
- Secure a Sponsorship/Joinder agreement with a Licensee that has a vacant tag; and
- Obtain VFPA Truck Licensing System approval.

29. Should the number of applicants exceed the number of advertised spaces, the successful applicants will be determined by a lottery.
30. ~~If a successful applicant is unable to meet the conditions outlined in section 28 within 60 days of being added to the list, he/she must write to the Commissioner and the Commissioner may grant an extension. Successful applicants will be notified in writing and will have 60 days from the date of the written notification to acquire a compliant vehicle, secure a Sponsorship/Joinder with a Licensee that has a vacant tag and secure VFPA TLS approval, unless consent is granted in advance by the OBCCTC to extend the timeframe.~~
31. ~~Subject to the discretion of the OBCCTC, any applicant seeking to be placed on the I/O List must not have been a company employee of a Licence holder in the three months prior to being placed on the I/O List.~~

General

32. Licensees may apply for additional tags to: registrar@obcctc.ca during the specified application period.
33. Licence holders may apply to fill vacant Class A tags and submit new I/O Sponsorship/Joinder applications through the OBCCTC and the VFPA TLS. **Vacant Class B tags and new I/O Sponsorship applications are only to be submitted to the OBCCTC.**
34. Placement on the I/O List is solely for the purpose of the proper administration of this policy, and is in no way an approval or endorsement by the Commissioner of the I/Os on the I/O List. Further, placement on the I/O List does not represent confirmation that the I/O’s truck meets the VFPA’s TLS requirements.
35. Placement on the I/O List does not guarantee an I/O Container Trucking Services work of any kind.
36. All references to timeframes and deadlines in this policy are subject to the discretion of the Commissioner.
37. Except as defined herein, capitalized terms in this policy have the same meanings as defined in the Licence.