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Office of the BC Container Trucking Commissioner
1085 Cambie Street,
Vancouver, BC V6B 5L7

RE: CTS Licence Reform 2020 – Supplemental Consultation Package

Dear Sir Madam

Through the medium of this letter, I would like to express my views on newly proposed changes to New Truck Tag Policy and CTS Licence. Although, OBCCTC suggested that proposed amendments to the 2020 Licence Application Process & Tag Management Policy are results of series of stakeholder consultations but as per my knowledge none of small and medium-sized trucking company was ever consulted regarding any proposed changes. I am glad that OBCCTC at least asked for trucking companies's comment on new application process after proposing biased amendments. These amendments can cause severe damage to relationship of businesses and customers.

Firstly, restricting carriers with less than 10 trucks to apply for new licence is completely discriminatory towards small companies. Different governments propose and implements many policies for betterment and encouraging small businesses. But, this is happening for the first time that new policies are being introduced to eliminate small carriers in container trucking business. OBCCTC should consider businessman vision while making amendments and policies. Although, we are medium sized trucking company and we have no advantage or disadvantage from limiting number of truck tags but this will cause unnecessary chaos and instability in the industry. There are many livelihood depending upon each small trucking company, commissioner should have considered every aspect with great detail before proposing this change. OBCCTC could not provide any single advantage or motive in supplement to support proposed changed but there are lot of drawbacks to this amendment that can cause harm to small carrier's employees and fears in the industry. Small carriers with less than 10 trucks are paying \$25,000 yearly TLS fees to Port of Vancouver. Let's say 2 small trucking companies with 5 tags each is paying \$50,000 in fees to Port of Vancouver. If OBBCTC issue licence to new company with at least 10 tags will pay only \$35,000 per year. Truck tags will remain same but Port of Vancouver will lose revenue. Did OBCCTC considered losing revenue for the Port of Vancouver while making this amendment? We don't want Port of Vancouver to increase yearly TLS fees to cover lost revenue due to decision made by OBCCTC.

Secondly, opening opportunities to new companies will bring instability to the market. New companies may start practice of undercutting rates to establish their customer base. There are many small carriers with less than 10 tags and years of experience operation in container trucking industry. How will OBCCTC insure new companies will not have bad effect on the industry?

Thirdly, OBCCTC have clearly stated that prior audit compliance history will be taken to consideration on renewal. How will OBCCTC will review compliance history of new applications? How will OBCCTC insure new licences will be compliant? Also, it was mentioned amount of administrative penalty imposed will be taken into consideration while making decision. I want to know what yardstick OBCCTC uses to measure administrative penalty for companies. There are few large trucking companies who were found to be owed hundreds of thousands to drivers, Independent operators but they got away without administrative penalty. On the other hand, we owe \$50 to one of Independent Operator due to clerical mistake by the payroll department and we were charged \$500 (10 times of owed amount) in administrative penalty by the OBCCTC. We had no intention to keep this small amount of money. This proposed amendment to licence renewal application is clearly favoring large trucking companies who got away without any administrative penalty. Moreover, companies have been already punished by charging penalties and should not be punished again by considering their penalty amounts during renewal process. Considering penalty amounts during renewal process will be favoring large carriers who were not charged penalties for big owing amounts to I/Os and company drivers.

Every carrier have leased equipment, yards etc. for at least 5 years. On the other hand, our licence term is 2 years only. Every business has long term vision and goals. If, OBCCTC will implement proposed amendments, Vancouver container trucking industry will become really unstable, trucking company's vision and goals will be limited due to dynamic policies. Small and medium-sized carrier will hesitate to make investments in container trucking industry. These amendments can also affect shippers due to uncertainty of their reliable carrier to obtain licence. This can be really harmful for container trucking industry.

According to my experience, small carriers have all company trucks or mixed fleet of I/Os and company drivers. These company trucks move more volume of containers as compared to I/Os because company trucks have split seats and run both shifts. So, small companies contribute better utilisation of reservations at the port and to reduce traffic at ports and off-dock location. 35% of containers in Metro Vancouver are moved up small carriers (35 companies) with less than 9 trucks companies. Small carrier trucks tags are only 13% of the total tags in the industry. To ensure above saying, OBCCTC can check score cards of small carriers available at Port Vancouver. Most of small and medium-sized carriers have better fleet utilisation percentage and drayage trips per day as compared to large carriers.

OBCCTC's CTS tags cannot be welcomed as long as commissioner is not able to manage all carriers doing business on off-dock locations. There are many other non TLS carriers running on off-dock locations. OBCCTC may able to manage TLS Company's traffic at off-dock locations by regulating CTS tags. What about traffic caused by non-TLS Carriers? OBCCTC needs to make a level playing field for all the carriers.

In a nutshell, every existing carrier in the industry regardless of tag count should have fair chances to apply and obtain licence for longer than 2 years term period. Vancouver container trucking industry does not need new carriers at this point of time. Instead, OBCCTC should make policies for betterment for existing trucking companies to boost up investments in the industry. Additional tag applications should be opened all year around because carriers cannot wait for 1 year when they have customers on their door for doing business with them. CLS tag policy cannot be successful until OBCCTC can regulate non-TLS carrier running on off-dock locations as well. Licence renewal decisions made on the basis of penalty will be biased and intentionally favoring large carriers.

Sincerely,

Lucky Brar

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