

Your way ahead



100 – 20111 93A Avenue
Langley, BC V1M 4A9
e bcta@bcctrucking.com
t 604 888 5319 f 604 888 2941
toll free 1 800 565 2282

bcctrucking.com

January 30, 2020

Michael Crawford
Container Trucking Commissioner
Office of the BC Container Trucking Commissioner
via e-mail: Michael.Crawford@bcctc.ca

Re.: CTS Licence Reform: 2020 Licence Application and Process & Tag Management Policy

Dear Mr. Crawford:

The BC Trucking Association (BCTA) would like to provide the enclosed submission regarding the consultation document CTS Licence Reform: 2020 Licence Application Process & Tag Management Policy.

I would also like to take this opportunity to thank you and the Deputy Commissioner for attending BCTA's Intermodal Committee meeting on November 4, 2019 to hear feedback from our members about potential changes to the licence application and tag management policy.

I would be pleased to answer any follow-up questions the OBCCTC might have.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Earle", is written over a white rectangular area.

Dave Earle
President & CEO

Encl.

BCTA Submission to the Office of the BC Container Trucking Commissioner RE: Consultation Document *CTS Licence Reform: 2020 Licence Application & Tag Management Policy*

January 30, 2020

BCTA Submission

Thank you for the opportunity to provide comments as part of this consultation process. BCTA's Intermodal Container Committee ("Committee") has reviewed the Office of the BC Container Trucking Commissioner ("Commissioner") consultation document titled CTS Licence Reform: 2020 Licence Application Process & Tag Management Policy ("Licence Reform document"), and developed the following submission.

CTS Licence

This section of the Committee's response concerns the proposed changes to the CTS Licence for 2020. Firstly, BCTA recommends that the licence term be extended from two years to provide for an optional term of up to five years.

Secondly, BCTA's overarching policy position for the intermodal container sector is the elimination of economic regulation for the container trucking sector, once the sector is sufficiently stable. As a result, we cannot support elements in the Licence Reform document that amount to an expansion of economic regulation. Not only does it contribute to inefficiency, any expansion of the scope of the regulation of the intermodal sector makes it more difficult to administer and enforce, without necessarily addressing the underlying issues that contribute to instability.

Consequently, the Committee does not support requirements that it considers to be additional red tape or regulatory requirements, including:

- The requirements to register all employees, sponsored independent operators (I/Os) and indirectly employed operators performing container trucking services;
- The prohibition of joint licences; and
- The increase to the minimum truck requirement for licensees to 10 trucks.

BCTA opposes the 10-truck minimum in particular because this is an arbitrary number, and because all CTS Licence applicants, regardless of size, should be evaluated under the same criteria. These criteria include the ability to show they have a customer base in their business plan to support their need for truck tags.

In the context of a regulated environment, BCTA's priority is a practical regulatory framework that promotes a level playing field and fair, consistent enforcement. As BCTA indicated in our April 12,

2019 submission, we would like to reiterate that we do not support the establishment of a dual truck tag system through the creation of the CTC (off-dock only) truck tags, due to the following concerns:

- Creating a different category of truck tag is an extension of the container trucking services regulatory scheme.
- Since the CTC tags will not operate with a GPS tracking system, the Committee is concerned that not all trucks performing off-dock container trucking services will request these tags. Because of this, it is not possible to enforce regulatory requirements for every truck involved in off-dock activities, placing TLS companies and their drivers at a competitive disadvantage.
- There are concerns that the prohibition on joint licences and the new 10-truck minimum for a CTS Licence will result in a flood of capacity to the off-dock market.
- The addition of CTC tags will result in a higher security requirement associated with a particular CTS Licence, which creates a disincentive to use the required CTC tags for off-dock moves, despite the fact that penalties could be imposed for failure to declare and tag off-dock trucks. Additionally, since the additional security cost will be associated with complying with the requirement to tag all trucks providing off-dock container trucking services, a licensee is essentially paying a penalty for compliance. The Committee therefore recommends excluding CTC tags from the calculation of the security cost.

Therefore, because the OBCCTC cannot consistently and fairly enforce the off-dock rates across all providers of off-dock container services without a significant extension of its jurisdiction, BCTA recommends that all off-dock rates be abolished.

Finally, the Committee does not oppose opening the June 2020 licence application to all interested applicants, as this allows for open competition. However, since companies who previously held a CTS licence are to be assessed based on historic compliance with the Container Trucking Act and Regulation, new CTS licence applicants should be required to show how they will ensure their compliance in addition to meeting the requirements to provide a business plan for truck tags.

Proposed Tag Management Policy

The Committee would like to state that it continues to support the comments and recommendations included in BCTA's April 12, 2019 submission regarding the Draft March 2019 CTS Licence Tag Management Policy (see Appendix 1), including comments regarding the I/O list, and the issue/revocation of TLS truck tags based on the OBCCTC's performance review of licensees.

As well, the Committee does not support the proposed Tag Management Policy's prohibition on the "conversion" of truck tags from I/O assigned tags to company fleet assigned tags and vice versa between licence periods, as licensees should be able to make changes as needed to support their business operations.