



Office of the BC Container Trucking Commissioner CTS Licence Truck Tag Management Policy June 2020

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 (“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.

Licensees and current and prospective 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 Services Licence (the “Licence”) establishes the authority of the Container Trucking Commissioner (the “Commissioner”) to determine the number of tags associated with the Licence and impose conditions upon the Licensee.

PRINCIPLES

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

- Tags are assigned to a Licensee and not to individual I/Os.
- 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 during the term of the Licence is not permitted.
- Conversion of an I/O tag to a company tag during the term of the Licence is not permitted.
- 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 performance metrics (including those under the Vancouver Fraser Port Authority’s (“VFPA”) performance review program) and the size and performance of the I/O fleet under Sponsorship/Joinder when issuing and withdrawing additional tags.

POLICY

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

Tag 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 tags authorized under its Licence at the time of licensing and/or once during the term of the Licence (OBCCTC will provide prior notice of annual fixed application period opening date).
6. The OBCCTC will issue tags throughout the term of the Licence at its discretion and in exceptional circumstances.
7. To qualify for additional tags, Licensees must provide a business plan using the template provided which details 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; and
 - A schedule for the implementation of the additional tags.
8. The business plan must also demonstrate or include one or more of the following:
 - That existing business is difficult to service due to the high utilization of the current TLS 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 tag application on the basis that the granting of an additional tag will result in their sponsorship;
 - A letter of support from a union/bargaining agent (if applicable); and/or
 - Any other evidence, criteria or information that the Commissioner may consider relevant.

9. The business plan must include an analysis of company truck and/or I/O truck trips/movements to accurately assess the number of on and off-dock trips per day undertaken by the applicant's drivers and/or I/Os.
10. Additional tags will be issued subject to the Licensee's adherence to the terms and conditions of the VFPA's Access Agreement and its past and ongoing compliance with the Licence and the legislation.
11. 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.
12. A Licensee is responsible for ensuring its security (bonding) requirements under the Licence and legislation are met based upon the number of tags assigned to the Licence. A Licensee is also responsible for paying all TLS Program fees associated with an increase in its truck tag allotment if applicable.

Tag Withdrawal Process

13. Approval of tags is subject to a Licensee maintaining the performance metrics associated with all the tags assigned to it under its 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 tags under the Licence.
14. The Commissioner will review the performance levels of all Licensees and withdraw tags from Licensees not maintaining tag performance and/or evidencing a prolonged decrease in tag performance and container movement volumes.
15. In conducting its performance review, the OBCCTC will examine and compare the performance of licensees within the following groupings based on the size of a Licensee's tagged fleet and its performance within the grouping:

Small Sized Licensees	1-9 trucks
Medium Sized Licensees	10-20 trucks
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 to evaluate licensee fleet performance. 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 tag performance, which is detailed on the Licensee's Balanced Scorecard. If, after 90 days, tag performance has not improved, the Licensee will be given reasonable notice of the Commissioner's intention to withdraw the tags.
18. Licensees may voluntarily surrender tags at any time. The VFPA may amend Access Agreement charges to reflect Licensees who voluntarily surrendering tags or when tags are removed.

19. Any tag that has remained vacant for longer than 90 days will be removed from the Licensee unless the Commissioner has agreed to extend the deadline.

Independent Operator List

20. The Commissioner's I/O List (the "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.**
22. I/O's cannot transfer, sell or assign their place on the I/O List to another I/O or company driver who is not currently on the I/O List.
23. Licensees shall only sponsor and join to I/Os on the I/O List.
24. Licensees may nominate drivers from other divisions within their fleet to be placed on the I/O list for the express purpose of filling a vacant I/O tag within their fleet. The driver's placement on the I/O list will be revoked if he/she leaves the Licensee that nominated them.
25. 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.
26. 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.
27. 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 and the previous Sponsorship/Joinder is severed.

- **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; however, the trucks remain subject to TLS requirements.

- **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) or is taking an extended leave (more than 90 days) and is unable to perform container trucking services for the Licensee.

The Sponsorship/Joinder's of Inactive I/Os will be terminated.

An Inactive I/O may, at the Commissioner's discretion, be removed from the list. If an Inactive I/O is removed from the list, he/she will be provided with written notice and 30 days in which to obtain sponsorship with a Licensee with a vacant truck tag(s).

28. In circumstances where Licensees have a need to accommodate an I/O leave of absence, due to extraordinary circumstances, that have exceeded or is expected to exceed one month in duration, the OBCCTC will place the I/O on "Inactive" status on the I/O List. In the event the I/O returns to the industry and/or their previously sponsoring Licensee, the OBCCTC will consider the issuance of a new tag.

New I/O List Applicants

29. 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.
30. Applicants must complete an application and demonstrate that they have 5 (five) or more years of experience in providing local drayage and/or long haul (highway) container trucking services.
31. 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 VFPA truck age requirement;
 - Secure a Sponsorship/Joinder agreement with a Licensee that has a vacant tag; and
 - Obtain VFPA Truck Licensing System approval.
32. Should the number of applicants exceed the number of advertised spaces, the successful applicants will be determined by a lottery.
33. If a successful applicant is unable to meet the conditions outlined in section 31 within 60 days of being added to the List, he/she must write to the Commissioner and the Commissioner may grant an extension.

General

34. Licence holders may apply to fill vacant tags and submit new I/O Sponsorship/Joinder applications through the OBCCTC and the VFPA TLS.
35. 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.
36. Placement on the I/O List does not guarantee an I/O Container Trucking Services work of any kind.
37. All references to timeframes and deadlines in this policy are subject to the discretion of the Commissioner.
38. Except as defined herein, capitalized terms in this policy have the same meanings as defined in the Licence.