



Industry Advisory Committee (IAC)

Notes of Discussion

Tuesday, May 28, 2019

9:30 am to 11:24 am

North Delta Rec Centre

11415 84th Avenue, Delta, BC

In Attendance:

John Bourbonniere	Harbourlink Container Services Inc.
Rex D'Souza	Prudential Transportation Ltd.
Paul Johal	Unifor (Alt)
Kellie Kopeck	Damco Distribution
Chris Locher	LEI Cartage Ltd.
Matthew May	Coast 2000
Frederic Moussette	Canadian Tire
Michael Crawford	OBCCTC; Chair
Sheryl Kozyniak	OBCCTC; Vice Chair
Karm Jauhal	OBCCTC

Regrets:

Stan Hennesy	Teamsters (Alt) – No Show
Laurie Kravski	West Fraser Forest Products
Gavin McGarrigle	Unifor
Maksim Mihic	DP World
Robert Neild	Loblaws
Greg Rogge	Vancouver Fraser Port Authority
Larry Sargeant	Teamsters
Gagan Singh	United Truckers Association
Eric Waltz	GCT Terminals

The meeting was called to order at 9:31 am

Commissioner's Update

This meeting is going to be an open discussion covering the following topics:

- **Rates** (effective June 1st and the \$25 Bobtail and empty chassis moves effective July 1st) – more information to come about the definition and application of the \$25 fee.
- **Licensing Requirements** -The OBCCTC is considering changes to the existing licensing requirements for the next renewal cycle in 2020:
 - Affiliated entities – capture and track on and off dock trucks/drivers – require information about the broader business model of a company through declaration of all trucks performing container trucking services.

- Tag Management – look at current split between OBCCTC and Port jurisdiction – Port to conduct on dock performance reviews and OBCCTC to track truck tags assigned.
- Electronic record keeping – with federal e-log requirements coming, the OBCCTC is looking for an opportunity to simplify the audit process by requiring companies to use prescribed payroll systems.
- I/O List – the Commissioner is considering eliminating the I/O list to facilitate greater flexibility in I/O movement.
- Conversions – provisions concerning conversions (I/O to Company) will be added to the licence.
- Prohibition on unlicensed companies performing off dock work– there is concern that unlicensed companies are performing off dock work and not paying regulated rates.
- The OBCCTC is aware of industry uncertainty concerning the new rates and the \$25 fee and that companies are considering converting from trip to hourly rates. The OBCCTC is not opposed to companies changing their business models provided the approach they use is consistently applied and they are not using a hybrid model (paying for some work by the trip and other work hourly). Companies are being asked to provide proof of the fee before they pay which is making difficult for companies to provide accurate quotes to their customers.
- Concern was also expressed about retroactivity if the fee is not in place before July 1st.

Discussion

- Through audits, the OBCCTC has identified cases where companies are not paying the regulated rates for off-dock moves. Is there a way to identify all trucks doing CTS work (on-dock and off-dock)?
 - A suggestion was made to create a sticker/ decal to identify all OBCCTC approved trucks whether they are doing on-dock and off-dock work and have an incentive for drivers to report truck performing container trucking services without a decal.
 - Enforcement of this approach will be challenging unless the OBCCTC gains additional resources.
- **Tags/ Tag Policy/ Licence Reform**
 - Is tag policy/ licence reform and rates tied together?
 - These issues are interrelated, and the Commissioner is currently reviewing it all as part of a regulatory review process.
 - Port of Vancouver looks at on-dock performance, the GPS data doesn't look at off-dock and this doesn't help the OBCCTC to make well informed tag granting and withdrawal decisions.
 - Other factors were cited as negatively impacting industry including:
 - Bonding premium costs and underwriting requirements are making it more difficult for smaller companies
 - Port fees (i.e. damage deposit) are increasing operating costs – yet there is little accountability how these funds are being used.
 - Terminal inefficiency – the Port and/or federal government appear to be unable and unwilling to use their authority as a landlord to drive logistical and operational change (i.e. double ended moves, reservation system/fees, wait times etc.)

- Uncertainty concerning government rate increases and additional fees was impeding companies from providing accurate quotes to their customers.
- **Bonding/Security Requirement**
 - Suretors have become increasingly risk adverse resulting in higher premiums and underwriting requirements. If a bond was ever called, insurance companies would implement even stricter requirements making it more difficult for companies to obtain a bond.
 - Collateral requirements are often onerous, and many company owners have had trouble in meeting them.
 - It was recommended that performance-based criteria be used to determine the security amount so that compliant companies are not held to the same standard as non-compliant companies.
 - ILOC's are also an option however the requirements are typically more stringent.
- **Port/federal government issues**
 - The OBCCTC is participating in an advisory committee that includes Port and federal Ministry of Transport officials however discussions are at a high level at this point.
 - The Port is piloting a new GPS system that offers a variety of additional features (payroll, hours of work, telematics etc.) that companies can enable based on their business model. It is expected that companies will have real time access to their data and it will not need to be filtered by the Port which is the current practice. There will also be safeguards in place to prevent data manipulation and falsification.
 - It was universally agreed that a common electronic system for payroll and trip tracking would simplify auditing and performance monitoring.
 - The use of speed gates in 2014 was cited as a way in which to increase double ended moves however it was acknowledged that this practice benefited larger companies at the expense of smaller fleets.
 - The truck age policy continues to be a source of concern for some drivers.
- **Rate uncertainty**
 - The implementation of the \$25 bobtail and empty chassis fee is being questioned by many shippers/clients and there is concern that the additional cost will drive customers to other Ports (Prince Rupert, Seattle).
 - Cascadia Consulting is leading the discussions with company and driver representatives with the goal of reaching agreement on the definition and application of the fee by July 1st.

Next Steps

- The OBCCTC will create a new Licensing Package and will provide opportunity for stakeholder consultation well in advance of the next licence renewal cycle.
- An Industry Advisory Committee will be convened to discuss the draft package.
- Communications will be distributed to companies once agreement has been reached concerning the \$25 bob tail and empty chassis fee.

- The OBCCTC is undertaking a regulatory review and will consult with industry stakeholders concerning any new policies or initiatives that are implemented or recommended.

- **Next Meeting – Fall 2019 - Date TBD**

Meeting adjourned at 11:24 am