



Industry Advisory Committee (IAC) Meeting Minutes

Tuesday December 3rd, 2019

9:30 am to 10:45 am

North Delta Rec Centre

11415 84th Avenue, Delta, BC

In Attendance:

John Bourbonniere	Harbourlink Container Services Inc.
Dave Earle	BC Trucking Association
Denien Ford	Chamber of Shipping
Laurie Kravski	West Fraser Forest Products
Kellie Kopeck	Damco Distribution (left meeting at 10:29am)
Chris Locher	LEI Cartage Ltd.
Matthew May	Coast 2000
Frederic Moussette	Canadian Tire
Robert Neild	Loblaws
Jonathan Ross	United Truckers Association (Alt)
Larry Sargeant	Teamsters
Michael Crawford	OBCCTC; Chair
Sheryl Kozyniak	OBCCTC; Vice Chair
Karm Jauhal	OBCCTC

Regrets:

Rex D'Souza	Prudential Transportation Ltd.
Scott Galloway	Shipping Federation of Canada
Gavin McGarrigle	Unifor
Maksim Mihic	DP World
Greg Rogge	Vancouver Fraser Port Authority
Mario Santos	Unifor (Alt)
Gagan Singh	United Truckers Association
Eric Waltz	GCT Terminals

The meeting was called to order at 9:30 am

1. COMMISSIONER UPDATE

- The Commissioner welcomed new members, Dave Earle from the BC Trucking Association and Mario Santos from Unifor.
- Several audits are ongoing and are coming to an end in the coming weeks and early in the new year.
- The following decisions were issued and are posted on the website:
 - **Pro Line** – Their access agreement was cancelled by the VFPA and therefore, their CTS licence was automatically cancelled. It was subsequently discovered that the tags had likely been sold and some I/Os had been misclassified as company drivers.

- **Can American Enterprises** – Wait time Audit – Several Licensees were audited to ensure Q1-2019 wait time payments were passed on to drivers. While 99% of Licensees paid wait times to drivers in a timely manner, Can American was found to have not forwarded the payments for Q4-2018 and Q1-2019 and proceeded to do so after the audit was initiated.

2. CTC CONSULTATIONS

a. Licence Reform:

- A redlined copy of the proposed License changes has been distributed and is posted on the OBCCTC website. Written submissions will be accepted until February 28th, 2020.
- The proposed changes include:
 - Compliance as a factor in determining the number of tags assigned to a Licence;
 - Requirement declare and tag trucks performing off-dock work with an OBCCTC issued CTS Tag;
 - Elimination of joint licences;
 - Minimum of 10 trucks performing on-dock container movements; and
 - Allowing new entrants into the sector.
- Bonding will apply to both on-dock (TLS) and off-dock (CTS) issued tags.
- Concern was expressed about affiliated companies that have drivers that want to do on-dock work but must be on the I/O list first.
- Amendments are being considered to the Tag Policy and stakeholders are encouraged to provide their feedback concerning the I/O list and other issues.
- The issue of requiring affiliated companies to have a license is being considered but not likely for the next licensing round.

b. Truck Tag Policy:

- A bulletin was issued in September announcing that the OBCCTC was accepting additional truck tag applications. This was in response to feedback from industry that some companies had work opportunities.
- Several applications were received but many were not able to substantiate their claims of additional business.
- We have currently suspended tag requests because we noted a substantial increase in company tag requests versus I/O tags.
- The OBCCTC will not support legal rate undercutting by facilitating the movement of business away from trip rate and hourly paid I/Os to company fleets and therefore, the policy will remain suspended until further notice.
- The UTA rep noted that there are too many trucks/ tags in the system and the number should to be reduced, it has been around 1700 since 2015/2016 and should be around 1500.
- The Chair replied that licensing reform will potentially include a reduction in the number of tags across the sector but there is a human factor if 200 to 300 tags are removed. A gradual process that includes attrition through retirements etc. may be more appropriate.
- It was stressed that the Tag Policy is not intended to impede driver mobility and the ability of Licensees to retain drivers – however moonlighting drivers can be problematic due to safety/liability issues and potential rate undercutting and the Port will not allow drivers to “own” their tags.

c. Fuel Surcharge:

- On January 1st, the OBCCTC will be posting the Fuel Surcharge on its website. The formula is the same but will be calculated on a monthly basis.
- The calculation is based on the price paid so if drivers pay a discounted rate, this rate should be used to calculate the FSC.
- There was discussion as to how the rate should be calculated, the logistics of how the percentage is obtained and the data used to determine the average price.
- The OBCCTC will work with its auditors and post the monthly rate on its website.
- It was noted that clarity concerning the calculation methodology will help payroll as the data can be populated in advance. Additionally, some shipping lines want to know the cost in advance, so knowing how the amount is calculated will help with putting together quotes for potential customers
- The OBCCTC will issue a bulletin concerning the FSC in the coming weeks.

d. Hourly Rate:

- There was no commitment in April to increase the I/O hourly rate in Fall 2019 but the OBCCTC is mandated to do a rate review in 2020.
- The OBCCTC is consulting with stakeholders and drivers about the I/O hourly rate. The 2018 rate review identified approx. \$70.00/ hour which considered the cost to operate a truck in comparison to trip rate I/Os and hourly paid company drivers.
- Concern was expressed that the truck age policy could potentially increase I/O costs and this needs to be included.
- Increases would likely be gradual to mitigate impacts on the industry, therefore the OBCCTC is considering incremental increases over time.
- The Commissioner advised that there is no firm schedule at this time and that stakeholders are wanting a level and fair playing field across the industry.
- A discussion concerning the merits of an all hourly rate model raised the following issues:
 - Customers and shippers prefer the choice of hourly and trip rates depending on the type of move;
 - Mixed fleets retain flexibility in how they dispatch work;
 - Hourly paid drivers have an incentive to put safety over efficiency;
 - Productivity and efficiency will suffer if all drivers are paid hourly; and
 - Terminals may be incented to become more efficient and increase the number of rounders.
- The Commissioner encouraged stakeholders to review the Licence and Tag Policy reforms and to provide feedback.

3. CTC RATE BULLETIN

- The April 2019 commitments issued by the Minister are being fulfilled with new changes and rates in April 2020. Effective April 1, 2020 there will be amendments to identified zone boundaries, addition of long-distance rates and the monthly fuel surcharge calculation.
- The OBCCTC is currently developing an interactive map in conjunction with the zone updates and it will be posted on the website in the new year. A booklet version of the zone map is also in development.

4. OTHER/ GENERAL DISCUSSION

- Delta Port only moves 400 cans these days as the norm use to be 1800, it is slow everywhere.
- GCT has cancelled night gates without warning or on short notice and it causes real headaches for the trucking companies as they must restructure/ reschedule their fleet and reservations.
- The lack of accountability on the part of terminals is affecting the efficiency and effectiveness of the gateway – is there any way in which to get the terminals at the table to discuss ongoing issues?

5. NEXT MEETING

- Next Meeting – in the new year, next quarter - Date TBD

Meeting adjourned at 10:45 am