



February 27, 2020

Mr. Michael Crawford
BC Container Trucking Commissioner
1085 Cambie Street
Vancouver, BC
V6B 5L7

(sent by email February 27, 2020)

Re: 2020 CTS License & Truck Tag Management Policy

Dear Mr. Crawford:

Thank you for providing the opportunity to meet with you and the Deputy Commissioner to discuss the consultative document, CTS License Reform: 2020 License Application process and Tag Management Policy.

Further to that meeting, please find below our comments in response to your request for user input during the open comment period.

1. TERM OF CTS LICENSE

Harbor Link recommends that the License term be extended from 2 years to 5 years. A two-year window is too short to permit sound investment planning.

As a general principle we do not support additional regulatory requirements above those that presently exist in accordance with the BCCTA and its Regulations.

2. TLS TRUCK TAGS

Commissioner's Proposed change: *"the "conversion" of TLS truck tags from I/O assigned tags to Company tags and vice versa be prohibited."*

We do not support this proposed change as it is restrictive and further inhibits the Licensee from meeting its business obligations. Case in point is many licensees have open I/O TLS Tags and they have remained open in spite of strenuous recruitment efforts. In situations such as this the Licensee must be granted the ability to submit a request to the Commissioner's Office to convert the unfilled I/O tag to a Company truck tag. There must be a mechanism that allows a Licensee to meet current and future business obligations. A conversion prohibition as described above seriously exposes a Licensee's business to extreme risk.

3. COMMISSIONER'S PROPOSED NEW CATEGORY: CTC TRUCK TAGS

The question is why has this matter arisen? Clearly, since the inception of the BCCTA and the TLS licensing system there has been a significant growth in unlicensed (non-TLS carriers) performing off-dock drayage (non-port work) at lower rates than set forth in the BCCTA. The underpinning reason for this reality, we believe, is that while the BCCTA governs all marine container movements within the Lower Mainland, the Commissioner's Office does not have oversight ability to monitor non-port activities nor the auditing authority over non-TLS carriers.

Solving this growing problem by the creation of a sub-set CTC fleet of non TLS licensees would, in our opinion result in the creation of a two-tiered licensing system, which will increase the exposure of TLS carriers to unfair competition by non-TLS fleets that are not required to achieve or maintain the same operating standards as a TLS licensee. In our opinion, not only would such a step defeat the purpose of the enactment of the BCCTA, it will also seriously undermine the environmental objectives established by VFPA to reduce the carbon footprint of port drayage activities.

We fully understand that the purpose for the CTC license is to achieve OBCCTC oversight over non-port container drayage moves. Regrettably however, in our opinion, a dual-licensing system, if implemented, would open the flood gates to all carriers establishing substandard fleets compared to the very high standards required of TLS fleets. This will place TLS carriers and their drivers at a serious competitive disadvantage.

The proposed dual license system for a TLS licensee would also immediately create major driver and union unrest and dissatisfaction. In our opinion, TLS drivers will immediately question their dispatch assignment and why they are required to perform marine terminal work while less senior drivers operating in the CTC category, enjoy easier and often more rewarding dispatch assignments, since they cannot perform marine terminal port work. CTC drivers would spend their day performing easier and overall more productive off-dock work.

We are strenuously opposed to the creation of a two-category licensing system and present the following recommendations we believe would enable the Commissioner's Office to gain oversight to monitor non-port activities by non-TLS carriers:

- Establish an Industry Task Force to review and achieve recommendations that will address the problem more fully from an Industry perspective
- Engage the Off-Dock Operators and Rail Carriers to monitor all truck carriers delivering and picking up containers at their facilities, and to report non-TLS carriers to the OBCCTC engaged in handling marine containers in contravention of the BCCTA.
- Impose a container fee penalty on non-TLS carriers to be collected by the OBCTC and paid to the Off-Dock Operator for monitoring and reporting the handling of marine containers by non-TLS carriers in contravention of the BCCTA.

4. INDEPENDENT OPERATOR LIST

The Commissioner's office recognizes that Licensees continue to encounter difficulty filling open TLS Tags and for various reasons I/O's have elected not to move between Licensees. As a result of the lack of movement by I/O, clearly the I/O list is acting as an impediment to Licensees filling open positions urgently needed, even though there are many qualified drivers available in the marketplace to fill such vacancies offered by Licensees that are not on the list.

We strongly believe the I/O list does not work. An I/O employed by a Licensee works on a seniority basis, whereby the most senior driver receives the most favorable dispatch assignments in descending order of seniority. If an I/O leaves his position with his present employer to work as an I/O for an alternate Licensee, he loses all accumulated seniority and commences as the most junior person with his new employer. This is a standard union and non-union industry wide work practice. Thus, a switch of employment by an I/O creates a double jeopardy for the I/O; i.e. loss of seniority and less favorable dispatch assignments and the potential of lower earnings.

Other factors that make the I/O list undesirable are that an I/O that winds up on the Commissioner's list often fail to meet the minimum driving standards established by a Licensee for the open position.

If the I/O list is maintained, it is essential a protocol be established by the Commissioner's office to enable a Licensee to fill a vacancy after interviewing and disqualifying the members on the list to enable the licensee to add a driver recruited from the open market that does fulfil the driving standards needed for the open position.

Currently many TLS licensees have drivers that are engaged in long haul operations that are not on the I/O list and as such have no ability to cross over to fill openings within a Licensee's Local fleet as they come available. There must be an ability for a TLS Licensee to provide opportunity to their entire I/O fleet of drivers to fill TLS openings when they become available.

5. TLS Tag Application Process

The Commissioner proposes that a Licensee not be granted additional TLS tags if there is an active audit or investigation being conducted by the OBCCTC.

As the OBCCTC audit program includes general audits and spot audits etc. the time and duration of which is governed by the Commissioner, an audit should not preclude the ability for a Licensee to secure additional TLS tags or apply for the renewal of an expiring Operator License, just because the Licensee is under audit, the outcome of which is yet to be determined.

6. BUSINESS PLAN

The Commissioner proposes: "A Letter of Support from a union/bargaining agent"

The requirement for a TLS Licensee to include in the Business Case for additional tags or renewal of his licensee "A letter of support from a union/bargaining agent" establishes a one-

sided hurdle for unionized Licensees that does not apply in the case of non-union Licensees. This requirement is untenable, unfair and must be expunged.

Letters of support for additional tags and or the renewal of a TLS License should be from customers and awarded based on past operating performance and utilization/earning matrix by the Licensee of his fleet.

All Collective Bargaining Agreements between a Licensee and a Union include provision of Union and Company rights. Specifically, *the Company has the right to determine the number and classification of employees and owner operators required and the right to determine their ability to meet the qualification of those positions...*

7. New I/O List Applicants

The Commissioner proposes: Applicants must complete an application and demonstrate that they have 5 (five) years in providing local drayage and/or long haul (highway) container trucking services.

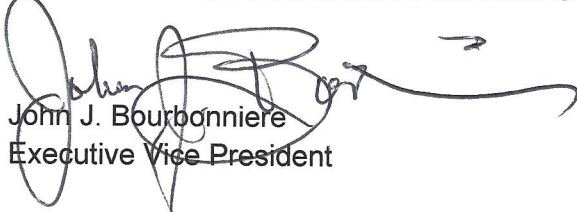
Recommendation:

Change the sentence to read; *Applicants must complete an application and demonstrate that they have 5 (five) years or more in providing local and/or long haul (highway) trucking services.*

Thank you for your consideration of these recommendations, if you have any questions or require additional clarification please do not hesitate to contact me directly.

Yours truly,

HARBOUR LINK CONTAINER SERVICES INC.



John J. Bourbonniere
Executive Vice President