



September 23, 2020

Commissioner's Update 2020 CTS Licensing – Security Requirement

On September 9, 2020, successful applicants for a 2020 CTS Licence were issued a conditional approval pending the submission of prescribed documentation by October 9, 2020.

One of these requirements was submission of an updated bond. The OBCCTC has received numerous inquiries from companies asking about the security requirement and what documentation needs to be submitted. All existing bonds need to be updated with the new effective (December 1, 2020) and expiry date (November 30, 2021) of the 2020 CTS Licence. Additionally, if the number of tags allocated to the 2020 Licence is more or less than the number of tags allotted to the 2018 Licence, the amount of security may need to be amended.

Section 25 of the *Container Trucking Regulation* ("Regulation") prescribes the security requirements based on fleet size:

NUMBER OF TRUCKS	REQUIRED SECURITY \$250,000 FOR UP TO 20 TRUCKS; \$125,000 PER ADDITIONAL 10-TRUCK INCREMENT
1 to 20	\$250,000
21 to 30	\$375,000
31 to 40	\$500,000
41 to 50	\$625,000
51 to 60	\$750,000
61 to 70	\$675,000
71 to 80	\$1,000,000
81 to 90	\$1,125,000
91 to 100	\$1,250,000
101 to 110	\$1,375,000
111 or more	= \$250,000 + (\$125,000 x [every 10 trucks over 20 trucks])



Current Joint Licence Holders

Companies with a joint 2018 Licence will be required to apply and qualify for a new bond if they currently hold a joint bond with another company. Qualifying for a new bond will involve meeting with your insurance broker and providing business and personal financial information. The bond associated with your 2018 CTS Licence will be terminated and the new bond will be issued to your company based on the fleet size allocated to your 2020 CTS Licence, provided you meet the requirements of the insurer.

Single Licence Holders

Companies with a single bond associated with their 2018 CTS Licence will be required to apply for and submit an updated bond. If the number of truck tags allocated to your 2020 Licence has increased or decreased, an updated amount of security may also be required. Additionally, you may be required to provide updated business and financial information to your broker upon request.

Security Options

Some companies have advised that they may not qualify for the minimum security as prescribed by the *Regulation*. In these cases, applicants can submit an irrevocable letter of credit, issued by a regulated financial institution or credit union. Because this security is specified in the *Regulation*, the OBCCTC is unable to waive or vary this requirement.

Deadline Extension

The OBCCTC acknowledges that additional time may be required for companies and insurers to complete the administrative processes involved in reviewing and underwriting new and existing bonds. Therefore, the deadline for submitting an updated or new bond is extended to **November 6, 2020**.

All other requirements outlined in your Conditional Approval Letter dated September 9, 2020 must still be submitted by October 9, 2020.

If you have questions concerning the requirement to obtain and submit a new or updated bond, please contact the OBCCTC.

Sincerely,

OFFICE OF THE BC CONTAINER TRUCKING COMMISSIONER

Michael Crawford
Commissioner