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Office of the British Columbia Container Trucking Commissioner 1085 Cambie Street Vancouver, BC V6B 5L7

VIA EMAIL: registrar@obcctc.ca

February 26, 2024

#### **RE: 2024 CTS Licence Reform – Proposed Changes**

Dear Sir and Madame,

Please accept this submission on behalf of Goodrich Transport Ltd. in response to the 2024 CTS License Reform Proposed Changes and the specific changes that will, in our belief, negatively affect our business and associated companies.

While not noted within the 2024 Licence Proposal, Goodrich Transport Ltd. (henceforth 'Goodrich') would like to request that companies with significant history of operations at Vancouver Fraser Port Authority be grandfathered in to the 2024 Licence term.

Goodrich has invested <u>significant</u> capital into property infrastructure and newer technology trucks over the last two license terms. These expenses tie directly to the continued operations as a CTS Licence holder and believe that these investments should be considered when awarding the 2024 Licence and tag allotments.

As for the proposed revisions as noted in the 2024 Licence Proposal, Goodrich would like to draw your attention to the following sections, as there are concerns that the revisions and/or wording used will have negative unintended consequences not only to Goodrich, but to the industry as a whole.

### Access to Facilities, Section 6.16

Access to Facilities section 6.16 notes that: the Licensee can only perform Container Trucking Services at a facility in the Lower Mainland approved by the Commissioner.

The proposed change does not specify what is an "approved" facility, the OBCCTC and gives no indication as to what this may or may not include.

As Goodrich is owned in conjunction with Goodrich Terminal Ltd., which operates as a container depot and trans-load facility, the phrasing of this particular licence amendment leaves room for concern that our business will be stifled at best, or



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significantly hindered at worst, by the OBCCTC. Once again it should be noted that these proposed changes come after significant investment into operations and infrastructure over the last five years.

Furthermore, Goodrich has built an extensive relationship with fellow CTS carriers, and acts as a street-turn option for Import carriers, which allows us to meet our customer requirements while providing a convenient option to fellow carriers to terminate containers at a convenient location with excellent hours and customer service. Any restriction on this aspect puts carrier relationships in jeopardy and adds increased risk of detention for Importers' shippers/customers, who may not have an available depot to return to.

Goodrich would like to draw your attention to the Port Transportation Association submission, as they too have opposed Access to Facilities Section 6.16 for the following reason, in which Goodrich is in full agreement:

The Act and Regulation only apply, pursuant to section 2 of the Regulations, to container trucking services that require access to a marine terminal. This is made clear from both the words of the Act and Regulation, and from the purpose of the Act itself.

The Act and Regulations only apply to trucking marine shipping containers at a marine terminal. There must be a marine component to the moving of the container. The proposed additions would result in the Commissioner regulating container trucking services across the Lower Mainland—including the regulation of facilities with containers that did not originate from or are going to a marine terminal. The Act and Regulation do not provide the Commissioner with the power to regulate such conduct.

### CTA Appendix A, Section 1 (j)

The Proposed 2024 Licence Appendix A Section 1-j notes that: the Licensee must not cooperate in any way, directly or indirectly, with a non-licensee who performs unregulated off-dock container trucking services between facilities and locations within the Lower Mainland

Goodrich has diverse operations, which include multiple companies under the same or similar ownership structures and include container movements that include DRP and retail containers which until recently (and is currently under legal review as per our understanding) were outside of the scope of OBCCTC jurisdiction.

Although the wording in Appendix A - 1.j. is vague, when read in conjunction with the Executive Summary provided, it leads Goodrich to believe that the OBBCTC is requesting CTS and non-CTS licensed trucks or companies to cease operating out of the same spaces or with shared operating staff.



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As Goodrich is part of Goodrich Group of Companies, with operations covering everything from container hauling to depot services and warehousing and storage held over two properties with shared ownership, staffing and equipment. Some of these operations are not specific to CTS-Licensed companies, which include movements of DRP and retail 53' containers. This proposed item in the 2024 CTS Licence has significant ramifications and we adamantly oppose the addition.

It has been noted in multiple of our previous submissions, as well as within this submission, that the investment into infrastructure has been significant, and sections of operations, specifically the depot facilities and the transload/warehousing facilities were never intended to exclude a significant portion of container transport within the BC trucking sector. Not to mention, BC sees a significant number of domestic and US bound container movements. None of which were at any point intended to be covered under the Container Trucking Act and Regulations, nor the OBCCTC jurisdiction or CTS licensing.

Should the 2024 Proposed Licence move forward as written and intended, Goodrich is facing losses, both in the and, infrastructure and equipment investments but also in staffing, as some will see hours cut in order to separate companies to meet the proposed Licensing requirements.

Goodrich fully believes that the intended purpose of Appendix A 1-J is both an overreach in jurisdiction and will create significant instability across the industry.

#### CTS Schedule 2, Section 23 (a)

Under the Proposed 2024 CTS License Schedule 2, Section 23-a, the OBCTTC has noted that "The Sponsorship Agreement may immediately be terminated if any of the following occurs:

a. Sponsored I/O has not performed or is not expected to perform container trucking services for the Sponsor in a 45-day period.

Goodrich as already expressed our concerns on the OBCCTC's position on this in our response to your Industry Advisory dated January 31, 2024, titled: 'Sponsorship Agreement and Independent Operators', but will once again note that Goodrich employs two I/Os with long-term disabilities that have prohibited their ability to operate their own trucks for more than 10 years, Goodrich adamantly objects to the immediate termination of these sponsorship agreements.

There are many legitimate reasons why an I/O will placed a long-term EIO in their unit, and until recently, as long as EIOs are paid in conjunction with the OBCCTC Rate Order, all previous audits of these units have passed without issue.



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Goodrich has I/Os with EIOs that have been employed for 10 or more years. The EIOs are gainfully employed, the I/Os are receiving supplemental income from their purchased trucks to assist with their own financial obligations, and Goodrich as maintained use of the units well within or above average kilometers and/or TLS scorecard averages.

Goodrich once again maintains that the OBCCTC should be offering a 'grandfather clause' to those I/OS who have been using EIOs for a significant period to account for the financial investment they have made into the upgraded units. Should and I/O move companies, we agree that at that point the grandfather clause be null and void.

Alternatively, if the OBCCTC does not wish to grandfather I/Os and their EIOs into the system, Goodrich proposes that the OBCCTC offer the Sponsor the ability to transition the I/O tag to a company tag with the stipulation that the tag and job be filled by the EIO in order to provide continued employment to the EIO who has done nothing wrong and is simply at the mercy of an OBCCTC policy change.

While the proposed 2024 CTS Licence proposed changes are vast, Goodrich feels that the items noted above will have the most direct and severe impact to the company and those employed and would like the OBCCTC to be aware of ALL unintended consequences of wording for not only our company but for the industry as a whole.

Goodrich thanks you for your consideration and looks forward to continued opportunities to engage with the OBCCTC as the 2024 Licensing process continues.

Sincerely,

Sucha Seikhon Goodrich Transport Ltd.

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