

VANCOUVER BC

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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 Jete's Lumber Co. 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 License Proposal, Jete's Lumber Co Ltd. (henceforth 'Jete's') would like to request that companies with significant history of operations at Vancouver Fraser Port Authority be grandfathered in to the 2024 License term.

Jete's 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 License holder and believe that these investments should be considered when awarding the 2024 License and tag allotments.

As for the proposed revisions as noted in the 2024 License Proposal, Jete's 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 Jete's, 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 Jete's operates as a container depot and trans-load facility, the phrasing of this particular license amendment leaves room for concern that our pusiness will be stifled at best consignificantly hindered at worst,

1877 Upland Drive, Vancouver, BC Canada V5P 2C5

Office: 604.580.1234 Fax: 604.580.1235

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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, Jete's 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.

Jete's 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 Jete's 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 License 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

Jete's 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 Jete's 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.

As Jete's is part of Jete's-MTB group, with operations covering everything from container hauling to depot services and warehousing and storage. Some of these operations are not specific to CTS-Licensed companies, which include movements of DRP and retail 53' containers, flatdeck lumber and general hauling. This proposed item in the 2024 CTS License 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 trans-load/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 License move forward as written and intended, Jete's is facing losses, not only in 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.

Jete's 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.

Jete's has one I/O with EIOs that have been employed for 20 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 Jete's has maintained use of the units well within or above average kilometers and/or TLS scorecard averages.

Jete's 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 an 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, Jete's 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 License proposed changes are vast, Jete's 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 well aware of ALL unintended consequences of wording for not only our company but for the industry as a whole.

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

Sincerely,

Deepak Mattu Jete's Lumber Co. Ltd.