



2024 CTS LICENCE PROPOSED CRITERIA



OFFICE OF THE
BRITISH COLUMBIA CONTAINER
TRUCKING COMMISSIONER

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BACKGROUND

The *Container Trucking Act* (“Act”) requires any company performing container trucking services in the Lower Mainland that require access to a marine terminal to hold a licence issued by the Commissioner.

The current 2022 CTS licence expires on November 30, 2024, along with the truck tags assigned under that licence. In accordance with the Act and the *Container Trucking Regulation* (“Regulation”), the OBCCTC will be accepting applications for December 1, 2024 to November 30, 2026 CTS Licence (“2024 CTS Licence”). Concurrently, the OBCCTC will invite applicants to apply for truck tags that will go into effect with the 2024 CTS licence on December 1, 2024.

In order to meet obligations under the Act and the Regulation, the Commissioner is required to set out criteria for obtaining a 2024 CTS licence.

Applicants for a 2024 CTS Licence will apply for truck tags concurrently. The OBCCTC has previously held prior applicants for truck tags accountable for their compliance history via tag allocation and have prioritized consideration of truck tags to certain applicants based on certain criteria. In keeping with the desire to recognize the service of previous licence holders, their compliance history, and the readiness of each applicant to perform container trucking services, and to maintain competitiveness in the drayage sector, the OBCCTC is proposing to prioritize and assess truck tag applications in a two-step process. The OBCCTC will first rank the applicants for truck tags based on an objective scoring system based on their years of service as a licensee, compliance history, and readiness to fill the requested tags. The OBCCTC will then assess each applicant in priority order and review the applicant’s business case and supporting documentation in order to determine the number of truck tags to assign.

As part of the consultation, we are also asking for specific feedback on possible considerations for assessing the truck tags:

- Would consideration of an applicant’s compliance history be better assessed on a frequency basis or quantum basis (i.e. Size of penalty) or both and why?
- Does the ability to limit existing licensees to increase truck tags adequately ensure that other applicants have an opportunity for truck tags and why?
- Is the National Safety Code list of truck each applicant has a good indication of truck readiness?
- Is the proposed ratio of I/O tags and Company tags appropriate?

The OBCCTC invites stakeholders to submit their feedback on the 2024 CTS licence criteria and the truck tag allocation process. The submission deadline is **May 24, 2024 at 12pm (noon)**. Submissions may be made by email to registrar@obcctc.ca.

2024 PROPOSED CTS LICENCE CRITERIA

A. Licence Term

December 1, 2024 to November 30, 2026

B. Mandatory Criteria

In order to qualify for a 2024 CTS licence, an applicant must:

1. provide a complete 2024-2026 CTS licence application package;
2. demonstrated compliance with section 6.7 and 6.10 of the CTS licence.
3. not have had a CTS licence¹ cancelled by the Commissioner or share a directing mind with a Related Person who has had a CTS licence cancelled by the Commissioner;²
4. statutory declaration as required under s. 8 of the *Regulation*.
5. not owe outstanding wages to truckers;³
6. have an office in British Columbia where payroll records are stored and readily available to the OBCCTC upon request;
7. pay the Annual Charges;
8. provide valid security in an amount correlating with the number of truck tags;
9. submit a sponsorship agreement (if applicable) for every eligible driver;
10. provide any additional information or documentation required by the OBCCTC; and
11. have been awarded a minimum of two truck tags in the 2024 truck tag application process.

2024 PROPOSED TRUCK TAG APPLICATION PROCESS

The OBCCTC has historically taken into consideration a licensee's compliance history and its readiness to use truck tags in the determination of the number of truck tags assigned to each licensee. Ranking will also be based on an applicant's history in the industry and, given the limited number of truck tags available, the readiness of each applicant to fully utilize the assigned truck tags at the time of application.

Number of Truck Tags Available

- 1500-1550 total tags (1/2 I/O Tags and 1/2 Company Tags) ⁴
- Applicants who held previous CTS Licence holders may apply for no more than (a) 110 percent of the truck tags held by the applicant⁵ on June 1, 2024 or 3 truck tags (which ever is higher).
- New Applicants can only apply for a maximum of 5 truck tags.

¹ Since 2016.

² This criterion is consistent with s. 8(2)(b)(i) of the *Regulation*

³ This criterion is consistent with s. 8(2)(b)(i) of the *Regulation*

⁴ This is an approximate range of tags available.

⁵ Does not include conditional or provisional tags in the calculation. If the licensee held 100 truck tags on June 1, 2024, they can apply for up to 10 more for a total of 110 in the first round.

***this proposal is to ensure that existing licensees have the first opportunity for growth but not prevent other applicants from being given a fair opportunity. It also ensures that company drivers and independent operators who have invested in the stability of the industry are able to continue to participate as drivers.**

Tag Allocation Process

First Step

Before assessing each application for truck tags, the Commissioner will first assign a priority number to each applicant based on a ranking system.

Applicants' business case/plan will then be assessed in order of highest to lowest ranking.

Second Step

In order of highest ranking to lowest ranking, applicants will be assessed and assigned the number of truck tags that they have shown they require based on their business case/plan.

Business Case for Truck Tags

Once each applicant has been ranked as set out above, the truck tag application will be assessed as set out below.

Applicants must submit a business case and plan and must provide supporting documentation to support the number of truck tags requested.

In order to streamline the process, applicants who held a 2022 CTS licence will need to demonstrate that they do not expect a decrease in their business and provide evidence of utilization and wage reports in order to secure their previous tag allocation and the requirements set out below.

Allocation of Company and Independent Operator Truck Tags will be based on the following:

- For applicants who have previously held a CTS Licence when considering renewing previously held truck tags:
 - A business case for existing number of truck tags that includes the following information:
 - Demonstration that existing business is expected to stay the same or not expected to decrease significantly.
 - Historic fleet utilization Jan 1-May 31, 2024
 - Median income of drivers performing container trucking services between January 1 - May 31, 2024

- Geotab GPS data showing the 5 tagged container trucks with the lowest kilometers traveled between January 1 - May 31, 2024
 - Comparison of the applicant's average kilometer usage against the applicable fleet category (small/medium/large)
 - Fleet efficiency data (average trips per truck)
 - Any additional information applicant feels the Commissioner should be made aware of in relation to the applications.
- For new applicants and previous licence holders seeking an increase in truck tags (as of June 1, 2024) will need to provide the following for the additional truck tags only:

A business plan for the new/additional truck tags that includes the following:

- Supporting documentation for business case (e.g., identifying specific additional container work, contracts with other licensees, customer lists and volumes, fleet data)
- Supporting information and documentation about the expected volume of work, including:
 - If a current customer has increased its container movement volume (on-dock and off-dock) (and evidence of same);
 - If new business has been secured necessitating additional tag capacity (and evidence of same);
 - If the applicant is reducing or ending contracting out container trucking services to another company that held a licence (and evidence of same);
 - The projected weekly rate of pay to be generated with each truck tag
 - Documentation regarding the applicant's ability to secure any additional needed Approved Vehicles by December 1, 2024, if applicable.
 - Any empirical analysis that assisted in the determination of the number of requested truck tags.
 - Any additional information you feel the Commissioner should be made aware of in relation to the application.

The OBCCTC will also be relying on tracking data and the VFPA Scorecard where appropriate.

Example of Possible Truck Tag Ranking:

This sample would be based on a years of service model, weighted compliance history, truck readiness.

Name of Applicant	Years of Service	Compliance History ⁶	Truck Readiness ⁷	Ranking	2022 CTS Tags	Tag Application
GHI Inc.	9	0	0	9	40	44 I/Os
ABC Ltd.	9	-3	1	7	30	33 Company
New Applicant Ltd.	0	0	0	0	0	5 I/Os

GHI Inc. has held a CTS licence since 2016 and had 40 tags and has no Decisions issued against it and is applying for additional 4 more tags, with 40 trucks at the time of application.

ABC Ltd. has held a CTS licence since 2016 and had 30 tags. It has two Decisions issued against it (one was a Decision with \$1,000 penalty and the second was a Decision with a \$35,000 penalty). They have applied for the 33 truck tags and have 33 trucks at the time of application.

New Applicant Ltd. has never held a CTS Licence and is applying for the 5 truck tags, but it has two trucks at the time of application.

⁶ Lower negative score for low penalties, higher negative score for higher penalties.

⁷ Example: one point if you have trucks ready to service requested tags.