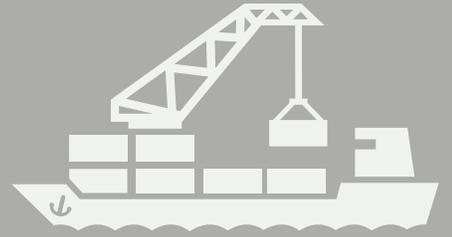


ACCOUNTABILITY

TRANSITION

EFFICIENCY



STANDARDS



PERFORMANCE



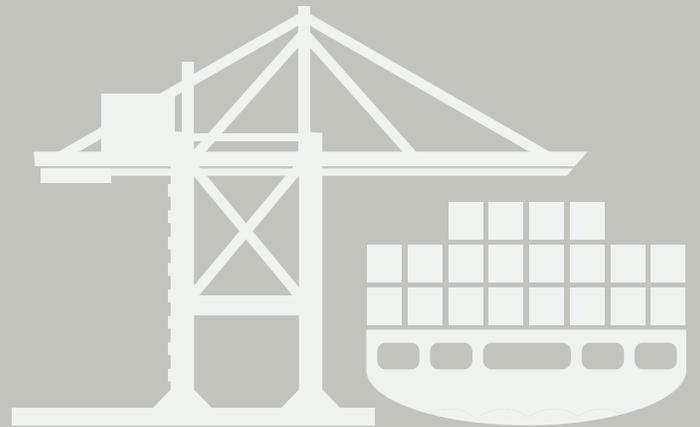
COMMUNICATION

ACCESS

COMPLIANCE

SMART FLEET

RESERVATIONS



RELIABILITY



DRAYAGE

PORT METRO VANCOUVER TRUCK LICENSING SYSTEM Phase 1 Consultation Report

August 2014



lucent
strategies inc

Prepared by:
Lucent Strategies Inc.
Suite 430- 688 West Hastings Street
Vancouver, BC V6B 1P1



This independent report of findings, including data entry and analysis of all the consultation input received, was prepared by Lucent Strategies Inc. for Port Metro Vancouver. The Port will consider the results of this consultation program along with ongoing technical analysis and dialogue with provincial and federal agencies in developing a proposed new truck licensing system. Part 2 of consultation is currently scheduled to take place in fall 2014.

PORT METRO VANCOUVER
TRUCK LICENSING SYSTEM
Phase 1 Consultation Report

FINAL REPORT
August 2014

Lucent Strategies Inc.
Suite 430- 688 West Hastings Street
Vancouver, BC V6B 1P1

Table of Contents

EXECUTIVE SUMMARY.....	IV
1. OVERVIEW.....	1
1.1 About this Report.....	1
1.2 TLS History.....	1
1.3 About Smart Fleet and TLS Reform.....	1
1.4 Stakeholder and Community Consultation.....	2
2. CONSULTATION PROCESS.....	2
2.1 Overview.....	2
2.2 Stakeholder Meetings.....	3
3. SUMMARY OF INPUT.....	3
3.1 Key Themes Across All Groups.....	3
3.2 Summary Notes From Each Meeting.....	4
3.3 Written Submissions.....	17
4. NEXT STEPS.....	17
5. APPENDIX A: CONSULTATION MATERIALS.....	18
6. APPENDIX B: MEETING NOTES AND WRITTEN SUBMISSIONS.....	18

THIS PAGE INTENTIONALLY BLANK

Executive Summary

Since 2012, Port Metro Vancouver has been working with industry partners to address some of the root causes of key concerns in the local port container trucking (drayage) sector. Some of the challenges in this sector stem from decisions and actions dating back to 1999, when a 30-day service disruption prompted the development of an interim licensing system and hourly trip rates. Port Metro Vancouver introduced the Truck Licensing System (TLS) in 2005 following a second significant disruption. Additional measures were introduced in subsequent years including a reservation/appointment system in 2006 and provincial audits to support rate compliance as well as a moratorium on new licences in 2007.

By 2010, it became apparent that off-dock work, as an operation outside of federal jurisdiction, was not meeting minimum rate requirements, and number of recurring concerns continued to escalate in the industry. In response to these growing concerns, Port Metro Vancouver increased its consultation with industry partners in 2012 with the intent to update the TLS program along with other improvements.

In February 2013, Port Metro Vancouver announced the Smart Fleet Trucking Strategy as the Port's three-year action plan to achieve excellence within the local container trucking sector. The announcement followed more than a year of specific consultation with stakeholders and industry participants. A key component of Smart Fleet is a new TLS program including new policy, processes and supporting software to help improve safety, reliability and accountability for trucks and trucking companies.

Combined with other elements of the Smart Fleet Program — a Common Reservations System that will support expanded hours of operation, empty container management, and gate use compliance; 100% GPS implementation to support transparency and accountability; and a Drayage Model to support operational decision making including gate operating hours and off-dock truck movements, TLS will improve overall efficiency, and stability for everyone within the drayage sector. Most of the Smart Fleet Program elements are also recognized and specifically included in the recent Joint Action Plan.

The Port adopted a two-part consultation program that will seek stakeholder input to support development of the new TLS Program. The two-part consultation process includes:

- **Part 1: TLS Framework (April 2014)** – Sought feedback on the proposed new TLS framework, and input on potential performance requirements and metrics.
- **Part 2: TLS Implementation (Target fall 2014)** – Will seek feedback on revisions to the proposed TLS framework and transition plan as well as specific proposed fees, performance requirements and metrics.

This report summarizes input received during Part 1 consultation, which took place from April 3 through 16, 2014. A total of 88 people participated, representing a broad range of industry stakeholders including drivers, trucking companies, importers, exporters, shipping companies, agencies and associations.

KEY FINDINGS:

- Participants generally supported the concept of TLS reform; however all had concerns about the details of the implementation funding model and performance metrics. Most participants encouraged the Port to keep the program simple and transparent.
- Strong belief that all elements of the Smart Fleet program are interconnected and that achieving success through TLS reform also requires improvements to the reservation system and improved

access to terminals. There is also a need of increased clarity around responsibilities and the status of each Smart Fleet project.

- Trucking companies supported the concept of sponsorship and increased accountability provided they would be able to contract with drivers of their choice. This would require eliminating the moratorium, which some drivers did not support.
- Many participants suggested that it might be more effective to focus on rate audit enforcement first, with significant consequences for infractions, expanded hours of operation and implementing a common reservation system.
- Strong desire for increased transparency, including company and driver access to their own GPS data, posting of rate audit information, and improved communication by Port Metro Vancouver with regard to general information about progress on TLS and reservation reform.
- Many participants emphasized that if the new TLS program is linked to demonstrated proof of drayage business, it must be designed so that it can respond quickly in adding licence quota allotments or transitioning licences from one company to another when drayage contracts shift and recognize the different business models of different trucking companies.
- Many participants noted a preference to allow a market-driven approach to managing the drayage sector, but noted that in the current environment, auditing for compliance is essential.
- Most suggested that instead of requiring a security deposit to recoup liquidated damages for infractions, the Port could withhold access to port facilities until restitution had been made.
- Some suggested that if trucking companies and drivers are required to meet performance standards, other partners in the supply chain should also be required to meet standards.
- Most expressed concerns about the recently announced Joint Action Plan and the potential unintended consequences of the commitments that had been made, such as rates for non-port traffic, double-end and round trip moves. Some requested additional information about the Plan.

Key themes of input about the existing and proposed new TLS program are summarized in the following table.

CONSULTATION THEME	INPUT SUMMARY
Existing TLS	<ul style="list-style-type: none"> • Generally agree that there is a need for TLS reform because the current system has a number of limitations and gaps • Request faster processing time for licence applications • Support the Port’s recent customer service improvement, with the ability to speak with an agent by phone when arranging renewals

CONSULTATION THEME	INPUT SUMMARY
Proposed TLS Framework	<ul style="list-style-type: none"> • Generally agree with sponsorship concept • Agree with increased accountability if there is choice of ... • Strong support for increased enforcement of rates • Support expanding rate audits to include some off-dock container moves (i.e. those that are directly related to a port move), but not internal moves within the off-dock facilities or moves unrelated to port activity • “Industry” (trucking companies, importers, exporters and ocean carriers) generally favoured eliminating permit/licence moratorium, whereas drivers generally did not • Concern about increased licensing cost and unintended consequences • Aside: Generally prefer less regulation and more free market
Annual Fees	<ul style="list-style-type: none"> • Questions were raised about the use of a security deposit and performance bond, and how these would be administered <i>[it is noted that some participants may have viewed the performance bond and security deposit as interchangeable, rather than as intended, with the security deposit used as a draw-down for payment of liquidated damages for infractions and the performance bond used to compensate drivers in the event that an audit found a trucking company had failed to comply with minimum rates]</i> • General support for the concept of monetary charges for liquidated damages provided that the fee is justified through confirmation of actual costs • Suggest that security deposits may not be required if the Port could enforce through alternate means such as denying access or recouping through ICBC
Entry and Performance Standards	<p>Entry Standards</p> <ul style="list-style-type: none"> • General support for entry standards; however some expressed concern that current environmental standards are too high and should be used as discount incentives instead • Other suggested entry standards for drivers included NSC checks, language proficiency, availability for weekend/night work and criminal record checks; and for companies’ size and demonstrated investment. <p>Performance Standards</p> <ul style="list-style-type: none"> • Most felt that safety should be the primary measure and most suggested existing information such as more defined NSC ratings could be used • Trucking companies were particularly concerned that the concept of “utilization” as a performance metric may not appropriately consider the variety of trucking company business models, such as long-haul operators or companies that only need to access the port infrequently • Other suggested performance standards included number of on-port incidents/infractions, audited rate compliance, on-time (not early) arrival, NSC rating, and TLS compliance record • Some suggested the concept of a dynamic “scorecard” approach, with discounts for high scorers • Some suggested that it is not appropriate to implement efficiency measures until terminal efficiency (wait times and access to reservations) improves

CONSULTATION THEME	INPUT SUMMARY
Enforcement	<ul style="list-style-type: none"> • Everyone commented that unless audits are expanded to encompass the entire fleet and consistently conducted and enforced with significant and consequential penalties, the system will fail • Several suggested that a third party (not the Port) should manage TLS rate auditing and enforcement • Some suggested two-tiered rate audits, with an initial audit triggering a more detailed audit if needed. • All supported posting company names and results of audits, and using this as an educational tool to help increase understanding of how rates must be applied to meet requirements, and the consequences and penalties of non-compliance • Some recommended that importers and exporters should be made more accountable for the availability and management of moving empty containers and for increased transparency.
Implementation	<ul style="list-style-type: none"> • Several requests for more timely and ongoing consultation • Some requests for a (new/improved) more comprehensive dispute resolution process to fairly and quickly address conflicts that may arise • Questions raised about timing for implementation
Communication	<ul style="list-style-type: none"> • Most expressed a desire for more transparency in sharing GPS data (details with individual companies and aggregates with the entire supply chain) • Some suggested a link on the Port's website to connect drivers and companies • Most expressed interest in being included in Phase 2 consultation and in receiving notice of changes well in advance of implementation • Drivers and trucking companies expressed appreciation for recent changes in customer service features with the existing TLS program

Section 1 of this report provides the overview and context for proposed TLS reform and the consultation process as well as participation levels. Section 2 summarizes the consultation process while Section 3 summarizes key themes of each consultation session and follow up written submissions. Finally, Section 4 outlines proposed next steps to advance Part 2 consultation.

1. Overview

1.1 About this Report

This report presents the findings of Part 1 consultation for the proposed new Truck Licensing System (TLS) for Port Metro Vancouver. The findings presented include input received from consultation sessions as well as written submissions received during the consultation period. Port Metro Vancouver will consider input from Part 1 along with ongoing technical analysis and dialogue with the provincial and federal government to develop refinements and prepare for Part 2 consultation later in 2014.

1.2 TLS History

Port Metro Vancouver (the Port) is Canada's largest and North America's most diversified port, trading \$75 billion in goods with more than 160 trading economies annually. Port activities generate 129,500 jobs across Canada, \$10.5 billion in gross domestic product and \$22 billion in economic output.

Some 150 trucking companies and 2,000 drivers comprise the local container port trucking sector that is a critical link in the Vancouver Gateway supply chain. Together with industry and stakeholders, the Port has actively sought to improve overall capacity, effectiveness and reliability in this sector for many years.

Some of the challenges in this sector stem from decisions and actions dating back to 1999, when a 30-day service disruption prompted the development of an interim licensing system and hourly rates. When significant undercutting started under this system, most companies reverted to trip-based rates. The next significant disruption was in 2005 and resulted in an Order in Council direction for Port Metro Vancouver to introduce a Truck Licensing System (TLS) that requires minimum rates for owner-operators. These regulated rates were intended as an interim measure; however, they are still in place today. There were also changes in terminal operating practices, which is when off-dock terminals and the related non-revenue "third leg" trips were established.

In 2006, additional measures were recommended, including the implementation of terminal reservation/appointment system, creation of a mechanism to identify trucks moving in and out of the Port, and a process to enforce minimum rates. In response, in 2007 provincial audits were established to support rate compliance under the TLS and Port Metro Vancouver implemented a moratorium on new licences and independent operator permits. By 2010, it became apparent that off-dock work, as an operation outside of federal jurisdiction, was not meeting minimum rate requirements, and number of recurring concerns continued to escalate in the industry.

1.3 About Smart Fleet and TLS Reform

In response to growing concerns in the drayage sector, Port Metro Vancouver increased its consultation with industry partners in 2012. Informal discussions with stakeholders over the past two years along with internal reviews and analysis led to development of the draft proposed new TLS framework in late 2013. The framework includes new policy, processes and supporting software to help improve safety, reliability and accountability for trucks and trucking companies.

Concurrently, Port Metro Vancouver worked to address other challenges affecting the drayage sector. This includes infrastructure improvements such as construction of the Stewart Street Overpass to improve access to Port Metro Vancouver's South Shore terminals and the Deltaport Overpass on the Roberts Bank Causeway in Delta.

The Port also initiated a number of other key projects designed to address some of the primary root causes of the concerns flagged by industry. These projects include:

- A Common Reservations System that will support expanded hours of operation, empty container management, gate use compliance and better overall asset utilization
- Installing GPS on all TLS trucks to support transparency and accountability in the sector
- A Drayage Model to support operational decision making including gate operating hours and off-dock truck movements.

Combined with the new TLS, these projects form Port Metro Vancouver's Smart Fleet Trucking Strategy, announced in February 2013 as a three-year action plan to achieve excellence within the local container trucking sector through improved accountability, collaboration, efficiency and sustainability for everyone within the drayage sector. Many of the Smart Fleet program elements are included in the recent Joint Action Plan.

1.4 Stakeholder and Community Consultation

The Port adopted a two-part consultation program that will seek stakeholder input to support development of the new truck licensing system. The two-part consultation process includes:

- **Part 1: TLS Framework (April 2014)** – Sought feedback on the proposed new TLS framework, and input on potential performance requirements and metrics.
- **Part 2: TLS Implementation (Target fall 2014)** – Will seek feedback on the revised proposed TLS framework and transition as well as specific proposed fees, performance requirements and metrics.

2. Consultation Process

2.1 Overview

The Port undertook Part 1 consultation from April 3 to April 16, 2014. Consultation objectives included:

- Gain confidence of stakeholders
- Confirm stakeholder understanding of current challenges and how proposed TLS changes can help
- Increase stakeholder understanding of *Smart Fleet*
- Gain insight into best approach to implement the proposed new TLS

Due to early stages of development, and importance ensuring clarity of understanding and dialogue about proposed changes, consultation took the form of a 15 to 20 minute presentation by Port Metro Vancouver staff followed by a facilitated working meetings during which detailed notes were taken. Meeting participants were also invited to complete and submit a two-page feedback form and provide additional

written comments. Copies of the presentation, Discussion Guide and feedback form are attached as Appendix A.

2.2 Stakeholder Meetings

Port Metro Vancouver hosted 12 consultation working meetings as detailed in the table below. The Port worked with industry associations and existing stakeholder lists to identify a representative list of sector participants, who were invited by email.

Stakeholder Meeting	Date	Participation
BC Trucking Association (BCTA) Board	April 3, 2014	22 participants
BCTA Members	April 3 April 8 April 10 April 14	42 participants
Canadian International Freight Forwarders Association (CIFFA)	April 15	5 participants
Chamber of Shipping of B.C. (COSBC)	April 11	12 participants
Freight Management Association of Canada (FMAC)	April 7	8 participants
Pulse Canada (PULSE)	April 9	7 participants
Shipping Federation of Canada	April 16	7 participants
United Truckers Association (UTA) and Unifor- Vancouver Container Truckers' Association (VCTA)	April 15	6 participants
Western Canadian Shippers' Coalition (WCSC)	April 9	8 participants

3. Summary of Input

3.1 Key Themes Across All Groups

Key themes that emerged across all groups include:

- Participants generally supported the concept of TLS reform; however all had concerns regarding implementation including the funding model and performance metrics. Most participants encouraged the Port to keep the program simple.
- Strong belief that all elements of the Smart Fleet program are interconnected and that successful TLS reform also requires improvements to the reservation system and improved access to terminals. There is also a need of increased clarity around responsibilities and the status of each Smart Fleet project.

- Trucking companies supported the concept of sponsorship and increased accountability provided they would be able to contract with drivers of their choice. This would require eliminating the moratorium, which some drivers did not support.
- Many participants suggested that it might be more effective to focus on rate audit enforcement first, with significant consequences for infractions, expanded hours of operation and implementing a common reservation system.
- Strong desire for increased transparency, including company and driver access to their own GPS data, posting of rate audit information, and improved communication by Port Metro Vancouver about progress on TLS and reservation reform.
- Many participants emphasized that if the new TLS program is linked to demonstrated proof of drayage business, it must be designed so that it can respond quickly in adding licence quota allotments or transitioning licences between companies when drayage contracts shift and recognize the different business models of different trucking companies.
- Many participants noted a preference for a market-driven approach to managing the drayage sector, but noted that in the current environment, auditing for compliance is essential.
- Most suggested that instead of requiring a security deposit to recoup liquidated damages for infractions that have a real cost to the Port (e.g. cost to replace a damaged rail gate), the Port could withhold access to port facilities until restitution had been made.
- Some suggested that if trucking companies and drivers are required to meet performance standards, other partners in the supply chain should also be required to meet standards.
- Most expressed concerns about the recently announced Joint Action Plan and the potential unintended consequences of the commitments that had been made, such as rates for non-port traffic, double-end and round trip moves .

3.2 Summary Notes From Each Meeting

Key themes from each of the 12 consultation meetings are summarized in the following table. Detailed meeting notes by session are attached as Appendix B.

Stakeholder Meeting	Key Themes
BCTA Board (April 3)	<p>TLS Framework:</p> <ul style="list-style-type: none"> • Support the concept in principle because it provides a level playing field between drivers and companies; while free markets are generally preferred, acknowledge that at this time, some regulation is needed. • Support removing the moratorium on trucking company licences. • Support expansion of rates to off-dock terminals. • Support rate regulation enforcement and fairness in applying enforcement. • Recommend that a third party be engaged to manage TLS and audits. • Recommend developing a contingency plan, in the event that all stakeholders do not support the TLS reform, to prevent new job action. <p>Annual Fees:</p> <ul style="list-style-type: none"> • Concern that the new system will be high cost. <p>Standards and Enforcement:</p> <ul style="list-style-type: none"> • Suggest a use of a performance scorecard, which would allow flexibility in application of standards to reflect the many different business models that exist within trucking companies. • Do not support “truck utilization” as a metric because it would penalize companies that are not 100% drayage. • Recommend that the Port revisit comments already provided with respect to entry standards, specifically environmental standards. • Recommend that audit results and audit history of companies be posted as a means to promote accountability and consistency in audit delivery. • Recommend two-tiered audits, with a simple audit system for all, followed by more detailed audits of those who do not pass the first tier. <p>Communications:</p> <ul style="list-style-type: none"> • Request that copies of the presentation be made available (<i>included in Appendix A</i>). • Recommend more timely, focused and two-way communications. • Suggest a sense of urgency in the Port demonstrating how input has been considered. • Recommend that the number of licences (tractor tags) each company receives remain private due to business interests. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Want companies to have access to their own GPS data. • Recommend that rate regulation and improved reservations, including equal access to reservations, be implemented before TLS, noted and that TLS reform may not be needed if these improvements are made. • Would like the Port to process applications more quickly.

Stakeholder Meeting	Key Themes
<p>BCTA Members (April 3, morning)</p>	<p>TLS Framework:</p> <ul style="list-style-type: none"> • Support the concept of sponsorship if companies can choose the drivers they work with, including hiring new drivers. • Support expanding rate enforcement to off-dock facilities and to both union and non-union companies. • Suggest that it would be simpler and more efficient to remove the moratorium and replace it with revised minimum entry standards. • Concerned about unintended consequences of more regulation. <p>Annual Fees:</p> <ul style="list-style-type: none"> • Suggest that the annual licence could also apply directly to shippers (in addition to trucking companies). <p>Standards and Enforcement:</p> <ul style="list-style-type: none"> • Suggest that without enforcement, the system will fail. • Recommend that a third party be retained to conduct the audits due to potential conflict of interest if the Port does it. • Concerned that “truck utilization” as a metric doesn’t consider the many business models that exist within the trucking industry; companies should be allowed to determine what works best for them. <p>Communications:</p> <ul style="list-style-type: none"> • Recommend sufficient advance notice prior to implementation. • Request opportunity for ongoing input; suggest use of an online suggestion box. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Suggest that wait time at the terminal is the most important issue to address, which should be addressed through expanded hours of operation, fair/equal access to reservations, and double-end moves. • Request that companies have access to their GPS data. • Request clarification as to why companies can’t use their own GPS equipment and provide the data to the Port instead of using Port-supplied equipment.

Stakeholder Meeting	Key Themes
<p>BCTA Members (April 8)</p>	<p>TLS Framework:</p> <ul style="list-style-type: none"> • Overall, prefer less regulation (free market environment) and no moratorium. • Concerned about the unintended consequences of regulation; suggest that people will look for (and find) loopholes. • Suggest that if trucking companies are held accountable, independent operators should also be held accountable to trucking companies (not to the port); want to be able to control who they hire including bringing in new company drivers and/or new owner/operators. <p>Annual Fees:</p> <ul style="list-style-type: none"> • Suggest that annual licence fees be based on number of vehicles or number of transactions per year. • Suggest that some fees should be able to be passed on to independent operators, such as liquidated damages for negligent activities. • Suggest ability to pay annual fee in instalments. • Questioned that if annual fee is based on TLS cost recovery, who would audit the Port to confirm cost effectiveness. <p>Standards and Enforcement:</p> <ul style="list-style-type: none"> • Recommend NSC rating, mandatory drug testing, and labour contract/ CRA compliance be used as metrics. • Suggest use of discounts for combo chassis and natural gas-powered vehicles. • If a security deposit is required of trucking companies, it should be required of independent operators as well. • Suggest making steamship lines accountable in terms of guaranteeing inventory if they make a reservation and making terminals accountable for their equipment. <p>Communications:</p> <ul style="list-style-type: none"> • Request that copies of the presentation be made available (<i>included in Appendix A</i>). • Recommend that the Port provide a link on its website to help match companies with drivers. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Suggest that excessive wait times at terminals and lack of enforcement of existing rates are the most important issues to address. • Request that companies have access to their own GPS data. • Appreciate the new customer service feature of the existing TLS (staff available by phone during business hours).

Stakeholder Meeting	Key Themes
<p>BCTA Members (April 10)</p>	<p>TLS Framework:</p> <ul style="list-style-type: none"> • Overall, prefer less regulation (free market environment) and no moratorium. • Suggest that if trucking companies are held accountable, they should be able to control who they hire including bringing in new company drivers and/or new owner/operators. • Support rate audit enforcement; question whether it applies to two-way or one-way. <p>Annual Fees:</p> <ul style="list-style-type: none"> • Concerned about cost of the new system; recommend that a per container fee be applied to shipping lines to help cover the cost. <p>Standards and Enforcement:</p> <ul style="list-style-type: none"> • Agree with the concept of performance metrics generally. • Suggest metrics consider number of on-port infractions, rate compliance, on time arrival (not early), and NSC. • Recommend allowing exceptions for rental trucks. • Concerned that “truck utilization” as a metric doesn’t consider the many business models that exist within the trucking industry; companies should be allowed to determine what works best for them. • Suggest that any efficiency metric should not be applied until the reservation system is fixed (see below). • Do not support requirement for automatic transmissions. • Support use of NSC as a metric provided that there is flexibility to explain and consider/waive anomalies. • Suggest that accountability should apply to all — for terminals it should include reservation system availability, gate availability and customer service/dispute resolution process; for shipping lines guarantee of inventory and quality of material; for rail yards, same as at terminals. <p>Communications:</p> <ul style="list-style-type: none"> • Request that copies of the presentation be made available (<i>included in Appendix A</i>). • Recommend having personnel in place to address issues that may arise when the new system is implemented. • Recommend increased transparency in all Port communications. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Suggest that excessive wait times at terminals is the issue that needs to be addressed and that wait times should consider total time, not just wait time at gates. • Also recommend immediate improvements in reservations including fair access to all and allowing for double-end bookings and extended hours of operation at terminals. • Recommend that the Port eliminate the existing TLS “sticker” and instead use a licence plate or other marker. • Appreciate the new customer service feature of the existing TLS (staff available by phone during business hours).

Stakeholder Meeting	Key Themes
BCTA Members (April 14)	<p>TLS Framework:</p> <ul style="list-style-type: none"> • Support the concept of greater accountability as long as trucking companies can hire who they want. • Support expanding rate audits to off-dock terminals and suggest that it should also apply to rail companies (<i>NOTE: not under Port jurisdiction</i>). • Suggest that with appropriate audit and enforcement, the moratorium on licences is not required; if a company can demonstrate business, it should be able to get all permits (tractor tags) requested. • Support the concept of a contractual relationship between trucking companies and the Port and between trucking companies and independent operators. • Concerned about cost and hesitant to indicate overall support in absence of this information. • Concerned that an independent operator could be linked to only one company; may be tough for drivers. <p>Annual Fees:</p> <ul style="list-style-type: none"> • Suggest security deposits also be applied to shipping companies so trucking companies can recoup costs if a shipper goes out of business. • Recommend that companies be allowed to charge fees back to drivers if they are at fault. • Support the concept of liquidated damages for infractions but request more information on how/what and transparency in application. • Recommend that instead of a security deposit, require the Port as an additional insured on truck insurance and block port access for companies/drivers who have not paid for any infractions made. <p>Standards and Enforcement:</p> <ul style="list-style-type: none"> • Support performance requirements and metrics; however, do not support diesel-oxidation-catalyst (DOC) muffler requirements. • Support “truck utilization” as a metric as long as it also applies to terminals and considers individual trucking companies’ business model. • Recommend that the system be run by a third party, not the Port, due to potential conflict of interest. • Recommend consistent repercussions for dishonesty and failed audits. <p>Communications:</p> <ul style="list-style-type: none"> • No significant theme. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Suggest the need for improved reservations and reduced wait times at the terminals. Specifically, recommended no speed gates and no storage charges if a company can’t get a reservation. • Also suggest that shipping lines be required to guarantee of inventory. • Want night gates/extended hours of operation. • Suggest that proposed rate reform is confusing; recommend paying independent operators on commission or by move (not hourly) with different rates for double-end moves, which are more cost effective. • Question whether the Port could get a preferred rate for drayage fuel, instead of companies paying drivers a premium.

Stakeholder Meeting	Key Themes
Chamber of Shipping of B.C. (April 11)	<p>TLS Framework:</p> <ul style="list-style-type: none"> • Numerous questions about how the new TLS framework would work. • Support the concept of contract with trucking companies. • Support expanded and enforced audit program. • Recommend lifting the permit moratorium. • Recommend that a third party be retained to manage the new TLS system and the reservations system. <p>Annual Fees:</p> <ul style="list-style-type: none"> • Do not want costs passed on to ocean carriers. <p>Standards and Enforcement:</p> <ul style="list-style-type: none"> • Suggest that for drivers, entry standards include security checks, language proficiency and availability to work weekends. <p>Communications:</p> <ul style="list-style-type: none"> • Questions about who is being consulted. • Request for communication about application of the existing TLS in the short term, especially regarding licences scheduled for renewal. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Suggest that access to reservations and improving wait times at the terminal would go a long way to addressing existing issues. • Want extended gates to be available on an ongoing basis, with no additional fee; recommend that night gates be offered at a discount.

Stakeholder Meeting	Key Themes
CIFFA (April 15)	<p>TLS Framework:</p> <ul style="list-style-type: none"> • General support, but concern that it may be too complicated and costly. • Concern that unless the moratorium is lifted, new permits will be subject to price manipulation. • Recommend removing moratorium by allowing trucking companies to request a larger licence quota if they can provide proof of a business arrangement with shipping companies. • Support rate enforcement, with penalties for infractions. • Recommend that rates also be expanded to rail companies. • Suggest the Port provide a “sponsorship agreement framework” to assist in ensuring that companies and drivers get the right framework in place — one that is long lasting. <p>Annual Fees:</p> <ul style="list-style-type: none"> • No significant theme. <p>Standards and enforcement:</p> <ul style="list-style-type: none"> • Concern with measuring “truck utilization” in absence of a new reservation system, because the existing system limits use and efficiency. • Suggest “safety” as a performance metric. • Recommend use of a third party for performance audits, to avoid conflict of interest. • Recommend posting names of companies found in violation of rates to ensure accountability, and use penalty fees to help offset audit costs <i>[Note: the Port does not currently have statutory authority to do this]</i>. • Suggest making importers and exporters accountable for empty containers. <p>Communications:</p> <ul style="list-style-type: none"> • No significant theme. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Suggest improved reservation system that allows double-end bookings. • Suggest that a new, equal-access reservations system is needed now.

Stakeholder Meeting	Key Themes
PULSE (April 9)	<p>TLS Framework:</p> <ul style="list-style-type: none"> • Numerous questions about how the existing TLS works and more information about how the reformed TLS system would work. • Support removing the licence/permit moratorium to allow for more flexibility for in the TLS system. • Recommend a higher barrier to entry to help manage the number of trucks in the system and improve efficiency. <p>Annual Fees:</p> <ul style="list-style-type: none"> • Request to ensure that the annual fees are not too high to prohibit new entrants to the system. <p>Standards and Enforcement:</p> <ul style="list-style-type: none"> • Request that entry standards be designed to ensure that participating trucking companies are sufficiently invested in the supply chain. • Support consistent and strict enforcement with significant financial penalties for audit failure. <p>Communications:</p> <ul style="list-style-type: none"> • Request to ensure all stakeholders are being consulted. • Support continued communication and sufficient advance notice prior to implementation. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Suggest that improving the reservations system and extending gate hours of operation to reduce wait times is equally important, as a means to help address existing issues and to allow ocean carriers better access to the system.

Stakeholder Meeting	Key Themes
FMAC (April 7)	<p>TLS Framework:</p> <ul style="list-style-type: none"> • Numerous questions about how the existing TLS works and more information about how the reformed TLS system would work. • Concern that TLS reform could lead to more service disruptions if drivers are not supportive of it. • Support removing the moratorium; prefer more licences/permits. • Support expanded audits and ensuring audit enforcement. <p>Annual Fees:</p> <ul style="list-style-type: none"> • No significant theme. <p>Standards and Enforcement:</p> <ul style="list-style-type: none"> • Suggest criminal record checks for all drivers. • Concern about “truck utilization” as a measure of company drivers; suggest that companies should be able to determine how much time a truck is used for port-related and non-port related company business. • Recommend that if performance metrics are tracked, there should be a process to allow for explanation and consideration of metric anomalies. • Recommend that terminals be accountable for wait times. <p>Communications:</p> <ul style="list-style-type: none"> • Interested in remaining involved as new TLS program is finalized. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Request company access to their own GPS data. • Recommend the Port pursue with terminals alternate work schedules including staggered breaks for longshoremen, and fair access to reservations and on-site service.

Stakeholder Meeting	Key Themes
Shipping Federation of Canada (April 16)	<p>TLS Framework:</p> <ul style="list-style-type: none"> • Numerous questions about the existing TLS system and how the proposed new TLS sponsorship process would work, including clarification of who would hold the licence and what would happen if one party decided to end the sponsorship agreement. • General agreement with the sponsorship process provided that trucking companies have the ability to choose their drivers; however, some concern about what might happen during lean times — would this create more unrest if drivers were unable to find new companies. • Concerned about expansion of TLS to non-port facilities such as off-dock, since some off-dock activity is 100% domestic; do not want “port” requirements to bleed into “non-port” operations. <p>Annual Fees:</p> <ul style="list-style-type: none"> • No significant theme. <p>Standards and Enforcement:</p> <ul style="list-style-type: none"> • Recommend significant entry standards to ensure that trucking companies are legitimate and have the capability for longevity, such as demonstrated proof of investment. • Recommend safety record as a primary standard. <p>Communications:</p> <ul style="list-style-type: none"> • Recommend timely and ongoing communications. • Recommend including customers in the consultation. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Questions and concerns about proposed congestion fees and existing missed reservation fees; suggest that wait times and fees could be avoided with a better reservation system and improved terminal productivity. • Strong support for move toward common reservations as a means to improve efficiency and accountability for everyone. • Strong support for the proposed extended gates pilot project provided that consistency is ensured. • Request for access to GPS and reservation data to better understand problem areas; however, caution must be exercised to protect the commercial interests of individual companies. • Strong desire to ensure that all changes are designed to ensure fair wages for drivers and fair market conditions for companies.

Stakeholder Meeting	Key Themes
UTA and VCTA (April 15)	<p>TLS Framework:</p> <ul style="list-style-type: none"> • Proposed new TLS is an improvement to the existing system. • Support expansion to off-dock terminals. • Questions and concerns about the potential cost of the annual fee and concerns that trucking companies would “sell” sponsorships to recoup these fees, at financial harm to drivers. • Some prefer that the permit remain with the driver (not the company). <p>Annual Fees:</p> <ul style="list-style-type: none"> • Recommend that the licence fee be paid to the Port, not a third party. • Disagree with the concept of liquidated damages; instead recommend that the Port pursue collection through ICBC and remove licence for companies/drivers that don’t pay. • Require that if liquidated damages are to be imposed, a third party adjudicator be available to review disputed claims. <p>Standards and Enforcement:</p> <ul style="list-style-type: none"> • Disagree with existing environmental standards and do not support the requirement for diesel-oxygen-catalysts (DOCs), which in some cases have been shown to reduce engine performance. • Suggest that environmental requirements be switched to incentives, with discounts for those who opt to use them. • Also recommend incentives for experienced drivers. <p>Communications:</p> <ul style="list-style-type: none"> • Request to be involved as the revised TLS program is developed and on an ongoing basis in implementation. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Suggest that a new, fair and universally accessible reservation system is needed now and that speed gates be abolished. • Request driver access to their own GPS data. • Recommend that the Port eliminate the existing TLS “sticker” and instead use a licence plate or other marker. • Request faster processing of permit renewals (three days is too long). • Although not related to TLS reform, participants also requested response to earlier enquiry regarding new permits issued under the existing TLS system during the spring 2014 labour disruption period.

Stakeholder Meeting	Key Themes
Western Canada Shippers' Coalition (April 9)	<p>TLS Framework:</p> <ul style="list-style-type: none"> • Support rate audit expansion as long as it is consistently applied and penalties assessed. Suggest that the Port not be involved due to potential conflict of interest. • Support concept of companies' sponsoring drivers and recommend that this concept also be applied toward shippers and trucking companies. • Concerned that some companies might "sell" sponsorships, which potentially would be avoided through rate audit enforcement and the proposed whistle blower program. • Suggest that as proposed, the new TLS program could impose too much regulation and be subject to legal challenge. • Recommend that the new TLS program provide shipping companies with improved ability to select preferred trucking companies; currently they are limited due to licence restrictions. <p>Annual Fees:</p> <ul style="list-style-type: none"> • No significant theme. <p>Standards and Enforcement:</p> <ul style="list-style-type: none"> • Do not support proposed performance security deposit; recommend instead that the Port remove licences from companies that do not pay damages imposed. • Recommend that performance measures be applied to terminals and rail companies, not just trucking companies. • Recommend that performance data be posted and provided to shippers, to improve transparency. <p>Communications:</p> <ul style="list-style-type: none"> • Request to review and comment on the revised TLS program before it is implemented. <p>Other SmartFleet/Joint Action Plan Elements:</p> <ul style="list-style-type: none"> • Suggest that existing challenges primarily relate to (1) terminal availability and (2) lack of reservations. Recommend that expanded gates and a new, common reservation system are needed now (including reservations for double-end moves). • Suggest that the new rates identified in the Joint Action Plan are unaffordable and recommend focusing on double-end moves as a means to improve affordability for everyone, including drivers. • Request for timely access to reservation and GPS information (made available to individual drivers and companies but not necessarily publicly available, to protect commercial interests). • Recommend that the new whistleblower program provides immediate response and deals promptly with non-compliance issues.

3.3 Written Submissions

During the consultation period, the Port received four written submissions including:

- United Truckers Association (UTA) — indicated they support TLS as a means of ensuring security and stability and requested that all parties be consulted before developing a new TLS system; recommended the moratorium remain in place until all trucks and drivers are accounted for recommended that all lease operators working as company drivers be grandfathered into TLS as Independent Operators; also recommended other changes not specifically related to TLS.
- Unifor-Vancouver Container Truckers' Association (VCTA) — submission primarily relates to other aspects of the Joint Action Plan, but with respect to TLS, supported enforcement as a critical element of TLS success and recommended transparency in audits and that penalties for failed rate audits be written into the TLS licence; recommended significant security deposits or bonds be required as a means of ensuring that trucking companies are stable and invested in maintaining a strong drayage sector; accepted lifting of moratorium if appropriate measures are in place to address disagreements; recommended that the whistle-blower mechanism be available in multiple languages; also recommended changes to facilitate sectoral collective bargaining and requested the opportunity to provide further comment once the Phase 1 report is complete.
- Two submissions from customs brokerage/trucking companies — one recommending that sanctions for rate undercutting take the form of revoking port access and be extended to both the driver and the affiliated trucking company; the other outlining impacts to truck drivers and trucking companies when ocean carriers do not take responsibility for screening their empty containers.

4. Next Steps

Port Metro Vancouver has committed to reviewing and considering input from Part 1 consultation as it refines the proposed new TLS program and prepares for Part 2 of consultation. Key areas that will be important to specifically address are:

- Proposed fee structure including whether a security deposit and/or performance bond will be required
- Specific proposed performance measures and metrics, including clarification of the rationale for environmental measures
- Whether trucking companies will be permitted to retain new drivers or only those currently in the system
- Proposed plans to address potential for “selling” of company sponsorships before moving forward with changes to TLS. Left unaddressed in policy and communication, this is a serious risk that would potentially compromise the fundamental intent of TLS reform.

Equally important will be the Port's ability to provide clarity on scope and timing of other Joint Action Plan elements such as reservation system reform, expanded gates, and plans for rate audits and enforcement protocols.

It is also recommended before launching the next phase of consultation, the Port distribute the Part 1 consultation report and its response to this report. Key proposed mechanisms to notify stakeholders about the report are:

- Post to Port Metro Vancouver website
- Post to PortTalk, including QA feature and discussion forums
- Email all Part 1 consultation participants, including link to the report
- Distribute a handout notice to drivers at Port access gates

Initially planned to take place in May 2014, Part 2 was postponed to Fall 2014, to allow sufficient time for the Joint Action Plan to be implemented and to allow time for thorough consideration of the Part 1 input.

Part 2 consultation will share how the outcomes from Part 1 have been incorporated into refinement of the TLS program and seek feedback on the proposed TLS program and its implementation. It is planned that this will include more specific details around the contract term, fees and proposed performance metrics, as well as the draft application and sponsorship term sheets. Phase 2 will also seek consultation from a broader group of stakeholders including individual drivers, through tools such as online surveys and PortTalk (www.porttalk.ca).

5. Appendix A: Consultation Materials

6. Appendix B: Meeting Notes and Written Submissions