

NEWS RELEASE – from the Ferry Advisory Committee Chairs (FACC)

## **Decision time for ferry fares and service**

02 SEPTEMBER 2010 – Behind the scenes of this busy ferry travel weekend, work has started on a review of the contract between the provincial government and BC Ferries.

Every four years the Province decides on the level of service it wants to see provided (number of sailings per route), and how much it will pay for it (transportation fee).

The Ferry Advisory Chairs (FACC) are concerned that this current contract review faces a combination of factors that could lead to double-digit fares increases or service cuts, or both.

During the coming year, the Province will make its decisions, and the ferry commissioner will calculate new fare caps based on government parameters and BC Ferries' financial needs. BC Ferries' role is simply to provide forecasts of its finances and operations.

Since the beginning of this contract-based system in 2003, the Province has not changed the core service levels. It hasn't changed its transportation fee either, except for the northern routes to help with the cost of their new vessels and terminal upgrades.

If the Province does not raise its fee in this review, ferry users can expect possible service reductions, or more likely, substantial fare increases on top of those of the past six years.

The Ferry Advisory Chairs' (FACC) concerns are based on several current factors. While all the non-major routes are affected by the transportation fee, some of these factors will affect every route:

- Province's legislated goal to reduce its transportation fee by moving toward user pay;
- decreasing ferry traffic and downgraded traffic forecasts, which means either fares or fees must make up the revenue gap;
- cost of vessel and terminal upgrades required for minor routes during the next four-year term;
- no mechanism for the commissioner to implement Comptroller General's 2009 recommendation to consider public interest;
- replacement of the commissioner in the middle of the contract review process;
- HST on BC Ferries expenses adding to the company's revenue needs;
- fuel cost volatility.

"Ferries are the public access to the BC Coast. They're as important to this large region of the province as any highway or public transit," says Tony Law of Hornby-Denman. "We need to keep this part of the provincial transportation infrastructure affordable to British Columbians who depend on it, while also taking taxpayers' interests into account."

The FACC call on the government to undertake these measures:

- adjust transportation fee to keep fare caps in line with inflation, and also in line with government support for highways and transit;
- engage in focussed discussion with FACC, BC Ferries and commissioner to seek pilot projects and innovations with potential to improve efficiency or increase revenue;
- update legislation to add consideration of public interest to the Commissioner's mandate;
- retain the current commissioner until at least March 31, 2012, when the review process is over.

The FACC believe the action on the above measures would underscore the government interest and the public interest in safeguarding affordable public access to the BC coast.

### **CONTACTS**

Tony Law, Hornby-Denman, 250-405-5151 / 250-335-1155, tlaw1@telus.net

Brian Hollingshead, S. Gulf Islands, 604-421-5804, hollingshead@telus.net  
Harold Swierenga, Saltspring, 250-653-4950, hswierenga@ssisland.com  
Ann Keir, Thetis-Kuper, 250-246-2132, annkeir@yahoo.ca  
Andre Lemieux, Gabriola, 250-247-9889, andre.lemieux@shaw.ca  
Alison Morse, Bowen Island, 604-947-9875, amm5@shaw.ca  
Jakob Knaus, S. Sunshine Coast, 604-885-7793, falconjk@telus.net  
Joyce Clegg, Gambier-Keats, 604-886-2763, jaclegg@primesignal.com  
Bill Cripps, N. Sunshine Coast, 604-485-6563, wccripps@telus.net  
Paul Ryan, Quadra-Cortes, 250-285-3896, pryan@island.net  
Marnie Crowe, Tri-Islands, 250-902-3557, marniejc@yahoo.com  
Stephen Waugh, North-Mid Coast, 250-982-2424, swaugh@suntree.ca

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## **BACKGROUND**

### **FERRY CONTRACT REVIEW DATES**

SEPTEMBER 30, 2010 - BC Ferries is preparing financial and operational information to submit to the Ferry Commissioner by this date.

MARCH 31, 2011 - The Commissioner issues preliminary new fare caps. These preliminary fares are calculated using current service levels and transportation fees.

JUNE 30, 2011 - The Province decides if it wants to change service levels or its transportation fees by this date.

SEPTEMBER 30, 2011 - The Commissioner issues final new fare caps based on the Province's decisions. These fare caps will be in effect from April 1, 2012 to March 31, 2016.

### **FACC**

The Ferry Advisory Committee Chairs represent 12 local or regional Ferry Advisory Committees, which in turn represent the users of ferry routes serving more than two dozen communities that span the length of the BC coast.

<http://www.gabriola.org/facc/>