FOR IMMEDIATE RELEASE Ferry Reps Call for Strategy Meeting with Minister

AUGUST 1, 2008 – The chairs of the coast's 12 Ferry Advisory Committees (FACC) are asking Transportation Minister Kevin Falcon to meet with them at his earliest convenience to work on a strategy for the long-term sustainability of ferry service to their communities as substantial fuel surcharges hit many south coast routes.

Fares on B.C. Ferries' smaller routes will increase by up to 21% when fuel surcharges go into effect today. Many of these fares have increased by over 100% in the last five years while inflation in B.C. has been only 2% per year.

Speaking to the media last week, Falcon said, "We are going to have to sit down with the ferry advisory boards and the communities and we're going to have to look at levels of service. We're going to have to look at how we can try and deal with this, because it is a big challenge, and I'm very sympathetic."

The FACC feels a meeting with Falcon is urgently needed, as it doubts that any significant savings can be achieved by reductions in service in the near future. BC Ferries is constrained by its multi-year contracts with the union and the province and by its current fleet and routes.

"Substantive changes can only come about through careful long term planning," the FACC said. "However, planning must begin right away and must be supported by immediate measures to address the heavy burden of fares that could cripple small communities and seriously affect the viability of some ferry routes.

Falcon has indicated already that the province will pay the added fuel cost for the northern routes between Port Hardy and Prince Rupert and between Prince Rupert and the Queen Charlotte Islands. The province will also cover the higher fuel bills for the free inland ferries. The FACC is calling for the ferry routes serving south coast communities to receive equal treatment.

Last week the B.C. Ferry Commission approved fuel surcharges that must average 17.6% on B.C. Ferries' 18 minor routes, 10.3% on the major routes between Vancouver Island and the mainland, and 9.2% on the ferry from Horseshoe Bay to Langdale on the Sunshine Coast.

The surcharges also mean higher rates for recreational vehicles and commercial trucks. The FACC says this will impact tourism, the cost of goods and services coming to coastal communities, and the cost of shipping island produce such as seafood to market.

B.C. Ferries says its fuel costs have risen from \$86.8 million for the fiscal year ending March 31, 2008 to an estimated \$140 million for the current year. The contract between BC Ferries and the Province of BC makes it clear that the provincial service fee for the routes that are being hit hardest by the fuel surcharges will remain virtually unchanged from 2003 to 2012 (going from \$76.6 million to \$78 million in that nine-year period, an increase well below the rate of inflation). Meanwhile, ferry users on these routes have had nine fare increases in the past five years. Further fare increases of 7.2% or more have already been approved for 2009, 2010 and 2011. Traffic is already consistently declining as fares skyrocket, a situation which the FACC believes is unsustainable.

What the ferry fare increases will mean to travellers

A family of four travelling to Hornby Island paying cash* fare...

A family of four traveling between Vancouver Island and Hornby Island will have to fork out a \$93.60 cash fare for two short ferry trips to Denman Island and then to Hornby, a total of 2.4 nautical miles. That's \$19.50 per nautical mile for a round trip. The same family of four would pay only \$2.40 per nautical mile for passage between Tsawwassen and Nanaimo.

A couple going to Cortes Island paying pre-paid* fare...

A couple driving to Cortes Island will see \$53.90 deducted from their prepaid card account for a roundtrip from Campbell River that includes riding the Quadra ferry. That's a 20.3% increase from \$44.80. The same trip cost \$26.17 in 2003 before the provincial government passed legislation creating BC Ferry Services Inc. and requiring movement towards greater reliance on user pay.

*BC Ferries offers cash fares and cheaper prepaid fares (available by loading a minimum amount to the Experience card). Because BC Ferries is applying the fuel surcharge at a flat rate, cash fares are going up by 12-13% while prepaid fares will increase by as much as 21.3%.. (To comply with the Commissioner's ruling fare increases must average out at 17.6% on the minor routes)

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Note: More than 100 people serve as volunteers on the 12 Ferry Advisory Committees which are appointed by BC Ferries based on the recommendations of local governments. Many of the representatives are elected Municipal Councilors, Regional Directors or Islands Trust Trustees. The chairs are selected by the members of each committee.