



NEWS RELEASE & MEDIA ADVISORY

For Immediate Release

Sept. 16, 2015

BC Ferries Commissioner confirms 1.9% annual price caps for 2016-17 to 2019-20

VICTORIA – BC Ferries Commissioner Gord Macatee has confirmed the 1.9% per year ferry fare price caps for the next four years that were proposed in March, as well as key assumptions underlying those caps.

This decision, detailed in the Report on the Final Price Cap Decision for the Fourth Performance Term released today, follows the independent commissioner's review of the latest Coastal Ferry Services Contract (CFSC), filed June 30 by British Columbia Ferry Services Inc. (BC Ferries).

Based on his review, the commissioner determined:

- The CFSC is consistent with assumptions used in setting the preliminary price cap.
- Although many routes saw traffic growth this summer, it's too early to assume sustained growth through 2019-20, so the commissioner did not adjust traffic projections in setting the price caps.
- Assumptions about fuel prices remain valid and reasonable, with the barrel price of oil having remained below the \$65 level cited in the commissioner's preliminary proposal in March.
- Debt service targets, long-term capital plans and cost-efficiency targets or plans have not changed such that they would affect the preliminary price caps.

Per requirements under the Coastal Ferry Act, the commissioner also considered public comments he received on the preliminary price cap decision. Notably:

- The commissioner considered calls for a general rollback in ferry fares to be outside his authority and incompatible with its mandate to balance the interests of BC Ferries, ferry users and taxpayers.
- Many comments concerned the affordability of fares at their existing levels. The commissioner notes that a great deal of work has gone into addressing fare affordability over the past four years, resulting in price caps for the next four years below the Bank of Canada's target inflation rate of 2%.

The report, including an appendix summarizing submissions received following the preliminary rate cap announcement in March, is at: <http://www.bcferrycommission.ca/reports-press/whats-new/>

The Office of the BC Ferries Commissioner, established under the Coastal Ferry Act, regulates fares and service levels for BC Ferries' 24 saltwater routes. Its mandate involves balancing the interests of BC Ferries, ferry users and taxpayers.

MEDIA ADVISORY

BC Ferries Commissioner Gord Macatee will answer questions about the report via a teleconference:

Date: Wednesday, Sept. 16, 2015

Time: 1:30 p.m.

Dial-in Information:

From anywhere in Canada and the USA: 1 877 353-9184

Participant Pass Code: 11401#

During question-and-answer period, to ask a question: Press 01

During question-and-answer period, to exit the question queue: Press #

Media Contact:

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