

May 7, 2018

Mr. Sheldon Stoilen  
British Columbia Ferries Commissioner  
BC Ferry Commission  
PO Box 9279 Stn Prov Gov  
Victoria BC V8W 9J7

Dear Mr. Stoilen:

**Re: Routes 5 and 9 – Application Pursuant to Section 43 of the  
Coastal Ferry Act**

British Columbia Ferry Services Inc. (“BC Ferries” or the “Company”) hereby applies pursuant to the provisions of section 43 of the *Coastal Ferry Act* for authorization from the British Columbia Ferries Commissioner (the “Commissioner”) to temporarily reduce service below the core service levels set out in the Coastal Ferry Services Contract for designated ferry route 5 (Swartz Bay to the Gulf Islands) and designated ferry route 9 (Tsawwassen to the Southern Gulf Islands), on the basis that an extraordinary situation exists, namely, an unanticipated requirement to remove the *Queen of Cumberland* temporarily from service as a result of a mechanical failure of the davit for the vessel’s rescue boat.

Section 43 of the *Coastal Ferry Act* states:

***No reduction of service without authorization***

*43 (1) A ferry operator must not, except as permitted by the applicable Coastal Ferry Services Contract, reduce service on a designated ferry route below the core ferry services required for that designated ferry route unless the ferry operator first obtains the authorization or direction of the commissioner to do so.*

*(2) A ferry operator that wishes to temporarily reduce service on a designated ferry route below the core ferry services required for that designated ferry route must, unless a temporary reduction in service is authorized under section 42, make application to the commissioner for the authorization required by subsection (1) and must, in that application, justify the requested reduction in accordance with subsection (2.1).*

*(2.1) An application may be made under subsection (2) if an extraordinary situation exists and has resulted, or will result, in the ferry operator being unable to provide a required level of service.*

(3) *On application under subsection (2), the commissioner may authorize a reduction in service under subsection (1) if the commissioner is of the opinion that the reduction is for a temporary period and is for an extraordinary situation.*

(4) *If the commissioner agrees, under this section or section 42, to authorize a reduction in service on a designated ferry route, the ferry operator may reduce service on that designated ferry route in the manner, for the period and in accordance with the terms and conditions specified by the commissioner, but not otherwise.*

The *Queen of Cumberland*, which normally provides service on route 5, was removed from service on April 18, 2018, when the davit for the vessel's rescue board failed during the performance of a drill at Swartz Bay terminal. As a result of the failure of the davit, which resulted in the injury of two employees, it has been removed from the vessel and is being inspected by WorkSafe BC. In accordance with the Company's safety standards and regulatory requirements, the vessel has and will remain out of regular service until such time as a replacement davit is installed.

Since the incident occurred, BC Ferries has worked hard to expedite the return to service of the vessel. A replacement davit has been sourced and is currently enroute to BC Ferries' Fleet Maintenance Unit from Atlantic Canada. The replacement davit is expected to arrive within a week and, in anticipation of its arrival, the Company is currently making the necessary modifications to the vessel to accommodate it, including undertaking steel work to reinforce the deck, removing and replacing deck head insulation, fabricating a new davit support structure, hooking up electrical connections and removing the old davit structure. Performing this work now will help expedite the time required to install the davit. Following installation there will be a required period of crew training and additional regulatory approvals.

In conjunction with its focus on replacing the davit, BC Ferries has also been working with regulatory agencies to determine if an alternative operating procedure can be put in place that would enable the vessel to operate safely in the absence of an on-board rescue boat until such time as the davit is replaced.

BC Ferries recognizes the considerable inconvenience that this service interruption has caused some of its customers and the Southern Gulf Island communities it serves. The Company understands that customers rely on the service to get to their destinations. BC Ferries is making best efforts to return the vessel to regular service by mid-May; however, the precise date is uncertain, given the Company is not yet in possession of the replacement davit and cannot fully determine at this point the extent of the vessel modifications required and the time that will be required to obtain the necessary regulatory approvals once the installation is complete.

With the *Queen of Cumberland* unavailable for service, an extraordinary situation exists and the Company is unable to provide the core service levels for routes 5 and 9 required by the Coastal Ferry Services Contract. The Company has had to adjust schedules and use other vessels to transport its customers to destinations as reliably as it can, resulting in disruption to regularly scheduled service on the Southern Gulf Island routes:

- Route 5 and 5A: Swartz Bay to Gulf Islands, typically served by the *Queen of Cumberland* and the *Mayne Queen*;

- Route 9 and 9A: Tsawwassen to Southern Gulf Islands, typically served by the *Salish Eagle* and the *Salish Raven* (route 9A seasonal service with *Salish Raven* commenced May 4); and
- Route 4: Swartz Bay to Fulford Harbour, typically served by the *Skeena Queen* (minimal disruptions impacting service times but not core service levels).

With the absence of the *Queen of Cumberland*, attempting to continue to provide regular service on routes 5A and 9 would have resulted in a large number of service failures, the most notable being:

- No morning or evening service between Galiano Island and Swartz Bay;
- Inadequate weekday morning service between Mayne Island, Pender Island and Swartz Bay;
- Inadequate weekday afternoon and evening service between Pender Island and Swartz Bay;
- Inadequate weekend service for Pender Island and Mayne Island to/from Swartz Bay; and
- Inadequate Sunday service between Galiano Island and Swartz Bay.

Consequently, the approach taken by the Company to address the access and capacity shortfall has been to reconfigure, in part, the routing of the route 9 and route 5A vessels to maintain access both to and from the islands and Swartz Bay with through-fare options to and from Tsawwassen via route 1 (Swartz Bay to Tsawwassen). These schedules were then designed to retain as many regular sailing times as possible to support the usage patterns of the Southern Gulf Island communities. During weekdays, the reconfigured schedule has relied more heavily than usual on the routes 5, 5A, 4 and 1 through-fare options for customers travelling between Salt Spring Island and the Southern Gulf Islands and Tsawwassen. On weekends (Friday night to Sunday night), the focus has been placed on providing more direct service to Tsawwassen for Salt Spring Island and the Southern Gulf Islands.

In addition, BC Ferries has, when needed, added stops at Pender Island on route 4. The *Quinitsa* has also been redeployed to stand by for overloaded traffic from Thursdays to Sundays (as of May 3), and to provide dangerous goods cargo sailings on Sunday mornings. As well, BC Ferries is pursuing the possibility of engaging a water taxi service to support the transport of blood work for the Vancouver Island Health Authority. At this time, BC Ferries does not have any additional available vessels to augment those currently in place. (BC Ferries' ability to redeploy a Salish class ferry to Swartz Bay as a straight replacement for *Queen of Cumberland* is constrained by availability of trained crew.)

Appendix A contains a summary of schedule changes that have been adopted, and Appendix B provides an overview of BC Ferries' customer service response.

Under Schedule "A" of the Coastal Ferry Services Contract, BC Ferries is permitted a short term service disruption to core service levels on each designated route of no more than 20 consecutive days or 30 cumulative days in a fiscal year for various circumstances, including vessel mechanical failure and situations that compromise safety.

The service disruptions to date, as well as those projected to mid-May, are set out below:

Consecutive days of service disruption in the current fiscal year:

	<b>Up to May 7, 2018</b>	<b>April 18 to May 17</b>
Route 5	6 days	6 days
Route 5A	2 days	2 days
Route 9	6 days	6 days

Cumulative days of service disruption in the current fiscal year:

	<b>Up to May 7, 2018</b>	<b>April 18 to May 17</b>
Route 5	17 days	26 days
Route 5A	4 days	5 days
Route 9	15 days	24 days

As indicated above, BC Ferries is making best efforts to return the *Queen of Cumberland* to regular service by mid-May, but for the reasons described above, cannot confirm a specific date at this time. BC Ferries submits that an extraordinary situation exists that prevents the Company from providing the required level of service on routes 5 and 9 and requests that the Commissioner authorize a reduction in service on those routes until such time as the Company is able to return the *Queen of Cumberland* to regular service.

Should additional information be required in respect of this application, please contact me.

Sincerely,



Cynthia M. Lukaitis  
Vice President and Corporate Secretary

Attach.

## Appendix A: Summary of Schedule Changes

The following service arrangements were in effect from April 19 to 30, 2018:

### Mondays to Fridays

- Monday – Friday morning and early afternoon: route 9 service was not offered and the vessel was moved to provide route 5 service (Tsawwassen-bound traffic was diverted to through-fare via Swartz Bay and route 1)
- Monday – Friday late afternoon and evening: route 5 service was not offered and stops were added to route 5A and route 9 to retain capacity
- Monday – Friday evening: One stop at Pender Island was added to route 4 to provide capacity

### Saturdays

- Route 5A vessel covered both route 5 and route 5A with multiple stops added for access to all four islands
- No change on route 9 other than adding a Pender Island stop to replace service usually provided through transfer with the *Queen of Cumberland*
- No change on route 4

### Sundays

- Route 5A vessel sailed route 5 service with multiple stops added for access to all four islands; route 5A schedule not offered
- No change to route 9 other than adding Saturna and Mayne stops to replace service usually provided through transfer with the *Queen of Cumberland*
- Dangerous goods service provided using the *Quinitsa* (first week shifted to Wednesday when *Quinitsa* was redeployed south; second week provided on Sunday)
- One stop at Pender Island was added to route 4 to provide capacity

On May 1, 2018, the seasonal sailing times changed and on May 4 the *Salish Raven* became available as the route 9A vessel. Monday to Friday afternoon service remained largely the same but was adapted to the published seasonal sailing times. The impacts were:

### Weekdays

- Monday – Friday morning and early afternoon: route 9 vessel moved to provide route 5 service (Tsawwassen bound traffic was diverted to through-fare via Swartz Bay and route 1)
- Monday – Friday late afternoon and evening: route 5 service not offered; route 5A and route 9 service retained and stops added to provide capacity
- Monday – Friday evening: One stop at Pender Island added to route 4 to provide capacity
- Monday and Thursday: route 9A vessel provides service on route 9 from 1010 hours plus an added round trip between Tsawwassen, Galiano Island and Mayne Island
- Friday evening: added full route 9A service – no change other than an extra stop at Galiano Island

### Saturdays

- All route 5 service retained using the route 9 vessel, plus added end of day stop at Mayne Island
- All route 5A service retained, plus added end of day stop at Mayne Island
- Route 9A service not offered; route 9A vessel used on the route 9 schedule starting and ending at Tsawwassen, plus added Galiano Island and Mayne Island stops

Sundays

- Route 5 service provided with route 5A vessel, plus added multiple stops for access
- Route 5A service not offered (except dangerous goods cargo sailings provided by *Quinitza* and service provided on non-dangerous goods legs of the voyage)
- Route 9 no changes except added Galiano Island stop
- Route 9A no changes

## Appendix B: Customer Service Response

BC Ferries recognizes the considerable inconvenience that this service interruption has caused some of its customers and the Southern Gulf Island communities it serves. The Company understands that customers rely on the service to get to their destinations and regrets the inconvenience this service disruption has caused.

In light of the significant impact this service interruption has on customers and communities, BC Ferries has worked hard to provide proactive and timely communication, including the following:

- Service notices have been posted and distributed to BC Ferries' subscriber network (12,656 subscribers for the Southern Gulf Islands routes and 4,473 for route 4) and updates continue to be sent as circumstances evolve;
- Social media updates are provided regularly and the Customer Care team responds to customer inquiries and feedback immediately;
- A Travel Advisory has been posted on BC Ferries' website. It is linked from the website's home page and is updated daily;
- Schedule updates have been published online to reflect the schedule changes;
- Affected reserved customers have been contacted and advised that their reservations had been moved to an alternate sailing or had been cancelled due to the schedule changes;
- Reserved customers have been provided with a full refund and offered free reservations on route 1 to travel through-fare; and
- Schedule 'rebuilt' in the reservation system are ongoing and available sailings are opened as the build is completed.

Due to the impact this incident has had on customers, calls and emails to the Customer Service Centre have significantly increased. Regrettably, this volume has resulted in customers waiting on hold for extended periods. To assist with customer awareness:

- Messaging has been recorded on the Customer Service Centre (1-888-BC FERRY) telephone line to advise customers of the estimated wait times;
- Mark Collins, President and Chief Executive Officer, recorded a message on the 1-888-BC FERRY telephone line informing customers of the incident with the *Queen of Cumberland*, and apologizing for the impact to customers.

Between April 18 and May 2, 2018, the Customer Service Centre received approximately 21,900 calls. Because of the extraordinary volume of calls, the wait times for customers have been significantly longer than usual. A customer is on average able to reach a customer service agent in approximately 39 minutes. The longest wait experienced by a customer was on April 19, at 2 hours and 55 minutes. Since that date, the longest wait for a customer to reach an Agent was 72 minutes. Customers contacting BC Ferries by email are experiencing between 10-12 days delay in receiving a response.

To help reduce the wait times, the Company has augmented the staffing of the Customer Service Centre by bringing back past employees of the centre, who currently work in other departments of the Company, to provide assistance on the phones and with emails, and has also added seasonal staff to the centre. The Company continues to review its processes and other options to improve its response time during this extraordinary circumstance and meet the needs of its customers.

The Company will also be engaging further with the communities affected by this disruption. BC Ferries plans to engage daily with the Salt Spring Island and Southern Gulf Islands Ferry Advisory Committees to continue to provide updates and to discuss ways the Company can further mitigate the impact this disruption has on customers and the communities that rely on the service.