

May 28, 2018

Mr. Sheldon Stoilen
British Columbia Ferries Commissioner
BC Ferry Commission
RPO Hillside P.O. Box 35119
Victoria, BC V8T 5G2

Dear Mr. Stoilen:

Re: Customer Satisfaction Survey Performance Review – Response to Order-18-01

We write in regard to Order 18-01 (“the Order”), dated February 7, 2018, regarding the British Columbia Ferries Commissioner’s (the “Commissioner”) customer satisfaction tracking survey (“CST”) performance review.

This report describes the actions BC Ferries will take in compliance with sections 1 to 6 of the Order. These actions were reviewed with the Commissioner at the quarterly meeting held between the Commissioner and British Columbia Ferry Services Inc. (“BC Ferries” or the “Company”) on February 19, 2018. This letter serves to confirm the Company’s intended actions.

- 1. During 2018, conduct customer satisfaction surveys on at least five of routes 6, 7, 8, 10, 11, 12, 13, 17, 18, 20, 21, 22, 23, 24, 25, and 26; and by the end of 2019 complete surveys on the remaining routes, including route 28 when it comes into service;**

BC Ferries confirms that the following routes have been added to the 2018 CST survey:

- Route 8 – Horseshoe Bay to Bowen Island
- Route 12 – Brentwood Bay to Mill Bay
- Route 17 – Comox to Powell River
- Route 18 – Powell River to Texada Island
- Route 23 – Campbell River to Quadra Island
- Route 28 – Port Hardy to Bella Coola

With the assistance of an independent consultant, BC Ferries will conduct a review of the CST methodology, tools, and feedback mechanisms in 2018 and, in accordance with section 2 of the Order, will bring forward the survey methodology recommended from that review for the Commissioner’s approval for implementation in 2019 on all remaining routes.

2. Obtain advance approval from the commissioners on the intended methodology for the surveys ordered above;

BC Ferries proposes to use the same methodology in 2018 as the CST surveys that have been conducted in the past. This approach will maintain consistency in data collection and allow for comparative analysis between routes and measures.

As described above, BC Ferries is seeking to retain a consultant, independent of the Company, to assist it with conducting a full review of the CST methodology. BC Ferries has issued a Request for Proposal (“RFP”) for these consulting services, which will include a review of BC Ferries’ current customer feedback research practices with respect to data collection, analysis and reporting and advice on the design of a future program and reporting to various audiences. The timeline for the RFP process is as follows:

- May 15, 2018 - RFP issued
- June 4, 2018 – Proposals received
- June 5 - 11, 2018 – Proposals reviewed
- June 12, 2018 – Contract award with preferred consultant

BC Ferries will keep the Commissioner apprised of the status of the review and the development and design of the future customer research program. The review is expected to be complete by fall 2018, and reflective of that timeline, the Company plans to provide the Commissioner with a proposed methodology for its customer research prior to the 2019 calendar year.

3. Advise the commissioners as to the company’s intentions regarding re-procurement of the CST contract before proceeding with the 2019 CST survey;

BC Ferries’ will re-procure the CST contract in the fall of 2018 following Company guidelines for procurement. The procurement will include a statement of requirements based on the recommendations from the research review to be conducted as described above (see response to section 2 of the Order).

4. Provide evidence to the commissioners that commercial users are being surveyed on those routes where there is significant commercial business;

Currently, approximately 100 CST interviews are completed each year with the customer segment hauling freight or operating a commercial vehicle. As interviewers are prohibited from interviewing on the lower vehicle decks, interviews are conducted with those who leave their vehicle and travel to the upper decks. The exception is some minor routes where there is only a vehicle deck (no upper decks).

The breakdown of CST surveys completed with the customer segment hauling freight or operating a commercial vehicle over the last four years by route is as follows:

ROUTE	2014	2015	2016	2017
Majors				
1	15	14	16	14
2	11	16	7	10
3	13	14	15	17
30	15	16	17	18
Majors subtotal	54	60	55	59
Minors				
4	22	17	16	17
5	10	10	8	12
9	2	1	0	1
19	6	3	5	1
5a	4	6	3	10
Minors subtotal	44	37	32	41
TOTAL	98	97	87	100

Source: Mustel Research Group

5. Provide the commissioners with a plan for addressing those recommendations in the MNP report, which are not dealt within this order, no later than June 1, 2018;

The recommendations in the MNP Report are as follows:

- Consideration #1. Provide for a consolidated view on the state of, and responses to, customer satisfaction
- Consideration #2. Focus on outcomes and accountability
- Consideration #3. Strengthen the oversight

In addition to the CST survey findings that the Company publishes annually, BC Ferries currently uses a third party software solution, Response Tek, to collect customer feedback received through the Customer Service Centre (phone calls, email, mail). The Company has already started to address the first recommendation of MNP by providing the Commissioner with a consolidated summary of feedback information, including the information received through Response Tek, in its quarterly "Feedback and Engagement Report".

BC Ferries' plan is to more holistically address all of MNP's recommendations as part of its comprehensive research review to be conducted as described above (see response to section 2 of the Order). BC Ferries will ensure the review addresses all of MNP recommendations. The review is expected to be complete by fall 2018, and specific responses to MNP's recommendations will be formulated by the end of calendar 2018.

6. Provide the commissioners with a plan for timely communication of actions taken in response to MNP's CST findings, no later than June 1, 2018

The research review to be conducted as described above (see response to section 2 of the Order) will help shape the Company's specific responses to MNP's findings. The Company's plan is to develop its strategy for communicating the actions it will take in response to the MNP report by the end of calendar 2018, when the research is complete and the Company has fully formulated its responses.

We trust that you will not hesitate to contact us if additional information is required.

Sincerely,

A handwritten signature in black ink, appearing to read "Cynthia M. Lukaitis", is centered on a light blue rectangular background.

Cynthia M. Lukaitis
Vice President and Corporate Secretary