

RECORD OF MEETING

**BRITISH COLUMBIA FERRY COMMISSION (BCFC)
BRITISH COLUMBIA FERRY SERVICES INC. (BCFS)
QUARTERLY COMPLIANCE MEETING**

DATE: September 10, 2015	TIME: 10:00 a.m. – 4:00 p.m.	SITE: 1321 Blanshard Street Victoria, BC
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ATTENDANCE: BCFC: Gord Macatee Sheldon Stoilen BCFS: Dennis Dodo Cynthia Lukaitis Mark Collins Alana Gallagher David Hendry Joanne Carpendale Jason Eamer-Goult Janet Carson Mark Wilson	Commissioner Deputy Commissioner Chief Financial Officer Vice President & Corporate Secretary Vice President, Strategic Planning & Community Engagement Treasurer Director, Strategic Planning Director, Corporate Planning Manager, Regulatory & Freedom of Information Vice President, Marketing and Travel Services (agenda items 4 and 5.a.) Vice President, Engineering (agenda items 8.a. to c. and 9.a.)
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1. ADOPTION OF AGENDA

The agenda was approved as circulated.

2. RECORD OF MEETING

a. June 24, 2015 Quarterly Meeting

b. Action Items

The record of the June 24, 2015 quarterly meeting and action items were reviewed and approved.

3. FISCAL 2016 – COMPLIANCE REPORTS

a. Q1 Price Caps

A report prepared by BCFS comparing the quarterly average fare index with the quarterly price cap index by route group for the seven quarters ended June 30, 2015 was reviewed and discussed. The report indicates BCFS' compliance with all regulatory requirements, including section 45.3 of the *Coastal Ferry Act*, in respect of the average fares charged in the quarter.

b. Q1 Core Service Levels

Reports prepared by BCFS on its performance against core service levels as set out in the Coastal Ferry Services Contract for the quarter ended June 30, 2015 were reviewed and discussed. The reports indicate BCFS' compliance with the core service level requirements in the quarter.

There was a discussion of approaches to determine appropriate levels of service on routes to achieve optimum capacity utilization.

c. Q1 Drop Trailer

BCFS' calculation of its average drop trailer tariff for the quarter ended June 30, 2015 was reviewed and discussed. The calculation indicates that BCFS has complied with the Minimum Allowed Average Tariff for the quarter based on the methodology set out in Order 11-01A.

d. Q1 Complaints Resolution

BCFS' complaints resolution report for the quarter ended June 30, 2015, prepared in accordance with Memoranda 40 and 40A, was reviewed and discussed.

4. CUSTOMER SATISFACTION TRACKING

There was a discussion of the customer satisfaction tracking survey required by the Coastal Ferry Services Contract, including alternative approaches and channels for receiving feedback from customers on routes not included in this survey.

5. FARE INITIATIVES

a. Fiscal 2016 Promotions

i. Fall Promotions

ii. Extra Length

iii. Route 9 Passenger Reservation Pilot

BCFS provided updates with regard to the fare promotions currently underway and the passenger reservation pilot on route 9 (Tsawwassen – Gulf Islands).

b. Route 17 Fare Increase for Youth Travel

BCFS provided details regarding an agreement with School District 47, which will see a modest increase in fares on route 17 (Comox to Powell River) so that BC school related and youth sport team passengers will travel for free. The community indicated support for this arrangement through a survey conducted by the Northern Sunshine Coast Ferry Advisory Committee.

6. PERFORMANCE TERM FOUR

a. Price Cap Rebasing

BCFC confirmed its intention to reset the price cap index to 100 at the commencement of performance term four ("PT4").

b. Price Cap Finalisation

BCFC confirmed the expected timing for the release of its order establishing the final PT4 price cap.

c. Performance Reviews

BCFC described possible considerations applicable to selecting aspects of BCFS' operations that might be the subject of upcoming performance reviews under section 46.1 of the *Coastal Ferry Act*.

7. COMMERCIAL BUSINESS

BCFC advised that it is considering next steps now that it has received notification that the drop trailer volume set out in Order 11-01A has been reached.

8. SECTION 55 FILINGS

a. Cable Ferry Project

There was discussion of next steps by BCFS to address the conditions set out in BCFC's order approving the major capital expenditure for the *Baynes Sound Connector* and its associated infrastructure.

b. Spirit Class Mid-life Upgrades Project

BCFS provided an update on the procurement process to identify a shipyard for the Spirit Class vessels mid-life upgrades project.

c. Potential Filings

BCFS provided an update with regard to potential upcoming filings for major capital expenditures under section 55 of the *Coastal Ferry Act*.

d. Filing Approaches

There was a discussion of approaches to filing applications for major capital expenditures under section 55 of the *Coastal Ferry Act* in view of the requirement to file prior to completion of procurement processes.

9. UPDATES

a. Salish Class Vessels

BCFS gave a progress report with regard to the Salish class vessels construction project.

b. Mid Coast 10S Service / Nimpkish

BCFS provided an update with regard to the *Nimpkish* replacement and reported on the status of discussions with the Province in regard to Mid-Coast service.

c. Southern Gulf Islands Strategy

BCFS reported on the public consultations regarding the schedule changes for the Southern Gulf Islands which arise from the planned introduction into service of the new Salish class vessels. There was a discussion of next steps.

d. Route 3 Sunday Service

BCFS reported on the restoration of one round trip on Sundays on Route 3 (Horseshoe Bay to Langdale) during the fall and spring shoulder periods.

10. OTHER BUSINESS

a. Fare Flexibility and Digital Experience Initiative (FFDEI) – Section 55 Conditions

There was discussion of next steps to confirm that the conditions precedent to contract award set out in BCFC's order approving the major capital expenditure for FFDEI have been satisfied.

b. Section 55 Orders

It was agreed that BCFS will report quarterly on progress in meeting the conditions set out in BCFC's orders approving major capital expenditures under section 55 of the *Coastal Ferry Act*.

10. NEXT MEETING

The next BCFC / BCFS quarterly meeting is scheduled for December 7, 2015.

11. TERMINATION

The meeting terminated.