

Complaints Resolution Report

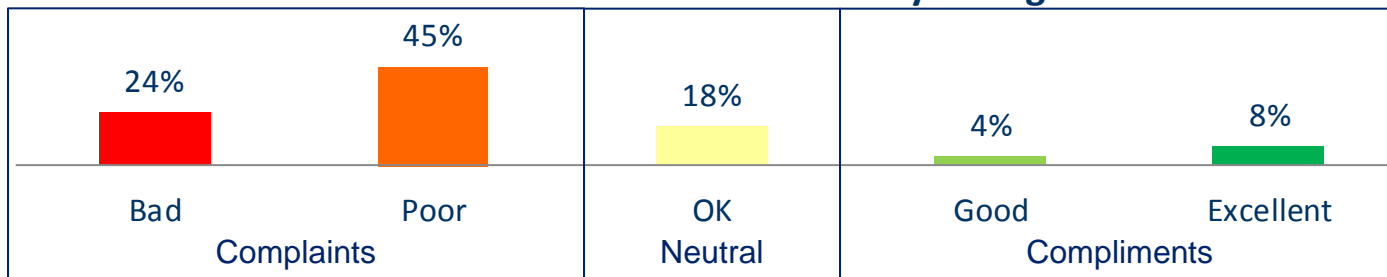
Quarter ended March 31, 2016



Feedback Summary

- During Q4 Fiscal 2016 3.9 million customers travelled with BC Ferries
 - BC Ferries received 1,643 comments in Q4 Fiscal 2016
 - The average time to respond to customers was 3.7 days in Q4 Fiscal 2016

Distribution of Comments by Rating



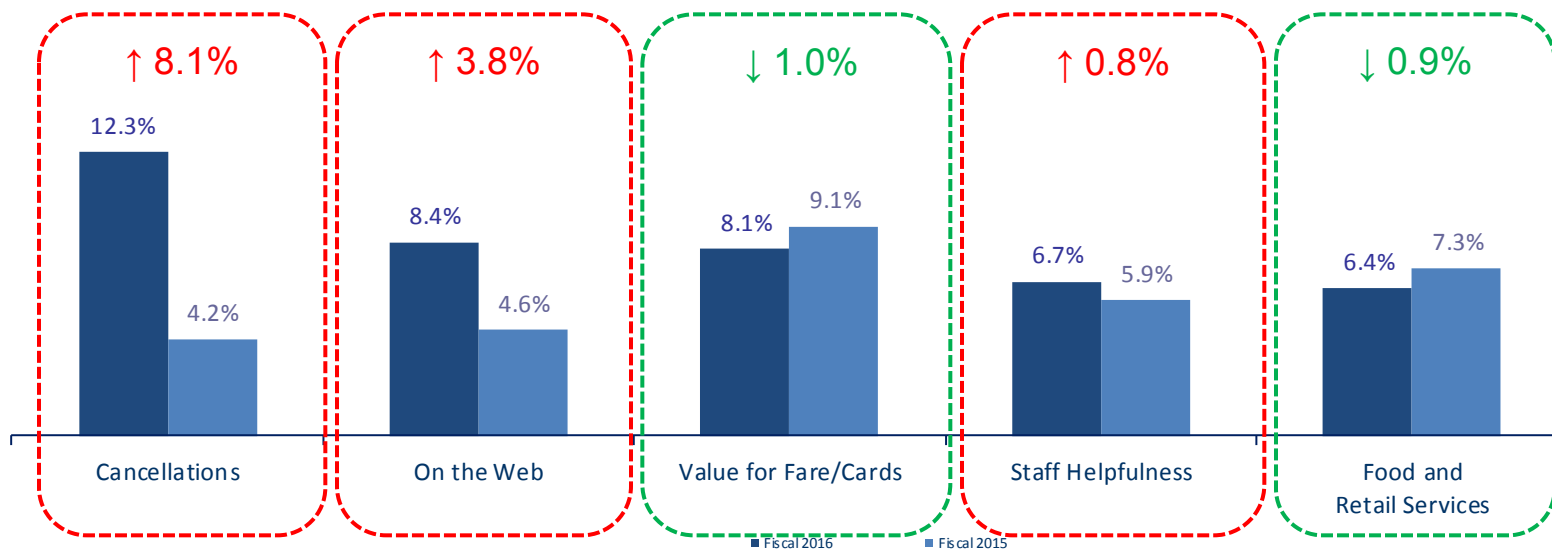
- Customer initiated feedback tends to be negative. Twelve percent (12%) of all customer feedback received in Q4 Fiscal 2016 was complimentary
- “Cancellations/Delays” was the top issue: 181 complaints* were made, representing 12% of the total comments received in Q4 Fiscal 2016
 - Top 5 complaints combined represent 42% of all complaints received in Q4 Fiscal 2016
- “General” comments are excluded from this analysis, along with comments with no rating:
 - 153 “General” comments were received, which were made up of Company Information (87), Community Issues (48), Environment (18) and 19 comments were provided with no rating.

*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: Q4 Fiscal 2016 = Jan. 1, 2016 to Mar. 31, 2016

Top Complaints*: Corporate

#	Complaint	Q4 Fiscal 2016		Q4 Fiscal 2015	
		Complaints*	% of Comments (n=1,471)	Complaints*	% of Comments (n=1,214)
1	Cancellations/Delays	181	12.3%	52	4.2%
2	On the Web	124	8.4%	56	4.6%
3	Value for Fare/Cards	120	8.1%	111	9.1%
4	Staff Helpfulness	99	6.7%	72	5.9%
5	Food & Retail Services	94	6.4%	89	7.3%

% of Comments



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q4 Fiscal 2016 = Jan. 1, 2016 to Mar. 31, 2016
 Q4 Fiscal 2015 = Jan. 1, 2015 to Mar. 31, 2015

Cancellations/Delays

Sample of Customer Comments:

Complaints

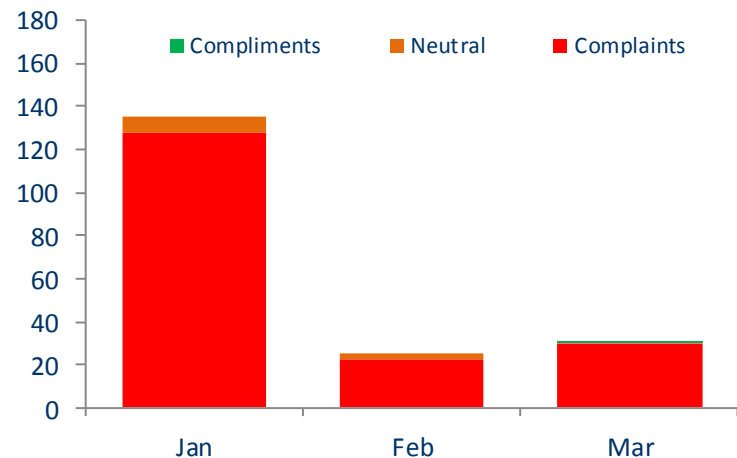
- “The last run from Saltery Bay to Earls Cove is delayed!! Will I be reimbursed for fuel? Hotel???? Meal???? This situation is getting very tiresome here in Powell River!!! I need answers please.”
- “You really need to address the needs of your customers in Powell River. Your current alternative service is not acceptable and now the vessel that is undersized for its task has “mechanical issues”. Please do something that shows you care.”
- “I live in Powell River need I say more! We left our home today to catch a ferry to Vancouver. We're going on vacation! We have a flight tomorrow. And there's no ferry so we had to take the Comox ferry. Now we're waiting for a 7:00 p.m. to Delta it's been a long and expensive day. Thanks to a third world ferry system!”

Compliments

- “I was on board the BC Ferry when we had a medical emergency which resulted in the ferry returning to Swartz Bay. I arrived at the chief steward's office where there was a line up of passengers with various questions. xxx who happened to be on board was standing outside the stewards office. She greeted each of us and asked how she could assist. I was impressed by her stepping in to assist and providing valuable information to the passengers. She was also astute enough and asked the chief steward to make secondary announcement when it was clear that there was a series of the same questions. Kudos to her and your team for the handling of an important and hopefully life saving medical emergency.”

Cancellations includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Cancellations	148	8	0
Sailings: Delays	33	1	1
% of all comments (1,471)	12.3%	0.6%	0.1%



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Root Cause:

Operational delays are often caused by situations that occur during the loading or unloading of the vessels (stalled vehicles, lost key, driver not in vehicle, etc). Other impacts on service include medical emergencies, marine emergencies, adverse weather conditions and mechanical issues such as the need to repair a propeller hub on the *Queen of Burnaby* in January 2016.

Lessons Learned:

Sailing delays have an adverse affect on the daily life of our many commuting customers. If sailings have to be cancelled or the vessel has to be taken out of service, every effort must be made to restore service as soon as it is safe to do so.

Action Taken:

BC Ferries has a Service Interruption Plan that helps guide employees in managing delays and cancellations of service. However each incident is reviewed and managed on a case by case basis to ensure the needs of the specific communities and customers are taken into consideration. The primary focus is always the restoration of full service as soon as possible.

In a specific example, on January 6, 2016 the *Queen of Burnaby* had to be removed from service on the Comox – Powell River route (Rt 17) to repair a propeller hub. The following service recovery was put in place:

- The *Island Sky* provided service between Comox, Texada Island and Powell River on a modified schedule.
- The *North Island Princess* provided service on the Saltery Bay – Earls Cove route (Rt 7) on a modified schedule.
- Water taxi service was offered for foot passengers from Texada Island – Powell River (Rt 18) as well as taxi vouchers for transportation within the city core of Powell River. Shuttle service was organized on Texada Island for a traditional seniors trip to Powell River on Thursdays.
- Regular commercial customers were contacted and encouraged to send vehicles longer than 40 feet in length via alternate routes with the offer to be reimbursed for the difference in fares.
- Customers travelling on TAP (Travel Assistance Program) on Rt 7 were able to reserve sailings to ensure medical appointments could be attended.
- On January 7 & 9, 2016 the *North Island Princess* experienced a generator issue and had to cancel service on Rt 7. Customers were provided with compensation for hotel, food and additional fares for choosing alternate routes. Flight service was offered between Powell River and Vancouver for customers with medical appointments.
- The *North Island Princess* resumed scheduled service on Rt 7 on January 10, 2016.
- As a good will gesture to the community BC Ferries offered complimentary travel on Rt 7 on January 10 & 11, 2016
- The *Queen of Burnaby* returned to service on January 27, 2016 and the schedules for Rt 17, 18 & 7 returned to normal.
- Throughout the alternate service and service interruption, customers were kept informed via Service Notices, News Releases and social media.

Sample of Customer Comments:

Complaints

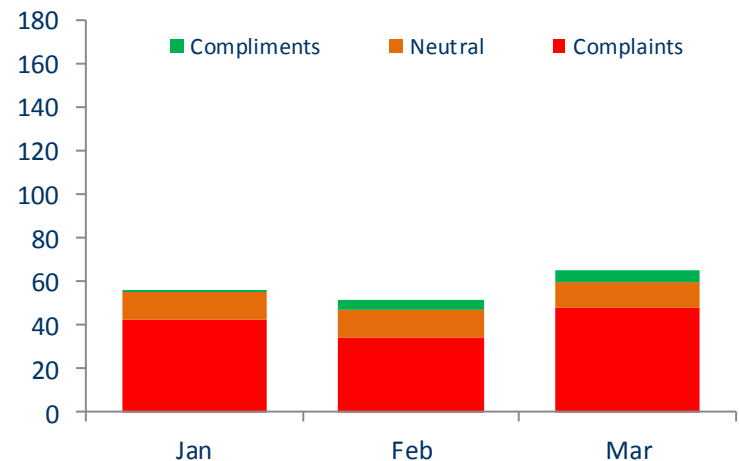
- “Hello, 2006 called. They want their website back. They said it was time for you to use some of the money from your sky-high fares to develop an Android app so people can check schedules, current conditions, etc. from their smartphone easily. Oh, and make sure you hire a developer in Canada, not some other country. Thanks.”
- “Reservation added to Apple Wallet? I'm unable to find any instructions. I don't carry a printer with me when I travel and although I can (usually) bring up your email or a photo of the reservation page, it would be so much more convenient to have it available in Wallet. Thanks.”
- “Good morning, I've been trying to access your fares information today on the website and have been unable to access it. The document fails to load. I understand it is a PDF and I have both Adobe Reader and Adobe Pro current and active on my computer. I had to call in to get the current fare for my route.”

Compliments

- “Thank you for providing an opportunity to give feedback via your website.”

On the Web includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Web: Design and Usability	26	6	2
On the Web: Service Notices	17	0	0
On the Web: Information/General	34	13	1
Reservations: Online Reservations	22	9	3
On the Web: Travel Planning	12	5	4
On the Web: Current Conditions	7	4	0
On the Web: Login/Passwords	6	1	0
% of all comments (1,471)	8.4%	2.6%	0.7%



Root Cause:

Themes emerging from incoming customer feedback have touched on user interface design; the need for better trip planning and fare calculating tools; site accessibility with certain browsers, operating systems and devices; and timing of e-mail notifications about service interruptions.

Many of these issues stem from technology limitations. The current website is built on an aged platform that predates the diversity of browsers, devices and social media channels that define user experience expectations today.

Lessons Learned:

Ongoing customer input has helped us prioritize issues to be addressed going forward. Account accessibility, browser and mobile device compatibility, travel planning tools, usability refinements and timeliness of e-mail notifications are at the top of the list.

Action Taken:

Issues identified through customer feedback channels have been earmarked for resolution as part of the Fare Flexibility and Digital Experience Initiative. Improvements, including mobile apps, are on the horizon.

Value for Fare/Cards

Sample of Customer Comments:

Complaints

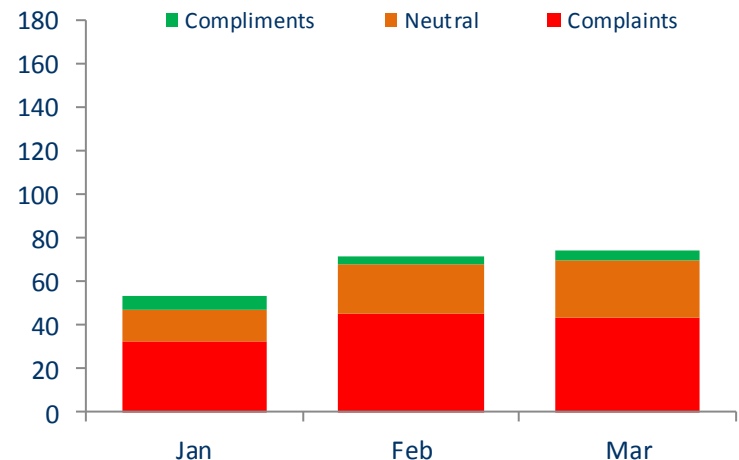
- “In my opinion the only way to get more people to use the ferry system is to give discounts on the vehicle rates. You must have seen the difference when the Coast Savers were on. I also traveled in that time and the ferries were full. Most people find it too expensive to take their car on the Ferry.”
- “It doesn't take a marine captain to realize that the single greatest operating cost for a motor vessel is fuel. With the substantive reduction in petroleum product costs over the past months, I want this reflected by an equally substantive reduction in fares. BCF was fast enough to add a levee during a period of high fuel costs, so now it's time to lower the fares to reflect the recent changes and serve your customers in a fair manner.”
- “In the past we have visited Vancouver Island with our family however we have stopped the past few years. We camp in a travel trailer and the fees to take our family and trailer over are extremely high. Although we love BC and would like to spend our money in our own province and country, we have been traveling to the US.”

Compliments

- “Great to see discount fares last year for no peak days/times. I would like to see more discounts in the future. I am unlikely to drive over to Vancouver at the regular fare. Usually take transit if I really need to go.”

Value for Fare/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Discount Fares/Promotions	32	29	6
Fares: Errors	26	5	1
Fares: Value for Fares Paid	25	1	2
Fares: Experience Card	21	17	4
Fares: Assured Loading Card	16	12	0
Fares: Credit/Debit Card	0	1	0
% of all comments (1,471)	8.1%	4.4%	0.9%



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Root Cause:

On April 1, 2015, BC Ferries adjusted its tariffs in accordance with the price cap increases set by the British Columbia Ferries Commissioner.

Lessons Learned:

Fare affordability is a major concern for our customers and we continuously look for efficiencies as well as other opportunities to contain costs and increase ancillary revenue to reduce the upward pressure on fares.

Previously offered fare promotions were well received by customers and further promotions will be offered. The information BC Ferries gathers from these promotions about how customers respond to variable pricing options will help us as we prepare strategies for the launch of the Fare Flexibility and Digital Experience Initiative.

Action Taken:

From March 10 – 29, 2016 regular passenger fares were discounted by 30% Monday through Thursday and Saturdays on select sailings on South Coast routes. From March 10 – 29, 2016 regular passenger fare was discounted by 30% on all sailings on North Coast routes.

On February 24, 2016 BC Ferries announced that for the first time in 13 years the average fares would remain effectively unchanged for the new fiscal year starting on April 1, 2016. Fares for vehicles and passengers were announced to rise by 1.9 per cent on average on April 1, 2016. At the same time, an increase in the fuel rebate of 1.9 per cent was implemented across the system, which completely offset the tariff increase and resulted in no net increase to our customers.

BC Ferries also announced that the cost of reservations, assured loading tickets and the buy-in level for Experience Cards would not increase on April 1, 2016.

Sample of Customer Comments:

Complaints

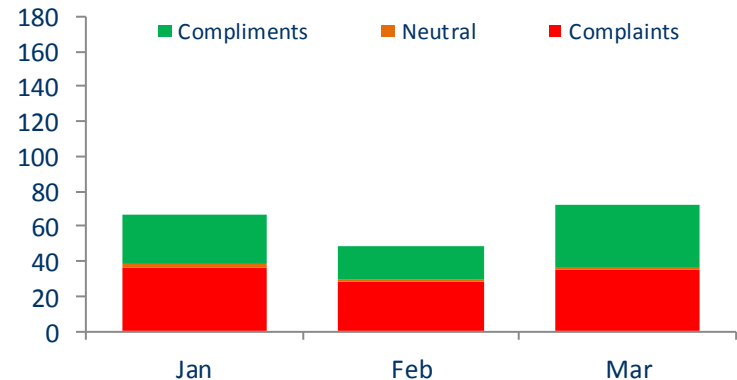
- “I found it very annoying that your employee at the coffee station on the 7:45 DUK-TSA boat started having a lengthy conversation loudly in another language as soon as the safety announcements came on. They, the clerk and some off duty employee, merely got louder during the announcements. I would appreciate being able to hear them, and the employees be respectful of the need for safety announcements being heard by passengers. 10 minutes later, they are still yakking. Are they being paid to visit??”
- “We had a reservation for the 9 am ferry, which was 69% full. We arrived at 8:32 am and, after waiting for the attendant for at least a minute, were told, completely unapologetically and in fact with inappropriate relish and rigidity, that we were too late to have our reservation honored. Fortunately we still made the ferry, but were unable to connect with our kids and grandchildren who were waiting for us in the reservation line.”

Compliments

- “Huge thanks to the amazing crew of #QueenofNewWestminster for taking such good care of us during a rocky 4pm sailing today!”
- “Thank you to the superstar @BCFerries attendant who quickly came to the rescue and boosted my car battery! My apologies to Lane 4.”

Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Inside the Terminal: Staff Helpfulness	46	2	21
On the Ship: Staff Helpfulness	28	2	55
On the Phone: Information Accuracy	9	0	1
Outside the Terminal: Staff Helpfulness	10	0	4
On the Phone: Agent Helpfulness	6	0	4
% of all comments (1,471)	6.7%	0.3%	5.8%



Root Cause:

Communication issues, ticketing errors, misunderstandings, inappropriate behavior by employees can lead to customer dissatisfaction.

Lessons Learned:

Customer feedback represents opportunities to identify areas of improvement in customer service in general and with individual employees.

Action Taken:

Complaints regarding employees are investigated on a case by case basis. The customer is sent a response with an apology and if appropriate with an explanation of policies to prevent future disappointment.

Compliments for employees will be shared with the individual via the management team.

Further customer service training tools have been provided for customer service ambassadors, managers and supervisors as part of the 'Customer Service Enhancement Program'.

Improvements to customer service are reflected in relatively high number of staff compliments received during Q4 Fiscal 2016, most notably for the category of 'On the Ship: Staff Helpfulness' where compliments far exceeded complaints.

Food and Retail Services

Sample of Customer Comments:

Complaints

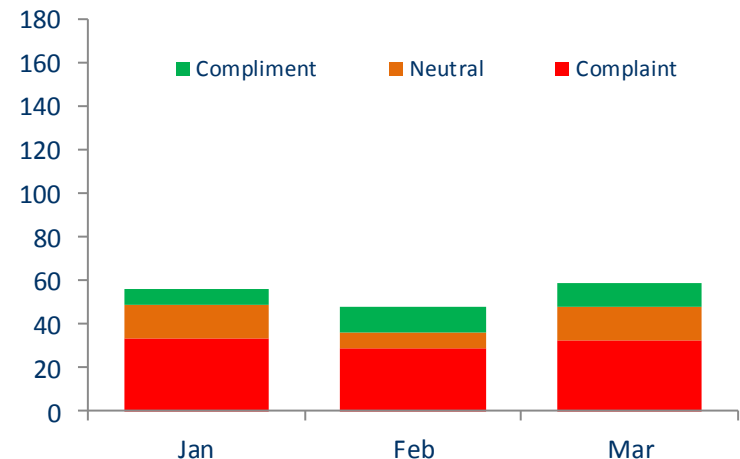
- “Please FIX YOUR WIFI!!!!!! Every sailing in the past year it has been inaccessible and is extremely frustrating!! It lets me log in but then immediately loses the connection. This never happens at any competent Wi-Fi access like Starbucks, Mac Donald’s or hotels, just on your useless ferries. PLEASE FIX!!!!”
- “I’m having trouble figuring out the business case for making the seats on the ferries so uncomfortable. Were the hand rests designed by a third world torture squad? I ask this because they are perfect for preventing anyone from actually sitting comfortably.”
- “Why are You blocking Netflix?? I just want to watch movies! It is unfair.”

Compliments

- “Today I accompanied my brother, who has special needs, back to Vancouver on the Departure Bay to Horseshoe Bay sailing via the Queen of Oak Bay. We were delighted to see an expanded and roomy gift shop and also the snack bar, with much more space allocated for working on one’s computer while enjoying food and beverages. As always, the staff at the ticket booths both outside and inside the terminal and on board are always pleasant, kindly and helpful. Today, despite the rough weather, the sailings were timely and very enjoyable.”

Food and Retail Services includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Ship: Amenities	59	10	4
Food and Retail Services: Food Selection/Quality	14	4	4
Food and Retail Services: Retail Value	4	0	0
Food and Retail Services: Lounge/Buffer/Coffee Bar	5	1	2
Food and Retail Services: Staff Helpfulness	6	0	1
Food and Retail Services: Retail Selection	3	24	18
Food and Retail Services: Food Value	3	0	1
% of all comments (1,471)	6.4%	2.6%	2.0%



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Root Cause:

Amenities / Wi-Fi:

For the past 5 years BC Ferries has been offering a complimentary Wi-Fi service to allow customers to browse the web or check e-mail while travelling with BC Ferries. This service is currently available at the Swartz Bay, Tsawwassen, Departure Bay, Duke Point, Horseshoe Bay and Langdale terminals as well as onboard select vessels that travel to and from these terminals.

A standard global filtering service is restricting access to websites tagged as displaying inappropriate content. Furthermore, streaming websites are restricted in order to allow all customers shared access to the limited wireless bandwidth available on our networks for basic web browsing and e-mail usage. To allow streaming media would impact other customer's ability to use the free resource efficiently.

Lessons Learned:

Customers need to be kept informed of the restrictions that do apply to the free Wi-Fi service to avoid disappointment.

Action Taken:

The BC Ferries website provides information about the complimentary Wi-Fi service in general as well as the challenges associated with offering this service at sea. The website further offers a list of Frequently Asked Questions to assist customers who encounter difficulties with the service.

A printed brochure was produced and is available onboard to communicate Wi-Fi locations and restrictions.

BC Ferries continues the process of installing the latest in ship-to-shore radio technologies onboard all major route vessels and at shore-based locations. These new radios have much higher connectivity and throughput capabilities than the previous generation radios and improvements to access issues have been noted.

Customer feedback regarding Wi-Fi issues continues to be predominately about the lack of access to streaming media. Efforts are underway to improve messaging regarding the restriction of streaming media during the sign-on process to avoid disappointment.