



The Best Place on Earth

May 18, 2011

Gordon Macatee, BC Ferry Commissioner  
BC Ferry Commission  
RPO Hillside  
PO Box 35119  
Victoria BC V8T 5G2

Reference: 195602

Dear Commissioner Macatee:

**Re: Review of Coastal Ferry Act**

Thank you for your letter requesting support for the BC Ferry Commissioner to undertake a review of the coastal ferry model to address public concerns regarding the future affordability and sustainability of coastal ferry services.

I agree that the March 31, 2011, release of the preliminary price cap decision by the BC Ferry Commissioner has generated considerable public debate. I share the public's concerns about the magnitude of the ferry rate increases, particularly on the northern and minor routes, and the effects on communities and families.

Coastal ferry services are an integral part of the provincial transportation network, and families living in coastal communities need access to reliable and affordable ferry services. As such, I support you undertaking a review, including making recommendations to government to address concerns around affordability and sustainability.

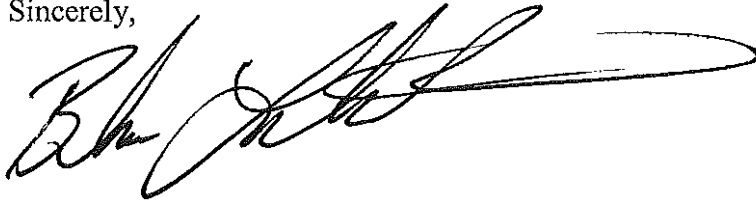
I recognize there are factors that constrain your ability to undertake this review; including the authority, the financial resources and the time. Consequently, I intend to discuss with the Government House Leader about the possibility of bringing in legislation this session that would:

- give the BC Ferry Commissioner the mandate to conduct the review as proposed;
- provide the BC Ferry Commissioner with the financial resources necessary to conduct the review;
- extend, by one year, the date by which the BC Ferry Commissioner is required to release the final price cap decision for the third performance term;
- establish a price cap for the first year of the third performance term.

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Once these measures are in place, ministry staff will work with you to refine a budget for the review. I appreciate you bringing forward this proposal, and I look forward to working with you during your term as the BC Ferry Commissioner.

Sincerely,

A handwritten signature in black ink, appearing to read 'Blair Lekstrom', with a long, sweeping horizontal flourish extending to the right.

Blair Lekstrom  
Minister

Copy to: Donald Hayes, Chair, Board of Directors  
BC Ferry Services Inc.

David Hahn, President and CEO  
BC Ferry Services Inc.