

Review of Coastal Ferry Act

Commissioner's Discussion Paper #7

The BC Ferry Commission (“the commissioner”) has been mandated under Bill 14 to conduct a review of the Coastal Ferry Act and to make recommendations to the Minister of Transportation and Infrastructure on potential changes which would better enable the commissioner to balance the financial sustainability of the ferry operator and the interests of users. The commissioner is conducting public consultation meetings in coastal communities served by BC Ferries and is inviting additional input via written submissions or comments on a number of key issues.

This is the seventh of a series of discussion papers to be published on key issues to be considered by the commissioner during his review. Previous discussion papers have separately dealt with interests of ferry users, financial sustainability objectives, the balance between the two, and price regulation and cross-subsidization issues as they apply to the BC ferry system. This paper deals with the issue of alternative service provider (s) (ASP).

If the commissioner orders, section 69 of the Coastal Ferry Act requires that BC Ferries seek additional or alternative service providers for designated ferry route(s). To date there is only one minor route where an ASP provides ferry services. However, there is currently no established methodology or criteria for the selection of an ASP or independent entity which would evaluate bids from potential ASPs.

ASPs are common in other ferry systems, particularly in Europe, where they have been used to increase competition, share risks, decrease fares and / or the subsidies paid by governments. Typically the ASP is restricted to providing ferry services and charging fees for on-board ancillary activities, while the ownership, operations and maintenance of terminals remain the responsibility of the public sector. Fares can be government set and in systems involving subsidies, ferry operators compete for the lowest cost subsidies.

The commissioner recognizes that ASPs may not be suitable for major parts of the ferry system. While some routes may not have sufficient traffic to sustain an ASP, an ASP strategy on certain routes of route groups may have potential to reduce costs of the ferry system while maintaining levels of service.

The commissioner is interested in obtaining public feedback on the following questions:

- How should an ASP strategy be managed?
- Which routes or routes groups are most likely to successfully be operated by an ASP?
- Are there transportation solutions that could work in tandem with an ASP strategy that would reduce costs of the ferry system?

Comments can be submitted by email to info@bcferrycommission.com or by mail to BC Ferry Commission, RPO Box Hillside, Box 35119, Victoria BC, V8T 5G2. Deadline for submissions or comments is Monday, December 5th.