

Ferry Advisory Committee Chairs (FACC)

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

27 May 2011

Dear Mr Macatee:

The Ferry Advisory Committee Chairs are grateful for the time you and Deputy Commissioner Sheldon Stoilen spent, on a busy day, meeting with us last week. We have appreciated the constructive working relationship we have enjoyed with your predecessor and with the Deputy Commissioner and now welcome the opportunity to provide what assistance we can to you as you take on this challenging position in interesting times.

On behalf of ferry users in coastal communities, who have often wondered whether their expressions of concern fall on deaf ears, we applaud you for so quickly evaluating the public input received and taking decisive action. We are not surprised you reached the conclusions you did. It has been our view that the present requirements of the *Coastal Ferry Act* put the BC Ferry Commissioner in an impossible position. The *Act* fails to articulate clear public policy intentions with respect to the role of coastal ferry service as part of essential provincial transportation infrastructure.

For your information, we enclose copies of a submission FACC provided to the Comptroller-General's review of BC Ferries and Translink in 2009 and of comments we provided to the Ministry of Transportation and Infrastructure on the subsequent report in 2010. We believe points we made at that time are still relevant now as you prepare for your review

We are pleased that the Minister has supported your request for this review in order to address the affordability and sustainability of the ferry system. As we have noted to the Minister, there is an inescapable reality whatever model is in place. There are only two sources significant of revenue to meet the costs of delivering ferry service: fares and government contributions. If the level of fare increases is unacceptable from a public interest perspective, the only alternative is to increase government contributions.

As chairs of Ferry Advisory Committees we hear from regular ferry users about their perceptions of how ferry service could be made more lean and effective. We value the Commission's role in identifying and requiring potential efficiencies. It is our sense that the major cost drivers affecting fares are in areas of expenditure where limited discretion can be exercised. We are also aware of perceptions that savings can be achieved through adjustments of service levels. Martin Crilly organized a one-day, behind-closed-doors Innovations Workshop involving BC Ferries, the Ministry, the Commission and FACC at which there was frank and open exploration of potential efficiencies. It was generally acknowledged that there is no silver bullet to be found to create immediate and significant savings. As suggested by the Comptroller-General, evaluation of service levels specified in the *Coastal Ferry Services Contract* could be undertaken on a route-specific basis in full consultation with affected communities and users who may be willing to consider changes that lead to fare reductions while maintaining acceptable service. We have suggested that confidence-restoring measures that

address the burden of cumulative tariff increases would help create a constructive context for any such consultations.

While we appreciate the roll back in the 2012 fare cap, our major, ongoing concern is addressing the damage done to our communities through eight years of excessive fare increases that have created crippling economic barricades for residents, businesses and visitors.

Attached is a letter we have sent to Minister Blair Lekstrom addressing these points.

When Bill 14 has passed and you are in a position to begin your review we are willing to provide any help we can to support the process. We would also like to offer assistance in facilitating opportunities for you to connect with communities served by the routes our FACs represent.. We expect to prepare a formal submission for consideration in the review.

Once again, we valued the opportunity to meet with you and the Deputy Commissioner and we welcome the steps you have taken in response to your evaluation of the current model. We wish you well in conducting your review and look forward to further opportunities for dialogue.

Sincerely,

Tony Law
for
Ferry Advisory Committee Chairs

Attachments:

- *FACC submission to Comptroller-General, 24 August 2009*
- *FACC comments on Comptroller-General's report, 18 January 2010*
- *FACC letter to Minister Blair Lekstrom, 24 May 2011*