

# RECORD OF MEETING

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

<b>DATE:</b> June 12, 2013	<b>TIME:</b> 10:00 a.m. – 3:00 p.m.	<b>SITE:</b> 1321 Blanshard Street Victoria, BC
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<b>ATTENDANCE:</b>  <b>BCFC:</b> Gord Macatee Sheldon Stoilén  <b>BCFS:</b> Rob Clarke Cynthia Lukaitis Jim Murray David Hendry Joanne Carpendale Jason Eamer-Goult Pierre Vorster Janet Carson Mark Wilson	Commissioner Deputy Commissioner  Executive Vice President & Chief Financial Officer Vice President & Corporate Secretary Comptroller (agenda item 6a and following) Director, Strategic Planning Director, Corporate Planning Manager, Regulatory & Freedom of Information Vice President and CIO (agenda item 6 and 7a) Vice President Marketing & Travel Services (agenda item 6) Vice President Engineering (agenda item 7b)
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**1. ADOPTION OF AGENDA**

The agenda was approved as circulated with the reordering of some agenda items and with the addition of item 7.c. Future Section 55 Applications.

**2. RECORD OF MEETING**

**a. March 18, 2013 Quarterly Meeting**

**b. Action Items**

The record of the March 18, 2013 quarterly meeting and action items were reviewed and approved.

**6. AUTOMATED CUSTOMER EXPERIENCE (“ACE”) PERFORMANCE REVIEW**

BCFS provided an update on the ACE program. BCFC confirmed that a performance review of the program will be conducted in accordance with the provisions of section 46.1, of the *Coastal Ferry Act*, and that its intention is to engage outside expertise to conduct this review.

**3. FISCAL YEAR 2013 – QUARTER 4 (“Q4”) AND YEAR-END (“YE”) COMPLIANCE REPORTS**

**a. Q4 Price Caps**

Reports prepared by BCFS comparing the quarterly average fare index with the quarterly price cap index by route group for the eight quarters ended March 31, 2013 were reviewed and discussed. The reports indicate 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. Q4 and YE Core Service Levels**

Reports prepared by BCFS on its performance against core service levels as set out in the Coastal Ferry Services Contract (“CFSC”) for the quarter and year ended March 31, 2013 were reviewed and discussed. The reports indicate BCFS’ compliance with the core service level requirements in the quarter and year.

**c. Q4 Drop Trailer**

BCFS’ calculation of its average drop trailer tariff for the quarter ended March 31, 2013 was reviewed and discussed. The calculation indicates that BCFS has complied with the Minimum Allowed Average Tariff (“MAAT”) for the quarter based on the methodology set out in Order 11-01A.

**d. Q4 Complaints Resolution**

BCFS’ complaint resolution report for the quarter ended March 31, 2012, prepared in accordance with Memoranda 40 and 40A, was reviewed and discussed.

**4. FUEL DEFERRAL ACCOUNTS**

**a. Balances at April 30 and May 31, 2013**

Reports prepared by BCFS on the deferred fuel account balances as at April 30 and May 31, 2013 were reviewed and discussed. The reports indicate that BCFS has complied with terms and conditions for Fuel Deferral Accounts set out in Order 12-03.

**b. Outlook**

BCFS reported on the outlook for the fuel deferral accounts.

**5. TERMS OF REFERENCE**

**a. Review respecting BCFS' average drop trailer tariff**

BCFC advised that it will defer a review of BCFS' average drop trailer tariff until the drop trailer volume is closer to the volume set for recalculation in Order 11-01A. Finalization of the terms of reference for the review will also be deferred until that time.

**7. SECTION 55**

**b. *Queen of Burnaby / Queen of Nanaimo* Replacements Filing - Status**

There was a discussion of items arising from BCFS section 55 intermediate class vessel application, including the open deck concept for the vessels, the submissions from various Ferry Advisory Committees (FACs) on the application, food and retail services, the decision process respecting liquefied natural gas, and fuel consumption issues. BCFS will provide a response to the matters raised by the FACs, an update on its planned procurement process, and information on the impact of the recommended option on the capital plan as recently provided to BCFC and as submitted as part of the performance term three price cap setting process.

**a. BCFS website filing**

BCFS confirmed that it will be submitting a section 55 application for its website renewal and advised on the expected timing of this application.

**c. Future Section 55 Applications**

There was a discussion of other potential section 55 applications that may be made by BCFS during PT3.

**9. OTHER BUSINESS**

**a. Vision Process**

BCFC noted the importance for future planning, particularly in the context of decisions on major capital, of a long term vision for coastal ferry services in BC. It was noted that the Province has yet to make known its intent with respect to the next steps in developing the vision. BCFS reported that, in the interim, it continues to review opportunities to refine service to increase operational efficiency and reduce required infrastructure investments. Specific areas of focus by BCFS in this regard were discussed.

**8. INQUIRY FOR ROUTE AND VESSEL INFORMATION**

There was a discussion of an information request received by the BCFC for BCFS traffic and financial information.

**9. OTHER BUSINESS (Cont'd)**

**b. Update on Long Term Financial Projections**

BCFC indicated that in due course it will be seeking information to update its financial projections for BCFS.

**c. Cable Ferry for Route 21 (Buckley Bay to Denman Island)**

BCFS provided an update on the procurement process for the cable ferry.

**10 NEXT MEETING**

The next BCFC/BCFS quarterly meetings are scheduled for September 11 and December 11, 2013.

**11. TERMINATION**

The meeting terminated.