

# RECORD OF MEETING

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

<b>DATE:</b> June 15, 2020	<b>TIME:</b> 10:00 a.m. – 3:00 p.m.	<b>SITE:</b> By teleconference
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<b>ATTENDANCE:</b>  <b>BCFC:</b> Sheldon Stoilen Eva Hage  <b>BCFS:</b> Jill Sharland Joanne Carpendale Jason Eamer-Goult Scott Elliott  Brian Anderson  Jason Barabash  Rob McNair Janet Carson  Karen Tindall Ed Hooper Erwin Martinez	Commissioner Deputy Commissioner  Chief Financial Officer Treasurer Senior Manager, Regulatory & Freedom of Information Director, Corporate Planning (agenda items 4.d, 8.b., 8.c., 9. to 11., 12.a. and 13.) Vice President, Strategy & Community Engagement (agenda item 6.) Vice President, General Counsel & Corporate Secretary (agenda items 6.b. to 15.) Director, Tariff and Revenue (agenda items 7. and 8.a.) Vice President, Marketing & Customer Experience (agenda items 10. and 12.b. and h.) Director, Customer Care (agenda items 10. and 12.b. and h.) Executive Director, Shipbuilding (agenda items 12.e. to g.) Vice President & Chief Information Officer (agenda item 12.h.)
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**1. ADOPTION OF AGENDA**

The agenda was approved as circulated, with some reordering of agenda items.

**2. DISCLOSURES**

BCFC advised there was nothing new to report.

BCFS referred to a consulting firm identified in previous quarterly meetings that may be further engaged to conduct services related to upgrades to a vessel propulsion system.

**3. RECORD OF MEETING**

**a. March 12, 2020 Quarterly Meeting**

**b. Action Items**

The record of the March 12, 2020 quarterly meeting and action items were reviewed and approved.

#### **4. FISCAL 2020 – COMPLIANCE REPORTS**

##### **a. 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 for the quarter and year ended March 31, 2020 were reviewed and discussed. The reports indicate BCFS' compliance with the core service level requirements in the quarter.

For the fiscal year, core service level requirements on a system-wide basis were exceeded, and, on a route-specific basis, were met with the exception of one missed round trip.

##### **b. Q4 Price Caps**

A report prepared by BCFS comparing the quarterly average fare index with the quarterly price cap index by route group for the seven quarters ended March 31, 2020 was reviewed and discussed. The report indicates BCFS' compliance with all regulatory requirements in respect of the average fares charged in the quarter.

##### **c. Q4 Feedback and Engagement Report**

BCFS' engagement activities described in the feedback and engagement report for the quarter ended March 31, 2020 were reviewed and discussed, including opportunities for further improvements to the report.

#### **5. FUEL DEFERRAL ACCOUNTS**

##### **a. Balance at April 30, 2020**

A report prepared by BCFS on the deferred fuel account balances as at April 30, 2020 was reviewed and discussed. The report indicates that BCFS has complied with the terms and conditions for fuel deferral accounts set out in Orders 15-03A and 19-04.

##### **b. Forecast**

BCFS' projections for the regulatory account balances were reviewed and discussed.

##### **c. GST Appeal Legal Costs – Status**

BCFS provided an update on its appeal of the Canada Revenue Agency's tax assessment disallowing any recovery of goods and services taxes through input tax credits for fuel costs.

#### **6. COVID-19 PANDEMIC IMPACTS**

##### **a. Traffic**

BCFS provided a briefing on the impacts to passenger and vehicle traffic resulting from the COVID-19 pandemic, including a review of actual and forecasted traffic and revenue.

**b. Financial**

BCFS provided an update on its net earnings compared to the previous fiscal year and to the original budget for this fiscal year, and shared its current financial forecast for Performance Term Five (Fiscal 2021 to 2024). It was noted that the forecast is subject to change as the circumstances arising from the pandemic are fluid.

**c. Service Levels**

**d. Government Relations**

BCFS' engagement activities with the provincial government were reviewed and discussed, including changes made to core service levels as a result of the pandemic. BCFS noted it is working closely and regularly communicating with the provincial government.

**8. PERFORMANCE TERM FIVE**

**a. Price Cap Compliance Index Reset**

There was a discussion of BCFC's decision regarding the reset of the price cap index for Performance Term Five. BCFS has asked a qualified third party to conduct a review of its calculations for the reset.

**7. FARE FLEXIBILITY AND PRICING UPDATE**

BCFS provided an update regarding enhanced fare options available under a fare flexibility pricing model. There was a discussion of pricing options that might be offered once fare flexibility is implemented.

**12. UPDATES**

**h. Major IT Projects**

**i. Assisted Service Module**

This item was deferred to the next meeting.

**8. PERFORMANCE TERM FIVE (cont'd)**

**b. Capital Plan - update**

BCFS outlined some of the steps it is taking with capital planning to address financial pressures arising from the COVID-19 pandemic.

**c. Percent Efficiency Target – Possible Metrics and Reporting**

There was a discussion with respect to BCFS' progress in developing an efficiency target as required by Order 19-04 regarding the final decision on price caps for Performance Term Five.

**9. REGULATORY FILINGS**

**a. Conditions Status Update**

BCFS' progress in meeting the conditions set out in BCFC's orders under the *Coastal Ferry Act* was reviewed and discussed.

**b. Potential Section 55 Filings – timing**

BCFS provided an update regarding timing related to potential filings for seeking approval of major capital expenditures under section 55 of the *Coastal Ferry Act*.

**13. OTHER BUSINESS**

**a. Thresholds Under Section 55 *Coastal Ferry Act***

There was a discussion of next steps with respect to an inquiry from BCFS regarding a capital program and the applicability of the thresholds established by Order 19-03 for bringing an application for seeking approval of a major capital expenditure under section 55 of the *Coastal Ferry Act*.

**10. PERFORMANCE REVIEWS**

**a. Upcoming Reviews**

BCFC identified some aspects of BCFS's operations that may be the subject of future performance reviews under section 46.1 of the *Coastal Ferry Act*.

**b. Customer Complaints Process Review**

**i. Updated Complaints Process**

**ii. Appeals to the British Columbia Ferries Commissioner**

There was a discussion of the performance review currently under way with respect to BCFS's complaints process, including a review of recommendations for improvement arising from the review and a possible complainant appeal process to BCFC.

**11. DROP TRAILER – REPORTING REQUIREMENTS**

It was decided that at this time there will be no change to BCFS's current quarterly reporting practices for the average drop trailer tariff.

**12. UPDATES (cont'd)**

**a. Fuel consumption annual update**

BCFS reviewed its fuel consumption for Fiscal 2020, as well as its forecast fuel consumption for Fiscal 2021, which has been rebased due to reduced service levels as a result of the COVID-19 pandemic.

**i. Efficiency Metric – AEQ Nautical Mile**

BCFS described its progress in developing an efficiency metric based on the automobile equivalent (AEQ) nautical mile.

**4. FISCAL 2020 – COMPLIANCE REPORTS (cont'd)**

**d. Q4 Drop Trailer**

BCFS' calculation of its average drop trailer tariff for the quarter ended March 31, 2020 was reviewed and discussed. The report indicates BCFS is in compliance with Order 16-01.

**12. UPDATES (cont'd)**

**e. Island Class Vessels Phase 1**

**i. Full Electrification – Status**

**f. Salish Class Vessel 4, Island Class Vessels Phase 2 and Terminals**

**g. New Major Class Vessel Program**

BCFS provided an update with respect to the introduction into service of the phase 1 Island class vessels (*Island Discovery* and *Island Aurora*), and discussed the progress of the construction of the phase 2 Island class vessels as well as the status of related terminal improvements. BCFS provided an update on consideration of possible full electrification of the Island class vessels.

BCFS also reviewed the progress on the construction of the fourth Salish class vessel, and advised of the revised timeline for the New Major Class Vessel Program.

**c. Online Engagement Platform**

**d. Corporate Engagement Commitment**

BCFC accepted as circulated the material for BCFS's Online Engagement Platform and Corporate Engagement Commitment.

**b. Customer Service Crisis Management Plan**

BCFS provided an update regarding its progress in implementing its crisis management plan for customer service recovery when responding to extended service disruptions. There was a discussion of how BCFC could be advised of outreach to the media and Ferry Advisory Committees during these disruptions.

**h. Major IT Projects**

BCFS provided updates for the Automated Customer Experience program and FFDEI.

**14. NEXT MEETINGS**

The next BCFC / BCFS quarterly meetings are scheduled for September 9 and December 9, 2020.

**15. TERMINATION**

The meeting terminated.