

RECORD OF MEETING

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

DATE: December 9, 2020	TIME: 10:00 a.m. – 2:20 p.m.	SITE: by teleconference

ATTENDANCE: BCFC: Sheldon Stoilen Eva Hage BCFS: Jill Sharland Joanne Carpendale Jason Barabash Jason Eamer-Goult Brian Anderson Janet Carson Karen Tindall Erwin Martinez Rob McNair Leslie James	Commissioner Deputy Commissioner Chief Financial Officer Treasurer Vice President, General Counsel & Corporate Secretary Senior Manager, Regulatory & Freedom of Information Vice President, Strategy & Community Engagement (agenda items 7.d. and c., 8. and 9.) Vice President, Marketing & Customer Experience (agenda items 13.a. and b., 4.c., and 13.c. and d.) Director, Customer Care (agenda items 13.a. and b., 4.c. and 13.c.) Vice President & Chief Information Officer (agenda items 13.c. and d.) Director, Tariff and Revenue (agenda item 13.d.) Director, Environmental Sustainability (agenda item 13.i.)
---	--

1. ADOPTION OF AGENDA

The agenda was approved as circulated.

2. DISCLOSURES

BCFC and BCFS both advised there was nothing new to report.

3. RECORD OF MEETING

a. September 9, 2020 Quarterly Meeting

b. Action Items

The record of the September 9, 2020 quarterly meeting and action items were accepted and approved as tabled.

4. FISCAL 2021 – COMPLIANCE REPORTS

a. Q2 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 ended September 30, 2020 were reviewed

and discussed. The reports indicate BCFS' compliance with the core service level requirements in the quarter.

b. Q2 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 September 30, 2020 was reviewed and discussed. The report indicates BCFS' compliance with all regulatory requirements in respect of the average fares charged in the quarter.

d. Q2 Drop Trailer

BCFS' calculation of its average drop trailer tariff for the quarter ended September 30, 2020 was accepted as tabled. The report indicates BCFS is in compliance with Order 16-01.

7. COVID-19 PANDEMIC IMPACTS

a. Traffic

BCFS provided a briefing on current passenger and vehicle traffic levels and recent developments related to the COVID-19 pandemic.

b. Financial

BCFS described its financial performance relative to its COVID-19 pandemic traffic forecasts. BCFS noted that it has reduced operating expenses to help address financial pressures.

5. REGULATORY FILINGS

a. Conditions Status Update

BCFS' report showing its progress in meeting the conditions set out in BCFC's orders and other rulings under the *Coastal Ferry Act* was accepted as tabled.

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*.

6. FUEL DEFERRAL ACCOUNTS

a. Balance at October 31, 2020

A report prepared by BCFS on the deferred fuel account balances as at October 31, 2020 was accepted as tabled. 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 accepted as tabled.

c. GST Appeal Legal Costs – Status

BCFS' 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 was accepted as tabled.

7. COVID-19 PANDEMIC IMPACTS

d. Government Relations

BCFS' engagement activities with the provincial government as a result of the pandemic were reviewed and discussed. There was a discussion of the Contribution Agreement dated November 11, 2020 between BCFS and the Province.

c. Service Levels

BCFS reviewed current service levels and described how it is managing demand using discretionary additional sailings as needed.

8. BAYNES SOUND CONNECTOR

BCFS' progress in providing details to BCFC regarding the performance and reliability of the *Baynes Sound Connector* was reviewed and discussed.

9. PROPOSAL FOR SIMPLIFICATION OF ALLOCATION OF FEDERAL SUBSIDY BY ROUTE

BCFS provided a summary regarding communications with the provincial and federal governments regarding a possible approach to simplifying how the funds received under the Canada/British Columbia coastal ferry subsidy agreement dated April 18, 1977 are allocated across the regulated routes. BCFC does not have concerns with proceeding with the approach as proposed.

10. CARBON CREDITS

BCFS provided an update on recent developments enabling BCFS to earn carbon credits on its use of liquefied natural gas (LNG). The best use and reporting of any proceeds from the sale earned carbon credits is expected to be the subject of an application to BCFC.

11. PERFORMANCE TERM FIVE

a. Price Cap Compliance Index Reset

It was noted that BCFC's review of BCFS' calculations for the reset of the price cap index for Performance Term Five is now completed.

b. Capital Plan – update

BCFS provided an update with respect to the capital plan for Performance Term Five.

c. Percent Efficiency Target – Possible Metrics and Reporting (includes fuel consumption efficiency metric)

BCFS reviewed its progress with respect to developing an efficiency target as required by Order 19-04 regarding the final decision on price caps for Performance Term Five. There was a discussion of the type of efficiency measures that might meet the requirements of the order.

12. PERFORMANCE REVIEWS

a. Upcoming Reviews

This matter was discussed *in camera*.

13. UPDATES

a. Customer Service Centre Crisis Management Plan

A report describing BCFS' progress in implementing its crisis management plan for customer service recovery when responding to extended service disruptions was accepted as tabled.

BCFC confirmed that further updates at BCFC/BCFS quarterly meetings are not required as all tasks related to the crisis management plan are now completed.

b. Customer Complaints Process

The status of the recommendations arising from the performance review of BCFS' complaints process was reviewed and discussed.

In accordance with section 45.2 of the *Coastal Ferry Act*, BCFC approved the complaints process proposed by BCFS and the manner in which it would be published on BCFS' website.

4. FISCAL 2021 – COMPLIANCE REPORTS (cont'd)

c. Q2 Feedback and Engagement Report

BCFS' engagement activities described in the feedback and engagement report for the quarter ended September 30, 2020 were reviewed and discussed.

13. UPDATES (cont'd)

c. Major IT Projects

BCFS provided updates for the Automated Customer Experience (ACE) program and the Fare Flexibility and Digital Experience Initiative (FFDEI).

BCFS noted that the implementation of the new website generally went well, and that some further work was being undertaken to address public feedback on some specific areas such as the presentation of route schedules.

BCFS indicated that further updates on the ACE project at BCFC/BCFS quarterly meetings would cease as that project has been closed.

d. Revenue Management

BCFS' quarterly revenue management performance and its plans for fare flexibility implementation were reviewed and discussed.

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's updates with respect to the following were accepted as tabled:

- Recent and ongoing work regarding the phase 1 Island class vessels (*Island Discovery* and *Island Aurora*);
- The progress of the construction of the phase 2 Island class vessels and the fourth Salish class vessel, as well as the status of related terminal improvements;
- The progress with respect to consideration of possible full electrification of the Island class vessels; and
- The current status for the New Major Class Vessel Program.

h. Coastal Class Quarter-Life Upgrades

BCFS' update with respect to the Coastal class vessels' quarter-life upgrades was accepted as tabled.

i. Greenhouse Gas Emissions

BCFS provided an update regarding its efforts and initiatives to reduce its greenhouse gas emissions.

14. OTHER BUSINESS

Nil.

15. NEXT MEETINGS

The next BCFC / BCFS quarterly meetings are scheduled for March 9 and June 14, 2021.

16. TERMINATION

The meeting terminated.