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December 13, 2013

File No.: 0420-20

via e-mail: Minister.Transportation@gov.bc.ca coastalferriesengagement@gov.bc.ca

The Honourable Todd Stone, MLA
Minister of Transportation and Infrastructure
PO Box 9850, Stn Prov Govt
Victoria BC V8W 9E2

Dear Minister:

Re: BC Coastal Ferries Service Reductions

On behalf of the Islands Trust Council, I am writing to convey my concern about the BC coastal ferry service reductions you announced, and the poor public process the BC government is using. Local trustees will provide submissions directly to you about the local impacts of the service reductions to their islands.

Meeting at the September Union of BC Municipalities Convention, I was glad to hear you and the Premier say fares are as high as they can get, ferry users are already paying more than their share, ferries are an essential service for the coast, and that you wanted to work together to find solutions. I am deeply disappointed that the constructive approach suggested was not honoured, and that service cuts were announced with no consultation with communities or notice to local government.

As we've discussed in the past, the Islands Trust Council's position on BC coastal ferry service is that the Provincial government should:

1. Recognize the coastal ferry service as an essential and integral part of BC's transportation infrastructure and fund it accordingly, taking full responsibility for future capital costs.
2. Immediately provide sufficient funding to significantly reduce fares on the minor routes, as island communities have been hard hit by substantial cumulative fare increases.
3. Hold future price cap increases at the rate of inflation (once fares have been reduced).

Last week, when Islands Trust Council hosted a workshop on economic sustainability in the Islands Trust Area, community representatives and business leaders unanimously cited ferry service cuts and rising ferry fares as the greatest threat to island economies. Motivated by the distressing real-life stories heard at the workshop about the impact on island communities, Islands Trust Council members voted to express deep concern to the Province about the process by which ferry service reductions are now being implemented. In their unanimous resolution, the Islands Trust Council emphasized seven areas of concern:

1. Service cuts being imposed on top of fare increases:

Islanders have proposed efficiency savings for decades, and could have engaged in a dialogue about service levels and efficiency savings with an attendant provincial commitment to reducing fares. We live here, and have great ideas for solutions.

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Fare hikes have been well above the rate of inflation for ten years, with significant impacts on affordability and ridership, and fares will rise another 4% April 1. Ferry users are indeed paying more than their fair share (users paid 92% of BC Ferries' operating costs last year, and \$5 billion over the past ten years while the provincial taxpayer contributed \$1 billion).

2. Elimination of sailings that are crucial to ferry users' employment, education and other core activities:

These ferries are literally our lifelines. Given the emphasis the Ministry's Service Plan places on the role of infrastructure in supporting economic growth, it seems unconscionable for your Ministry to combine fare increases with deep service reductions, thereby undermining the foundations of our economies and hurting local business and working families. Real people with real jobs live here and will have to quit jobs or move.

3. Absence of socio-economic impact analysis of service reductions:

We are dismayed that the government did no socio-economic impact assessment of service cuts. We can only interpret this to mean that the BC government has abandoned any pretence that our economies and communities matter. These are not holiday homes; we live here.

This lack of due diligence seems hypocritical given that the MoTI Parliamentary Secretary told me to make a business case for additional service fee contributions. The BC government has never explained why it is not considering community and local government requests to recognize and fund ferries as an integral part of the BC highway system.

4. Lack of effective consultation with affected communities and of any consultation with local governments:

Islanders had only four weeks to respond to the announced cuts, after Islands Trust Council had asked repeatedly that specific cuts be considered with extensive community input, to get the best outcomes and to avoid the real panic we're seeing now. In the past, we've cautioned against minor route tweaking, which causes major alarm and disruption, for what turns out to be small savings per cancelled sailing. (e.g. only \$240 for each of the cancelled 32 sailings on the Nanaimo–Gabriola route, if the Ministry of Transportation and Infrastructure's numbers are correct.)

5. Inadequate provision of sufficient information, time and resources to identify alternative options:

The Ministry of Transportation and Infrastructure won't say how much fuel and overtime money would be saved on each sailing cut, so if our communities wanted to propose alternate schedule changes equivalent to the MoTI dictated-savings, they can't. We've asked repeatedly for this data, and withholding it only builds mistrust.

6. Abandonment of the previous contractual requirement for BC Ferries to provide appropriate advance notice of schedules:

Making service cuts this abruptly must be in direct contravention of the ferry service contract, which stipulates April 2015 is the soonest cuts could be made. That clause exists for a good reason: businesses need to plan. Cutting service with four months' notice is disrespectful and destructive to coastal businesses, commuters, and families.

7. Lack of due regard for principles articulated in the Coastal Ferry Service contract, which states that “the coastal ferry service is integral to economic growth and development” and in the *Coastal Ferry Act* which provides for considering the interests of ferry users.

Since 1961, when BC Ferries bought out local operators and began to provide a publicly funded ferry service, our communities have received repeated promises from the provincial government that our ferries are our highways and will remain affordable. Communities have been built, and businesses and families invested on the islands based on repeated and consistent government commitments to ferry service. Development patterns of coastal communities have been shaped by the ferry system: people and businesses have located to the islands based on reasonable and reliable ferry service.

Finally, coastal ferry users would have been better served had your Ministry embraced the Union of BC Municipalities' 2013 convention resolution that the Province:

- Work co-operatively with coastal communities on implementing a long term strategy for the ferry system that supports the strengthening and sustainability of island economies and the coastal ferry service;
- Implement legislation that recognizes the ferry system as an extension of our highway system and ensures fiscal fairness between the marine and terrestrial components of our highway system; and
- Freeze ferry fares and service levels at 2013 levels until such time as the legislation and strategy are implemented.

Thank you for considering this submission. I am willing to meet with you to discuss the Islands Trust Council's concerns further.

Yours sincerely,



Sheila Malcolmson
Chair, Islands Trust Council

cc. Honourable Michael de Jong, Minister of Finance
Jordan Sturdy, Parliamentary Secretary to the Minister of Transportation and Infrastructure for Transportation and MLA for West Vancouver – Sea to Sky
Mike Corrigan, President and CEO, BC Ferry Services Inc
Gord Macatee, BC Ferries Commissioner
Ferry Advisory Committee Chairs c/o Trustee Tony Law
Bowen Island Municipality
Coastal Regional District Chairs c/o PRRD Chair Colin Palmer
AVICC members
Trust Area MLAs: Michelle Stilwell, Parksville – Qualicum
Gary Holman, Saanich North and the Islands
Jordan Sturdy, West Vancouver – Sea to Sky
Don McRae, Comox Valley
Doug Routley, Nanaimo – North Cowichan
Nicholas Simons, Powell River – Sunshine Coast

Islands Trust Council
Islands Trust website