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March 14, 2014

File No.: 0420-30

via e-mail: FerryCommissioner@shaw.ca

Gordon Macatee
BC Ferry Commissioner
PO Box 9279 Stn Prov Gov
Victoria BC V8W 9J7

Dear Gordon Macatee:

Re: Request for performance review of BC Ferries

On behalf of the Islands Trust Council, I request that the BC Ferry Commission conduct a performance review of BC Ferries' management systems and structures.

We are making this request in recognition that:

- Section 38(1)(a) of the *Coastal Ferry Act* establishes your primary role as balancing the interests of ferry users, taxpayers, and the financial sustainability of ferry operators, and
- Section 46.1 of the *Coastal Ferry Act* enables you as Commissioner to “conduct a review of one or more aspects of a ferry operator's operations, including, without limitation, ancillary services, at such time or times as the commissioner considers reasonable”.

At the Province of BC's coastal ferries community 'engagement' meetings, our constituents consistently said BC Ferries' top-heavy management structure, high executive salaries, debt and capital financing strategies, and advertising spending were at the root of fare increases and service reductions. Given that revenue generated by ferry users already exceeds 100% of vessel operating costs, these concerns are understandable.

Trustees also heard concerns that the Province and BC Ferries have not provided our communities with information to help them judge whether capital, debt and head office management costs are allocated to the minor routes in an appropriate and fair way. Given the negative socio-economic impacts of sailings cuts and fare increases in our communities, we are hopeful that a Ferry Commission performance review could provide transparency about the cost pressures on local routes.

A performance review of management systems and structures could reveal whether BC Ferries is operating efficiently, making prudent use of its resources, and making every effort to keep ferry fares as low as is reasonably possible.

.../2

Gordon Macatee
March 14, 2014
Page 2

Thank you for considering this request.

Yours sincerely,



Sheila Malcolmson
Chair, Islands Trust Council

cc: Honourable Michael de Jong, Minister of Finance
Honourable Todd Stone, Minister of Transportation and Infrastructure
Sheldon T. Stoilen, Deputy BC Ferry Commissioner
Mike Corrigan, President and CEO, BC Ferry Services Inc.
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, Parliamentary Secretary
to the Minister of Transportation and Infrastructure
Don McRae, Comox Valley
Doug Routley, Nanaimo – North Cowichan
Nicholas Simons, Powell River – Sunshine Coast
Islands Trust Council
Islands Trust website