

6.2
(new item)

**6.2 Improving the BC Coastal Ferry Service:
A Position Paper from Twelve Coastal Regional District Chairs**

Proposed Recommendation:

That the Islands Trust Council delegate trustees _____, _____ and _____ to make recommendations on the September 7, 2011 Powell River Regional District document “Improving the BC Coastal Ferry Service: A Position Paper from Twelve Coastal Regional District Chairs” and to advise the Executive Committee on a submission to the BC Ferry Commissioner and the Province on ferry fares and changes to the Coastal Ferry Act.

Improving the BC Coastal Ferry Service:

A Position Paper from Twelve Coastal Regional District Chairs

Issue:

In December 2002, the Minister of Transportation issued a background paper entitled *BC Ferries Restructuring* that stated “**BC needs a reliable ferry service that provides superior service to British Columbians with no financial risk or additional debt burden for taxpayers**” and in 2003, the *Coastal Ferry Act* was promulgated to meet this intent. The Chairs of twelve coastal regional districts, representing 66% of all British Columbians, strongly believe that these objectives have not been met over the past nine years and that a major revision of the Coastal Ferry Act is necessary immediately.

Purpose:

The Auditor General’s review of BC Ferries in 2006 identified that “... the interests of BC Ferries and the Province may diverge, requiring the Province to take action”. The twelve Coastal Regional District Chairs suggest that the interests of BC Ferries and the Province have indeed diverged and now is the time for the Province to take action.

In concert with this belief, the Coastal Regional District Chairs met with Minister Lekstrom on July 19th, 2011 regarding their grave concerns about the state of the coastal ferry service. In that meeting, Minister Lekstrom said “we must find the service level we need, how to afford it and an appropriate service fee level”. This position paper is submitted for discussion in an effort to pragmatically help the Minister address these important issues regarding the coastal ferry service.

Background:

In an effort to communicate the severe impact of the current and proposed operations of the coastal ferry service, and work collaboratively to find improvements, the Coastal RD Chairs have met with Minister Lekstrom and on August 8th, 2011 with the BC Ferry Commissioner. The Coastal Regional District Chairs believe that the mandate of the current BC Ferry Commission review will provide improvements to the coastal ferry service but also that the mandate is too narrow to allow appropriate consideration of whether the strategic approach articulated by the Minister of Transportation in December 2002 is appropriate and successful nine years later. Indeed, Commissioner Macatee advised the Coastal RD Chairs that he is now mandated to consider the interest of ferry users but that this does not include residents of coastal communities. The Coastal RD Chairs are the elected representatives of the coastal community residents and are working collaboratively to ensure appropriate consideration is given to the impact of coastal ferry service decisions on coastal communities and their economies.

In meeting with Minister Lekstrom in July 2011, each attending Chair clearly communicated the severe impact of a deteriorating coastal ferry service. A summary of the specific impacts in each coastal regional district has been prepared by the individual Chairs and is enclosed herein.

Discussion:

The then Minister's background paper of December 2002 laid out a policy agenda in three distinct sections;

- the problem;
- the new authority structure; and
- the benefits to British Columbians.

and this paper will use that same discussion format for ease of comparison.

The Problem

In the December 2002 Ministerial paper the core issues (or Problem) were stated as;

- years of political interference in the operation of the coastal ferry service;
- the inability of BC Ferries to operate in a business like manner;
- lack of access to capital outside of government that was needed to make necessary investments; and
- ferry user frustration with service disruptions, inefficiencies, late sailings and a lack of service and amenity choices.

It is submitted that these core issues have advanced to some degree through initiative and innovation within the re-organized BC Ferry Services, however the cost has been an unacceptable, collateral impact on coastal families, communities and economies. The Coastal RD Chairs are not suggesting specific changes directly to BC Ferries Services Inc but rather that the method of providing strategic direction to the corporation, and by whom, be seriously re-considered. BC Ferry Services are doing what they have been directed; it is the direction to them and their subsequent lack of accountability that is flawed and causing an adverse impact to our residents. However, it is expected that changes, and perhaps even dramatic changes, will occur within BC Ferry Services as a result of the provision of new strategic direction.

New Authority Structure

However well intended in the 2002 Ministerial paper, the Vancouver Airport Authority is no longer an appropriate structure upon which to continue to model the BC Ferry Authority. An airport provides a service for multiple and competing air carriers while after nine years and numerous failed private sector efforts to compete with BC Ferry Services, the coastal ferry service remains a monopoly providing an essential public service. With the benefit of the knowledge gained over the past nine years, it is time to adjust the structural model and serve ferry users, coastal residents, British Columbians in

general and visitors better through the provision of more appropriate strategic direction to BC Ferry Services and an associated oversight role. The vehicle of this change is the BC Ferry Authority Board.

It is proposed that the BC Ferry Authority Board should retain its current responsibilities to:

- hold the voting share in BC Ferry Services;
- appoint the board of directors of BC Ferry Services; and
- establish compensation plans for directors and future executives of BC Ferry Services.

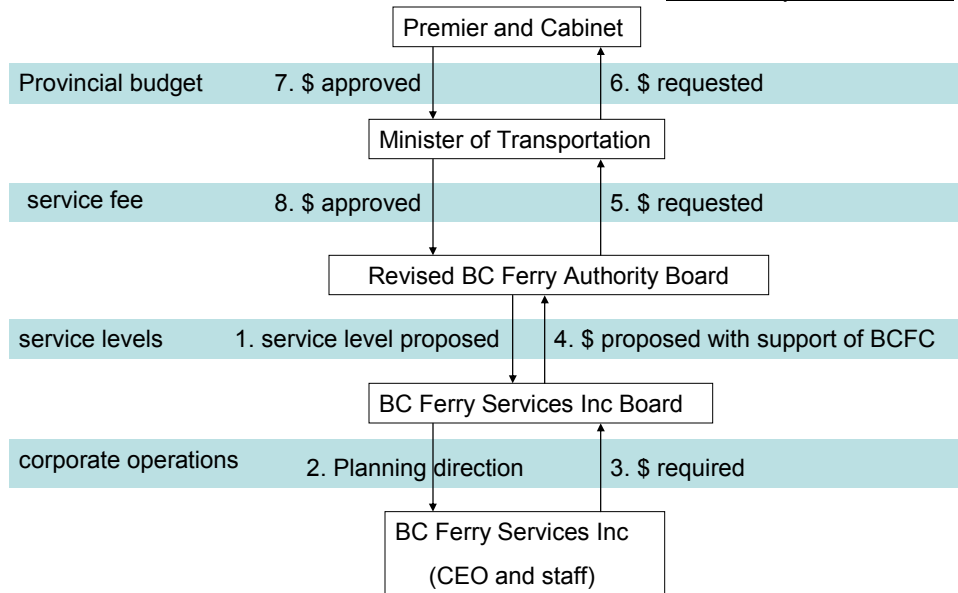
and additionally be responsible to:

- to ensure ferry user and coastal resident concerns are incorporated in ferry service planning;
- solicit and accept coastal local government appointments of Ferry Advisory Committee members;
- receive advice directly from the Ferry Advisory Committees Council and the BC Ferry Commissioner;
- propose service levels upon which BC Ferry Services will develop draft five year operating plans;
- review draft five year operating plans generated by BC Ferry Services, and confirmed as appropriate by the BC Ferry Commissioner, with a view to determining an appropriate provincial service fee; and
- recommend Provincial service fee levels to the Minister.

To ensure appropriate and knowledgeable oversight of the coastal ferry service (but not to micro-manage the operations of BC Ferry Services), local government elected officials and staff members of the Ministry of Transportation and Infrastructure should form the membership of the BC Ferry Authority Board. In this way the BC Ferry Authority Board would have a statutory obligation to oversee the coastal ferry service but not have the authority to dictate how BC Ferry Services achieves the directed service levels nor to approve the Provincial service fee. Likewise the Minister would be responsible to approve or reject a proposed service fee from the BC Ferry Authority but would not be empowered to dictate service levels nor operating practices within BC Ferry Services. In this way political interference in the operation of the coastal ferry service will not occur and an independent oversight body of elected and professional officials will be mandated to safeguard the coastal ferry service for all British Columbians; not just ferry users.

Proposed BC Ferry Governance Model

Note: Follow process from 1 to 8



Prior to 2003, the West Coast Ferry Users group represented the issues of coastal residents with respect to the coastal ferry service to the Provincial government but this group was replaced under the Coastal Ferry Act with Ferry Advisory Committees. The advisory committees' members were selected by local governments and were mandated to provide advice to BC Ferry Services, and not the Minister. Recent changes dictate that the advisory committees' membership will be chosen by BC Ferry Services without local government involvement. Local government membership on the BC Ferry Authority Board is not only logical in the provision of strategic direction regarding the coastal ferry service; it is an imperative to restore the voice of the people in a critical public service.

Benefits to British Columbians

Remaining with the format of the 2002 Ministerial paper, an analysis of previously identified key components is provided in the context of the proposed structure.

1. **Independent regulator:** It is very strongly recommended that the office of the BC Ferry Commissioner be retained without change and supported at every opportunity in the fulfillment of its existing mandate, or even an expanded one;
2. **Public ownership of terminals:** No change;
3. **Improved service:** Coastal ferry service has improved in some ways and deteriorated in others since the creation of BC Ferry Services. With the setting of service levels by a revised BC Ferry Authority Board within the monopolistic environment of the coastal ferry service, customer service and the interests of all British Columbians will be fully represented, valued, costed and respected;

As an immediate priority and new starting point, the Province should redefine its financial objectives for the coastal ferry service and return to historic fare levels and/ or implement significant ferry fare reductions immediately;

Additionally, the Coastal RD Chairs group believes a future province-wide review of transportation priorities should be conducted to ensure an appropriate and fair tax and user fee system is applied to all public transportation systems in British Columbia.

4. **Customer choice:** Customer choice through competitive route operation has not occurred due to the market dominance of the BC Ferry Service and its exclusive access to the Provincial service fee; as evidenced by the failed efforts of private sector ferry services between Nanaimo and Vancouver. Instead of customer choice, the governance of the coastal ferry service should focus on customer service through the formal acknowledgement of the coastal ferry service as a marine extension of the public provincial highway system;
5. **Job creation and economic development:** Since 2003, jobs have been, and continue to be, lost due to increasing ferry fares. These increases are actually negating all other economic development and job sustainment for coastal communities. The setting of appropriate service levels by a revised BC Ferry Authority Board, and the subsequent provision of an associated service fee by the Minister, will become the most effective economic development and community sustainment tool for the 66% of British Columbians living in coastal regions;
6. **Guaranteed routes, service levels and fair rates:** These are the key economic development and community sustainment issues for coastal communities and are also the primary benefits of a revised BC Ferry Authority Board with the proposed responsibilities, the continuation of the highly respected office of the BC Ferry Commission and the independently operating private corporation of BC Ferry Services;
7. **No new debt to British Columbians:** Debt incurred in operating the coastal ferry service will continue to be held by BC Ferry Services and thus not incur any new debt for British Columbians; and
8. **Ongoing accountability:** Although accountability has increased somewhat since 2003, a revised BC Ferry Authority Board with the proposed responsibilities to act as oversight body for all British Columbians, the continuation of the BC Ferry Commission and the control of the service fee by the Minister all add to a heightened accountability.

Conclusions:

- The current coastal ferry service is adversely impacting coastal families, communities and economies and is a major concern of 66% of all British Columbians;
- The coastal ferry service requires major changes to better serve all British Columbians;
- The governance of the coastal ferry service should be focused on customer service through the formal acknowledgement of the coastal ferry service as a marine extension of the provincial highway system;
- The current BC Ferry Commission review is too narrow in scope to determine if the Coastal Ferry Act has been successful over the past nine years;
- The continuation of the office of the BC Ferry Commissioner is strongly supported;
- The Coastal RD Chairs do not advocate for changes directly to BC Ferries Services but rather that the method of providing strategic direction to the corporation, and by whom, be seriously re-considered;
- Guaranteed routes, service levels and fair rates are the key economic development and community sustainment issues for coastal communities. They are also the primary benefits of a revised BC Ferry Authority Board with the proposed responsibilities, the continuation of the highly respected office of the BC Ferry Commission and the independently operating private corporation of BC Ferry Services; and
- Debt incurred in operating the coastal ferry service should continue to be held by BC Ferry Services and thus not incur any new debt for British Columbians.

Recommendations:

- The financial objectives of the coastal ferry service should be immediately redefined and fares should return to historic levels and / or be significantly reduced;
- The BC Ferry Authority Board should be additionally responsible to:
 - set service levels upon which BC Ferry Services will develop draft five year operating plans;
 - review draft five year operating plans generated by BC Ferry Services, and confirmed as appropriate by the BC Ferry Commissioner, with a view to determining an appropriate service fee; and
 - recommend Provincial service fee levels to the Minister.
- To ensure appropriate and knowledgeable oversight of the coastal ferry service, local government elected officials and staff members of the Ministry of Transportation and Infrastructure should form the membership of the BC Ferry Authority Board;
- Consideration should be given to increases to the Provincial service fee as a function of operational plans prepared by BC Ferry Services, supported by the BC Ferry Commissioner and based upon service levels directed by the revised BC Ferry Authority; and

- Consideration should be given to a future province-wide review of transportation priorities to ensure an appropriate and fair tax and user fee system is applied to all public transportation systems in British Columbia.

Encl: 12

Endorsed by twelve Coastal Regional Districts

1. Mount Waddington
2. Strathcona
3. Comox Valley
4. Nanaimo
5. Alberni-Clayoquot
6. Cowichan Valley
7. Capital
8. Islands Trust
9. Metro Vancouver
10. Sunshine Coast
11. Powell River
12. Central Coast

**ISLANDS TRUST
REQUEST FOR DECISION**

DATE: September 13, 2011

TO: Trust Council

Target Decision Date: September 14, 2011

**SUBJECT: CITY OF COLWOOD RESOLUTION TO UBCM RE BC HYDRO
WIRELESS SMART METERS**

RECOMMENDATION:

That the Islands Trust Council;

- a) request the Executive Committee to actively support UBCM Resolution B174 (proposed by the City of Colwood to address BC Hydro Wireless Smart Meters) at the 2011 Convention of the Union of British Columbia Municipalities; and
- b) request the Chair to write to the appropriate provincial minister(s) asking that a moratorium be placed on the mandatory installation of wireless smart meters until any problems identified regarding wireless smart meters are independently assessed and acceptable alternatives can be made available at no added cost to the consumer.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

When time allows, Executive Committee presents recommendations on all UBCM resolutions to Trust Council, supported by staff research and advice. Staff have not been able to review any of the resolutions to be debated at the 2011 UBCM conference and are not able to advise trustees on the merits of the City of Colwood's resolution.

IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None

FINANCIAL: None

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: If Trust Council approves the resolution, Executive Committee will vote in support of resolution B174 at the 2011 UBCM Convention and the Chair will write to the minister(s) as directed.

BACKGROUND

The Islands Trust Council passed a resolution at its June 2011 meeting
That the Islands Trust Council request the Chair to write to BC Hydro to convey concerns received from Trust Area residents regarding the Smart Metering Program and encourage BC Hydro to engage in consultations with Trust Area residents regarding smart metering.

Accordingly, Chair Malcolmson wrote to BC Hydro on June 30th
<http://www.islandstrust.bc.ca/news/pdf/tcltrjun302011bchydro.pdf>
and copied the letter to

Salt Spring Island Local Trust Committee
Chris Anderson - Gulf Islanders for Safe Technology
BC Minister of Energy and Mines
BC Minister of Health
Murray Coell, MLA – Saanich North and the Islands

The UBCM resolution book contains the City of Colwood's Resolution #B 174:
BE IT RESOLVED that a moratorium be placed on the mandatory installation of wireless smart meters until the major issues and problems identified regarding wireless smart meters are independently assessed and acceptable alternatives can be made available at no added cost to the consumer.

REPORT/DOCUMENT: Attached

June 29, 2011 Letter to UBCM from Colwood CAO Ross McPhee
August 26, 2011 E-mail to Trust Council from Teresa Beers

KEY ISSUE(S)/CONCEPT(S): Trust Council advocacy on topics relevant to its mandate

RELEVANT POLICY:

- Policy guiding Trust Council advocacy is not yet drafted. Normally, advocacy projects are directed by Trust Council's strategic plan and policy statement.
- There is no reference to wireless technology in Islands Trust policy or strategic plan.
- Policy 6.12.ii "UBCM/AVICC MEMBERSHIP AND RESOLUTIONS" does allow for Trust Council to guide how Executive Committee votes on UBCM resolutions.
"When the Islands Trust receives UBCM's Resolution publication prior to its annual convention, the Executive Committee will review all resolutions to determine which are relevant to the object and jurisdiction of the Islands Trust and which it should support on behalf of the Islands Trust Council. The Executive Committee will solicit feedback from Local Trust Committees and the Trust Fund Board and, if time permits, will make recommendations to be endorsed at a Trust Council meeting. Members of the Executive Committee will represent the Islands Trust Council when proposed resolutions are put to a vote at the UBCM convention."

DESIRED OUTCOME: A focused and effective advocacy program

RESPONSE OPTIONS

Recommended:

Alternatives:

PREPARED BY: Lisa Gordon

**REVIEWED BY EXECUTIVE
COMMITTEE:**

September 13, 2011

**SUBMITTED
BY:** Trustee Tony Law

REVIEWED BY: _____
**(Chief Administrative
Officer)**

OTHER REVIEW:

Dear Mayor and Councillors,

Smart meters have been put on the agenda of the UBCM conference this year at the request of the City of Colwood. Attached is information which is intended to give you a general overview of the concerns that are being raised across the province, as well as across North America.

Under the Clean Energy Act 2010 it was mandated that every home, apartment and business in BC would have a smart meter and the BC Utilities Commission was excluded from any participation in the decision or oversight over the implementation plan. While ITRON, the company chosen as manufacturer of the meter makes hard wired meters that can use phone or cable lines, BC Hydro has chosen to install only wireless meters.

The public is being given no choice in this matter. Even people diagnosed with serious health problems which would be exacerbated by exposure to the radiation emitted by the wireless meters, such as impaired immune systems, Multiple Sclerosis, or neurological disorders such as epilepsy, are being forced to have meters put on their homes.

Smart meters have been installed in several US states and in Ontario and we should be benefiting from their experiences. Many serious problems have been reported consistently, regardless of the location or brand of meter. It follows that these same problems will be experienced here in British Columbia if we do not take proper heed.

1) **Health.** Contrary to what the government and BC Hydro report, the microwave radiation that is emitted is extremely high during the signal 'spikes' which occur several times a minute every day all day. People are being exposed to these high doses of microwave radiation within their homes from their own meters, and from their neighbours' meters which are signaling to distant receivers. This is the same type of radiation recently classified as a 2b carcinogen by the World Health Organization. Other 2b carcinogens are DDT, lead and industrial chemicals.

2) **Increased utility bills.** More than 80% of smart metered homes in Ontario report significantly higher monthly bills, often more than 50% higher than prior to smart meter installation. In California many report bills doubling and tripling. This is without any change in utilization patterns.

3) **Privacy.** Meters keep records of personal daily use, recording what appliance is being used and when. Companies in the US have declared these records propriety information and have sold it to marketing companies, insurers and others. This truly is an invasion of privacy in the worst way.

4) **Security** Wireless technology is notoriously insecure and can be easily hacked into. Hackers can access private information, determine by usage patterns when homes are unoccupied, or even interfere with the delivery of electricity.

5) **Harmful interference**. Smart meters interfere with household electrical appliances, even medical devices and home security systems, often causing them to malfunction or damaging the appliance itself.

6) **Safety** Smart meters have exploded and many smart meter-related fires have been reported, most recently a major fire in Santa Rosa, California where several businesses were severely damaged. The fires are believed related to smart meters interfering with Arc-fault circuit interrupters. Several lawsuits are pending in California. Some fires are reported to be as a result of poor installation done by inadequately trained installers. Corix, the company contracted to replace our analogue meters with these wireless meters, is not hiring electricians but rather unskilled workers, with only 2 weeks training.

7) **Conservation** No energy is conserved by the meter. It merely reports usage, as does an analogue meter. Unless the user is educated on conservation techniques no reduction in utilization will occur. The smart meter contributes in no way to conservation – this is a false premise. It is the educated user that is key and the same reduction could be realized with the current safe, efficient analogue meter.

8) **Program cost** A major concern of almost British Columbians is the cost of the program – more than \$1 billion. We cannot afford a program which has no benefits and most likely no cost recovery potential. Better to spend this money on technology or products that **will result** in reduced energy utilization, such as better insulation, more efficient windows or furnaces, or solar panels. Not only are such investments well worth the money spent, they also would generate good, permanent jobs in our province.

9) **Environmental Hazard** Each meter contains up to 1000 mg of pure mercury, which the Federal Government will be banning in most products next year. The smart meters in BC will contain in total 1-1.5 metric tonnes of a bio-hazard which eventually will end up in our rivers and streams. In addition, in the event of fire, mercury vaporizes into a bio-toxin.

According to Bill 23-2008 of the British Columbia Public Health Act, section 83 (1), a municipality **must** take action when it learns of something that could be harmful to its residents. It must notify the Minister of Health or take immediate action. As of Aug. 28, 2011, 13 municipal and district councils have passed motions to write to the Minister of Health and, due to the potential for wireless smart meters to cause harm or to compromise security, requested a moratorium on mandatory installations of wireless meters. Most councils also requested that concerned residents be offered safer alternatives at no cost to them.

As Director of a provincial coalition comprised of persons from across BC, I am asking you as representatives of your constituents at the UBCM conference to support this motion when it comes to a vote. The united support of our local governments will send a strong message to the provincial government that, in keeping with recent Supreme

Court of Canada decisions, local councils are in the best position to determine where the interests of their residents lie because they are closest to the problems.

Should you have any questions about anything included with this email, please contact me directly.

Yours sincerely,
Sharon Noble
Director, Coalition to Stop Smart Meters
www.stopsmartmetersbc.ca
dsnoble@shaw.ca

Marie Smith

From: Teresa <teresa.b@shaw.ca>
Sent: August-26-11 11:56 AM
To: Marie Smith
Cc: Sheila Malcolmson
Subject: September UBCM convention
Attachments: City of Colwood letter to the minister of health.pdf

Hello Marie.

Would it be possible to have the following considered at the next Trust Council meeting?

Thank you!

Teresa Beers

Dear Islands Trust Council Chair and Members:

Further to your letter to Mr. Cobb of BC Hydro regarding smart meters, I am attaching the City of Colwood's resolution regarding smart meters. I would like to ask that the Islands Trust Council move to support Colwood's submission to the UBCM Resolutions Committee, asking that their resolution be discussed at the 2011 UBCM convention.

Thank you for your consideration.

Teresa Beers
Gabriola Island



CITY OF COLWOOD

3300 Wishart Road | Colwood | BC V9C 1R1 | 250 478 5999
mayor@colwood.ca | www.colwood.ca

July 5, 2011

The Honourable Michael de Jong
Minister of Health
Room 337, Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister de Jong:

Residents of the City of Colwood have raised concern with City Council about the significant and serious health, privacy and other issues that have been identified regarding the installation of wireless smart meters in British Columbia.

The World Health Organization and International Agency for Research on Cancer has classified radiofrequency electromagnetic fields as a possible carcinogenic to humans. Colwood City Council is very concerned about these findings. The May 30, 2011 Press Release No. 208 is included with this letter.

At the June 27, 2011 Regular Meeting of Council, the following resolution regarding BC Hydro wireless smart meters was passed:

Whereas significant and serious health, privacy and other concerns have been identified regarding the installation of wireless smart meters in British Columbia; and

Whereas BC Hydro is proceeding with its program to install wireless smart meters in British Columbia although it recognizes there is active discussion and ongoing research into the possible health and environmental effects related to radio frequency signals and it is aware the World Health Organization has called for further investigation on this matter in its press release issued on May 31, 2011;

Therefore be it resolved that a moratorium be placed on the mandatory installation of wireless smart meters until the major issues and problems identified regarding wireless smart meters are independently assessed and acceptable alternatives can be made available at no added cost to the consumer.

This resolution was also submitted to the UBCM Resolutions Committee for discussion by its members at the 2011 UBCM Convention.

Yours sincerely,

Original signed by

David Saunders, Mayor
City of Colwood