



NORTHERN SUNSHINE COAST Ferry Advisory Committee

Meeting Minutes May 17, 2006 1:15 p.m. Town Centre Hotel, Powell River

Attendees:

Committee:
Greg Aivazoff
Ken Barton
Jane Cameron
Ted Cooper
Bill Cripps
Brenda DeGraag
Jim Johnson
Matt Macey
Jack Metcalf
David Moore
Chief Walter Paul
Barbara Price
Denise Reinhart

BC Ferries:
Captain Gordon Nettleton, Marine Superintendent
Mark Stefanson, Vice President, Communications
Lance Lomax, Senior Master Route 18
(Texada Island – Powell River)
Neil Keeper, Senior Master Route 17
(Comox - Powell River)
Melanie Christensen, Administrative Assistant
Marlane Christensen, Manager, Aboriginal Affairs
Gary Leitch, Manager, Stakeholder Relations &
Consultation
Pat Morris, Manager, Operational Planning

Absent:
Barbara Price
(due to administrative error by BC Ferries)

1. **Call to Order:**
1:15 p.m.

2. **Approval of Agenda:**

- a. Items submitted by D. Reinhart will be answered in M. Stefanson's report on the loss of the Queen of the North.

3. **Presentations**

- a. **Public:** None.
- b. **Marine Superintendent's Report:** The Marine Superintendent's Report is attached to these minutes.

Discussion: The reasons for an apparently much higher number of safety incidents reported on Routes 7 (Saltery Bay – Earl's Cove) and Route 17 (Comox – Powell River) was questioned as well as continued on time performance (OTP) issues on Route 17.

Action: Captain Nettleton will provide a more detailed explanation of the report safety incidents on the routes.

Action: The Chair of the Committee, the Senior Master Route 17 and the Marine Superintendent will meet to compare statistics on the departure (OTP) of the 08:10 sailing from Powell River with a view to explaining discrepancies in reported OTP.

4. **Minutes of Previous Meeting:**

- a. Minutes of the meeting held on November 16, 2005 were approved and distributed on December 23, 2005.

Announcements are not being made on the ship explaining delays and predicting arrival times.

Action: Captain Nettleton will direct ships and terminals to make announcements as required by policy.

- b. Review of Action Items:
No outstanding action items.

5. **Correspondence:**

- a. No correspondence received.

6. **New Business:**

- a. Queen of the North: Mark Stefanson provided a brief report on the loss of the Queen of the North and the follow up to that incident. He indicated that the investigations continue and that it will be some time before any official reports are issued. In the meantime, if the investigations reveal anything which needs immediate action, that action will be taken and announced to the public.

He commended the community support from Hartley Bay. Environmental monitoring continues on site. He indicated that the acquisition of new ships for the northern service area is being fast tracked and the first ship will be delivered in 2008. He indicated that this acquisition program will have no impact on the acquisition of other vessels for other service areas. He indicated that BC Ferries has signed a letter of intent with Vancouver Shipyards for the acquisition of a new intermediate sized ferry for Route 7.

Mr. Stefanson especially thanked Marlane Christensen, BC Ferries Manager, Aboriginal Affairs, and a resident of Powell River, for her tireless work with the community of Hartley Bay and the family of the lost souls.

- b. Ferry Advisory Committee Review

The FAC Review conducted by BC Ferries Manager, Stakeholder Relations & Consultation concluded that the FAC process is valuable to the company, the community, and the customers. Accordingly, BC Ferries has renewed its commitment to the FAC process. The review identified several improvements that BC Ferries needs to make to improve BC Ferries' performance at the FAC meetings. These include timelier reporting to the committees on actions taken with respect to advice given, and a higher level of administrative support to the process. The Marine Superintendent's Report which is inaugurated with this meeting is an example of that. The review concluded that the Marine Superintendent is the primary BC Ferries staff person responsible for the FAC process.

- c. Nomination of Committee Chair:

Greg Aivazoff will be the Committee's chair for the next 3 years.

- d. Northern Sunshine Coast Vessel & Service Strategy:

Pat Morris advised that the government to date has acknowledged receipt of the report but we have had no substantive response.

e. 2 – 85 AEQ Vessel Option:

Ken Barton (Credit Union and Chamber of Commerce) reported on the development of the petition on Texada Island to maintain the status quo with respect to the allocation of ships. Community has excellent service now and wishes it to remain so. The community has received a response to their petition from the Ferry Commissioner and the Minister of Transportation Kevin Falcon. The community has not yet received a response from BC Ferries.

There is concern in the community that BC Ferries is biased in favour of the 2-85 AEQ vessel option. G. Leitch explained that BC Ferries' report did not recommend any option but simply recommended more study of the two equal size ship option because there are apparently large economic benefits which need to be confirmed or otherwise. No decisions will be taken without further consultation.

Action: G. Leitch will follow up to see what has become of BC Ferries' response.

f. Fuel Surcharge:

Fuel surcharge approved last year by BC Ferry Commissioner was one half of what BC Ferries requested. There was a further increase in February; since then fuel costs have continued to rise. The BC Ferry Commissioner will rule soon if a further increase, and of what amount, is to be allowed in June.

BC Ferries is taking a number of actions to reduce amount of fuel consumed and is mandated by the Commissioner to do so.

g. Coast Card:

M. Stefanson made a presentation on the Coast Card which has been proposed to replace the current books of 10 tickets. Committee members raised a number of issues including: Expiry dates – why? What is the relative cost of the new media compared to the paper tickets? What kind of options will there be for dealing with 'transferability' issues. Will this be related to automation of ticket selling at larger terminals? Will this program impact the current commercial cards?

BC Ferries will meet with the FACs again in the fall before any decision is made.

Action: Committee members should send their comments to the Chair for collating and forwarding to BC Ferries.

h. Second Performance Term:

M. Stefanson advised the committee that BC Ferries has begun the process of negotiating the second performance term contract with the government. He advised that he anticipates that there will be public consultation to be led by the Ministry of Transportation or the Commissioner. He advised committee members to begin thinking about changes they would like to see in the second performance term.

BC Ferries initial role in the process is to provide a detailed cost estimate of providing exactly the same service in the second performance term (2008-2012). This will allow the Commissioner to calculate what the tariff would be if the government's support remains the same. The government can then determine what level of support is reasonable to keep the tariff affordable.

i. Other:

D. Reinhart asked for an explanation of the company's claim of "force majeure" in respect of the loss of the Queen of the North. The company believes it has a claim and that claim is currently the subject of discussions between the company and the government.

D. Reinhart asked for clarification of the role of the FAC and their effectiveness. BC Ferries is committed to the FAC process and believes they have a profound effect on company decisions.

Action: Melanie Christensen will circulate an updated membership list to the committee.

7. **Next Meeting:**

September 27, 13:00 – 16:30, Town Centre Hotel

8. **Meeting adjourned:**

16:20

Approved:

Captain Gordon Nettleton

Date: June 6, 2006

Greg Aivazoff, Chair

Date: June 7, 2006

Attachments:

- Marine Superintendent's Report
- Coast Card presentation
- Second Performance Term



Marine Superintendent's Report

Northern Sunshine Coast
Ferry Advisory Committee
May 17, 2006

 **BCFerries**

- Safety
- Traffic
- Revenue
- Major Service Issues - On Time Performance
- Major Service Issues – Cancelled Sailings
- Major Service Issues – Mechanical Breakdowns
- Corporate Update
- Questions

- Passenger Incidents – 2005/2006

Route	# of Safety Incidents	# of Passengers Carried	% of Safety Incidents per 10,000 Passengers
25	4	264,148	0.15
24	2	107,488	0.19
23	4	916,450	0.04
22	3	247,645	0.12
21	4	537,259	0.07
18	3	196,578	0.15
17	7	391,407	0.18
7	10	375,392	0.27
Northern Islands	37	3,036,367	0.12

- Crew Incidents – 2005/2006

Route	First Aid	Medical	Time Loss	Total Injuries
25	3	1	3	7
24	1	2	3	6
23	1	0	1	2
22	1	0	1	2
21	3	3	1	7
18	1	0	4	5
17	16	3	5	24
13	n/a	n/a	n/a	n/a
7	33	3	9	45
Northern Islands	59	12	27	98

Fiscal Year	Month	Route	Total Vehicles	Total Passengers
2005/2006	April	18	7,898	15,468
		17	12,332	28,389
		7	12,689	24,593
2004/2005		18	7,494	15,417
		17	12,198	29,828
		7	12,997	26,065
2005/2006	May	18	8,270	16,426
		17	13,166	31,379
		7	15,499	31,154
2004/2005		18	7,901	16,227
		17	12,788	30,068
		7	14,409	28,240
2005/2006	June	18	8,659	17,541
		17	14,377	34,207
		7	16,709	32,760
2004/2005		18	8,314	17,015
		17	13,618	31,705
		7	14,700	28,640

Fiscal Year	Month	Route	Total Vehicles	Total Passengers
2005/2006	July	18	9,691	20,928
		17	17,484	44,208
		7	24,973	56,296
2004/2005		18	9,855	21,700
		17	17,060	44,147
		7	23,621	55,732
2005/2006	August	18	9,791	21,375
		17	19,264	49,617
		7	27,065	62,481
2004/2005		18	8,856	19,220
		17	18,342	47,520
		7	26,256	61,690
2005/2006	September	18	8,455	17,991
		17	15,006	34,267
		7	17,812	34,821
2004/2005		18	7,689	15,449
		17	14,213	33,074
		7	17,132	34,225

Fiscal Year	Month	Route	Total Vehicles	Total Passengers
2005/2006	October	18	7,432	14,679
		17	12,276	29,655
		7	13,492	25,585
2004/2005	October	18	8,274	16,520
		17	12,454	30,129
		7	13,774	26,199
2005/2006	November	18	8,403	16,566
		17	11,632	27,517
		7	11,661	21,247
2004/2005	November	18	8,481	15,720
		17	10,940	26,648
		7	11,331	21,035
2005/2006	December	18	7,554	15,010
		17	12,468	31,665
		7	12,400	24,805
2004/2005	December	18	7,743	14,923
		17	12,182	31,218
		7	12,315	24,824

Fiscal Year	Month	Route	Total Vehicles	Total Passengers
2005/2006	January	18	6,683	13,486
		17	10,487	25,312
		7	10,267	19,231
2004/2005		18	6,237	12,102
		17	9,187	22,328
		7	8,965	16,743
2005/2006	February	18	6,120	12,483
		17	10,407	24,830
		7	9,956	18,072
2004/2005		18	6,453	12,381
		17	10,203	25,411
		7	9,744	17,773
2005/2006	March	18	7,229	14,625
		17	12,495	30,361
		7	12,652	24,347
2004/2005		18	7,727	14,694
		17	12,354	30,338
		7	13,830	27,840

Fiscal Year	Route	Total Vehicles	Total Passengers
2005/2006	18	96,185	196,578
2004/2005		95,024	191,368
2005/2006	17	161,394	391,407
2004/2005		155,539	382,414
2005/2006	7	185,175	375,392
2004/2005		179,074	369,006

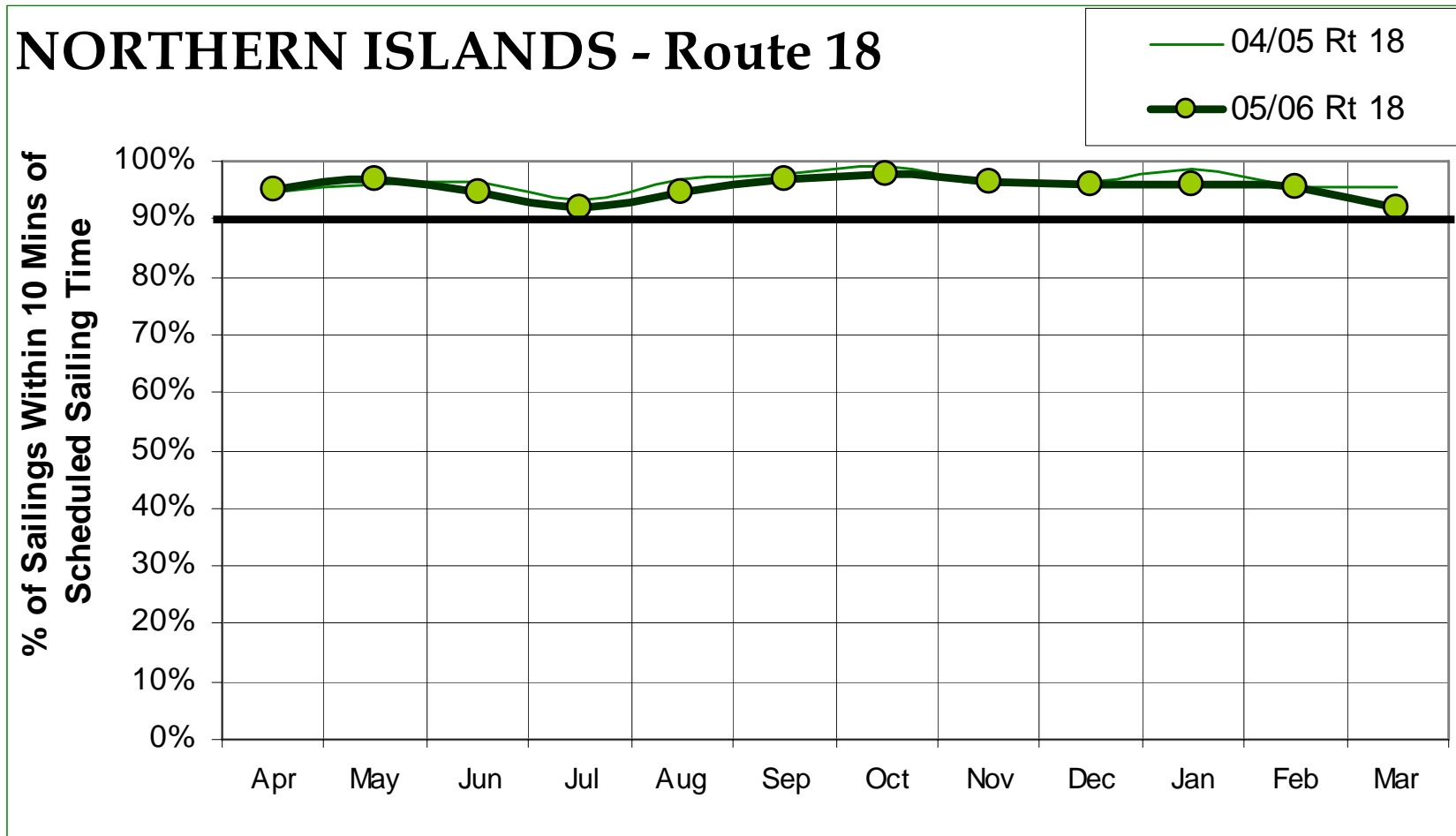


Route	A Actual R/Ts	B Capacity Provided (AEQs)	C AEQs Carried Fiscal 2005	D Capacity Utilization (C/B)	E AEQs Carried Fiscal 2004	F AEQ Growth (C-E)	G AEQ Revenue Fiscal 2005
25	3,961	237,660	96,569	41%	98,286	(1,717)	569,998
24	2,145	125,956	62,665	50%	64,095	(1,430)	351,289
23	6,262	802,550	456,219	57%	448,926	7,293	1,934,798
22	4,834	290,040	125,336	43%	125,068	268	659,711
21	6,482	628,120	288,246	46%	279,888	8,358	963,001
18	3,645	369,831	102,557	28%	100,534	2,023	503,987
17	1,450	513,252	171,388	33%	164,027	7,361	3,810,992
13	4,052	Pass. Only	Pass. Only	Pass. Only	Pass. Only	Pass. Only	745 <i>(bikes & freight)</i>
7	2,876	716,128	200,334	28%	191,579	8,755	2,809,073

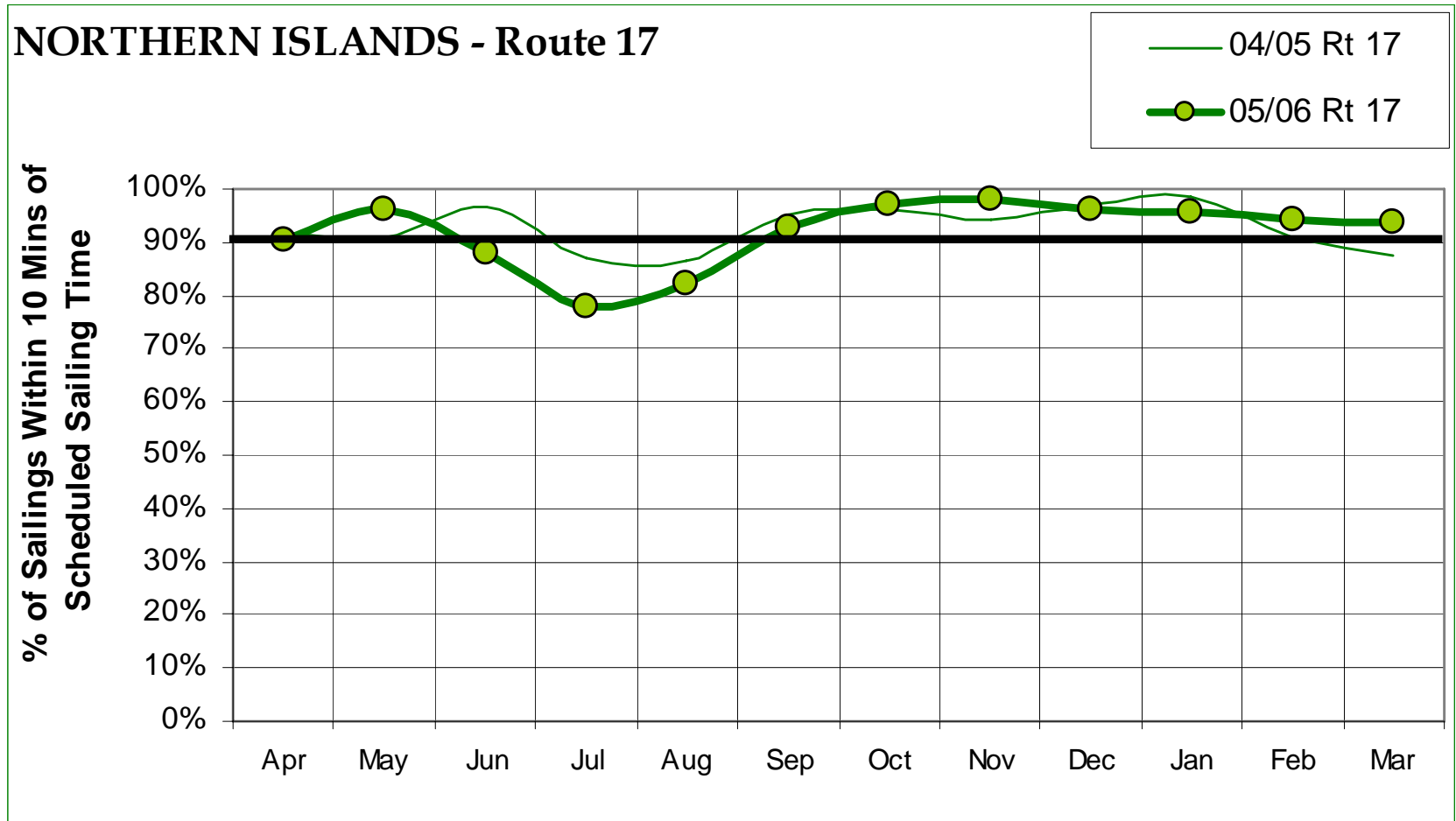
Route	H Pass. Fiscal 2005	I Pass. Fiscal 2004	J Pass. Growth (H-I)	K Pass. Revenue Fiscal 2005
25	264,197	265,996	(1,799)	483,416
24	110,064	112,970	(2,906)	235,254
23	925,120	926,054	(934)	1,290,962
22	256,994	260,901	(3,907)	515,797
21	548,612	544,105	4,507	653,582
18	191,368	193,330	(1,962)	327,483
17	382,414	372,008	10,406	2,508,772
13	54,760	53,970	790	143,408
7	369,006	353,591	15,415	1,283,094

(Excerpt from: "Operations Summary Financial Report for the Year Ended March 31, 2005" - BC Ferries 2004/05 Annual Report to the BC Ferry Commissioner)

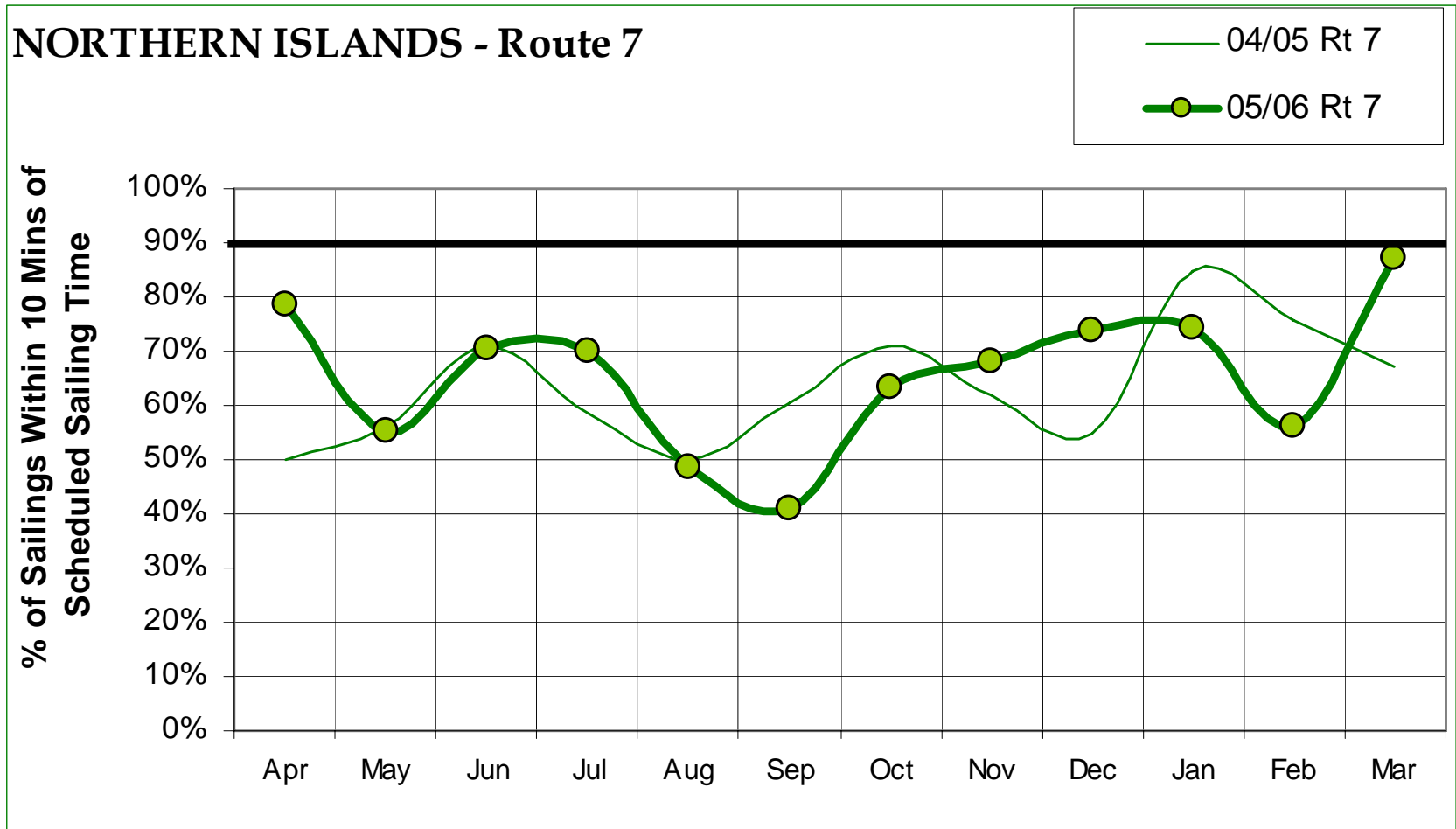
On Time Performance



- On Time Performance



- On Time Performance



Cancelled Sailings

Route 18						
April	May	June	July	Aug	Sept	TOTAL
0	0	0	0	0	0	12
Oct	Nov	Dec	Jan	Feb	March	
0	0	0	8	1	3	

Route 17						
April	May	June	July	Aug	Sept	TOTAL
1	0	0	0	0	0	13
Oct	Nov	Dec	Jan	Feb	March	
1	2	1	6	1	1	

Route 7						
April	May	June	July	Aug	Sept	TOTAL
0	0	0	0	0	0	1
Oct	Nov	Dec	Jan	Feb	March	
0	0	0	0	1	0	

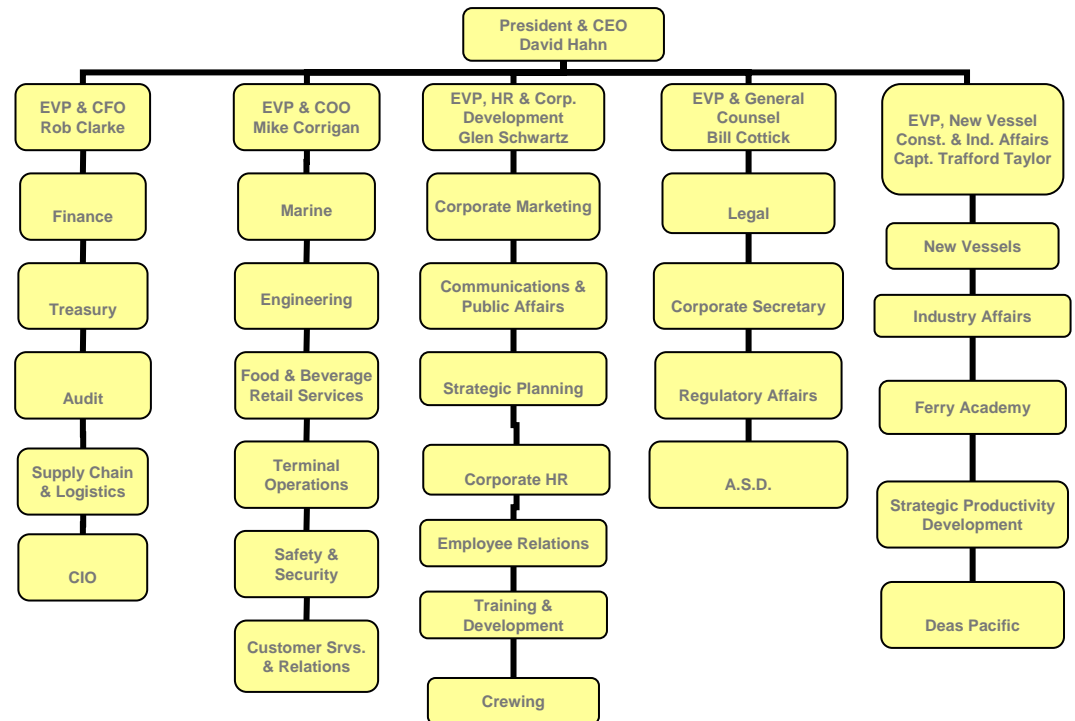
Mechanical Breakdowns

Engineering Problems Affecting Sailings in 2005/2006				
Situation	R18 NIP	R17 BUR	R7 CH	R7 TSA
Delays 10 minutes or greater	9	1	122	44
Sailing cancels	2	-	-	2
Terminal – berth closure	-	-	18	-
Terminal – other problems	3	-	2	6
Vessel – auxiliary system	-	-	1	-
Vessel – propulsion control	-	1	-	-
Vessel – propulsion system	-	-	18	4
Vessel – steering system	2	-	1	-
Vessel – other problems	-	-	1	1
Accumulated mechanical delays	6	-	81	35

Organizational Appointments

As of April 1, 2006

- **Captain Trafford Taylor** appointed EVP, New Vessel Construction and Industry Affairs
- **Michael Corrigan** appointed, EVP and Chief Operating Officer
- **Glenn Schwartz** appointed, EVP, Human Resources and Corporate Development
- **Robert Clark** continues at EVP and Chief Financial Officer
- **William Cottick** continues at EVP and General Counsel





Coast Card

- i. To present the concept of the Coast Card
- ii. Determine if the initiative makes sense

- Prepaid discounts / commuter tickets are the pre-dominant fare type on inter island routes
- The program was designed for residents and regular users
- Right now the rules for these tickets are flexible and the ability to transfer coupons to anyone is possible
- Coast card and rule changes are very distinct issues
 - i. paper v. electronic
 - ii. rule changes – expiry dates (if at all), transferability

- The Coast Card was introduced to replace Assured Loading Tickets (ALTs) in June, 2005
- Nearly 8000 Coast Cards are in use with assured loading tickets
- The cost for a 'book' of ten ALTs is \$789.
- Benefits for customer
 - Ease of use
 - Loss protection
 - Companies can better track usage
- Benefits for BC Ferries
 - Cost savings from printing and fraud



- Wallet size and similar to credit card and debit cards
- Magnetic strip, stores card number only
- Signature block for personal use to uniquely identify cards
- Customer uses last nine digits of number to manage card and check balance
- Verification number (5 digits) is another security measure

- Card is purchased from ticket agents and terminal administration offices
- Purchase or load at same locations
- Card balance can be checked by calling 1-888-223-3379 or *BCF from cell phone
- You can register online
 - Receive loss protection
 - Review account balance
 - Purchase product
 - Can select auto-reload feature (never run out)

- Island residents' perspective:
 - Expiry date may penalize less frequent users
 - We like the ability to transfer tickets among family members
 - Why are you doing this
 - Explain what this is all about
- BC Ferries' perspective:
 - Cost of producing tickets is substantial
 - Fraudulent use may be growing
 - Discount program should be for residents and commuters

- Discussions with Ferry Advisory Committees over the next three months
- Consider the issues and determine if the concept makes sense in any form

- BC Ferries is just in the process of starting the dialogue with both the Ministry of Transportation and the Commissioner about the second performance term of the CFSC.
- BC Ferries expects these discussions to be challenging as we negotiate with Ministry of Transportation the service fee required for the next performance term.
- We would appreciate any views that the Ferry Advisory Committee may have about how best to get your input into the process.
- Your comments should probably be coordinated via your chair.
- I would also encourage you to express your views directly to your MLA.