

**Meeting Details:**

FAC:	Southern Gulf Islands Ferry Advisory Committee
Date	November 2, 2009
Location:	Sidney Pier Hotel
Time:	9:30 a.m.

**Attendees:**

<b>Committee</b>	<b>BC Ferries</b>
Brian Hollingshead – Chair	Rob Clarke, Executive Vice President, and Chief Financial Officer
Dave Dryer - Pender Island	Captain Christian (Chris) Frappell, Marine Superintendent, Southern Islands
Jill Justice – Pender Island	Mark Stefanson, Vice President, Public Affairs
Barry Wilks – Mayne Island	Grant Bierlmeier, Director, Pricing and Revenue Performance
Peter Sara (for Elma Maund) – Mayne Island	Steve Anderson, Manager, Fleet Deployment and Scheduling
Bill Noble – Galiano Island	Captain Steen Jessen, Senior Master, Mayne Queen
Sue Syverson – Saturna Island	Sarah Cotton, Manager, Stakeholder Relations
Nancy Gerber – Saturna Island	Ron Gray, Terminal Manager, Swartz Bay & Southern Islands
Susan Jamieson-McLarnon – Saturna Island	Nicole Wright, Acting Terminal Manager, Southern Islands
Terry Halverson – Galiano Island	
Melody Pender – Pender Island	
Jon Heaney (for Ken Hancock) - CRD	
Harold Swierenga – Salt Spring Island	
Maya Jordan (for Jim Deverill) – Mayne Island	
<b>Absent:</b> Suzanne Smith – Galiano Island Ken Hancock - Capital Regional District Jim Deverill – Mayne Island Elma Maund – Mayne Island	

- 1. Call to Order:** The meeting was called to order at 9:30 a.m.
- 2. Introductions:** Round table introductions were completed.
- 3. Approval of Agenda:** Swartz Bay Terminal and the adjustment of the late morning schedule will be moved to items 1 and 2.

4. **New Business:** No new business was presented.

5. **Correspondence:** No correspondence was presented.

6. **Presentations:**

*a. Operations Report*

Captain Chris Frappell presented the Marine Operations report with information on safety and security, traffic, and on time performance. This report is attached.

Captain Frappell noted that the Queen of Nanaimo will go into refit in October/November 2010. The Queen of Burnaby will be the replacement vessel.

Rob Clarke concluded the report with the Financial Performance for Fiscal 2010.

*b. Tariff Rationalization*

Grant Bierlmeier continued the discussion from the spring around the Southern Gulf Islands' routes and tariff rationalization for April 1, 2010.

Guiding Principles:  
Revenue Neutrality  
Simplicity  
Reasonability

Bicycle rates – Grant stated that BCF is looking to charge \$2.00 for bicycles across the fleet. Those customers who use an Experience Card will receive a discount of \$2.00, resulting in a free bicycle fare. It was originally proposed that only Experience Cards at the \$75 load level, would receive the discount but Grant expanded the proposed change to all Experience Cards, regardless of the load level.

Oversize Rationalization – The current tariff considers an overheight vehicle to be over 7 feet tall. With the proposed changes April 1, 2010, BCF would charge the underheight vehicle rate on all non-commercial vehicles (including overheights) for the first 20 feet and the commercial per foot rate for extra feet. With these changes, 99.1% of route 5 customers and 98.3% of route 9 customers would pay the same or less. Brian Hollingshead stated the committee is in support of eliminating the OVH rate.

Experience Card Buy In Levels – BCF will be increasing the buy-in level for the Experience Card when the fares go up April 1<sup>st</sup> of each year. This will ensure that buy-in levels remain relevant as fares increase. As of April 1, 2010, the \$40 buy-in level will be increased to \$45 and the \$75 buy-in level will be increased to \$85. At the Spring FAC meeting, BCF identified the passenger only buy-in level as potential tariff clutter due to the very low usage. The FACs felt the passenger only buy-in level provides an alternative for those who cannot afford to load their accounts at the passenger and vehicle buy-in level. In the future, BCF will continue to monitor the usage of the passenger only discount accounts.

CirclePac and SailPass – These products are the last two paper based products in the BCF system and have very low utilization. BCF would like to remove these products. **ACTION: The SGI FAC will review and bring thoughts back to Grant within the next month.**

Commercial Rate Freeze – Rob Clarke stated that BCF is prepared to freeze the fares for commercial traffic on route 5 as per the SGI FAC's request. BC Ferries is prepared to freeze the rates on route 9 but only if the Salt Spring Island FAC is in agreement. He added that if BCF were not doing consultation, the company would not do this as all of the research indicates the least elastic traffic is commercial.

Brian Hollingshead responded that the unduly high commercial fares affect the viability of island businesses as their on-island prices are forced to become increasingly uncompetitive with stores in Sidney and Langford. The high commercial fares are passed on, where they can be, to island residents, adding to already substantial island cost of living premiums. In addition, the commercial fares are inequitable compared to those of recreational vehicles which pay far less for the same size vehicles. Rob stated that the rates that do go up will affect other users and he ensured every FAC member understood and supported this request. Brian recognized that this request is out of the ordinary and asked that the revenue differential be spread amongst vehicles and passengers. FAC support for this request was unanimous. Rob responded that we will review this with the SGI FAC every year.

Seasonal Pricing for Route 9 – The FAC agreed a year ago to eliminate the seasonal pricing but wished to see the mid-week/weekend differential retained year round and restated this position at this meeting. The mid-week lower fares were a minor concession to island residents, in the absence of having e-card discounts which are available on all the other minor routes. The FAC were surprised that the differential had been removed from the tariff for the summer season. Rob responded that the differential was not removed, but rather, had not been there in the first place. The FAC asked again that the tariff differential be implemented year round, thus truly eliminating seasonal differentiation.

Rob replied that off peak season mid-week pricing is a demand rate – we don't have a demand rate problem in the off season. Rob asked the FAC what the objective should be in the rate design.

**ACTION: The SGI FAC to get back to BCF on the seasonal prices on route 9.**

Group rates – Grant stated that the new Travel Centre is a better place to do business than a tariff designed 15% discount for 15 or more passengers.

Throughfares – Grant noted that the throughfares are very difficult to administer. There is an expectation of connectivity between the routes, but connection at Swartz Bay is not guaranteed. In addition, people are abusing the system.

Susan Jamieson-McLarnon responded that the reservation fee redemption policy on the morning throughfare via Swartz Bay made up for the elimination of the morning route 9 sailing to Saturna. She asked that the morning sailing be brought back. Jon Heaney added that if BCF eliminates Throughfares, the company is eliminating options.

Grant emphasized to the FAC that BCF is only looking at this with a view to improving the efficiency of the tariff– the company is not proposing to cut Throughfares.

## **7. FAC Items**

Canine Virus at Swartz Bay – Ron Gray spoke to the apparent canine virus. It was then tabled.

Swartz Bay Terminal Gate protocol – The SGI FAC asked to have, prior to busy sailing times, two gates open, each serving both the SGI and SSI traffic, so that if either gate was backed up, incoming traffic could go to the shorter line. People are missing their ferry due to congestion at their gate, while the adjacent gate is free of traffic. Ron Gray noted that the approach to the ticket booths is first come, first served and he does not want people jumping between lanes. If there is an opportunity to open more booths the terminal attendants will certainly do that. The FAC asked why another booth can't be opened. Ron replied that if we are close to filling up one of the ships, the terminal could need it to move Vancouver traffic. The tower looks after this. Brian felt that more attention needs to be paid to this. He then asked Captain Frappell if there are ever overload situations on those particular sailings – as in would first come, first served be a factor – and Captain Frappell replied 'no'.

Susan Jamieson-McLarnon said that overloads are not a problem on the early ferry but loading procedures are not satisfactory. **ACTION: Ron Gray to take this back to tower operators.**

Brian Hollingshead asked that BCF please look at having two lines open.

Galiano Terminal Modifications – The FAC stated that the load limits on the Galiano terminal are quite restrictive (well under highway limits) and asked if any stimulus funding could be made available to upgrade the approaches allowing more efficient use of trucks built to carry more than presently allowed. In terms of federal infrastructure funding, Rob Clarke stated that BCF aggressively applied for the funding and received \$7 ½ million worth of grant money. This will cover 11 projects.

Steve Anderson provided an overview of the scheduling proposals received from the FAC.

There are two scheduling issues:

Firstly the Pender suggestion, followed up the Mayne (Wilks) amendment, for late morning changes as Pender Island experiences regular overloads on the late morning sailing. BCF staff reminded the FAC that there would be some overtime involved in making the change, and that would have to be factored into fares at some point. The FAC acknowledged this. BCF wanted to ensure that the FAC was in agreement that such a schedule adjustment was appropriate. BCF agreed to determine what any schedule adjustments and cost implications would look like and get back to the FAC. If agreement is reached, it was hoped by BCF that the schedule adjustment could be trialed in late spring.

Secondly, the summer switch of Mayne Queen and Queen of Cumberland – The FAC asked for the reasoning behind the switch of ferries for the early morning run in the summer as this leads to regular overloads at Mayne Island. The FAC also asked why the change from the Fall Winter Spring schedule, and what would be the traffic and cost impact if the ferry deployment was the same in the summer as in the other seasons.

Steve Anderson spoke to the change in schedules between summer and winter. In the summer, we have the three round trips out of Swartz Bay on the Mayne Queen and two round trips out of Swartz Bay on the Cumberland. He added that we're at capacity in the summer.

BCF has swapped the vessels since before 2003 as it reduced the overtime on the Cumberland which has the higher crew and higher fuel burn. In the summer, the traffic is congested in the morning and we're not seeing excess capacity until later round trips. Because of the larger vessel and crew on the Cumberland, the Mayne Queen overtime costs with the smaller crew has a smaller impact.

The subject was then tabled pending further info from Steve Anderson and Captain Frappell.

**ACTION: Steve Anderson to provide a copy of his presentation to the FAC for their review and prepare a summary of the main points (i.e.) What, if any, negative ramifications there would be of undoing the summer swap on the early morning sailings. This report could be used as a preamble to the more detailed traffic tables, BCF will also provide a cost estimate for the option of running a modified Fall Winter Spring schedule in the summer.**

**ACTION: SGI FAC to organize a working group with a representative from each island to focus on service implications and develop a potential option for implementation in September 2010.**

Possibility of Island Sky on Route 5 – Captain Frappell said BCF has looked at the data and having the Island Sky on route 5 would be ideal in many respects (i.e.) the speed of the vessel is more than adequate. The company had considered bringing it into service on the route for the Queen of Cumberland refit. However the training costs are \$200,000 - \$250,000. In addition, the scheduled and unscheduled overtime costs are in the region of \$60,000. The existing Route 7 schedule would not allow us to regularly use the Queen of Cumberland's ramps. Steve Anderson added that when looking at the busiest periods and peak season the Route 7 schedule became more challenging for the Queen of Cumberland. Brian Hollingshead asked if BCF would consider having it on route 5 eight months out of the year. Steve Anderson replied that we looked at it but one of the challenges is with the vessel shuffling, the maintenance suffers.

Mayne Queen Licence Levels - Thanksgiving weekend and the weekend in June were unfortunate errors. Captain Frappell noted that BCF has multiple licences on six routes in the SGI region and overall it is working well.

Friday night shoulder season refundable reservations – Captain Frappell stated that these reservations cannot be refunded. There are a set number of trips on route 9 and there is also the alternative of using the Throughfare. Brian Hollingshead said the Pender Island Throughfare seems inconsistent since they have to pay for their reservation while other islands get free reservations.

**ACTION: FAC to discuss these two issues.**

Loading of cars and trucks on route 9 departing from Tsawwassen was tabled.

7. Meeting adjourned at 1:45 p.m.

**Approved:**

Brian Hollingshead, Chair

Date: April 12, 2010

Captain Chris Frappell, BC Ferries

Date: January 8, 2010