

Meeting Details:

FAC:	Northern Sunshine Coast Ferry Advisory Committee
Date:	November 17, 2004
Location:	Powell River Town Centre, Powell River
Time:	1:00 p.m. – 4:00 p.m.

Attendees:

<i>Committee</i>	<i>BC Ferries</i>
Greg Aivazoff	Captain Gordon Nettleton Marine Superintendent, Inter Island Services, North
Ted Cooper	Gary Leitch Manager, Stakeholder Relations & Consultation
Steve Gallagher	Martin Doyle Senior Captain, Powell River – Earls Cove
Jim Johnson	Neil Keeper Senior Captain, Comox – Powell River
Ed Liebich	Lance Lomax Senior Captain, Texada Island – Powell River
Andrew Pinch	Virginia Moore Manager, Terminal Operations
Barbara Price	Marlane Christensen Manager, Aboriginal Relations
Rob Stewart	Melanie Christensen Secretary, Marine Superintendent Marlane Christensen
Pete Stiles	Wendy Magnes Marketing Coordinator, Inter Island and Northern Services

1. Call to Order:

Chair, Gary Leitch called the meeting to order at 1:13 p.m. Captain Gordon Nettleton was introduced as Inter Island Services, North new Marine Superintendent.

2. Approval of Agenda: accepted as written

3. Public Presentations:

a. Brenda DeGraag, District of Powell River

Ms. De Graag notes that the importance of the ferry and service to Powell River is indicated through the number of members from the public attending this meeting.

The District of Powell River feels the ferry serves Powell River more than Comox and should be home ported at Powell River to capture the largest cost savings. Ms. DeGraag will contact Mayor Alsgard requesting a letter of invitation to David Hahn and Rob Clarke to meet the public of Texada and Powell River.

- b. Sharen Hall, rate payer of taxes, President, Local 6 BC Ferry & Marine Workers' Union
With respect to privatization of Route 17 & 18, Ms. Hall is concerned about fare increases coupled with reduced services, long term plans projected for Powell River Routes and Terminals and protection that the government or new company would provide by means of guarantees of services.
Why were Powell River routes identified at the Interferry Conference as a specific opportunity as opposed to Bowen Island or Saltspring Island? Ancillary services may eventually be performed by a myriad of unions and with such a diversified labour union environment, how can stability be provided?
- c. Kathy Bowes, President, Powell River Sunshine Coast Real Estate Board
The ferries constitute a continuation of our highway system and should be run in a manner that provides regular scheduled service that is safe, affordable and reliable. Until such time as the rest of the communities of British Columbia are asked to pay for their highway system through fees, reduction of service or partial closure, we should have our system fully maintained.
- d. Richard Hill, retired teacher and rate payer of taxes
The ferries are our highway here on the coast. Privatization of our ferries affects every citizen on the coast as service will be cut by private operators to maximize profits, increasing costs to users.
- e. Sherry Wretham, Member of Raging Grannies
Ms. Wretham feels the meeting was never intended for the public as it was scheduled between 1:00 p.m. and 4:00 p.m. and that it has always been a semi private meeting. Ms. Wretham expressed concern that the Ferry Act in her view does not require any public consultation, and is strictly designed to protect the new owners of the ferry routes. What will fares be when the subsidies are eliminated by 2008? How will privatizing BC Ferries benefit Powell River? When will BC Ferry Services Inc. provide a full public meeting – including the CEO, CFO and the BC Ferry Commissioner scheduled at a reasonable hour and on a reasonable day for all residents of Powell River?
- f. Mr. M. Drake (presented at end of meeting)
Believes that the ferry service is an extension of the highway system connecting us to the rest of the province and that gradual erosion of the service will lead to privatization of Routes 17, 18 for less, more expensive service. Mr. Drake would like to know how the development of the vessel and service strategy for Routes 17 & 18 will occur; will there be public meetings that the public can easily attend (afternoons and evening); who will be consulted; will the public be able to view alternate service opportunities being considered?

4. Minutes of the Previous Meeting:

- a. Minutes of the meeting held on January 21, 2004 were approved and distributed on February 9, 2004.

5. Correspondence

- a. Pat Hull, Vice President, The Powell River Chamber of Commerce
Mr. Hull expressed concern over rumoured reduction in core service levels.
- b. Ann McKenzie expressed written dismay over privatization of BC Ferries.

6. New Business:

- a. Westview Harbour Infill Project

The Corporation of the District of Powell River is developing the shorefront and commenced an infill project. This involves the demolition of the existing DFO trestle that BC Ferries uses to access the BC Ferry trestle. BC Ferries will complete the roadway base materials and asphalt paving including concrete sidewalk, lighting and handrail along with minor electrical services. BC Ferries expects to have the work completed on the roadway on December 17th and the electrical works completed in February 2005.

- b. 2005 Schedule Brochure

BC Ferries will be combining all existing routes schedules into one brochure. Ferry brochures will be published twice yearly to accommodate the winter/summer schedules. The first brochure will be available in January 2005.

- c. Service Strategies Presentation – Routes 17 (Comox – Powell River) and Route 18 (Texada Island – Powell River)

Capt. Nettleton made a presentation to the Advisory Committee and members of the public. (*see Attachment A*) This presentation described the process of developing a Northern Sunshine Coast Vessel and Service Strategy. Contents of the presentation included local economy and traffic, existing service, regulatory constraints, challenges & issues, opportunities and timelines. BC Ferries requires input and information from the public. Public Consultation which will commence in February 2005 in Powell River, Texada and the Comox Valley. The information received from the consultations will assist in the development of the Northern Sunshine Coast Vessel and Service Strategy. The committee indicated that Route 7 (Powell River – Earls Cove) must be an integral part of the Route 17 & 18 strategy. Further questions asked by the committee included:

- Have any Requests for Proposals been issued for Route 17?
- Have any interested parties come forward with proposals to operate this route?
- When is the earliest time an alternate service provider could take over Route 17?
- Are there plans to privatize the terminal operations?

Ted Cooper, FAC Member stated that over the years, Powell River and Texada have provided the provincial coffers with a lot of tax dollars and would like to see in return, a concern for the well being of the communities now and in the future.

Mr. Cooper is concerned about a potential for reduction of service or spiraling fares.

d. Inter Island Services Marketing Strategies

The Marketing Departments objectives are to grow the market base, improve the Customers' travel experience and broaden revenue streams by identifying the user needs by market type on a seasonal basis by route as appropriate. Critical cooperative industry partnerships and product development strategies will include input from the industry operators, communities, tourism regions, Tourism BC and the Canadian Tourism Commission. Marketing programs have included the Summer Sail Pass, a multi destination ferry pass, partnerships with BCAA, Circle Pac tour product including the Sunshine Coast and Vancouver Island as well as Spectacular Fall Destination Packages. More information on current promotions is available on the BC Ferry website at www.bcferries.com

e. Scheduling Review

The FAC met in August to review Route 7's Winter Schedule. BC Ferries committed to conducting a public survey on board the vessel to review the possibility of removing the last sailing at night (little utilized) and replacing it with a mid day sailing.

Revisions to the Summer Schedule resulted in the elimination of the 5:40 am departure from Saltery Bay. This allows the summer schedules of Saltery Bay and Langdale routes to work with each other.

The committee stated that Route 7 has the worst vessel in the fleet – the M.V. *Queen of Chilliwack*. Rob Stewart would like all members of the committee including BC Ferry personnel to lobby David Hahn to ensure the first new minor vessel (not a hand me down) be on Route 7.

Greg Aivazoff expressed concern with the on time performance of Route 17 vessel. Discussion provided information regarding loading and departure procedures:

Deck Officers do not load the vessel on a 1st come, 1st serve basis. The total traffic load is viewed in the parking lot to better load traffic to ensure maximum utilization of deck space for transportation of customers and to accommodate special request loading such as handicap access.

The appearance of a time delay from sailing time to the vessel actually departing is due to Operational Safety Requirements which include shore clearance procedures, letting go of mooring lines, lifting of ramp, ensuring departure is clear of marine traffic and the activation of the Nemetz lights.

Discussion also included reinstating a five minute cutoff ticketing time; however the committee would want this procedure only if a self-ticket machine was in place for foot passengers and if the ticket booth was staffed with more than one employee. BC Ferries has instituted the trial of the self-ticket machines and we are awaiting results.

g. BC Ferries Annual General Meeting Review

Gary Leitch presented the FAC members with copies of reports from the BC Ferries Annual General Meeting held September 27, 2004 in Nanaimo. Invitations to attend the meetings were extended to all FAC Chair Persons.

7. Action Items:

- a. Gary Leitch will seek clarification for committee members regarding the 2007 implementation date outlined for Routes 17 & 18 on the basis of BC Ferries continuing as the service provider. [Item 6(c)]

- b. BC Ferries to engage in Public Consultation in February 2005 at Texada Island, Powell River and the Comox Valley regarding the Vessel and Service Strategy on Route 17 & 18. [Item 6(c)]

- c. BC Ferries to conduct public survey on Route 7 regarding the Winter Schedule as outlined in item 6(e).

8. Next Meeting:

Greg Aivazoff will consult with advisory members for a meeting date in February 2005 and confirm with Melanie Christensen.

Meeting adjourned: 4:00 p.m.

Approved:

Captain Gordon Nettleton
Greg Aivazoff

Date: December 16, 2004
Date: January 5, 2005

Attachments:

Appendix A - Service Strategies Presentation – Routes 17 (Comox – Powell River) and Route 18 (Texada Island – Powell River)

NORTHERN SUNSHINE COAST Vessel and Service Strategy

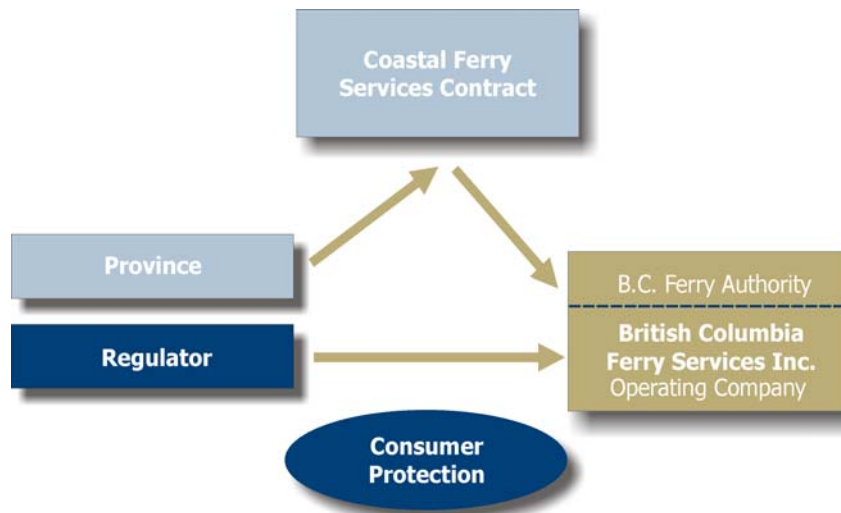
*Presentation to Northern Sunshine Coast
Ferry Advisory Committee*

Capt. Gordon Nettleton
Marine Supt Inter Island Services North
17 November 2004



AGENDA

- BC Ferries Context
- Economy & Traffic
- Existing Service
- Regulatory Constraints
- Challenges & Issues
- Opportunities
& Third Party Participation
- Timelines



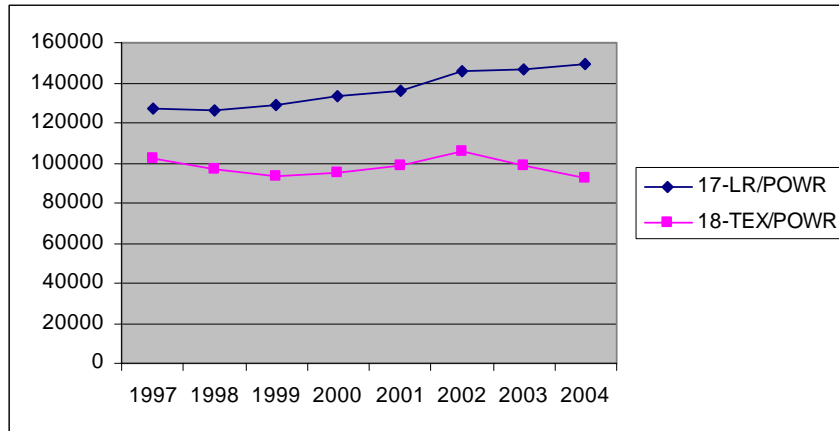
- Establishes the service to be delivered by BC Ferries and the fees to be paid by the province
- Core Service Level for each route consists of:
 - Annual number of round trips to be delivered
 - Minimum round trips per day (by season)
 - Minimum daily hours of operation
- Schedules will be published on a rolling two-year basis
- BC Ferries to deliver a report to government in 2005 describing options for the vessel and service strategy

	Industry	Growth Forecast	etc.	etc.
Powell River				
Texada Island				
Comox Valley				
Lower Sunshine Coast				

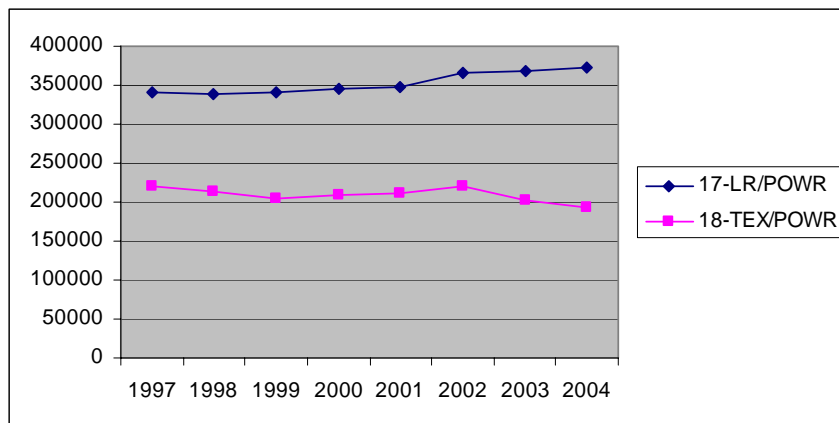
	Traffic ('000's)		Traffic Character commercial, industrial, tourist, etc	Vessel
	Pax	Vehicles		
Route 17	372	149		Queen of Burnaby
Route 18	193	93		North Island Princess
Route 7	353	171		Queen of Tsawwassen

Also Queen of Nanaimo
Queen of Chilliwack, etc

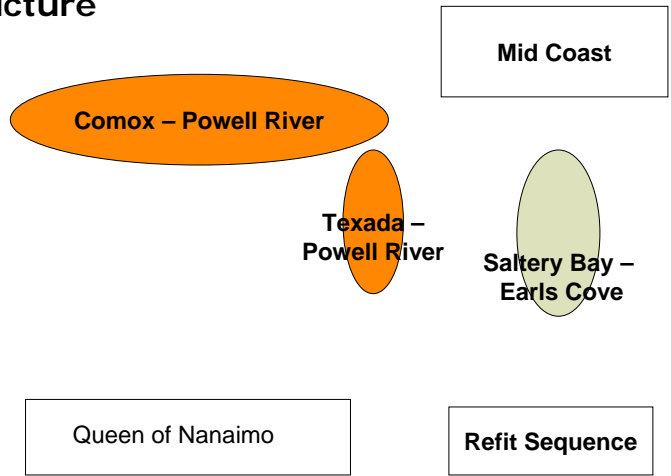
Northern Sunshine Coast Routes 1997-2004 Vehicle Traffic History



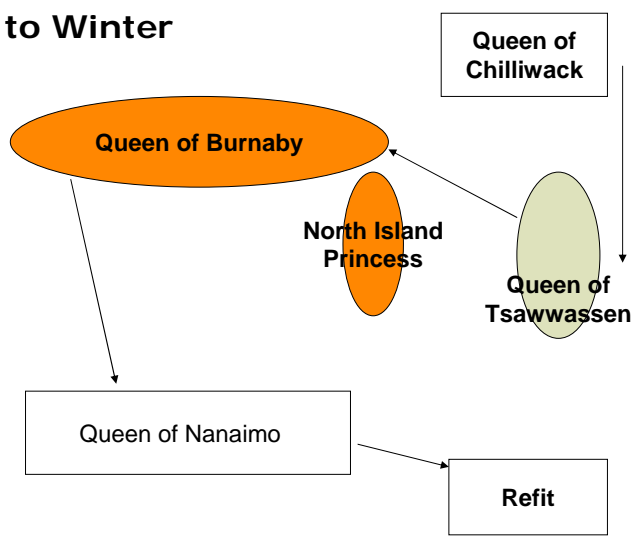
Northern Sunshine Coast Routes 1997-2004 Passenger Traffic History



Route Structure



Transition to Winter



Service Characteristics

- Schedule
- Capacity and Utilization
- Dependability
- Services

What is expected and affordable in the future?

- **Service**
(parameters set by the Contract)
- **Alternative Service Delivery**
(refer to s. 69 of Coastal Ferry Act)
- **Role of the Commissioner**
- **Financial Viability**

Fundamental Challenges

- Affordability
- Capacity
- Schedule

- Berthing & Homeporting
 - Powell River: Westview terminal
- Integration with Powell River waterfront
- Relationship between:
 - Comox – Powell River Service
 - Saltery Bay - Earl's Cove Service

- Third Party Participation
- Increase integration between ferry system & Powell River community
- Reduce Costs / Mitigate Tariff Increases
- Improve Service

Performance Criteria

- Safety
- Operational Expertise
- Quality of Service - Infrastructure
- Customer Service
- Price
- Financial Strength

Financial Criteria

- Balance Sheet
- Financial Stability
- Insurance/Performance Bond
- Proper Legal Structure

November - December 2004:	Research
January 2005	Preparation for Public Consultation
February 2005	Consultations in: <ul style="list-style-type: none">▫ Powell River▫ Texada▫ Comox Valley
March 2005	Report

2005	Identify community interest Deliver report to Government
2006 – 2008	Develop alternative-service opportunities in light of Northern Strategy, Route 13, Arbitration, etc.
2010-2014	Initiate vessel replacement process for <ul style="list-style-type: none">▫ Queen of Burnaby▫ North Island Princess
2014-2016	Vessel replacement <ul style="list-style-type: none">▫ Queen of Burnaby▫ North Island Princess

Questions?

Service Fees

(in \$ Millions)

Route #	Route Name	Maximum Annual Ferry Transportation Fee (\$m)	Core Round Trips	Ferry Transportation Fee per Core Round Trip (\$)
3	Horseshoe Bay/Langdale	\$ 5.0	2,985	\$ 1,676.65
4	Swartz Bay/Saltspring	5.0	2,880	1,753.01
5	Swartz Bay/Outer Gulf Islands	10.9	3,456	3,163.09
6	Crofton/Saltspring	1.4	5,066	284.98
7	Saltery Bay/Earls Cove	9.4	2,880	3,257.24
8	Horseshoe Bay/Bowen Island	5.2	5,569	929.35
9	Tsawwassen/Gulf Islands	6.9	832	8,268.98
10	BearCove/Prince Rupert	5.3	122	43,496.47
11	Prince Rupert/Skidegate	8.1	191	42,669.37
12	Brentwood/Mill Bay	1.4	3,215	443.32
13	Langdale/Gambier/Keats	0.5	4,142	127.75
17	Comox/Powell River	6.3	1,462	4,301.63
18	Powell River/Texada	3.2	3,648	889.66
19	Nanaimo Harbour/Gabriola	2.5	5,732	444.67
20	Chemainus/Thetis/Kuper	2.5	4,013	618.87
21	Buckley Bay/Denman	2.7	6,149	438.05
22	Denman/Hornby	2.1	4,506	458.16
23	Campbell River/Quadra	2.9	6,253	462.88
24	Quadra/Cortes	2.6	2,134	1,240.36
25	PortMcNeill/Alert Bay/Sointula	3.2	3,961	799.78
26	Skidegate/Alliford Bay	2.6	4,378	604.90
40	Discovery Coast	1.9	39	48,546.64
		\$91.9		

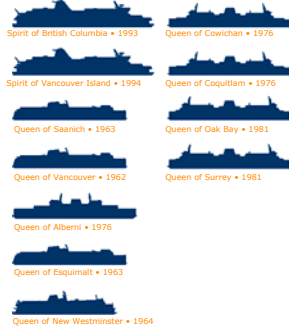
Designated Ferry Routes

Major Routes			
1	Tsawwassen - Swartz Bay	30	Tsawwassen - Duke Point
2	Horseshoe Bay - Nanaimo		
Minor Routes			
4	Swartz Bay - Fulford Harbour	19	Gabriola - Nanaimo Harbour
5	Swartz Bay - Gulf Islands	20	Thetis - Kuper - Chemainus
6	Vesuvius - Crofton	21	Denman Island West - Buckley Bay
7	Saltery Bay - Earls Cove	22	Hornby - Denman East
8	Horseshoe Bay - Bowen Island	23	Campbell River - Quadra Island W
9	Tsawwassen - Southern Gulf Islands	24	Quadra Island E - Cortes
17	Comox - Powell River	25	Alert Bay - Sointula - Port McNeill
18	Texada - Powell River	26	Skidegate - Alliford Bay
Northern Routes			
10	Port Hardy - Bella Bella - Prince Rupert	11	Prince Rupert - Skidegate
Route 3	Langdale - Horseshoe Bay		
Route 12	Brentwood Bay - Mill Bay		
Route 13	Langdale - Gambier - Keats		
Route 40	Discovery Coast		

MAJOR VESSELS

Average Vessel Age 28.9 years

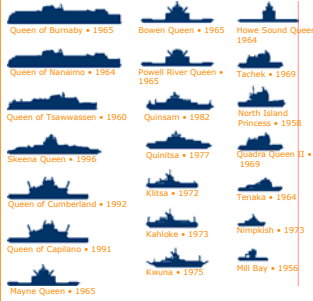
PASSENGERS • 450-2052
CREW • 21-48
AUTOMOBILE EQUIVALENTS • 286-470



INTERMEDIATE AND SMALL VESSELS

Average Vessel Age 32.2 years

PASSENGERS • 133-1163
CREW • 4-35
AUTOMOBILE EQUIVALENTS • 16-192



NORTHERN VESSELS

Average Vessel Age 33 years

PASSENGERS • 374-650
CREW • 22-50
AUTOMOBILE EQUIVALENTS • 80-120



<i>Data for FY 03-04</i>	Powell River Texada	Powell River Comox	Saltery Bay Earls Cove	Tsaw Gulf Islands
Pax (K)	193	372	353	501
Vehicles (K)	93	149	171	172
Revenue (\$M)	0.782	5.740	3.712	7.480
Expense (\$M)	?	?	?	?
Govt Contributi ons (\$M)	4.17	8.49	12.09	8.92

Specific Opportunities

Over the next four years:

- 2006
 - BC Ferries' three northern routes
- 2005/06
 - Mill Bay/Brentwood Bay
- 2007
 - Comox/Powell River
 - Texada Island/Powell River