

**NORTHERN SERVICES 2004+**  
**PUBLIC CONSULTATION MEETINGS**  
**June 2002**

**BC Ferries STAFF:**

Capt. Peter Hughes  
Assistant Vice-president  
Inter Island and Northern Services

Capt. Gordon Nettleton  
Operations Manager  
Northern Services

Gary Leitch,  
Manager, Stakeholder Relations & consultation

**Prince Rupert, 3 June, 11:00h**  
**Crest Hotel**

Ms. Lynn Maksymyszyn – BC Ferries, ATA

Iz Kawaguchi, Branch Manager  
Lindsay's Cartage & Storage Ltd.

Capt. Mike D. Stevenson, Division Manager  
Rivtow Marine Inc

Capt. Peter Hughes made an introduction explaining the purpose of the meeting and adding two items to the agenda (attached) for this discussion with representatives of the trucking industry. These items were the impact of a tug and barge service to displace trailer traffic from the QPR in the summer; and the allocation of deck space to the commercial trucking fleets (Rivtow, Lindsay's, and Canadian Freightways). Capt. Hughes noted that while Option #1 (the status quo) is included in the discussion paper, BC Ferries would not be recommending this option to its Board and government. However, the government is free to choose whichever option it wishes, including an option of its own design.

Capt. Hughes made a presentation (attached<sup>1</sup>) which spoke to the points made in more detail in the discussion paper entitled "Northern Services – Discussion of Summer Scheduling Options" (attached). The following points were made during discussion:

1. The trucking industry can get by with the three main sailings per week from Prince Rupert to Skidegate Landing. However, the scheduling of these

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<sup>1</sup> While the text of this document is identical to the one presented at the meetings, the numbers have been revised and corrected in this version, which is the final.

sailings is important. From Prince Rupert to Skidegate the Sunday, Monday and Thursday sailings are important. From Skidegate the Monday, Tuesday, and Thursday sailings are important.

2. The impact of this summer's crab fishery is unknown.
3. A tug and barge service to augment service in the summer could work if scheduled appropriately.
4. Dangerous goods shippers would appreciate more scheduled barge service.
5. Deck Allocation. This discussion was inconclusive, as there was insufficient detailed data to discuss. However, it appears that on an annual basis only 50% of commercial deck allocation is used. In the summer period, which is the period in question, it appears to BC Ferries that only 80% of space is being used. BC Ferries wished to reduce allocation to trucking in order to accommodate the maximum number of other users possible, particularly tourists travelling to the QCI.

This discussion will be continued with the trucking industry within the month with a complete set of relevant data. {Peter Hilderbrand has indicated an interest in attending this meeting} Capt. Hughes emphasized the importance of getting the space allocation right before the 2004 summer season.

**Prince Rupert, 3 June, 13:00h  
Crest Hotel**

Elaine Sulz	Constituency Assistant, MLA Bill Belsey
Rich McDaniel	Councilor, City of Terrace, Past president Trans-Canada Yellowhead Association
Ron Bedard	District of Port Edward, CAO
Scott Farwell	Operations Manager, Crest Hotel
Julia Ferguson	Executive Director, Tourism Prince Rupert
Glen Saunders	Chair, tourism Prince Rupert
Steve Smith	Northern Services Ferry Advisory Committee Chair/Member
Barb Ashton	Marketing Director, Tourism Prince Rupert
Janet Biel	Skeena-Queen Charlotte RD, Deputy Administrator
M. Parks	Skeena-Queen Charlotte RD, Area Director
Dave MacDonald	District of Port Edward
Les Watmough	Kitimat-Stikine RD, Director
Ed Wampler	District of Port Edward, Mayor, Vice-chair, Skeena-Queen Charlotte Regional District
Andrew Webber	Kitimat-Stikine Regional District, Manager, Planning and Economic Development
Maureen Macarenko	BC Ferries Board of Directors (attended part of meeting)

Following introductions, Capt. Hughes made the same presentation

made earlier to the trucking industry. The following points were made during the ensuing discussion.

1. Dismay and frustration was expressed with the service planning process which does not appear to be predictable; the change in position of Transport Canada re: the damaged stability regulations and the impact of the level 2 vessel survey were cited as reasons for this regrettable situation.
2. The question of the federal subsidy was raised and it was implied and stated that the subsidy was for north coast service. P. Hughes indicated that the federal contribution was not a subsidy but a payment pursuant to a contract obliging the province to provide coastal ferry service. The federal contribution is viewed as one source of revenue by the corporation and is not allocated to any routes.
3. A strong desire was expressed to meet with BC Ferries Board of Directors to ensure first hand that the Board understood the concerns and values of the citizens of the north. P. Hughes indicated that the appropriate action for the group would be to write to the Chairman requesting such a meeting.
4. There was a strong feeling of alienation from the south, or a 'hinterland-heartland' alienation, expressed as feeling that the government centred in the south didn't understand or care about the north.
5. The corporation was criticized for a lack of vision and understanding of how to grow the tourism industry; a lack of senior level commitment to marketing; a lack of understanding of long lead times required for planning the delivery of tourism products; and the importance of reliability in providing tourism products (this in reference to cutting sailings in October without adequate notice).
6. The Grant Thornton study proposed for the Prince Rupert area needs to be broadened to look at the impact of 2 ships on route 10.

**Skidegate Village, 4 June, 10:00h**  
**Skidegate Homemakers Hall**

Gail Macdonald, BC Ferries, Terminal Manager

Gordon Brown	Rivtow Marine Inc., Manager
Rick Kobza	Lindsay's Cartage, Manager
Michele Deakin	Tourism & Community Relations Coordinator Gwaii Haanas National Park Reserve
Carolyn Hesseltine	Haida Gwaii Tourism Association/ Visitor Information Centre
John Nielsen	Village of Port Clements, Administrator
Carol Kulesha	Queen Charlotte City Management Committee Skeena-Queen Charlotte Regional District

Trevor Jarvis	Village of Masset, CAO
Jack Thurgerson	Village of Masset, Deputy Mayor
Joan Ann Allen	Village of Port Clements, Mayor
Ken Davidson	Skeena-Queen Charlotte Regional District, Area Director
Richard Russ	Skidegate Band Council, Councilor
Colin Richardson	Skidegate Band Council, Councilor

Following the presentation by Capt. Hughes, the following points were raised during discussion.

1. With respect to the economic impact study to be prepared by Grant Thornton a request was made to distinguish between residents and tourists in BC Ferries input data (traffic stats) to the study. P. Hughes indicated that our databases were in transition but that we would see what was possible in that regard.
2. The problem of the allocation of deck space for commercial vehicles was noted.
3. Dissatisfaction with the quality of advice given by ResCentre staff was expressed, to wit, tourists aren't advised they can get on standby, don't give a probability of getting on, and don't provide alternatives (e.g. travel on a less used sailing). ResCentre staff need a far better knowledge of the Haida Gwaii. The lack of tourism brochures on the QPR was questioned. P. Hughes indicated he would raise these matters with the marketing department. Tourism officials asked if it would be possible to interview BC Ferries customers in the terminal or on the ship. Capt. Hughes indicated we would be receptive to specific requests.
4. It was noted that fares on Route 11 were decreased some years ago. Do not want service cut as a consequence of that.
5. The importance of particular sailings was noted, e.g. the Thursday sailing is important to residents going to Prince Rupert for medical or other personal business reasons (minimizes time away from paying work while still permitting access to professionals and businesses in a reasonable period of time).
6. The Skidegate Band is planning a five star hotel and Heritage Centre with an estimated cost of \$19mm. Part of the required funds have been raised and the Band hopes to start construction next year with opening in 2004. Therefore, preliminary view is that they would not like to see a reduction in service.
7. Michele Deakin and Carolyn Hesseltine asked BC Ferries to ensure that Grant Thornton spoke with them during the preparation of their study.
8. What is BC Ferries mandate from government? P. Hughes indicated that it is unclear what our mandate is. Hopefully the core review will provide some clarity around that issue.

9. Reduction from 6 sailings per week to 5 could be a problem. There was no clear indication of whether the problem would be with capacity or frequency.

**Bella Coola, 10 June, 13:00h**  
**Bay Motor Hotel**

Jim Nyland	Ocean Falls, Ferry Advisory Committee
Earl Newman	Bella Bella, Ferry Advisory Committee
Peter Rauch	Shearwater Ferry Advisory Committee
Jim Hadley	Shearwater Ferry Advisory Committee
Ross Neasloss	Klemtu, for Ben Robinson, FAC
Brian Roe	Bella Coola FAC
Kathy Nylen	Bella Coola FAC
Karl Osmer	Cariboo Chilcotin Coast Tourism Association (CCCTA) Coastal Representative
Wm. Van Es	CCCTA member, Bella Coola
Bernward Kalbherm	CCCTA member, Kleena Kleene
Anton Forster	CCCTA member, Past Pres
Angela Hall	Coast Mountain News
John Morton	Bella Coola Tourism
Doug Baker	President, Bella Coola Tourism
Daryl Fritz	Bella Coola Harbour Commission
Reinhard Maag	Bella Coola
Ed Nash	Economic Development Commission (part time)

Following the standard presentation by Capt. Hughes, the following points were raised during discussion.

1. The accuracy of the figures in the Grant Thornton study was questioned. G. Leitch indicated that the study would be made available to participants in the meeting for their analysis and rebuttal. If there are errors of fact or analytical assumptions BC Ferries wants to know.
2. BC Ferries goals were questioned; are we trying to destroy route 40? P. Hughes indicated our goal was to provide an adequate level of service at a reasonable cost. B. Roe indicated that there has been a prevailing feeling that BC Ferries has never been committed to route 40. A. Forster indicated that if BC Ferries ran a reliable service private operators would undertake the marketing required to make a financial success.
3. BC Ferries marketing efforts were criticized. P. Hughes indicated that BC Ferries had spent \$125k marketing the Discovery Coast service last year and will spend a similar amount this year.
4. The issue of the federal contribution was raised again. John Morgan indicated that he was at the table with Premier Bill Bennett when the agreement was negotiated and that BC Ferries interpretation of the agreement is correct.

5. There must be representation for Highway 20 on the ferry advisory committee.
6. The desirability of running a service only between Port Hardy and Bella Coola was made repeatedly.
7. Can BC Ferries allocate costs between the cost of service to Bella Coola and the cost of service to the other communities?
8. Private sector operators could make a profit. G. Leitch and P. Hughes indicated that they were welcome to do so and there would be no interference from us.
9. The availability of day ferries on the used ship market was queried. P. Hughes indicated we hadn't looked as we feel the service needs a ship with accommodation. In any case the point is moot since any new ship would cost so much that the service is unsustainable on a business basis.

**Port Hardy, 11 June, 10:00h  
Quarterdeck Inn**

Brenda Etherington	Chamber of Commerce, Ferry Advisory Committee
Russ Helberg	Mayor, Port Hardy
Jennifer Case	Vancouver Island North Visitors Association
Hank Bood	Councilor, Port Hardy, FAC
Ilver Villani	Quarterdeck Inn
Sharon Barton	ATA, BC Ferries, Port Hardy

Following the standard presentation by Capt. Hughes the following points were raised during the discussion.

1. Dismay and frustration was expressed with the service planning process which does not appear to be predictable; are we responding to political pressure; the change in position of Transport Canada re: the damaged stability regulations and the impact of the level 2 vessel survey were cited as reasons for this regrettable situation.
2. Concern was expressed that the northern routes were being asked to bear the brunt of a budget cutting exercise. P. Hughes explained that the condition of the ship, the cost of a new vessel and our belief that it is not possible to support that cost on a three-month service plan are driving the planning for the northern service.
3. Is this initiative being undertaken because the north is under populated and thus politically weak? This sentiment was repeated often. P. Hughes repeated the reasons for the proposed changes to the service plan.
4. The mandate of BC Ferries must be clarified to define its role, if any, in supporting the tourism industry.

5. The private sector could run the northern services profitably, particularly route 40. P. Hughes indicated that BC Ferries would not interfere with any efforts by private sector operators.

### **WILLIAMS LAKE, 26 June, 14:00**

#### **Bilnore Restaurant**

Anton Forster	Past-president, Cariboo Chilcotin Coast Tourism Association
Dave Grant	Bella Coola Valley Inn
Mark Nichiporuk	CCCTA
Judy Jenkins	<i>Cariboo Advisor</i> – weekly newspaper
Bernward Kalbhenn	Clearwater Lake Lodge
Gerald Jolliffe	Cariboo Regional District Area Director
Dianne Lawson	Vice president Council of Tourism Associations
Rick Gibson	Councilor, City of Williams Lake
Claudia Blair	Chamber of Commerce
Ivan Bonnell	Mayor, City of Williams Lake
Karen Roberts	Chamber of Commerce
Walt Cobb	MLA
Louis Helbig	Vice president, CCCTA
Bill Collins	General Manager, Credit Union
Kim Bachman	Cariboo Radio
Sage Birchwater	<i>Williams Lake Tribune</i>

BC Ferries:

Capt. Peter Hughes

Gary Leitch

Following the standard presentation by Capt. Hughes the following points were raised during discussion.

1. The history of Williams Lake participation in northern services deliberations was reviewed by Anton Forster and a request repeated for membership on the Northern Services Ferry Advisory Committee.
2. A fourth option should be presented to government which would include a new ship dedicated to the Bella Coola – Port Hardy run in the summertime. This would be to counteract what is felt to be an anti route 40 bias in BC Ferries discussion paper. BC Ferries should be an advocate for route 40.
3. There must be a role for BC Ferries in the development of the British Columbia tourism industry. BC Ferries should be advocating for more service to boost the tourism sector.
4. Consideration must be given to investment made by the private sector in response to the development of route 40.

5. What direction have we received from government? Have we been ordered to end cross subsidization of the longer routes?
6. The role of the private sector and/or PPPs in providing a better service for Bella Coola must be investigated.
7. Ways of increasing revenue must be explored.
8. Walt Cobb said BC Ferries must put together a business case for government to show growth not a continuing loss.
9. The Bella Coola service must be separated from the mid-coast service in order to properly prosper.

Gary D. Leitch  
3 July, 2002<sup>i</sup>

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<sup>i</sup> File: G: Public consultation files 2002+/Ferry Advisory Committees/Northern Services/Reports