

Route 21 – Proposed Cable Ferry Alternative

Date: August 20, 2009

Time: 3:00 p.m. –
4:00 p.m.

Location: Seniors Hall, Denman Island

Attendees:

Notable Guests

Martin Crilly, BC Ferry
Commissioner

Tony Law,
Denman/Hornby Ferry
Advisory Committee
Chair

BC Ferries

Kelly Wheeler, Senior Business Analyst
Mark Stefanson, Vice President, Public Affairs
Mark Collins, Vice President, Engineering
Captain Gordon Nettleton, Marine Superintendent, Northern Islands
Bruce Paterson, Fleet Technical Director
David Carroll, Director, Terminal Construction
Alex Izett, Project Manager, Vessel Construction
Sarah Cotton, Manager, Stakeholder Relations

- 1. Call to Order:** The meeting was called to order at 3:00 p.m.
- 2. Introductions:** Mark Stefanson introduced BC Ferries' presenters and notable guests to the audience.
- 3. Proposed Cable Ferry Alternative Presentation:** Kelly Wheeler presented the proposed Cable Ferry concept for Route 21. He provided an overview of the feasibility study and the Navigable Waters Protection Act application process.

There was concern from members of the public that there isn't a guarantee that the cable ferry can run in bad storms. BC Ferries replied that a directional wave buoy was deployed in Baynes Sound to collect wind and wave data. Physical measurements of wind velocity, wave height, and wave period were taken between November 2008 and March 2009. There was concern from the audience that this time period was considered a mild winter and the analysis may not accurately reflect most winters and severe storms. Bruce Paterson responded that wind and wave analysis was conducted and was based on data collected by the wave buoy, and these findings were extrapolated up to an extreme set of storm conditions. It was found that the wind/wave climate is conducive to the safe and reliable operation of a cable ferry.

The audience asked for comparisons of cable ferries around the world. Mark Collins responded that there are hundreds of cable ferries in service around the world. It is an old technology and is highly reliable. Mr. Collins has viewed three cable ferries – all with excellent reliability. In St. Ann's Bay, Nova Scotia, there is a cable ferry that runs for 1.8 km and it has never had a breakdown as a result of a cable.

An audience member requested that BC Ferries look at the design of the shelter onboard the proposed cable ferry. She was concerned that the shelter would not be adequate for school children travelling 5 days a week. She wants to ensure that they are comfortable and warm, especially during the winter months. The audience member asked if BC Ferries will be speaking with those who are commuters and if the company is considering holding an evening open house for commuters to attend. Mark Stefanson replied that we will look at it, we're open to it, and will consult with the Ferry Advisory Committee (FAC).

Another audience member asked if BC Ferries will be speaking with those who will be crossing the ferry route, as she is one of them and needs to know if there will be a delay for a crossing due to the ferry's long crossing time. Mark Collins responded that we have spoken with stakeholders including the Council of Marine Carriers, and shipping can pass when the cable is in the channel. It is just the length of distance from the dock that has to be taken into consideration.

BC Ferries will make public the survey of the seabed and environmental study, and will share it with the Denman-Hornby FAC once complete.

It was asked if the cable ferry will provide similar shuttle service in the summer. The audience said that ridership in the summer is huge and could cause a disruption in service, and felt that lower crew could make this disruption worse. BC Ferries responded that even if there was a lower crew size, they could assess the situation and provide similar shuttle service in the summer.

An audience member asked how long the crossing will be with the new cable ferry. Kelly Wheeler responded that the length of the cable ferry crossing is not known at this time, but the vessels operate at a comparable speed, can accelerate and brake very quickly and are able to dock faster than a conventional ferry.

The audience asked how long the cable change would take when it needed to be done every two years. Kelly Wheeler responded that it takes 2 hours in the interior as the vessel runs 24 hours a day, 7 days a week, but we could easily do it overnight.

In regards to Minimum Safe Manning requirements, the BC Ferries panel noted that marine operation procedures will be determined to meet the needs of the cable ferry. Minimum Safe Manning regulations are not required with cable ferries, as they are covered under the Navigable Waters Protection Act (NWPA), whereas diesel ferries are covered under the Canada Shipping Act.

A member of the audience noted that in regards to marine rescues, BC Ferries does an excellent job at providing assistance and asked will the cable ferry be able to respond to marine emergencies? Mark Collins replied that the vessel will not be able to go off the cables.

It was asked if other cable ferries operate in the dark. Kelly responded that the Needles Ferry operates 24 hours a day.

The audience asked what the policy is on moorings around the ferry terminals and would a boat that is moored in the area have to be moved? Mark Collins responded that if the boat is in the way, it may have to be moved. It was then asked if BC Ferries would consult with the group who want to put a dock in. David Carroll replied that BC Ferries has been in consultation with the group already and will continue to exchange information.

A member from the audience asked if there will be an alternative dock in the event that the Hornby Island ferry would need to go to the Denman West side to drop passengers off. Mark Collins replied that we are looking at possibilities, but we would likely redeploy our marine assets rather than spending money maintaining them as operating costs would then go up. It was then asked what will happen if the Denman Island ferry needed to be fixed. Collins replied that BC Ferries will fix the ferry the way the system is intended to operate.

Tony Law asked when doing the feasibility study, could BC Ferries consider keeping the existing berth? Mark Collins responded that we would look at keeping the existing berth for approximately one year. When the vessel is in refit, alternate service will be put in place that's comparable to the cable ferry, but it is still to be determined.

It was asked if the home port will change with the new cable ferry in place. At this point, BC Ferries can't see it changing but more analysis needs to be done.

The audience asked if a breakwater will be built. David Carroll replied that as you get closer to the shore, cables should be sufficient so rotation doesn't occur and a breakwater wouldn't be necessary. The berth would be floating and the vessel would drop its ramp on the shore pontoon platform.

It was asked what the fuel consumption and crew savings would be with the new cable ferry. BC Ferry Commissioner Martin Crilly responded that there will be a potential 2/3 savings in fuel as the vessel would run on 1/3 the fuel that a regular ferry takes. He added that there is a potential for labour savings as the cable ferry is simpler to operate.

A member of the audience stated that with the reduction of costs and without the guarantee of service reliability, the ferry should be free. The audience member then asked if there will be a free ferry and BC Ferries responded no.

It was then asked what the plan is for passing the savings on to the customer? Kelly Wheeler replied that at this point only a very high level analysis has been done.

An audience member said he feels like a guinea pig in this study and these benefits sound like they are a benefit to BC Ferries. One cable ferry in this huge fleet won't save the customer much money. Bruce Patterson replied that BC Ferries will provide the same level of service but this is a quieter vessel and very reliable. The interior cable ferries have proven to be extremely reliable.

The audience asked if there a company waiting in the wings. Kelly Wheeler said no. Commissioner Crilly added that BC Ferries has a contract for service but can bring in a contractor to operate the route. However, the subcontractor has to respect the service

contract and abide by BC Ferries. The 60-year Coastal Ferry Services Contract between the provincial government and BC Ferries won't change. BC Ferries will issue a Request for Proposals for an Alternative Service Provider if the feasibility study shows that the cable ferry will proceed.

Commissioner Crilly also mentioned that 18 out of 30 ferry routes in Sweden are cable routes and as they have switched over, they have seen substantial fuel savings. Bruce Paterson added that the mechanical efficiency of a cable ferry is significantly greater than a propeller driven ferry.

A member of the audience asked if they would see the numbers for fuel savings, and how much revenue has been brought in with fuel surcharges. Commissioner Crilly responded that he would address this directly with BC Ferries.

The audience asked that since the minor routes are losing money, would the savings be passed on to passengers? The audience had heard from Commissioner Crilly that the savings will help make up for the losses. Kelly Wheeler responded that the cost structure based on the route group. Commissioner Crilly added that the route's costs are pooled with 17 other routes and there is an averaging process that goes on.

An audience member asked for BC Ferries' contact information to provide feedback. Mark Stefanson said we would provide contact information and the community is also encouraged to work with the FAC.

BC Ferries was asked if there will be a referendum or a survey on the cable ferry. Stefanson replied that there are no plans at this time. However, this is not a done deal and BC Ferries will come back and provide the residents of Denman Island with further information. The audience member reiterated that BC Ferries should consult with the community on this, and Stefanson replied that the public's views are critical and BC Ferries is listening to the community.

There was concern from an audience member that the cable ferry will be built abroad and asked BC Ferries to build it in Canada so jobs are created.

It was asked how much BC Ferries spent on this feasibility study. BC Ferries replied that the budget is \$675,000. Commissioner Crilly added that BC Ferries will pay one half of the cost at no extra cost to anyone, and the remaining half will be paid out of all 18 routes on this route group.

An audience member asked if there will be more public consultation between the detailed design and the decision timeframe. Kelly Wheeler replied that BC Ferries will provide more consultation before the decision is made. Mark Stefanson added that we will have a meeting with the commuters at the request of the Denman Island community.

Tony Law remarked that BC Ferries has heard a lot of passion and concern today. He addressed the public by saying that the level of service provided goes far beyond what is required in the Coastal Ferry Services contract. He went on to say that the cable ferry service, which may be operated by an Alternative Service Provider, needs to have the ability to double trip during the peak season as the service is currently very reliable. Route 21 is one of the most reliable routes in the system and reliability and quality is very important to the community. Law also noted that the lowest rating on the Customer Satisfaction Survey was the cost of service on Route 21 and said the savings of the cable ferry will be

incremental. He added that the design of the vessel would need to meet the level of comfort required by the community.

An audience member asked that in regards to the redesign of the Denman West Terminal, will BC Ferries consider building an alternate boat launch to the one that's currently in place. David Carroll responded that we will consider an alternate boat launch in the new design.

Meeting adjourned at 4:45 p.m.

Approved:

Kelly Wheeler, Senior Business Analyst

Date: October 2, 2009

Mark Stefanson, VP, Public Affairs

Date: October 9, 2009