

Complaints Resolution Report

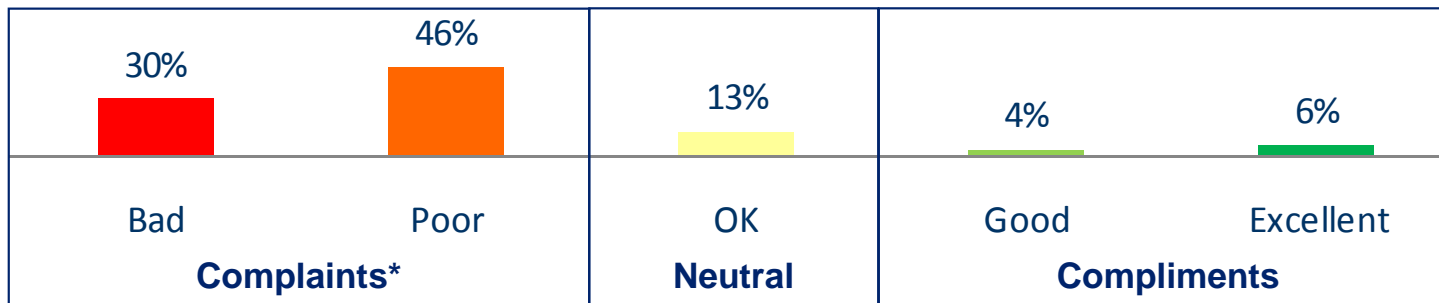
Quarter ended June 30, 2011



Feedback Summary

- During Q1 of the 2011/12 fiscal year 5.2 million customers travelled with BC Ferries.
 - BC Ferries received 2,272 comments in Q1 2011/12
- Customer initiated feedback tends to be negative. Ten percent (10%) of all customer feedback received in Q1 2011/12 was complimentary.
- “On the Web” was the top issue: 647 complaints* were made, representing 28% of the total complaints received in Q1 2011/12.
 - Top 5 complaints combined represent 49% of all complaints received in Q1 2011/12
- General comments are excluded from this analysis:
 - 216 General comments were received which were primarily made up of suggestions (76) and company information (68)

Distribution of Comments by Rating

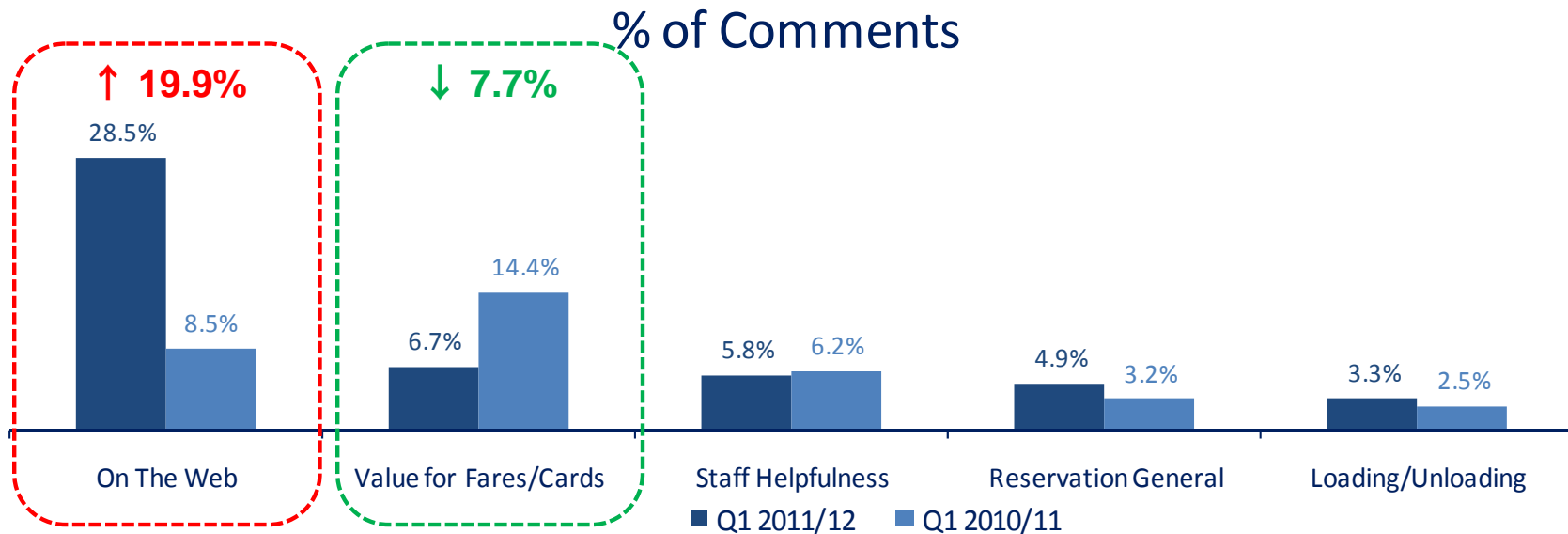


*Complaints = “bad” or “poor” rating accompanied by a comment

Note: Q1 2011/12 = April 1st to June 30th 2011

Top Complaints*: Corporate

#	Complaint	Q1 2011/12		Q1 2010/11	
		Complaints*	% of Comments (n=2,272)	Complaints*	% of Comments (n=2,648)
1	On the Web	647	28.5%	226	8.5%
2	Value For Fares/Cards	152	6.7%	382	14.4%
3	Staff Helpfulness	132	5.8%	163	6.2%
4	Reservation General	112	4.9%	86	3.2%
5	Loading/Unloading	75	3.3%	66	2.5%



*Complaints = “bad” or “poor” rating accompanied by a comment

Note: Q1 2011/12 = April 1st to June 30th 2011
 Q1 2010/11 = April 1st to June 30th 2010

On The Web

Sample of Customer Comments:

Complaints

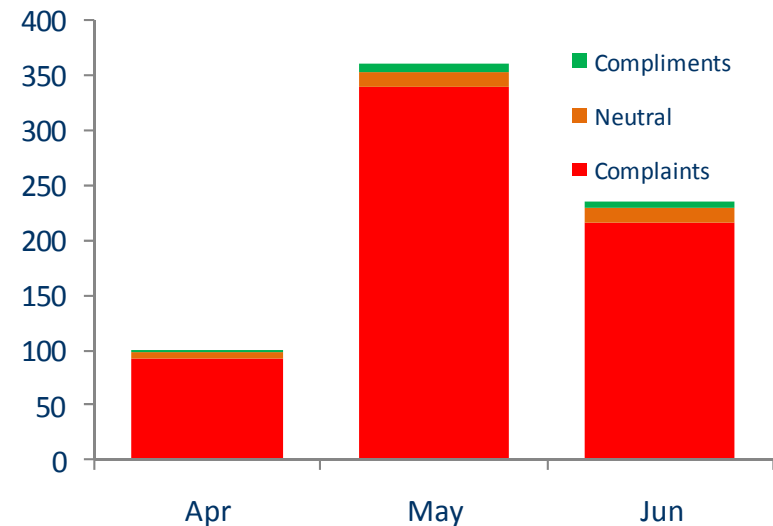
- "I am unable to proceed to checkout as all credit card info is greyed out and cannot be entered."
- "Horrible. if you can't make it fast and consistent then you shouldn't use it at all because it just makes the whole experience frustrating."
- "To this point have had nothing but total frustration with this new site, loading of the pages per question is over 3 minutes long minimum."
- "Received a May 4th service notice via email on May 10th, which applies between May 6th to 31st. 6 days after it's released."
- "Your web site is not user friendly. Old system of online access to fares much better than current pdf method. Current .gif map is useless!!!!!"

Compliments

- "THANK you for not making us click twice to get the summary of the notifications ... a small but definite improvement in online services."
- "Excellent website thank you. Love the very clear schedules, and the webcams."
- "I see you have revamped your website – which looks great!"

On the Web includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Web: Login/Passwords	227	2	0
On the Web: Design And Usability	202	8	9
Reservations: Online Reservations	126	2	2
On the Web: Information/General	32	10	3
On the Web: Travel Planning	26	4	0
On the Web: Service Notices	20	2	2
On the Web: Current Conditions	11	3	0
On the Web: Online Gift shop	3	3	0
% of all comments (2,272)	28.5%	1.5%	0.7%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: All data is for Q1 2011/12 (April 1st to June 30th 2011)

On the Web

Root Cause:

1. Login/Passwords
2. Design and Usability
3. Online Reservations

Lessons Learned:

1. Login/Passwords
2. Design and Usability
3. Online Reservations

Action Taken:

1. Login/Passwords
2. Design and Usability
3. Online Reservations

On May 12, 2011, BC Ferries launched a comprehensive redesign of its website. This included the introduction of a single online reservation channel to replace the two unique channels that had been in place since August 2008. The intention of consolidating the two reservation channels was to remove problems encountered by customers when trying to use a password for one channel to access the other.

Implementing the single access online reservation service proved to be a highly complex undertaking, particularly in terms of aligning customer accounts associated with the ten-year-old Reserved Boarding on the Internet (RBI) service. There were also a number of performance and account validation issues that did not emerge during the testing conducted, nor with external customer focus groups and staff.

Since the May launch, there have been seven subsequent releases plus a number of “spot fixes” aimed at correcting problems with the new website.

Another release aimed primarily at resolving remaining reservation process and account validation/login issues, and improving performance for those using Internet Explorer 9 and non-Flash browsers was launched on August 23rd.

In addition, new initiatives are now in development to make the web even more efficient for people who want to reserve online by introducing an opportunity to book travel without having to create myBCFerries accounts.

Value For Fares/Cards

Sample of Customer Comments:

Complaints

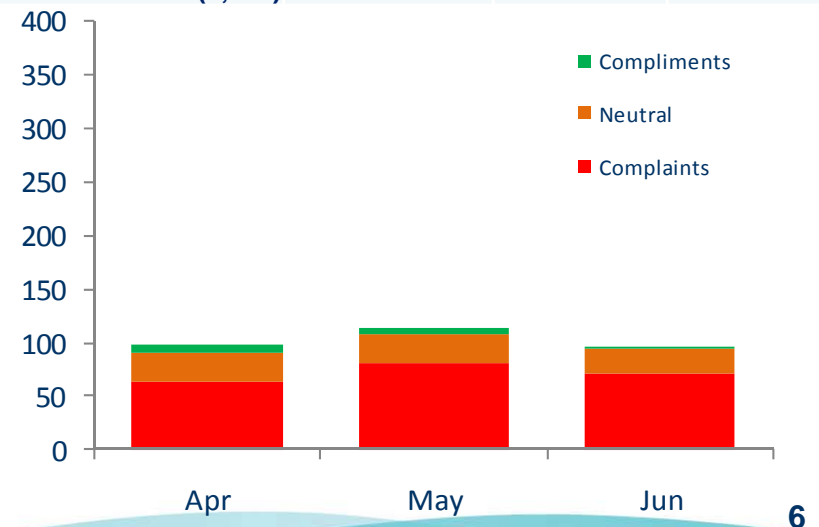
- "I drive a motor home and tow my jeep. We unhook the jeep when we use the ferry because we save \$51 traveling in each direction. Why does the ferry corporation make us go through the work to un-hook and re-hook. Why do you not charge the rate for the MH and the rate for the car separately so un-hooking is not necessary?"
- "I have a Coast Card that expired August 31, 2010. I called to use it Sept 5, 2010 and I was told I could not use my last assured boarding. I thought I had thrown the card out & I just located it. I was very upset at the time & further upset when I heard there has been discussions for those of us who did not know we had to register the cards..."
- "Why is the Sunshine Coast left out of the cost saver fares? We matter too!!"

Compliments

- "Good Afternoon! I've been travelling back and forth to Victoria for 35+ years and shelling out a lot of money for each trip on the beautiful BC Ferries. So last Friday you can imagine my delight and surprise to see \$20 knocked off the ticket price. I couldn't believe my eyes at first, and wondered if it was my good looks, or because my license plates are non BC plates, or if there was a misprint. But on my return trip to Tsawwassen last night, I learned that the fare drop is for everyone. So...thanks!!!! I also learned that the fare drop is only for a limited time. If you could reduce regular fares for a longer time...you know I would love you more, be happier travelling on BC Ferry, and it would be so much easier to go visit my parents in Victoria more often!!"

Value For Fares/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Value For Fares Paid	56	10	5
Fares: Experience Card	35	9	2
Fares: Coast Card	31	15	2
Fares: Discount Fares	30	10	2
Fares: Other Fares	20	15	3
Fares: Errors	13	1	0
Fares: Promotions	13	4	0
Fares: Frequent Travel	6	0	2
Fares: Refunds	5	9	1
Fares: Sailpass/Circlepac	3	3	0
Fares: Credit/Debit Card	3	1	0
% of all comments (2,272)	9.5%	3.4%	0.7%



*Complaints = "bad" or "poor" rating accompanied by a comment

Note: All data is for Q1 2011/12 (April 1st to June 30th 2011)

Value For Fares Paid

Root Cause:

1. Value for Fares Paid

The Annual fare increase went into effect April 1, 2011 in accordance with the price provisions set by the BC Ferry Commissioner in September 2007 for Performance Term Two. Price caps were set that took into account the significant capital investment in ships, terminals and IT BC Ferries had to make.

The price cap increases also reflected the decision made by the Provincial Government to keep service fees at status quo levels without applying any inflationary factor. It also reflected the terms of the Coastal Ferry Services Contract with the Provincial Government, which have not allowed BC Ferries to make any significant adjustments to service levels to achieve operational efficiencies that could lead to reductions in costs and fares.

Since 2004 there has been a 140% increase in fuel costs, as well as significant operating cost increases, such as insurance premiums, property taxes, utilities, benefits program rates, contractual labor costs, and regulated labor requirements.

BC Ferries responded to a long standing concern customers expressed over being charged for vehicles over 7' (2.13 m) in height by eliminating the over height fare on most routes on April 1, 2010. This was made possible by the sale of older vessels and the purchase of new vessels where the deck clearance no longer presented the need to charge for height. At the same time, the per foot charge for additional length (over 20 feet or 6.1m) was aligned with the commercial per foot rate. This resolution was made after extensive consultation with the Ferry Advisory Committees.

Lessons Learned:

1. Value for Fares Paid

There is anecdotal evidence that the increase in fares has caused customers to limit discretionary travel. A report recently provided by InterVISTAS Consulting Inc., acknowledges some minor price elasticity, but notes that there may be other causal factors affecting ridership.

Action Taken:

1. Value for Fares Paid

BC Ferries has aggressively taken steps to contain discretionary costs – administrative cost have fallen from \$32.0 million to \$31.0 million annually from fiscal 2004 to fiscal 2011.

New lines of business were introduced such as drop trailer and vacation packages whose revenue is being re-invested into the company and helps to keep fares down.

BC Ferries submitted a report “Opportunities for Enhanced Efficiency in Performance Term Three” to the BC Ferry Commissioner in October, 2010, which sets out examples of the innovative ways BC Ferries has pursued and realized cost savings and efficiencies, and identifies additional opportunities that could be considered with the support of the Provincial Government.

On October 18, 2010 BC Ferries was able to reduce fares by two per cent as a result of the Government of Canada granting BC Ferries’ request of duty remission of vessels built offshore.

Coast Saver Sail Promotion was offered on the Tsawwassen – Swartz Bay, Tsawwassen – Duke Point and Horseshoe Bay – Departure Bay routes, Thursday through Sunday from June 2 – 26, 2011.

Coast Card / Experience Card

Root Cause:

2. Coast Card
3. Experience Card

Lessons Learned:

2. Coast Card
3. Experience Card

Action Taken:

2. Coast Card
3. Experience Card

BC Ferries recognized the \$1.8 million in Assured Loading product (ALT) that was purchased by customers in October 2007 was due to expire on October 31, 2009. To ensure customers weren't caught off guard, BC Ferries took several steps including emailing registered ALT card holders the Terms and Conditions related to the product prior to the expiry date. At the beginning of 2010, customers holding this expired product began contacting BC Ferries to ask what they could do now that the product had expired. Despite BC Ferries' efforts to provide notice, some customers advised they weren't aware the product was subject to expiry and was non-refundable. On March 31, 2010 a second email was sent to registered card holders to advise of a change to the Terms and Conditions so that once the ALT product expired BC Ferries would give customers an additional 6 months to apply the expired product value towards the purchase of a new set of 10 ALTs at the current value.

Additional communication may have been required to ensure customers were aware the ALT product expired after 24 months of purchase, was non-refundable and could only be used towards a new set of 10 ALTs for a 6 month period. It was also acknowledged that mandatory registration and acceptance of the Terms and Conditions may have prevented some of the customer confusion about this niche market product.

BC Ferries sends e-mail notifications to registered customers 3 months prior to their product expiring and again 1 month prior to auto-withdrawal.

Hand outs are distributed by terminal staff to each customer redeeming or purchasing ALT product advising of the Terms and Conditions.

BC Ferries will be implementing system changes to require mandatory registration of a Coast/Experience Card before ALT product can be loaded - expected implementation November 2011.

On July 26, 2011 BC Ferries announced that, for a 90 day period, Assured Loading Ticket (ALT) holders are eligible to receive a full, one time refund for all expired and valid ALTs purchased between 1984 and July 25, 2011.

Staff Helpfulness

Sample of Customer Comments:

Complaints

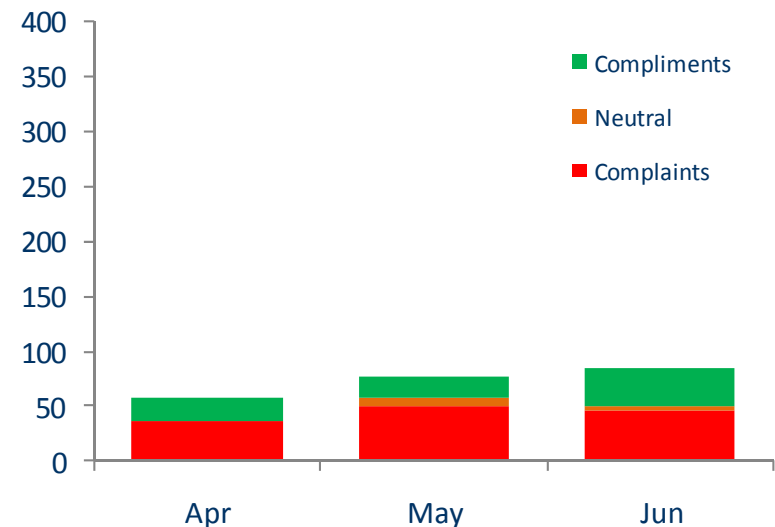
- "Myself and my friend went to pay with rolls of dimes for the 7:00am ferry from HSB to BOW on June 20th and the ticket agent let everyone pass us and took a long time to count our money. We ended up missing the ferry."
- "Well trained, but was she lying about me being 2 minutes late for my reservation, or do the "tower people" need more accurate clocks? It's condescending in the age of technology when my cell phone, GPS, watch with atomic radio receiver technology all say 9:30am when we get to the line, and she claims it was undisputedly 9:32 am. Really?..."

Compliments

- "The ticket agents at the Departure Bay terminal were extremely helpful. I had a medical emergency, and had to rush over to Surrey to meet with a specialist. They printed out the directions to get there. It was great customer service. Thank you."
- "I am sorry for criticizing the old ferries in my last email, they still reliably get me back and forth every week and still have their own charm, and I appreciate the service BCF gives me. This week I brought over a great big box and nobody complained, the staff just showed me where to find an elevator. So thanks for being there."

Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Check In: Staff Helpfulness	56	0	10
Inside the Terminal: Staff Helpfulness	38	6	25
Fares: Staff Helpfulness	25	3	29
On the Phone: Information Accuracy	6	1	0
On the Phone: Resolution Of Issues	3	1	1
On the Phone: Agent Helpfulness	2	1	7
Outside the Terminal: Staff Helpfulness	2	0	3
% of all comments (2,272)	5.8%	0.5%	3.3%



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 Note: All data is for Q1 2011/12 (April 1st to June 30th 2011)

Staff Helpfulness

Root Cause:

Communication issues, ticketing errors, misunderstandings, inappropriate behavior by employee leading to customer dissatisfaction.

Lessons Learned:

Customer feedback has given us an opportunity to identify areas of improvement in customer service and ongoing customer service training and coaching is required.

Action Taken:

Complaints regarding employees are investigated on a case by case basis. The customer is sent a response with an apology.

Where communication is the issue, information is provided to the customer to assist in preventing further confusion.

In case of inaccurate information or inappropriate behavior by an employee, corrective action is taken with the employee and the customer is contacted to correct the misunderstanding.

Positive feedback is also shared with the employees.

Reservations: General

Sample of Customer Comments:

Complaints

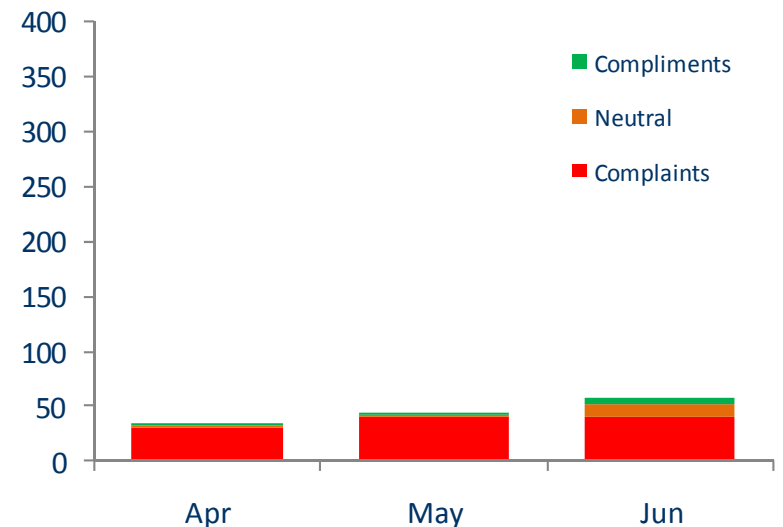
- "If a vessel is delayed, sometimes like today for 45 minutes on the Langdale run, why should reservation holders have to check in at the scheduled time and therefore have to wait a long time before boarding?..."
- "...I find that the BC Ferries reservation price of \$17.50 could be made more fair by applying this fee towards the price of travel at the time of check-in..."
- "Your calendar should NOT start on Mondays as it is confusing and ending up bookings dates you don't want!! Use a Sunday to Saturday like every other calendar in CANADA please."

Compliments

- "Confirmation xxx for May 23rd at 2:45 pm: Our thanks to Jenny and her supervisor for ensuring this reservation, which enabled us to get to the cancer clinic for a last minute appointment."

Reservations: General includes:

Group/Attribute	Complaints	Neutral	Compliments
Reservations: Policies	38	5	2
Check In: Reservations	23	2	0
Reservations: General	16	6	2
Reservations: Availability	12	1	1
Reservations: Flexibility/Changes	12	1	3
Reservations: Cost	5	0	0
Reservations: Automated Phone Reservations (IVR)	5	0	1
Reservations: Booking With An Agent	1	0	1
% of all comments (2,272)	4.9%	0.7%	0.4%



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 Note: All data is for Q1 2011/12 (April 1st to June 30th 2011)

Reservation General

Root Cause:

Since the reservation system was first implemented in 1997 a 30 minute check-in time has been in place for our major routes. Until about 2000, ticket agents had a 5 minute discretion for cutting off ticket sales. This grace period resulted in delayed departures of vessels, as well as inconsistent service and customer dissatisfaction. Based on customer feedback it was determined that clear procedures are needed to improve customer satisfaction and the overall on time performance.

To allow for sufficient time for safe, consistent and clear procedures BC Ferries implemented a 30 minute cut-off for reservation redemption at the ticket booth. Clear communication was put in place via the following channels: reservation terms and conditions, reservation confirmation e-mail, FAQ (Frequently Asked Questions) on the website as well as verbal relaying of reservation policies during phone reservations by customer service agents and through our IVR system.

Lessons Learned:

It is imperative that customers are made fully aware of reservation policies at the time of booking to avoid disappointing experience at the time of travel.

Action Taken:

Each complaint made will be investigated to determine if an error on behalf of BC Ferries led to the customer's reservation not being redeemed as per policy. This includes the possibility of employee not following procedures or customer service agents being unclear about policies at time of booking.

- If an error is identified the reservation premium will be refunded to the customer and corrective action will be taken with the employee.
- If it is determined that the issue is related to unclear written communication, the collateral material will be reviewed and improved. In this case, the customer will also receive a refund of the reservation premium.
- If the customer was fully aware of the reservation policy and no error has been made, however the customer is still not satisfied, a thorough explanation of the reason for the policy will be provided to create an increased awareness for the need of the policy or the subsequent higher risk of increased customer dissatisfaction.

The August 23rd release of website improvements included the change of the reservation calendar to Sunday – Saturday.

Loading/Unloading

Sample of Customer Comments:

Complaints

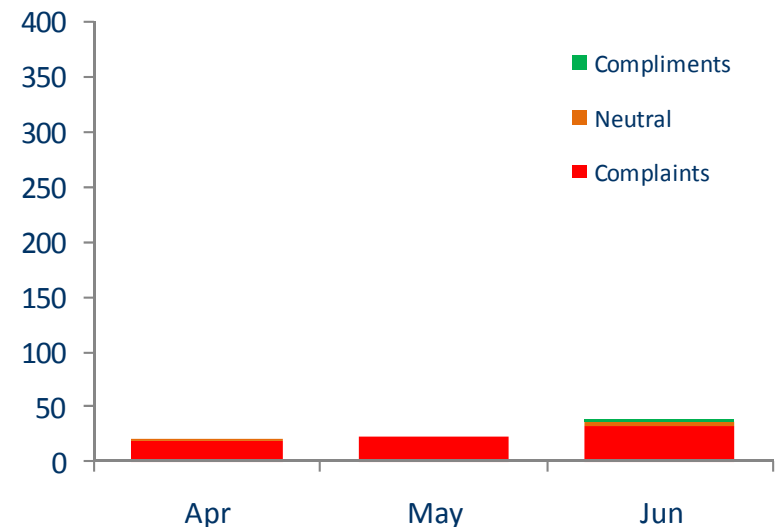
- “Can you try to have the people who pay to reserve or arrive an hour early exit off the boat first and not the end during unloading?”
- “Loading the Queen of Nanaimo at Village Bay, the ship was about half full but vehicles were nevertheless directed to pull closely to each other. An elderly couple from Washington in the car in front of me had difficulty getting out of their car, and when I pointed this out to the attendant his response was sarcastic and rude. Eventually space was created for the couple and they could get out of their car....”
- “You would do well to implement a pre boarding plan for those with small children in strollers, pregnant women, old people. My wife is pregnant and we had our son in a stroller and we we're pushed out of the way by people trying to get on the boat. It's like a cattle call.”

Compliments

- “Since we had never boarded the ferry as walk-on passengers, we were happy to have staff, who saw us coming with luggage in tow, provide verbal directions to allow us to get to the waiting ferry efficiently. The staff were courteous and encouraged us to "walk" safely on boarding. The passengers who were waiting were also pleasant.”

Loading/Unloading includes:

Group/Attribute	Complaints	Neutral	Compliments
Inside the Terminal: Loading/Directions	40	2	2
On the Ship: Loading/Unloading	31	3	0
Sailings: Loading Error	4	1	0
% of all comments (2,272)	3.3%	0.3%	0.1%



On the Ship: Loading/Unloading

Root Cause:

Older vessels with narrow tunnels on car deck or articulation ramps can lead to difficulties opening doors of larger vehicles.

Lessons Learned:

Clear communication is critical during the loading process to ensure customers are loaded in a safe manner and can exit their vehicle.

Action Taken:

The *Queen of Coquitlam* and *Queen of Cowichan* have an additional staff member at the entrance to the articulating ramp during loading.

Clearer lines of communication have been established between ticket agents, tower operators and the loading officer to ensure customers are loaded appropriately.

The BC Ferries' Accessibility Committee meets bi-annually to discuss possible improvements to services, amenities, and general processes.

An improved special needs process has been developed and was implemented on June 1, 2011. Accessibility information on the website has been enhanced.

If customer concern is regarding the expectation of "first on / first off" or other preferences in being loaded or offloaded in a particular manner in the absence of special needs requirements, an explanation of factors imperative to be considered by loading officers to ensure safety and stability of the vessel will be provided. These requirements do supersede the "first on / first off" expectation.