



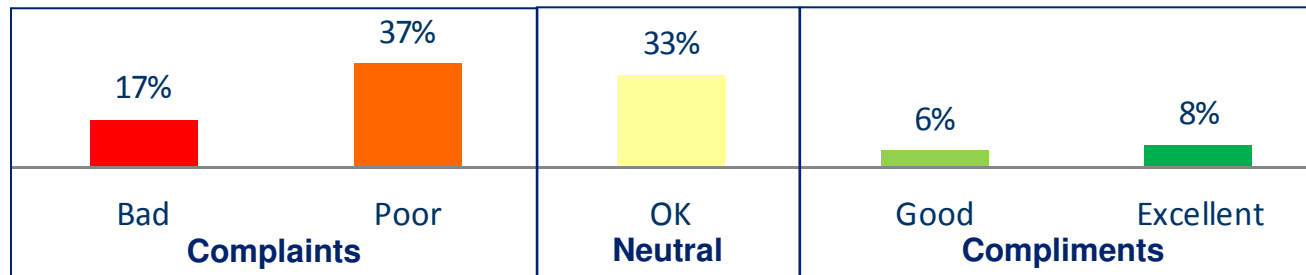
Complaints Resolution Report Quarter ended March 31, 2012



Feedback Summary

- During Q4 of the 2011/12 fiscal year 3.6 million customers travelled with BC Ferries.
 - BC Ferries received 1,675 comments in Q4 2011/12

Distribution of Comments by Rating

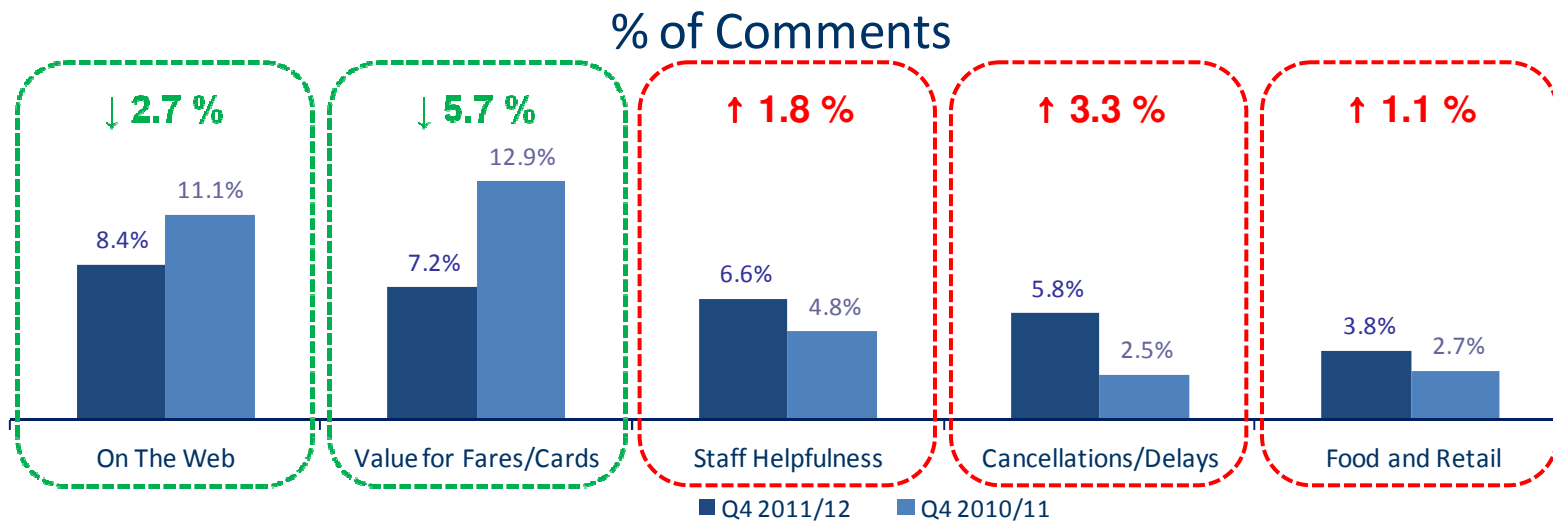


- Customer initiated feedback tends to be negative. Fourteen percent (14%) of all customer feedback received in Q4 2011/12, however, was complimentary.
- “On the Web” was the top issue: 141 complaints* were made, representing 8% of the total comments received in Q4 2011/12, compared to 16% in Q3 2011/12.
 - Top 5 complaints combined represent 32% of all complaints received in Q4 2011/12
- “General” comments are excluded from this analysis:
 - 210 “General” comments were received which were primarily made up of suggestions (93) and company information (50)

*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: Q4 2011/12 = January 1st to March 31st 2012

Top Complaints*: Corporate

#	Complaint	Q4 2011/12		Q4 2010/11	
		Complaints*	% of Comments (n=1,675)	Complaints*	% of Comments (n=1,753)
1	On the Web	141	8.4%	194	11.1%
2	Value For Fares/Cards	120	7.2%	227	12.9%
3	Staff Helpfulness	111	6.6%	84	4.8%
4	Cancellations/Delays	97	5.8%	44	2.5%
5	Food and Retail	63	3.8%	48	2.7%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q4 2011/12 = January 1st to March 31st 2012
 Q4 2010/11 = January 1st to March 31st 2011

On The Web

Sample of Customer Comments:

Complaints

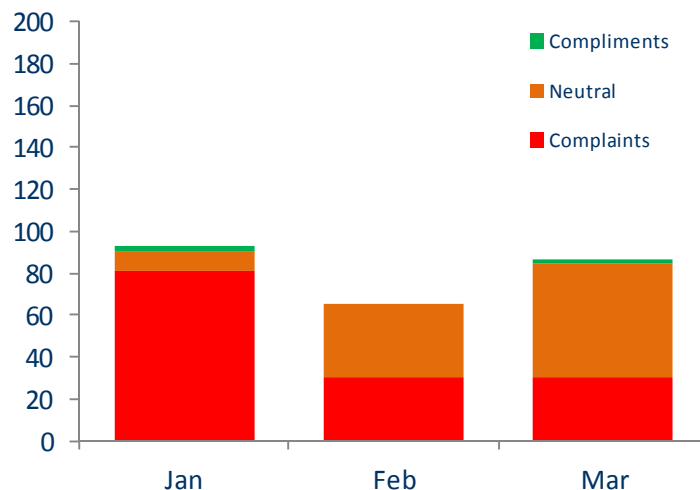
- "Please provide my password. I have difficulty logging in every time since the last changes were made to the reservation system."
- "I have just been trying to work with the BCF schedule site and have, as before, found it terribly slow and unresponsive. There have been several interruptions where I get the error message that BCF site is not responding..."
- "On-line service notices are not kept up to date. Your web server does not appear to be capable of handling the extra user load, as evidenced today with web pages not loading. You are obviously experiencing extra demand with today's severe weather conditions. Hardware is cheap, please upgrade..."

Compliments

- "@BCFerries I have enough to worry about without tracking your vessels!! Lol, but I do love your vessel tracking system :)" 2. "@BCFerries Tracking Map page = Outstanding!"
- "@BCFerries you guys are awesome. Thanks for keeping us posted with updates and replying to our queries! And so quickly too!!!"

On the Web includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Web: Login/Passwords	49	72	1
On the Web: Design And Usability	43	7	0
On the Web: Service Notices	21	4	0
Reservations: Online Reservations	17	4	0
On the Web: Current Conditions	4	3	1
On the Web: Travel Planning	4	1	1
On the Web: Information/General	3	6	2
On the Web: Online Giftshop	0	2	0
% of all comments (1,675)	8.4%	5.9%	0.3%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: All data is for Q4 2011/12 (January 1st to March 31st 2011)

On the Web

Root Cause:

1. Login/Passwords
2. Design and Usability

Lessons Learned:

1. Login/Passwords
2. Design and Usability

Action Taken:

1. Login/Passwords
2. Design and Usability

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 2011 launch, there have been eight subsequent releases plus a number of “spot fixes” aimed at correcting problems with the website.

Another release aimed at improving accessibility and functionality was attempted but proved unsuccessful due to technical issues stemming from aging infrastructure.

Following extensive technical review and heuristic evaluation, BC Ferries has decided to do a full redesign of its online reservation interface. This will eliminate a number of issues identified during customer usability tests and result in an efficient, intuitive website experience.

The improvements are planned for release in 2012.

Value For Fares/Cards

Sample of Customer Comments:

Complaints

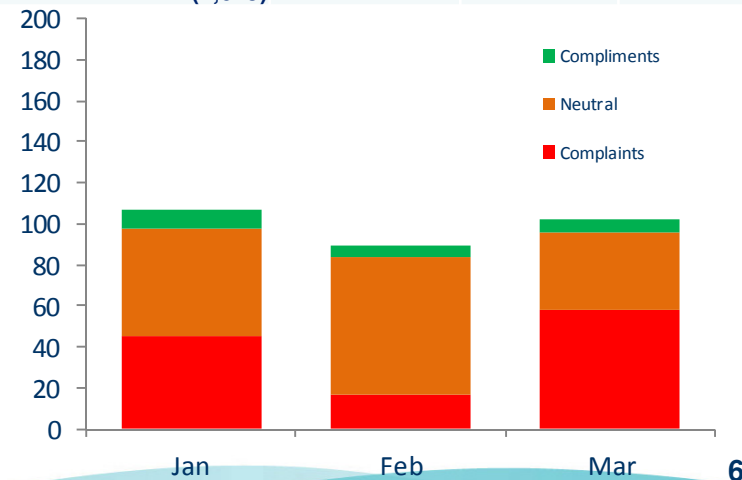
- “Yet another fare increase. It is my feeling that if you would put the rates down (by a fair bit) that you would increase the number of people who could afford to travel to the island. The way it stands now, the higher the rates rise the less that people want to travel by ferry. I used to think nothing of going over to the island at least 6 – 8 times a year. Now I put a great deal of thought into going even once due to the exorbitant price. What costs to go just one way covers an extra night hotel if one stays on this side of the water. It may take a few months to recover what you have lost but it would catch on.”
- “I cannot believe the rates that are charged on over length vehicles. For example \$5.35 per foot on from Tsawwassen to Departure Bay. If I have a small trailer say 20ft it costs an additional \$107 dollars when the truck itself only costs \$47, what logic is that? It should be the same costs. BC Ferries is just taking advantage of RV’s. This will devastate the RV tourism to and from the islands.”
- “It’s been months since the last coast saver sailings. Bring them back...”

Compliments

- “Hello, Thank you for the disabled status identification card I have just received for my daughter. I feel that the laminated cards are a great idea and will help prevent abuse of the system...”

Value For Fares/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Value For Fares Paid	42	16	2
Fares: Discount Fares	17	21	2
Fares: Experience Card	16	7	2
Fares: Errors	14	4	0
Fares: Other Fares	12	23	8
Fares: Promotions	7	3	0
Fares: Coast Card	4	29	2
Fares: Refunds	3	50	4
Fares: Frequent Travel	2	3	0
Fares: Credit/Debit Card	2	1	0
Fares: Sailpass/Circlepac	1	1	0
% of all comments (1,675)	7.2%	9.4%	1.2%



*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: All data is for Q4 2011/12 (January 1st to March 31st 2011)

Value For Fares Paid

Root Cause:

General Fares: On June 2, 2011, the Coastal Ferry Amendment Act (Bill 14) was enacted. Among other things, Bill 14 established a price cap for the first year of the third performance term with an increase for each route group on April 1, 2012, of 4.15% from the weighted average of the tariffs payable as at March 31, 2012. We implemented tariff increases April 1, 2012 to the new levels authorized. The April 1, 2012 price cap and tariff increases were moderated by incremental funding provided by the Province. Overall, the price cap increases reflect the capital investment in ships, terminals and Information Technology BC Ferries has had to make. It also reflects significant increases in operating costs related to items outside the control of the Company. This includes an approximate 260% increase in fuel costs since 2003, as well as significant increases in insurance premiums, property taxes, utilities, benefits program rates, contractual labor costs, and regulated labor requirements. The current structure of the Coastal Ferry Services Contract with the Province has also contributed to the level of the price caps and tariffs experienced to date. To date, under the CFSC BC Ferries has not been permitted to make any significant adjustments to service levels to achieve operational efficiencies that could lead to reductions in costs and fares.

Extra per foot charge: 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. At the same time, the per foot charge for additional length (over 20 feet or 6.1 m) was aligned with the commercial per foot rate. This resolution was made after extensive consultation with the Ferry Advisory Committees.

Lessons Learned:

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

Action Taken:

On September 27, 2011 the company announced a major cost containment initiative in an effort to address the significant drop in revenues in the first half of the fiscal year as a result of declining traffic. Cost saving actions include: a hiring freeze of all non-essential positions; two-year wage and salary freeze; eighteen-month delay in select capital expenditures; elimination of many charitable and community donations; and select early retirements. BC Ferries will pursue additional efficiencies which will mitigate required future price cap increases. In the immediate term, the Company has a Coast Saver discount program in place for the period of May 25 – June 25.

The Province has also recently taken significant steps to address the issue of fare affordability. In concert with the introduction of Bill 47 – Coastal Ferry Amendment Act – 2012 in May, 2012, the Province announced that it will further increase its financial contribution to BC Ferries to reduce the pressure for higher fares. As well, government announced its intention to make significant adjustments to service levels, and to do so within the context of discussions with communities about trade-offs among service adjustments, fare increases and potential community contributions. In addition, government will seek public input to develop strategies to support a vision for connecting coastal communities. Together, these actions have the potential to make a significant impact in terms of addressing future fare affordability. 7

Staff Helpfulness

Sample of Customer Comments:

Complaints

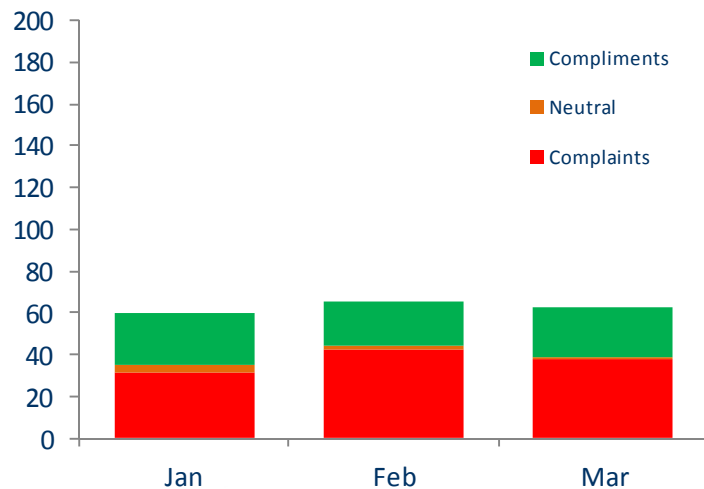
- "My child's father and I have joint custody. My ex comes from Horseshoe Bay to Nanaimo to pick up my son. He buys his adult ticket onboard, I get a visitor's pass and buy my child's ticket. We meet in the passenger area. Sometimes this works, other times it doesn't. I have been told that my ex needs to buy the ticket onboard (without him being there) and others say it isn't that way. We almost missed the ferry because of this. It is stressful enough passing off my child, I don't need this added stress."
- "I was 6 minutes after 4:30 for my 5:00 reservation, due to unexpected traffic delays. The loading lot was not busy. The ticket person said "too bad" when asked if I could use my reservation. When asked again she said, "did you not hear me, too bad!" I am completely taken aback with such rudeness and inflexibility. Your documentation states that the main reason for the adherence to time frames for reservations is when the loading area is backed up with vehicles. It is a policy that can be waived with discretion."

Compliments

- "I just want to send a compliment to one of your ticket booth people. We travelled back and forth to the island visiting my dad in Qualicum Beach and happened to deal with this employee a few times. She was one of the highlights of travelling frequently. She was pleasant, amusing and courteous, a rare combination. Please give her a "pat" on the back for us, thanks!"

Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Check In: Staff Helpfulness	43	1	14
Inside the Terminal: Staff Helpfulness	35	2	19
Fares: Staff Helpfulness	21	3	27
Outside the Terminal: Staff Helpfulness	5	1	2
On the Phone: Information Accuracy	4	0	0
On the Phone: Agent Helpfulness	3	0	8
On the Phone: Resolution Of Issues	0	0	0
% of all comments (1,675)	6.6%	0.4%	4.2%



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 Note: All data is for Q4 2011/12 (January 1st to March 31st 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.

Cancellations/Delays

Sample of Customer Comments:

Complaints

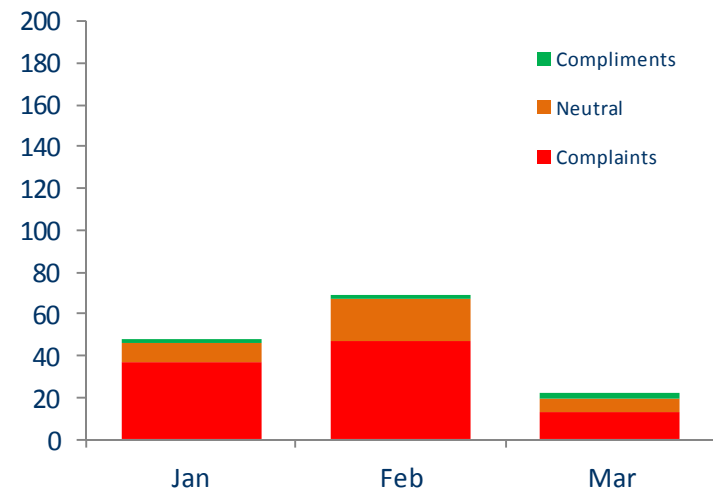
- “Our ferry just came back into service ...it has had several sailings cancelled over the past three weeks and now it is once again out of service and BC Ferries finds it acceptable to put the Texada run on our route as a remedy... This fleet is small, unreliable and will not serve the demand of passengers and cars on this routes. We are losing out on appointments, medicals, sports and other as a result. We cannot rely on this transportation anymore. The people in charge have no problem hiking up our fares and reducing our service...”
- “I left Gabriola to get the 3:00 pm ferry to Horseshoe Bay and learned from the Captain that the 3:00 pm sailing was cancelled, so I went back to Gabriola. If I had had warning earlier, I wouldn’t have left at all. I do get warnings automatically on my cell, but not this time. It would have saved me a lot of trouble.”

Compliments

- “BC Ferries rocked it today with all the weather problems! Great staff, great updates, customer service was excellent!! We thank the staff for getting us back to the mainland and hope you all make it home safely to your families!!! Thank You!!”
- “Good morning, Just a quick note to tell you how much we enjoyed your "ferry flight" service from ferry frustrated Powell River to Comox and back. It was efficient and very good PR for BC Ferries. Thanks”

Cancellations/Delays includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Delays	14	4	1
Sailings: Cancellations	83	31	3
% of all comments (1,675)	5.8%	2.1%	0.2%



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 Note: All data is for Q4 2011/12 (January 1st to March 31st 2011)

Cancellations/Delays

Root Cause:

Operational delays are often caused by situations that occur during the loading or unloading of the vessels (stalled vehicles, lost key, driver not in vehicle, etc). Other impacts on service include mechanical issues, medical emergencies, marine emergencies and delays caused by weather.

Lessons Learned:

Sailing delays have an adverse affect on the daily life of our many commuting customers. If sailings have to be cancelled or the vessel has to be taken out of service, every effort must be made to restore service as soon as it is safe to do so.

Action Taken:

BC Ferries has a Service Interruption Plan that helps guide employees in managing delays and cancellations of service. However each incident is reviewed and managed on a case by case basis to ensure the needs of the specific communities and customers are taken into consideration. The primary focus is always the restoration of full service as soon as possible.

Ongoing maintenance of vessels and terminal facilities is standard procedure to maintain assets and to provide seamless service.

In a specific example, the *Queen of Burnaby* had to be removed from service on February 6, 2012 following a mechanical problem with the operation of the port propeller. During the *Queen of Burnaby's* service outage, the *North Island Princess* was redeployed from the Texada Island – Powell River route to the Powell River – Comox route and the *MV Tachek* and a water taxi provided service to the Texada Island route. Service between Powell River and Comox was augmented by charter flights, shuttle service and supplemental sailings by the *MV Tachek*. The *Queen of Burnaby* returned to service on February 21st.

During the service outage, customers were provided a dedicated toll-free number to receive assistance with their travel planning. Powell River residents travelling through SALTERY BAY – EARLS COVE, LANGDALE – HORSESHOE BAY and on to Nanaimo were provided with complimentary travel as well as priority loading at the Horseshoe Bay terminal when possible.

Food and Retail

Sample of Customer Comments:

Complaints

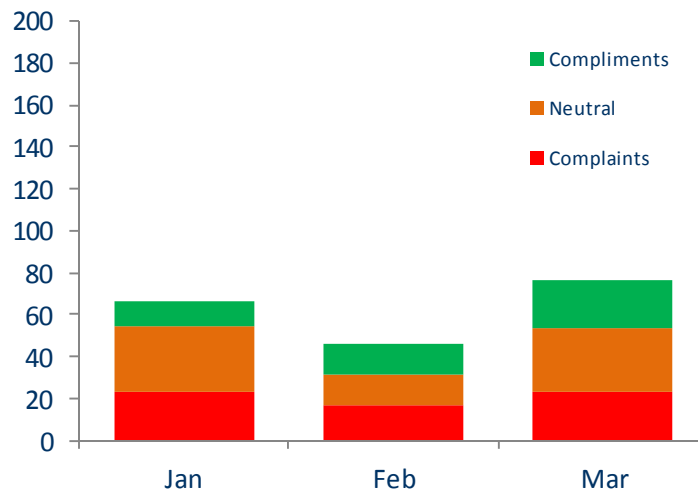
- “There was no buffet on the ferry.”
- “Just a quick comment on your limited choices for a healthy hot vegetarian or vegan option in your Coastal Café. I travel frequently from Victoria – Vancouver and am sick of eating mushy veggie burgers, fries or salad when there are so many other wonderful options available, like rice or kamut dishes, pastas, noodles, beans and lentil soups. Your menu is so limiting...”
- “Anyone can make sandwiches and desserts that cost less than you charge. Also, your main menu is just fast food and fries so why not let Burger King, or someone else, provide the food. They could do as well for less. Your prices are outrageous. I was paid \$5 for a few fries with gravy!! Heard other dismayed diners while I sat there. We are captured clients, but not satisfied ones!!”

Compliments

- “We would like to acknowledge the excellent customer service we received at your Pacific Buffet from the Manager today who with expedience and great kindness, went to the other kitchen to get a side of fries for my son. Our son has a medical condition that makes him a very picky eater and the gracious service we received made the trip such a great one.”
- “I love the new Sitka Lounge with by-weight salad bar. The dim, quite atmosphere is so lovely. I am also very fond of the quite lounge and on a busy ferry feel like my extra money is well spent for the peace and good snacks.”

Food and Retail includes:

Group/Attribute	Complaints	Neutral	Compliments
Food and Retail: Food Selection/Quality	22	8	3
On the Ship: Amenities	17	13	3
Food and Retail: Staff Helpfulness	9	2	1
Food and Retail: Lounge/Buffer/Coffee Bar	8	2	2
Food and Retail: Food Value	3	2	0
Food and Retail: Retail Value	3	2	0
Food and Retail: Retail Selection	1	21	19
Food and Retail: Online Giftshop	0	4	3
% of all comments (1,675)	3.8%	3.2%	1.9%



*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: All data is for Q4 2011/12 (January 1st to March 31st 2011)

Food and Retail

Root Cause:

The effort to more efficiently match vessels with traffic demand during periods with historically low traffic resulted in some vessels operating on the Swartz Bay – Tsawwassen route for approximately 4 months per year without the amenity of a Pacific Buffet. All vessels originally designated for the Swartz Bay – Tsawwassen route were planned and built with a buffet but it is cost prohibitive to retrofit a vessel with a buffet and seating area if the vessel is only going to be on Route 1 for a few months each year.

Food services onboard BC Ferries are offered within a high cost venue and therefore at a slightly higher price when compared to venues such as family restaurants on land.

The rising number of customers with various food sensitivities have led to a higher demand in specific food options.

Lessons Learned:

The Pacific Buffet is a very popular amenity with frequent travelers on the Swartz Bay – Tsawwassen route and customers needed to be made aware of the possibility of sailings without buffet service.

Through customer feedback BC Ferries has recognized an increased demand of food options for special dietary needs.

Action Taken:

Vessels operating on the Swartz Bay – Tsawwassen route without buffet service:

As an alternative to the Pacific Buffet, the existing Sitka Coffee Place onboard the *Coastal Renaissance* was adapted to be able to offer a Breakfast and Salad Bar.

A Service notice has been posted to the website advising customers that not all vessels are able to offer a full buffet service while providing information of other amenities such as the Sitka Coffee Place, Coastal Café and Coast Café Express.

Food selection for dietary needs:

BC Ferries is actively monitoring the various dietary needs and when possible is responding by adding items to the food selection. New menu options are tested for quality, value and feasibility while monitoring demand and the potential for increased waste. Vegetarian and vegan options will soon be complemented by gluten free options currently under development.