

Chan, Sarah

From: Handrahan, Kirk TRAN:EX <Kirk.Handrahan@gov.bc.ca>
Sent: April 05, 2019 2:41 PM
To: Wilson, Mark
Cc: Bowman, Deborah TRAN:EX; Petruzzelli, Lynda TRAN:EX
Subject: RE: Responses for Nicola and unregulated routes.

Importance: High
Sensitivity: Confidential

Follow Up Flag: Follow up
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Hi Mark, please accept this email as confirmation that the Province wishes to continue with all unregulated routes included in the CFSC through Performance Term Five (PT5) (April 1, 2020 to March 31, 2024). We concur with BC Ferries plan, as outline in your letter of March 1, 2019, to proceed with a competitive tender process for five routes (25U, 53, 54, 55,59) that are expiring at the end of PT4. We understand that BC Ferries will also negotiate a four year extension for Route 60 and exercise the four year (April 1, 2020 – March 31, 2024) extension option for Route 51. However, as we are in discussions with the Lasqueti Island residents regarding their service, it would be helpful if we could see the proposed tender documents for that route prior to it being released, as we may have some changes to that service.

With respect to the Nicola letter, we are still seeking direction and require additional time to indicate which option the Province wishes to pursue. We will endeavour to get you a response as soon as possible.

Kirk Handrahan

Executive Director

Marine Branch

Ministry of Transportation and Infrastructure

From: Wilson, Mark
Sent: April 5, 2019 9:27 AM
To: Bowman, Deborah TRAN:EX
Cc: Handrahan, Kirk TRAN:EX
Subject: Responses for Nicola and unregulated routes.

Deborah,

I really need a response on these to keep them moving.

When do you think we can get an answer?

Thx
Mark

Mark Wilson
Vice President, Strategy & Community Engagement

British Columbia Ferry Services Inc.
Suite 500-1321 Blanshard Street, Victoria, BC, V8W 0B7
ss. 15, 19, 22

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Chan, Sarah

From: Chan, Sarah
Sent: March 01, 2019 4:36 PM
To: 'Grant Main'
Cc: 'Bowman, Deborah TRAN:EX'; 'Kirk.Handrahan@gov.bc.ca'; Petruzzelli, Lynda; Wilson, Mark
Subject: Performance Term Five - Unregulated Routes Contracts
Attachments: 2019 0301 MOTI PT5 Unregulated Routes Final.pdf

Good afternoon Mr. Main,

On behalf of Mark Wilson (Vice President, Strategy & Community Engagement) – please see the attached letter in regards to Performance Term Five – Unregulated Routes Contracts. Hard copy will be mailed to your office.

Warm regards,

Sarah Chan
Administrative Coordinator
Marketing and Strategy & Community Engagement
British Columbia Ferry Services Inc.
Suite 500 -1321 Blanshard St. Victoria, BC, V8W 0B7
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March 1, 2019

Mr. Grant Main
Deputy Minister
Ministry of Transportation and Infrastructure
PO Box 9850, Station Prov Govt
940 Blanshard Street
Victoria, BC V8W 9T5

Dear Mr. Main:

RE: PERFORMANCE TERM FIVE - UNREGULATED ROUTES CONTRACTS

This letter is to advise that the Operator Contracts for the Unregulated Routes, as defined in Appendix 2 of Schedule "A" of the Coastal Ferry Services Contract (CFSC), and as set out below, have terms which expire on March 31, 2020, the end of Performance Term Four (PT4).

Route	Ports Served	Operator
25U	Alert Bay – Sointula – Port McNeill	Western Pacific Marine Ltd.
51	Ahousaht – Tofino – Hot Springs Cove	Ahous Business Corporation Ltd.
53	Kyuquot – Tahsis – Gold River	Nootka Sound Services Ltd.
54	Dodge Cove – Prince Rupert	Westcoast Launch Ltd.
55	Lasqueti Island – French Creek	Western Pacific Marine Ltd.
59	Bamfield – Barkley Sound – Port Alberni	Lady Rose Marine Services Ltd.
60	Hartley Bay – Kitkatla – Oona River – Metlakatla – Prince Rupert	North Co-Corp Ferry Services Ltd.

As administrator of these contracts for the Province, BC Ferries requests the Province's confirmation that the existing service on these routes will continue through Performance Term Five (PT5) (April 1, 2020 to March 31, 2024). Six of the routes, with the exception Route 51, were extended in PT4 from original contracts that expired at the end of Performance Term Three (April 1, 2012 to March 31, 2016). Route 51 is a more recent contract dated July 31, 2015 and has a provision enabling BC Ferries to exercise an extension in the term of up to four years (April 1, 2020 – March 31, 2024), subject to mutual agreement of any price or service change.

If the Province wishes to continue with these services for PT5, BC Ferries' intent is to proceed with a competitive tender process for five routes (25U, 53, 54, 55, 59) that are expiring at the end of PT4, negotiate a four year extension for Route 60 (at the request of the Province) and exercise the extension option for Route 51. We note that BC Ferries does not receive any fee for the administration of the unregulated routes contracts on behalf of the Province, and the proposed tender process will require a significant amount of time and resources to execute. That being said, BC

Ferries believes this is an appropriate course to take given the status of the current contracts. The responses to the tenders will provide information relevant to our future discussions pursuant to Article 9.03 of the CFSC in respect of the funding arrangement for the Operating Contracts and whether any of these routes are to become regulated under the CFSC in PT5.

We appreciate your early consideration of this matter. Hopefully, you understand we require appropriate lead time to address this option to ensure the continuity of service for PT5.

We would appreciate a response by March 22, 2019. Should you wish to discuss the foregoing, please don't hesitate to contact me.

Sincerely,

s. 22

Mark Wilson
Vice President, Strategy & Community Engagement