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Reprint from Volume 19 Number 7

April 5, 2007

Islanders will have input into ferry negotiations

~ Patrick Brown

Transportation Minister Kevin Falcon has agreed to give ferry-dependent communities a voice in the negotiation of the upcoming contract between BC Ferries and the Province. The contract will be for four years starting on April 1, 2008.

This was in response to a request made by the Ferry Advisory Committee Chairs (FACC), based on their concerns about fare increases of 30% to 65% already implemented since the current ferry contract took effect in 2003. The FACC met with Minister Falcon on March 19.

'We're very pleased the Minister recognizes the value of community suggestions for mitigating the impacts of further increases expected in the next four-year term,' says Tony Law of Hornby Island.

The first five-year term of the Coastal Ferry Services Contract is nearing an end. During this term, fares increased 2.8% per year for the main routes, but 4.4% per year for the routes represented by the Ferry Advisory Committees. Users of these routes were hit hard during the first term of the contract, with double-digit increases from annual tariff hikes plus fuel surcharges.

The fare structure for the next four-year term is currently being determined. Fares are expected to continue to increase. In the new contract term, the routes face the added requirement of moving toward a user-pay basis.

Three-Way Negotiation

This renegotiation is being conducted for the first time, as set out in the *Coastal Ferry Act*, 2003. Currently it involves three parties. The BC Ferry Commissioner sets fare caps based on financial and operational information from BC Ferries, and on the size of the contribution decided by the BC Government.

On April 1, 2008, the increases in the price caps (not the fares, though they are closely related) will be 5.4% on major routes, and 3.6% on other routes. These percentages will be based on the current fares plus current fuel surcharges, which will be folded into the fares.

For April 1, 2009, 2010, and 2011, the increases will be between 3.0% and 4.0% for the major routes, and 6.7% and 8.1% for the other routes, which are now referred to as the 'taxpayer-supported' routes. The actual increase depends on inflation, which is estimated to range between 2% and 4%.

By June 30, the provincial government is to decide if it wants to modify the Coastal Ferry Services Contract between BC Ferry Services Inc and the government to reflect revised contributions for the new term, and possible changes to service levels.

On September 30, 2007, the Commissioner is to have reviewed any changes to provincial contributions and service levels, and will issue new fare caps, which will determine the fares to be in effect from April 1, 2008 to March 31, 2012.

Ferry Advisory Committees

Coastal communities are represented by Ferry Advisory Committees, which are set up for the routes serving from Haida Gwaii in the north through to the Southern Gulf Islands that require support from the province (all routes except the three main routes between Vancouver Island and the Mainland).

The FACC will bring to the Minister suggestions for how the province can contribute to keeping ferry service affordable while maintaining BC Ferries' sustainability.

'Ferries are an essential transportation link,' says John Sprungman of Cortes Island. 'They are an integral part of British Columbia's highway system. Coastal community viability and provincial tourism depend on ferries being affordable.'

Ferry-dependent communities add to the economic well-being of British Columbia through tourism, resources and small business activity. They offer all British Columbians the means to enjoy the recreational, cultural and environmental features of the coast.

Local Ferry Advisory Committees

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