



**BRITISH COLUMBIA
FERRY COMMISSION**

**ORDER
NUMBER: 08-01**

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**IN THE MATTER OF
Statutes of British Columbia Bill 18-2003
Coastal Ferry Act Section 43**

And

**An Application by British Columbia Ferry Services Inc.
to temporarily reduce service on Designated Route 11 and to make certain other temporary
adjustments to service on Designated Routes 10 and 11**

BEFORE: Sheldon Stoilen, Deputy Commissioner on October 24th, 2008

ORDER

WHEREAS:

- A. British Columbia Ferry Services Inc. ("BC Ferries") has applied to the Commission for authorization to temporarily reduce service on Designated Route 11 (Prince Rupert to Skidegate), pursuant to section 43 of the Act and to make certain other temporary adjustments to service on Designated Routes 11 and 10 (Prince Rupert to Port Hardy). This application is described in a letter dated October 6th, 2008, attached, from the Executive Vice President, Corporate Affairs and General Counsel of BC Ferries; and
- B. The Commission is of the opinion that the reduction in service on Designated Route 11 and other adjustments to service on the Designated Routes 10 and 11 are temporary and are for an extraordinary situation as outlined in the letter of application;
- C. The Commission is satisfied that BC Ferries has undertaken a comprehensive communication and consultation program with the communities that are affected by the temporary reduction in service or service adjustments; and
- D. As required by section 45 of the Act, the Commission has reviewed the price cap for the Northern Route Group. The Province of B.C. and BCFS, as parties to the Coastal Ferry Service Contract, have not notified the Commission of any change in ferry service fees pursuant to the proposed temporary service reduction. Accordingly, the Commission considers that no adjustment in price cap is required pursuant to the proposed temporary service reduction.

NOW THEREFORE the Deputy Commissioner orders as follows:

The temporary reduction in service and certain other temporary adjustments to service as described in the attached letter of application is hereby authorized.

DATED on Bowen Island, in the Province of British Columbia, this 24th day of October 2008.

BY ORDER

A handwritten signature in black ink, appearing to read "S. T. Stoilen". The signature is written in a cursive, flowing style.

Sheldon Stoilen
British Columbia Deputy Ferries
Commissioner

British Columbia Ferry Services Inc.
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October 6, 2008

Mr. Martin Crilly
British Columbia Ferry Commissioner
PO Box 1497
Comox, BC V9M 8A2

Dear Mr. Crilly:

SUBJECT: Section 43 Request: Authorization to Temporarily Reduce Service

I am writing pursuant to section 43 of the *Coastal Ferry Act S.B.C. 2003, c.14* (CFA) to request that the British Columbia Ferries Commissioner (Commissioner) authorize British Columbia Ferry Services Inc. (BC Ferries) to temporarily reduce service on route 11 (Prince Rupert to Skidegate) below the core service levels as set out in the Coastal Ferry Services Contract and to make certain other temporary adjustments to service on route 10 (Prince Rupert to Port Hardy) and route 11. These changes in service are required to enable BC Ferries to undertake the work necessary to upgrade the northern terminals to accommodate the *Northern Expedition*, which is expected to be introduced into service on the northern routes in 2009.

As part of the on-going discussions with the Ministry of Transportation regarding the northern service, and as identified in the Northern Term Sheet, BC Ferries is required to upgrade four of its northern terminals specifically, those located in Prince Rupert, Port Hardy, Skidegate and Bella Bella. As indicated, this terminal upgrade work is necessary to accommodate the *Northern Expedition*, the vessel recently launched at the Flensburger Schiffbau-Gesellschaft (FSG) shipyard in Germany.

BC Ferries expects to take ownership of the *Northern Expedition* in early spring 2009 and introduce the vessel into service on May 18, 2009 (the start of the summer service schedule). In order to meet this schedule, dock closures at three terminals, specifically Prince Rupert, Port Hardy and Skidegate are required later this fiscal year to complete necessary upgrade work. These closures will temporarily affect BC Ferries' ability to deliver core service levels on routes 10 and 11. Accordingly, BC Ferries requests authorization from the Commissioner, pursuant to section 43 of the CFA, to reduce service levels on routes 11 and to make certain other temporary adjustments to service on route 10 and route 11 in the manner as set out in Appendix A. Please note that the timeframes for the closures and the associated adjustments in service as set out in Appendix A are based on current construction estimates and may be subject to change.

BC Ferries has undertaken a comprehensive communication and consultation program with respect to the proposed adjustments and will continue to work with the communities to minimize any further service disruptions. The schedule attached as Appendix A has

been developed in consultation with and has been endorsed by the north coast Ferry Advisory Committee.

Please feel free to contact me if you require further information.

Yours truly,

A handwritten signature in black ink, appearing to read 'William Cottick', with a stylized flourish at the end.

William Cottick
Executive Vice President Corporate Affairs & General Counsel

cc: Sheldon Stoilen, Deputy Commissioner
Mike Corrigan, Executive Vice President & Chief Operating Officer
Rob Clarke, Executive Vice President & Chief Financial Officer
Cynthia Lukaitis, Vice President & Corporate Secretary
Carol Prest, Director, Economic Regulatory Affairs

Appendix A

Service Schedules

1. For Bella Bella
No changes to core service levels are proposed.
2. For Prince Rupert
The terminal at Prince Rupert will be unavailable during the upgrade work, which is currently scheduled to be undertaken from November 13, 2008 to December 18, 2008 inclusive. In lieu of docking the vessel at Prince Rupert during this period, the route 10 and route 11 vessels will dock at the Alaska Marine Highway terminal, which is adjacent to the Prince Rupert terminal. No other changes to core service levels are proposed.
3. For Port Hardy
The terminal at Port Hardy will be unavailable during the upgrade work, which is currently scheduled to be undertaken from October 27, 2008 to November 7, 2008 inclusive. In lieu of docking the vessel at Port Hardy, the route 10 vessel will dock at BC Ferries' Port McNeil terminal to maintain service to northern Vancouver Island. BC Ferries will provide bus service to transfer customers to/from Port McNeil and Port Hardy. No other changes to core service levels are proposed.
4. For Skidegate
The dock upgrade at the Skidegate terminal on the Queen Charlotte Islands is currently scheduled for the period January 4, 2009 to February 5, 2009 inclusive, during which time there will be no ferry service provided on route 11. During this period, BC Ferries will provide the following alternate service:

Chartered Flights (including bus service for customers to/from the airport and the terminal): Sunday and Thursday from January 4, 2009 to February 5, 2009:

- Leave Prince Rupert at 13:30
- Arrive Sandspit at 14:00
- Leave Sandspit at 14:30
- Arrive Prince Rupert at 15:00

Barge Transit #1 (commercial and over-height vehicles)
(SUNDAYS) (January 4, 2009 to February 1, 2009):

- Barge Loading (PPR) – 09:00 AM SUNDAY
- Barge Departure (PPR) – 12:00 PM SUNDAY
- Barge Arrival (PSK) – 00:00 AM MONDAY
- Barge Unloading (PSK) – 00:00 AM MONDAY
- Barge Departure (PSK) – 03:00 AM MONDAY
- Barge Arrival (PPR) – 15:00 PM MONDAY

Barge Transit #2 (commercial and over-height vehicles)
(THURSDAYS) (January 8, 2009 to February 5, 2009)

- Barge Loading (PPR) – 12:00 PM THURSDAY
- Barge Departure (PPR) – 15:00 PM THURSDAY
- Barge Arrival (PSK) – 03:00 AM FRIDAY
- Barge Unloading (PSK) – 03:00 AM FRIDAY
- Barge Departure (PSK) – 06:00 AM FRIDAY
- Barge Arrival (PPR) – 18:00 PM FRIDAY

Note: the timeframes for the closures and the associated adjustments in service as set out in this schedule are based on current construction estimates and may be subject to change.