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Regional District of Mount Waddington

PO Box 729 2044 McNeill Road, Port McNeill, BC V0N 2R0
Telephone (250) 956-3161 Fax (250) 956-3232
Web-site: www.rdmw.bc.ca Email: info@rdmw.bc.ca

November 16th 2011

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Gordon Macatee, Commissioner
BC Ferry Commission
RPO Hillside
P.O. Box 35119
Victoria
British Columbia
V8T 5G2

Dear Mr. Macatee,

Please find enclosed the Regional District of Mount Waddington (Vancouver Island North) submission to the BC Ferry Commission review of the *Coastal Ferry Act.*

On behalf of the Board, I thank you for affording the Regional District this opportunity to press its case for much needed change. You have a standing invitation to meet with them in the near future to provide North Island communities and their representatives with an update.

Yours sincerely,

Neil Smith

Manager of Economic Development and Parks

Encl.: Submission to the BC Ferry Commission: Review of the *Coastal Ferry Act*

Pc: Honourable Blair Lekstrom, Minister of Transportation and Infrastructure

Claire Trevena, MLA

BC Coastal Communities Network

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SUBMISSION TO THE BC FERRY COMMISSION: REVIEW OF THE *COASTAL FERRY ACT*

Background

The Regional District of Mount Waddington has endorsed the recommendations contained within the document entitled *Improving the BC Coastal Ferry Service : A Discussion Paper from Eleven Coastal Regional District Chairs and the Chair of the Islands Trust* (September, 2011). However, it also wishes to address the areas currently under review by the BC Ferry Commission, where locally relevant, found in the project scope of the recently issued Request for Proposals.

1. *Fare structures and price controls should facilitate the movement of people, goods and services between rural coastal communities and regional centres of trade, commerce and transportation infrastructure.*

   For routes on the North Island, there is a progressively emerging reality that the existing fare structure has become a trade barrier to the movement of people, goods and services as evidenced by the declining user statistics in recent years (see tables appended). This is counter to the Provincial interest. Bold, proactively rural, initiatives or pilot projects are required to address this matter on the British Columbia coast. The Scottish Government and Caledonian MacBrayne recently experimented with a Road Equivalent Tariff pilot program on select rural routes, with an impressive report produced by the Halcrow Group Ltd., looking at new ways of balancing the interests of users with the need for financial sustainability at the service provider end. Examining the elasticity of both residential and visitor demand for such a scheme in different pilot regions might be worth some exploration, as would a more general shift toward proactive pricing policies that acknowledge the dependency of rural coastal communities on their ferries and associated fare levels for social and economic wellbeing.

2. *Ferry users and their interests should be redefined into a number of sub-categories for regulatory purposes.*

   Rural and urban residential ferry users and their commercial variants have markedly different needs and levels of dependency on the services provided and this should be acknowledged and protected by regulation. The service of ferry dependent coastal communities should become an organisational mandate, written into the *Act.*

3. *Major and minor routes should be redefined as "urban" and "rural" service routes to reflect their equal importance to the diverse communities and demographics they serve.*

   This would be more than a semantic shift. It would be a recognition throughout the organisation and regulations that the system is not a "one size fits all" model and that every route is an organisational priority where affordable service and financial sustainability is concerned.

4. *The definition of "financial sustainability" for the ferry operator must be tied to individual route performance as well as overall corporate performance.*

   There must be greater incentive and flexibility in the *Act* for the ferry operator to address the shortcomings and opportunities in every single route of the service in order to maintain and improve the cost-efficient movement of people, services and goods at the regional and community level.

   When an Alaska ferry cruise is priced competitively with taking a return trip from Port Hardy to Prince Rupert, for example, something is wrong. Port Hardy's Bear Cove terminal has the greatest level of connectivity to Prince Rupert Port Authority (and the Pacific Gateway expansion) of any port on Vancouver Island. Such problems and opportunities merit attention, exploration and action.

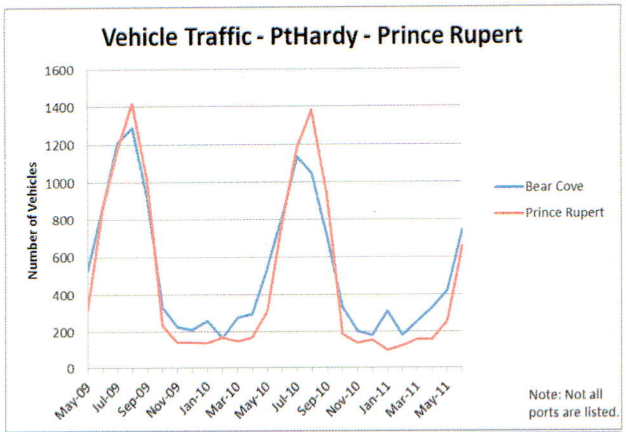
5. *The Coastal Ferry Act must have sufficient provisions and flexibility to allow better collaboration with other service providers such as School Districts for the benefit of all users.*

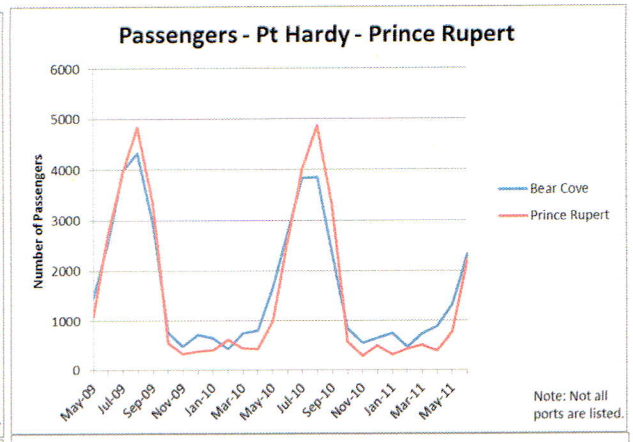
   The "School Ferry" (The Spirit of Yalis) is based in Sointula to take school age children from Alert Bay to Port McNeill and return. By leaving slightly earlier from Sointula to Port McNeill, it could serve Malcolm Island residents who work or have early appointments on Vancouver Island. BC Ferries has either refused or been unable to even consider this very low cost service enhancement claiming it is not part of their service mandate.

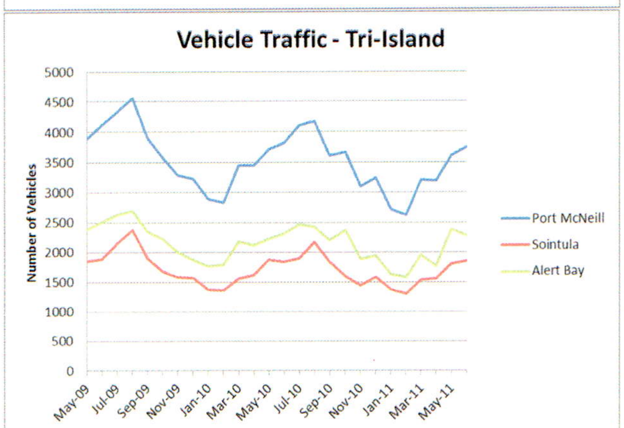
6. *Ensure that the Act creates sufficient flexibility and regulation for observed organizational inefficiencies, waste, and unfair competitive advantage between routes to be tackled head on by the Commissioner or other independent authorities when ferry advisory committee and community lobbying efforts fail.*

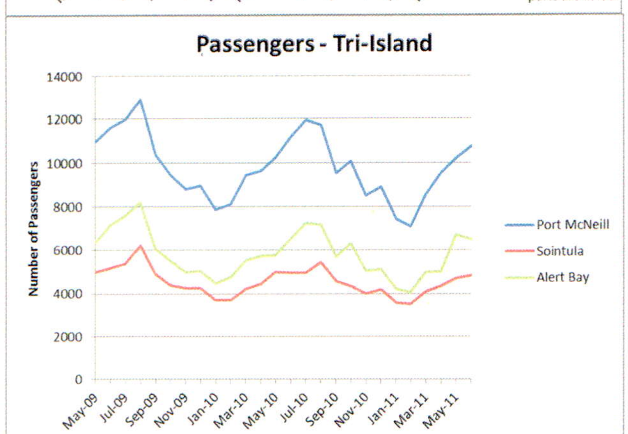
Locally observed matters that currently appear incapable of resolution include:

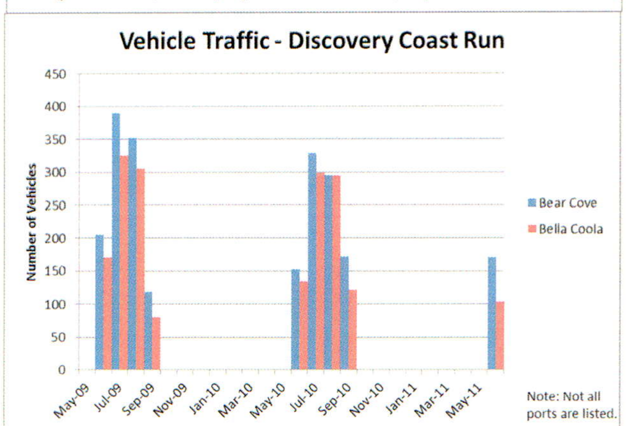
- Premium rates for over height RVs and campers being charged on the Prince Rupert/ Mid Coast routes when the height constraints themselves have been abolished due to new vessels and infrastructure. Elsewhere in the network, these premium rates have been abolished.
- Increases in safety regulation and their implementation, stemming from reinterpretation by staff, catching both local businesses and public service operators unawares;
- Inflexibility toward changing local government service realities on Malcolm Island that require direct, practical engagement and accommodation;
- Waste incurred by the corporation; instead of fostering a local workforce, the corporation is paying for the provision of travel and parking for workers at the Port Hardy terminal who do not live within the Regional District of Mount Waddington.
- Corporate marketing and packaging that is not inclusive of the Tri-Island ferry service or in general assists with marketing Vancouver Island North.
- A general lack of willingness to explore how savings could be made on the Tri-Island route by modifying docking and navigation practices that impact fuel and overtime costs.

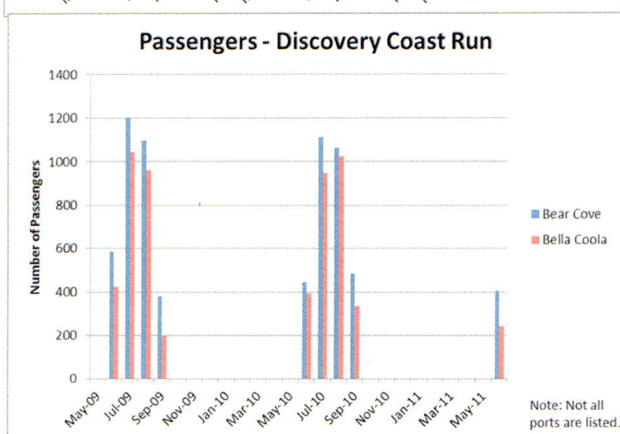

Vehicle Traffic - PtHardy - Prince Rupert
Number of Vehicles
Bear Cove
Prince Rupert
Note: Not all ports are listed.


Passengers - Pt Hardy - Prince Rupert
Number of Passengers
Bear Cove
Prince Rupert
Note: Not all ports are listed.


Vehicle Traffic - Tri-Island
Number of Vehicles
Port McNeill
Sointula
Alert Bay


Passengers - Tri-Island
Number of Passengers
Port McNeill
Sointula
Alert Bay


Vehicle Traffic - Discovery Coast Run
Number of Vehicles
Bear Cove
Bella Coola
Note: Not all ports are listed.


Passengers - Discovery Coast Run
Number of Passengers
Bear Cove
Bella Coola
Note: Not all ports are listed.