



February 3, 2021

Mr. Jason Barabash
Vice President, General Counsel & Corporate Secretary
British Columbia Ferry Services Inc.
Suite 500, 1321 Blanshard Street
Victoria, BC V8W 0B7

Dear Mr. Barabash:

Re: *Baynes Sound Connector* – Service Reliability

Thank you for your comprehensive response to the Commissioner's request for an update on the service reliability of the *Baynes Sound Connector*.

The Commissioner concurs that despite an increase in the number of service interruptions recently, the *Baynes Sound Connector* has been successful in providing a higher service level than its predecessor relative to contract-required minimums. It has done so in a cost-efficient manner, which has decreased pressure on fares, and compared to a conventional ferry, it has substantially reduced greenhouse gas emissions. Furthermore, the *Baynes Sound Connector* appears to be operating at a reliability rate that is generally on par with the reliability of the rest of BC Ferries' fleet.

The Commissioner is satisfied that for those times when service interruptions have occurred, BC Ferries appears to have taken care to communicate with the community and made reasonable arrangements for alternative transportation. The Commissioner expects BC Ferries to always consider the interests of ferry users and to ensure timely communications with affected customers.

While the Commissioner accepts the explanations provided by BC Ferries for the recent increase in service interruptions and recognizes the effort it has made to improve service reliability, the Commissioner strongly encourages BC Ferries to continue all reasonable efforts to minimize service interruptions on Route 21. If service interruptions are perceived to be excessive over the long-term, public confidence in the ferry service may be undermined.

.../2

To that end, the Commissioner requests BC Ferries to report quarterly, for the remainder of Performance Term 5, on the service reliability of the *Baynes Sound Connector*, the measures taken to minimize service interruptions and communications with ferry users on Route 21.

Sincerely,

A handwritten signature in blue ink that reads "S. T. Stoilen". The signature is written in a cursive, flowing style.

Sheldon Stoilen
BC Ferries Commissioner

January 20, 2021

Mr. Sheldon Stoilén
British Columbia Ferries Commissioner
BC Ferry Commission
PO Box 9279 Stn Prov Gov
Victoria, BC V8W 9J7

Dear Mr. Stoilén:

Re: *Baynes Sound Connector* – Service Reliability

We are writing in response to the Commission's request for an update regarding the service reliability of the *Baynes Sound Connector*.

In February 2016, BC Ferries replaced its conventional ferry service on the route connecting Buckley Bay with Denman Island ("Route 21") with the *Baynes Sound Connector*, a cable ferry service that was expected to provide significant cost savings to offset pressure on future fare increases for all ferry users, while still allowing the Company to maintain its high standard of safety and reliability of service.

BC Ferries believes that overall, the *Baynes Sound Connector* and the cable ferry system has been a success. This vessel, similar to its predecessor, regularly provides service in excess of the daily and annual core service levels required by BC Ferries' Coastal Ferry Services Contract with the Province. Also, in comparison to its predecessor, fuel savings allow the vessel to move more rapidly to shuttling between terminals, with the result that there have been increases in sailings relative to core service levels. Because of this, BC Ferries has been able to provide the community and other travellers with considerably more vehicle capacity than likely would have been available with the previous conventional vessel.

The *Baynes Sound Connector* is also beneficial to the environment relative to the previous vessel in terms of greenhouse gas emissions and underwater radiated noise. In May 2019, shortly after the *Bayes Sound Connector* marked its third year in service, BC Ferries announced that it had achieved savings of more than 415,000 litres of fuel compared to the conventional vessel that previously serviced the route, leading to a reduction in greenhouse gas emissions of approximately 50 percent. We also observed that with no propellers, it is an exceptionally quiet ship both above and below the waterline.

We acknowledge, however, that there have been service interruptions on the route due to terminal and vessel mechanical issues. Since the *Baynes Sound Connector* came into service in 2016, there have been between two and 10 days per year with a vessel or terminal mechanical interruption, inclusive of four separate years in which the vessel missed one full day of service. (Relief service may have been provided by water taxis or other vessels during those outages.)

BC Ferries committed in its section 55 submission to the Commission for the approval of the cable ferry project to provide a standard of service equivalent to that provided by the existing vessel. We have undertaken a mix of corrective and proactive initiatives on the vessel itself, the cable system, and the terminal infrastructure, all with the objective of improving safety, reliability, and operational performance. This includes technical improvements on cables, main engines and ancillary systems, hydraulic system and shore structures.

A number of initiatives are also in progress and are expected to be completed over the next few months. This month, we are installing the last of the three new flattened strand steel cables, this one located at the drive position. Additional improvements to existing systems will include the installation of upgraded bull-wheels and sheaves, likely in March or April. (In both instances, we will maintain detailed and advanced communications with the local communities.) With these and some other final enhancements, we are confident that these improvements will pay dividends over the life of the vessel, and service interruptions due to mechanical issues will be minimized. We expect the *Baynes Sound Connector* to continue to operate at a reliability rate that exceeds reliability targets and is on par with the rest of the fleet.

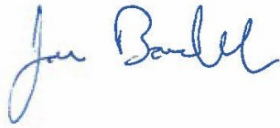
We are aware that concerns have been raised about service interruptions and off-island transport during medical emergencies. We care about the health and safety of our customers within island communities and whenever possible we support them in receiving medical attention as quickly as possible during emergencies. When there is a medical emergency during a service interruption on the route, alternative arrangements are made by the BC Ambulance Service. During service interruptions, however infrequently they may occur, we also take steps appropriate to the situation, including as needed:

- Communications to the community through our website, service notices, news releases and social media;
- Alternative water taxi service and bus/shuttle service to nearby towns;
- Liaison with the local ferry advisory committee; and
- Vessel substitutions.

Overall, the *Baynes Sound Connector* has performed well and despite the infrequent cancellations, has been providing additional service relative to contract minimums in comparison to its predecessor. It is still a relatively new vessel and like all new vessels, there has been a 'break-in period' of several years where unfortunately some mechanical interruptions have occurred. We continue to make mechanical improvements to the vessel and going forward, we expect these cancellations to continue to diminish in number.

Should you have any questions or require further information please contact us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Barabash". The signature is fluid and cursive, with the first name "Jason" and last name "Barabash" clearly distinguishable.

Jason Barabash
Vice President, General Counsel & Corporate Secretary