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October 31, 2014

File No.: 0420-20

RECEIVED

via e-mail: premier@gov.bc.ca; Minister.Transportation@gov.bc.ca

The Honourable Christy Clark
Premier of British Columbia
PO Box 9041 Stn Prov Govt
Victoria BC V8W 9E1

The Honourable Todd Stone, MLA
Minister of Transportation and Infrastructure
PO Box 9850, Stn Prov Govt
Victoria BC V8W 9E2

NOV 07 2014

Central Coast Regional District

Dear Premier Clark and Minister Stone:

Re: Public Consultation re Coastal Ferry Contract for Performance Term 4 (2016-2020)

Thank you both for meeting with the Regional District Chairs about coastal ferry service at the Union of BC Municipalities' annual convention. I was glad that the Premier invited us to meet again in November.

Over the next nine months, the Province will make funding decisions that will determine the future of BC Ferries and our coastal communities. By late June 2015, the Province will confirm how much funding it will provide to BC Ferries through the Coastal Ferry Services Contract in years 2016-2020. We hope you will engage British Columbians in this important decision.

We appreciate that Minister Stone wants to hold BC Ferries fare increases close to the level of inflation starting in 2016, but are deeply concerned that this will be too little, too late. With ferry fares scheduled to increase by 3.9% on April 1, 2015, residents, businesses and tourists will be increasingly dissuaded from ferry travel. Many fares have already increased well in excess of 100% over the past ten years. The Province needs to increase funding to BC Ferries so fares can come down and ridership can begin to recover. We expect that there will be strong interest from our communities in engaging with the Province about the appropriate amount of Provincial capital funding for provincial infrastructure projects such as ferries and terminals that are integral to coastal ferry system, and the appropriate level of cost recovery from fares and ancillary services.

On October 3, 2014, I wrote to the Select Standing Committee on Finance and Government Services on behalf of the Islands Trust Council to request that the Provincial government budget sufficient funding in 2015 and future years to:

- return BC Ferry fares to a level that would be in line with cost of living increases since enactment of the Coastal Ferries Act in 2003; and,
- fund BC Ferries costs, including capital costs, at a level that will keep future fare increases in line with, or lower than, the consumer price index while meeting essential transportation needs of ferry dependent communities.

By 2012-2013, BC Ferries' passengers were already contributing 109% of operating costs. With ferry passengers already paying for operating costs, adequate Provincial funding is needed for BC Ferries to fund upgrades to ferries and terminals. To us this seems straightforward. Non-coastal communities are not having debates about the Ministry of Transportation's responsibility to use taxpayer funds to pay for provincial capital projects that underpin BC's economy. As the Union of BC Municipalities' report *A Socioeconomic Impact Analysis of BC Ferries* revealed, investment in BC Ferries benefits the provincial economy.

As we understand it, the steps in deciding future BC Ferries fares are:

1. Currently, the Ferry Commission is taking three months to consult the public about BC Ferries' submission for the next performance term (2016-2020) as well as BC Ferries' 10 Year Capital Plan, and BC Ferries' Efficiency Plan for 2016-2020 and beyond.
2. By the end of March 2014, the BC Ferry Commissioner will make a determination regarding a preliminary price cap for fares for 2016-2020.
3. By the end of June 2015 the Province will decide how much funding to provide to BC Ferries through the Coastal Ferry Services Contract in years 2016-2020.
4. After June 2014, once the provincial contribution is known, the Ferry Commissioner will make a final decision about how much ferry fares will be increased or decreased 2016-2020.

Preserving *Island* communities, culture and environment

Bowen Denman Hornby Gabriola Galiano Gambier Lasqueti Mayne North Pender Salt Spring Saturna South Pender Thetis



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The Provincial decision about how much to support coastal transportation 2016-2020 will determine the shape of our communities into the future. The BC Ferry Commission's current consultation, while welcome, does not offer the public any idea of the scale of upcoming fare increases. Accordingly, we request that in early 2015, once more information about the preliminary fare caps is known, the Ministry of Transportation and Infrastructure take a substantive amount of time to undertake a meaningful, robust public consultation process regarding future ferry fares and Provincial investment in the BC ferry system until 2020 or beyond. Our communities have a great deal of wisdom and experience to offer when consulted in a meaningful manner.

Thank you for considering this request.

Sincerely,



Sheila Malcolmson
Chair, Islands Trust Council
smalcolmson@islandstrust.bc.ca

cc: Trust Area MLAs: Gary Holman, Saanich North and the Islands
Don McRae, Comox Valley
Doug Routley, Nanaimo – North Cowichan
Nicholas Simons, Powell River – Sunshine Coast
Michelle Stilwell, Parksville – Qualicum
Jordan Sturdy, West Vancouver – Sea to Sky, and Parliamentary Secretary to the
Minister of Transportation and Infrastructure for Transportation
The Honourable Shirley Bond, Minister of Jobs, Tourism and Skills Training
Gord Macatee, BC Ferry Commissioner
Mike Corrigan, President and CEO, BC Ferry Services Inc.
Ferry Advisory Committee Chairs c/o Trustee Alison Morse and Brian Hollingshead
Bowen Island Municipality
Coastal Regional District Chairs c/o Powell River Regional District Chair Colin Palmer
Association of Vancouver Island Coastal Communities members
Union of BC Municipalities Select Committee on BC Ferries
Islands Trust Council
Islands Trust website