

MEETING DETAILS	BC Coastal Ferries Community Engagement 2013 Port Hardy Public Open House November 20, 2013, 5:00 p.m. – 8:00 p.m. Port Hardy Civic Centre Port Hardy, B.C.
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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on November 20, 2013 at the Port Hardy Civic Centre, Port Hardy, B.C.
FACILITATOR	Judy Kirk, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Lynda Petruzelli, Senior Manager, Marine Branch, Ministry of Transportation and Infrastructure Sean Nacey, Senior Manager, Infrastructure Development Branch, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Joanne Doyle, Manager, Master Planning, BC Ferries Anna Wright, Kirk & Co. Consulting Ltd. Max Tobias, Kirk & Co. Consulting Ltd., Meeting Recorder Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants expressed concern that service reductions were proposed without undertaking a socio-economic analysis of potential impacts, particularly from lost tourism revenue.
- Participants said that fares are too high and suggested that lower fares could increase ridership. They said it is cheaper to fly to Vancouver than to take a ferry with their vehicle.
- Participants expressed frustration with BC Ferries' executive compensation and bonuses, especially in the light of service reductions.
- Participants expressed a lack of confidence in the credibility of the Ministry of Transportation and Infrastructure's commitment to consider input received.
- Participants said that ferries are an essential service and should be part of the provincial highway system.

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- Participants were opposed to service reductions and said that:
 - Service reductions, and the loss of Route 40, would cause a significant blow to local businesses from lost tourism revenue.
 - Changes to ferry service would increase the difficulty for First Nations of visiting their traditional territory and connecting with family in mid-coast First Nations communities.

DISCUSSION

1. Welcome and Introductions – Judy Kirk

Judy Kirk welcomed participants to the open house, and explained the format of the Q & A. Judy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- Q: *Bev Parnham:* Good evening, I'm Bev Parnham and I'm mayor of Port Hardy. The first question that I would like to ask, and I'm not sure who could answer this, is why are we here? What is it that the BC Ferry Corporation wants from us and is there anything that we can say or do that's going to change this plan. If this is consultation, and I'm assuming that you're calling it a consultation, is that correct?
- A: *Kevin Richter:* We're calling it an engagement. We want to hear from you, absolutely.
- Q: *Bev Parnham:* Ok. And the first round was consultation as well?
- A: *Kevin Richter:* When you're talking about first round, was last fall- last November. We came out and we did engagement at that time. We want to hear from you.
- Q: *Bev Parnham:* Ok. So my definition of consultation is that you listen to what people have to say and then you go back and you make decisions based on what people have said to you. So, I guess my question for you is that, where on earth in the consultation that took place last year did you hear that cutting Route 40 would be a good thing? Where did you hear that? Where did that idea come from? Did it come from consultation or did it come from something that... I don't know. I'm trying to figure out how you arrived at it.
- Q: *Judy Kirk:* Mayor, did you want to take one question at a time?
- Q: *Bev Parnham:* I see it as just one question: how did you arrive at the decision for Route 40? And was it based on consultation?
- A: *Kevin Richter:* So back in 2011 the Ferry Commissioner, I think, went to a bunch of communities. He heard loud and clear from communities that there were concerns that the fares had reached a tipping point. There was a concern that the affordability of the Ferry service was in jeopardy and its sustainability going into the future. Based on the Ferry Commissioner's report he'd given to us in 2012, government realized it had to respond because the Ferry Commissioner said that this is not sustainable to have fares continuing to rise. It also said that there's more pressures on the way. Ferries has to do a bunch of capital investment, fuel, and labour. So the concern was fares. We went out last November and December to talk to people about considerations to figure out how

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we can affect affordability. Considerations on how we can look at service reductions that can influence decisions about that. But also on strategies – long term strategies that can take the pressure off fares going into the future. So government decided to put money in. Government decided to challenge Ferries and the Ferry Commissioner to find more efficiencies. But government also felt that it put in enough money and it was looking at service reductions. And so looking at service reductions, where would those service reductions be? And that's where we came out and we were asking people for their input- their feedback on considerations. The considerations we were looking at- which routes have been shortfalls where utilization was low. So based on those considerations, that's how this service reduction plan has come up- has been determined.

- Q: *Bev Parnham:* So what you're saying then is that through consultative process you've heard that Route 40 would be something to consider. Is that correct or – this wasn't just BC Ferries' numbers?
- A: *Kevin Richter:* No we never asked a specific question about Route 40. We asked questions around considerations that could be used to develop the service reduction plan.
- Q: *Bev Parnham:* As part of those considerations was there- did BC Ferries take any kind of initiative to look at the socioeconomic impacts of cutting Route 40 and any of the other cuts along the coast?
- A: *Kevin Richter:* With regards to that, we recognize that there's going to be impacts.
- Q: *Bev Parnham:* But do you know what those impacts will be?
- C: *Judy Kirk:* Just let him answer the first question and then we'll get to the next one.
- A: *Kevin Richter:* And so, no we did not commission a specific economics study, but we looked at many considerations. And we also tried to balance in those considerations while trying to maintain a basic service model – which is the majority of people could be using the service to get to school, get to work. At the end of the day, it's trying to find that balance – that balance of, although there are service reductions trying to take the pressure off fares.
- Q: *Bev Parnham:* So did BC Ferries as well, as part of this process- and please forgive me for going on, but I think we all need to understand the process and how you arrived at where you got- is that the... so there was no socioeconomic impact study of any sort done, right? There was none of that, it was just an understanding that yeah, somebody's gonna lose their job. Is that correct?
- A: *Kevin Richter:* So there was no socioeconomic..
- Q: *Bev Parnham:* So you don't have any numbers for that, so there was no study. Was there any kind of a process that was taken to explore some of the other ferry providers and services that are provided, like Washington State for instance – the Washington State ferry. Did you explore those, look at best practices? Perhaps bring those back into BC Ferries and make them part of your operations?
- A: *Kevin Richter:* So when the Ferry Commissioner went and did his study, he looked at ferry service providers around the world. He looked at Washington State and one of the conclusions that he came up with was that ferry service- BC Ferry service- is similar to the operations of others. He actually said that BC Ferries offers a premium service. Also a few years ago, I think it was the comptroller general, looked at how BC Ferries is operating and said that it was operating reasonably.
- C: *Bev Parnham:* I find that a little difficult because I do know that, for instance, with the administrative part of BC Ferries, BC Ferries has 650 managers to the tune of \$64 million. The Washington State Ferries has 42 managers to a tune of \$5 million. So I think they're more efficient, and I think we should have another look at that, so I'm asking you to revisit that. I also think that you need to revisit – and this message has come to me loud and clear this evening from a lot of

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people – residents of this community and surrounding communities- that we are really disappointed that the Minister is not here himself to take his licks as he should. He is the person who is making comments about cuts to service and how BC Ferries will not take the ferry corporation back in to become part of transportation, which we believe it should. To be a part of our transportation network. It is our highway. It's what provides us- all of the people up and down this coast- with our- that's how we get to work. That's how we get our groceries, our [inaudible] that are shipped to other parts of the world. So you're jeopardizing the economy of this entire coast with these cuts that are happening and I am absolutely appalled with what's going on. I think that you need to revisit all of this again. It's so broken. It's so incredibly broken. Sorry but I really truly believe if you make these cuts that BC Ferries is just going to self-destruct. So I'd like you to hear from some of our local people and some of the impacts for them as well. I won't take up all of your time, but please consider the best way that we can see of saving BC Ferries is to take it back into the transportation system in the province. Thank you.

C: *Judy Kirk*: Thank you, Mayor.

C: *Candy*: My name is Candy and I run a backpacker here in Port Hardy. So I get a lot of European tourists that take the ferry up and down, sometimes they'll even go both ways. They said "wow they don't even do two for one sort of ideas", and they were really appalled at the two hour wait. So we always say it's the Minister of Transportation, they're the ones that they need two hours to check you in. So when they get up at 5 am and they have to be there for 5:30 and the ferry doesn't go till 7:30 and there's only 60 people on board a 600 passenger thing I don't think it takes them two hours. So obviously they need to lower their price so more people will go on. Heaven forbid it gets full and they have to make a reservation. So right now they say, "oh well you have to have a reservation". I said "no you don't. Pull 600. Last time I looked they had 68 people on this 600 passenger." So you're not getting full cause you cost too much. If you wanna cut up the thing, lower the two hour waiting period and don't go every two days- doesn't make sense. If it's three or four days, fine because then they'll stay here in Prince Rupert or in Port Hardy a little bit longer perhaps and explore some of the different things. But I love the mayor's idea of "cut the top cheese first, never mind the bottom cheese" because obviously they're not earning their bonuses at all as far as I'm concerned.

C: *Judy Kirk*: Thank you very much. Other comments?

Q: *Gabby Wickstrum*: Hi my name is Gabby Wickstrum and I'm of the town of Port MacNeil. So I'm going to make the following statement, not with any hope that it's going to make a difference in the decision the government has made to cut our Northern routes, but more in solidarity with all of the communities affected. The cuts that are going to be implemented will be detrimental and affect all of our communities and will have both economic and social impact. Tourism, business, and our lifestyles will be affected. Reduction in routes is one thing, but the cancellation of routes is simply unacceptable. In only looking at the bottom line in terms of economics for the BC Ferries operation the government has failed to look at the bigger picture. Loss of tourism dollars, increased food costs and commodities for Northern communities, medical, travel expenditures, loss of business opportunities, just to name a few. The government looked only to solve the problem of their one community which is that of BC Ferries. What has been proposed to us in these cuts will have detrimental effect on our communities, on our families, and the people of this region. I'd like

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- to ask you, did you do any consultations with the Northern first nations to see what impact it will have for them?
- A: *Kevin Richter:* So last year we were out and we were consulting in several communities along the coast. I think in total we were at 30 communities and we had 40 meetings. So in that we met with many community representatives and first nations representatives and we're also going out now to meet with communities in the impacted communities.
- Q: *Michael Barry:* I'm Mike Barry, mayor of one of the fortunate communities that aren't being cut this time – of Alert Bay. The other speakers had asked questions, but, one thing I'd like to know is, what are we looking forward to in 2016 when the next round of cuts are necessary with larger deficits?
- A: *Kevin Richter:* So we're hoping that these measures that we're introducing now are going to take us a long ways to help take the pressure off fares in the future. The Ferry Commissioner will be receiving information from BC Ferries in September of 2014 and then he will be delivering his preliminary price cap in the spring of 2015. So for those of you that don't know, there is a Ferry Commissioner, and the Ferry Commissioner is the independent regulator who sets price caps on a four year term. So we are currently in Performance Term 3 and it ends at the end of March in 2016. And so we're hoping that these measures will help, and also some of the long-term measures that we've been looking at- that Ferries is looking at- for getting LNG in some of its vessels, looking at technology. So we're looking forward to seeing what happens and we're really thinking that these measures are going to make a dent on pressures going into the future. But it is a challenge, absolutely. Like the Ferry Commissioner talked about, there are big pressures on the horizon.
- Q: *Michael Barry:* Yeah the Ferry Commissioner does make recommendations on other things and independent reviews make recommendations, not all of which are taken all that seriously. If I could get the economic spinoff studies, tourism spinoff studies, other impacts of the proposed cuts. They've got to be done. That's BC's responsibility, and it should be taken very seriously. I'm wondering how business and tourism operators, for example, are going to make their adjustments when they're already booking into 2015 and are ordering stock and making plans, yet their travel plans will all change.
- A: *Kevin Richter:* So that's why we wanted to come out and, as soon as possible, to talk about the service reduction plans so that businesses are aware of what's happening and the timetable that's going to be occurring as soon as possible.
- Q: *Michael Barry:* So will the timetable be put off until that consultation is complete and your questions are answered? The timetable for implementation of the planned cuts.
- Q: *Judy Kirk:* Did everyone hear that? Ok so- I'll just repeat it for you sir- the question was will- would the implementation, I think – correct me if I'm wrong here- the implementation of the cuts or reductions be put off to allow for further consultation with business owners who may need to make changes. Is that it?
- C: *Michael Barry:* Yeah if they require more time to make changes to keep their livelihoods.
- A: *Kevin Richter:* The province is committed to having these service reductions in place. The whole service reductions account for where the price gaps currently are. So if the service reductions are put off they only get larger in the subsequent year or there's gonna be a- there would have to be a change to the existing price caps in order to account for that delay.
- Q: *Judy Kirk:* When you say price caps you mean fares?

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- A: *Kevin Richter*: Yes, fares are related to the price caps.
- Q: *Michael Barry*: So among the things that missed for BC Ferries, or among the missing data, I guess, that I'm seeing is you're going to save six and some odd million dollars by not giving me free rides five days a week when I feel old, but you haven't really counted in the loss of revenue because I wouldn't travel as much.
- C: *Judy Kirk*: Right so the question is, was that taken into account. Kirk?
- A: *Kirk Handrahan*: So when we calculated the impact – again it's estimated, it depends on what the uptake continues to be for seniors during the Monday to Thursday travel time. Like last year we spent 15 million dollars on the senior's program. If all those seniors continue to travel up to 50 percent, that would be an incremental increase of \$7.5 million to the net revenues that you'd see at Ferries. So we've just counted that down to \$6 million. It may be- it's an estimate. We don't really know. We'll be tracking the actual performance as we go forward to see where it goes.
- Q: *Michael Barry*: So if all the cost savings don't realize that the savings relatively changes- they don't realize the savings expected, what can be expected at the end of that analysis?
- A: *Kirk Handrahan*: So we'll be monitoring the situation to see what happens and then like anything- any change, we want to know what the impacts are. We're out talking to people now about what we should be considering and I can't predict where we'll go in the future but we'll certainly be looking at the impacts of it. And we'll be able to actually see the performance.
- Q: *Michael Barry*: Ok just to pursue a bit further though: because you're estimating, guesstimating, projecting various impacts, let's say you have 5 million dollars less than the anticipated revenue reduction- cost deduction.
- Q: *Kirk Handrahan*: From the seniors or from the service reduction?
- A: *Michael Barry*: Reduction.
- A: *Kirk Handrahan*: I think the service reductions we have a good handle on what the cost savings are going to be. It's determining what the actual net will be and part of the things- we have some assumptions about the changes in the services. So if you're not offering the sailing, there will be a revenue decrease from those not travelling. Some of our traffic will go to another sailing, in some cases, and some of them won't.
- C: *Michael Barry*: I guess the revenue loss, I think, is being underestimated. Potential revenue loss.
- Q: *Joli White*: Hi my name is Joli White. First name is J-O-L-I, which is unusual. I'm actually really curious about the question the mayor opened with. You spoke at the beginning about the feedback forms and, what exactly is the process here? So, we're hearing you're getting our input and you're asking us to fill out these feedback forms but what happens after that? Like, how is this feedback being considered?
- A: *Kevin Richter*: So we're coming out here and we're asking your feedback on several measures, one is about service reductions. And what will help us is- although we went out last year and we talked about considerations, we're here again to understand if there's some consideration that we weren't aware of and we'd ask you to provide that to us and say "hey you never really thought about this." Another thing is, and some routes where there's going to be adjustments, reductions in sailings, there may be opportunities to shift the schedule. There may be opportunities to refine the schedule. And so, for those communities we'll be asking for that feedback and also Ferries will also be talking with communities asking people about these refinements. What we want- we want to make sure that the communities now have this opportunity to give that feedback.

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Q: *Judy Kirk:* Wait-hang on, what do you mean by refinements?

A: *David Hendry:* Thanks Kevin. Really in January- early January- BC Ferries would come out and talk to the FAC members of each of the communities impacted to try and get a better idea if there's opportunities to look at, you know, how did the day start, at a different time than what is proposed in the discussion guide, or ended at a different time. There's an opportunity, perhaps, looking at refinements to the schedule in order to still achieve the same net savings but we've tried to take in account where we think there might be an impact, obviously, with some things like school children. Obviously the communities know better and they seem to be tuned into that so, there will be an opportunity for that in early January.

C: *Kevin Richter:* Building on why we're out here, another one is about the senior's discount, where the province is proposing to change the senior's discount. So in the feedback form, it's asking for feedback. Interestingly enough, when we were out last fall engaging, people mentioned that, "hey there's an opportunity to look at the senior's discount." So we're seeking feedback on that. Another one is around gaming. Again when we were out engaging last fall, people said if there are other revenue sources and some people threw out the gaming idea. So government's considering that. It's considering a pilot project, but also looking at implementing for long-term revenue gaming on the major routes. But we're out- government's interested in provinces, interested in feedback. Another area that is of interest to get feedback is around, the Ferries is moving forward with developing and implementing a new technology system. I think of it as a reservation system. You can think of it in some instances as a point of sale or these programs like air miles or something like that. So Ferries is looking at changing and upgrading its technology. When we were out last fall, people said "maybe there's a way that if there are changes we're able to book to make sure that we have certainty to get on the boat" or, "maybe you can use pricing, you know, when it's really busy charge more but when it's not being used charge less." So Ferries is now in the process of developing a system and so the time is right for people to provide impact and perhaps shape that to give that information with Ferries, so. And I guess the last one is, again when I was out last fall, I was quite amazed at the number of private passenger only water taxi services that were out there. So at this point, the government is not thinking about putting money into those services. It would be helpful to get an understanding if communities think that, yes ok if I've lost those last two sailings I.. I, you know, it's different for each community. That's the thing that's really incredible is that the ferry system, unlike in other jurisdictions, the one at BC Ferries you've got ferries that run for, what's the longest Joanne, is it like 20 some odd hours? So 15 to 30 minutes, so in some places the ferries are typically only running for half an hour to an hour and a half or something like that, so, you know, maybe in some communities if sailings are being eliminated to supplement that with [inaudible]. So there is a series of questions to help us understand it, but also when the report is released from this engagement that private operators can get a handle on some ideas for perhaps operating... you know, introducing a service, or even expanding because some communities already have a water taxi service.

C: *Judy Kirk:* That was a long answer.

Q: *Joli White:* Yeah I guess just the general sense that I heard is the way that this- the information has been presented it does seem like pretty specific in that it's somewhat determined already but, what I'm hearing you say is that these sessions- the feedback that you're getting is potentially going to allow for some shift in what we're seeing. Is that- am I understanding that right?

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- A: *Kevin Richter*: Well I just want to be clear that \$18.9 in service reductions - that's going to happen. There could be some refinements for some of the schedules.
- Q: *Judy Kirk*: \$18.9 million?
- A: *Kevin Richter*: \$18.9 million, sorry. Thanks Judy. But like ideas about the gaming, those are things where government is asking for feedback.
- Q: *Joli White*: So I was just going to ask then, if you can talk about refinement to the schedule because I know that these routes that are being affected, they're still bookable right now on the consumer facing site so.. I guess that's where that question is coming from is, are you waiting to get that refinement phase before that's launched publicly?
- A: *David Hendry*: I think right now, on the website, I believe that there's caveats on the routes impacted, that there's potential changes and we'd be dealing with that as soon as possible.
- Q: *Shelly Siemens*: Shelly Siemens, Port Hardy resident. The senior's discount, now does that not already come out of taxpayers' money for the seniors?
- A: *Kevin Richter*: Yes. So as Kirk mentioned, last year it was about \$15 million for the seniors program, so the government will still have that \$15 million available. The idea-
- Q: *Shelly Siemens*: Of our money?
- A: *Kevin Richter*: Yes. Taxpayers' money. Yes.
- C: *Shelly Siemens*: That should be going towards the seniors.
- A: *Kevin Richter*: So the 15 million dollars that currently is in the seniors program, the plan would be to give that to BC Ferries so it helps the overall fares for everyone.
- Q: *Shelly Siemens*: So we're paying twice for seniors? Seniors will pay for themselves and we will pay for them as well? I just want it to be clear.
- A: *Kirk Handrahan*: So what we're trying to do is take the funding that we're already providing and we need to put it in to support fares in general. Alright, so yes seniors will be paying-
- C: *Shelly Siemens*: I understand what you mean. I understand what you mean, thank you. I just have to make a comment. If you can explain to me how the Liberal party runs a whole provincial election based on balanced budgets, focusing on jobs and the economy and here we are, talking about, six months later down the road, talking about service cuts resulting in job losses and revenue to this community. I'm astounded. I mean, here we are talking about a, what is it \$20 million budget shortfall? After we'd just been hearing so much about, you know, our jobs and economy? I'm just baffled. I'm very disappointed that we're here tonight at this position. Especially after an election that was filled by jobs and the economy. Quite laughable.
- C: *Claire Travena*: I'm Claire Travena, the North Island MLA and official transportation critic, so I wanted to come to the first meeting with my constituents here to see how this is being run. I just want to say that it's very unfortunate that you guys are really the whipping boys because we wanted to see the Minister here and have him answer questions. And I don't really have questions but I just wanted to clarify from what other people said, so what we are here to discuss and what we're going to be discussing in various communities is effectively whether we should have gaming on the ferries and what people think of this smoke and mirrors of transfer what usually goes to pay for the seniors fares, still going to BC Ferries but being used elsewhere and so seniors have to pay. These are sort of give and take, the rest is cuts to services. I just wanted to get that clarified. We are talking 100% that there are already cuts to services, it's reductions or whatever you said. We're

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talking about cuts. We're talking about closing routes. We're talking about major cuts. We're talking about this having been done without any economic analysis. This is just from asking-giving previous people, so there's been no economic analysis. There's been no consultation, I mean I've been at the Commissioner's, what, consultation?, two years ago and I was at your consultation from last year and we'll be going, following you around this year too. And this is it. We're going to get – for Port Hardy, we're going to get cuts to the route, and we're going to lose the whole Route 40. And there's been no economic analysis done on this. And I say you are whipping boys because like Shelly just said, that this was supposed to be getting jobs and the economy and good planning and everything else and suddenly we're losing this and there's been no economic analysis and even worse there has been no consultation with communities. I mean, I have to say I was at the Commissioner's meetings two years ago, I was at meetings that you held last year and they're very much like this. What great consultation, they only said it would only be Port Hardy. Oh by the way it's ok if we, you know, we're going to cut a few days in your service to Rupert and we're going to lose Route 40. Nobody – that wasn't on the board. Nobody said that. And again I say I think that you are the deliverers of the bad message. But it's a really bad message. It's not making anything better. I think that it's a bit of – no matter how much we say it this week, we can't adjust things. Maybe it's not this day, because another day maybe we can make a change a little here, and different areas, we're going to change different bits. I think that the comparisons with Washington State Ferries, it's not just the big things that the mayor mentions – the size of the management. It's the way that the system runs, and I know everybody says it's a different service, totally different service. And largely it's a different service not because of the length of our coastline, which we all accept is a long coastline. The two very clear differences- Washington State Ferries is there. Washington State, it's regarded by everyone. By left and right, by business, by users, by politicians, everyone. Everyone recognizes the ferry is part of the highway system and everyone recognizes the value of the coastline it enters. In Washington State, the biggest thing that I saw wasn't the age of the ferries, it wasn't even the cost of the ferries, although they're a lot cheaper. It was the fact that everywhere, except San Juan Island and Vashon Island, they kept getting really really [inaudible] ferries. But still they invest in their ferries and they make sure they invest in those communities. They know the value of the economy in their coastal communities. But you used to know that. When BC Ferries first came to existence as [inaudible] ferries, that was because there was a recognition of the value of coastal communities and the coastal economy, and that is gone. What we're seeing now is basically a government that's turned its back on our communities, our coastal communities, our coastal economy and you're going to feel very hard for the next three weeks, talking to communities. Port Hardy's got the unfortunate experience of being the first one to hear the bad news, but what you're going around being bearers of the government's bad message which is, you know, "sorry guys you don't have oil and gas, you don't have pavement. We're walking away from you." And I think that's really sad. On your side it's really sad, to me, how the government could do that to the province. Thank you.

- C: *Bev Parnham:* Bev Parnham, Mayor of Port Hardy. First of all I'd just like to make a quick comment on the senior's discount, location of that, and on the gaming. And, my comment is basically, I see that as nothing but smoke and mirrors. You know, it's very well done, whoever put that one together and decided they're going to flack the real issues here, which are issues around cuts to

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our coastal economy. So I'm hoping and really encouraging people in the next meetings and in meetings to come not to spend too much time on those two subjects because I think they're going to do us all in well before this final recording is through.

- Q: *Bev Parnham:* I have a question, there was a gentleman who was here earlier and couldn't stay, and he gave me a copy of the audited financial statements for BC Ferries for 2013 and 2012 and in 2012 they're showing a net loss of approximately \$6.7 million in 2012, and in 2013 we're showing a net profit of about \$60.5 million. So I guess my question for BC Ferries is, where did that profit go? We're talking about cutting \$18 plus million from the operation, so where is that surplus going?
- A: *David Hendry:* Any profit that BC Ferries earns is reinvested back into the corporation. So it goes to alleviate cost pressures and help to alleviate financing the gap in programs. None of it is paid out like a typical corporation would pay out dividends or anything like that.
- Q: *Bev Parnham:* And these are all suggested bonuses as well, are the bonus systems – is that correct, there are bonuses presented to senior staff this year that came out of those profits?
- A: *David Hendry:* Bonuses are part of the cost structure.
- Q: *Bev Parnham:* And I also understand that those bonuses now have been eliminated, is that correct?
- A: *David Hendry:* Those bonuses have been eliminated, yes.
- Q: *Bev Parnham:* And, have they not been turned into wages?
- A: *David Hendry:* It's the same structure as many crown corporations, it's a similar arrangement.
- C: *Bev Parnham:* We find it very shameful that the cuts that you're asking are going to be on the backs of hard working people up and down this coast and yet we have BC Ferry Corporation executives still getting bonuses. That's the bottom line. So that's the message I want BC Ferries to go back with. When it comes to the province itself, and I'll ask our provincial representatives to take this back to their Minister and hopefully he can relay it to the Premier for us: you're looking at considerations and I want the province to consider that this coast of British Columbia has about 20% of the population of the entire province of British Columbia, but we contribute over 38% to the revenues in this province, and I think that that is really an important message that needs to get out there. We are very angry with what's going on. We see these cuts to services as cuts to our communities, cuts that are directly to our families and to our businesses and I would suggest that they have a really good look at what we actually do contribute and turn this around.
- Q: *Cathy Swing:* My name is Cathy Swing. I have a, kind of an odd question: where did you purchase your water? That you're drinking?
- A: *Unknown:* The water they're drinking is from the Overwaitea on Granville.
- Q: *Cathy Swing:* Ok. So, another question I have is – well, comment. Probably nothing for us, just a little observation. The second question I have will be how will you go to these seven places up North when you do your engagement?
- A: *Kevin Richter:* With the timetable that we have, we're trying to get to all the communities as quickly as possible. We're going to be flying to many of these communities. For down in the lower coast, we're going to be trying using ferries as much as possible and when we went out and did our engagement last year, we tried to get to communities as much as possible using the ferry system.
- Q: *Cathy Swing:* Ok. So, how will you eat when you're up here? What... you know, will you just be there for a couple hours and fly out? Or will you have a meal there? Will it be a restaurant, or will... or what?

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- A: *Kevin Richter:* So like for example, we flew up this morning. We went for lunch within the community, we're eating within the community and we're even staying here over night, so-
- C: *Cathy Swing:* I'm talking about up North. When you go up North.
- Q: *Kevin Richter:* So when we're up in Haida Gwaii?
- A: *Cathy Swing:* Yes.
- A: *Kevin Richter:* So we're going to be up there over several days, so we're going to be in the community, we'll be staying overnight several times and we'll be eating within the communities.
- C: *Cathy Swing:* Ok and will you be aware of what the rates are for your meals? Or will somebody, a flunky, take care of the bill? The reason I ask is because I have family, friends who live up there. Food is expensive. You cut ferries, you cut routes off, it's going to make it worse. You need to do a study, you need to do more than just a pretty little booklet for us – for everyone. There needs to be more. You need to be there. You need to go up by ferry. You need to see what's what. You need- do you even know different things? You didn't even know how long it took to get up here. You need to have... you need to have a heart when you go up. My husband and I hope to go up. We haven't been able to go up yet, don't know if we ever will. I moved here in 1964. It was in our fourth relocation. I was in Bella Bella, I was up at Shearwater, I lived on the water with my parents fishing all summer. It was idyllic. Once I moved here, alcohol addictions and gambling, everything affected my people. I hoped to be able to go up there one day. I don't think I will. We go to Vancouver, my son lives there. We walk on now, don't bother driving. You guys need to get your act together. Quit paying yourselves so much. I'm not saying you guys, but I mean, I'm sure, you know, what does it cost for a pound of coffee? You know. Have a little something for us. I don't know.
- Q: *John Tidbury:* My name is John Tidbury, I'm a councillor with the district of Port Hardy, and I'm just trying to visualize your scheduling again. Especially *[inaudible]* scheduling. And we're talking about the Northern expedition. It stops in Bella Bella twice, going from here up there, in a month. Is that the correct schedule?
- A: *Joanne Doyle:* Yes, so the Bella Bella is bi-weekly, as well as the *[inaudible]* service.
- Q: *John Tidbury:* Ok. So tell me how this is going to work for the people who wish to go on to Bella Coola going from Port Hardy. The way I see it right now, is that they'll have to get on the Northern Expedition, get off in Bella Bella, wait for the Nimpkish to come by to pick them up so they can go to Bella Coola. Is that correct?
- A: *Joanne Doyle:* Yes that's correct. Similar to the off-peak or the winter service that we have currently, the winter service being the overnight, we have to change it from the day service that we see in the peak season.
- Q: *John Tidbury:* So there's going to be definitely a gap in between them?
- A: *Joanne Doyle:* There will be the connections that we see, that we have in the off-peak where the Nimpkish comes in, drops the customers off, and pulls out while the Northern Expedition or the Northern Adventure, depending on the time of year, comes in, drops the customers off, picks passengers up, and then the Nimpkish will come back in.
- Q: *John Tidbury:* At the same time?
- A: *Joanne Doyle:* No, no. Well there's only one berth there, so they'll stand off – the Nimpkish will first come in, drop the passengers off, stand off while the Northern Expedition comes in. Usually there is, what was it, like an hour gap I think between when the Nimpkish comes in, leaves, and comes

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back in again to pick up passengers who would be heading out to Bella Coola or to Ocean Falls or Shearwater.

Q: *John Tidbury:* So we're talking winter schedule then?

A: *Joanne Doyle:* Similar to the winter schedule, but the service that you're meeting is a different service. In the winter it's the evening service, so different times of the day, but in the summer it's the day service. So similar schedule, just different times of the day.

Q: *John Tidbury:* How many vehicles fit on the Nimpkish?

C: *Judy Kirk:* So, John, I just want to make sure when Joanne's answering, just don't interrupt so that I can hear it on the record if you don't mind. Go ahead.

C: *John Tidbury:* 16?

A: *Joanne Doyle:* Yes, it's much smaller than the-

C: *John Tidbury:* 16. I can tell you now, and also if we look at a freight vehicle that goes on, that cuts down the number of lanes on the ferry, so it's less. So what you're doing, you're cutting down the tourism people that wish to go those communities and you're cutting down the people that wish to visit those communities by adding this small ferry.

A: *Joanne Doyle:* Yes, as we see a visitor reduction in service by using the smaller ferries once a week, yes.

Q: *John Tidbury:* Tremendous reduction. Tremendous reduction. And what about the people of Klemtu, and why did we build a tremendous dock there and they're not going to be serviced - they're not even going to be serviced by the Northern Expedition, right?

A: *Joanne Doyle:* Yes.

C: *John Tidbury:* At one time they were serviced by Chilliwack.

A: *Joanne Doyle:* Yes. So, what we're looking at in the summer season - so Klemtu would be serviced with the weekend service as it is currently. In the summer season what we're looking at doing is, the seven days a week that the ship runs North or South, five of those days stopping at Bella Bella and two of those days stopping at Klemtu. The days of the week or the sequence needs to be worked out, we haven't been to those communities yet.

C: *John Tidbury:* It's not on your list.

A: *Joanne Doyle:* No, it's hard to explain all of the different services in the North, but that's what we're looking for the inside passage, is to add stops. We've lost the stops from the reduction on the Discovery Coast passage, Route 40, so adding some of that service to the inside passage, onto the Route 10 summer service, so that we still have service to the communities.

Q: *John Tidbury:* I'm a little confused there. So, we're going to add more to the Expedition or more to the Chilliwack? I mean to the Nimpkish.

A: *Joanne Doyle:* More to the Expedition, not to the Nimpkish.

Q: *John Tidbury:* So there's going to be more stops in those locations by the Expedition?

A: *Joanne Doyle:* Yes. In Bella Bella or Klemtu. Not both stops a day, but one or the other.

C: *John Tidbury:* No because it's an hour. An hour in those locations, an extra hour to the tourists.

A: *Joanne Doyle:* Yes.

C: *John Tidbury:* Ok. Like I said, whatever we tell you now, I honestly don't believe- none of this is relevant. I believe that this is a total waste of time. This gathering is just something that you and government can say, "well we consulted with people and this is what the people want." But really, we don't. You need to listen to us and go back and know that you are just kind of like guinea pigs

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around here and you just got to accept this. And so that's all I have to say. Thank you very much for your time.

Q: *James Emerson:* Good evening. My name is James Emerson, I'm from the Chamber of Commerce for Port Hardy. I feel the same way as John does exactly about this consultation you guys, that it's after the fact that you came along and did this. But I have a lot more problems with it, like, I've been sitting on the Ferry Advisory Council for three years now and I went to the first meeting. We got flown down to Vancouver and they made us a nice lunch and everybody came from the central coast and up from Masset. And we all came down to these little gripes about time and the ferries weren't running on time and stuff. And Bev, who sits on the council with me, I talked to her afterward and I said, "you know, these people don't understand. The bigger picture is we're going to lose this ferry in three years and they don't even- it's not even grasping." I haven't been back to a Ferry Advisory Council meeting since then, and I should probably drop off the board because of that, but what I see here, as usual, is we've got a wheel that's got a leak in it and we put a patch on it. And then we go for a little while longer, and we get another leak, and we've got to put another patch on it. I watched on the news last night you guys are talking about Duke Point now. When we leave this island to go to Vancouver, we don't mind paying our \$100- I never mind paying \$100 to get off this island because I know how lucky I am to live here. But there's, you know, we're going to have longer waits now. You could be waiting for a day to get off this island now and tourists in every other country in the world pay more money for ferry services and the locals, they don't get taken for granted. They either get something for being local BC citizens- it's like a hunting license, if you go somewhere else you end up paying \$1000 for a hunting license or you pay \$100 here. The other thing I have a problem is, I understand there's got to be cuts, but 25 percent or 30 percent right off the bottom end where the bottom feeders are, and nothing off the top, doesn't make any sense to me at all. You're not fixing anything by doing that. So, what I want to know is, have you guys ever talked about the guys higher up taking a pay cut to get this thing working so the crap doesn't flow downhill like it is? Like, I'm trying to speak for everybody here, because they feel the same way. Not everybody wants to get up to this microphone and say things like this to you guys.

Q: *Judy Kirk:* No, it's a fair question. So were pay cuts considered, at- what, you said at the top, sir?

A: *James Emerson:* At the top end. Not bonuses.

Q: *Judy Kirk:* Were pay cuts considered at the top, prior to these reductions?

A: *David Hendry:* I can tell you that, to Kevin's point earlier, there are three parts to this equation: there's the customers and the service, there's the province and the services they put in, and there's the company in terms of what they can do in terms of costs that they should seize. We've had a target over this Performance Term of \$55 million. We're well on our way to achieving that and part of that target is to bring down – has been to bring down the level of executives from about 17 positions to 9 over the last five years. So, we have heard that, we have recognized that, we have done something about that. Just to bring up your earlier point about Duke Point, I know there's been things in the media. There are no plans related to the closure of Duke Point, or closure of that run from Tsawwassen to Duke Point.

Q: *James Emerson:* That's for now until we start to lose more money? Then they'll bring that back to the table? So you guys are just slashing this \$19 million to get back to par? It's not like we're going to have a surplus of \$10 million in the bank at the end of this.

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- A: *David Hendry:* It's meant to achieve the fares that are set up for the next two years, and it's part of a longer term strategy to look into medium term strategies and longer term measures.
- Q: *James Emerson:* And when you come out to these communities and you use that big word about crown corporations, and I know it flies really well in Vancouver, but up here in our communities like that, crown corporations don't mean a heck of a lot to us, except when they're taken. Have you had that one asked to you guys?
- A: *David Hendry:* BC Ferries is technically not a crown corporation.
- C: *James Emerson:* But you said it's run like a crown corporation, and salaries are scaled that way.
- A: *David Hendry:* I didn't say it's run like a crown corporation, I said that the salaries, the bonus plan, they have been scaled back to what is similar to a crown corporation.
- C: *James Emerson:* Alright. Thank you very much for your time.
- C: *Judy Kirk:* Thank you sir.
- C: *Judy Kirk:* Yes, your name please?
- C: *Jessie Hemphill:* Jessie Hemphill, Councillor for Port Hardy. More comments than questions. So the first thing is that I really want to echo the call that others have made for a more in-depth socio-economic analysis. I just want to touch on the point that Cathy made about, the Gwa'Sala nations, the Nakwaxda'xw as well, were relocated from the mainland to Vancouver Island in 1964. So I wonder if you considered the impact of removing the one public route back to as near to the traditional territories as we can possibly get on public transportation. You know, the ferry is the one way for us to get back to the mainland when we were relocated to Vancouver Island. And, you know, if other ferry routes are being considered or are not being considered for reductions because of their importance to first nations, I urge you to consider the importance of this route to the Gwa'Sala and to the mid-coastal first nations *[inaudible]* territories on this side as well. The other thing I want to say is that in a town this size, we depend so heavily on a very small pool of volunteers. People's time is so precious and so to call this consultation and to bring all of these people out here for this extended period of time, particularly for the first couple of hours, where there was no public discussion, just the circulation of materials that were readily accessible. I just, I feel like, shame on you for taking this time and making people come out thinking that we're going to be able to make changes to what you proposed, when in reality we're not, aside from *(inaudible)*. I just wonder, I wonder how many people are not going to come out next time because they feel like it's a waste of time and you're creating apathy that affects our communities in negative ways. Not just around ferries but in everything that happens in our communities, so shame on you for that. Thank you. The final thing I want to say is that it's really interesting - it's just a note, an observation – that we've seen so many cuts in field staff with DFO, conservation officers, and coast guard, and in many other areas. And so, with the expansion of harmful activities on the BC coast and the foreseeable expansion of activities like tanker traffic and pipelines, the citizens are really the final eyes and ears on the coast to alert people that can help when things go wrong and so by causing cuts like this, by harming coastal communities the way you're proposing, you're taking away the eyes and ears that are going to help us protect this precious coastline. And I just really wonder how that fits into the big picture. How can you reduce staff, reduce those field staff, you put ever more pressure on these businesses that live in these communities – these fragile, important, precious communities – and then make cuts like this that make it even more difficult for us to live here sustainably. So, those are all my comments, thank you.

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- Q: *Carly Perkovich:* Good evening. My name is Carly Perkovich and I'm with the Chamber of Commerce as the executive director. I'm assuming that none of you really like your seat back there, and we certainly don't like our seats back here. You guys keep mentioning tonight that this is feedback and this will allow for adjustment and refinement. Can you give me an example of the last refinement or adjustment that you did in this area from the feedback you received?
- A: *Kevin Richter:* So we're just embarking, we started yesterday with the meetings. This is our first community meeting we had with a regional district, the others would be Ferry Advisory Committee chairs. So this is our first community meeting, so I don't have an example. We're just going out to the communities now to seek the feedback and from that, I think David, and if you wish I could ask Ferries to comment more on where those refinements can be. But it's in the scheduling for some routes that are being eliminated, but we haven't gone to those communities to get that feedback yet.
- Q: *Carly Perkovich:* Right. I realize that this is the first meeting for you guys, which brings me to - we've already had a consultation. So am I to believe then, from that first consultation, that refinement and adjustments means cutting an entire route or reducing one by 32 percent? That's a refinement?
- A: *Kevin Richter:* Our first round of consultation and engagement was around looking at the considerations to help inform us on the decisions for the service reductions, so that round of consultation that was last fall was on the considerations. But also about the longer term strategies- and getting feedback on what those long term strategies. And so from that, people's ideas about a senior's program or about gaming, or people's feedback about LNG or about having no-frills vessels. We received that feedback from the last round of engagement.
- Q: *Carly Perkovich:* A question for you. Will the changes to Route 10 make for different arrival or departure times to the Port Hardy?
- C: *Judy Kirk:* Joanne?
- A: *Joanne Doyle:* Yes. Similar to what we see currently in the peak season with the [inaudible] service to Bella Bella and Klemtu, the arrival time is at 23:30 in Port Hardy or Prince Rupert. It would be similar to that by adding the extra stop, adding the stop to Bella Bella or Klemtu.
- Q: *Carly Perkovich:* So the sailing will then be, like what, 17 hours?
- A: *Joanne Doyle:* So it's at the- it's an hour- 22:30 is when we currently come in, with a stop in the mid-coast, and there's a stop in the mid-coast at 22:30.
- Q: *Carly Perkovich:* So then, they'll be coming in at what time at night?
- A: *Joanne Doyle:* 23:30, or 11:30 pm.
- C: *Carly Perkovich:* 11:30 pm, which is constantly late. So-
- Q: *Judy Kirk:* Sorry- Sorry, I just want to hear, I just want to make sure we heard you – what was that last sentence?
- C: *Carly Perkovich:* You're saying 11:30, which is routinely this ship is always late, especially in the summer, so people aren't actually getting off until maybe an hour, hour and a half afterward. So now we're expecting those people to then book into accommodations at 2:00 in the morning, essentially. Right? That's great.
- Q: *Carly Perkovich:* Um, you know this area, and for the Port Hardy Chamber, and when we're talking about what this means for business, you guys cutting these routes essentially- I don't know if you guys are familiar with sustainability since you are from BC Ferries, but that's killing our

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sustainability as an economy and as businesses and as a community... any response to how you think that that doesn't affect it?

A: *David Hendry:* We totally understand, empathize that there's going to be pain with many in these cuts and unfortunately this one, since it's so centered on tourists that any time an impact- taking the actual sailings out or delaying the sailings into either Prince Rupert or Port Hardy. There's a recognition of that. It's a long run and there's going to be pain up and down the coast from all of these service reductions.

Q: *Carly Perkovich:* So do you feel that other communities are taking a similar hit to us? 43 percent, exactly, is what we're taking on this route.

A: *David Hendry:* I mean, obviously the North is taking a large hit.

Q: *Carly Perkovich:* Right. So do you feel that that's BC Ferries saying that coastal communities and that our consultation matters?

A: *David Hendry:* Just to be clear- BC Ferries, we're the service provider. We've got a contract to offer the service that the government dictates, so that's what we will follow, that contract.

C: *Carly Perkovich:* So just in closing: the government is saying to talk to you guys, and you guys are saying to talk to the government. Great. Thank you.

C: *Bill Grey:* Evening. I'm Bill Grey, from Port Hardy.

C: *Judy Kirk:* Thanks Bill.

Q: *Bill Grey:* I've got one or two quick questions. Why, looking at your graph that ferry has never been close to full or any vehicle traffic, why do we not lower our rates? You know, people in Port Hardy would love to jump on the ferry, go up to Rupert, Kitimat, wherever to visit cousin Vinny for the weekend. We can't do it. We see cruise ships going by that people are paying less to go on a cruise than our BC Ferry. You guys are here, there's by head count just roughly eight of you and probably a couple more in the back. Fancy books, graphs, paper. Who's paying for this?

A: *Kevin Richter:* The province is paying for us to come.

Q: *Bill Grey:* You guys, travelling, coming here, staying at hotel, the food, books, your planes... is the provincial government paying it? BC Ferries? Local government?

C: *Judy Kirk:* I think Kevin just said the provincial government, is that right Kevin?

A: *Kevin Richter:* Yes. So the provincial government is paying, BC Ferries is also paying for their portion. But it's important to come out to hear from you. I very much value the stories that you've shared with me and the comments, the concerns. Telling me about the impacts. It's important that we do this. It's important to inform the elected officials of what's going on. So I hear your concerns about the costs of doing this, but at least you're having a voice, a voice to the elected officials. And also I'm hearing your stories, we're hearing your stories. So I think that that has value and I thank all of you for taking the precious time to come and to tell us your stories and ask us some questions.

C: *Bill Grey:* So, with these cuts and everything, I can't see it being financially... I'm not sure of the words for it but, for the communities, any communities on the North end of Vancouver Island and right up into Rupert... hotels, restaurants, everybody, there's going to be businesses going under. That's my way of looking at it. Hopefully it gets back to the people, you know, making funding cuts.

C: *Judy Kirk:* Thank you sir.

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- C: *Gabby Wickstrum*: Gabby Wickstrum, town of Port MacNeil. It only means something to hear our stories if you listen. It only means something if you listen and you do something. Like, do you ever go home and have a moment where you go, “wow, I had no idea it would affect the community that deeply.” Like, for just a second, you know... my apologies, don’t hear what I’m not saying, forget about the tourism dollars and stuff, what about the people in that community? That woman’s tears. Like, do you ever go home and go “maybe we made a mistake here”? It only means something if you listen.
- C: *David Hansen*: Good evening. David Hansen, Port Hardy citizen and business owner. I was part of the North Island recovery committee when the ferry sank a number of years ago and we, I think, were fortunate to have a response from BC Ferries and Tourism Vancouver Island that recognized the impact to us the loss of that service. It’s unfortunate that this short time later we would see services being cut. I think the effect is not just in our region or coast. As a tourism operator, I see people from all over the world who fly into Calgary, who fly into Vancouver, who do a circle route. They go through the Rockies, they go through Prince Rupert, and they rave. They go back to their homes and they talk about what a wonderful country we live in and I think in every opportunity that we lose to show people our country, it’s not just an economic loss. It’s a loss to our country and our sense of being and I think it’s just a very unfortunate thing and it’s disheartening.
- C: *Judy Kirk*: Other questions or comments? Thank you very much for that.
- Q: *Potri Lightheart*: My name is Potri Lightheart. I’ve run a small business in the past, and it was always our concern that, to make the business profitable we had to get as many people in the door as possible. And we had competition. And we had to keep our prices at a particular level too to sustain our business, which was very small. BC Ferries is quite large and as I see it you’re losing your ridership, is that not true?
- A: *Kevin Richter*: Yes, ridership is going down.
- Q: *Potri Lightheart*: And why would that be? I mean, the population is growing, we have all these tourists, but why would it be going down?
- A: *Kevin Richter*: So there is a bunch of factors. Affordability we heard loud and clear, from the Ferry Commissioner, and I’ve heard many people talk about it. We look at the fares to travel up North to the mid-coast and even further or to go over to Haida Gwaii. Hundreds of dollars if you’re taking your car and it’s very, very expensive. Fares are a factor. I think also the economy has changed. I was looking at demographic information and the age of people, and the amount of people. I looked at the industries that are in different areas and the international demand for those commodities. Ridership is changing. I think someone earlier had asked me what’s happening at other ferry companies, they are also seeing declines in ridership. We have technology where people perhaps don’t have to go to work, where they can work on their computer at home or on their laptop. Things are changing. Unfortunately there’s a decline in ridership. Fare affordability, I certainly think, is a factor. But there are other factors that are influencing too. But I don’t have all the answers, but I know that looking around at other similar services, that they’re seeing declines in ridership too.
- Q: *Potri Lightheart*: I think that if one has a business and we’re not doing as well, we’re losing our customers, then we really have to analyze why that would be happening and to say it’s, well, it’s happening all over the place. I think it is a... I think maybe, I hate to say this but I think the money is

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going to the top and it's not going to the bottom where the people are and that's a big problem, a really big problem. I would love to get off the island more. I'd love to visit my relatives in Vancouver and that, but I can't fit it into our budget. You know, it's just too expensive and I'm a senior now. I could go over- just getting down to Nanaimo just costs a whole lot of money, just gas. And then having to get on the ferry. If the ferries were running full, then yeah I could see all the seniors, you know, they'd have to pay to get on but if you're not running full ferries it doesn't cost you anything to put these people on the ferry, does it. Or does it? I mean, where's the loss of money in putting people on an empty vessel? Or not a full vessel, I should say.

- A: *Kevin Richter:* So, it would be great to have ridership – to have more people on the boats. There's still fixed costs. Gas. Fuel has gone up on the ferries I think since 2004, 130 to 140%. For all of us, when we go to the gas station, a gas pump and we go to fuel, we see how much it's gone up. Labour costs, there's labour agreements that BC Ferries has with its employees, that has been going up. There's also, I look at the boats, the vessels I guess, and the terminals that BC Ferries has and they're getting old. A lot of them were built back in the 60's, perhaps in the 50's, so there's a lot of older boats that BC Ferries has and now they have to replace those. But the costs of those replacements are still going to be costs so we have to find these revenue sources. And so, I know we're talking a lot about the service reductions, but the whole idea of whether it's service reductions or if there's other ways to get revenue, the idea is to try and get fares down because I agree that it would be great if we got fares down enough to try and drive ridership back up again.
- C: *Potri Lightheart:* Well you might start making some more money if you had more people on the ferries too. It doesn't make sense, having a small business, the more people you get in the door then, of course you're going to make more money. And I think you should be looking at ways in which to improve the service. Yes, there's infrastructure, everybody have infrastructure. We have houses, we have to take care of our house. It's the same for everybody, but if we really want to make a business work, we have to make it really friendly to the people. And, you know, the people will want to ride the ferries or whatever. We have to make it friendly. As so many people have said, it's the lifeline of the communities out here. So it goes beyond just having a service, it's something that people depend on. And if that goes away, or if it's diminished, then your ridership goes down and the whole thing just goes into this cycle, going down. We have to think out of the box and think of ways we can expand BC Ferries, make it even maybe more accessible. Not cutting it. Thinking out of that box and really making it into something even better than it is. Thank you.
- C: *Judy Kirk:* Thank you sir. Thank you.
- Q: *Brenda Lurky:* My name is Brenda Lurky and I'm just a citizen of Port Hardy. A couple of questions, I was listening to CBC because I've turned into my father. When my senior citizen father comes to visit me from Prince George he would arrive in the middle of the week because he would get to ride for free. Now, as I understand it from my father, he gets to ride for free, but the car pays full fare, is that correct? For the seniors? That they're thinking of... one of the thoughts is, seniors aren't going to ride for free. So I've got my pass right there-
- Q: *Judy Kirk:* So, what you're asking is the current situation?
- A: *Brenda Lurky:* Yeah, as far as I know, he saves \$15 because he doesn't pay for him, but he pays-
- C: *David Hendry:* For the fare the vehicles don't make-if he's bringing a vehicle.
- Q: *Brenda Lurky:* So the little perk, the taxable benefit that the BC Ferries employees pay, when they go for free do they pay for their own vehicles?

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- A: *David Hendry:* Ferries employees pay a taxable benefit on- when they, when they arrive.
- Q: *Brenda Lurky:* So if I, if I was a cleaning staff here and I wanted to go to Vancouver and I take my car, how much am I paying for me and my car to go to Vancouver as a Ferries staff? Am I paying for my car?
- A: *David Hendry:* You are paying... the car and driver is discounted.
- Q: *Brenda Lurky:* How much?
- A: *David Hendry:* I don't know the actual number.
- Q: *Brenda Lurky:* Because what the CBC suggested was that one of the perks of being a BC Ferries employee was that they got to travel for free. Is that correct?
- A: *David Hendry:* Not technically correct. It's just-
- C: *Brenda Lurky:* It shows up on their tax... on their pay stub as being taxed on-
- C: *David Hendry:* It's a taxable benefit and we pay tax on that.
- Q: *Brenda Lurky:* But if I was a cleaner on Ferry or captain or anybody, I get on that ferry and I drive my car on and I'm not paying anything as I'm getting on that ferry?
- A: *David Hendry:* You are paying the taxable benefit on the costs associated.
- C: *Brenda Lurky:* Thank you very much, ok I understand that. So one of the cost benefits could be that when the next round of negotiation comes up for your BC Ferries employees is that they actually get the same deal as the seniors. I understand that they aren't supposed to be travelling for free during peak times, but I'm having a hard time thinking that if there's a few people at the head of the lineup who work for BC Ferries, that you're going to haul them out of the lineup so that somebody else doesn't have to wait.
- C: *David Hendry:* Just to be clear- the ferry pass does not have anything to do with jumping the queue. There's no assured loading associated with personal travel usage.
- C: *Brenda Lurky:* But if you're at the front of the line you get to go on.
- C: *David Hendry:* If you happen to be at the front of the line, just like any other customer.
- C: *Brenda Lurky:* Exactly. So, I'm just listening to two sides of that argument. You've got some empty sailings and I know that sometimes people have to have a sailing wait. And so some people who might actually be paying customers, got there a little bit late and have to wait because they've got half a dozen BC Ferry workers who are going on and not actually paying for their spots, but it's a taxable benefit model that you get.
- C: *David Hendry:* Typically those workers would be on shift anyways because- if it's at peak time.
- Q: *Brenda Lurky:* And they wouldn't necessarily bring their vehicles?
- A: *David Hendry:* Not if they're working, they wouldn't be bringing their vehicles on the ferry.
- Q: *Brenda Lurky:* But they could, if they wanted to? So that they could get around in Vancouver.
- A: *David Hendry:* I'm not sure what the question is.
- C: *Brenda Lurky:* I'm just looking at other ways that you could possibly find money in this system.
- C: *Judy Kirk:* I hear you.
- Q: *Brenda Lurky:* Thank you. And the other part was, Mr. David Hahn I believe, is being paid an awful lot of money to be- and I know what you're going to say, that was... you know the board of directors or whatever, thought that he was worth hundreds of thousands of dollars not to work. But it's those kinds of deals that have probably gotten BC Ferries into the big mess that they're in, and if you guys didn't upgrade the system for the past 30 or 40 years and be buying new boats and such all the way along, and now you're going "oh we've got to replace all of these things." You shouldn't be looking at us to cut our services to pay for your mistakes in the past that cost us dearly

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in terms of retirement packages and having to pay for new boats in 2013 dollars when you could've maybe been buying boats all the way along and have a fleet that has many ranges of ages and also sizes and varieties. You know, I've noticed also that the ferries have gotten quite, you know, there's lots of things to do on a ferry and now you're talking about bare bones stuff again, or gambling. I'm just a little confused about the things that you could've been doing up until now and never did and now it seems that our smaller coastal communities are paying the price. Is it possible that you could do something with the contracts in the future to better reflect that there's money to be saved?

- A: *David Hendry:* We will- we have- just to address a couple of points, we've brought the executives down 17 to 9 over the last five years, bonus plans have been brought into line with what other crown corporations are doing. We are doing as much as we can in terms of looking for cost efficiencies, constantly searching for longer term alternatives to try and make this system not just sustainable for the next two years but for the next 40-50 years. We all have a vested interest in that.
- C: *Judy Kirk:* Hang on. Sorry, but I heard your question to be, would BC Ferries look at the pass for employees as a way to reduce costs, that's what I heard your question as.
- C: *Brenda Lurky:* That was one question. Now I lost my train of thought, so I should just shut up.
- C: *Judy Kirk:* Sorry, I didn't mean to interrupt.
- C: *Brenda Lurky:* No, no, that's ok. Thank you for your answers to that, but I still think that there are, as the previous gentleman said, I think you ought to be getting more people on the ferry. Wouldn't it be better to have a whole ferry with people paying half the price? If you could say, "hey, last minute deal. You get on for half the price." I'll bet you'd have a whole lot of people getting on and spending half the money because they can't afford to pay all of the money. There's got to be other ways of getting... like seat sale on an airplane. That's how they fill the airplanes.
- C: *David Hendry:* You bring up an excellent point, and it's something that's long overdue and we are looking at that right now, upgrading our systems. By, you know, 2016-17 we will have that capability to offer. Like a frequent user card, so the more you buy the less you pay. But I think the bigger thing is, if we can get a handle on our demand to know when our customers are coming, to be able to put them onto underutilized sailings.
- C: *Brenda Lurky:* If you build it they will come.
- C: *David Hendry:* Well that's great.
- C: *Brenda Lurky:* From our perspective, because I'm like the other gentleman. I would get off of this island on BC Ferries much more often if it was affordable. But right now it's actually cheaper for me to fly to Vancouver half the time. Thank you.
- C: *Judy Kirk:* Thank you very much.
- C: *David Hendry:* Thank you.
- C: *Patty Smedly:* Patty Smedly, Economic Community Development Coordinator. I used to be, at least. Port Hardy. I am currently, for another day at least. She sort of took my question, I liked what she said, I was going to follow up on that as far as, like a seat sale. Airplane ridership is actually up, while ferry ridership is down. And there's a direct correlation in that it's now cheaper for us to fly, even though it isn't cheap, than it is for us to drive or get on the ferry. Looking at a system, like for instance, with the civic centre here. We have to pay utilities, we have to have staff whether anybody's here or not. It costs us the same fixed amount, you know, unless we just close the doors.

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So when you're looking at a ferry, what she was talking about, like with a seat sale, if I buy six months ahead of time I can guarantee I can get on the boat. It's cheaper now, if I wait three months it costs me a little bit more. If I go day of, I'm paying for popcorn at the door. Dollar theatres, I think, have a very good idea. In Florida we had a theatre that was down to about 30 people between ten different theatres. They went to the dollar idea, two days a week on their weekends, and they eventually went more than that. What they did, is if you bought your ticket the day before, you could get it for two dollars. If you bought it four hours ahead, you got it for four dollars. If you got it right in front of the show, the hour or so in front of the show, it cost you five bucks. And what they found was they sold out their theatre. By nine o'clock that morning their shows were done for the whole weekend. They also found that by doing price point on the popcorn and the drinks they actually made more on the concessions than they did on the theatre itself, on the movies. So when we talk about filling up the boat, or what I call the popcorn scenario, you know, in the last minute go get on the plane weekend idea, I like that too. But if you knew ahead of time how many riders you had, and you did have. You know I don't want to get mixed up with the gambling or any of that kind of thing, but if your concessions or things, if you looked at where to make your money a little bit better. When we're looking at cutting- I am so glad that Cathy came tonight and that Jessie came, because I would tell you that our first nations, the elders and the chief and the council, they all had a meeting, first thing tomorrow morning at Campbell River. They're all gone. So, 33% of our population is first nations and the point that they made that their families, their friends – whenever they can or they dream of going between here and their traditional territory. And I think that you're really going to hear that loud and clear when you go to Bella Bella, which I hope you do. But I appreciate the fact that they were here and to tell their story because we can't - that's such an important part of our population and they're not represented like they would be if they were actually in the community. But we had great representation from Cathy and Jessie and that's very much.. I just wanted to make sure that you know that that's the reason that there's not as many here as there could be. Anyhow, I just was wondering about... you want to come back Cathy? I'll go away. Cathy did a great job. I just- looking at creative ways to do it, I'd just hate to lose that run. I'll tell you one more thing about Bella Bella: We've been working with Bella Bella with their Economic Development Coordinator up there because they're like, "we need to do business with you, we need to access health care, we need to access education, we want to come down and use the swimming pool, we want to see our family, you know, how do we do that? We've run out of food." Because even with the big big ferry and the big trucks going on, the food is not constant enough. They have to depend sometimes on it coming in by air. If it's fogged in like it's been recently, the food doesn't come by air either, and their only grocery store burned down last summer. So it's not even lifestyle and the quality of life, it's food and necessities that they're short on. So, I know I haven't asked a question, but I don't really have a question except that I hope that you guys are considering some creative – when you talk about outside of the box, we don't even have a box. We just have to be more creative than that in these small communities to survive. And we're just coming out of losing – we are actually one of the few communities that actually grew on the Census and we worked hard to do that. So when we're looking at this, when they talk about community spirit draining away, you know we just sigh, a big sigh of relief and now it's like "ah", again, with all the hard work that we put into it, so, I just... come Cathy.

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- C: *Cathy Swing*: I just wonder, has anybody here heard of the book called *How A People Die*? There's a movie that has been made called *How A People Live* and that showing is happening right now in Port MacNeil. This week is national addictions awareness week. As I said earlier, quite a few of the people in my community began drinking. I was seven years old when we moved here in '64. And at that time, I can only recall one time of someone drinking. Once. And in our community now it's widespread. I am a recovered alcoholic. I have been sober for almost 15 years. That's a little bit beside the point but the thing is, the reason I mentioned it is because coming to this community, having everything available, all the alcohol, all the negative stuff. Like I mentioned gambling, there's a lot of that happening. Bingo, everything. Life happened, to come here. We had so much happening. The movie, *How A People Live*, tells a different- more of a positive spin on the whole story, the whole... our life. A lot of us are changing, but... me coming here, I think a lot, possibly a lot more would have come. But I'm hoping that they're over there. But we just had to come because, as I said, I have a family who've been to Bella Bella, who've mentioned how expensive it is on Facebook, how expensive it is to live up there. I have friends who live up there who never – who can't travel. So, I don't know.
- C: *Judy Kirk*: Thank you very much. We have time for three or four more. It's about two minutes to eight. Yes, sir?
- Q: *Rob*: My name is Rob. I run the Budget location here in Port Hardy. I moved here in 2000 and I've worked closely with the tourism industry. The biggest thing I've been promoting since I took over budget is coming to Port Hardy. Be it leisure or business. What you guys have not looked at, period, and I'm going to say this outright: in four to six years the biggest segment of the population is retiring. This segment of the population back east want to spend their dollars. I have been promoting to people who have retired a little bit earlier and want to enjoy life. You have basically just cut the biggest route that they will come down and spend money on. They will come out and they will spend money. What you're saying to them is that we aren't worth anything. You're sugar coating with all the things you want to bring in, you're not getting any concrete plans, your cost savings are not looking at the future possible revenues. Have you even thought about what's going to happen in the next four to six years when the baby boomers coming out? Has anybody looked at it? I'll give that to the Ministry of Transportation, I'll give it to BC ferries.
- C: *Judy Kirk*: Ok. Let's take that question. Did you look at the increasing senior population over the next five years?
- A: *Kevin Richter*: So we've been looking at the demographics, and as I mentioned earlier, we're seeing this trend along the coast of an aging population. There are some locations where it's changed. But we're also wondering, when you look at the travelling population, David may be able to answer, are those people travelling or are they taking different travel choices? So we looked at it in some ways, yes we looked at the aging population.
- A: *David Hendry*: Kevin's right. If you look up and down the coast, demographics are changing. We're reversing [*inaudible*] in some of the graphs and I think in a lot of the communities that we serve, the average age is the mid 60's and it's only climbing higher, so... It's difficult to say what the impact of that is going to be in terms of ridership. I always say that the reason for travel is changing, and when they want to travel is changing, and how they want to travel is changing. We don't have a crystal ball.

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- C: *Rob:* You're answering questions about the people that live in the current communities; yes we do use the ferries. But I'm talking about people that are outside of the community, the huge monopoly of tourists that are coming from the East, coming from not in BC. When you shut down a route that somebody has told them about, when you take that away, you actually force them to go somewhere else. You actually take that away. My answer to the thing from the Minister of Transportation, *[inaudible]* works here, works on boats, is when highways aren't used do they close them? That's my final say to you guys. If a highway is not being used do you close it? Do you close a ferry route because it's not being used? Your potential – and everybody's giving you ideas. If you take them back and use them, seat sales or whatever, take it to mind. We have a huge demographic of the population coming from this country and other countries in North America that are going to want to travel and if you take something away, you don't have, it may be too late to get it back because the millions – the resources that we have set up here may not be here for you to do it.
- C: *Judy Kirk:* Thank you sir.
- C: *David Hudson:* Hi I'm David Hudson. My wife and I ran a relatively high end bed and breakfast for 14 years. We closed it because ridership declined and reservations went down. Plus, we're old. My question, or comment to you, as a responsible corporate entity: why don't you suggest to government that, to reduce some of the impact of the decisions you've made, maybe they should bring in the provincial northern allowance.
- C: *Leighton Wishart:* Good evening. I don't envy any of you sitting here *[inaudible]*. My name is Leighton Wishart and I am a resident of Port Hardy, I am a small business manager, and I am the chair of the school board in Port Hardy. And there's been some good ideas that have come from this group tonight and I sincerely hope that you take them back to the Ministry of Transportation. I have written letters to the Ministry of Education, and I know that a lot of the times, it falls on deaf ears. I want you to make sure that he hears the things that were being said here tonight. Thank you.
- Q: *George Burrows:* Hello, I'm George Burrows from Port Hardy. It's more a thought, but from a business point of view, going back 13 years, what did it cost to buy the Fast Ferries? To build, what did it cost?
- C: *Judy Kirk:* So what was the cost of the Fast Ferries. Kirk?
- Q: *George Burrows:* Try \$450 million. OK? What did they sell for?
- A: *Unknown:* \$20 million.
- C: *George Burrows:* \$20 million. What did it cost to build the ferry slip at Klemtu? \$20 [million]. The province paid half. I think, you know, we're here at this meeting to save \$18 million. If we had consultation before we pissed away the other money, we wouldn't be here. So maybe next time, when you have to sell the Northern Expedition because there's no route left, come to us and we'll see that it gets a home.
- C: *Kirk Handrahan:* I can't really comment on the Fast Ferries because it was before my time, but the Klemtu dock does provide a valuable service to the community that is isolated and doesn't have road access. So that ferry terminal was needed in order for the vessel to actually dock at it.

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C: *George Burrows:* There's a perfectly good ferry terminal and a dock at Bella Bella. I'm sure we could've come up with something else. \$20 million dollars. Next time you sell a ferry, talk to us.

C: *Judy Kirk:* Thank you very much. Ok I want to thank you very much for taking the time and providing your comments and we're going to be wrapping up now. If you have individual follow-up comments you would like to ask these representatives please feel free to do that and again I want to thank you very much for coming out tonight and for providing your comments.

3. Closing Remarks

Judy Kirk Wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on November 21, 2013 at the Bowen Island Community School, Bowen Island, B.C.
FACILITATOR	Nancy Spooner, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure Lynda Petruzelli, Senior Manager, Marine Branch, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Joanne Doyle, Manager, Master Planning, BC Ferries Lisa Santos, Kirk & Co. Consulting Ltd. Laura Abbott, Kirk & Co. Consulting Ltd., Meeting Recorder Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants did not support the planned service reductions and were particularly unhappy about the loss of the late Saturday sailing. Participants were worried:
 - About a loss of jobs due to the inability to get to and from work, and the resulting loss of families from the island.
 - That the service reductions will result in the loss of tourism jobs on the island.
- Participants were concerned that reductions in service were planned in the absence of a socio-economic study that would measure potential impacts on the community.
- Participants were concerned that the reduction in the seniors' discount would hurt seniors on the island and tourism – as a result of seniors being unable to afford to visit the island.

DISCUSSION

1. **Welcome and Introductions – Nancy Spooner**

Nancy Spooner welcomed participants to the open house, and explained the format of the Q & A. Nancy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

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- C: *Nancy Spooner*: Ok. We'll get started. My name is Nancy Spooner; I work for Kirk & Company, which is the name of the firm that has been retained by the government to organize the consultation, develop the materials, and gather your input. I appreciate you all being here. I know it's freezing outside and I know you're taking valuable time out of your evening, so we want hear from as many of you as possible. I recognize many faces from last year's consultation, when we were here this time last year. We're hoping for just as active and enthusiastic participation that we had last year. First I'm just going to ask our team to introduce themselves, and then we'll just sort of run through how we're going to run this session.
- C: *Kevin Richter*: Good evening. My name is Kevin Richter. I'm the assistant deputy minister for the ministry of transportation and infrastructure, and I am responsible for marine portfolio. Thank you for coming tonight.
- C: *David Hendry*: Good evening. My name is David Hendry and I'm the director of strategic planning for BC Ferries.
- C: *Lynda Petruzelli*: Hello, my name is Lynda Petruzelli. I'm the senior manager with the marine branch in the ministry of transportation.
- C: *Joanne Doyle*: Hello, my name is Joanne Doyle. I'm the manager of master planning at BC Ferries.
- C: *Nancy Spooner*: Thanks Joanne. So, everyone can hear us ok in the room? Great. If you have any trouble hearing, please let me know. Same with questions- my job is to make sure everybody is heard and has an opportunity to say what they'd like to say or to ask a question and have it answered. So I'm going to be keeping track of you waiting to ask. If you feel that you can be heard and you just can stand where you are sitting and want to ask your question that way, just indicate with your hand and I will keep track of who is waiting and call upon you. If you feel that you don't want to stand where you are and you want to come to the microphone- if you feel you won't be heard- the microphone is here for you to use as well. So just let me know by raising your hand. When you do have a question, please stand and say what your name is. We are recording. Our recorder, Laura, is over at the table. She's taking notes. They're not verbatim, but she's capturing as much as possible- all the questions, all the comments and any input. Those questions and comments will all form a part of the official record of this meeting and will become part of the summary report we'll be producing in January. Ok, so I have three people waiting. First four people- this gentleman, and the gentleman behind and then...

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- C: *Andrew Pietrow*: Thanks for coming. I attended the last engagement. I asked specifically last time for no service cuts for Bowen Island runs. I was one of a least a few who mentioned that. I have heard in the media, and from BC Ferries reps on television, that our chance to have asked for service cuts was last time, so too bad, we've done it now. I filled in the online questionnaire, that's due by December 20. Unequivocally, it says that these service cut decisions have been made. It's just a matter of implementing them in April 2014. My understanding is that the role of this committee after this is over is to meet with the Ferry Advisory Committees after the engagement to discuss runs in place after the cuts. Now I'm hearing different information; that it's dollar values and that changes can be made. I'm looking forward to hearing more about that. My main problem is with the 9:30 Saturday service cut. I watched the video when the Transportation Minister said

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that the majority of cuts on ferry service runs have utilization rates of 20 percent or less. My understanding is with the Saturday 9:30 run leaving Horseshoe Bay for Bowen Island has an over 35 percent utilization rate. My rough arithmetic tells me that is over 75 percent utilization rate compared to the 20 percent utilization rate that's being looked at for cuts of 20 percent or less on runs. I'm seeking explanation as to why that run is being cut by BC Ferries at this time. I heard that it's with respect to staff overtime, to save money. I've got no answers as to what the dollar value is on a yearly basis. Nobody here has been able to answer that. I've sent emails to the Minister of Transportation and to the Deputy Transportation Minister. I've had the response that they're unavailable to answer my emails because they're travelling the next three weeks. I suggested they do have Blackberries. If BC Ferries is looking at the utilization rates, that Saturday ferry is above the utilization rates of 20 percent and under what Todd Stone said were being looked at. Why that particular ferry and what decisions have been weighed against the principles of affordability, sustainability and efficiency that BC Ferries has a mandate to protect with these service cuts? What are the factors, what are the criteria? Be transparent before you cut our 9:30 ferry.

- A: *David Hendry:* I understand there's a lot of sensitivity around that particular sailing. Primarily we looked at context. In terms of providing information to the Province, it involved looking at opportunities for savings throughout the system. Primarily what we looked at was utilization, and whether, if it was low enough, the traffic could be carried on remaining sailings and whether there would be savings from taking the savings out. The intent was to put forward a framework and draft of the proposed reductions. The intent was not to say that's it. If there's an opportunity to change sailings and get same required net savings, that's what we will do. We will come out in early January to talk with local Ferry Advisory Committee members and talk about opportunities for refining what you see on the discussion boards, in terms of recognizing what communities require.
- C: *Andrew Pietrow:* Can we get that in an email? That's not what the BC Ferries website tells us.
- A: *Nancy Spooner:* That will be recorded in the notes from this meeting.
- A: *David Hendry:* To clarify, this would not be on the BC Ferries website, it would be the provincial consultation website. The discussion guide tells you...
- C: *Andrew Pietrow:* The engagement website? That's the one I'm talking about. That's what it tells me: that the decision's been made to cut that ferry.
- C: *Nancy Spooner:* It's been documented that there are tweaks being made. If community feedback is such, there may be refinements that can be made to achieve the same savings.
- C: *Andrew Pietrow:* That's an error on the website.
- Q: *Gordon Ganong:* I'm the chair of the Economic Advisory Committee here. I have a statement in regards to the changes to the seniors' discount. The impact of that is 21.5 cents per person, per vehicle in savings, for the savings in fares. I've got to ask the question: 21.5 cents? Is it worth it to go to all that bother to do that on the backs of seniors? I need clarification: if 234 runs are cut, and a saving of \$270,000 is achieved. That's a savings of \$1,500 per sailing. Based on that, if all the runs were cut on Bowen, that would be a savings of under \$7 million. Given that your fare revenue is over \$18 million, with an additional \$7 million from the government just to break even, what makes up the other \$18 million in costs?
- A: *David Hendry:* Good question. 234 sailings, and a net savings of \$270,000 over two years. There are basically three components to the \$270,000 in savings: there's the fuel savings, there's the labour savings, and there's the recognition of the probability of some revenue erosion from people who

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- were on the sailings who will no longer sail. In terms of the total cost profile for Route 8, the savings are directly variable fuel savings and recognition of where you can save some incremental overtime labour on those sailings. It doesn't take into account the total crew profile that's there.
- C: *Gordon Ganong*: It still seems that there's \$18 million to be accounted for and I would be very interested if you could provide us with a breakdown of what those costs are being allocated to on Bowen Island Route 8. My belief is that a customer-oriented organization becomes the most efficient and cost-effective one. In BC Ferries' case, the customers are the communities which it serves and the considerations for service adjustments were focused on operational criteria and not even including passenger ridership in their justifications. Concern for community impact is sadly lacking. We are not all operational folks here, we're a community and this community's lifeline is the ferry to Horseshoe Bay. We depend on the ferry for the basic level of service: school, work, medical, economy, tourism and social connections. These are the public policy decision criteria that should be included as priorities when making changes. As Chair of the economic development advisory committee here, I would like to address some of the important factors affecting our economy. Virtually everything comes from the mainland. Our economic base is primarily retail and home-based businesses, which depend upon tourism and commuters that work off-island. Dollars that are kept on the island and recirculated are good for the island economy. As BC Ferries is increasing its fares 4 percent per year, the net effect is equivalent to doubling the property taxes collected by the municipalities. Between 2013 and 2016, the increase alone in fares alone is more than double the municipality's property taxes collected annually. If our elected officials did this here, or in any other community in British Columbia, there would be riots in the streets. Bowen cannot withstand this drain on its economy. Clearly, our economy is significantly impacted by the level and quality of ferry service and now you say you will have the decreased service as well. It's a double whammy for us. When ferries were transferred out of direct government operations, I feel confident there was an understanding that the impact to community would be positive and would be a priority. It appears it was not a written policy. I call upon the Provincial Government to include in their BC Ferries policy the economic health and social well-being of the communities being served. I leave you with this observation: it appears that the contributions by senior levels of government allocated to the Bowen run is significantly lower than the other gulf islands. Surely this is unfair to Bowen. Consideration to Bowen should be given.
- C: *Nancy Spooner*: Thank you very much.
- C: *Joyce Ganong*: Good evening. My name is Joyce Ganong. When I was asked to put down what organization I represent, I belong to many, so I'll just say I'm a person on Bowen. Would you like to achieve your intended cost savings for Bowen, with an absolute minimum reduction in service, and therefore make us all very happy? With a change on a daily basis, making your lives similar for labour management, with a demonstration of commitment to passenger-only transportation, therefore increasing the believability of BC government and BC Ferries statements? And also based on a long-standing precedent in the system, so that means all the wrinkles are already ironed out. Does that have your attention? Shall I ask the question again? Would you like to achieve your goal and achieve all of those other things too? It is actually possible to reduce the round-trip schedule for Bowen by one full round-trip per day six days a week. How? And still achieve all of those other things? It's pretty simple: berth our ferry at Snug Cove. If you were to do that, you could reduce the round trips by one per day each and every day, except Sundays and holidays. That's six round trips

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a week and 310 to 312 sailings per year, depending on when the holidays fall. This is already done for the Quadra-Campbell River route and water transportation is available for staff to match up with the ferry. It's kind of interesting, because our first run doesn't carry any vehicles or passengers from Horseshoe Bay. That's all the 5 o'clock run is anyways: a hulking, big water taxi to get staff to their first pick-up point, Snug Cove. Pretty expensive, don't you think? And yes, that would mean that our last vehicle run off the island would be 9 o'clock, rather than ten o'clock, but the 9:30 from Horseshoe Bay would still be there. I'm sure we could get used to the idea of hopping on the water taxi with the crew, to arrive to Horseshoe Bay at ten o'clock at night. If a Bowen water taxi operator were contracted for the job, there would be an extra return every night of the week at 10:30 and extra employment for Bowen folks. If you were nice and we had a could relationship, you could schedule an extra run on Sunday nights during peak times, which is the one time when we have a lot of people leaving Bowen, for the sake of tourism and the BC economy, which is something I think we all believe in. I'm sure that you're going to say my suggestion has extra costs attached: water taxi costs, we already know we have a major water taxi cost, it's called the ferry; labour; security. But remember, my suggestion offers up to 312 round trips and yours is only up to 234, so that's an additional cost of 78 trips. Don't you think there's some wiggle room we might be able to work around? Wouldn't you like to consider your customers into consideration? Especially these customers, who have one of the highest utilization rates of all the minor routes, with the exception of Langdale. This is a serious option. I believe it deserves serious consideration and thorough analysis. It is doable, as provable by Quadra Island-Campbell River Route. My name is Joyce Ganong. My email address is jganong@telus.net. I look forward to hearing from you.

- C: *Murray Atherton*: I am classified as a community activist, which just means that I'm a little involved. As a member of the board of the Vancouver and Coast Mountains Tourism Association, I know you've been talking to TIABC and Ian Robertson, and you will be talking to him again, so I won't bother going into the effects of the cuts on the whole tourism industry of British Columbia. Board member with Gordon on the Bowen Island Economic Development Advisory committee, we've identified tourism as the number one economic generator on this Island. The cuts that you're proposing eliminate any of the day trips from seniors' centres in Metro Vancouver. We get a lot of them during the summer: they come over and enjoy our facilities, our restaurants, everything else. They won't be doing those any longer because they won't be able to afford the cost of the bus and the increase. They're used to travelling for nothing. Seniors golfers: I've already had three people talking about the fact they're not going to be coming here golfing, because of the increase in fares. They already have to pay for parking in Horseshoe Bay, they pay full green fees, they pay cart rentals, they pay for lunch, and they pay for beer. They are not going to be coming to the island. Visitors during seniors day at the heritage festival – the people who created the heritage on Bowen Island – won't be able to visit. Saturdays, with no 7:30 ferry, only an 8:30 ferry that runs at 65 percent, and no 9:30 ferry that runs at 35 percent, means 100 percent utilization on that last 8:30 ferry. That will stop people from coming from Vancouver and supporting our restaurants. The restaurants here get a lot of business from West and North Vancouver. As vice-President of Snug Cove House, the seniors housing we're trying to build on this island. Number one, seniors can't afford fares now, when you're increasing them by 50 percent, it's crazy. Family visitation will drop. The new ferry schedules will discourage people from coming to Bowen Island to retire. I've got a

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couple of question about the upgrade of the Horseshoe Bay terminal. In your comments, you talked about a \$200 million upgrade to Horseshoe Bay. What's that going to do to service levels? When is it going to happen? Is it going to happen at the same time the refit of the Queen of Capilano is happening? Rumour is that we're going to get two smaller ferries to fill in during the refit. If we've got a \$200 million refit of Horseshoe Bay, there's not going to be any berth availability. It's going to affect our service. The questions that I've got, number one: the 50 percent discount for the seniors, is that on the regular fare, or the fare that we all usually pay on Friday/Saturdays/Sundays, which is the Experience card fare?

A: *Kevin Richter:* The 50 percent will be on the discounted fare.

C: *Murray Atherton:* Good answer. One long-term, and it doesn't have anything to do with cuts. It's on the raises versus the bonuses. With the bonuses going into your paycheque, that's going to have a huge long-term effect on pension deployment, because it's all based on your last highest paycheque. You've got all that new money coming into the pay, which is a huge liability for your pensions, which is a huge liability for us, the taxpayers. I've got one other comment here from Michael Kale, who is a user of the water taxi. He's asked me to do a quick presentation. Constraints on BC Ferries are a fact. One does not have to be an expert in transportation to see that there are predictable times of overload and predictable times of low usage. This is not a one-solution issue. Responsible people must wonder when service at a real cost is provided, enjoying only minimal usage. A more flexible approach to transportation is merited. Passenger-only transportation – as Joyce mentioned – from downtown and/or Horseshoe Bay has distinct advantages. In peak times, reduce demand by getting those who now go downtown by car out of the lineup, allowing existing ferries a longer life and providing more space for those who need to go by car. In non-peak times, satisfy the need for those who still need to get on and off the island, also accommodate a tourist market, one of Bowen's much-needed economic drivers. Expressed simply, it works. Thank you.

Q: *Nancy Spooner:* You were talking about an upgrade to Horseshoe Bay. Do you want an answer?

A: *Murray Atherton:* Sure.

A: *David Hendry:* At Horseshoe Bay, the planned investment is over \$200 million for the transfer deck, which also acts as a holding compound for traffic going to the second level and the larger vessels. It's been in the plan for a long time. It's an aging concrete rebar structure. When I say a long time, it's been in the plan for over ten years. It's something that we are continually looking at, what are the opportunities for mitigating the spend on that. It's something we need to look at in conjunction with the service out of Horseshoe Bay. I can't give you time periods – it's ongoing – but it's within a ten year time period.

Q: *Unknown:* My question is about the subsidy you receive for running the route here – it's about \$7 million a year?

A: *Kevin Richter:* Yes.

Q: *Unknown:* If you are going to reduce the service by 5 percent, do you expect you can keep 5 percent of the subsidy, even though you won't offer the service? Or will it be given to private operators who will operate the service?

A: *Kevin Richter:* For those of you who don't know, every four years the ferry commissioner establishes price caps. For this four year term, the first year was set at 4.15 percent, and then the ferry commissioner set it at 4 percent, 4.1 percent and 3.9 percent. For this year, for this performance term, government has added an additional amount of money. What's happening is

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that with service reductions, the service reductions were needed in order to ensure those were price cap increases. The provincial contribution is going to stay. It's in there to keep price caps at their current level.

Q: *Unknown:* So you're keeping the subsidy and reducing the service, and not freeing up that subsidy for other operators to participate in the free market that the BC Ferries service corporation has created.

A: *Kevin Richter:* The idea is that without having that subsidy in there, prices would go up. When the ferry commissioner established the price caps, he included how much the province would be contributing and the revenues, and also the fact there would be service reductions. He took that information and established those price caps. We have a price cap increase coming next April of 4 percent, and then 3.9 percent the next year. That takes into account the provincial contribution, the amount of revenue coming in through fares and ancillary revenues, and also the service reduction.

Q: *Unknown:* So you're saying you're keeping the 5 percent, but reducing the service by 5 percent? Yes or no.

A: *Kevin Richter:* So the price caps will remain the same, and includes the government contribution.

Q: *Wolfgang Dunz:* I serve on Council for the Municipality and I am serving on the Islands Trust as a Trustee. I have two questions, and I am certain you have already heard enough. I don't want to get into details, which have been very competently addressed on other islands. I have serious doubts if the government – and I'm not talking too much about BC Ferries, because BC Ferries is mostly dependent on political decisions – but has government itself ever done a study of the impact of ongoing savings on the economic conditions of coastal areas. We all know the saying of "a penny wise and a pound foolish." A lot of what I've learned in my life, travelling the world, having experienced in BC in the last 35 years is that coastal areas are on a steep decline relative to what has been and what could be. The decline is in population and economic integrity, and whenever you see people leaving, that translates into serious reduction of tax revenues. There is no history ever that declining or inferior transportation systems will ever help increase the quality of economy and societies. For the last 2,000 years, no society has ever prospered without a decent public transportation system. It hasn't. No economy can ever sustain itself without public transportation links, so for us for the sake of savings, to destroy a whole culture and economic conditions on the coast, in my opinion is idiotic. Without being assured that those savings and the impact on the local economy hasn't actually been studied, I wonder why not. If it wasn't just for the economy, I see a steep decline of property values and I see no alternative for you rather than actually making ferry fares less expensive, because by raising ferry fares succeed by losing more and more riders, which will force you to decrease more service, to the point where nobody will take the ferries. Can you imagine how much money you would save not having a ferry system? If that is the ultimate goal - to depopulate the coastal areas and get rid of ferries - then congratulations to your political masters. My question is if the government has ever done a study about the economic impact the sailings have and if there has ever been a study about alternative transportation modes for the coast. Without those studies, any proposal to save has no legitimacy.

A: *Kevin Richter:* We certainly recognize that there will be major impacts of these service reductions. Although we haven't commissioned a specific social-economic study, we have looked at a multitude of different considerations. We were out last November and December asking for input

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on considerations that could help in informing the decision around service reductions. It's a balance and government has decided that there is a certain amount of money it is able to put into the system. It's finding that balance of what government can afford, and also ensure the long-term sustainability. As we heard loud and clear last year, and this year again, is that fare affordability is an issue as is the sustainability of the system. The measures that we're talking about – that we put in the discussion guide – those are measures in the short, medium, and long-term that we're trying to put together to address the sustainability in the future and reduce the pressure on fares in the future.

Q: *David Wrinch:* I live here on the island. I know most of the people here. I understand your direction is to save money for BC Ferries, my question is: has there been any pressure put on you or any suggestions that ferries should be part of the highway system? I have a son living in the Interior. He drives over hundreds of miles of beautiful highway and he doesn't pay any transportation costs other than gas taxes. The fact that the ferries are an expensive part of the road system doesn't mean that, I don't understand why we pay exorbitant fees to get to our homes when he can drive hundreds of miles of beautiful highways and pay nothing for it. Is there any consideration on your part of abolishing fees at all?

A: *Kevin Richter:* The decision of how much government puts into ferries, that's a decision by elected officials. That's government's decision about where taxpayers money needs to go. With regards to the highway system, however you look at it there are some big challenges that are facing the ferry system going into the future. There are rising costs for fuel and labour. There are also major investments required to renew vessels and renew terminals. So whether or not it's within the highway system or outside the highway system, there's this big need for investment. So the bigger issue is that there is cost pressure, and how is that cost pressure going to be addressed. What we're doing is coming forward with some measures and ideas.

C: *David Wrinch:* Are you suggesting there are no costs associated with maintaining highways, bridges, and infrastructure? These are huge costs and I don't see anybody living near these areas paying \$30 a day to be able to drive the roads to their home. Why are the costs of the ferries being laid on the people that use the people who use the ferries, instead of on the general population? I only suggest to you that because you are making recommendations and will be discussing with other people, that this concept should be seriously considered.

A: *Kevin Richter:* What I would also ask, is that you have a feedback form, and it has a bunch of questions. There's also another section where you can provide additional comments. I would ask you to include your views on the ferries system, and how it fits in with the highway system. I can be a voice and I can pass on what I hear, but I would also like you to use that section to put down those comments.

C: *Trish Decate:* I've been on the island for over 30 years. I must be crazy to keep putting up with all of this. In regards to the crew and cutting fares, I'm assuming they work eight hour shifts and that we have two crews coming on. Right now, on a Saturday night, when you say you're cutting the 9:30, there is no 7:30 anyways, so are they going to be running a 7:30. Are you going to be starting later in the day, so they're going to be getting cut hours in the day? Are you going to be overloading the 8:30 p.m. What happens with an overload? Or are you going to be waiting for the maximum number of cars you need to do it?

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- A: *David Hendry:* We will be back out to talk to the ferry advisory committees in January, to refine the schedule.
- Q: *Trish Decate:* Do they work in two shifts? How many hours do they work in a day?
- A: *Joanne Doyle:* Currently, the a.m. and the p.m. shifts are regular 8 hour shifts, but they have a 30 minute overtime, so it's an eight and a half hour day. The proposals that have been identified in the charts for Saturday and Sunday take into account savings from labour, including overtime, as well as savings from fuel. We've heard that Saturday night reduction doesn't work for many people. They've identified other options. In talking to some people, I've heard Sunday night instead of Saturday night. It would be getting the same labour savings, but affecting less people. I've heard a Monday night or a Tuesday night. We're asking that in the feedback term, you identify the other options. We need to have some reductions to meet the target, but we have a bit of flexibility in how we do that. We're looking for feedback on that. That will help us when we come out in January and have some options to discuss with the FACs.
- Q: *Trish Decate:* In the meantime, the crew is still working eight or eight and a half hour shifts. Are they just going to sit there and get paid, on whatever runs you decide to cut. That's not saving anything.
- A: *Joanne Doyle:* No, I think I misunderstand. We have overtime every single day of the week. On Saturday and Sunday, we are proposing to reduce the overtime at the end of the shift by not having those sailings. The crew won't be needed because the ship won't sail.
- Q: *Matt Gildersleve:* I've been here for about a year and a half. I rely on the Saturday and Sunday morning ferries to get to work. Have you thought about people working shifts when making your decisions? Not just based on ridership, but based on people's need to provide for their families and to go to work.
- A: *Kevin Richter:* We anticipated that there would impacts to communities. I'm hearing that it's impacting you and I've heard that from others. I hear you. We tried our best to strike that balance of finding savings, and making the system sustainable for the future, but I hear how it's impacting you. I appreciate ideas, where we could perhaps look at different ways of doing it. We do have to find the savings, I do want to be clear about that. That's why we're here. If there's something we've missed let us know, but we have to find the savings.
- C: *Matt Gildersleve:* I have one suggestion. I'm not sure how it is for everyone else, and that's important too, but taking a sailing from the middle of day seems logical, compared to first sailings. Most people don't start work in the middle of the day.
- C: *Rebecca Larsen:* I'm a nurse at St. Paul's Hospital in Vancouver and my husband is a Coquitlam firefighter. We both work rotating shifts and rely on the proposed cancelled sailings to get us to work on time. If you cancel those early morning sailings, we don't get to work. We aren't the only ones; there's a number of us: firefighters, doctors, bus drivers, pilots, paramedics coming to this island to provide us emergency service, will not be able to get to the island in time for their 8 o'clock shift. We bought home here because we have family here, we wanted to raise children here, and this is our community. The ferry is our highway. Our careers not offered on this island. When we moved back here we believed that the highway was an essential service and that we would always be able to get to work on time. There are two issues that come to mind: the first is the lack of communication between the Ministry, BC Ferries and our community. No one came to us and said we need to look at cancelling sailings, can we work together to figure it out? Instead,

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it's this is the way it's going to be and you have no choice in the matter. All around the province, public consultation is the norm, but not when BC Ferries is involved. The second is that by cancelling runs and making life more difficult and expensive for coastal communities, when Ministry of Transportation said you need to save \$18.9 million over the next few years, did no one say "and you need to look at your top paid staff?" David Hahn earned \$929,000 in wage alone. Robert Clarke earned \$828,000 in wage alone. Glen Schwartz earned \$729,000 in wage alone. Did no one say that past, present and future staff no longer get free or discounted fares? This is a clearcut case of misguided management. MOTI needs to fix this situation while keeping in mind that many of the hardworking citizens of this province depend on this essential service.

- C: *Michael Segal:* I've lived here permanently since 1999. For the first 10 years I lived on Bowen, I commuted. I took the first ferry out, and caught either the 6:30, 7:30 or 8:30 ferry home. I worked in the film business. I'm lucky enough that I don't have to do that anymore, because of the cost and the time. I worked in the film business for ten years and the most money I made was in my first three years in the film business. From that point on, the business started to say that they needed to save some money and asked the staff to take a pay cut. Most of the employees work now for an average of ten or twelve percent less than the rate set by our union. That's a concession we make as staff to keep it affordable for the film industry to be able to work in this city. There's no reason BC Ferries staff can't consider working for less, or starting the newer staff at a different pay scale, and trying to save some money in wages that way. I think I've heard that the reason the ferries shifts start and end when they do is to accommodate two eight hour shifts. Is there any reason we can't split that into three six hour shifts? So that you're not paying overtime to anyone ever, and then we can maybe run our ferry until 10:30 at night, which will give more room for the people who live on this island to do what they do. My question is, this financial performance before taxpayer contribution is a loss of \$7 million. What is the taxpayers' contribution?
- A: *Lynda Petruzelli:* The number that's listed in this discussion guide is the financial performance before taxpayer contributions. That \$7 million is not the government contribution, that's the shortfall before government contribution.
- C: *Michael Segal:* If that's the shortfall, then after government contributions, what is the net shortfall?
- A: *Lynda Petruzelli:* I would be happy to take your email and send that information out to you after this. It's public information, there are reports out on the BC Ferries website and on the commissioner's website. I just don't have all the numbers in my head.
- C: *Andrew Pietrow:* At last year's session they had the answer to that, just to let you know.
- A: *Lynda Petruzelli:* There's an annual report to the BC ferry commissioner that's on the commissioner's website and also on the BC Ferries website and in that report, for every single route, there's a route financial report that shows tariff, ancillary and social program revenue. It provides for the seniors discount program. It also has the provincial and federal taxpayer contributions for each route.
- Q: *Michael Segal:* For underutilized sailings, is there any reason we can't reduce roundtrips by spreading out the time between sailings, so you're getting a bit more ridership on them?
- A: *Joanne Doyle:* Good comment. The fuel is one of the components we're looking at. The labour is the other. It's something you can take away. If you put that in your feedback form. The idea of the last sailing of the day, we're looking for the labour. We're trying to shorten the shift slightly to get a bit of labour savings.

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- A: *David Hendry:* There are two major considerations: you would have to get broad consensus throughout the island about what that schedule would look like. The other consideration is coordination with the other routes that go into Horseshoe Bay, because it is very congested there. That is the reality. Changing one schedule impacts other schedules, so it all has to be coordinated.
- C: *Michael Segal:* Being the smaller of the ferries, the Bowen Island ferry is always the last one in line anyway. If the Langdale's late, then I'm late because they have to offload and onload, and vice versa.
- C: *Claire Trevena:* I am the Opposition Transportation Critic and the MLA for North Island. I'm going to be brief because there are a lot of people here who are very impacted by this. I'd like to take up a couple of issues that I've been hearing about. One is this whole issue of saving money. If this was a road, road users would not be asked to save money. They would not be asked to close the road for a few hours, or not clear snow. Ferry users are being asked to save money, and to come to them to ask them how to save money is, I think, an insult to communities. I was at a meeting last night, the Port Hardy meeting, and the first question you were asked is why are we here? Will anything we say make a difference? There have been some good suggestions. People have really worked hard on this. It will be interesting to see if any of this will be adopted. I recently did a tour of Washington State Ferries. The same cost pressures apply to the Washington State Ferries. They've got problems with fuel, labour and capital investment. Still, it's a much cheaper system, which runs very efficiently. The difference: it is part of the highway system. Their vessels are the same age as many of our vessels, and they are cheap and efficient. It is legislated that they are part of the highway system. It is recognized in Washington State that they live in a place that needs a ferry system, though they have need it less than B.C. as they have fewer islands. The Coastal Ferries Act is a weird privatization model. There is no recognition any more that we are a coastal province and that there are vibrant communities linked by a highway system and that highway system is BC Ferries. BC Ferries should be part of the transportation system. The only way we're going to that is to go back to the root of the problem and get rid of the Coastal Ferries Act, and make travel affordable for the people of Bowen Island and around the province.
- C: *Charles Robichaud:* I've been living here for 10 years. I can speak to you about things like precarious employment, which I'm sure the politicians and the media people know about. Shift workers, part-time workers, people on contract, such as myself, depend on giving your employer the flexibility to place you where you need to be, within reason. I have done that over the last ten years, within reason, and it has worked very well for me. Having said that, I can't count the number of times I've been on the the 5:30 a.m. ferry, and then on the 8:30 or 9:30 at night. I work hard. It's what I need to do to afford my house here. I've paid tens of thousands of dollars to the services and contractors on Bowen Island to increase the size of my house and buy materials. I buy my groceries here. I can tell you all this stuff, but it doesn't matter. I know because I've heard your talking points on the radio and through media the last couple of weeks. The point is that you're mandated to run a safe ferry system and make a cut of \$15M. That's it, so why are you here? Why are we not speaking to someone in government who will respond to the fact that we need a ferry system that is part of the highway system? My real question is, based on what you're able to bring to us today, we've got this schedule published that shows a cut in service on Saturday nights, where there's no 7:30 or 9:30 ferry. We've got kids on the mainland during the day going to social activities and cultural activities and sports activities. It's a shopping day. We run like hell to catch the 6:30, now there's

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going to be no 9:30 ferry. In my field of business, I do a piece of work and get notes back from a studio, who make a really outlandish request. They say, why don't you just do this crazy thing? I say, you know what, I won't do your crazy thing, but I'll give you this instead. It's a compromise. This is not a criticism directed at any single person here, but somebody who has put together this thing has put together that 9:30 cancellation on Saturday nights as a bargaining thing. There's no way that thing would fly. You'll say at the end that you get your 9:30 on Saturday nights, we'll just cut other things instead. I see it, it's a game, it's BS.

C: *Nancy Spooner:* Thanks, Charles.

C: *Peter Jayne:* I have lived on the island for 33 years. The inland freshwater ferry system throughout the province are recognized as an extension of the highways, and they don't pay any fares. I'm a taxpayer, I pay a lot of tax, I have no problems paying for seniors. It's a right they have earned throughout the years paying tax in this province. I have no problem paying so that Monday through Thursday seniors don't pay fares. On this island, seniors tend to cocoon. I run the bus services, it's a chartered bus service, and we take the seniors on outings. The seniors need the exposure and transportation back and forth and they need to get out of the house and enjoy things. We will see a sharp decline in people coming over, especially from West Vancouver, to enjoy a day on this island, and the restaurants and the sights. They'll hit Horseshoe Bay and decide to stay there and have fish and chips in Horseshoe Bay. When you talk about wages for staff, I'm concerned about the big numbers. I am a contractor with TransLink on this island – I run an efficient service; I've been doing it for 15 years now. I make \$28,000 a year. Some of the wages these people are earning, especially David Hahn in the past, in a monopoly...Talking about performance in a monopoly is a bit of a joke. You have one system, there is no competition. You have performance bonuses on a wage that is out of place when you look to Washington. The wage packages are so out of whack.

C: *Kevin Richter:* I want to comment about the seniors program. When we were out last fall, we heard some people saying that they would entertain a change to the seniors' discount program. Seniors had brought that forward. The idea of some of these long-term measures, like seniors or LNG on vessels or changing the vessels, these are all strategies in the long term to take pressure off the fares going into the next performance term. Some of these measures that we brought forward, we got feedback last time, with people encouraging us to consider this. That gives you context for why we come forward with those measures.

C: *Peter Jayne:* Seniors are an easy target.

C: *Claire:* I grew up on this island. I do appreciate that this system does need to function. Having grown up on the island, I have always taken the ferry as a foot passenger. I noticed that all the reports that have been released don't include foot passenger traffic. All we can see is the number that includes 1.14 million foot passengers. What kind of consideration has been taken into effect? Is this going to be released at all?

A: *Kevin Richter:* I'll let Joanne give more specific details, but typically, vessels can carry more passengers, so from a utilization perspective, if you actually have a lower utilization of passengers, because there's more capacity. We will be providing that information shortly.

A: *Joanne Doyle:* The Capilano has 440 passenger capacity, compared to the 85 automobile equivalent available. We do see a lower passenger utilization in the tables than we would see vehicle utilization. Those passenger utilization maps, in the same format as the vehicle utilization maps, will be posted on the engagement website within the next day or two.

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- Q: *Claire*: Will one be provided that shows the two combined?
- C: *Joanne Doyle*: So combining the two, the passenger and vehicle...?
- C: *Claire*: For example, I take the 6:30 ferry in the morning, and we have many, many people who walk on as well as many cars.
- A: *Joanne Doyle*: The passenger utilization is foot passengers and vehicle passengers. It doesn't separate them out.
- C: *Claire*: I noticed on the utilization maps it shows considerations for the routes, and on Bowen tourism not a consideration. It says work and requirement to travel. On many of the other ones it lists tourism. I assume that this is because most of our tourism is from walk-ons: people who are taking the ferry and parking their car. Was that taken into account?
- A: *Kevin Richter*: In the considerations, we were looking at significant annual shortfalls. We were looking at annual and round-trip utilization and at the complexity of the routes. We were looking at what was happening with vessels. We also had a consideration of basic service levels. It was our attempt to find that balance. The big driver that we were looking at was the utilization or significant annual losses. It was not directly incorporated, but we were looking at it with the utilization.
- C: *Claire*: I noticed on some of the other routes, it was referred to more specifically.
- A: *Joanne Doyle*: In some areas, they are not as heavily commuter-oriented routes. So instead of putting all of the things that we looked at, we put in some of the more prominent things. If you look at the utilization tables, you can see that this is a heavy commuter route with the proximity to downtown Vancouver. Not all of the things that we looked at are on there; it's to show some of the different things that we looked at.
- C: *Bethany Dobson*: I grew up on this island. I'm a transportation engineer and I've gone back to school to study community engagement, because I really don't feel like that is addressed enough within transportation. Wolfgang, what you said is my thesis. I'm curious, moving forward with the community engagement, With this session, there wasn't enough information leading up to it. The Minister of Transportation made his announcement happen. I'm glad to see that there are more people here. I talked to people who had no idea this was going to happen. One advertisement in the Undercurrent is not enough. My parents read the Undercurrent every week, and they had no idea. I've been talking a lot with TransLink lately and the work they're doing with the Compass Card. All the work that they've been doing to get the word out that it's going live in a few weeks, on the Westcoast Express. They're doing seat drops and they've got people talking to people who ride it every day. We could easily have had more information on the Queen of Capilano and on the message board, we could have had people there, doing seat drops. There's a lot more that could have been done to advertise this session, especially since we don't get many community engagement sessions. Outside of just this issue, are there going to be more opportunities for engagement? I know that we have our Ferry Advisory Committee and they do a great job. Even outside of this specific issue, there are a lot of opinions that aren't being heard. We islanders have an adversarial relationship with BC Ferries. Not positive or beneficial as it could be. I think that it's part of a broader culture in BC Ferries of little customer service and an under appreciation of our community and that your policies impact our lives every single day.
- C: *Nancy Spooner*: I didn't actually hear a question, other than the suggestion that there should have been more notification.

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- Q: *Bethany Dobson:* Moving forward, are there going to be more opportunities for engagement on this and other issues? For instance, the Horseshoe Bay upgrade. Will there be opportunities to participate, beyond just online? It is frustrating to be told to go online.
- A: *Kevin Richter:* For this engagement process, we are having 22 community meetings, including meetings with the Regional District and FAC chairs. In addition, there will be a webinar. For everyone with computers, there is a website. We have the discussion guide on the website. We also extend the invitation, that if people would like to submit written submissions they can leave them with us, or they can also mail or mail them in. This engagement process goes until December 20. As BC Ferries has commented on, from feedback we are receiving tonight, ideas about different patterns or sailings or positioning of vessels, that feedback we would like to hear at this time. BC Ferries has also talked about returning in January to talk with the FACs to get even more feedback on the refinement to the schedule. No decisions have been made on other capital investments. Down the road, I don't when that's going to happen. I hear you, that that is interesting to you and perhaps to other members of the community.
- A: *David Hendry:* You bring up a good point with Horseshoe Bay terminal capital investments that are upcoming. At BC Ferries Operations, we undergo terminal master planning. We completed one for Langdale in the last couple of years. That involves engaging as many groups as possible. We engaged the Ferry Advisory Committees, we engaged the local municipalities, we engaged the major stakeholders. For example, at Langdale, we probably held upwards of ten separate meetings, basically walk people through from the early stages to the final product, so we can get as much input as possible and try to get some ideas for the planning process. That similar process would happen for Horseshoe Bay when we get to the stage for the master plan, and we would have to do a master plan for this scale of improvements and the replacements that are required there.
- C: *Tim Rose:* Bowen Island Councillor. Respectfully, this isn't the solution. Cutting service; I don't see how this doesn't get us three years down the road without having to cut more service. I don't see any long term solution here, I see a short term solution to catch up. Prices are going to continue to go up, with fuel and labour and everything else. I just want to underscore that there's been a lot of creative suggestions, especially from Joyce, about things that would not only resolve the problem but also help the Bowen Island economy. I also want to underscore that the coastal communities in B.C. are a huge untapped resource. If people could get to them reasonably, they are worth hundreds of millions of dollars.
- C: *Jeff Rosenfeld:* I have recently moved here to Bowen with my wife. The first is the cultural thing, the Saturday 9 p.m. We already have to leave our family and friends at 8:30 on Saturday night to catch a ferry. That's a traditional get together time and you would eliminate that. Looking at the fare system and our economy, and not just as not as an isolated cost to government. The ferry system is not just part of the transportation system, it's part of the whole economic system. BC is beautiful, but it will remain difficult to increase tourism when a few trips to Vancouver Island cost more than flying to Mexico on points. How can our tourism compete for tourists from BC and from the global economy, if ferry prices remain high? It's already stopping people from coming to the island.
- C: *Andrew Stone:* I'm a municipal councillor and an Islands Trustee for Bowen Island. Most of the points I have, have already been talked about. The gentleman prior to me talked about how costs

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have been going up and up have been increasing. We all know, over the past 13 years we started on a precipitous, logarithmic price hike with BC Ferries. Rates increased over 100 percent. That's over 4 percent a year, and everyone's screaming about that, because they didn't realize that we were paying 7 percent a year over ten years. When you compound 7 percent, you reach 100, right? We all know this. What's happened is that you've been told 4 percent, what you're doing is making up the extra 3 percent by cost reductions. In the course of this logarithmic price hike, we reached a tipping point. Rates reached a point where ridership started to nosedive. There's a similar tale around lower mainland with the gas tax and the TransLink debacle. Gas prices went up with the gas tax, and then there was a gestalt right across the region, with many people who drive cars rethinking the way they approach transportation. They're saving themselves a bucket money for not driving. Not only has gone up, but they're spending less, so all of a sudden the business model for TransLink is obsolete. This is where I'm going with BC Ferries. You guys – collectively – you went on this track of increasing fares 7-9 percent across various routes around the region and there was a tipping point and people stopped using the ferries as much. I've done that myself. Everyone in this room probably has, or most of them. We reached that tipping point about 3-5 years ago. Now we're faced with this idea of cutting sailings in the whole system. They're going to have people rethinking even more. You're talking about our Saturday sailing; you're not going to get this transference. I know you've factored that in, but most people who come back on that sailing are people like the gentleman prior to me and myself, who are people who go into town to have a quick dinner with friends. There's a window between 5 and 8:30, 8:20 in my case when I bolt from Kitsilano to the ferry terminal to come back to the island. You're not going to have that shift of ridership coming back. I look at the numbers on the chart and I see Tuesday/Wednesday/Thursday sailings, and there's going to be people in the medical profession who need to commute at the far ends of the schedule. People in the film business too. Those people are going to stay in hotels or move off the island. Really focusing on the Washington model, the issue with seniors is really, really key. The majority of seniors in coastal communities, not just Bowen, are a different breed economically from people in the Lower Mainland. They don't have a lot of money. The past ten years has really crippled their income, in terms of what's happened with the stock market and the kind of jobs that they had. We also have another generation behind the Baby Boom generation, and their pensions have been crushed by mismanagement of pension funds, and they're going to have even less money. Now you're removing a political decision, that was a social safety net for seniors, I see as absolutely horrid. Hopefully the political decision-makers can change their minds and you guys can find a way to finance it.

- C: *Heather Beauport:* I'm a full-timer here on the island. A couple of points: one is about the folly of cancelling Saturday night sailings. The folly of cancelling them is, in my view, for Bowen Island in particular, especially during the summer months, we get a lot of tourist traffic, which leaves on the 10 p.m. ferry. It's really important that that stay there. We have a lot of golfers who come over for the day, and who need that to stay. It really irks me to see you say that the recession caused the lower ridership; rates have gone up so high that people are choosing to behave differently. The other thing that irks me is that when I look at the cost of ferry service and I compare 2004 to 2013, I see that some areas have done really well. The net financing and amortization has doubled in nine years. When I hear you talk about master plans for improvement in other areas, terminals and new ships and things like that, I'm thinking that this makes no sense. As a shareholder of BC Ferries, I'm

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thinking I don't like this plan, because there's no way forward. A scenario has been created where we're going out and talking about planning a service, that's not going to solve BC Ferries' issues. I think we've seen real planning issues within BC Ferries that have just gone amok. We're doing whatever thousand dollar refit on our ferries; we didn't need a refit on our ferries. I'd like an explanation of why you're still moving forward on making things better, when we have no money for service?

A: *David Hendry:* The ferry system was underinvested in for many, many years. Over the last ten years, there has been a lot of required money put back into aged vessels that were up to 50 years old. If you want to service routes, and continue the service profile, you have to have reliable vessels. A lot of the terminal infrastructure was outdated, and is still outdated, and that has also has to be replaced. It's a very capital intensive business. There's a further investment of \$2.6B that's required over the next ten year, to replace aging vessels up and down the coast. You can chance it and keep running those vessels of that age, but by and large the reliability of those vessels goes down and the maintenance of those vessels gets to a point – it's like an old car, you run an old car to the point where it doesn't make sense, you're spending more on maintenance than you would purchasing a new car and amortizing the cost of that car over the longer term.

C: *Heather Beauport:* The maintenance costs have gone down by almost 50 percent; is that because of all the investments?

A: *David Hendry:* The maintenance costs have come down to a large degree because of the newer vessels, the newer infrastructure. It's more regular maintenance instead of episodic maintenance. Any kind of maintenance program that waits until things need to be serviced is going to cost you more. We've been on a maintenance program, especially on our vessels, where it's a regular maintenance program, a lot of the vessels require it every two-years, some of the vessels require it every four-years. It's part of running a capital intensive business in sea water.

C: *Bernie:* I live in Grafton Bay. For many years, I worked in the federal government and I was on the other side of the microphone, working in public consultation, to legislate requirements for public consultation. The term that we used was meaningful public consultation. Would you say the consultation you're undertaking here is meaningful?

A: *Kevin Richter:* Yes.

C: *Bernie:* That's good. That means that you will consider the comments heard here today, and in all the different meetings, will be carefully considered by the people who are responsible for or are able to make those decisions. Examples would include comments about maybe the fares should be 0, it would include Wolfgang's comment that they really will consider looking at the economic impacts of all the small communities up and down the coast, by increasing ferry fares and decreasing the service. So that will be actually done? You will need to do that to have meaningful consultation. And also meaningful consultation would be to really look in your heart at people who will lose their job or move away from their, because they can't get to their job because the first ferry isn't running, or the last ferry doesn't allow them to get home and see their kids at night, because they can't get home on the last ferry. So you'll do that too?

A: *Kevin Richter:* Yes.

Q: *Bob Tanner:* Why was this delayed until after the election? You mentioned earlier that this is a political decision, why are we discussing it now, not 6 months ago or 3.5 years from now?

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- A: *Kevin Richter:* As you can appreciate, we were out consulting last year. We heard a lot of information and we got a lot of feedback. That information was given to the government, and it was government's decision on the timing. Government said that it needed time. That's why government contributed an additional \$7 million. These are tough decisions. For exact timing, I would have to defer you to the people who make those decisions.
- A: *Lynda Petruzelli:* After last year's consultation, which ended in December, the final report wasn't delivered to government until March. There's certainly a lot of information; we had a lot of feedback. We had 2,000 participants and many, many submissions. It took a long time to synthesize that information. There was the information in the midst of that as well.
- Q: *Bob Tanner:* The Duke Point ferry escaped the cuts, but it's only needed four months of the year. The other major Vancouver Island ferries are running half empty all winter. Why are you laying all these cuts on the smaller communities, when in fact the Duke Point ferry is escaping all the cuts? The minimum you could do is run the water taxi on the runs that you're cutting, so that foot passengers at least would be able to get home. You need to consider, if you're looking for some savings, run the engine slower on the ship. If you cut the ship's speed by 30 percent, you'll save half your gas. You can't do that on the rush hour sailings, but do it during your non-rush hour sailings. Run the ferry slower and achieve massive fuel savings.
- A: *Kevin Richter:* With regards to savings off the major routes, BC Ferries is already getting savings of \$4M in savings off of major routes. In addition to that, BC Ferries is going to be looking for another \$4.9M off of major routes. They look at this as a network, because there's a lot of commercial traffic that runs on route 30, and there's also a couple of other issues. It's not just on the minors. \$4M on the majors and there's going to be another \$4.9M in savings.
- C: *Alison Morse:* I gave you guys a chance to answer my questions and you didn't. I sent you two pages of questions this morning and I'm still hoping to get answers. I tried but it hasn't work. Your logic in the discussion paper saying "traffic's gone down," but it's not because of the fares, because traffic's also going down on the inland ferries. The inland ferries are a very different situation from our ferries. The circumstances are entirely different; people coming from Alberta are using those ferries when they go on holidays, they're not using those to get to work. We're held captive. You've talked about coming back to talk to the Ferry Advisory Committees, I'm not sure we want to be the scapegoats, but I guess that's what's going to happen. Are the results of the feedback going to be ready, so we can see those before we start talking about the schedule?
- A: *Kevin Richter:* The timing of the report, Nancy?
- A: *Nancy Spooner:* It won't be ready until February.
- A: *Kevin Richter:* It won't be ready until February, but we will have some indication. I look at the notes that are taken, but we wanted to make sure that the work could be double-tracked, so the work gets under way. We're hearing comments about looking about the positioning of the vessel and looking at the mid-day. I think that some work can be undertaken and also combined with the thoughts that the community is raising. Unfortunately, the summary report won't be available at that time.
- A: *Joanne Doyle:* There are the meeting minutes that we will be able to use. So everything that's said here today, and at all the other meetings, is going to be recorded. We will be going through that.
- Q: *Alison Morse:* Will those be available to the Ferry Advisory Committees?

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- A: *Nancy Spooner*: There won't be pages and pages of verbatim, but they will be summarized into key themes, key ideas and feedback that we received from each one. I think those will be made available; they're usually made available as part of the summary report.
- C: *Alison Morse*: I'm talking about us having the same information as you people have, so that we know that you're addressing the issues people have been raising and discussing those ideas.
- A: *Nancy Spooner*: We're going to be working as hard as we can to get information to both government and to the FACs.
- C: *Alison Morse*: In that regard, if anybody in the community is submitting a feedback form, would you take a photocopy of it and send it to the municipality. I've heard a lot of people talking about the difficulty of their kids getting to hockey and sports programs, when they aren't going to be able to get off the island on the morning ferry. I haven't heard any of them speak up tonight, so I wanted to confirm whether that was true or not. I don't have a problem with the structure of the company; it's run well, from that perspective. The Governor General said ok. The problem is there hasn't been enough money being put into it, and I still think that's a problem. I'm not supportive of no money and I'm not supportive of the cuts. Have we looked at the crew requirement? Right now we require a crew of 40 for 400 passengers. What happens if we only got the license for 300 passengers? I understand that crewing levels in Washington State are significantly less than ours, for the same size vessels and the same protected waterway. Are we going to ask Transport Canada to get the right crew levels?
- Q: *Nancy Spooner*: Do you want an answer for that?
- A: *Alison Morse*: It's probably an open-ended question they can't answer.
- A: *David Hendry*: The crew licenses are the purview of Transport Canada; not just for us but for other ferry operators. Wherever there are opportunities we try to manage down the license and not get caught in terms of missing crew. We're doing what we can in that regard.
- Q: *Alison Morse*: You're not challenging Transport Canada, saying "Washington State has only this requirement, why are you requiring us...?"
- A: *David Hendry*: I don't think it's our purview to challenge federal regulators.
- C: *Alison Morse*: We'll do that, I guess. The whole issue of price driving down the ridership: Parks Canada did a study a couple of years ago and it found that people don't travel to the Pacific Rim or to the Haida Gwaii because of the cost of the ferries. People are not travelling in the tourism business. And not having a study of what tourism provides to the economy and the lack of it is really pitiful from the perspective of the government. My last question is, what's the total Ministry of Transportation and Infrastructure budget?
- A: *Lynda Petruzelli*: It's roughly \$800M.
- C: *Alison Morse*: And how much of that, without including the social programs, is the service fee for the ferries?
- A: *Lynda Petruzelli*: Without including the social programs, it's about \$150M.
- C: *Alison Morse*: So that's 15 percent of the transportation budget? And that transportation budget doesn't include any of the capital costs for building bridges and highways? That all comes out of something else.
- A: *Lynda Petruzelli*: I don't think I have the expertise to talk about the total Ministry of Transportation budget. I'm not even 100 percent certain that I got that number right. It would need to be confirmed.

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- Q: *Alison Morse:* Every time the Ministry talks about how much money they put into the ferry system, the talk about the amount of money paid for the medical and TAC program, but they never talk about the amount of money that is paid in the rest of the province for the medical and TAC program. We fly people from Prince George to get to Childrens' Hospital, so why do you consider the TAC program for the ferries to be part of the subsidy?
- C: *Gail:* I've been a resident on Bowen since 1988. I'm also a paramedic in West Vancouver, so I'm one of the shift workers. I was told that the BC Ferries management is 650 people. Is that number correct?
- C: *David Hendry:* That's approximately correct. The numbers were higher a number of years ago. Since then, we've taken a lot of the union positions and made them exempt.
- Q: *Gail:* What approximate percentage of savings have you been able to achieve at the management level?
- A: *David Hendry:* Over the last five years we've taken executives from 17 positions down to 9 positions.
- C: *Gail:* So percentage dollar-wise, what are the savings going forward?
- A: *David Hendry:* I prefer to focus on the overall company expenses. This four-year performance term that we're talking about here, we were challenged by the commissioner to achieve around \$55M in savings. We're well on our way to doing that. That's in addition to the \$26M the province put in. The third part of it is the service reductions. There are three elements to breaking down the fare pressure.
- C: *Gail:* The point I'm trying to make is that as a boss, you don't expect your employees or clients to make sacrifices that the people at the top aren't willing to make. We're not seeing that.
- C: *David Hawking:* I arrived when Wolfgang was talking about the potential economic losses and that struck me as an important point. I had a look at page 9 and the net savings for what you're doing here and the damage this will cause. Here on Bowen Island by 2016, you will save \$270,000 over two or three years. I can't imagine that number won't be dwarfed by the economic damage that will cause. People will lose their shifts, lose their jobs, and have to move off the island. There will be a loss of tourism. When I look at this list and the cuts across entire coastal region, I think the economic damage is going to be more than these savings. I was really struck by the answer, has someone done an analysis of the economic damage? Is it true that when you presented this to Minister Stone, nobody even raised this question?
- A: *Kevin Richter:* We knew there would be impacts. We're trying to balance investment in the ferries with other priorities across the province, whether that be healthcare, whether that be education, whether that be social programs. The government made the decision. It's finding that balance with other competing priorities across the province.
- Q: *David Hawking:* But if they didn't do the analysis of the damage versus the savings, then actually they are not saving any money and they're probably doing damage?

3. Closing Remarks

Nancy Spooner wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on November 22, 2013 at the Lobelco Community Club, Bella Coola, B.C.
FACILITATOR	Judy Kirk, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure Lynda Petruzelli, Senior Manager, Marine Branch, Ministry of Transportation and Infrastructure Sean Nacey, Senior Manager, Infrastructure Development Branch, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Joanne Doyle, Manager, Master Planning, BC Ferries Nancy Spooner, Kirk & Co. Consulting Ltd. Max Tobias, Kirk & Co. Consulting Ltd., Meeting Recorder Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants expressed concern that service reductions were proposed without undertaking a socio-economic analysis of potential impacts, particularly from lost tourism revenue from the elimination of Route 40.
- Participants asked that the Ministry of Transportation and Infrastructure and BC Ferries undertake a regional economic impact study prior to implementing ferry service reductions.
- Participants said the Circle Route (Route 40) is critically important for tourism in Bella Coola and the Interior, and said that the *Nimpkish* will not serve European tourists.
 - Participants said tourism operators have been working in good faith to build and invest in tourism predicated on ferry service and companies have booked tourist groups a year in advance to service these advanced bookings.
- Participants opposed service reductions. They said that service reductions:
 - Would cause a significant blow to local business from lost tourism revenue.
 - The elimination of Route 40 would threaten the community with further isolation and depopulation.

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- Participants said that Bella Coola needs a direct route to Port Hardy, especially with road closures due to weather and fog, which prevent flights from leaving the airport.
- Participants said that Bella Coola will lose its mammography screening for 200 women; people will have to go to Williams Lake if Route 40 is cancelled.
- Participants proposed that BC Ferries and the Ministry of Transportation and Infrastructure partner with local tourism operators to expand efforts, instead of cancelling Route 40.
- Participants expressed frustration with executive-level compensation and bonuses provided by BC Ferries.
- Participants expressed lack of confidence in the Ministry's commitment to consider input received during engagement.
- Participants said that ferries are an essential service and should be maintained as part of the provincial highway system.
- Participants did not support gaming onboard the ferries.

DISCUSSION

1. Welcome and Introductions – Judy Kirk

Judy Kirk welcomed participants to the open house, and explained the format of the Q & A. Judy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- C: *Kevin Richter: I hope that you've been able to pick up the discussion guide. And if you don't have one, we have them at the back there too and they're also on some of the chairs. Just a really quick overview because I really want to hear from you. That's why we've come out here is to hear from the community. We're going to be holding 23 meetings. We've had a couple already. We're working our way around the coast to coastal communities. We're also going to be having a webinar so it's really important to hear from you. We're out here to hear from you, but it's also important if you can fill out the discussion guides or even send in written submissions. And the discussion guide, there's a website that you can go to to see where the discussion guide is or an address or electronically send in a submission. Having your voice heard is really important. We can hear it. I'm going to listen to what you're saying, and I can certainly inform people but I ask you to fill out the guide. We're out here to inform you about the decision that government has made. Giving you a bit of a background, I was out here last fall to talk about considerations about service reductions. Talking about getting input on considerations such as shortfall. Talking about utilization on routes.*

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Talking about basic service levels. Talking about complexity of routes and talking about capital investment, replacing vessels and having all those impacts. So we're out here now to talk about the service reductions and specifically for, I think what interests you is what's happening with Route 40, the elimination of Route 40. In addition to that, we're also here to get any feedback on the system as a whole and so we're looking at the cost pressures that are facing BC Ferries and its sustainability into the future. Looking at the fares and how they've risen, it's affected things. Government has contributed over \$86 million in addition to what it's done for this performance term and government decided there's competing priorities and it couldn't contribute any more. As a result, there are these service reductions. And so that's what we're here to talk about, but if there's any other things I encourage you to bring them forward. I want to hear your comments and between us we want to answer your questions. So thanks for coming.

- C: *Judy Kirk:* So if any of you have questions or comments, please come up. I know it's hard to be the first.
- C: *Bernard Ellis:* My name is Bernard Ellis, Bella Coola Valley Tourism. I've just got a couple paragraphs to read here for you. Thanks everybody for coming, we really appreciate the support and we need lots of it. Thank you folks too. The loss of Route 40 that was announced by the BC government Monday is absolutely devastating news for the residents of the Discovery Coast Circle Route and the communities that depend on it. So many people and businesses have evolved to depend on the spinoffs from the service that it's simply unacceptable to follow through with this announced elimination of our service. From the time the international traveller departs Vancouver bound for either Nanaimo or Victoria on BC Ferries to make their way up Vancouver Island to Port Hardy and all the way along Highway 20 back to Vancouver, these folks are spreading their funds around. And many folks are currently very dependent on this annual tourist flow. The announcement by the provincial transportation and infrastructure department on Monday is unfortunately already having very negative spinoffs on our client base, who obviously cannot book their trips for 2014. We have to make this right and move forward progressively on this issue as soon as possible. Negative publicity like this travels quickly through the media and is very difficult and costly to repair. This Route 40 cancellation announcement is equivalent to an outright death sentence to the many businesses along the Discovery Coast Circle Route. We would certainly appreciate all your support as soon as possible on turning this decision around. Thank you.
- Q: *Jenny Roberts:* I'm just wondering, if the decision's already been made, why all of this? What is the cost of bringing everybody to all these communities, printing up all this glossy stuff? If the decision has been made, why is the money being spent on this? And not only that, the spinoffs to the community, it's just miniscule compared to what has gone out of this community to the rest of the province. I'm really tired of seeing ghost towns all up and down the BC coast because of our government. First of all there was the fiasco of building the ferries, the extra ferries. Personally I don't care how much money is being lost. This is an essential service and I do not want to see Bella Coola become a ghost town. It is already suffering enough. Do they want everybody on the whole BC coast to go onto welfare, unemployment? How much money is going to be spent on that compared to reducing service. Don't block it all entirely, reduce the service or have it run once a week or once every two weeks. Then people can at least plan. But to just pull the rug out from all

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- these communities like this is ridiculous and there's going to be a lot of people floundering and dependent on the government. Instead of paying taxes to the government because they're working, they're going to be all unemployed and on welfare. Where's the gain in that? And, not only that, the management we keep hearing about how their wages are being increased all the time. Our services are being reduced, their wages are being increased. What the heck is going on?
- C: *Judy Kirk:* So the first question is on why do this, this engagement and how much is it costing and why do it. And then the second one was with respect to why not make reductions in the route instead of eliminating it. Ok.
- A: *Kevin Richter:* So, your voice is very important. Government has made the decision to do service reductions, but government also wants to hear if there have been some considerations that we weren't aware of when we were developing the plan. Government is in a position of trying to find that balance with competing priorities and so to have this complete understanding from the communities is really important. We had committed that we were going to come out here when we were consulting last year about the considerations and it was last year that we were also saying that there would be these service reductions. Government has said there would be the reductions and we're moving forward with the reductions and the route...
- C: *Jenny Roberts:* This isn't a reduction; this is an absolute cut for our community. So it's not a reduction, it's a cut. It's absolutely not; it's pulling the rug out from all of us.
- C: *Judy Kirk:* No, that's a fair comment but let him finish and then if you want to come up again I'm happy to hear you.
- A: *Kevin Richter:* And so, it's important that we go out to the communities. It's costing approximately \$500,000 to do this consultation and engagement and we're going out to all the communities to hear from them. With that information, we can inform the government and let them know about how it's affecting communities and letting your voice get heard.
- C: *Judy Kirk:* So the second question was with respect to, why can't you just reduce rather than cut?
- A: *Kevin Richter:* So the elimination of Route 40, there's a fair bit of savings that can be obtained from it because the boat is nearing its end. It's going to have to be replaced. So this was part of the consideration of recognizing that if there's going to be a major capital investment, to replace the Chilliwack is going to be \$100 million or more to replace it. So there's going to be a significant cost, which makes the shortfall grow even larger. Right now, the average utilization is around 30 percent on the route. It's not getting enough passengers on the boat to make sufficient money to pay for the route. And then it's only going to get additional pressure when the vessel has to be replaced in the future. So the decision was to eliminate the route, recognizing that there's going to be this big capital investment that's right on the doorstep.
- Q: *Jenny Roberts:* So they can't find anything smaller that may be more cost-effective?
- C: *Judy Kirk:* A smaller boat, is what you're saying?
- C: *Jenny Roberts:* A smaller boat.
- A: *Kevin Richter:* The type of water that a boat would have to travel in is very different than when you look further down south. The waters down south are more protected. The type of vessel that is needed to travel these routes is a more substantive vessel and that's where the cost comes from.
- C: *Jenny Roberts:* Well, you know, even if the ferry had to be subsidized, it still makes more sense to me to subsidize a ferry and keep communities alive then to have communities totally fall flat and

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everybody having to leave because there are no jobs. And then where do they go? Where do they go? All up and down the coast we're already seeing ghost towns.

C: *Judy Kirk:* Ok. Thank you very much for that.

C: *Steven Watt:* Hi, my name is Steven Watt. I've got a little bit of experience with the ferry system. I served on the Ferry Advisory Committee in Chair of the North Central Coast Ferry Advisory Committee a number of years ago and have also been in business for 32 years myself, so I sort of have an understanding of business. I don't specifically have a question at this point; I just want to make a few comments. And believe me, I know the complexity of these decisions and this entire scenario. We've been discussing the options for alternate service providers and different ways to deal with this situation and the obvious lack of profit on this route for quite a number of years. And I could go on quite at length about the challenges that the Ferry Advisory Committee and some of the community members have with the restrictions or constrictions that the Ministry has had in order to deal with those. It hasn't been wide-open. We can't just have a session and come up with a new idea and take it away. There was contracts with the ferry corporation, there are contracts with employees, there are all kinds of things involved here. So I don't think there's anybody in this room that believes that that ferry has been running efficiently or providing the product that is needed on the coast. I certainly don't believe that and I always welcomed the opportunity to have those greater discussions but, again, that just didn't fall within the framework that the Ministry and the Ferry Corporation were dealing with at the time. So in other words there's lots more to say and I will be submitting some written comments as well. But at this point, I would just like to make the statement that life is not a part of business, it's actually the other way around. Business is a little part of life. If we made all of our decisions based on whether or not there was profitability in one step or another, you'd be telling your little girl that you can't drive her to dance class because the car only gets used for things that make money when mom and dad are going to work. You know, that sort of sounds silly, but that's really what we're looking at. There are so many economic, social, family, cultural, there's so many other factors involved with this and the spinoff that you're going to hear other people talk about- the amount of money that is actually generated in other areas of the province along this route have to be considered in this scenario. It just clearly cannot be considered an economic, a business decision, on a vessel alone. And I think that everybody has to understand that this is coming to us as a business decision but this is not a BC Ferries decision. This is not a government corporate decision that's being born down upon us from a purely corporate perspective. This is coming from our elected officials. This is coming from our government that we look to to support and foster our communities and make things work. So it makes it actually doubly insulting to us that those considerations that we see as important- our values, our families, our communities, our cultures- aren't being considered in this decision. This is strictly a business decision, but a business decision coming from our leadership, not from a corporation. So it's a little bit insulting in that regard. I think that it's something that's going to take a little bit of time to respond to. I also admit that there's been opportunities possibly missed in the recent past, although I think the government has to look at the larger challenge of their contract with BC Ferries and really understand what it is that they're providing to the coastal communities. I don't believe that's been done. Thank you.

C: *Judy Kirk:* OK. Thank you sir.

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- C: *Cathy Hanlan:* My name is Cathy Hanlan. I was a member of the Ferry Advisory Committee for over 12 years and I was a business operator for over 16 years here. I've retired from that. I've been involved in this so hard for so long. 2001 is the only time I was able to find minutes from BC Ferries when they first started. I was there that day when Bob Linkwood decided to announce to us that Route 40 was cancelled. It had started in 1996; five years later they decided that was it. Brian Rode, who was on the board with me, left. In fact, the Central Coast Regional District immediately let them know what was happening and then I had a discussion with the Chief Operating Officer. And he said, "It's nothing personal, this is just what's happening." And I said, "We're numbers to you. We're not people to you" and I said to him at that point, "it's not over until the fat lady sings, and I have not yet begun." The letter writing began and our ferry came back, which we needed. We are isolated here when our mountain caves in. When we can't fly out, the ferry is our only link. It hasn't been marketed correctly and we know that. BC Ferries has tried. We've worked hard on it. We'd keep getting different marketing people every time we would go for a meeting. We used to have two meetings a year as the Ferry Advisory Committee. Both face to face. It's very expensive to bring us in because we come from the whole coast and they bring us into Vancouver because that's the easiest place to bring us. So then they decided, to save money, we would have one face to face a year and one by video or teleconference. For me it was on the other end of a phone line. So that didn't work very well. So, after a lot of thought, I resigned after our spring meeting. Because, to me, every year I would go down, every year we would hear the same thing. Next meeting, exactly the same thing- nothing was changing. We need a direct route from Port Hardy to here. We do not need to go into Ocean Falls and the other little milk stops. Nobody wants to be on a 33 hour ferry ride in an uncomfortable seat. I went online and pulled off the specs of the Queen of Chilliwack, who Mr. Linkwood said in this 2001 that she was going to be replaced in 2002: "BC Ferries will retire the Chilliwack after the summer of 2002." Well, obviously that didn't happen. So on the specs that I pulled up from the BC Ferries website: "The Queen of Chilliwack car capacity: 115, Passenger and crew capacity: 389; The Nimpkish car capacity: 16, passenger and crew capacity: 125." Well I would hate to see 125 on that little boat. So how, by cutting costs and still providing us with the ferry service, are we possibly going to have any tourists coming? If they're going to have to take the larger boat into Bella Bella or Shearwater and do the transfer, where, number one, are they going to be waiting for the Nimpkish to come over come go to Bella Coola? There's no accommodation. We know how long the waits are. Our customers have complained about it. So if you're thinking of keeping our ferry going, at least make it so that it will work. Keep the Chilliwack on. I mean how many millions of dollars have been put into the Chilliwack already to keep here going for these 12 years, or 11 years? That would be my question. Now you're talking about how much it's going to cost to replace her. We've been told all along- when those three ferries were contracted to be replaced, two got built, our ferry never got built. The excuses were made. There's people in here that are going to go bankrupt. There's people across the Chilcotin are going to go bankrupt. What is the future of that, for the Liberal government that promises all these things that they're not bringing. Christy Clark should hang her head in shame.
- C: *Judy Kirk:* Thank you ma'am.

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- C: *Brian Lande:* I'm Brian Lande. I'm a member of the Central Coast Regional District, Electoral Area C. I think that this is more than just Bella Coola, really, because we do represent the whole central coast and you're planning a 32 percent reduction on Route 10 which is going to affect us drastically. Our chair, Reg Moody from Bella Bella, who you'll hear from tomorrow morning at our Chief Administrative Officer, has been very active in the Coastal Chair's ferry committee, trying to get better service for our communities. We've just been forgotten, and it's going to hurt our community and all the communities on this coast drastically. I just want to remind you that we have been very active trying to keep this service going and it's fallen on deaf ears. That's the way we feel. Thank you.
- Q: *Bill Van Es:* Good evening. I'm Bill Van Es, owner of Escott Bay Resort in Anahim Lake in the west Chilcotin. A couple of things that I'll bring up later too, but at this point in time I think it's very prudent for this panel to give us an honest answer about the timelines. I think there's some confusion. We were told just in the last couple hours in a couple of conference calls that there would be no decision finalized until February when all the submissions come together and it is looked at from the political avenues possibly. These are from high level people that are- I'm also involved with, I directed an advocacy chair of the Cariboo-Chilcotin Coast Tourism Association, president of the Western Coastal Tourism Association and we've been told not to take this lightly at this point, that there's no decisions been finalized. So we need an honest answer from this panel. We were told that in February, the final numbers will be dealt with or looked at. That's why your submissions will be made out of the one group here. Also, the other submissions will be balanced and looked at by the political leaders and hopefully make the right decision. Is that not correct?
- A: *Kevin Richter:* So the plan to eliminate Route 40- the decision to eliminate Route 40- has been decided. However, as government committed, we are coming out to the communities to find out if there is any considerations that we had missed. So, I don't know who that you were talking to, but this is the plan that we have for the service reductions right now. This was the plan that Minister Stone announced on Monday.
- C: *Lynda Petruzelli:* I just wanted to add something to that that might help clarify a little bit. After this engagement process is over, there will be a report out from the consultants Kirk & Co. That report will be delivered to the Province and to BC Ferries. At that point in time there is a contract in place between BC Ferries and the Province that needs to be changed. That essentially would formalize these changes that are being discussed here tonight.
- Q: *Bill Van Es:* Ok. That's the only question that I had to get things out in the open so that we all realize that we can't just lay down and say this is all over. We want to see an opportunity, and if it is a chance, to put some common sense into this whole thing. And I just want to have an honest answer so that all of us know which way to address this meeting. If it's over, we're all wasting our time. We came a long way to get here.
- C: *Judy Kirk:* No, it's a good question sir and I think it deserves a straight answer.
- A: *Kevin Richter:* So we do have this plan, and we have come out to the communities. We're coming out to the communities to get your feedback. The information we collect will be going to Government for its review of it and if there is information that has been changed then Government can make the decision. At the end of the day, it's the elected officials that are going to be making

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the decision on the service reductions, on the route elimination. And this is the plan that's on the table now.

- C: *Bill Van Es:* I guess, the way I'm looking at it, BC Ferries, through the Ministry of Transportation, has made \$19 million in savings. Right? And so you've done your job. You've said, "Ok, we can save \$18 dollars" or 19, whatever that number is. This is to resolve your contract that you've been mandated to do. So you've done this, you've said this is how they can save \$19 million, and it's up to us now to fight back a little bit. Because, and the politicians may not agree, that's what I'm saying. I'm saying that it's our challenge now to get our elected officials to say, "No, I think you are wrong." And we have to prove that point. I'm not taking this lightly. There's money that's being wasted as taxpayers. There's also money on the other end that's coming in that maybe we want to make sure that there's an opportunity to capture those dollars for the whole province, not just for BC Ferries. So that's the only reason why, I just want to clarify this, that we all feel that there is a fighting chance. Thank you.
- C: *Judy Kirk:* Thank you sir. Useful comment.
- C: *John Morton:* So my name is John Morton. I've been in business here for 45 years with my fellow citizens and their small businesses. During that time we've suffered economic difficulties and we've weathered demographic changes and we've had a number of setbacks. But, like a determined boxer who keeps getting knocked down, we have picked ourselves up and carried on. However, even the most resilient boxer eventually gets knocked down one time too many. And I think this is what this is about. This is what this week has felt like. It has felt as if we have been knocked down one more time and it's one time too many. I think we're feeling the effect of a blow that seems more lethal because it's been delivered by our own government, who's supposed to be working for us, but in fact turned out to be working against us. Following Monday's devastating announcement, on Wednesday I learned that no consideration was given to economic or social impacts on the affected communities. I found that quite shocking. We know that almost every decision; every other government and industry decision being made today considers exactly those things, often before all else. Taking the examples of Enbridge, Kinder Morgan, Site C, the Prosperity Mine; the social impacts were critical factors in those decisions. And so why is the Ministry of Transportation and BC Ferries apparently exempt and aloof from taking account of the social impact of its decision on local economic conditions? And those impacts will be substantial, as you are hearing from other people. Route 40, the Discovery Coast, was the only route to be cut completely. And let's not try and pretend that your route service from the Nimpkish is replacement service. That's like asking people who travel from the Lower Mainland to Vancouver Island to take a series of inter-island, spartan, island-hopping ferries. And they wouldn't do it and they really wouldn't like it. So to return to my boxing analogy, Mike Tyson has published his autobiography this week, as you may have heard. And we all know, that in and out of the ring, Tyson was a bully. He treated people badly because he could. And today, what I see, is BC Ferries and our government are the bullies. They're making decisions that will seriously impact our communities and our lives and people who live here. Not because it's right or fair or just, but just because they can.
- C: *Ken:* Hi. My name is Ken, and I'm sorry you have to sit here and take this. I worked for the Ministry of Environment for 33 years and I've had to sit there and take all kinds of things in the past, but

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we're talking about our community. I want to talk a little bit about history so you have a perspective. With fishing, there used to be no unemployment in the central coast. There were all these little canneries and there were all these little jobs and everybody worked. And you know, big business, the corporation came along and it was so much cheaper and so much easier to send all the resources south. And that's what they did. And you went from having total employment, particularly on the First Nations communities, to having, you're lucky if you had 5 or 6 percent employment. Then came the days of timber harvesting and the big corporations moved in and there were jobs. And, you know, they logged in and around all these communities until there was nothing left and there were no jobs for our people and they left. But they're still out there. And there's still hundreds of millions of dollars going out of the central coast in timber revenues, but we don't see it and we don't have the jobs because they logged around our communities and there's not much left. They gave us a community forest license, which was pretty much a slap in the face for the volume that they allowed us, which was the dregs of what was left. So, as John was saying, we had to rebuild ourselves. And we did it with tourism. And we sat through a land use plan for over 12 years. And we made all these protected areas and we had the ferry and we were reinventing ourselves and just like that the ferry is dead. So everything this community has ever done economically has been taken away by some allocation of our government. First it was fishing, then it was the timber industry, and now it's the ferries. And you're here saying you're having consultation but you've said already three times tonight the decision has been made. I think it's time for a fight. If there's still hundreds of millions of dollars' worth of timber here, maybe we should be like it was prior to the land use agreement and start blocking those. You're still taking the resources and they're still going south. And it's not just this community. There's all the small communities up and down the coast where the same thing is happening. Those resources are being allocated somewhere else. Those jobs are going somewhere else. And the government doesn't want to invest anything. So if you don't want to invest anything in the central coast, then don't take our resources either. We can deal with them. We can deal with them just fine. So what's it going to be? These kind of actions that brought about a land use plan, and 30 percent of the central coast coming under protected areas that no one can enjoy because there's no access because there's no ferry because of marketing strategies that have failed. So there's all kinds of social, as John was talking about, as Steve was talking about, impacts that were never considered. Shame on the government, shame on elected officials for telling us about sustainability. Because they came in here under the auspices of sustainability, took the timber resources, and left. And here we are. Our community has been reduced by a third. You keep losing your capacity, you lose it to a point where you start losing your schools. Our hospital has recently come under fire and is being taken over by the Vancouver Health Authority. How long before the budgets take our hospital away from us? And it goes on and on and on and on and it's a drain on the spirit of people who live here. And you can't expect people to sit down, at some point, and take it. Because there'd be no place to sit.

C: *Ernie Hall:* I've been connected with the Bella Coola valley for 46 years. I went away, came back, I retired here. I've no vested interest in the economy here, I'm on pension. I love it here, that's why I'm here.

Q: *Judy Kirk:* And this is Ernie...?

A: *Ernie Hall:* Hall. Yeah, Ernest Hall.

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C: *Judy Kirk:* Thank you.

C: *Ernie Hall:* I'd like to point out that Bella Coola is very special on this coast. The Bella Coola Valley is remote; more remote than anywhere else on this coast for a community of this size. No other coastal community, with the kind of population we have here, and so remote a tourism industry that depends on a ferry service that enables tourists to complete the circle. No other community on the BC coast shares that with Bella Coola. In Skidegate, the ferry is a transportation service; it's essential. But it doesn't create the economic driver that the Circle Route makes for tourism for Bella Coola. There is a challenge. BC Ferries has suffered a financial loss every time the Queen of Chilliwack has left the dock for 16, 17 years, whatever it is. By eliminating its sailings and replacing it with the Nimpkish, a much smaller vessel, it operates a lot less effectively and its capacity utilization will exceed the 29 percent recorded in recent years for Route 40. It makes perfect sense in financial terms. By cutting the Queen of Chilliwack and putting the Nimpkish in place, \$1.45 million can be saved by the beginning of the 2016 season, is what the Minister's announcement said. That makes sense financially, but there's a fallacy here. And that is that the Nimpkish won't work. Ingrid in Insburg, Austria is not going to book a trip that includes that transfer in Bella Bella to that little boat. It won't handle the Winnebagos, it won't handle the over-heights. Instead she's going to book the Circle Route in the Kootenays and Banff. She's not going to come and see the Great Bear Rainforest; she's going to do something that's a bit more convenient. And the announcement that we heard on Monday builds inconvenience into the alternative. Destinations BC, who promotes tourism British Columbia, is still promoting the Circle Route. And this involves direct sailings between Port Hardy and Bella Coola. It's in the literature. BC Ferries does some promoting, albeit a bit weak. In the short term, tourists who are far afield who are already making travel plans for 2014- if they've heard what has happened this week- are booking Whistler, Pemberton, Banff. There are several routes that don't involve coming up this coast with the inconvenience that this decision makes. Now we do have a new economy emerging here. It's been emerging here since the old economies began withering; the logging, the fishing that we've all heard about. There is a new economy emerging and it depends on what has been happening over the last 20, 30 years and what the folks here envision can happen in the future. But it's not in stopping what's been going on. And that's what this ministerial decision, or departmental decision- government decision has done. Cancelling direct sailings between Port Hardy and Bella Coola is a short term financial decision that makes perfect sense in the books, but it's part of British Columbia's transportation and infrastructure system that needs to cut its costs in relation to its revenues. We've seen that, \$19 million. But, for the central coast and the Chilcotin on this Circle Tour, BC Ferries Route 40 represents a critical link in the region economic lifeline. It's a given. It's one that pumps new money into the suffering local economy. There are some long-term implications here for the economic health of the central coast and the Chilcotin, and by extension the entire province. The economically depressed region over the long-term will become even more so unless developmental stimulus becomes a priority for British Columbia's decision makers. The decision to cut BC Ferries Route 40 is not a financial issue, it's not a service issue, it's a development issue. And it deserves greater attention than was revealed in the announcement that we received on Monday. We're talking here about economic development. We could get hyperbolic and compare it to the late 19th century when they were building railroads across this continent. They built those railroads as developmental projects. They weren't transportation

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projects that involved profit and loss. They were opening up a continent. They were developing a continent. They were uniting Canada. Without those railroads, Vancouver Island would probably not be part of British Columbia, which would probably not be part of Canada. Governments at the time involved private enterprise also to build Canada by using those railroads as a tool. Now, it's a bit of an exaggeration, but it's very analogous. That little ferry they call the Queen of Chilliwack, as unfortunate as its condition might be, is equivalent to the trains that came across here in the 1880s, 1890s. They're building an economy. The people of the Bella Coola valley have been working on that, in good faith, with their governments and with BC Ferries since- I don't know, I was out of the valley then. I think it was 1996 when the first ferry ran, or '97. And the people of Bella Coola valley have been building their lives with that as part of the economic driver. There are people here who have invested hundreds of thousands of dollars in businesses that were predicated on that ferry operating. That makes this situation very different from all of the other very valid concerns that the communities up and down this coast have. The ferry schedules, whether or not we should put casinos on the ferries, et cetera. Those are important issues, but this one is very different. I don't have any questions, but I do have some recommendations:

Transportation and Infrastructure Ministry should immediately initiate discussions with pertinent federal and provincial government departments. We don't have a department of economic development in British Columbia. If you look at the Cabinet, there is not a Minister responsible for that. We have ministers responsible for this and that but nothing. The federal government doesn't have one of those either. They have western diversification. They have northern development, which focuses largely on the far north. We also have a special development cabinet post in Ottawa for Ontario, and another one for Quebec, but we don't have one for economic development in British Columbia. But a recommendation, I think, that should have some weight is that our Transportation and Infrastructure Ministry here begin communicating with other departments in the British Columbia government and the federal government about the developmental implications of decisions like we heard about on Monday. The government temporarily rescind the decision to cancel Route 40. That's possible. Rescind that decision. Think of it as a \$750,000 loss for 2014. Continue as we have been. Just don't cut those costs as far. Subsidize it to the tune that the elimination would have saved. The government form a steering committee of some sort that includes an economic researcher. A committee that's charged with developing an economic impact report about all of this with a deadline of something like 60 days. What is the economic impact? Now, this is not to mention the social impact that people here have already mentioned. This is serious. It's not saving dollars and increasing revenues. It's diminishing the ability of this community, which is very resilient, to take it again. As John said, we can't do that. It's just that simple. Something must be done and we need to go about figuring out what that is. And it's not by sitting down and looking at a business plan, it's by looking at a philosophical approach to why government is there and why people put them there. Thank you.

C: *Judy Kirk:* Thank you to you sir. And you provided me with your notes when you came in. Yes, thank you.

C: *Bill Van Es:* I've got to put my specs on this time. I told Amy, our CEO of the Cariboo-Chilcotin Coast Tourism Association, which I'm director and the chair of the advocacy committee, that I would read this letter. The headline says, "Cariboo-Chilcotin Coast Tourism opposes Minister's proposal-

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Williams Lake, BC.” The Cariboo-Chilcotin Coast Tourism Association (CCCTA) is strongly opposed to the Minister of Transportation’s proposed BC Ferries cancellation of Route 40, Port Hardy to Bella Coola, based on the economic hardship and loss of jobs it will reap. Additionally, this surprise announcement reflects the lack of meaningful consultation with affected stakeholders. This route is a key component of the provincial Discovery Coast Circle Route and generates significant revenue for business and communities throughout the interior. Amy Thacker said, “my phone is ringing off the hook as businesses reel at the lack of notice and consultation on this proposal.” And this is our CEO, “One business has over 700 room nights at stake and without an immediate resolution faces significant cancellations for the 2014 season. Our association represents over 200 similar stakeholders and we cannot allow this potential economic devastation to be considered.” Cariboo-Chilcotin Coast Tourism Association is compiling data to support a regional economic impact statement and is calling upon consumers, travel wholesalers, inbound tourism operators, rental car agencies and airlines who may operate a business or book travel for this region requiring the ferry service between Bella Coola and Port Hardy to please contact the CCCTA office regarding how the proposed BC Ferries cancellation may affect you. “The Port Hardy to Bella Coola Queen of Chilliwhack run supports the visitor economy of the Cariboo-Chilcotin coast” says Pat Corbett, chair of the CCCTA. “Early estimates are in the millions of dollars in revenue generation along the Discovery Coast route, providing critical jobs, benefits to businesses and the communities throughout our region and province. The CCCTA Board of Directors looks forward to constructive and meaningful discussions with our provincial government and officials at BC Ferries and to work cooperatively towards a resolution of this important matter.” This is the letter that I said I would read. One thing that I would also like to say, there’s one thing that- I’ve been asked to get a timely response and I know this panel cannot do that but it’s critical. Hopefully something that may have to cross your mind is that tour companies have already booked next year’s season. They are debating what they’re going to do next, and this could involve suing. It’s not a scare tactic, but there’s companies that have booked trips, that have made airplane reservations. Most of the German people, as we all know, are very organized. So they’ve planned a year ahead of time. Hell, they’ve booked a year ago to go on this run. So there’s potential legal action that could be coming. We don’t know that for sure, but these are some of the challenges. And a funny thing that’s still happening today, your schedules are still showing on the website. Your schedule is still showing that you’re still doing all this stuff for next year, which is very awkward for people that are trying to book; because they’re still booking. So these kind of things are- should keep in mind because these companies will exercise their right and some of these laws are very hard to fight because these people have booked, and they’ve paid. When you book in Germany or most of Europe, you pay ahead of time, and it involves airlines and bookings with BC Ferries. Ok so thank you.

- Q: *Judy Kirk:* So, sir, I think I understand that you clearly don’t want Route 40 eliminated or cut, but are you suggesting that- and I’m just asking for clarification of the record here- are you suggesting that some notice should be put on the schedule that says “subject to change” or something like that?
- A: *Bill Van Es:* I’m saying they should leave the schedule alone and keep the ferry running.
- C: *Judy Kirk:* Ok. Fair enough. I was just trying to-
- C: *Bill Van Es:* I know. No, I know what you’re saying. I think what I’m trying to say- this goes a whole lot further. Not only the social and the financial and the whole thing, this is a responsibility that- if nothing else, give us a year time. We’re hoping to go beyond that, but the ferry corporation has to

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be aware that these people already have paid up front. They're not just going to say, "oh, well we'll go New York instead." So that's all I'm trying to clarify.

Q: *Judy Kirk:* Thank you. Now did you give me that letter?

A: *Bill Van Es:* You can have this one, I have other copies.

C: *Judy Kirk:* Ok. Thank you very much.

C: *Brian Lande:* Brian Lande, Central Coast Regional District. I think that one of the biggest problems BC Ferries had is they haven't ever marketed this route, even to the extent that one local person here volunteered his services for three or four years going on as a goodwill ambassador for the community. Last year, he went down to the ferry and they said, "We don't need you this year." He went down three weeks in a row, same thing. The fourth week he went down, they asked him- said "well we'll have to make a phone call." "Well," he says, "you don't need my services." I thought you would be more than happy to get that kind of participation from communities, but I don't think you've tried to market- BC Ferries has tried to market our community at all. That's one of the problems. You see ads on about "go to Victoria, go to watch the waves." Everything like that. But you've never marketed this route effectively.

C: *Judy Kirk:* Thank you sir.

C: *Caitlin Thompson:* Hi. I'm Caitlin Thompson and I'm actually with the newspaper, but I'm also the artistic director of the Bella Coola Music Festival. So, every year we use the ferry, as a festival. We bring artists up on the ferry, we bring the kids' site, climbing wall, we bring it all up on the ferry. As a festival we are also marketing the ferry as an option for our artists and people coming to Bella Coola and it's been a really big part of the festival for the past 15 years. And it's been a big supporter of the festival too, so in that respect I'm really, really upset to hear this announcement. And actually the festival used to be called the Discovery Coast Music Festival, basically to try and taper in with the ferry to market it better. I definitely can understand peoples' concern with the marketing because the route is not marketed at all and I find that really disappointing. Because when you're actually on the Discovery Coast route, it's really different. It's fun, it's unique. It's not like taking a ferry, it's like taking a mini-cruise. And the crew on there are excellent. They do everything to go out of their way and make people feel welcome and have fun and I'm always surprised that it's not more full because people don't know about it. As a resident of Bella Coola who lives here with a young family, I'm kind of a minority in that respect, there's not a lot of young families here because it isn't easy to make it work here. You have to be creative, you have to find a lot of different jobs and meld them all together. I do two jobs. Many people do a lot of different jobs. The big thing about Bella Coola is that people work so hard. All these people on the tourism association, I understand how hard they work and how much time and effort, and their own time and effort, they don't get paid to do this, how much time and effort they put into marketing this place. And to have the government turn around and cut this route is just a complete slap in the face for everybody. It feels so unfair. Thank you.

Q: *Unknown:* I'm (unclear) in the Chilcotin up there. I understand that BC Ferries has created, in the last 17 years, losses. But I don't understand how that can happen, that you produce losses for 17 years. But now I question, what has been done in the last 17 years to generate more money? To

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convince people to book the ferry, that the boat got full. And the next question is why do you create a tour going through the night through one of the world's most beautiful areas?

C: *Judy Kirk:* That's a good question sir. So let's start with the first one.

Q: *David Hendry:* I just want to clarify the question on the losses- are you talking throughout the company, or just this route?

A: *Unknown:* Just the route.

A: *David Hendry:* I hear you. It's a very expensive route to run. It's a large vessel, that's why the capacity utilization is not there. The vessel only runs three months of the year. It's very expensive to maintain, this vessel, in such a short period. I understand that it's absolutely critical, from a tourism aspect, but it's the wrong vessel. And it's running three months of the year and to replace it, as Kevin says, would require a custom built vessel which the government is not willing to support in terms of making that capital investment.

C: *Judy Kirk:* And what about your second question, which was about, why would you run this at night when it's such a beautiful area?

A: *David Hendry:* Yeah it doesn't make sense to me either. We have a contract with the government that goes back quite a few years in terms of the schedule. We provide service to meet that contract, and that contract would also dictate the operating hours in terms of the scheduling.

Q: *Judy Kirk:* So Kevin, can you answer that question? Why would government want the boat running at night?

A: *Kevin Richter:* I don't have knowledge. It was before my time when they set up the route. Perhaps Joanne knows, but I'm thinking that it's related to that it was also stopping in the other communities such as Shearwater and Ocean falls.

C: *Judy Kirk:* Let's let Joanne answer.

A: *Joanne Doyle:* That's pretty much what I was going to say. I think it has to do with all of the other stops that the Chilliwack is doing. It does take a long time to go from Port Hardy all the way up here.

Q: *Unknown:* What I don't understand; who is serving these little communities over the other nine months during the year? You serve the little communities three months in a year, and you have to do that with the huge boats. And who is doing that in the other nine months of the year because I know the year has 12 months.

A: *Joanne Doyle:* So the Nimpkish currently serves Ocean Falls, Shearwater going to Bella Bella to come down south on the Northern Expedition or the Northern adventure- depending on what time of the year it is. So the Nimpkish will operate from September until early June and will serve those communities once a week.

Q: *Unknown:* So you accept losses by running these communities with a big boat?

A: *Joanne Doyle:* We have a contract to provide a certain number of round trips per year based on visiting the minor terminals such as Ocean Falls and Shearwater as well as servicing Bella Coola in the summer. We have a requirement to fulfill.

Q: *Unknown:* Do you ever question if it was a think that you should think over? If it makes sense to fulfill this contract that you have?

C: *Judy Kirk:* That's a good question. And then I have another one for you because I want to make sure I understand. But go ahead David.

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- A: *David Hendry:* That's a good question. We have a contract. We're the service provider and we have a contract with government and that dictates the service we need to offer on all routes throughout the system. It's very prescriptive. It stipulates the round trips per year, the round trips per day, the operating hours per day and that's like any other operator that has a contract to fulfill. That's what BC Ferries is contractually obligated to fulfill.
- Q: *Judy Kirk:* Sir, are you saying that if the boat didn't stop at these smaller communities that it could run from Port Hardy to here and therefore perhaps run during the day and be more full?
- A: *Unknown:* Yeah.
- C: *Judy Kirk:* Ok, I just wanted to make sure that we got that.
- C: *Unknown:* And the German tour operators, they only sell the big trip. Because of consumer protection laws, they would get in lots of trouble when people come here and there's no really comfortable stay overnight and they have to sleep in a chair and so on and pay the same amount of money they could in a 12 hour trip.
- C: *Lynda Petruzelli:* I just wanted to add something to that, if I could. I did the circle tour a couple of years ago, and for us- I don't know if everybody comes in the same direction because the circle tour you can actually do in the opposite direction as well. So we didn't drive up north to Vancouver Island and take the sailing from Port Hardy, we drove to Bella Coola and then we took the sailing back down to Port Hardy. For us, it wasn't a night sailing. It worked out perfectly because it leaves Bella Coola in the morning and you get the benefit of seeing Ocean Falls and Shearwater and Bella Bella during the daylight hours, and that's the beautiful passage. And then at the night time when you're in the open waters going down, it's the time of course when... So I'm just saying that it goes in both directions and it was a day trip when we left Bella Coola and it was quite lovely.
- C: *Unknown:* But if you take the trip vice versa then you are travelling through the night.
- C: *Judy Kirk:* Correct. Ok, thank you sir.
- Q: *Cathy:* I have a question for David. The Chilliwack has been shared since she's been running. She comes here for the summer. Does she still go to Powell River and that?
- A: *David Hendry:* Yes.
- Q: *Cathy:* Ok, so you're talking about this huge loss that is incurred on the Chilliwack for three months here and as we keep bringing up about the marketing- and you know about the marketing. If it was marketed better, run during the day only, we would've filled it and not done the other part. So when you're talking about having to replace the Chilliwack, which should've been replaced a long time ago, and put out all this money to replace her, what ship is going to Powell River? Because the Chilliwack gets removed. Obviously the Nimpkish isn't going to Powell River.
- C: *Judy Kirk:* So, what goes to Powell River?
- Q: *Cathy:* What ship is going to Powell River? Coming across the top of Vancouver Island is spectacular for water. I know it has to be a double-hull boat; I've been listening to you guys for so many years I know that part. But why can't the ship that's going to be in Powell River be in Bella Coola?
- A: *David Hendry:* That's a great question. There's two vessels. One that goes from Comox to Powell River, The Queen of Burnaby, was built in 1964 so she is being replaced in April of 2016. The other vessel that the Chilliwack provides relief for is the Queen of Nanaimo. That's the Burnaby sister vessel, also built in 1964. She provides service in the southern gulf islands; sailing from Tsawwassen through the southern gulf islands. You're absolutely right, up until now and for the next two to

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three years while the Chilliwack's still sailing, she's still going to be the relief vessel any time that the Burnaby or Nanaimo needs a refit. In 2017 there will be three vessels, three intermediate vessels, that are standardized vessels, more basic vessels, without so many frills on them. They will be replacing the Burnaby. They will also be replacing the Nanaimo. And what's happening in the Southern Gulf Islands is there's actually two vessels that will replace the Nanaimo and sail for the busier portion of the year, and in the less busy portion of the year, that second vessel, which is actually going to be a little bit smaller will be available for relief. But she is not the classic vessel that would be able to sail up on the Mid-Coast. Also she would be too large; she wouldn't have any sort of cabin amenities. So what's really required for this mid coast route is a custom built vessel that is smaller in size, has the cabin amenities, and that's not what is being built down south.

C: *Cathy:* Because we have been promised all along to have a replacement ship built that would fit our harbor and what could dock here. I realize that if we get a bigger ship in here, obviously she's not going to dock down. You're going to have to put her out and bring people; it just wouldn't work. But the idea that the Chilliwack, she goes here and she goes to Powell River, it just doesn't make... You can't just say that the Chilliwack is losing all this money in three months because she runs all year.

C: *David Hendry:* She provides refit relief on some routes of the times of the year and then when she's not providing refit relief she's laid up at our facility down south so she doesn't run all year long.

C: *Cathy:* Who's bright idea was it to put casino machines on the ferry? There are so many addictions in this province now and a lot of the people who are travelling on these ferries have addictive personalities. They spend their money gambling, they spend their money on bingo, whatever. So you're going to make all this money, save all this money, but you're going to be paying it all out in medical costs for the people who are addicted... I've got to say that's the dumbest thing to do.

C: *Judy Kirk:* Thank you ma'am.

C: *Ray McIlwain:* Hello, I'm Dr. Ray McIlwain. I just wonder whether the government or the committee involved has considered the fact that every July, the mammography team comes up here with their equipment on the ferry and serves about 200 women, providing screening mammography. This has been going on since the ferry has been coming up. That means that 200 women are going to have to make that trip out to Williams Lake to get their mammographies. I've been told that they can't bring the mammography vehicle and equipment in over Highway 20, so it's going to mean a lot of travelling. You've got to think about those costs too when you're thinking about all of this.

C: *Judy Kirk:* Thank you sir.

C: *Unknown:* If we're trying to save money, I know that there was a raise voted just a week before the announcements were made. Now, if we were like Europeans, who are now having a referendum, it's still one for twelve. So the highest paid officials or CEOs or executives don't make more than 12 times what the lowest paid person makes. We can have a lot of savings for that and we could even have, maybe, a discussion on some of the ways we may be able to retain our ferry. So how about reducing some wages?

C: *Judy Kirk:* So, Sir, let's let this woman come because I think we've heard from you once before. And then let's have you two gentlemen. Yes ma'am?

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- C: *Moirá McIlwain*: I just have a question here.
- Q: *Judy Kirk*: And your name please?
- A: *Moirá McIlwain*: Moira McIlwain.
- C: *Judy Kirk*: Thank you.
- Q: *Moirá McIlwain*: I'm just looking at page 9 on this pamphlet you gave us. Is it true that the only estimated net savings from reducing our run is \$1,450,000? Is that really all we're saving? Over three years? Because really, that's like a slap in the face then when you consider the value of all the businesses and the inconvenience to people here and the decrease in the economy would be worth way more than that.
- C: *Judy Kirk*: Ok. Kevin? Is that the net savings.
- A: *Kevin Richter*: So that's the net savings; the estimated net savings for the two years. But then when the vessel is retired, that savings will go up and we will get- the savings that will come back into the system is related to the fact that there won't be the capital cost, there won't be the maintenance cost. So that goes up by several million dollars after the vessel is retired. So that's to start with, but it gets larger and larger once it's retired.
- C: *Leonard Ellis*: With regards to the sailing time coming up when they depart Port Hardy, I feel that you're really missing the boat, so to speak, on that. They should be leaving at sundown from Port Hardy, coming across the sound, because most people want to lay down on that groundswell anyways because they don't feel good. And then if you hit Namu at sunrise, you're out there with all the beautiful big humpback whales breaching and dolphins. You really give them a show coming up Burke Channel. It's what the people are paying for. We're talking tourists on this run, so that's important. The money it costs to go into Ocean Falls; there's only a handful of people living there now. There's only 20 people living there. Bill was saying, as we all know, you can't even buy a cup of coffee in Ocean Falls. There's no facilities there, so the amount of money it's costing to run into those towns is a lot of money. So all we really need is the direct run from Port Hardy to Bella Coola to keep the traffic flow coming. And it's got to be done in a marketable fashion. It should be done from the first of May until mid-October. We've got excellent spring grizzly bear viewing out here in the inlet. It's not just a fall show. And you've got beautiful daylight hours from basically May first, so you could extend your season to five months there. And the number one priority is marketing. BC Ferries has to market this, the BC government has to market this. We're trying everything we can to market it with no funds. If you're going to throw a party you've got to invite people. The most important thing is marketing this tour.
- Q: *Judy Kirk*: Thank you. Thank you, sir. And what was your name again?
- A: *Leonard Ellis*: Leonard Ellis.
- C: *Judy Kirk*: Leonard Ellis. Thank you.
- Q: *Petrus Rykes*: Hello, my name is Petrus Rykes. I'm from Eagle's Nest Resort Anahim Lake. I'm representing the West Chilcotin Tourism Association. First of all, I have a question. There's actually three sailings on this route: there's a direct and there's two milk runs. The milk run is three times the fuel costs, three times the labour and three times the maintenance costs and you basically charge the same thing. Any local business man would know that's where the losses are. We've

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asked BC Ferries for many years to separate the figures to show where the losses are. They keep lumping them together to justify that this loses money. We believe the direct run would make money. The question I have about the direct run: if you have a direct run, and you have a new ship, you're looking at a basic 8 hour ship. You don't need all the accommodation, you don't need all this fancy stuff, you don't need a \$100 million vessel if you do a direct run. I'm just wondering what the cost would be to get a vessel for a direct run instead of a milk run that's 35-36 hours.

- A: *David Hendry:* That's a good question. The current service is driven by the contract that we have with the government and it stipulates that we need to go to those smaller communities as well. I would suggest that if you have a suggestion or recommendation in terms of a shorter duration trip, you could put it in the feedback form.
- Q: *Petrus Rykes:* But that's self-defeating and sabotage because the small communities is where the money is lost. Why do you keep lumping the losses with the profitable run? Why can't you separate those? We've never got an answer over all the years we talked to BC Ferries on this.
- A: *David Hendry:* Again, we've got a contract to provide service that goes to not just the larger centres, it goes to the smaller centres as well.
- C: *Judy Kirk:* But the question isn't that. The question is about the numbers.
- Q: *David Hendry:* You mean splitting up the...?
- C: *Petrus Rykes:* You have to provide service to all the communities. You do it after this ferry leaves, no matter what. You still have to do that. You get \$20 plus million from a subsidy from the feds to do that.
- C: *Judy Kirk:* But I think your question- I just want to make- I think that was a bit of a different point. Your initial question was why can't you split out the losses?
- C: *Petrus Rykes:* Yes. The losses from the profitable part. I mean, in a business if you've got a loss in a section of your business you would cut it out. If you've got a contract or not you'd cut it out. You're justifying this run on the losses, and the losses are with the small communities. So don't use the community contract as an excuse.
- C: *David Hendry:* I understand where you're coming from. You're saying basically, split the route up and say, "how much does it cost to go to Ocean Falls, how much does it cost to go to Shearwater, how much does it cost to go to Bella Coola.?"
- C: *Petrus Rykes:* You've already stated that the Nimpkish will handle all that in the report that came out the other day. The Nimpkish can handle that. Ok, so the Nimpkish can do all that, why can't you just have a direct run for the three or four months out of the year that makes money?
- Q: *Judy Kirk:* So the corollary, Kevin, would be, if government is dictating the contract, would government consider that. Correct, sir?
- A: *Petrus Rykes:* Yes.
- C: *Judy Kirk:* I mean, don't let me put words in your mouth. I'm just taking what you're saying.
- A: *Kevin Richter:* That's why we're here. If there's an idea and the community was saying, "Don't have it. Do the milk run. Just have it go from Hardy to Bella Coola." That's why we're here. We're collecting this information; maybe we didn't get everything. So when government has to make its decision, this is the plan and those are the type of ideas that I would ask you to put down and that I can relay on. I would ask BC Ferries for the numbers because at the end of the day, will it still get enough revenue to make it or is it still only going to be at 30 percent? I don't know, but if that's an

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idea that the community wants to put forward, then that's something that I would like to have you guys submit.

- C: *Petrus Rykes:* Klemtu is on the milk run too, and they've got a new ferry terminal and they would prefer the larger ship that goes to Rupert. So that could be eliminated from the milk run, which is your greatest expense because it's the furthest away. That's a solution there.
- C: *Judy Kirk:* Ok. So, sir, please make sure you provide that in a written submission or in the additional comments section in the feedback form.
- C: *Petrus Rykes:* I'd just like to read a letter I sent to the Premier this morning on behalf of the West Chilcotin Tourism Association.
- C: *Judy Kirk:* Yep. Please do.
- C: *Petrus Rykes:* "Dear Premier Clark, the proposed discontinue of the Discovery Coast ferry service by BC Ferries. You were recently elected as the Premiere of British Columbia after a campaign during which you made clear your promises for the people of British Columbia. You would foster economic growth, you would create jobs, and you would put families first. Consequently it is with great dismay that we see that an early action of your government is to propose a discontinuation of the coastal ferry between Port Hardy and Bella Coola. A proposal that is a direct contradiction to each one of your election promises. The proposed discontinuation of this ferry service would be nothing short of an economic disaster for the people of the Cariboo-Chilcotin Coast Region, particularly for the people of the Chilcotin Coast. It will cause numerous business closures, create widespread unemployment, decimate the tourism industry along Highway 20, lead to many bankruptcies and a collapse in property values, and cause severe economic hardship for many families. There is no reason for it. We at the West Chilcotin Tourism Association believe that you were sincere when you stated your goals in the recent election campaign and that you have not been properly informed of the implications of this proposal. Therefore we ask you to consider the points of discussion relating to this issue that we will present in the remainder of this letter: The Discovery Coast ferry is essential for the tourism industry in the CCCTA region. Chilcotin Plateau and the Bella Coola Valley are accessible by road only along Highway 20 from Williams Lake. Bella Coola is approximately a six hour drive from Williams Lake one way. The Discovery Coast ferry is the engine that drives traffic through the centre of this region, otherwise Highway 20 is essentially a dead-end road. 25 years ago, the Chilcotin coast was a fishing destination that formed the basis of this tourism industry. Today, however, the tourism demographic has shrunk to the point of insignificance. Most tourism today is so-called "soft tourism", where people look for experiences that they can complete easily and in a single day, such as hiking, canoeing, wildlife viewing, and especially tours such as horseback riding, bear watching and float plane sightseeing. These tourists also look for a certain level of comfort in their accommodation. Today's tourism demographic is highly unlikely to take a three to six hour drive along Highway 20 only to have to turn around to drive back if there's no means taking you forward. With the Discovery Coast ferry service, they can make the Circle Tour and continue from Bella Coola to Vancouver Island and eventually Vancouver. Circle tours are an extremely popular tourism concept throughout British Columbia and are heavily promoted by Tourism BC. The Discovery Coast circle tour is also marketed by BC Ferries and its popularity has led to a thriving tourism industry throughout the CCCTA region. Therefore, in the case of Highway 20, it is a fact that the BC Ferries service is an extension of the highway system and for the survival of the tourism industry in the CCCTA region it is an essential service." The next section is a whole section,

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it's called "The value of the tourism industry in the Cariboo-Chilcotin Coast" and it's taken from GoRVing Canada, 2009 figures and stuff. I won't bore you with the all the statistics but, the last paragraph basically reads, "In order to save \$1,450,000, is the government of British Columbia prepared to destroy an economy conservatively valued at between \$6.4 million and \$10.7 million through 2016, and several times more once Vancouver Island is considered. Is it prepared to see the resulting devastation to the Cariboo-Chilcotin Coast region, including business closures, bankruptcies, and all the other stuff that goes with that? BC Ferries, in the Discovery Coast ferry service Route 40, from its establishment in 1996 by the then-NDP government, the Discovery Coast ferry service Route 40 has been, shall we say, underappreciated by the BC Ferries management and often attracted their outright animosity. This has been manifested by many actions over the years that were efforts to undermine the service and lead to its cancellation. And of course, today, among the many simple reductions in service proposed for various ferry routes, it is the only route proposed to be eliminated entirely. For the first three years of its operation, the Discovery Coast ferry service continued until the end of September. This is an excellent month in the CCCTA region, known for its great weather, the year's best bear watching opportunities, the salmon fishing in the Bella Coola valley, attractive hiking in the Chilcotin without fear of bears. A time of year when there are no mosquitos or other flying insects, and generally the best atmosphere of the summer. However, in 1998, BC Ferries, without consultation with stakeholders, reduced the service from 125 days to 91 days. That's basically a third was lopped off. I had a large investment in September and I lost 30 percent of my business. Ridership consequently dropped from approximately 9,000 to 7,000 passengers. Tourism operators in the Chilcotin coast annually see a dramatic drop-off in tourists exactly when the ferry terminates for the season and the circle tour is no longer accessible. So what could be an excellent month for revenue, both for BC Ferries and tourism operators, is wasted. In 2002, BC Ferries commissioned an in-house study prepared by the firm Grant Thornton, which basically questioned the viability of Route 40. This study was completed without any consultation with stakeholders, contained significant errors, and appeared to be an exercise in propaganda to support management's preference for discontinuing the service route. BC Ferries, then on the basis of the report, attempted to discontinue Route 40 service. But pressure from the affected communities and from the Council of Tourism Associations, of which I was the director, caused them to reconsider the position and they retained the services. That was around 2002. BC Ferries received subsidies from the Government of Canada for providing service to remote communities along the BC coast, including those along the Discovery Coast ferry route, on the order of \$20 plus million annually for northern coastal communities. Has the appropriate portion of this funding been accounted for as an offset to the expenses of Route 40? Or has it gone into general revenues in order to buttress management's contention that Route 40 is unprofitable and should be discontinued? BC Ferries has never provided the West Chilcotin Tourism Association with an answer to this question. The Discovery Coast Ferry service (Route 40) is actually not one route, but three. Each of these routes sails once a week (return) during the summer: First one is Port Hardy to Bella Coola, 12 hours duration. Port Hardy-Bella Bella- Shearwater- Bella Coola is 20 hours. Port Hardy-Bella Bella-Shearwater-Klemtu-Ocean Falls and Bella Coola is 33 hours. The West Chilcotin Tourism Association has long argued that the direct Port Hardy – Bella Coola route was the profitable service, and that ferry service to the small mid-coast communities would be better provided separately by a smaller vessel like the Nimpkish. In fact, BC Ferries now specifically

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acknowledges this in their recent proposal. When BC Ferries maintains that Route 40 is unprofitable and should be discontinued, we wonder how they have come to that conclusion. In their accounting practices, BC Ferries does not differentiate between the different routes that have been sailed together as “Route 40.” Consequently they lump the high expenses and low revenues of the two “milk run” routes together with the relatively low expenses and high revenues of the single direct Port Hardy – Bella Coola sailing, by far the option most preferred by tourists. The “milk run” routes incur by far the highest fuel, maintenance, and staffing costs, and they have the lowest ridership as tourists try to avoid spending up to 33 hours on a ferry. The “milk runs” are the primary reason that the Discovery Coast Ferry service is made to appear unprofitable. When, in the past, the West Chilcotin Tourism Association has been met by the BC Ferries contention that the Discovery Coast Ferry service is unprofitable, and with their disinterest in continuing its operation, we have challenged them to separate the revenue and expenses relating to the direct sailings from the other routes. They have steadfastly refused to provide this information. Now that they have admitted that the small mid-coast communities are better served by a smaller vessel in a separate service, perhaps we could make some progress on this issue. The Discovery Coast Ferry direct service from Port Hardy to Bella Coola, which is the sailing most preferred by tourists, is scheduled so that it arrives in Bella Coola at 11 p.m. Consequently much of the beautiful, world-class scenery of the BC coastline is travelled in twilight or darkness.” Am I getting on too long here?

C: *Judy Kirk:* It’s a little long, yes.

C: *Petrus Rykes:* Ok. Ok, I just want to read one more section. It’s a part that I’ve communicated to Minister Todd and Minister Polak. It’s an ongoing thing: “The Discovery Coast Circle Tour had been marketed as a brand for more than a decade by BC Ferries and by many tourism operators in the CCCTA Region. As we have stated already, this circle tour is critical to the success of tourism operators in the Chilcotin Coast. However, in 2006 the Ministry of Transportation undertook a process to market circle tours in the province, and as part of that process began to internally re-brand some of the circle tours. Input from stakeholders was almost nil, and in fact was thoroughly discouraged. Resulting from this process, the Ministry chose to re-brand the Discovery Coast Circle Tour as the Coast Cariboo Circle Tour, and installed highway signage to that effect without local stakeholder support. This created problems on many fronts. Ever since that time, this circle tour has been marketed under both names by many different parties, resulting in double-branding and massive confusion for the travelling public. As an example, the Cariboo Chilcotin Coast Travel & Touring Guide 2012 marketed this route under both names. A BC Ferries ad on page 55 of the guide boldly referred to the Discovery Coast Circle Tour. Just three pages further along a detailed synopsis of the region's circle tours referred instead to the Coast Cariboo Circle Tour. This misadventure has proven extremely confusing and frustrating to tourists, who in many cases wound up taking the wrong route. This severe and pointless double-branding / double-marketing issue created a situation where marketing money was being spent by several different government organizations essentially to counteract one another. The Ministry of Transportation, Ministry of Tourism, and BC Ferries, not to mention many private tourism businesses, were all spending money to basically negate each other's marketing efforts. This past March the West Chilcotin Tourism Association contacted the Minister of Transportation, Mary Polak at the time, regarding this issue, and subsequently sent a follow-up communication to the current Minister, Todd Stone. To date, we have had no response to our concerns from Minister Stone. Considering recent events, it is

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apparent why. However, this issue again illustrates the lack of support for Route 40 and the Discovery Coast Circle Tour.” And I’ve got solutions for, and you’ve got the copy of it.

Q: *Judy Kirk:* And you’ve given that to me?

A: *Petrus Rykes:* Yes. Ok? And there’s two more pages to it.

C: *Judy Kirk:* Good. Alright sir. Thank you very much. Thank you for your patience. And sir, those are a lot of very good points, I don’t mean to cut you off.

Q: *Carston Ginsburg:* Hi, I’m Carston Ginsburg and I’ve been in the tourism industry here for the past six years and I have a question. Right now you’re talking about replacing the Queen of Chilliwack with the Nimpkish. I’m down at the wharf when that ferry comes in and what I see is that most of the vehicles coming off that ferry are RVs and motorhomes. There’s a handful of cars, but most of them are RVs and motorhomes, which will not be able to be serviced by the Nimpkish. The ferries here are quite different from the ferries that are around the Vancouver area. Here, there’s hardly any locals at all that utilize the ferry because it’s too damn expensive for any of us to afford, so it’s mostly utilized for tourism. Now, the Nimpkish isn’t suited for tourism. The Nimpkish is not going to be booked; you’re not going to get the business on the Nimpkish because nobody’s going to be coming here on it. What happens then? Do you cancel the Nimpkish and leave us with nothing?

C: *Judy Kirk:* Ok. So, Kevin or David, whichever of you.

A: *Kevin Richter:* So the idea is still to provide a connecting service for the communities for Bella Coola, for Shearwater, for Ocean Falls to Bella Bella so that it can be connected on Route 10. I can’t speculate what is going to happen. I know that when I’d been here last year, and when I was out in the mid-coast in Bella Bella, people have said that, yes they use that route. It’s certainly not a vessel like the Chilliwack, it does not have the capacity to carry all the RVs, but the intention is to provide that connection so that communities are still connected so that people in those communities can get to the different places. But I can’t speculate what the ridership will be on that but it will still be providing that connection and if tourists want to take it they can. I’m not going to dispute that it’s a dramatically smaller vessel.

C: *Carston Ginsburg:* Yeah, ok. Because basically no tourists are going to be taking that thing to Bella Coola. You’ve cut us off; it’s 29 percent tourists that would be typically coming to our community and spending money. You’re just taking that away from us completely. The other issue that I have is your timing. We’ve got customers that are trying to plan their trips for this summer and I don’t know what to tell them. Nobody knows what to tell them because you’re telling us, “there might be a decision, it might change in February...” You know, we need a definitive answer, and if you can’t do that then you have to give us some time, at least a year or two, so that we can slowly evolve into this change. Because the way it is now, is that you’re going to force us to lose most of our business this season because no one’s going to be able to plan their trips.

C: *Judy Kirk:* Ok. Than you sir. So, we have time for two more. I know, sir, you came up. I’m going to allow you to jump the queue no problem. So yours and your comment and then we’ll be wrapping up and you can speak to the representatives individually.

Q: *Kaitlyn:* Sorry, I’m taking this away from Route 40 just for a minute because I wanted to comment on the other two major plans that BC Ferries has, which is to reduce the rate for seniors and to put gaming slot machines on the ferries. To me, both of those things feel like a really sleazy kind of way

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to make money. If you can go for the lowest common denominator on how to up your revenue, you guys are doing that. Personally, I've lived on Vancouver Island; I took the ferry back and forth from Vancouver all the time. I don't want to be exposed to gambling on a public transportation route. It's not fair. Where are my rights, and my family's rights, not to ride on a floating casino? That's what I'm putting forward to you. Where are my rights, as far as a tax payer, that I have to now be exposed to basically a casino on a public ferry?

C: *Judy Kirk:* Ok. Thank you for that.

A: *Kevin Richter:* So the idea on the change to the seniors' discount and on the gaming, those were ideas that we heard during the last round of consultation when we were out last fall. People realize that going into the future there needs to be strategies; long-term strategies. And when we came out, we were talking to people about using LNG on vessels or standardizing vessels or having vessels with no frills. We also heard that there was interest in these other strategies going into the future and the whole idea of those strategies is to reduce pressures on fares going into the future because we heard loud and clear that fare affordability was an issue. The idea for the gaming is that there's many questions that need to be answered. So what would be considered by government is a gaming pilot to see how it would work, and one of the ideas is to put it in a secure area where everyone doesn't have access to it and that it would be monitored by BC Ferries staff to make sure only appropriate people are in there. So it wouldn't be throughout the vessel, it would be only in a secure area.

C: *Kaitlyn:* I realize that, but you realize when you put something like that, it permeates the atmosphere wherever you are. You can't really separate it necessarily.

C: *Judy Kirk:* You should know, we've heard lots of conflicting comments about gaming.

C: *Kaitlyn:* Yeah, it really actually bothers me that they could let that happen on the ferries.

C: *Judy Kirk:* Ok. Thank you very much. Sir, you're the last person.

C: *John:* Actually, just combining those two thoughts, I'll bet you that the seniors' discount program is mitigated before the final decisions are made because a lot of seniors vote and very few tourists vote. But that's not really what I wanted to say. I'd like to follow up on something Ms. McIlwain started, and I'd just like to pursue it a little more forcefully, and that is that the projected savings over the next two years are nil. I think we've kind of agreed on that. It's the large saving after that or the cost that would be incurred to replace the Chilliwack if that needed to be done. So what I'd like to suggest to you to take back out of this meeting, if nothing else, is that you retain the Chilliwack run for two more years, incurring nominal lost savings in those two years. Give us time to discuss other options and regroup. This short notice, and the impact it's going to have on us, very leniently, is severe. That could be reduced if we had two more years to work this out.

C: *Judy Kirk:* Thank you very much sir.

C: *Unknown:* There's a fellow who's been waiting here for a while.

C: *Judy Kirk:* Did you want to say something? Ok sir. One final word and then we're going to wrap up. Your name please?

C: *Murray Campbell:* I'm Murray Campbell, Bella Coola Motel. I just have one suggestion: because the people in a remote area like this pay approximately 20 times, or at least are affected 20 times

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greater by our fuel taxes than do people in Vancouver or the Okanagan, I would suggest that you remove all or most of the fuel taxes, including the carbon tax, in an area like this to offset some of the extra we're paying. The people in our businesses here pay tremendous extra for the fuel, the transportation, the food, and everything else. Why can't we get a little break on that? And there's another comment I'd like to make: somehow our government and possibly ourselves here have excluded the First Nations' people and they're half the population here. How many of them do you see here tonight? And they are looking forward to the time when ferries increase the tourism. Some of them have plans, and I've talked to them, about eco-tourism in some of these mountains. It doesn't have to end early. I was up one of the valleys yesterday, up the far end of the valley. In two hours I saw four grizzlies and dozens of golden eagles and quite a few bald eagles as well as wolf tracks and other animals. The potential is here greater than any place I've seen, and I've lived out of this area most of my life. I think we're closing the barn door before the horse gets in.

C: *Judy Kirk:* Ok. Thank you very much sir. One more comment.

C: *Darla Blake:* Good evening. My name is Darla Blake and I'm the Chief Administrative Officer for the Central Coast Regional District. The Regional District Chair and myself went along in September to the Union of BC Municipalities conference and we had a meeting with the Minister and with the Premier. The conclusion of that meeting, we came away with four points that the Premier and Mr. Stone made a commitment to all the Regional District Chairs and the Chief Administrative Officers at that point in time. They said, and we believed them and we felt that this was a commitment to all of us: "We are all in this together. We will work to find solutions together and all suggestions will be considered. We all need to look at this and work through this collaboratively." That was their message to us, and we agreed to that at that meeting in Vancouver in September. I ask you on behalf of this region to honour that promise. Thank you.

C: *Judy Kirk:* Thank you very much for coming out this evening. I would very much like to encourage you, in addition to what you said this evening- which of course we have a good record of- to fill out your feedback form or provide written submissions. Many of you already have this evening.

3. Closing Remarks

Judy Kirk wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on November 25, 2013 at the Texada Community Hall, Texada Island, B.C.
FACILITATOR	Judy Kirk, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Sean Nacey, Senior Manager, Infrastructure Development Branch, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Joanne Doyle, Manager, Master Planning, BC Ferries Nancy Spooner, Kirk & Co. Consulting Ltd. David Pankratz, Kirk & Co. Consulting Ltd., Meeting Recorder Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants did not support service reductions. Participants stated :
 - The service reductions will have a major economic impact on Texada Island and Powell River.
 - Service reductions will lower property values and families will move away from Texada Island.
 - Fewer people will go to Powell River to eat in restaurants and spend their money in the community.
 - Cultural impacts would occur in their community as a result of the service reductions. Participants were concerned about not being able to get to dinner or the theatre and not being able to see their children participate in school activities and sports in Powell River.
 - Children will not be able to participate in extracurricular activities in Powell River, such as drama, sports, award ceremonies, night school and graduation ceremonies.
 - The reductions will affect the ability of Texada Island residents to work in Powell River and get people from Powell River, such as shift workers, to work in the quarry. The service reductions will make it difficult to attract ferry officers and workers. In addition, there is no work for youth on Texada (after-school work is only available in Powell River), so youth on Texada would have fewer opportunities if ferry service is reduced.
 - The reductions will have a huge impact on the under-18 and under-14 soccer league. The league is positive and exciting, and hundreds of youth will be affected by the service reductions, as they would not be able to make it to games in other communities without

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staying overnight. Service reductions will significantly increase costs and make sports unaffordable.

- Participants stated that a socio-economic impact study should have been done before making service reductions.
- Participants stated that fares are too high, resulting in declining ridership. They said that if fares were cheaper, more people would ride the ferries and the service reductions would not be necessary. The high costs of fares have also reduced tourism and would further increase freight costs. Participants want to see a “reduced-fare card” for isolated communities.
- Participants felt that BC Ferries should be part of the Ministry of Transportation and Infrastructure, and that the free ferries in the interior should be changed to charge a user fee to help raise money for the overall ferry system.
- Participants said that the cuts to the seniors’ discount are disrespectful and if BC Ferries needs to save costs they should reduce the number of Executive Board members and cut bonuses.
- Participants said that free ferry passes for employees are not right.
- Participants asked that BC Ferries consult with the community on the schedule (produce scenarios) and allow Texada residents to choose the right schedule for them. Some felt a triangle route from Texada to Powell River to Comox would make the most sense.

DISCUSSION

1. Welcome and Introductions – Judy Kirk

Judy Kirk welcomed participants to the open house, and explained the format of the Q & A. Judy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

- C: *Kevin Richter:* Good evening, my name is Kevin Richter and I am with the Ministry of Transportation and Infrastructure. I am the Assistant Deputy Minister for the Marine Portfolio and I want to say thank you very much for coming. It’s very important that I get to hear from you this evening. Thank you very much.
- C: *David Hendry:* Good evening and thanks for coming. My name is David Hendry and I am the Director of Strategic Planning for BC Ferries.
- C: *Kirk Handrahan:* Good evening, my name is Kirk Handrahan and I am the Executive Director of the Marine at the Ministry of Transportation and Infrastructure.
- C: *Joanne Doyle:* Hello my name is Joanne Doyle and I am with BC Ferries in Master Planning.
- C: *Judy Kirk:* Thanks Joanne. Alright, Kevin if you could just open up with some brief comments and I will ask you to come up to the mic for your comment and questions and I know usually that it is

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tougher for the first person but I know after that there will be plenty of comments and questions for these people.

- C: *Kevin Richter*: I hope all of you have a Discussion Guide and if you don't make sure that you are able to pick one up at the end because your feedback is very important. You may have seen some of us last year when we were out doing engagement around considerations about service reductions. What we did was we listened to what folks had to say last year and we've come back as we promised to engage with communities prior to the implementation of any service reductions, and also to get your feedback on some other measures that the Province is considering. The measures that the Province is considering include a gaming pilot on the major routes connecting the Lower Mainland and Vancouver Island; changing the seniors' discount; getting some thoughts and feedback about a new reservation and point-of-sale system that BC Ferries is working on. Some of you have already talked to me about some of your ideas for that, so it's important to get your feedback to help shape that. The last measure the province is considering is a water taxi service and looking at ideas that could help operators if they wanted to look at providing water taxi service. We are talking about these different measures and one of the things that may not have been clear in the discussion guide is around this plan for the service reductions. If you look at the Discussion Guide you will see these utilization maps with different colours like dark red and green and they will have sailing times. If you turn to page 21 that is for the Texada Island to Powell River Route. Basically what it is saying is that there are currently 10 round trip sailings and the plan is Monday to Friday to go from 10 down to 8 sailings, and then to 7 sailings Saturday and Sunday. We want to get your feedback and want to hear from you about what that plan means to you. If government decides when it's balancing all these competing priorities that it does go with that plan, we will be looking at how that schedule can be refined. One of the things is looking at the schedule leaving Blubber Bay; you might think the last sailing is 8:15. The idea is to get your input and perhaps having that last sailing at a later time. There are two shifts right now and the idea is to reduce the overtime costs, so we might move those shifts to have later sailings, but there might be a bigger gap in the middle of the day where there wouldn't be sailings. The idea of engaging with you is to find out, if this plan goes forward, how can that best accommodate you. For example, having four sailings in the morning and four sailings in the evening, making sure that there would be sailings late enough into the evening that would still meet the objective of not having overtime, but still allowing you to get back. I was just wondering, David, did you want to add any comments about the schedule that I was talking about?
- C: *David Hendry*: I think the important thing to get across is that we came out here because we didn't want to be presumptuous and put a schedule down without talking to the community. We've shown the reductions on the existing schedule, but we're out here to get feedback on how the reduced service could be accommodated through different times throughout the day. BC Ferries will be out in January to talk to the local FAC to get more input into that. I think it's critical, as Kevin said, to put your feedback into this discussion guide on the feedback form to let us know, from your standpoint, which of these sailings are critical.
- Q: *Judy Kirk*: Does everybody know what an FAC is?
- A: *David Hendry*: FAC is the Ferry Advisory Committee. Your local Ferry Advisory Committee is basically a liaison between the BC Ferries and the local community.
- C: *Judy Kirk*: Thank you. Here is your opportunity for questions or comments.

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2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- Q: *Unknown:* I was just reading that the BC Ferries had the Mustel Group do a survey for them regarding these cuts and reductions and everything else, and I understand that two thirds thought it was a good idea, but I also found out, I hope not erroneously, that this was a province-wide survey. It's kind of like the ferries thought for a while that they were the Ministry of Highways or something and you have highways all over the province, but it should be the coastal communities that are part of this poll. I think that if it was just the coastal communities that were a part of this, there wouldn't be two-thirds agreement. That was my first point. I'll be fairly quick here. We're part of the Powell River Regional District, and as such we pay taxes for the library, the hospital, the whole bit. These cuts are cutting us off from being able to use those services. What would your advisory committee advise us to do? Not pay all the taxes? Because we're not going to have total utilization and we're paying our share. My next point is if you have a highway that is under-utilized, you don't cut it off and you don't worry about if it's making money or breaking even. Here we have a shortfall in dollars for BC Ferries, but have you ever heard of having a shortfall on some highway somewhere? The whole thing is absolutely ridiculous. The other thing I have is that this is a downward spiral. I'm absolutely positive that you guys are going to be here next year with exactly the same thing. We're going to have a whole bunch of charts all around the room and all kinds of reasons why it didn't work. The higher fares, which come on a regular schedule, and then cutting the seniors' discount back, you're going to have a whole bunch of seniors piling into one car and going over together. So with this \$6 million that you're supposed to save by the 50 percent increase in the seniors' fare that means you're not going to make \$6 million unless you took into account that you're not going to have as many rides. I think the ridership is going to decrease and you're going to be coming back year and the year after and you're going to want to do the same thing over and over again. Lastly, I know that you guys, some of you people, probably don't have a lot to do with this, because it's probably government-driven, but I hope that when you guys get together at the end of the year – no, I shouldn't say you guys – when the powers that be get together at the end of the year and collect the non-existent bonuses, and you're high-fiving each other for having done a good job, you realize that all you've done is stuff that's going to have a detrimental effect on all the coastal communities. I hope they think about the fact that when they are feeling good about the great job that they've done, and I know they are just doing their job, I think there's a problem here because it's a dollar-driven thing for transportation. If there was any common sense in this whole thing, when the Ministry of Transportation doesn't have to build a highway across the Strait of Georgia, for example, they're saving a lot of money. So why don't they build the berth, for example, with the money they save from not having to build a highway and then BC Ferries could run their ferries back and forth and we wouldn't be in this mess. But of course, in the end, what should be done is that it should be a part of highways like it used to be at one time. Thank you.
- Q: *Sandy McCormick:* Good evening Judy and colleagues, thank you for being here. I'm one of the Texada representatives on the North Sunshine Coast Ferry Advisory Committee. When I noticed the chart at the back, I noticed that at the last consultation, only 8 percent of respondents favoured targeting low annual utilization as a way to cut costs. This seems to be what this dialogue is all

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about. I have a list of impacts, or things that will harm Texada Islanders as a result of losing the last two ferries of the day. I would like to share that list with you. I just want to say that the proposed cuts are neither balanced, nor thoughtful, in spite of comments made to that effect by Minister Stone. As a result of losing the last two sailings of the day Texada Islanders will no longer be able to bring speakers, musicians, or entertainers to the islands or invite resource people to groups like the garden club, the Legion or the Chamber of Commerce, or include Regional District staff at Texada Island Recreation Commission meetings, even though they contribute a great deal to these meetings and it's their land we steward on the Recreation Commission. We will not have our director be able to attend Regional District board meetings. We will not be able to attend night classes, lectures, adult education or special events in Powell River, such as the Salmon Enhancement Dinner, the Festival of Trees, and choral festivals or go out to dinner in Powell River. We will not be able to go to a movie or a hockey game. We will not be able to get back in one day from medical appointments in the Lower Mainland, or get home after a very late in the day appointment on Vancouver Island. We will not be able to take a Malaspina Coach Lines bus from Vancouver and arrive on Texada Island the same day. We will not be able to make evening hospital visits. We will not be able to get taken to the hospital by ambulance in the evening. We will not be able to have family members from the Sunshine Coast or Vancouver Island come visit after working all day. We will not be able to get Hydro crews here if we have evening power outages, which in fact jeopardizes the whole power grid on Vancouver Island. We will not be able to get attendees from Powell River to attend local theatrical productions. The Rock Island Players are a great theatre company and they get lots of people coming over. No more if we lose those sailing. We will not have our children and youth participate in band concerts or sports events, and we were told this government puts families first. We will not be able to attend parent-teacher conferences at the schools in Powell River that our children are required to attend. We will not be able to attend Christmas concerts, plays, or other events at the schools in Powell River. We will not be able to have shift workers commute to and from the late shift, particularly the Quarry and the hospitals, and that applies to people who work on Texada and live in Powell River and vice versa. We will not be able to return ballots to the mainland for counting during federal elections after the polls close. If there is an overload on the last boat to Texada, where will the remaining passengers spend the night? This is going to have huge negative social and cultural impacts to the fabric of Texada Island. We may not do these things in huge numbers, but we do them. And being able to go to a movie or a parent-teacher conference is all part of a livable community. This will also have a negative economic impact on Powell River, because islanders will no longer be able to attend events in that city because we can no longer get home and few people can afford the cost of an overnight stay. These costs are not balanced, nor thoughtful, nor fair. Thank you.

C: *Judy Kirk*: Thank you Sandy. Very well said.

Q: *Heidi Gable*: I have raised four children here on Texada, and have been working with the school district for a long time, 27 years. Further to what Sandy was saying, I have a list of activities that the kids of our island can no longer participate in: school sports, band concerts, choir concerts, drama productions, they can't even go to practices because they're in the evening as well. The high school in Powell River offers opportunities, the latest one called Beyond Brooks, where parents and students can come in and they get information on what opportunities they can have after high school. Those kinds of presentations are also in the evening and the kids can no longer participate

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in those. As Sandy mentioned, parent teacher interviews and award ceremonies are all in the evenings. Cap and gown, which is the first part of our graduation ceremony, would no longer be a possibility for Texada students. Grad is no longer a possibility unless we all stay overnight as well. Movies, dinner, evening swimming for kids, evening skating events, hockey games, cadets is another thing that the kids will no longer be able to participate in. They won't be able to participate in night school courses. Without the 9:10 ferry, our daily connection to Comox, the run at 7:15 from Comox would no longer be possible. The 12-hour shift workers here on Texada, the hospital workers, for one 12-hour shift would have to go over the night before, stay overnight if it's on a Sunday, work their 12-hour shift and then not be able to make it home if there's no 9:10 ferry until Monday. So if there's one 12-hour shift on a Sunday, there are two overnight stays in Powell River. As far as the first run, it has been suggested that perhaps that one isn't utilized enough. I would suggest that the people who don't think that the first run is utilized must not travel on it. I would challenge you to ride it for two weeks in a row and see how much it is used. It's not even a matter of whether or not the Texada people are going to Powell River. There are also a number of Powell River people who commute over to Texada on that first run. It also means that you couldn't make a day trip over to Vancouver Island. In trying to keep the people on Texada working here on Texada, it has been the past practice of our Quarry recently to not hire locally, therefore, we need to be off island to get our jobs as well. There are not enough jobs here on Texada. Except recently they did hire a few. There's very little work for kids on Texada. The hotel and the stores and the restaurant and the gas station can only provide so much work for our teenagers and youth. My daughter was very fortunate to get a job here on Texada, but for those who want to pick up extra after school work in Powell River, like grade 11 and 12 students who want to save up for a new car or whatever else, that would be out of the question because if the 5-7 ferry is the last one, they wouldn't get much work time in. If you cancel those last two runs for Texada, basically, families moving to Texada would no longer want to come over here because they wouldn't know what to do with their kids. There is no way for them to go over to Powell River; there's no time to go over to Powell River. This of course brings our property values down. Why is it that the interior ferries are still running for free, when if you want to make more money, from what I understand, those interior ferries are based on convenience? They do have a road around. I know in my life, I do anything for convenience and it usually costs me money as opposed to saving me money. I don't understand why they aren't being charged.

C: *Judy Kirk*: Let's get an answer to that question.

A: *Kirk Handrahan*: The inland ferry service costs over \$20 million to operate. The coastal ferry service is over \$750 million to operate. The province provides subsidies to both of them, but on a per vehicle basis it's quite comparable for what the province gives to the inland and coastal ferry service. I believe it's about \$23 per vehicle that's provided by the government on the coastal ferries and it's about \$18 that it gives to subsidize vehicles on the inland service. So they're different services, but at the end of the day, government is giving comparable amounts of money to support both services.

Q: *Heidi Gable*: But the bottom line is you want to earn extra funds. It doesn't make sense that they don't have to pay anything, and we're paying for it.

A: *Kirk Handrahan*: I hear you on that.

Q: *Heidi Gable*: I don't travel the interior highways, I don't travel the Coquihalla, but I'm paying my fair share of taxes for all of those as well. That doesn't make sense.

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C: *Judy Kirk*: Okay, thank you.

Q: *Sheridann Kristofferson*: Some of the things I will say have probably already been said, but it probably doesn't hurt to say them again. Here we are having another meeting. On more than one occasion we have had a well-paid group of ferry personnel come to the island to meet with us in consultation in regard to changes with the docks. At the time, many concerns regarding our current fares and service have come out, but it appears that these concerns fell on deaf ears and they lead us to believe that this was an opportunity to vent only. But that was the end of it. It is my opinion that little if any of this information is considered when making financial or service considerations particularly to the small captive resident who must use the ferry service to access most of what larger communities take for granted. Higher user fees have been brought up innumerable times at these meetings, pointing out the link that these increased fees have to the decreased ridership, which leads to decreased earnings for the corporation. BC Ferries continues to deny and ignore this connection and one really must ask the big question of "why." Annual increases in fares have been ongoing, but now we're faced with an additional increase for seniors Monday through Thursday, plus reduced daily runs, which will impact our community, as well as other communities, in numerous ways including medical, educational, and social. Difficult and costly accessibility will likely further disconnect families and support networks. Yes, we have chosen to live here. With these upcoming changes most of us will not be able to reconsider this option, as with the high cost of island life coupled with the deteriorating service, I ask, who will choose to purchase an existing home? I for one moved to the island in 1973 and a book of passenger tickets cost \$2 and a week for a car and driver cost \$5. These remained low until some time in the mid 1980s. The seniors who will be hurt the most are once again the seniors who are captive and are dependent on a marine highway. Those living in the interior or larger centers will not be impacted to the extent of us who are living on the small islands. We are dependent on the ferries for literally every area of our lives. Seniors have always paid full price for a car. Now with these changes instead of taking one car over, they will carpool from Monday to Thursday, therefore, BC Ferries will likely lose further dollars instead of making more. Interior ferries continue to be free-of-charge, supported solely by the taxpayer. Bridge tolls charge only a nominal fee for the car and driver regardless of the number of passengers. Who pays the cost of these services? It's the taxpayers, a group that includes everyone here. You mention the fact that only \$20 million goes into the interior ferries. They have a road they can drive on. Take that \$20 million and you've made up your shortfall. If BC Ferries is serious about wanting to save money, what is preventing the corporation from making changes and cuts internally? For example, eliminate any and all staff who are not sufficiently motivated to fulfill their employment requirements to the standards and skill demanded of them by the salary offered for the job. Since when is it necessary to dangle a carrot in front of an employee in order to get them to do their job at the highest performance level? Thus, you should eliminate the bonus or, as it is now known this year, incentive. As a tax payer I feel that, in this economic climate, incentives, bonuses, et cetera are really not appropriate at any level, and is a disservice to those who are paying these taxes. What is the reason for BC Ferries not insisting on employing local ferry workers instead of importing them? This would eliminate transportation and daily costs for those workers coming here from other areas on a temporary basis, and would likely improve and strengthen the local community both economically and socially. Finally, is it not time for BC Ferries to offer a reduced fare card for only those who are captive residents on small islands which require ferry to

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access most basic and necessary services? Yes, the Experience Card exists, but it exists for anyone and everyone everywhere who wishes to buy one for \$105, including those living outside of the province and country. So I would ask that all the presentations today actually be given full consideration. Thank You.

C: *Judy Kirk*: Thank you.

Q: *Denasia Hoyle*: I'm one of the kids that actually has to go over to Powell River for school. By doing this, you're cutting me out of being able to anything like having fun with my friends, going to Wardens, or doing anything like that. I couldn't go to my own graduation. My parents can't come to my graduation unless we stay overnight. We would have to stay in a hotel to do anything like performances, or extracurricular activities. Are you saying that you want us kids to be less active because we can't go over to Powell River now to do anything that normal teenagers can do? By living on an island, you're cutting out everything. We can't do gymnastics because the training schedules for most times come after the last ferry. We can't go visit our grandparents if they live in Courtenay and spend much time with them because we'd have to be back on the last ferry. We can't do anything that we used to be able to do. You're cutting out most things. You're making us stay on this tiny island and do nothing.

C: *Judy Kirk*: Thank you.

Q: *Georgena Hollingshod*: I'm not going to sit here and cry about high rates and service cuts because you guys come here every year and we tell you the same things and you just don't listen. This is all just a big red herring about losses. The problems are with the corporation. You have to look at the corporation for problems to do with spending money. If Steve Jobs is losing \$400 million a year, he doesn't raise the price of his iPods \$40 a unit to compensate for it. He looks for management to cut costs. BC Ferries has accumulated a debt of \$1.7 billion, and of that \$1.3 billion is in bonds that we, and I'm going to say we because we're a part of this ferry system, pay \$70 million in interest payments a year. A lot of that is coming from upgrade, but some of that is from new ships. Do we need brand new ships? You say it's a 50-year-old ship, but our ship is suitable. You talked last year about spending \$50 million on a new boat when this boat could be x-rayed, sand blasted, ultrasounded, and repainted and repowered for less than half the cost. And that's just one item. Last year I talked about Duke Point Terminal, Departure Bay and we talked about his last year and next year it'll be the same thing. I'm pretty new to the island, but I was under the impression that Duke Point was only around for 5 years, but I was just told it's been around for 20. From what I've seen of reports in the last few years, it's been losing money; last year \$25 million. This terminal has never made a nickel. Why are there two terminals in Nanaimo? I was told that one terminal cannot handle all the traffic. Well you have had 15 years to get it together and incorporate it into one terminal. You talk about us have to cut service and increase rates and here's a thing that's bleeding \$25 million a year and next year maybe more. And we have these meeting and next year we're going to have another 4 percent rate increase and probably cutbacks. I'll just say it again. What about Duke Point? When are you going to do something about it? And that's just one item.

Q: *Judy Kirk*: Let's get an answer to Duke Point and I'll come back to you. David, why is Duke Point continuing?

A: *David Hendry*: There are three main routes for BC Ferries that cover their operating costs: the routes from Victoria to Tsawwassen, Departure Bay to Horseshoe Bay, and Duke Point to

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Tsawwassen. So actually, it does cover its operating costs. It's one of the three out of 25 routes that does. I understand that when you look at the overall loss, that's after the capital's considered, the terminals are all there, the vessels are there. If we were to take that route out completely, two things would happen. One, we'd actually make less because it's covering its operating costs and actually generating a little bit of a profit. Two, you couldn't carry the traffic under existing service profiles. It's challenging.

Q: *Georgena Hollingshod*: I'm sure that's what you told me last year, but the fact of the matter is, Departure Bay makes \$11 million, Duke Point lost \$30 million according to your own figures, so I don't know how we're breaking even here. It's a net loss for the north half of the island of about \$20 million.

A: *David Hendry*: I don't want to get into the accounting of it, but you're looking at the bottom line after you've considered your capital charges, your amortization, then the Duke Point run does lose money and the Horseshoe Bay to Departure Bay makes money and Swartz Bay to Tsawwassen makes money. However, if you don't consider the capital charges, those assets have been paid for; they're just being amortized over a certain amount of time. If you look at the cash profit, Duke Point makes a cash profit.

Q: *Judy Kirk*: If Duke Point didn't exist, are you saying that the capital cost would still have to be covered?

A: *David Hendry*: Yes.

Q: *Georgena Hollingshod*: I've got no problem with your logic there; however, your own figure from the discussion guide shows a \$30 million dollar loss, \$11 million on Departure Bay. The fact of the matter is, why can't they be incorporated into one? Why can't you have foresight for that? Sell all of Departure Bay, expand Duke Point and you'll make a tidy profit off the Departure Bay area. Consolidate this because in your discussion guide you say that last year was \$25 million loss and you gloss it up with amortization, et cetera.

A: *David Hendry*: You bring up good points and this long-term sustainability isn't just about the minor routes or the northern routes, it's about the major routes. We need to look at the major routes on a long-term basis and see what the right service profile is for all three routes.

Q: *Georgena Hollingshod*: I believe that's what you told me last year, so next year we'll bring it up again. The other thing is, I've noticed in the financial report, I'm talking about corporate costs here. That's a problem. You can't just rely on the backs of all these people and kicking seniors in the guts basically. There has to be some savings elsewhere. You spent \$24 million for a new office. I'm just bringing up stuff, saying, is that really necessary? Do we need ten on the board of directors and the associated costs that go with it? I'm sure these people don't really need their mouths at the public trough. Can't we have some savings as far as executives?

A: *David Hendry*: We've heard that up and down at the few meetings that we've had, and I'm sure we'll hear it at the rest of them. The ferry corporation has trimmed executives from 17 to 9 over the last 5 years. In terms of top management positions, they've taken out about 50 over the last 5 years. We currently have a salary freeze for the next 2 years. BC Ferries has been achieving \$55 million in efficiency over these 4 years in performance terms. It's coming from three components: It's coming from the company being more efficient, the government putting in more service fees, and what we're out here talking about tonight, which is trying to make some service reductions to make the longer-term system sustainable.

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- Q: *Georgena Hollingshod*: Service reductions are fine, but you just can't rely on these people to cover your costs if you can't keep your own house in order. One thing is these free ferry passes. Why do executives and management have free passes? Maybe give the employees half passes. But I just don't understand this. You're cutting the seniors' discount rate, and the corporate people get free rides. You have to do something here. There's no reason why you can't cut 20 percent of your management in BC Ferries. I've worked in middle management in a big company and I've seen big cuts. Don't tell me you can't cut 20 percent. You need a controller who can get you a Departure Bay sign. It costs half a million for an LED sign and you want us to make cuts. The sign is good because it stops people from getting on the wrong ferry. The point I'm trying to make is, you guys have got to get your act together as far as a corporation and control your costs and then come back here when there's nothing else you can cut. Then we're prepared for service cuts. BC Ferries is riding on luck right now because interest rates are low and fuel is reasonable. Interest rates will probably rise in the next few years. What happens when the rates get to five percent? Are you going to have like \$300 million in interest payments? Something has to be done. We don't need new ships here. You can refurbish these. Get your act together. You guys better get it together or we're going to make you get it together. We won't wait until the next election.
- Q: *Michael Poitras*: I've lived here for 25 years; I've worked for the ferries for 16 years. The proposed schedule changes will make this a very undesirable place to work for officers. We already have a problem attracting officers here. The ferries know about this. A couple years ago the engineering went to a 10 hour day. They operate on a different schedule pattern than a deck crew does. If this schedule happens, we may lose some of the existing officers, and we may have a very difficult time attracting others. To fill those positions we'll have to bring in more casuals from Little River who will incur additional costs. It will be more expenses, more time for travelling. That sounds like something we've been talking about. Another thing is about this question to Mr. Corrigan. A couple of years ago, when ferries transitioned from public to private, we immediately started paying a much higher percentage for fuel taxes. I think it was something like 14 percent or 15 percent. As soon as it went private, we started paying that. And that is a similar figure of the unexpected cost of fuel rising costs in the past few years has been. Mr. Corrigan said they were looking into that but I haven't heard anything since then. The other concern I have is if the Tachek is put on this route instead of the North Island Princess we won't have as many sailings, but our numbers in those little boxes will look better. Everyone will be inconvenienced because it's very difficult to load large commercial vehicles on that ferry. And I mean this as a permanent fixture here. Our numbers in the box will look good, but it will come at a great cost to the people lining up to get on that ferry. Especially during the middle of the day when there is that blank period. In the summer time, those boxes don't show what actually happens. The biggest traffic period is in the middle of the day. People have actually been looking at this for a long time. We could actually use an extra sailing at that time. We have people who go over in the morning to go shopping and then would be stuck in the parking lot, where there is no shade, for hours waiting to get back to Texada.
- Q: *Unknown*: I want to be a teacher when I grow up, so here are some numbers for you guys. The ship holds 150 people, minus the seven people who are crew. That's 143 people per sailing. 50 percent of that is 72 people per sailing. 10 sailings a day is 720 people per day. That's only 270 people per

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day that are staying home and not riding the ferry. So how many people do you actually want on these ferries?

Q: *Peter:* Everybody has brought up good points about numbers and finances, but I know a lot of these people here can't answer these because they have nothing to do with it of the most part. We only have so much time here, so I think we need to figure out how the service can work for everybody. Let's see what we can do to make the runs work. I think everyone should discuss the sailing more because that's what we're here to talk about. I know there are lots of things to talk about, like the CEO makes \$500,000 a year, we could knock a bunch off him, but really that's not helping right now. So let's talk about the sailings and see what runs work for everybody and what we can keep.

C: *Judy Kirk:* Let's have either David or Joanne talk about what some of that is.

A: *David Hendry:* As I mentioned earlier, we were given a target of savings to achieve for these service reductions. What we didn't want to do was come out here with a schedule that we thought would fit with the community and be presumptuous. We've overlaid the sailings that need to come out of the existing schedule, which is not to say that the last ferry has to leave Powell River at 6:55 at night. That was not the intent. What we would like to do is get as much feedback from the community as possible. BC Ferries will be back in January to talk to the local FAC about a schedule that will not work for everybody all the time, but at least addresses some of the concerns as to what the last sailing out of Powell River to Texada should be and what the last sailing out of Blubber Bay to Powell River should be. Is there an option of taking a sailing out of the middle of the day as opposed to the end of the day? Those are the things that we need to talk about.

Q: *Brandon Rairie:* Speaking on behalf of the Upper Island Soccer Association, Vancouver Island Premier Soccer League, known as VIPL. Powell River and Texada players age 14 to 17 play in this elite league which is a home-base on Vancouver Island. This league has 50 teams comprised of athletes age 14-18. This is an enormous opportunity for Powell River and Texada youth. We travel every weekend for practice or games and have travelled to any community anywhere from Campbell River to Victoria. Being part of this league has been very positive, exciting, and enabled us to make new friendships, broaden our horizons and allowed us to play a higher level of soccer. We are deeply concerned with the recent announcement for service reductions in Comox, Little River and Texada/Powell River. Our schedule has us travel at times on Friday evenings to the Island returning on the last ferry returning on Sunday evenings. At times we have to go to Comox or Power River. There are also times when we leave Saturday evening for a Sunday morning game returning home Sunday evening. We rely heavily on and are dependent on the ferry system. With your proposed schedule we would need to leave on the 5 p.m. ferry Saturday evening for a noon game Sunday. For those who normally return on the 7:15 Saturday evening ferry would mean a two night hotel stay versus a one night. Your service reductions have an enormous financial impact. There would be an unnecessary financial burden on families. With your proposed changes, you are making it impossible for us to play on weekends on Vancouver Island. In fact, you are making sports unaffordable and unattainable for VIPL and the youth of Powell River. With the support of our community we have a very large number of athletes playing volleyball, basketball, hockey, track and field, baseball, gymnastics, swimming and the list goes on. There are hundreds of youth that will be affected by your proposed reductions. BC Ferries is our region's highway system regardless of the opinions we have heard in the media lately. Other than air, the ferry system is our only connection to the rest of the province. It has been our highway. How can you think otherwise? It's

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not only our connections to sports, but it also provides access to many other services not found in our community. Without a reliable service at a reasonable cost, it would be difficult to maintain a health and vitality of sports for youth in our community. On behalf of the athletes who play in Vancouver Island Premier Soccer League, we would like to reiterate how crucial that the Saturday night and Sunday morning ferry not be cancelled. We respectfully ask that you reconsider this and if you must cancel sailings and that you consider other options not on weekends. The impact on youth and sports in Powell River will be absolutely devastating.

- Q: *Chuck Chowders:* I am a long-term resident of Texada Island. What happens to the Queen of Chilliwack?
- A: *David Hendry:* The Queen of Chilliwack will still be required. She will no longer run on the Route 40 mid-coast route. As of next year, she's still required for refit relief on the Powell River to Comox route, and possibly other routes for the next two years, and then she will be retired.
- Q: *Chuck Chowders:* Correct me if I'm wrong, but the last two years, BC Ferries spent \$15 million doing a mid-life extension on that vessel.
- A: *David Hendry:* It wasn't a mid-life extension; it was a life extension so she could last another 5 years.
- Q: *Chuck Chowders:* I don't think that was what was put out at the time. They spent \$15 million dollars on it, correct?
- A: *David Hendry:* That's correct.
- Q: *Chuck Chowders:* And we're looking for what? \$14 million a year? And you're retiring it, basically cancelling its primary route.
- A: *David Hendry:* The government has made a decision not to run the mid-coast route.
- Q: *Chuck Chowders:* There has been some talk. We've gone through it with the three vessels that are currently under consideration to be built and just look at the Coho with Blackball going. It's a similar vessel to the Burnaby and that. It's much older and in much better shape. The vessel we have has a 50-car capacity. The vessel that was built for this route, the Tachek, has a 30-vehicle capacity. Someone has decided that we're going to use this utilization as the formula for cutting service. If we had the 30-car vessel, we'd be sitting with 40 percent utilization. And we don't get to choose the vessel. Because we have the 50-car vessel, which is slightly larger than we need, we then become one of the worst performers on the coast. But with the same traffic, with a different vessel, everything would be wonderful and we'd be looking at no cuts. Vessel utilization is flawed.
- Q: *Judy Kirk:* Is there any other response? Is there any other criteria for vessel utilization?
- A: *David Hendry:* Last November and December we were out in coastal communities talking about considerations to be used to inform the decisions on service reductions. Those considerations included not only utilization, but where there are significant annual shortfalls, the complexity of the route (some routes have multiple stops in their journey), and whether there will be future capital investment. We tried our best to find a balance for those pressures while also providing basic service levels. That's also why we're out here because if there are any other considerations that we weren't aware of we want to know about those, to inform folks, to inform the government that there were other factors that we didn't have.
- Q: *Chuck Chowders:* With this exercise that you're going through, I think the BC Ferries and the government are in a bit of a public relations disaster. We mentioned the sign, I talked about the Chilliwack. There is a perception on the coast, at least in the small communities, that BC Ferries is

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run by a bunch of fat cats. And I for one, as a senior, am going to take a hit and pay half the fare. Well if that's the case, I would propose, that no one rides BC Ferries for less than the half fare senior. You get into a 22.9 percent reduction in our service. I don't think any of use any problem with it if the government had come out and said, these guys are getting a 22.9 percent reduction in their service and BC Ferries in their administrative staff is going to find a 22.9 percent reduction in their cost. There's a feeling on the coast that the little guy, the senior, the people who are in fact the customers, are the guys that are going to pay for the whole thing. If BC Ferries is in the dire straights that everybody's preaching at us, then right across the board, everybody will take a big cut, and I don't think we're going to see that.

C: *Judy Kirk*: Thank you sir.

Q: *Nicholas Simons*: Thank you very much for all of you being here. I think the expectation here was that prior to making decision about service cuts, that we were going to be consulted again. Many people have told me that they feel that this stage has already passed where we were going to have proper input. I was at the press conference where Minister Stone announced these cuts and said that he wanted to make sure he could look in the eye of the seniors when he told them he was reducing their discount. I would like the Minister to recognize that when he says that the only thing we have control over now as residents is "tweaking" the schedule, I really need to know what "tweaking" means. And I think that might have been the wrong choice of words from the minister. But if you're saying that there's actually anything more than "tweaking" a schedule, I think that people here should know. Otherwise the frustration is that we're just talking at a decision that's already been made. I would like clarification for everyone on what "tweaking" actually is.

A: *Kevin Richter*: We're here to find out if there are any considerations that we've missed. Government has definitely made the decision that there's going to be \$18.9 million in service reductions. This plan has been prepared, but we're out here as we committed to at the last round of engagement. Part of this is understanding if we've missed an considerations and to see if there's another plan to get the same amount of service reductions. To find the \$18.9 million, there may be some window that we can work in. The idea is to refine the schedule. That's related to what David was talking about and what I was mentioning earlier. For example, to go from Texada to Powell River, there's two shifts. The idea is to reduce the amount of overtime on those two shifts. So there's 10 sailings now. If it was moved to 8 round trip sailings, have 4 round trip sailings in the morning, have a space in between, and have 4 at the end of the day. For the timing of those trips there are a few key things: children going to school, people coming home and having accessibility in the evenings. So it's refinement that we're looking for.

Q: *Nicholas Simons*: I respect the fact that you say that there was an attempt to balance basic services, which haven't really been defined yet, and something else. But judging from the comments, nothing else was put in balance besides utilization rates. At the last meeting I don't think anything else was discussed. Other options such as time-of-day sailings could have been considered for us. Why is it that the first cuts have been to seniors and the ferry-reliant communities? For me, this is a huge public policy issue. And public policy needs to be debated and considered and discussed. I've sat in the legislature 36 days since January, and I know that this isn't your fault, but 36 days isn't enough time for legislators to put an appropriate amount of time into issues like this. If this is the only time for me to provide a comment to the Minister, then I hope he recognizes that when you make decisions that fundamentally change the lifestyle of a community,

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and you potentially put their economic viability at risk, you'd think that somebody in this well-managed government would come along and do an assessment of those impacts that cutting service will have before making them. Where is the assessment going to come from? If you're just going to play with numbers on a table, don't bother us with coming out for evenings like this because we have better things to do. The job that you're doing is to relay this to the Minister responsible. The fifth minister in five years, who knows very well that Texada has already suffered the highest fare increases of all the sailings, and now the most cuts of any Southern route sailing. And I think that's unfair. One message to the people of Texada: I was in my office today and I had a lot of people come in and they said, "It's not just Texada, as Powell River we're worried about because no longer would you be coming over for dinner, to visit the places that depend economically on having folks come over." I could almost hear people's eyes roll when we hear about his consultation process. It's like, here we go. There just seems to be a lack of understanding. We're talking about kids who won't be able to do extra-curricular activities anymore. That's a significant change. You'd think that would be part of the balance when utilization rates came up. I hope that message gets through. I'm crossing my fingers.

- Q: *Michael Sargent:* On the board you say that about \$900,000 per year would be saved on the Texada run. Are you able to tell us how much of that savings is in fuel savings and how much of it is people and therefore presumably in jobs?
- C: *Judy Kirk:* So fuel savings versus labour savings?
- A: *David Hendry:* Unfortunately, I don't have those numbers in my head, but those numbers will be made available. They're being sent out to the local FAC Chairs. So if you want to get a hold of them, you will be able to contact them to find out what those numbers are.
- Q: *Judy Kirk:* So you're going to give those numbers to the Ferry Advisory Committees?
- A: *David Hendry:* Yes, and local governments.
- Q: *Michael Sargent:* You did say that some of these costs are in saving overtime. Can you tell us where these ferry workers will be losing their jobs as part of this process?
- A: *David Hendry:* Losing jobs, in term of the impact in our workforce, our crewing offices and our union are trying to work through that as best they can to deal with it with as minimal impact as possible.
- C: *Michael Sargent:* Unlike the large majority of people in this room, I am an off-islander, but I have family that I visit regularly. I would say we make between 15-20 round trips from Langdale every year, so I think that I can say some things about the service. We have been visiting the island for the last 13-15 years and we have seen a substantial decline in the number of people who come as visitors and as tourists. We used to come through Shelter Point and have difficulty finding campsites and now it will be easy any time of the year. Many people link the ferry costs to the reduction in tourism. I realize that's a very simplistic approach, but just as a parallel to this, if I were to comment just on the proposed changes you have now, for my family, if we play to come on a Friday night, we can come from Langdale at 5:20 and be here at midnight. If that doesn't happen, we're not here until 2 the next day. We are just one example of how this process will affect all islands and tourism in all islands and consequentially income for islanders. We spend money at the store, at restaurants, the garage. I'm sure there are many others across the province and coastal communities who will no longer be taking their money to the islands. For us, we're off-islanders, but we would like to be on-islanders when I retire. That's a little ways away yet, but as service

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reductions like this are made, it becomes increasingly difficult for individuals like me to make the decision to move to an island. Thank you.

- C: *Marilyn Timms*: I am not a political person, I am not a protester, I have not written a letter to the Premier until this issue came up. The concern I have with it is not really about the ferry corporation and the staff and them trying to enact these cuts. My problem is with the politics of it. I absolutely disagree that we have to find these cuts in this place. When I drive around this province I see things that are hugely expensive. I see the old Port Mann Bridge being torn down instead of being utilized. I see huge expansions to get highway systems into downtown Vancouver when we were supposed to cut back on it and use transit. This is absolutely ridiculous. Thank you.
- C: *Chuck Chowders*: I'm back again. As we go through this process and cuts, I'm hoping they're not etched in stone, but I didn't come to this meeting thinking that we were going to change a lot on it, but going to the schedule if the cuts do go in place, I'm hoping that, and suggest that, the people of Texada Island get, through referendum, to look at a couple of options for schedules and the people of Texada get to choose what the final schedule looks like, inside the parameters that are being given. Thank you.
- C: *Judy Kirk*: Sir, can I just ask you a question on that? I think I heard the BC Ferry people say that they would come and talk to the Ferry Advisory Committees. Would you see that as a reasonable forum for Texada Islanders? Or would you like something else?
- C: *Chuck Chowders*: What I'm proposing is that we get down to [inaudible] with a couple of possibilities for a schedule that we the people of Texada get to vote and decide what our schedule is.
- C: *Judy Kirk*: Okay, thank you. That's what I wanted to know.
- C: *Bill Kristofferson*: I had a thought after hearing you speak. Obviously BC Ferries is in dire straits and you're taking some extreme measures. Since the Ministry of Transportations or Highways or whatever is providing the finances for the ferries, and the inland ferries, the inland ferries get \$20 million and you don't charge them anything for it. At least it's \$20 million that you're sending out. And they have alternate routes. Since we're in dire straits, but the Ministry of Highways isn't, since they're planning all sorts of things all over the province, why don't you just cancel that \$20 million that you're sending there and spend it on the coastal routes. We could probably even use some of the ferries on the smaller routes.
- C: *Bob Timms*: I have a long list here of questions that concern me. One of the hats that I wear is the Chair of the Vananda Improvement District. Our responsibility is to provide potable water to our village and we are mandated to do so. We take water samples and every week and we have to send them down to the Vancouver Coastal Health. I'm wondering if there has been any consultation with them as to whether that sampling will be affected by the schedule. My other question is whether you have had any consultation with freight companies in regards to getting freight to Texada because changing that scheduling may result in them having to stay overnight somewhere, which will increase our freight costs and our cost of living. The other political statement I want make is that every mayor, every regional director, every politician, every tourism office, every chamber of commerce, every business owner, and every person that lives in coastal communities want the ferry system to revert back to the provincial highways department in order

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to be properly funded. Thank you. And thank you to all the young folks who have the guts to stand up here and speak.

- Q: *Jack Renton:* You said that the driving force of all this is to get rid of the overtime on the route, is that correct?
- A: *David Hendry:* Yes.
- Q: *Jack Renton:* And the minimum you have to pay an employee is 7.5 hours, is that correct? Is there a union person here who can answer that?
- A: *Joanne Doyle:* There are a couple different shifts that can be worked for this route. Minimum would be 7.5 on average.
- Q: *Jack Renton:* So in the morning they're going to work 7.5 with this revised schedule except for the Sunday, and the afternoon they're going to put in 5 hours. What are they going to do for the other 2.5 hours? Why are they not on the run so that we're saving fuel to not do the 9:10 sailing?
- A: *Joanne Doyle:* That's an excellent point and I think we seem to have some miscommunication. As an example, Monday to Friday we have four sailings in the morning and four sailings in the afternoon. We want to get the full shift length out of those four sailings so that the latest sailing could be possibly around 9 o'clock. And that's based on the feedback that we're hopefully going to get on the feedback forms as well as some of the comments we've already received today.
- C: *Jack Renton:* The other point is the overtime. There's a lot of overtime in the morning. I worked on the ferries and the majority of the overtime was driven by the Queen of Burnaby being late first thing in the morning. If it ran the way it was supposed to run and we loaded that thing when it was supposed to load, then we wouldn't be sitting out there waiting for it to leave the dock.
- A: *Joanne Doyle:* Exactly. There are a number of different factors that start with the overtime. One of the hopes is to have not so much of an impact. A little bit more of a gap, being able to get the North Island Princess in and the Burnaby. Trying to reduce some of that overtime. We know the Burnaby's schedule.
- C: *Jack Renton:* It's been a problem for years. Commuters never make it to work on time.
- A: *Joanne Doyle:* It's definitely challenge looking at all the ways we can possibly improve. In spring 2016, the Burnaby is scheduled to retire and hopefully another, more reliable vessel will come into play.
- Q: *Jack Renton:* And that will be a smaller vessel, so the utilization will go up. So you will re-instate the cancelled trips from the Queen of Burnaby?
- A: *Joanne Doyle:* The vessel capacity for the new intermediate class vessel is about 145 AEQ, which is the capacity that we used when we did the utilization tables. We didn't think it would be fair to say the 190 AEQ that the Burnaby is actually rated at to do the utilization tables.
- Q: *Judy Kirk:* What does AEQ mean?
- A: *Joanne Doyle:* The Automobile Equivalent. So the car-carrying capacity of the vessel.
- C: *Jack Renton:* I've heard people say that the North Island Princess is a 50 vehicle AEQ. It's not, it's 42, maybe 43 if they're all small cars. So that takes our numbers down if you're using 50 instead of the 42.
- A: *Joanne Doyle:* We actually used 49. Because that's.....
- C: *Jack Renton:* That's what's written down, but it's not true.
- C: *Judy Kirk:* Okay, thank you sir.

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- Q: *Michael Poitras*: One of the concerns I have with this, it that they are factors. Decisions will be made and the pendulum will swing in one direction. And there will be outcomes and causes, some of which will work and others won't and the pendulum will swing the other way. In the time I've worked for the ferries, I've seen this a lot. Most people above 50 years of age have seen this. For a long time, bonuses were driven by on-time performance. But that increased accidents so we said forget about that. Let's swing the other way. What I'm concerned about is what everyone has said. People will suffer from this ill-considered swinging of the pendulum. I don't know what the answer is, but I think Nicholas Simons was close with what he said about the assessment facts. These are big decisions that can't be driven by numbers in boxes and miscalculations between numbers like 50 and 42. Thank you.
- Q: *Bob Kappmeier*: I am a resident of Texada. I've always felt that the ferry system should enable the communities on the coast to prosper and enrich our lives as much as possible. It's a mystery to me why a triangle route between Comox, Texada and Powell River is never really considered or thought about. I don't know what the problem is. If we had direct access to Comox from Texada here, I'm sure that it would change the local economy drastically. It would make it much more attractive for people to settle here and invest in the island. Tourism might actually increase again instead of declining. I'd like to know why this is not done. Why not a triangle route between Texada, Powell River and Comox? If you want to save money, it seems like a no-brainer to me.
- A: *David Hendry*: It was looked at a number of years ago and would have involved 2 vessels of similar size going in a continuous pattern. The problem was that one of the vessels was too small to serve the Powell River to Comox route and it was over serving the Texada to Powell River route. So it is something that has been looked at.
- C: *Judy Kirk*: Sir, there is an additional comment section on the feedback form. If many of you feel that that is something you would like to see, that's where I'd like you to put it.
- Q: *Bob Kappmeier*: That puts a direct bearing on my next questions. People are always coming here and doing your job. I think this is our third or fourth discussion here at our community hall and you've heard our comments here about how this going to affect us here locally. Is anyone listening to us? Is anyone out there listening to us? Since the legislature isn't sitting so often these days, maybe a couple of politicians can come out here and explain to us why this policy that they have of off-loading the ferries. Why can't they change it back to be part of the Department of Transportation and Highways? We pay taxes. We utilize highways. It's very frustrating. Where are the policy-makers in this? Are you actually going to go back and tell Christy we have a problem on the coast that she needs to address? We haven't heard anything from these politicians that were elected or the leader of the Ferry Corporation. Why isn't he sitting here explaining all this to us? Maybe he'd get an earful and that's why he's not here. I used to run a number of businesses back in Ontario and one of my problems always was, how do I get customers to come into my shop and increase my foot traffic? What are you guys doing to increase it more attractive to ride on the ferries? All we get are increased fares.
- Q: *Judy Kirk*: What you're saying is, what are they trying to do in marketing to increase ridership? Let's ask.
- A: *David Hendry*: Primarily, from the information technology standpoint, it's having much better customer-facing tools so that hopefully we get to a stage where we can start getting into demand management and smoothing out the loads of when people are travelling and knowing when people

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are coming. We're offering an Experience Card that anybody can get. We will be transferring that to more of a frequent user card, so that the more you use, the less you will pay, those sorts of things. Unfortunately, what's happened over the last ten or so years is that there's a lot of money being put into the vessels and terminals and not a lot put into the IT system. Quite frankly it's quite antiquated. We are addressing it now, it needs to change and get up to the 21st century level and beyond. We're looking at loyalty programs and understanding who are customers are, and much better reservation facing tools so you can do booking in advance. Those sorts of things.

C: *Bob Kappmeier*: I'd also suggest that you give us a little interest that we deposit on those cards every month. If you're going to have a minimum that we have to put on, maybe we can get a little back and help with our costs.

A: *David Hendry*: We've actually heard a lot about that, so the intent would be to transition from paying money upfront to something that's more of a frequent-user card. For example, you pay 10 on the first run, 9 on the third, that sort of thing.

C: *Bob Kappmeier*: If you can take this back to whoever is supposed to be listening out there, have any studies been done on the under-utilization of highways? Maybe they should shut-down a few of the under-utilized highways or something.

Q: *Denise*: I have a question that no one has brought up. I got hurt a couple years ago and took an ambulance. It took three hours to get to Powell River Hospital. I ended up spending the whole night there because there was no ferry to come home. If you stop the ferries at 7 pm and I get hurt at 7:30, are you going to pay your staff to come out for 4 hours? If you pay your staff the 4 hours, are they going to let people on the boat? Because that's exactly what you would have done at 11 pm, you would have stopped the run. If I get hurt at 7 pm and you call out the crew, you are paying everybody 4 hours overtime to take me to the Powell River Hospital? Are you going to pay everyone on the boat, or are we not going to get an ambulance after 7 pm?

A: *David Hendry*: Emergency services are separate from this sort of service. They are above and beyond.

Q: *Judy Kirk*: The question was, if there is an emergency at 7 pm, and a boat is called out for that emergency, would you allow other people on the boat?

Q: *Denise*: Or are you even going to call the ambulance? Or would it be the Coast Guard? Who is coming to take us over?

C: *Judy Kirk*: That was a different question. I believe your first question was will other people be able to get on the boat?

A: *David Hendry*: These schedules are not carved in stone; it doesn't necessarily have to be 7 o'clock.

Q: *Denise*: Well, 8 o'clock, 9 o'clock? Are you calling anyone out?

A: *David Hendry*: We haven't gone into the details. The intent isn't to change the current practices we have now.

Q: *Denise*: So you'd be calling people from home to come in for 4 hours to take an ambulance over?

A: *David Hendry*: I don't know the specifics; I don't know what's done now.

C: *Denise*: That's what's done.

A: *Kevin Richter*: For emergency services, I'm not from the Ministry of Health, but I got some information because that's an important point. People's health. You get injured and what do you do? My understanding, and I hope I'm getting this right, but two things you phone 911 or the emergency number and medical services people will make a decision as to whether it's removal

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through helicopter, depending on the severity. Another option would be that sometime ferries or sometimes it would be water taxi service provides service. My understanding is that those would be the vehicles on the water or to move you out by air.

- Q: *Denise:* But that was 3 hours! At 9 o'clock it was 3 hours and the ferry was running. So now you're saying you'll call them out. So now it will be 6 hours to get to the hospital?
- C: *Judy Kirk:* to be fair, I don't think Kevin can tell you whether it's 4 or 6. That's not an answer you're going to get. What he's saying, and correct me if I'm wrong, is that there still would be emergency service. And I think the thing we should do is mark this and get back to this community about what would be the emergency service because you raised a good point.
- Q: *Phyllis Soles:* I've been living on this island for 47 years. I'm also a BC senior. You're making a real hardship for seniors. We don't have much money to start with, and now you're going to charge us half-fare, while other people can go free. When I first moved to this island, we had a 5-car private ferry. The first ferry that the BC Government gave us was called the Texada Queen, which we now call the Tachek. And it was a BC Highways ferry. It went over the water from Malaspina Strait and it was a BC Highway ferry and cost approximately \$5 to go over to Powell River. And Comox was also a BC Highway ferry. What has changed with that water? It still looks the same to me as it did then. You also have to take into consideration that Powell River is not an island. Powell River is on the mainland. And Highway 101 either starts or stops at Lund, depends on who you talk to. And then it has these two great potholes in the middle that a ferry runs on. And all of a sudden it turns into not a highway? A ferry route? So how can you have a highway on each side of this ferry, and yet it's not a highway. I think it's time that BC Ferries or whoever is in charge, the BC Liberal Government, went back to having highways for people that live on the coast and that keep a lot of your businesses going in Vancouver and Vancouver Island. It's like we don't even count. I'm beginning to feel like we are third-class citizens in B.C. Also, if I hear once more about "family first" I think I'm going to be sick because apparently it's "family first" for everywhere in BC except on the coast.
- Q: *Branka Bravkovic:* I have lived here on Texada for 12 years. I have a few statements. We are talking about the seniors like they are third-class citizens. You should think about the effect that that \$6 or \$7 is going to have. Every passenger and every car makes money on the other end. You are not hurting only us; you are hurting the entire B.C. economy. Today, you are denying B.C. citizens from having a vacation in British Columbia. Now it's cheaper to go to Cuba. How many dollars are in tourism today? We have a sign on the license plate that says beautiful British Columbia. But we don't know how to make money on it. I'm upset.
- Q: *Vanessa:* I work for the BC Ferries as well. I'm a bit confused because you guys have mentioned over and over that there's no set schedule that you want to talk about, that you want to hear from us. Meanwhile you've already put a bulletin board and sent out message across B.C. that the last two ferries are going to be cut off. As a BC Ferries worker, I had no idea that this was going on until the public....For one, this is going to affect a lot of people. We should know ahead of time. For some people it will even affect their jobs. They will have to find different work. If you really came out here to find what works best for us, then why did you have to put it in the paper? It's really upsetting. You have no idea how it will affect us. At least the 9:10 boat. The 5:40 or on a Saturday. It's kind of crazy that 5:40 is going to be our last chance to leave Powell River. And I know it's good to hear this is a discussion forum and you can possibly change the schedule, but to put it out there

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and to say that this is going to happen, I know that there's a lot of people on the island who said that they were not going to come here because they thought there was nothing that could be changed, it was already written in stone. For the future, you should not put it out there that this is a definite thing. Maybe you should just invite people for a discussion on the possibilities. Or maybe engage them for something in the future, not to be set in stone. There are a lot of people on this island who have an opinion that did not come. Because it was already said. The 9:10 boat really needs to be in a later boat because we can't cut the later ones. Especially Thursday, Friday, Saturday and Sundays are important days for a later ferry.

- Q: *Unknown*: I've lived here a few years and I want to say that the commuter cards are so unfair to people without money. You have to put a minimum of \$105 on them. I know people who can't afford for that money to sit in a BC Ferries account while they walk back and forth. When I was raising my family, we had these little funny tickets. At least I could give them a ticket and we could share a ticket. We can't do that anymore and it's a hardship for people. Your frequent user things suck, because the people who have the money use the ferry the most. I've seen people with lots of money when the tickets were going to go up, buying 7, 8, 20 books because they weren't going to pay the raise, but I couldn't do that. Give us a way to keep it with everyone so everyone is paying the same damn thing. And while we're at that, all of the municipal, all the people in government have free ferries for their lifetime. All of them, everyone who's in politics, they don't pay for any of the ferries, including going up to the Queen Charlottes. Did you know that?
- A: *Judy Kirk*: No, I don't know if that's accurate.
- A: *Kirk Handrahan*: I don't believe that that is accurate. There are some politicians from former days who do have a lifetime pass, but all sitting members now do not get lifetime passes. Neither do civil servants in the government.
- C: *Unknown*: Well the people I know, my age, have lifetime passes. If you're looking for money, let's start charging something to the people who are riding ferries for free. And stop making the people with the most money get the most benefit.
- C: *Judy Kirk*: I hear you. Thank you very much. I just want to say that we have time for probably about 6 or 7 more speakers depending on how long they are. I just want to give you some sense of that for the people who were waiting until the end.
- Q: *Caroline*: The point came up about ridership. There seems to be a lot of discussion and justification for what BC Ferries is attempting to do right now with making up this \$18.9 million having to do with low ridership. The point came up about what BC Ferries is doing to increase ridership. I would like to make a suggestion that you've done an awful lot to discourage ridership. For example, the fares have gone up year after year; they are unaffordable. There is a clear equation there about fares going up and ridership going down. I know BC Ferries is in denial about this, but this is the big issue. You need to address how to increase ridership. You're also raising the fares for seniors. It's really a slap in the face and very disrespectful. As people have pointed out, there will be fewer seniors travelling. You're putting on smaller ferries. Smaller ferries hold few people. That's lower ridership. You're going to have overloads and you're going to cut service, and then when there's an overload, we can't catch the ferry. We're going to be put off taking the ferries. Personally, I used to go a couple of times a week, now I got once every two weeks. That's a big drop and I know that everybody else had done the same thing. We don't have more money coming in, so we just go less

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- often. That's my point. Figure out how to increase the ridership instead of discouraging it. I also just want to say that I do think it should be in the Ministry of Transportation.
- C: *Judy Kirk*: Thank you very much.
- Q: *Jane Waterman*: I live on the island. I have a problem with the math. You want to make the morning shift 7.5 hours, which I believe it is if the Burnaby is on time and you want to make the afternoon shift 7.5 hour, but only run it for 5 hours and I have difficulty with that. I can see that maybe we have to lose the last run or change the time of the last run or something like that, but I can't see that having a 7.5 hour shift and a 5 hour shift.
- C: *Judy Kirk*: Let's ask Joanne, because I think she tried to explain that. Let's see if it's something that makes a difference.
- A: *Joanne Doyle*: It's a hard thing to explain. We're not looking to make it a 5-hour shift in the afternoon, but with having four sailings, we need to look at the labour and fuel savings. If we can get down to Monday and a Friday – I use these an example because we can keep them consistent – four sailings in the morning and four in the afternoon, spreading out the afternoon shift so that they're still working a full shift.
- Q: *Jane Waterman*: So what you really need is to cut out one run. You don't need to cut out 2 runs in the evening, except for the fuel savings. I don't know how much that is. But I can't imagine it's the amount of money you want to save. And I'm sure it's labour costs that's the biggest thing to save. And on the weekends are you going to have a 12-hour shift? Is that why you need to cut out the runs in the morning and afternoon?
- A: *Joanne Doyle*: No, it would still be the two crews and it's an opportunity for fuel savings as well as having time for crews to do drills and a couple other things that we don't have built into the schedule.
- C: *Jane Waterman*: But I presume they're doing the drills they're supposed to do anyway.
- A: *Joanne Doyle*: Yes, but we're trying to do it within a shift length.
- C: *Jane Waterman*: Well I have to echo Vanessa's point of being here after having told us that you're taking away two sailings. And that we're going to have our last sailing leave Powell River at 6:55 at night is not very good PR. And it's not really necessary to lose two sailings. If you wanted to soften the blow a little, then maybe save one for next year when you need to come back again and save money.
- Q: *Joan Martisca*: My husband couldn't be here today because he took someone who had to have a medical appointment to Nanaimo. They went over on the first ferry, they'll come back on the last ferry. It's the only way you could do a medical trip. Once you've done your cuts in April, they'll have to stay overnight. They won't be able to do it. I have two questions: one is, you're going to do a \$200 million upgrade to the Horseshoe Bay terminal, but it has just been completely rebuilt not long ago. That \$200 million would keep the whole system running for at least 10 more years. Why do they need \$200 million for their upgrades?
- C: *Judy Kirk*: Let's get an answer.
- A: *David Hendry*: That's a great question. A lot of money. That \$200 million has been in our capital plan for at least 5-10 years now. I'll go on. It's been in the plan and it's something that we're looking at. It's a lot of money in this day and age. It was put in the plan when ridership was higher, economics were better, and the economy was stronger. It's something we need to look at with a very close eye. Is that the best use of that money? There are some physical realities that do need

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to happen at Horseshoe Bay, but it's something that we're looking at to see, to alleviate that capital spending. It's about capital optimization. It's where the best use of spending is.

C: *Judy Kirk:* So are you saying it may not happen, or that it may be less?

A: *David Hendry:* Some elements of it will happen, but we're trying hard to make it less.

Q: *Joan Martisca:* I did management at BC Children's Hospital so I understand you have your capital budget and you have your service budget. But that \$200 million you have in the capital, well they just had an upgrade. That money needs to be in the service budget and you have to have a way to be able to not just keep capital in capital. You need to give service to the people. It's like a patient in the hospital. The reason you're there is for the patient. BC Ferries is here for the customer; the person that is a resident. You have to keep sight of that as well. My second question is, if we pay taxes for the highway system for the whole province, whether it is an isolated area or not, how much would the taxes need to increase so that the ferries would either stay the same or be free? I was at a medical appointment in Powell River and someone said to me that they did the math and that if everyone paid \$6 on their taxes that the ferries could be free. I'd be happy to have them affordable, which they aren't right now, but even slashed by 50% so they're affordable. But if only \$6 makes them free, we shouldn't need to be here.

C: *Judy Kirk:* So the question was, how much addition tax would people have to pay in order to bring the cost of ferries down either by half or to make them free?

A: *Kevin Richter:* Right now, tax payers are putting in over \$200 million, both provincial and federal tax dollars, into the system. To run BC Ferries now, including the service part, the amortization paying for the capital, is over \$750 million. Revenue comes from the tariffs that you all pay and also from ancillary revenue, meaning from the snack bars or the drop trailer service. To make up the difference between \$750 and \$200 million would be another \$550 million. How much is it per person? I don't have that number. I know that when we came out last fall and we were talking about it with people, we asked that question. We asked if people in communities would be interested in having tax increases or additional rates and people did not support that. They were quite strong in their voice. The government is trying to figure out how it balances the cost for supporting the ferries or building hospitals or dealing with education. It's a balance. I don't have a number of how much it would cost. I'm just trying to illustrate that order of magnitude. Does anyone have that number?

A: *Kirk Handrahan:* We've never done a study of it, but it's \$550 million. That's not going to be \$6 a tax payer; I don't think there are that many tax payers in BC. But we get your point. There is a significant amount of taxpayer money going into the system every year.

C: *Joan Martisca:* The last point I'd like to make. If you make the changes that were presented to us before we came here, when you come back here next year after April 1, you will need to have accommodation in order to have a meeting with us.

C: *Mr. McIlroy:* I am a resident of the island and the president of the Legion here on Texada. Everybody has made very valid comments. Minister Todd went on television and said that our ferry isn't part of the highway system. Well we don't have an option. It's either take BC Ferries or swim. I understand that if you make the seniors pay 50 percent of the fare, the government will give BC Ferries 100 percent of what they get now for every senior. BC Ferries will get to spend that 50 percent or waste it, which they seem to be good at. My opinion is that BC Ferries Corporation is

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broken and I don't see it as fixable. I think the government needs to step in, fire the corporation, and put this back under the highways and make this a service that will work.

- C: *Tim Atwood:* First, a political statement. Much has been made over various bulletin boards and discussions. So few people filled out the last consultation form and opinions and everything and you wonder why. Well I've been here for 20 years and we've been going through this, consultation after consultation and usually the government overruns whatever was consulted on. They keep claiming this is an independent group and corporation. Well it wasn't the CEO of BC Ferries that announced the cuts; it was the Minister of Transportation, the government. He overrode all of you. You're deluding yourselves if you think you have any say or think that we have any say. Let's be honest, we've seen this for 20 years, we've been deluded. We've gotten to the point where we say, what's the use of filling out another form, another survey? What's the use? You're going to do something else anyway. My second point is that much has been made about fuel savings. Well I guess the North Island Princess is a creaky little thing, but it's been told how inefficient that is in terms of fuel. Yet we've been scheduled to have a replacement for years. They keep extending the life of the North Island Princess. If you've got the ferry that you've promised for years, we'd save all the fuel from not having it run. We'd already be at your fuel necessity without killing the 9:10 run. You're telling us you have to do something for savings, but if you'd done it right, the savings would already be there from having a more efficient vessel. It's ridiculous.
- C: *Judy Kirk:* We have time for two more comments.
- C: *Bob Kappmeier:* I was over in Powell River on Sunday and we went out to a little event. We started talking to a senior couple in the restaurant and the discussion, as usual, ended up with the ferries. You can't go anywhere around here without talking about the ferries. It turned out that she was very wistfully and sadly complaining that she doesn't get to see her kids much anymore because they can't afford it. She can't afford to go down to Vancouver as often as she would like; maybe once or twice a year now. The ferries have really disrupted her family and they don't see each other anymore. I just wanted to add that.
- C: *Judy Kirk:* You'll be the last one, sir.
- Q: *Dick Fahlman:* I've been an island resident for a lot of years. I've got three points. First, is something that hasn't come up yet, which are the slot machines. It's not only stupid, it's insulting. People aren't on there for entertainment, they're on there to go from A to B and the slots are on there as a means to squeeze another buck out of a captive audience. Next, I was thinking about what the reduction to the seniors' discount means to me. There are three things here that I can see that relate to how it's going to affect my health. One is the library, which is within walking distance of the ferry in Westview, which is no longer worth going to if you don't know what you're going to find there. Secondly, the gym and pool fee for my health, which doesn't exist here on Texada, is basically double because you have to pay to get home. Thirdly, dentists are not included on the medical plan, so they're not included on the tap form, so that's an additional cost just to go see a dentist. But in the big picture, there's something that's really distressing to me here. That is that when you privatize something – which by the way wasn't theirs to privatize, it's ours – you change the concept. You remove it from being a fiduciary obligation, which in case you don't know means

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in trust. The government is acting in trust for us. But when it becomes a private corporation, that trust is gone. They don't have to act in trust; it's now bottom line and that mean you're working to a bean-counter's priorities. A bean counter's priorities are some isolated little tunnel vision of where the numbers add up. The reality of it is it affects the society as a whole. All the consequences that Sandy and everybody else here listed tonight are part of the consequences of a bean counter saying we have to squeeze this. So you have to get the jam to go back to your bosses and say, "Change your priorities, this is rubbish."

- C: *Judy Kirk*: I want to thank you very much for coming out and providing your comments. I know that there are strong feelings and I appreciate you allowing us to hold a civil meeting. I do encourage you to please fill out your feedback forms in addition what the record has said. It's also online. We'll be here for another few minutes packing up. If you have any additional questions for the representative, feel free to do that.

3. Closing Remarks

Judy Kirk wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on November 26, 2013 at the Powell River Town Centre Hotel, Powell River, B.C.
FACILITATOR	Judy Kirk, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Lynda Petruzelli, Senior Manager, Marine Branch, Ministry of Transportation and Infrastructure Sean Nacey, Senior Manager, Infrastructure Development Branch, Ministry of Transportation and Infrastructure Joanne Doyle, Manager, Master Planning, BC Ferries David Hendry, Director of Strategic Planning, BC Ferries Nancy Spooner, Kirk & Co. Consulting Ltd. Max Chalmers, Kirk & Co. Consulting Ltd. David Pankratz, Kirk & Co. Consulting Ltd., Meeting Recorder
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants wanted the ferry system to be part of the highway system. They do not see BC Ferries as a business and think that the *Coastal Ferry Act* is a failure.
- Participants did not think that the seniors' discount should be reduced, as seniors have paid taxes all their lives. They did not understand why BC Ferries employees travel for free but seniors will have to pay.
- Participants suggested that the home port for the ferry be in Powell River as the ferry is for Powell River, not Comox.
- Participants suggested utilization is not the primary criteria that should be used for service reductions. They said the cuts will have the opposite effect intended and will cause utilization to go down, and in turn decrease revenue again.
- Participants stated that they would like a bridge that connects them by road to the Lower Mainland, as they are part of the mainland and not an island.

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- Participants did not support service reductions. They stated that:
 - Impacts are too great to justify the savings.
 - A socio-economic study is necessary, as service reductions would have huge economic, cultural and social impacts.
 - Ferry service reductions will reduce or eliminate economic activity created by Powell River residents going to other cities, including Nanaimo, Comox and Vancouver.
 - Cultural activities impacted by service reductions include jazz concerts, school musicals and festivals. Weekend service reductions significantly affect cultural activities.
 - Ferry service reductions will reduce opportunities for kids and cause people to leave the community.
 - Weekend reductions will pose very significant challenges to sports teams that are dependent on ferry service, such as youth soccer and Junior A hockey programs in Powell River. It is increasingly difficult to raise funds to travel on expensive ferries. Participants noted that the Premier and the government had said that healthy living is a priority but these cuts undermine the ability for Powell River youth and others to pursue sports and healthy living.
- Participants stated that fares are too high and that it is unaffordable to travel by ferry. They said high fares and service reductions will put downward pressure on property values, and tourism is declining due to high fares.
- The Mayor of Powell River asked the engagement team to come back and use another venue so that more people from the community could participate in the Open House.¹

DISCUSSION

1. Welcome and Introductions – Judy Kirk

Judy Kirk welcomed participants to the open house, and explained the format of the Q & A. Judy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement members introduced themselves.

- C: *Judy Kirk: Good evening. Welcome Powell River, thank you very much for coming. My name is Judy Kirk and I will be facilitating the session. We are going to start early. We are going to put up the volume so you can hear it better. We will start the question and answer period in about 10 minutes. We just need to ensure that we sign up people along the way. We will have a stand up mic and I to ask people to please speak very loudly. We do want to conduct a civil meeting and I will conduct a civil meeting and that means that we have to leave the aisle open and will have a mic, people will take turns at the mic and we will record the meeting, as we have at all the other meetings. Within 10 minutes we will start and we will go until 8 o'clock. If you can bear with us for about 10 minutes while the representative of BC Ferries and the Ministry of Transportation come*

¹ Note: To ensure participant safety, the fire marshal limited the number of Open House participants in the meeting room to 375 people. Approximately 500 additional people waited outside and were encouraged to complete the Feedback Form.

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up front and we get the mics set up. I wanted to reiterate that the aisle must be kept clear and that you will line up at the mic for your questions and comments. Thank you.

- C: *Judy Kirk:* Thank you very much; we will be registering people in the hall. People told me as they were coming in that they want to ensure that the total number of people here was recorded and we will endeavor to do that. I just want to let you know that many of you heard us say that the fire marshals' regulation was that no more than 375 people could be in this room and that's the number that we have, so we are at the limit. We will get started with a question-and-answer period. We will be keeping a record of the notes from the meeting, plus your completed feedback forms, plus any written submission you want to provide, or any email commentary, we will welcome it all and it will be included in the consultation record and in the overall consultation.
- C: *Judy Kirk:* Please do turn your cellphone to vibrate. It is very disruptive to have phones going off in meetings like this. I appreciate your patience on that. Generally, in a meeting of this type, I will allow people to speak as long as they want, but I have already had people ask me to modify that. I will ask you to please, if there are people lined up behind you to ask questions about BC Ferries and the Ministry of Transportation, please say what you want to say and then allow the person behind you to have their say. One final thing is that these people are here from the Ministry of Transportation and BC Ferries, and they are not here to be yelled at or sworn at in anyway, or in any other way disrespected. So I will ask you to please allow me to run a civil, respectful and appropriate meeting, for a meeting of this nature. And indeed I will do that. Kevin, could you please introduce yourself.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- C: *Kevin Richter:* Good evening and thank you very much for coming tonight. My name is Kevin Richter and I am with the Ministry of Transportation and infrastructure and I am the Assistant Deputy Minister responsible for the Marine Portfolio.
- C: *David Hendry:* I am the Director of Strategic Planning for BC Ferries.
- C: *Kirk Handrahan:* I am the Executive Director of Marine with the Ministry of Transportation and Infrastructure.
- C: *Joanne Doyle:* Hello, my name is Joanne Doyle, I am a Manager of Master Planning with BC Ferries, and thank you all for coming tonight. We look forward to hearing your comments and questions.
- Q: *Mark Passet:* To the four sitting on the panel, how many of you use the ferry on a daily or weekly basis to go to and from your main homes to get to work?
- A: *David Hendry:* I have friends and family on the islands so I go visit them. I actually take a lot of ferries because I work for BC Ferries.
- A: *Kevin Richter:* I do not take a ferry every day.
- A: *Joanne Doyle:* I live and work in Victoria so using a ferry daily is not part of my routine.
- C: *Mark Passet:* But you need a ferry to get to the mainland. You are the only one who needs to use a ferry to get to the mainland from what I hear.
- A: *David Hendry:* No, we all live in Victoria.
- Q: *Mark Passet:* Alright. Thank you. In May of last year, when Christy was going for election, she said more than once on the platform, "jobs, jobs, jobs." That's what she was all about. Do you think

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- cutting the ferries the way you have is bringing jobs and work to this community and other communities like it?
- A: *Kevin Richter:* We certainly recognize the importance of the ferry system. We also were given direction by government to find \$18.9 million in service reductions. Last year we were out here consulting about considerations that we could use to develop and inform us on service reductions; considerations about utilization and shortfall. The whole ideas of these measures, whether they be about reductions or the gaming or the reservations system, is to try and make this ferry system sustainable going into the future.
- C: *Mark Passet:* Thank you. The other thing she screamed about many times on the platform is family. Family first. Do you think you're putting family first when you're making our kids go out of town to work? The other thing she screamed about was sports. Sports and activities. We have to get active. Do you think this is keeping the teams active when they can't get back and forth to the island? I think what they have to do is get rid of the word "ferry" and make it "bridge," because that's what it actually is. It's our bridge to the mainland. So turf the ferry, we'll call it a bridge. It's just a floating bridge that goes from Powell River to the mainland or the island. It is our highway to the mainland. And I would wish that she and others would recognize that and put it back into the Ministry of Highways like it used to be. Where everybody in the province pays a little bit of the bill to keep it going. My tax dollars go to a highway in Fort Mac. They don't get charged extra to have that highway in Fort Mac because it costs extra to plow the snow. How many years ago was it that when there was a big snowfall on the Coquihalla or the #1 Highway it would get plowed? Now a big snowfall comes, shut her down because we can't afford it. So when the #1 Highway gets closed from Vancouver to North Van because we can't afford to plow it anymore, take note, it's coming. Thank you very much.
- Q: *Louise Ribbons:* In 2010, BC Ferries Corporation decided to give all their employees free rides, including their families and retired employees who had worked for 10 years. When Mr. Corrigan was asked about the value of that, which turned out to be \$500 million, he said it didn't cost the Corporation anything because the ferries were half empty anyway. So now, tell me the logic of cutting down the seniors free rides from Monday-Thursday. How is that going to fill the coffers if the ferries are half-empty anyway? Why can't these seniors ride for free?
- A: *Kevin Richter:* When we were out engaging last November and December, we heard from people that there was interest in looking at the seniors' discount, if it could help reduce pressure on fares across the board. One of the measures that we're following up on is reducing the discount for seniors with the idea that there would be still the same amount of money that the province gives to BC Ferries, but the incremental money that would be made by those seniors paying 50% would help overall in taking the pressure off of fares going into the future.
- C: *Louise Ribbons:* I have never heard of a Crown Corporation or of a government that uses seniors to correct their losses.
- C: *David Formosa:* I am the Mayor of the City of Powell River. I don't think I'm going to have to say much based on what's happening here. I want to start off by first welcoming you to our city. Thank you for coming; we appreciate it. I want to remind everybody that these folks are representatives of the government and will only be bringing back our messages to the government. Really, it is government that we need to have this discussion with. There is going to be a lot of pent up anger,

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so please forgive us. One ask I have is that we have about 300 people outside. We would like to invite you back so that we could get a venue with the proper capacity so that the people outside can be a part of the discussion. That's what I'm asking here today. Also folks, the ferries don't run at a loss, these are our highways. Over the next while we're going to be organizing ourselves to work with the government within their balanced budget program, which they go elected on, to try and show the government that B.C. is actually behind us. 20% of British Columbia lives in coastal communities. 30-something percent of the GDP comes from these areas. We just want to be treated fairly. We don't want to be discriminated against anymore. These cuts are going to put the final knife on our community. This is the straw that will break the camel's back. This is a major issue for coastal communities and we're not going to fix it all tonight. But please come back so the people outside can feel a part of this. I'm hoping we can get this figured out because these are our highways and we all know it.

Q: *Allan Falkner:* How much do the BC Ferries executives make annually?

A: *Judy Kirk:* I don't think that's a question they're going to answer, sir.

C: *Allan Falkner:* Consider this: I make less than \$12,000 a year. I take the ferry up to 24 times a year. And now you're going to cut the services. This is going to extend the pocket money that I have to spend on these trips. I'm going to have make overnight stays now because the last ferry is going to be cut. How is this not affecting our community? It's mind-boggling. I don't understand how you don't see that this is our highway. This is how we get our supplies from the mainland. We are not an island. Our supplies come up on trucks on the ferries. Are we going to have to send them on barges now and raise the cost of our living? Because the stuff we have to purchase in stores is going to go up because they have to barge it up. Is that the way you want us to live? I live on a ridiculously low amount, and I live comfortably. So why don't the BC Ferries executives take a pay cut?

C: *Nick:* I would like to thank you for coming, and I hope that you don't feel personally put upon. Some people here are desperate. I hope you notice that. I am a local businessman, and even I know that when your sales drop off, you don't raise the price. Your gross sales drop off, so you raise the price and cut the service? That's a death spiral. If BC Ferries Corporation is a business, they've got to have a business model and this ain't it. It's obviously only going to worse. We're up against a wall here. We don't want to become another Ocean Falls.

Q: *Vicki Blaine:* I have two quick questions. One is that on November 7, I wrote my first letter of concern to BC Ferries even though there are many things over the years that I have been concerned about. I filed it on the customer service website. I have yet to receive so much as form letter to say that my concerns are being looked at and that was 3 weeks ago. I want to know if BC Ferries is going to acknowledge and address the feedback and concerns that are being discussed here tonight. Because my letter not being acknowledged gives me the impression that you're not interested in the feedback from the communities that you serve.

A: *Kevin Richter:* We're out here consulting on these measures. The service reductions were a decision by the government. It was the government decision to put this \$18.9 million in service reductions and this plan for that. As we committed to last year when we were out engaging, before anything would be implemented we said we would come back and engage with people to find out their

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- thoughts on these measure that were being put in place. Absolutely, that's why we're travelling. This is our seventh meeting in coastal communities. We're going up and down the coast to hear from people. We're asking for your feedback and input so that that can be given to elected officials so they can make their decisions. So we're absolutely going to these communities and listening. I'm just asking that you guys supply that information.
- A: *David Hendry:* In terms of your feedback to BC Ferries. We have about 19 million users on the system each year. We have thousands of inquiries through email, mail and phone. We try to get back to all of them. If you want to give me your information, I will personally make sure that someone gets back to you. More important is that everyone here gives their feedback on the forms provided here tonight.
- Q: *Vicki Blaine:* My second question is for the Assistant Deputy Minister of Transportation. I have here from the front page of your website, "the Inland ferries operate under private contract with the Ministry of Transportation and Infrastructure. All Inland ferries are free of charge to users." What is the specific rationale that the government uses to decide that the inland ferries are part of the highway system and thus are free? When they have other routes that they could take. We on the coast here have absolutely no alternate route. The only route we have, sir, is the ferries. Why are the ferries not considered to be part of the highways and under your jurisdiction?
- A: *Kevin Richter:* Currently, tax-payers, both federally and provincially, contribute over \$200 million to the coastal ferry system. For the Inland ferry system, there is about \$23 million contributed. If you calculate what the subsidy per vehicle is, it's about \$23 per vehicle on the coastal and \$18 per vehicle on the Inland. So the contribution from taxpayers to the coastal and inland services is comparable. So the government is giving the same comparable amount for both services.
- C: *Judy Kirk:* At other meetings I have heard that people think that the inland ferries should be charged as the coastal ferries are. Is that your point?
- Q: *Vicki Blaine:* Partly. I want to know why we're not considered, and our usage of the ferries is not considered under the Ministry of Transportation. Why are we not part of the highways? You still have not answered my question. What is the rationale behind the inland ferries being part of the Ministry of Transportation and Highways and our ferries, where we have no other means of transportation, are not considered part of Highways?
- A: *Kevin Richter:* The government looks at the two systems. The operation of the Coastal Ferries system is an expensive system. The cost is over \$750 million per year to operate. To operate the Inland is about \$23 million per year. They operate separately, and it was the government's decision to have them operate as separate systems. But what I've been hearing here and other places, is that the ferries should be operated as part of the highway system.
- C: *Vicki Blaine:* It's the only highway we have, sir.
- C: *Ben Fairless:* Nick mentioned raising fares when ridership goes down, or raising fares and then ridership goes down. I would rest comfortably tonight to think that you people do look at your own operation costs, your numbers of passengers. I know that you time rate increases to Consumer Price Index. But really Consumer Price Index doesn't have anything to do with operating the ferries here. It's your cost and your riders. Now, the simple arithmetic is, 3 riders paying \$12 is going to gross you more money than 2 riders paying \$15. They you also look at your expenses and you need to get more crew members for passengers et cetera. I know you've done it, I hope you've done it

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and I really encourage you to look at your fares and the ways you could increase rider ship and maximize your crew potential, maximize your loads and all that. Thank you.

- C: *Doug Skinner*: I am a school board trustee. I am part of the Ferry Advisory Committee for the Sunshine Coast. I am a retired school administrator, but long time coach in this particular community and have coached for 50 years, and coached for 22 years since coming to Powell River as part of volleyball, part of B.C. School Sports, part of Zone 6 and I just wanted to share a couple of stories. For the people right behind me I apologize that this is about 2-1/2 pages. My article that I presented is called “It Must Be a Mistake”. When I read about the proposed sailing cuts to the Little River Westview run, I was initially in shock as I thought it must be a mistake. Imagine cutting the Little River 7:15 pm Saturday run, and the 8:10 am Westview Sunday run. Who was part of this decision making? In order to make a decision like this, what factors were considered? Sometimes hard numbers make no sense. I would like to argue that the elimination of the Little River 7:15 pm Saturday sailing, and the 8:10 am Westview Sunday sailing from Powell River makes little sense from B.C. School Sports, B.C. School District 47 and Zone 6 Vancouver Island point of view. Allow me to explain further. Power River Schools are linked with Vancouver School Island for all B.C. school sports. Those sports include Soccer, Basketball, Volleyball, Gymnastics, Swimming, Track and Field, Cross Country, Curling, et cetera. Powell River schools in particular, Brooke Secondary are placed in an area of three leagues. This is made of teams from Northern Vancouver Island, Campbell River, and the Courtenay/Comox and Powell River. All our club teams are raised in the same manner as we are part of Zone 6, which is Vancouver Island. This involves summer games, hockey, volleyball, track and field, et cetera. Therefore, all Powell River teams have to compete on Vancouver Island. Most of the competition happen close to or on weekends. Another group is going to point out how it affects soccer. I am here to demonstrate how it directly affects both school and club volleyball. First of all, I am going to present one example from one school volleyball team that competed this fall. The group was the Brooks junior girls team in grades 9 and 10. They are in area 3 in the Northern Vancouver Island league. Volleyball typically runs two day tournaments in the fall, as this is B.C. School Sports season for volleyball, and the tournaments always happen on Friday and Saturday. This year our grade 9 and 10 girls went to tournaments in: Dover Bay, September 27-28; Belmont, Victoria, October 4-5; Vancouver Island University, Nanaimo, October 18-19; Area 3 playoffs, Campbell River, November 1-2; North Islands, Courtenay, November 8-9; and the Island Championships in Dover Bay, Nanaimo, November 15-16. They caught the 7:15 pm home on Saturday night on each of these tournaments. The team consisted of ten players, two coaches and many times their parents as support. There was already a cost of one hotel night, as it was a Friday-Saturday tournament. Average costs for each player for one night was at least \$100 with food, ferry and van costs. If you take away the 7:15 Saturday sailing, this would increase the cost substantially. They would have to stay in Courtney Comox an additional night. The Best Western has a cost of \$90 plus tax per night. Please note that all Vancouver Island team members can return home and sleep in their own beds each night. This short season alone would have cost the girls’ team an additional \$1,800 minimum as they would not have been able to get home on Saturday night. Many parents would say the sport is becoming unaffordable. Many parents would say they have other activities on Sunday; it’s imperative that they get home on Saturday night. Coaches would be away for two nights rather than one. And many have families at home plus other responsibilities. The end results would be less players, less coaches and less

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opportunity for our youth. We were involved on many tournaments on the Island, we had two teams competing for Zone 6 and as an example, you 14 teams play on Sundays January–April. Our teams have to catch the 8:10 ferry on Sunday in order to compete. The 12 noon boat out of Powell River is too late. Also, Island championships are mandatory if the team wishes to compete at the BC championships or the Canadians. Last year it was held in Nanaimo. We had 19 players, two coaches, and they all come home on the 7:15 boat. And we had extra 12 parents there and that's an extra 8-10 additional hotel rooms in Courtenay/Comox and an additional \$1,000 for the weekend, just like that. I could go on with 22 years of examples from coaching Volleyball here in Power River. What you propose is totally unfair to the youth of Powell River. It must be a mistake.

Q: *Michael Poitras:* I'm from Texada Island. I have worked for the BC Ferries for 16 years. It is my understanding that the inland ferries are free because the government was responsible for damming those rivers and lakes and made a promise that they would be free. I believe that is the reason it is still free. There was a meeting on Texada last night and there were some numbers brought up about the utilization of the Texada ferry. And it was revealed that the numbers used to calculate it were incorrect. We were told that the Texada ferry was a 50-car ferry, we found out it is actually a 42-car ferry. This makes a difference of 16% from the numbers that are written on those boards. The number written there currently is 24% usage. This raises it by 16%. That is actually quite a significant increase. Another thing I would like to bring to your attention is the reason that seniors get a discount is that they have spent 40 years paying taxes. That's income taxes, property taxes, excise taxes, fuel taxes, sales taxes. So if they have been paying for the asset that BC Ferries is, they own that asset. BC Ferries is a management company that has been hired to look after the assets of everyone in this room who has white hair. That is the reason they ride for free. Finally, in comparing it to highways, we live in a rural area. I watch TV, and what I see from the Lower Mainland is that there's a lot of traffic there. There are many accidents there. There are many police and ambulances. I pay higher insurance rates for my car because of those accidents. All of these are part of the highways, part of the tax base that's here. In our community, we don't have that much traffic. For that reason, I think we actually draw less from the same budget that's spent on those highways.

C: *Monica Peckturn:* I was looking at the documents that you gave us. On page 20, if you look at the utilization and the percentages there, the answer to your problems is quite obvious to me. Your ferry is running back to Comox pretty much empty. And the reason for that is that this ferry services Powell River, not Comox. If this ferry was docked in Powell River you wouldn't have this problem. My second point; I did quite a bit of research today on the internet and I was looking up ferry fares in other provinces. I found I could take a ferry from Farewell, Newfoundland to Fogo Island, which is about 50 minutes, for a return trip for 2, \$24.20. I could go to Washington State and take a 60 minute crossing from Seattle to Bremerton. A car and 2 people is \$18.55. North Sydney, Nova Scotia to Argentina, 520km, is \$337.47. If you compare that to Port Hardy and Prince Rupert, you would pay \$639.25. An hour and three quarter crossing from St. Barbe to Blanc Sablon in Newfoundland, a car and two people is \$33.28. BC Ferries' fares are disgusting.

Q: *Amanda Martinson:* I'm from Texada Island. I would like to start by saying that I think you have treated the people of coastal BC deplorably and unconscionably. We will not be collateral damage to your corporate bean-counters. You are supposed to manage transportation and not treat the

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ferries like you are the CEOs of a cruise ship casino company. You cried the blues when employee contracts were up. They voted not to strike and thus have not had a raise in 12 years. Yet you have no compunction and have voted for yourselves to have outrageous raises, bonuses and pensions. I would like to ask you, how many managers there are in the ferry services?

A: *David Hendry:* Approximately 600.

Q: *Amanda Martinson:* and each of them are making a minimum of \$100,000 per year in salaries plus expenses. Is that correct?

A: *David Hendry:* 600 managers. Some of the non-exempt employees are now exempt. And I can't tell you what the average salary is.

Q: *Amanda Martinson:* I'm sure it's close to that figure of a minimum of \$100,000. I would also like to ask you Ms. Kirk, how much are you getting paid to administer this survey?

A: *Judy Kirk:* It's not a survey, but that's probably a question that David should answer.

A: *David Hendry:* The Ministry has hired Kirk & Co. to provide services such as logistics, setting up the meetings, helping in the preparation of the discussion guide, and that's going to be over \$500,000 for the whole program of this whole engagement.

Q: *Amanda Martinson:* Thank you. I don't know if it's appropriate to ask this, but did you yourself not make a substantial contribution to the Liberal Party?

A: *Judy Kirk:* The firm that I represent, Kirk & Co., has made some contributions, yes, which we have a right to do. I can't tell you exactly what it is.

C: *Amanda Martinson:* In the eyes of the public it is looking more political...

A: *Judy Kirk:* Hold on a minute. I want to make something clear, because you're inferring something here. There was a competition for this contract, which we bid for and were selected within that competition. So I don't want you to infer something that is incorrect.

C: *Amanda Martinson:* Alright. I would just like to say that this whole issue is about caring about and compassion for our families, businesses, and economy. This, in my opinion, this forum is nothing but an exercise in futility. The public owns the asset. The management company, which is BC Ferries is, does not. You are the servants, not the bosses that act like this is your property. I just want to close by saying shame on you all, and I think that you should all be fired.

C: *Nicko K.:* I'm speaking on behalf of the Upper Island Soccer Association, the Vancouver Island Premier Soccer League, known as VIPL. Saying that we are really choked with the recent announcement regarding service reductions for the Comox to Little River Ferry is an understatement. Powell River and Texada players, age 14 to 18, play in this elite league. Our home base is on Vancouver Island. This VIPL league has 50 teams, made up of athletes aged 14 to 18. This is an awesome opportunity for my friends, teammates, and myself, who have worked so hard to compete at this level. We travel every weekend for practices and games and travel to communities from Campbell River to Victoria. Cutting ferries will force us to all have to make a choice of quitting or being away from family and friends. The cost would be so much that some players may have to quit. Our schedule has us travel at different times on Friday evenings to Sunday evening ferries. We do day trips as much as we can, but many weekends we have to stay overnight. We rely heavily and depend on our ferry system. The schedule reduction totally wrecks our opportunity to continue playing at a higher level because now there will be no day trips, and even no overnight trips we come to. You are in fact making elite sports impossible, not only for VIPL, but for the youth of Powell River. We have all kinds of other friends playing volleyball, basketball, hockey, track and

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field, baseball, soccer, gymnastics, swimming, and the list could go on forever. There are hundreds of us that will be affected by your proposed reductions. We have the right, like you did and our parents did, to these opportunities. Would you not like your kids to have these great opportunities? I think you would. So why are you taking them away from us? The ferry system is our only connection to the rest of the Province. It has to be our highway; how can that be argued? It is not only our connection to sports, but also to medical specialists, concerts, extra-curricular trips, and many other things that we do not have in our community. In closing, on behalf of the athletes who play in the Vancouver Island Premier Soccer League, we would like to re-iterate how important it is that Saturday night and Sunday morning ferries not be cancelled. We respectfully ask that you reconsider this, and if you must cancel sailings, that you consider other options not on weekends. We know there are a lot of people in Powell River who will help you create a schedule that works for all of us. Let us help make this work. The impact on youth sports in Powell River will be absolutely devastating and we'll be crippled. The decision is in your hands. Please reconsider this for all youth in Powell River. Thank you for your time.

- Q: *Cory Carr:* I'm a representative of the Powell River Chamber of Commerce and we are actually responsible for the fiscal fairness campaign that has been put forth and that you have probably been made aware of. The real question is, how do we know that what we bring to the table is going to be thought of and taken into consideration when shaping your policy? What's the point of all of us coming out and expressing our point of view when you just go back and no changes are made to reflect those opinions?
- A: *Kevin Richter:* First and foremost, it's important that you're here and I applaud you for coming here and having your voice heard. The elected officials will be making the final decision, but as they committed to, before there is any implementation, we are going to come out and hear from you. I'm at these meetings, I'm taking the information and I'm sharing it with folks that I'm supposed to share with. Also, it's very important that you fill out the feedback forms. I urge you to fill out the feedback forms.
- C: *Cory Carr:* I understand what you're saying, but it seems like every time you guys come here, we're talking about service cuts, not how we can make the service better for the people of Powell River. How can we take things away and essentially make things worse for us, is what you keep bringing to the table. So if you don't expect our anger, then I don't know what you want.
- C: *Pat Hall:* I am a local businessman, the director of the Chamber of Commerce, father, and concerned citizen. Your comment that this decision will be made by elected officials really drives home the whole point that BC Ferries is not a business. I run a business and BC Ferries is not one. I know there is all kinds of conversation around what it is and isn't. The point is, this is our highway, and yes, it's up to us. I appreciate your comments because I've spent a lot of time when I talk to people saying, stop directing all your energy at BC Ferries because that's not the answer; the government is the answer. And believe me, now we will be directing our energy. We believe there are solutions. It's not just about getting mad and you giving us more money. There are solutions to this definitely, but the Ferry Coastal Act is a failure and I don't blame you for trying it, but it is a failure. It's not doing what it was written to do. There are a few things I want to focus on. I've been asked, why should Vancouver or Prince George, or anybody, pay for our ferries. And that's a red herring because they are not our ferries. They are a highway. Why? Because we did not choose to

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live here. B.C. citizens need our resources. We need to be in this community. We need to be in coastal communities everywhere. This is not a matter of choice. My work is here and I help provide raw materials for all those people in Vancouver who enjoy their highways and enjoy all the things that we help pay for. I urge this crowd to keep that in mind. It's like smoke and mirrors. All the times we keep coming back and talking to you, it misdirects the energy. We need to direct energy to where it should go, which is this political party. And I'm actually in support of this political party. We're in this together and that's the point. I hate hearing, why should someone pay for this ferry? It's a B.C. responsibility. We talk about fiscal fairness and it is unfair to penalize any member of this province. I would not support you tolling a highway into someone's community. Why should I support it for myself? The one thing I want to see die is the comment "Coastal Communities" because that is a prejudice. It is singling out certain citizens of B.C. as something unique or different. And personally I don't think we are. I want to hear that this ferry has to be made to work for coastal communities. This ferry system needs to work for B.C. We want to produce taxes, jobs, families, and intellectuals as much as any part of this Province. So get this back to the government. We need to stop directing our energy at the BC Ferries, because I personally think it's the best ferry system in the world, mind you we can't afford it. But please let the government know that this is a government issue, not a BC Ferries issue.

- Q: *Judy Harkis*: One point that was mentioned earlier about the inland ferry system versus ours and the amount of tax dollars that went to one and the other. How much of our tax dollars go to supporting all the highway systems in the interior, and in the north? We're paying for their roads, why aren't they helping to pay for our ferries? Overall, what is the transportation cost in the province for ferries, roads, whatever? We're supporting a lot of their costs too, and we don't have a lot of roads in Powell River.
- A: *Kevin Richter*: Taxpayers are putting in the \$200 million into ferries. When you look at road maintenance across the province, there are different levels depending on how much snow they get. In some areas there are more, or less. In some areas you have to do more cutting back of trees off the highways. It varies around the province. I can't tell you how much is being paid in all the different parts of the province. We have an infrastructure that has over 47,000 lane kilometers of road throughout the province so I don't know how much is being spent. But the money that is being spent is being spent to make sure that the roads you have in your areas are cleaned up, the pavement is repaved or sealed, or signs are up. So that money is being spent all over the province, and in different parts of the province there are different prices. But for ferries, taxpayers are contributing to the ferry system too.
- C: *Judy Harkis*: I still think that we're paying a lot towards roads that aren't used all that heavily. I think it's unequal that way. My second point has to do with the cost of ferry fares going up versus ridership going down. On a personal note, I belong to an organization that has an event every summer. We used to have more than 200 people coming here and now we're down to very few people coming from outside of Powell River and the main reason is because they cannot afford the ferries. We also have people who would have come up here and stay for a week and spend money in this town at local businesses. Those people aren't coming anymore. I used to take the ferries once or twice a month. Because of the increased cost, I take the ferry maybe four times a year. The cost has greatly impacted ridership. I also know people who used to bring vehicles over, but now come on foot because they afford to bring a vehicle over. My husband and I are within a few years

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of retirement. I'm now looking at having to move out of this town in order to do any activities outside of this town. Finally, I was looking at some of the schedules. The changes to Texada schedule would prevent people on Texada from even attending this meeting. But sports teams would not be the only ones whose quality of life would be affected. Your Saturday night cut is affecting people who want to go to the island for the day. They can no longer do that and would have to stay overnight. People who want to go to a larger community for entertainment in the evening will no longer be able to do that because they're cutting the late ferries. You're cutting the later ferries, with overflow, I'm risking not being able to get home. I feel trapped here. I really don't think I can stay here.

Q: *Barry MacDonald:* I want to highlight a few things. I'm not a business person. I'm the father of three teenagers. I've been in the community for 19 years, I'm a physician, I'm a coach, and I'm the president of Powell River Youth Soccer. Day trips on the weekend are going to be greatly affected by these cuts. Can we get a quick show of hands, how many people here make a day trip to Nanaimo to shop or go to Costco, gone skiing for the day, visited family in Comox for the day? That's lost revenue, that won't be possible. This last weekend I rode 6 ferries. That sounds awful, but it wasn't because the first two runs were with at least 60 people tied to Powell River Youth Soccer, 13-year-olds, 14-year-olds, 15-year-olds and their parents. The next trips I took with those same people 60 people, and 16 and 17 year olds joined us. That is a lot of revenue that will be lost with these changes. This doesn't even include the teams that come to Powell River to play our associations' teams. They pay a lot of money to the ferries too. The changes that have been announced will decrease BC Ferries' revenue significantly. Guess what, Powell River registration is up 10 percent this year and I think that the ferries are going to become more busy. The second point that I want to talk about, without exaggerating this point, is that Powell River Rep Soccer will significantly impacted if not killed. And I could tell you the reasons why, but I just want to share a few emails I have received on the island. This is Comox, the person who does all the booking for the games. With the proposed ferry cuts next year it will make it impossible for Powell River players, Powell River is an enthusiastic soccer community that contributes teams in almost division of the Upper Island Soccer Association League. Losing their players would have a significant impact on the league as a whole, on Port Alberni, a long way from our ferries. Our youth from many communities on Vancouver Island participate in games with the youth of Powell River. It will be impossible for teams to travel to these games. I was very disappointed to hear of the upcoming cuts to service BC Ferries, especially the Powell River to Comox run. The cuts make it impossible for soccer and hockey teams to travel and play on Vancouver Island. It is very disappointing that the service to these areas that are so dependent on service would be cut, when there are ferries running in the interior that are not needed. These people get it. The last thing that I want to speak about is how it will hurt our community. Everyone in the room knows that we are short of doctors in the community, and everyone else knows that we lost a doctor this summer because they were looking for increased opportunities for their son in hockey. People don't know that I spend a lot of time with other physicians trying to recruit other physicians to town. And ultimately the reason that they didn't come was that there wasn't the sport opportunity that they wanted for their daughter. Now in this case it was tennis, but the point is that people move to communities where there are opportunities for their kids and people leave communities where those opportunities are lacking. I think we all hope that BC Ferries is here to listen. I think we all know that BC Ferries understands

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the importance of sport and youth. I know that most ferry-dependent communities get a 50 percent reduction for travel. We are just asking to maintain the level of service for our youth. We think that this decision is ill-advised and we hope you revisit it.

C: *Judy Kirk:* Thank you very much.

Q: *Dusty Reed:* We moved here a few years ago, so I am not entirely familiar with exactly how it works, but I heard a few things tonight that made me want to ask some questions. My first question is, the government hired the BC Ferries to run our ferries but they don't actually own them?

C: *Judy Kirk:* Let's get an answer about the structure of how it operates. Kirk?

C: *Kirk Handrahan:* BC Ferries was formerly a Crown Corporation, and in 2003 the company was put off at arm's length as an independent entity. The assets were transferred over to the corporation and the province remains a shareholder that gets a dividend each year, and pays a service fee to get a certain level of service. There is a contractual relationship between the province and the company.

Q: *Dusty Reed:* Earlier, someone had said that when these cuts were suggested it was the government who told you to do it. I am just confused, so you are hired by the government but they still tell you what to do? You are like a contractor to them?

C: *Kirk Handrahan:* There is the contract with BC Ferries that specifies the level of service on each route, so for example 8 round-trips a day, at a certain price that is that service fee. Government has said that they would like to see savings come from service reductions, and is introducing changes into the contract to reduce the number of round-trip sailings on some routes.

C: *Judy Kirk:* What you are saying is government determines the level of service by contract with BC Ferries.

C: *Kirk Handrahan:* That is correct.

Q: *Dusty Reed:* Ultimately it is BC Ferries who decided to increase fares and decrease the amount of runs?

C: *Judy Kirk:* So ultimately by contract, Kirk, correct me if I am wrong, but it is the government who is saying there needs to be savings and they are telling BC Ferries to get those savings.

Q: *Dusty Reed:* So BC Ferries ultimately made the decision of where to do the cuts?

C: *Judy Kirk:* That's a good question.

C: *David Hendry:* No, that is not entirely correct. BC Ferries was given a target to achieve reductions overall in the system. There are three components. The company has been given a target of \$55 million in efficiencies to achieve savings, we are well on our way to doing that. The province has put in more service fees. The third component, the government has directed that there are service-level reductions that are right now \$18.9 million in reductions.

C: *Judy Kirk:* Kevin, would you like to add anything?

C: *Kevin Richter:* If I understand your question correctly, you question who it was who decided on the routes?

Q: *Dusty Reed:* Yes. I always thought it was BC Ferries, BC Ferries. And then tonight I am hearing that it's the government. Okay now I understand that there was a split when they were a Crown Corporation anymore. But someone early in the night said that government decided to make those route cuts and changes, but then someone said no it was actually BC Ferries.

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- C: *Judy Kirk:* Okay, we will get an answer to the question and then if you have another point please make it.
- C: *Kevin Richter:* I am with the Ministry of Transportation and Infrastructure.
- Q: *Dusty Reed:* Oh so you are with the government. I was going to say why isn't the government here. Sorry, I missed the introductions.
- A: *Kevin Richter:* I am with the Ministry of Transportation and Infrastructure, Kirk is with the Ministry of Transportation and Infrastructure. David and Joanne are with BC Ferries.
- C: *Judy Kirk:* And then the people not in the room are elected officials. Just to be clear Kevin is an Assistant Deputy Minister.
- Q: *Dusty Reed:* Oh okay so there is no one from the elected government, but you work for the Provincial Government and are the right people to be here.
- A: *Kevin Richter:* I am with the Ministry of Transportation and Infrastructure, and I certainly give feedback, and report out after each meeting and talk with the Minister's office, and I talk to my Deputy Minister about what is going on. But to answer your specific question. Government made the decision to find \$18.9 million in service reductions.
- C: *Judy Kirk:* We cannot take shouted questions, I said that at the beginning. Ma'am, there is some impatience. We are going to answer the question and then move on.
- A: *Kevin Richter:* Because BC Ferries operates the system they have knowledge. We asked them and they gave us information and together a plan was developed. The plan was based on consideration that we engaged on last year. What do I mean by what? Which routes have short falls, which routes are losing money. Which routes have low-utilization, which routes have complexity of their stops. Another consideration is which routes have a major capital investment; to look at those sailings. At the same time we tried to look at those and balance basic levels of service for the majority of the people. That is why we are out here. I am hearing loud and hear. I am hearing from sporting groups, I am hearing from people that have medical needs, I am hearing from seniors, I am hearing all that. We said to BC Ferries, here is the target, and using those considerations we identified these sailings and we came to the community. That is where we are seeking input; did we get these right? Can we refine them? Maybe we can move the schedule so that instead of having a sailing go to 9 o'clock at night we have it end later. We heard loud and clear when we were out last fall that people said you better come back and talk to us before you implement changes. That's why we are here.
- Q: *Dusty Reed:* Someone told me today that when you were engaging with us before, that we said we would be okay with the seniors' paying a little more. But then I hear today that the government pays you back 100 percent for the discounts you provide to the seniors' anyway. Is that true? I heard that the government, provincial or federal I am not sure, pays BC Ferries back 100 percent for the discounts that they provide to the seniors.
- C: *Judy Kirk:* Please, I won't go on if we cannot be heard. I am sorry. I said at the beginning that we will simply not go on if we cannot be heard. So please do allow for the questions and the answers.
- A: *Kevin Richter:* There is a program and there is \$30 million dollars. It pays for seniors, it pays for students, it pays for people with disabilities and people who have to go to medical appointments. Of that, \$15 million is provided to the seniors program. It is a provincial contribution and it will still be provided to BC Ferries. We went to approximately 30 communities and had 40 meetings. I heard it in few communities and in the feedback forms this idea that some people put on the table they would be interested in that if it could pressures of fares in the future. So the idea is that the

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provincial contribution will still go in there, but the incremental difference, the amount being paid by seniors, will be added to help the system globally.

- C: *Judy Kirk:* I am going to ask you to hang on for a minute. I have been asked by someone representing the fire marshal to make the following announcement: In the unlikely event that there was a fire or something else. There is no fire I want to assure you. But in the unlikely event that it were to occur I want call out where the exits are. They are on this walk and there to the outside, and there is an exits at the back right of the room. Please look so that you know where they are.
- C: *Dusty Reed:* I just had one more point to make, this is a selfish thing. We moved here in December 2010, and I did want to say, because you were talking about fares versus ridership, I was quite surprised at how much the ferries cost. We travel probably 80 percent less on the ferries because of the costs, and if the costs were lower, I guess it would work out evenly either way, but if they were lower I think we would definitely ride a lot more.
- Q: *Jay Yule:* Superintendent of School. I just want to say to Dusty that I have been here 14 years and I don't get it in terms of how it works. I want to make a couple comments about the amount of cuts and how much you are asking Powell River to give up. I think that most of us in the room came hoping that maybe you would work with us on this schedule. But I think looking at the amount of cuts and you wanting to maybe give back a few crumbs. I think it is going to work now. I think you have woken up the people of Powell River and I think you are going to hear a lot more. For us I want to first give to government. The question came out up about why small towns all over British Columbia would pay for us to go onto the ferry. I will just give you a quick history lesson. In Powell River we used to have local taxation for education across this province. When we did Powell River had a large tax base and a small population, and we were one of the richest school districts in the province. But somebody in their wisdom in Victoria said, no this really isn't right, we should make sure that we have fair equitable access to education and health across this province. So we are going to take your taxes, and we are going to pool them, so everyone can access and equal education. So here we are today having a discussion about why would everyone else pay for equal access to transportation in Powell River. And I am telling you it is because we pay taxes like everyone else across the province and so our students, our youth and the people of Powell River should have the same equitable service as health care and education, for transportation. You have heard from some of our students and youth. We are really proud of them for being here today. I have a submission, but I have a few things and they are directed at government, because I agree government is going to make the decisions into the future for us. Premier Clark launched a healthy families initiative, and explained the program is providing families with the tools they need to take charge of their own health. The Saturday evening and Sunday evening runs are tools the community needs to take charge of our own health. We want to work with the province and the programs you put in place. Premier Clark should be commended for imitating healthy living performing standards for youth in the province. In meeting these standards government expects youth to advocate for opportunities for themselves and for others within the school and the community, and to participate in regular physical activities in variety of settings. That includes Vancouver Island. We expect to meet that mandate that the government has put in place, but the elimination of these runs that make this impossible. The Ministry of Community, Sport and Cultural Development announced support for aboriginal youth. Youth of aboriginal communities have made it clear that access to sports has underpinned their ongoing health. Elimination of these ferry runs

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will not allow us to meet that objective. Minister Corey Oaks discussed the renewal of the sport participation program. Sports bring whole communities together. As you have seen today, it bridges geographic and cultural gaps in ways that nothing else can do. We agree with the Minister but these cuts will not allow us to do that. Joe Gallagher, CEO of the First Nations Health Society, supports the good work of BC Government, as we do, from children to our elder's elite sport to traditional activities. Physical activity is fundamental to wellness. We support a range of local, regional and provincial efforts to encourage athletes and coaches to reach their highest level of competitive sport. For us that means participating with in island, and that can't happen with these reductions. As illustrated, the BC Government has been the leader in health promotion for active life styles for youth, they have investment millions of dollars to promote and support active lifestyles. These ferry cuts do not at all align with BC's objectives. And we want to meet those objectives with education. So for us in Powell River is it really about equal and equitable access for education for the youth and children in Powell River. The same equitable access everyone across the province has, and our youth deserver to participate in sports and other cultural activities across the island in an equitable way. Thanks.

C: *Judy Kirk:* Thank you very much, sir.

C: *Jim Palm:* Good evening. My name is Jim Palm, City councillor, Regional Board Director and School District 47 teacher, and if I had a dollar for every trip I took I would be fairly well-off. I am here to comment on the planned service reductions presently proposed prior to implementation. I understand that through tonight's engagement you are seeking to take away a consistent message. I am here to add to that consistent message. In my five years as a City Councillor, I have to say, the proposed cuts to weekend service to Comox, the proposed elimination of a late run home every day to Texada Island and the proposed elimination of a connector home from Vancouver on weekends have galvanized this entire community like no other issue, as you witness by tonight's attendance. As the holder of the youth portfolio on City Council, I would like to read a letter from Kathy Rothwell, Principal of Brooks Secondary. This is directed at Mr. Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure and the B.C. Ferry Corporation. Dear Mr. Richter: An article on YouTube, dated May 10, 2012, entitled "B.C. Leads Canada with ParticipACTION partnership" posed a vision of our youth becoming a vibrant healthy generation where exercise and physical activity would be the norm not the exception. As educators we embrace the efforts of this government initiative to engage families and schools in developing more physically active children. Recognizing the importance of healthful activity, the staff at Brooks Secondary has worked hard to overcome resistance to physical activity by creating innovative courses, building strong teams, promoting community interest, and profiling the accomplishments of our athletes. In a school of 800, more than 400 students are involved in teams attaining provincial standings in most sports. As educators, we have witnessed the impact that this can have on the emotional well-being, mental health, and academic success of our students. Powell River also carries a designation as a cultural center which supports a vibrant Fine Arts culture. At Brooks, Fine Arts programs involve another 400 students who also count on the ferry system to broaden their education and attract audiences from across the water. Such events as the annual Jazz Festival, the Banff Film Festival, PRISMA, the school musical, and GRAD draw hundreds of travelers from Vancouver Island who contributes revenue to the Ferry Corporation and the city. These events always involve weekend travel. With our Texada students potentially cut off from all

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evening activities at Brooks, this reduces or eliminates any opportunity for them to take part in team sport, evening concerts, drama productions, awards ceremonies, student/parent meetings, grad events, and night school. As we are a small coastal community that is geographically isolated, with one secondary school, it is a struggle at the best of times to schedule out-of-town events. With the recent announcement of the ferry cancellations, many programs at Brooks will wither. Eliminating the last run Saturday night and first thing on Sunday morning adds significant volunteer employee time and expense for us all. We recognize that dwindling resources have prompted this move but suggest that there may be other measures that could be considered which would be less harmful. Has the Ferry Corporation considered eliminating or reducing the restaurant service, eliminating mid-day mid-week runs, or basing the ferry in Powell River? The staff at Brooks is committed to providing a well-rounded education which contributes to the health and well-being of society. It is our hope that the Ferry Corporation will reconsider the intended cuts in support of Powell River youth. Respectfully submitted, K.J. Rothwell, Principal, Brooks Secondary School Powell River, B.C In short, the consistent message is: For our youth and our entire community, for the survival of our Sport and Fine Arts programs, we must keep our present scheduling intact and our highway open to Vancouver Island on weekends. We must provide a late sailing home to Texada Island daily. We must keep the late connector to Powell River via the 7:30 sailing out of Horseshoe Bay on weekends so we can get home. And if I may one last thing: I think I met you sir at the UBCM convention recently, when I met with Minister Stone and I met with the Mayor and Council, and we shared about half an hour together. And in no uncertain terms it was plainly evident that you are up against it financially and we know the system is broken. We recognize that, but we are willing to work with you. But please, and I said to Minister Stone, you have a window to work with before our new ferry comes on stream in 2016. We have a few years to do the planning that it takes and we the new ramp being built, and the facilities to have that ferry overnight. Please bring that ferry home here by 2016. Thank you very much.

Q: *Laurie Brown:* I am a small business owner in this community, second generation. I am here to speak about fiscal responsibility. As a business in an isolated community we certainly have our good years and we certainly have our bad years. It is up to us who lead the companies that they stand on solid ground so that we can offer good long-term employment for our employees. Along with that responsibility comes looking out for our employees, as well as the corporation and trying to find a nice balance there. When we have good times am I able to share with my employees, yes I am. Still being fiscally responsible, yes I am. In bad times am I able to do the same, no. BC Ferries cannot say they are being financially responsible, looking after the needs of their corporation, by dolling out funds that they don't have for free ferries for employees and for retirees, for bonus packages for executives. When I took over my companies in 2007 as a second generation my accountant told me 2 things. He said separate your needs from your wants. Your needs will make you profitable, your wants will make the other guy profitable. The other thing was, pigs get fat, hogs get slaughtered. BC Ferries executives are being the pigs, they are taking the financial gain from everybody else. The BC communities, coastal communities are the ones that are being slaughtered and that is not fair. If you take the good you have to take bad, you can't dump the bad on the rest of us.

C: *Judy Kirk:* Thank you very much.

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- Q:** *Erin Inness:* I live in Lund, which is half an hour north of here. So that makes my trip to Vancouver six and half hours by the way, just so you know. I am curious how many of you on the panel, who came from Vancouver and from Victoria, how many of you came on the ferry. Put your hand up if you came on the ferry from the panel. So there are four people on this panel and only one of them came by ferry. Interesting.
- C:** *Judy Kirk:* I would like to give Kevin an opportunity to comment please.
- A:** *Kevin Richter:* Where we can we are taking ferries. We are going to communities every night, we are trying to get to all the places, to all the communities that are being impacted. So absolutely where we can we are trying to take the ferries.
- Q:** *Erin Inness:* So I understand that you have a schedule and that you have lots of stuff that you are trying to accomplish, and I appreciate that. Those of us that live in Powell River also have schedules, and have lots of things that we are trying to accomplish. And many of us don't have the option of a \$200 dollar plane ride when the ferry schedule doesn't work for us. So I just want to point that out. We don't have that option. I am curious how many people in this room would take the ferry more if it was cheaper. Right, so I run a really small business and so I don't have to do a lot of math, but I can do the math of what just happened. I just want to say that. I have another question. How does the vacation center in downtown Vancouver cost a year? What is the total budget for that per year?
- A:** *David Hendry:* I don't know the total number but I know that it pays for itself. The revenue that the vacation center brings in pays for the lease, and the employees that run that center, and produces a small profit. It is not a large profit, does it produce a profit that goes into lowering fares.
- Q:** *Erin Inness:* So when you say the revenues that it produces, that is ferry fares, right?
- A:** *David Hendry:* That is a combination of increased business on the ferries, it is partnering with tourism operators throughout the province, as any other sort of travel center would do.
- Q:** *Erin Inness:* So it provides increased business for the ferries, is what you are saying?
- A:** *David Hendry:* That is the primary intent.
- Q:** *Erin Inness:* So just when everyone in this room put their hands up and said that they would increase revenue for the ferries if they could afford the ticket. My point here is that you are asking an isolated community that has no other choice but to take the ferry to put up with a lot of cuts, when within BC Ferries as a corporation you can probably find savings somewhere else. Now this is a community that knows what it means to tighten our belt. We have gone through some hard times in this community. We are not asking for an endless money tree to sprout up in Victoria and give us whatever we want. But what we are asking for is to be included in the decision. We take these ferries every day. We know which runs are the important ones. I am sure everyone in this room has ideas about what could happen to make this work. Instead of coming to us and saying we are going to cut your service, while you have bonuses going to executives, while you are running our highway system as if it is a tourism business, when it's not. I mean look at the fancy upgrades to terminals, the fancy upgrades to new carpet and fancy new chairs, and I just think that if I was running a deficit in my personal budget and I was redecorating my house, I don't think people would think I was very responsible. And I don't understand why in a community where people have learned to live in tough economic times, and we are looking at a service that we completely rely on but it's doing the same thing, and that just isn't fair.

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- Q:** *Nicholas Simons:* Elected member of Her Majesty's Loyal Opposition and an elected member of the legislative assembly. I don't really know what I could add to everyone who has already spoken. Except to add from the political perspective, I know you understand, when we are speaking to you we are hoping, really hoping, that this message gets to the Minister, the Premier, who have made this decision, to impact our community in this way. Nothing personal, but I think before they came out tonight, people probably had two thoughts on their mind: is there really any point in coming out here? And we better up come out and make sure they know we care. The reason I think people wonder if there is really any point, is that during the last engagement round, we were promised before any changes were even put this far, you would be coming back and asking us for our input. And it appears for most people, the only consideration when making these cuts was utilization. And everyone has told you here that the least-used ferry is not the least-important ferry. We joined the folks on Texada Island who have been impacted very severely by this and say that our community is going to be impacted very severely by this, and the lower Sunshine Coast is going to be very severely impacted by this. My question is. This government prides itself on being good managers. Have they not even contemplated doing an economic or social impact study before getting to this point?
- C:** *Kevin Richter:* Although we didn't look at a specific study or commission a study, we had the considerations that we were looking at. And government is trying finding the balance with other competing priorities, whether it be healthcare or education or the transportation system. It is a government decision to go forward with this plan. It gave \$86 million to the ferry system up to 2016. It has asked BC Ferries to find another \$56 million in efficiencies. But it is also saying that there are some routes where there are low utilization or high annual shortfalls and to look at those and find those sailing reductions of \$18.9 million.
- Q:** *Nicholas Simons:* Not to belabor the point, but I believe that most can't say it often enough and people roll their eyes and shake their heads and hope that the message gets through. We are not just saying they are our highways; this is the way we get our goods and services, this is the way we visit our families, this is the way our kids go to school and do their extracurricular activities. It's fundamentally going to change the lifestyle of the entire Sunshine Coast. I just hope that the Minister can say to the Premier that there are other ways of ensuring that we tighten our belts and find ways of making the savings. This is just not the way to do it.
- Q:** *Michael Poitras:* I would like add something that Mr. Hull said about economies, and the connectivity of everything. We tend to see to see these as isolated communities and issues and they are really not. Talking about value, who cares about Texada, who cares about Powell River? Texada has been exporting value for a 100 years. There have been mega tons of gold that have gone off Texada, 20 years of the largest ship in the world moving iron ore off that island, and those miners that take that last ferry to Powell River, whose families live here. That small group of miners, you can't go anywhere in Vancouver, whether it is your basement, or the sidewalk or the buildings you work in, that is not made with cement that comes from Texada.
- Q:** *Dave Brindell:* A couple of quick questions; David, I am going to direct them at you, since you and I had the opportunity to speak earlier tonight. I know a little bit about economics, supply and demand. From the way I look at it, your notion of supply and demand is way out of whack. Tell me in this scenario where the consumer, the customer, comes out ahead.

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- Q:** *Judy Kirk:* Do you mean in the scenario of planned reductions? Where does the consumer come out ahead?
- C:** *Dave Brindell:* Yes, in the service cuts.
- A:** *David Hendry:* I mean this is all about trying to achieve some sustainability in the system long-term. The intent is to get to a situation where the fare pressure is not a burden to the customer, and it is going to take time. If that gives you an answer, that's the objective.
- Q:** *Dave Brindell:* You do projections; when is that sustainable point going to be met?
- C:** *Judy Kirk:* When will there be sustainability in fares, given this change.
- A:** *David Hendry:* It's a great question. I can't give you a timeline, but I think I can give you the success factor, which would be point where the fares, and fare increases, would be manageable.
- Q:** *Dave Brindell:* Last point, and I am surprised it only came up at the end. Gambling. Seriously, David. As you have heard this evening your measures are gambling with the viability of coastal communities, jobs on coastal communities, the future of our youth on coastal communities, if they desire to stay here. You are gambling with it all. Yet you want to put gambling on your vessels, which is recognized as an addiction. You know you are rolling the dice here. There is no way the Government of British Columbia should be putting an addiction on board any of their vessels.
- C:** *Kevin Richter:* Last fall when we were out we heard a bunch of ideas. We heard that people supported no frills on the vessels, don't make all the bells and whistles on the boats. Make sure you can standardize vessels so that you have the same parts, and don't have one vessel with some parts and another vessel with some parts. Look at using LNG to propel those vessels, because it is a lot cheaper with LNG than marine fuel. People also made the comment to look at gambling, and that is why we are asking about it. In your feedback forms say we don't want gambling. But we are looking for those ideas to have this system work into the future. Those were some of the ideas that we are putting on the table and we want your feedback on.
- C:** *Judy Kirk:* Thank you very much. I just wanted to say I can't tell where the end of the speaker line is. I just want to say this because we will be ending the speakers at 7:40. We will be in the room until 8:00pm. I just wanted to give you that heads up so if you are waiting you will get in the speaker line up.
- C:** *Joyce Percy:* I am the Executive Director of the Gymnastics and Cheer Club in Powell River. We have 260 in our membership, 60 are competitive athletes. The unique thing about our sport is that 80 percent of my athletes are under the age of 12. They can't travel without their families and often young families have younger siblings and it becomes a family trip to go a competition. On top of bringing their whole family, it's an extra cost if they can't do the day trip; having to stay in hotels is really a hardship for them. Know over the past 25 years I have seen my families share vehicles, try to do billeting, they have cut costs in every way they can. This will pass more cost to the families and we will lose these families and their competition. In 2008 and 2012 we hosted BC provincials here in Powell River and it was a phenomenal success and I am so proud of our community members. It would be horrible if we got turned down because of costs. So for this little group of people, there are only 260 of them, day trips are crucial to their participation in the sport. I hope you will consider that. Thank you.
- C:** *Judy Kirk:* Thank you very much.

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- C: *Unknown*: I am here as a parent of hockey players. We have over 400 players registered from novice to midget, ages 4 to 18. There is also a junior A team, the Kings, players aged 16 to 20 from all over Canada and the US. They have family that visit as well, when they can afford to. We have house teams, rec teams that go to tournament over the weekends. They have days that they only go for the day. The teams from the Island they come, they drive and leave their vehicle on the other side and they come here so it is cheaper, and so it is cheaper they leave immediately when the schedule of the ferry allows. They have referees that go back and forth, hockey referees that use the ferry services. We are part of Vancouver Island Zone 6. The kids participate with teams that go from Powell River to the Island. They all use the ferry, their families too. So please tell me how we can get the next Wayne Gretzky if we take away these opportunities from our kids to use the ferry services on these days. I agree with the other person who said this was very important to the health of all these kids. They are committed to the sport. You know, if they don't do this what are they going to do in an already isolated community? Use drugs? Or more teen pregnancy? What is going to happen with our kids if they do not have this sport activity? It is also, I just thought about men's hockey, and all the tournaments this town used to host. People do not come here, and they do not get people to sign up for tournaments in Powell River, because people are not able to afford to come here. We go out there and spend all this money when we go to tournaments, but people everywhere else are not willing to come here to spend the money. It is too much money. I want to also mention the Special Olympics. The Special Olympics people are very committed athletes that participate in everything. Every single sport, they get out of this town the same way. They go on day trips. The Academy of Music. I have a son that plays the violin and participates in many other things. And there are lots of people here and adults that participate in choirs that want to get out of town. There is a petition going on. I would like everyone to take note. If they google change.org, it is a petition, to try to convince the people of BC Ferries and transportation and whoever it needs to be going to. So take a few minutes, send it to your friends, sign it and hopefully we will have enough signatures. Because we are not the only community. No only Powell River, Texada Island, but many communities that are already isolated that are having these issues.
- C: *Judy Kirk*: That is change.org
- C: *Unknown*: Yes, that is right. There is another, abaaz, but apparently change has been going around longer and has more signatures so please sign.
- Q: *Jack Bore*: I have just one very simple question. In light of the proposed service reductions, how many ferries employees will be laid off and what will be the cost savings?
- A: *David Hendry*: I can't tell you an exact number. We are working with our crewing offices and our union management to mitigate that as much as possible.
- Q: *Jack Bore*: Will there be layoffs?
- A: *David Hendry*: Ultimately there may be some layoffs.
- C: *Jack Bore*: There will be a lot of ferry cuts and not necessarily crew cuts. Thank you.
- C: *Lynn Adams*: I run the local Employment Centre. I have a few comments tonight. One is I want to talk about the fare increases, because frankly folks you are killing us. Right now we have a lot of people who work seasonally, they work part-time, they cobble together their jobs. Minimum wage in BC is \$10.25 an hour. We have a large proportion of our people in this community who earn minimum wage. So a number of people right now cannot recover the cost of a ferry trip on a day's

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wages. On the topic of wages, I was looking at your ferry report and I noticed that in 2004 your wages were \$202 million a year, and in 2013 they had gone up to \$263 million. As an employment person, I did a bit of math on that, and that is 3 percent every year accrued on top of itself. I don't know anyone in this room that have had their wages increased by 3 percent a year consecutively. You came out last year and asked us what you could do to save \$20 million, and we had some ideas for you. One of those ideas was that if in 2004 you had held the \$202 million in wages at a 2 percent increase today that wage toll would \$241 million, a savings of \$22 million. So there is your savings. That would be still be a higher increase then what people in Powell River have experienced over the last 10 years. Inland ferries is of course the other way to save the \$20 million. I saw my friend Laurie up here earlier talking about a business model. In business, we all know that if we charge more and more our customers will not come. We know what every once in a while to get more revenue we need to put things on sale or charge a fair price. I no longer believe the ferries are a fair price. My final comment, and I will finally get to my question, I think this whole process is a big sham, you are asking the wrong question. Your document starts by saying there has been a problem for 20 years, and you have come to our small community and you have asked us to solve the problem of a budget problem that has a massive debt because of mismanagement beyond our control. So if we come to you and we are not that interested in how we can cut our Saturday evening ferry. And by the way some other math I did on that, is if we cut out our Saturday evening ferry often the 3:15 is going to overload, so really it is cutting out Saturdays service. Everyone is going to go on the first ferry in the morning, do their business over there and try to catch the 3:15. Then we are going to be overloading going out and overloading coming back. So it is the wrong question to begin with and then the solution is the wrong solution.

- Q: *Allan Falkner:* I remember listening earlier and someone up at the front said that it was elected officials making these cuts. Who are the elected officials, who elected them? I didn't have a say in that, I didn't have a say in the elected official that dictated these cuts. Who were the special people who elected this board that decided on these service reductions?
- C: *Judy Kirk:* Sir, is your question who elected the Minister and the Government?
- C: *Allan Falkner:* Oh I know who elected the Government; that would be the interior.
- C: *Judy Kirk:* What is your next question?
- Q: *Allan Falkner:* No seriously my question is who exactly is at the top saying that these cuts have to be made?
- C: *Judy Kirk:* As far as I know the Premier and the Cabinet.
- C: *Allan Falkner:* So the Premier basically hates the coast because we didn't vote for her.
- C: *Judy Kirk:* That is a rhetorical question.
- C: *Allan Falkner:* My last thing is actually a comment because I have noticed this. I moved to Powell River in 1994, I now have children here. I was brought here was because this was a great community to raise your children. This is an amazing community, because the quality of life here for children is amazing. Now if you take away the access to this community to get out and spread our wings with our children once in a while, you are cutting off the future of our province, you are destroying the future of our province. These cuts are going to destroy the province's future. This is our future generation, so just have to say our future is looking pretty damn bleak.
- C: *Judy Kirk:* Thank you sir.

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- C: *Jim McCall:* I am senior. And I am probably not the only one in the room. And you know there is an awful lot of talk about elder abuse, and you have just found another method of inflicting it.
- Q: *Ronda Sures:* Over my life I have been involved in a lot of non-profit organizations. And a lot of these youth, I like to work with youth. It gets increasingly difficult to raise funds to travel out of town. If you live in Vancouver and you belong to these different groups you can get in a car and drive and it is relatively cheap. People don't want to come to Powell River because the ferries are unaffordable. I would leave this community but I think with ferry fares and what you are doing with the ferries is going to depreciate the value of my house. I have a grandson here that I would like to see grow up. I have a son in Victoria. My husband was early retired because the company he worked for was in financial difficulties so they decided that they would take the high earning people and retire them early so the company could afford to run. He didn't get any bonuses and our son lives in Victoria, and we have yet to have an increase in our pension. I have returned to work on occasion so that we can afford to go and visit our son. I just think that with the increases with everything else, where are we supposed to get the money to ride the ferries? Pensions aren't going up. You work all your life in order to retire. People in Powell River shouldn't have to work to ride the ferries. When the ferries were affordable we use to go out of town all the time. Since my husband has retired we rarely leave town. My son can't afford to come home because for a weekend coming from Victoria it is a full day's travel and it costs him \$200 to come home for one night. He can't afford that. You need to lower the fares, get more people riding the ferries, and if you are going to make cuts to our ferries, I want to see you lay off employees, I want to see the bonuses disappear, and like any other struggling business I want you to go to your employees and ask if they take a cut in pay. You know I did hear that there are 600 managers, how many employees are there working under these 600 managers?
- A: *David Hendry:* Let me clarify. At peak season there are about 4,500 employees, there are not 600 managers. There are 600 exempt staff, of which there are managers within that exempt staff.
- Q: *Ronda Sures:* So couldn't you reduce that number? There are other places that are putting more work on their employees, and laying off employees to stay afloat. What makes BC Ferries so much different?
- A: *David Hendry:* Just to clarify, exempt staff are staff that are not in the bargaining unit. So in terms of what we can do, and Kevin mentioned earlier that the company has a target of \$55 million to achieve over the next 4 years. That is what we have been mandated to achieve by the Commissioner. The Commissioner is the one that sets the fare levels. We are well on our way to achieving that target.
- Q: *Ronda Sures:* Another thing that I would like to know. I am sure you are all very nice people, and what I have noticed is that you all look very stressed. Why aren't the powers that are doing all this not here, taking this crap instead of you guys? I think that they should come and listen to this personally. Just a thought.
- A: *Judy Kirk:* I am just going to say that we have about 10 minutes left. So in terms of the speaking list if you could be fairly brief so we could get through the list.
- C: *Sherry:* The last lady covered a lot of what I wanted to say. You said 600 managers, I have an article that says 450, so here are my calculations on that. There are 4500 employees of BC Ferries and 450 middle managers, that means we have one middle manager making six figures for every 10

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employees. I think that is a little top-heavy for me. If you are looking to balance the budget you need to look at all areas, not just down at the service level here in Powell River and Texada and the rest of the coastal communities that require this ferry system to function for our daily lives. I think that we need to be looking higher and I don't see why we need one manager for every ten employees. Even just the wages. A person down in Washington of similar level was making \$165,000 compared to \$364,000, and when total compensation was added it was up to \$563,000

C: *Judy Kirk:* Thank you.

Q: *Ed Frasal:* thank the panel for being here this evening. For the people that don't know in this room, approximately 40 years ago our 3 routes that ran here were under the Ministry of Transportation. They must have been too efficient, because something happened and we went by the wayside there. Maybe we should go back to that system.

C: *Judy Kirk:* We have certainly heard that lots sir.

Q: *Ed Frasal:* And the next one is. Is the main reason revenue is down for BC Ferries is because ridership is down?

A: *David Hendry:* Yes, that is the primary reason. We are 10 percent down since 2007.

C: *Judy Kirk:* It is getting late for everybody, please give the gentlemen the courtesy to reply.

A: *David Hendry:* Just to put that in context, so since 2007, we are down in ridership. Similar systems around the world are down in ridership, the inland ferries that are free are down in ridership. We are down 10 percent, and that equates to about \$50 million in revenue on an annual basis.

Q: *Judy Kirk:* Are there any other costs that are driving the problems?

A: *David Hendry:* Absolutely. The fuel costs since 2004 are also 2.5 times what they were back then. We have increased security requirements. So there are a lot of cost pressures on the system.

Q: *Ed Frasal:* If you have a captive audience, which I don't hear anyone of the four of you ride the ferry very much. Have you ever been at Horseshoe during the summer time, it is pure hell isn't it? And it is mainly people going to the island, not so much the Sunshine Coast. But it really irks me that in the month of June and July I believe, and BC Ferries probably spent the better part of a couple hundred dollars advertising in every province, and every Sun paper. Nanaimo runs discounted at \$39 for a car and driver. If you have miles of passengers up that hill, you don't have to give them a sale. How about giving the Sunshine Coast Route, Oh no those island runs make a big profit but we cannot take from one region to another. Is that so?

A: *David Hendry:* It's a complicated fare structure. I think the important thing to remember is that it is a regulated fare structure. BC Ferries can only charge a certain amount of revenue on their routes. And what can happen is you get to a point where what people are paying in terms of an average fares, you to a point that we need to charge less to not earn too much revenue.

C: *Judy Kirk:* You also asked the question if the large ferries can subsidize the smaller routes.

A: *David Hendry:* Since 2012, with the changes to the system, there is cross-subsidization across all routes, so the fare increases are the same across all routes, and whatever money is made from major routes is spread across all the routes. It helps to keep the fare pressure down on all routes.

Q: *Ed Frasal:* But shouldn't you not give a sale to the island?

A: *David Hendry:* Again, it's all about trying to get to regulated fares. If we earn too much revenue it cannot be taken in as revenue.

C: *Judy Kirk:* Are you saying that the Ferry Commissioner has set a revenue cap?

A: *David Hendry:* That is correct.

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- Q: *Ed Frasal:* Nothing against the ferry workers and they have their union but on riding the ferries I have been known to ask a lot of questions. Whether the ferry comes home or not, to me the amount I travel on it, it doesn't make much difference, but when it comes to berthing here in Powell River, I would speak to a lot of the island ferry workers. With their seniority I would speak to them, and they would say "I am from Galiano, I am from Bowen Island." Initially when Rita Johnson said she was bringing the ferry to Powell River, one of the main reasons it didn't was there would be too much upheaval of families in the Comox Valley. Now in speaking to these people they bid for the jobs, so if I have more seniority than the other chap or lady I am going to bump you. So does it matter where they live? Because I know in that area and down the Sunshine Coast are living in holiday trailers, and they work their rotation and away they go. My take is that it doesn't really matter where they live, they could still come to Powell River.
- Q: *Stuart Disco:* I would like to bring up three points. The first that concerns me is that rumour has it that this is just the first stage of service cuts and will see waves of many service cuts in the year and the year after that. Can you please expand on that and tell us what further service cuts we can expect or anticipate.
- A: *Kevin Richter:* So there are \$18.9 million in service reductions. We are looking at \$14 million on the minors and Northern routes. There will be another \$4.9 million on the majors; when I say the majors those are the routes that could be between Vancouver Island and the Lower Mainland. There is already \$4 million there and there will be an additional \$4.9 million. The Minister also commented on looking into the future, and looking at the capital program where there are big investments. Looking at any efficiencies that can be found. For example there is a big investment that is going to be made at Horseshoe Bay to fix one of the transfer decks. So they are looking at that to see if there are ways to not spend all that capital money. That is all that we are talking about now.
- Q: *Stuart Disco:* So you are not anticipating any further service cuts on our ferry runs.
- A: *Kevin Richter:* Not at this time.
- Q: *Stuart Disco:* Thank you. One of the things that I have noticed is that there is a culture at BC Ferries, from the top to the bottom, of not being able to understand the point-of-view of the customer. A bit like the famous story of the person that was turned away from the ferry because she was a dime short on the fare. That is so typical, we have all had an experience like that, and I will tell you one of mine. I went over to Comox with my bicycle, I am a senior, and it was a Thursday so they didn't charge me because seniors ride free. So coming back from Comox, I go to the ferry terminal and say here is my Gold Card, and she says that will be \$4. I say what do you mean, I never pay for my bicycle, I didn't pay for it coming over the other way. And she says you have to pay for the bicycle. And I say why do some people not have to pay for the bicycle, and she says you have to have an Experience Card. And I say I've got an Experience Card, and she said why don't you tell me you have an Experience Card. You didn't ask me. Don't you understand the point-of-view of the customer? Despite the recommendation of the Commissioner, BC Ferries continues to charge ridiculously high prices for reservations, when it has been demonstrated that it would benefit the ferry corporation more than it would benefit the customer. It was a clear recommendation of the Commissioner to drop those fees, and I am asking why you have not dropped those reservation fees as the Commissioner requested?
- Q: *Judy Kirk:* Why have the reservation fees not been dropped?

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- A: *David Hendry:* Currently we are looking at a large-scale program that will look at replacing the reservation system with a booking and ticketing system like most transportation companies. For instance, the Experience Card would be transitioned to a Frequent-user card. I know we have heard loud and clear that some people are looking at the more they use the system, the more discounts they get on the system.
- Q: *Stuart Disco:* Somehow you just don't appear to be able to listen. Like you just told me a little while ago and you were consulting with people last time, and the seniors would be willing to give up part of their free ride. Did you ask anyone if the ferry employees would be willing to give up their free ride? Did anybody bring up that or are you considering the customer or just BC Ferries? Thank you.
- Q: *Bruce Robertson:* I have lived in Powell River 5 times. That's what a beautiful community it is to come back to. Through the ferry system I was able to move to where I had work, and I had a ferry system to move my furniture on. A lot of things have been said that I would have liked to have said. But I would like to draw your attention to something that I am old enough to remember, that you likely won't remember. The communities along this coast line, all of them, were built for the ferry or ferry companies. Steam ships, CPR, CNR and the Gulf Wing. I grew up in hard times, I grew up in the Depression. We had one general store 5 miles away, and old guy would sit back there and think about how he was going to cut costs. They carried the people on credit. The people would not have gotten through those hard times without it. They paid what they could and everybody pulled their weight. That's a term I learned today. I went on the computer today and I pulled off 65 pages of research. And I can't wrap my whole head around it, but I can wrap my head around one thing. And it is one thing that the BC Ferries Corporation for all its complication is not. Is the infrastructure, what's your department? Highways? So that's the old Highway Department. What was your contribution to the highway from 200th down to Vancouver? How much did it cost your department?
- A: *Kevin Richter:* If are talking about the Port Mann Bridge and the highway on either side of it, it is not costing our Ministry anything. There is a toll on that bridge and it is a self-financing piece of that highway.
- Q: *Bruce Robertson:* Do you know want fiduciary means? Fiduciary is according to the Canadian Oxford Dictionary is an adjective involving trust, especially with regard to the relationship between a trustee and a beneficiary. And this country was founded in 1867 Confederation. But this report says that the Government fails to meet the test of fiscal-fairness. Because it falls short of its mandate to 1 in 5 or 20 percent of British Columbians who live in ferry-dependent coastal communities, and who don't not benefit from the same level of government investment in the toll portion of highway, which is service under Ferries Act.
- Q: *Colin Palmer:* Chair of the Regional Board in Powell River. We met with you, the Regional District Chairs, a week ago and there were significant statements from you, and I think people should know what they are. There was no socio economic study done on these cuts, and there was no cost-benefit analysis. It was all based on capacity and that was it. So you really don't know what is going to happen as a result of these cuts. I am pleased tonight to hear from so many people the actual harm that you are going to do to this community. Regional District Chairs along the coast, Ferry Advisory Committees, the Mayor, we are all concerned about people's futures, especially the youth. I noticed in your document that you keep telling us that it is the fuel and the labour that is

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hurting us. What is hurting is the thing that you have not mentioned: this cost factor is the financing and the amortizing of the debt. You haven't mentioned that impact. I think people need to know that the debt is about \$1.3 billion, and I think people need to know that BC Ferries is being allowed to only pay the interest on the bonds. Now I would like a mortgage like that believe me. The gentleman earlier on said that you are hoping to get to sustainability and affordability. There is no way you are going to do it. These cuts are going to stop people from travelling. In April 2014, there is another 4% increase in fares. In April 2015 there is another 4% increase in fares and in April 2016 there is another 4% increase in fares. Every time you do that the traffic goes down and we know for a fact through the very numbers of BC Ferries that at the end of this contract at 2016 you will still be losing a minimum of \$40 million. All these people here have got to appreciate and you have got to appreciate these cuts are not going make any difference whatsoever to the viability of BC Ferries. It is spiraling down very rapidly. The Government knows it, you know it, I know it, so let's cut to the truth and let everybody know what is going on. I just want the people of Powell River to know one little nugget and then I will be quiet. Is it true that the seniors are going to 50% of the balance on their Experience Card?

A: *Kirk Handrahan:* The fare that will be based on for the new discount will be 50 percent of whatever fare they would be paying. So if you are paying a discounted fare on the Experience Card it will be 50 percent of that.

Q: *Colin Palmer:* So on the Powell River-Comox ferry that has the lowest discount for Seniors compared with other communities, they will be paying a significant amount of money compared to other communities on their Experience Card. 50 percent of the balance of their cards. And if they don't have an Experience Card they are going to be paying 50 percent of the regular fare?

A: *Kirk Handrahan:* That will apply to everyone throughout the province. Everyone who has an Experience Card. Some routes, like the major routes, don't have an Experience Card they will be paying half the price of the regular fare. If you have an Experience Card, and you are using that, you will get a discounted rate.

Q: *Colin Palmer:* And that is just on the passengers and not the vehicles?

A: *Kirk Handrahan:* It is just on the passengers. Yes.

Q: *Colin Palmer:* I just wanted people to know that and thank you for coming to Powell River and paying attention to what people are saying.

C: *Mark Peckford:* I am a firefighter in the city here. I am parent with three children. We go on lots of ferry trips over to the island and lower mainland for activities, shopping. I just wanted to make out a few points that the current Liberal government has made, including cuts here to the ferry service. The Coastal Ferry Act and the revenue that was paid to Mr. David Hahn and the severance pay that had to be paid out because he couldn't run the ferry corporation the way it was supposed to. The executive bonuses that are paid out, now are they justified? What are they doing to make sure that this doesn't happen, other than getting their wallets fatter? The Fast Cats, everyone remember those? How many millions did we spend on those and what did we sell them for? Pennies? The HST by the government, how well did that go over? Another mistake. The Port Mann design with the cabling system. The hospital employee cleaning staff that they terminated and ripped up their agreement, only to realize they made a mistake and have to hire most of them back, lucky for them half of them had to find another job. I really appreciate you guys being here. It really sucks being at the bottom and getting dumped on by a bunch of people. But the answer is pretty simple: dock

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the ferry over here, we use it, it's our ferry. Build us a bridge. Build us a tunnel, do something. I am sure everyone here would pay for a toll bridge to go over when we need to.

- C: *Rob:* I am here on behalf of the Powell River Kings Junior Hockey Team. First of all, I would like to thank BC Ferries for the continued support over the last 20 years. It has been much appreciated. These cuts will severely limit the viability of Junior A hockey in Powell River. By cutting the Saturday night ferry, our league has implemented a double-header on Friday and Saturday nights, so our team can leave on the last ferry from the Island. The majority of our games are on the Island. By implementing this, we will have to play the majority of our games on Saturday and Sunday, which will reduce our attendance astronomically. We really need you to consider that because this would be the nail in the coffin. We will not be able to afford to stay in Powell River if our attendance reduces like if it went from a Saturday to a Sunday. You are looking at upwards of an \$800,000 budget in Powell River for the Kings. Spin that out by four. \$3.2 million is potentially spent in Powell River, plus teams that are coming to Powell River using BC Ferries from the Island and the mainland. I am not here pleading with you, I am just telling you and echoing Colin's sentiments. There is a huge economic spinoff from your cuts and we are one of them. So please, please rethink this. Thank you.
- Q: *Formosa:* While we really appreciate you coming here. We know you are here sincerely to listen to us, I did apologize at the beginning this is a tough situation for our community and I am glad you have been able to hear from the folks here. I did say I didn't have to say too much and I knew it would all be said. I have a couple of points before we go that I want to want to get some clarification on and make some comments on. What was the dividend that the BC Government took out of BC Ferries this year?
- A: *David Hendry:* It's about \$6 million each year.
- Q: *Formosa:* So the BC Government took \$6 million out of ferry system, into their coffers, from the ferry corporation they own. Correct? That's good we want them to know that they own it. We are in the process in Powell River through our local Chamber of Commerce of putting together a bunch of data, and it may take us a while and it cost us \$50,000 to \$300,000, we don't know yet. But we are going to raise it. Some things we are starting to realize already, and you folks should be commended. We probably run the best ferry service in the world, with the least government funds to operate. Is that true?
- A: *Kirk Hardrahan:* It's \$200 million a year. Compared to some it is less, compared to some it is more. Like if you compared it to Washington State, Washington state provides a greater percentage of the cost than B.C.
- C: *Formosa:* From the homework we are doing, we actually run a very, very good ferry system. We are going to spend the time, do the homework, try and educate the province that we are part of the province, that we are 20 percent. We don't mind paying for highways and bridges, but we think that we need to be also receiving the same through transportation authority and through the Ministry of Highways. We will do a lot of homework and hopefully make a presentation over the next 12 months that can help the government be fiscally responsible to this 20 percent and help balance the budget at the same time. Thank you for coming, and maybe consider coming back. Also, you will be receiving a letter from myself, the Chair, and the Chief and we are going to be asking for an opportunity to meet with you Mr. Richter, and to see if we can't come up with a

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better combination of how we establish the ferry routes to deal with some of the issues here today. And we are looking forward to a response that says, yes let's sit down with the community leaders and some of the public, and go over the schedule and see if we can't come up with something works better for the majority of folks. And we realize that you never made this decision yourselves.

C: *Judy Kirk:* Thank you very much for coming today and having your voices heard. Thank you.

3. Closing Remarks

Judy Kirk wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on November 27, 2013 at the Hornby Island Community Hall, Hornby Island, B.C.
FACILITATOR	Judy Kirk, Kirk & Co. Consulting
PROJECT TEAM ATTENDEES	Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Lynda Petruzelli, Senior Manager, Marine Branch, Ministry of Transportation and Infrastructure Joanne Doyle, Manager, Master Planning, BC Ferries David Hendry, Director of Strategic Planning, BC Ferries Sean Nacey, Senior Manager, Infrastructure Development, Ministry of Transportation and Infrastructure Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure Anna Wright, Kirk & Co. Consulting Ltd. Laura Abbott, Kirk & Co. Consulting Ltd., Meeting Recorder Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants stated that fares are too high and that this has caused a significant decline in ridership, putting the viability of their community at risk.
- Participants were opposed to service reductions, in particular the Friday night sailing. Participants:
 - Stressed the importance of maintaining Friday night sailings for the social and economic well-being of the community. Participants reinforced that the Friday night sailing is crucial for maintaining access to medical services, sports, culture and recreation.
 - Said the Friday night sailing is crucial for facilitating year-round weekend tourism, which is the foundation of the local economy. They said the \$108,000 in savings is not worth the serious consequences to the local economy.
- Participants stated that executive compensation levels are unacceptably high, especially given proposed service reductions.
- Participants were opposed to reducing the seniors' discount.

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- Participants were concerned about the ratio of management to non-management staff within BC Ferries, saying that savings could be achieved by reducing the number of management positions.
- Participants did not support the provision of free travel passes for BC Ferries board members, former MLAs, and employees.
- Participants expressed frustration with this engagement and previous consultations on BC Ferries, stating that there has been a lack of responsiveness from the Ministry of Transportation and Infrastructure and from BC Ferries.
- Participants questioned the utilization numbers presented in the engagement materials, saying that although the ferry is a 30-car ferry, it is full with only 25 cars.

DISCUSSION

1. Welcome and Introductions – Judy Kirk

Judy Kirk welcomed participants to the open house, and explained the format of the Q & A. Judy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

- C: *Judy Kirk:* I have the impression that almost all of you have read the material. So, just a few comments: the absolute vast majority of this question and answer period is for these people to hear what you have to say. So I will ensure that he is brief. Go ahead Kirk.
- C: *Kirk Handrahan:* Ok, I've been given my orders. Thank you again for coming. We're here tonight seeking your feedback and discussion about the material that's in the guide. These include the service reductions, changes to the seniors' discount, potential for introducing gaming on major routes, changes to BC Ferries' point of sale system and reservations and the potential for a passenger only ferry service. A lot of this began a couple years ago when the BC Ferry commissioner did a review. The province responded to that review by providing additional funding. They also set a target for savings from service reductions. BC Ferries came forward with trying to save 15 million dollars from other things- other efficiencies by 2016. So that was a whole package of things. Last year we came out and we talked to communities about the service reductions and the considerations that we would take in developing a plan. Some of those considerations included protecting basic service, looking at low utilized sailings, and reached that we're losing a significant amount of money. So this plan has been developed and we're out here looking for feedback on it. I'll pass it over to David to talk a bit about that.
- C: *David Hendry:* Thanks. If it's ok, I think I'll just sit down. If you want me to stand up I will. Just wanted to explain a bit about the- what's shown on the schedules over there. We felt uncertain coming out with material- that it was presumptuous to come out with altered schedules. We want to talk to the community first. The sailings that are shown on the existing schedules are not carved in stone. There is some flexibility to change what the schedule will look like in order to- as long as we still achieve the net savings identified. Just in terms of if there was any- just all in on that process- we need your input tonight, we need your input on the discussion forms, we need your

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input online, however you want to give us your input. In January, BC Ferries will be coming out and talking with your local Ferry Advisory Committees in terms of digesting the feedback that we've received in between and trying to come up with a schedule that works and achieves the net savings. There is not, unfortunately, a lot of flexibility in the schedule, just in terms of how the ship works. But we'll try and do as much as we can. I'd like to explain what is shown, what is contemplated on those current schedules, just in case there is any confusion. So right now what's contemplated is that the first sailing on Saturday morning would be eliminated, that one of the sailings in the mid-day would be eliminated. And that's to allow the crew to have a meal break and not incur any overtime. And probably the most contentious is the two last sailings on the Friday evening. So those are the ones that are contemplated. They are the sailings that are in the off-peak season. These reductions do not affect the peak season, and these reductions also do not impact the shuttling operation that we get into in the peak season and they do not impact the shuttling situation that the community gets into on, say, long weekends, Easter long weekends, or say the Christmas period. So, I hope that serves to clarify, but please ask questions as we go through.

C: *Judy Kirk:* Ok, thank you very much. So, I know it's sometimes difficult for the first person, but our experience up and down the coast so far has been, once it gets started there's no rest. So, please, sir.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

C: *Tony Law:* Welcome to our community. We are a very welcoming community. I would like to make three points. The first point is at a global level: I understand the province is looking at addressing affordability and sustainability by three approaches: one is the province putting in more money, two is by BC Ferries finding efficiencies, and three is contributions from ferry users. From the ferry user's perspective, we have already made the contribution. In 2012 the Commissioner said that ferry fares had reached the tipping point of affordability. Since then ferry fares are going up at twice the rate of the consumer price index. That's going to generate \$190 million extra over the system; more than twice the additional money the province is going in. Hitting up seniors for \$6 million and small communities for \$90 million is not going to solve the problems. It's adding insult to industry. The Minister himself said that to 2016, they're going to be looking for \$120 to \$200 million extra. I would like you to take the message back to the Minister that this process is unacceptable to coastal communities, given what we've had to endure already. The second point is specifically for Hornby Island. We have already put lower demands on costs than other ferry routes, because we have a much shorter day of operation. Unlike other routes, we do not have evening sailings every day. Even with the cutbacks planned other routes will continue to have some evening sailings. Ours will be cut back on one day of the week to 7:15 pm or something like that. We will be disadvantaged. I'd like you to take into account that Hornby already has a truncated schedule. We've accepted this because we have the Friday evening sailing, which people use. The third level that really concerns me as a representative of the local trust committee, which is the land-use planning authority for this island, we like planning things in a consultative and careful manner. Transportation is fundamental to a community's economic and social well-being. This is not a consultation. You've had over a year, in which you knew these service cuts were coming. We have asked you over and over again to sit down and look at things proactively, rather than

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reactively. This is a creative, constructive community that is willing to work and look at problem solving. I'd like some clarity about how you see things going from now, assuming the first points aren't taken, that we would like to see this whole process abandoned. If this process is going to continue and you want us to come up with alternatives, exactly how much will be spelled out? As chairman of the ferry advisory committee, I've seen nothing in writing. It's not helpful for us as a committee to not have our community's briefed about how the process is going to be carried out. We cannot make assessments of alternative unless we know what the specific costs are attached to particular sailings. We're left up in the air. I am concerned about the amount of time and the process that you're looking at. The Ferry Advisory Committee needs to consult with the whole community. We can't just sit down as individuals and figure this out; it needs to be in consultation with our communities. Thank you.

A: *Kirk Handrahan:* Thank you Tony. The first step in this process of gathering feedback is listening to what we're going to hear tonight and get with the feedback forms. We'll take that information back and the commitment from the elected officials who have set the level of savings we want to achieve from service reductions, they've set that. The discussion can be about how that can be achieved on an individual route. BC Ferries will be coming back, whether that be with the FAC or with some local government participation as well, as to what flexibility and what constraints there are, it will be within the context of that will be a reduced amount of round trips per day.

Q: *Kent L.:* I'm on the Ferry Advisory Committee representing Hornby Seniors. How much did this brochure cost?

A: *Kirk Handrahan:* The whole process is that we wanted to come out and provide information to people. We went through a competitive process to select a consultant to help us out. The whole package for the consultation, including meetings, venues, travel, the staff that help facilitate, will be over \$500,000.

Q: *Kent L.:* In all of that, how much did the brochure cost?

C: *Anonymous:* There's your savings right there.

A: *Kirk Handrahan:* I don't know the exact cost of that.

C: *Kent L.:* For the last consultation meeting, I thought the brochure asked the same question, in the face of rising ferry fares, I said that if you're looking seriously at cutting back fares, you'd get rid of executive bonuses and you'd get rid of expensive brochures that we don't need to voice our opinions against proposed cuts. I see the brochure is still being printed on fancy, glossy paper. There's absolutely no need to waste paper or money on this kind of stuff. The second point: I understand, as Tony pointed out, that you're expecting to save \$6 million by making our seniors pay to ride on the ferries now. I understand that BC Ferries employees both former and current ride for free, and if they were made to pay, it would be a cost savings of \$9 million, so our seniors wouldn't have to pay to ride the ferries. If BC Ferries employees, who make more than our seniors, and past employees who probably still make more than our seniors do, bucked up and paid for their share. I was really disappointed to see your president say that "there's plenty of empty deck space, why would our employees have to pay?" Why would seniors have to pay if there's empty deck space? If you want increased ridership on the ferries, give the seniors the incentive to ride our ferries, and fill up our deck space. I am perplexed at how BC Ferries and the Ministry of Transportation doesn't seem to get the message: if you increase fares, you decrease ridership, so you have to increase fares again. You make the seniors pay, many of them are on fixed incomes,

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and they're not going to ride the ferries any more. You are economically hurting island by cutting sailings that are necessary for our businesses to stay alive and for our seniors to be able to live here. The message I'm trying to get across is that you don't seem to understand the economics of us having a highway, which is our ferries. I can drive on the Sea to Sky Highway, which cost millions and millions of dollars to make, and it costs me nothing to drive on that highway. It costs me every time I go to leave Hornby and come back again. I am pleading with you to get the message from us that you can't keep increasing fares. Give the funding that's needed to keep our ferry system viable, so you don't hurt coastal communities. You want these coastal communities to be here; I take it you're not against us having a community here, so support us. Stop increasing our fares, stop making seniors pay, and don't cut any of our sailings.

C: *Judy Kirk*: Thank you sir.

C: *Ian Thompson*: I am permanent resident on the island. In my opinion, this process of so-called consultation is a farce. I run public consultation for Fortune 500 companies. They wouldn't be allowed to do this by their board of directors, because of the feedback and embarrassment they would cause to their corporation, but you do it. Our government insists that you do it. An example of how awful this is, and how disrespectful this is, is this very meeting. You people are here all night; you're not rushing for another ferry. Why start this at 5 o'clock, when half the island is having supper or spending time with their kids? Surely this meeting would have been better organized, with a more faithful and less frustrated and hungry attendance, if it had started at 7 rather than 5 and ran into the evening. You really seem to want to hit this island where it hurts most, by cutting the early and late sailings. The ones that are necessarily the most heavily used, but are socially the most important part of our daily life. You can take two sailings out of middle of day; socially, that would be more manageable, because we could move and operate on either side of that. But hitting us at the beginning and end of day, when we are the most vulnerable and the most in need of this service, and you are really offending a lot of people.

C: *Judy Kirk*: Are middle of the day sailings something that you could be flexible on?

A: *David Hendry*: The challenge with achieving sailings on this run is that the late night Friday sailings are very expensive. They're on overtime. If you eliminated middle of the day sailings, you would achieve some fuel savings, but this is a very short run and you're not going to get a lot of savings. The crew is still there.

C: *Judith Lawrence*: I live on Hornby Island. On page 4 of this book, which I would like to know how much I paid for, it shows the previous consultation and engagement in 2012. There is a list of several key themes that emerged from the public meetings: one, fares are not affordable; two, ferries should be an essential part of the provincial highway system and should be funded by the province and taxpayers; three, suggestions regarding increasing revenue or reducing operational costs; four, concerns and suggestions regarding BC Ferries operations; five, opposition to service reductions; six, opposition to increased taxes to fund ferry service. These were the themes that emerged at the 2012 public consultation, they're in this brochure. Why are we here tonight going over the same thing again?

A: *Kirk Handrahan*: We did hear those clearly. The elected officials are committed to making some savings from service reductions. We also asked people about the six considerations underlining the service reduction plan: protection of basic service; looking at low-utilized sailings; looking at low-utilized routes, with large losses; looking at complex routes and routes which were going to have

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additional capital expenditures. We also looked at those things, and in the comments section people did say that in relation to those considerations, the two most important ones were the protection of basic service and looking at low-utilized sailings. We did hear what people said but we can't do everything that people ask.

Q: *Multiple voices:* Can you do anything?!

C: *Judith Lawrence:* I still don't understand why this isn't in this book that you've just given us. I don't want any more explanations. I just have two other questions: How many ships are in this service? 37? And how many managers are in the head office? Is it 450?

A: *David Hendry:* There are approximately 36 vessels. There are approximately 4,500 employees with BC Ferries and about 450 managers, about ten percent.

C: *Jennifer Armstrong:* I live on Hornby Island. In the peak season, I understand that there's 4,500 employees in peak season. So that's one manager to every 10 employees in the peak season. In the non-peak season, which is many more months of the year, there is one manager to less than 10 employees. What I also found out is that the average salary for managers is \$364,000, which doesn't include bonuses, which brings their salary up to \$563,000. When I did the math, and multiplied \$563,000 by 450 managers, I came up with \$25,335,000 dollars. Part of what I see is that we have a top down problem, looking for solutions from the bottom up. We're paying for a very overpaid management in a business that's being terribly run.

A: *David Hendry:* I just want to clarify your last point: you are correct, there is 4,500 employees in peak season, less in the off-peak season. The 450 managers remain all year long. The average salary: there are many salaries less than \$100,000 in that management structure. The number that you mentioned is for one person, top management, in BC Ferries. No everybody is making that.

C: *Jennifer Armstrong:* I read that was the average. So that's the highest salary? Ok. So only \$100,000, six figures.

A: *David Hendry:* Many of those managers make less than \$100,000.

C: *Jennifer Armstrong:* That's good clarification, thank you. One of the points that I would like to say is that I'm a small business owner and my husband is a small business owner. Many of us are. If I don't run my business well, I'm out of business. I have been riding the ferries for 45 years. What I see in the last dozen years is that BC Ferries is being run abominably. It's a badly run business. I read a fabulous quote: "if it's not rocket science, it's not rocket science." If you raise fares and cut services, you're not going to gain clients. I read that the primary reason for loss of revenue is because ridership is down. Raising prices and cutting services is not going to improve ridership. I understand you need to save money. There is definitely a lot of money to be saved at the top and in management. I read a government report called the "Value of Tourism." Between 2001 and 2011, tourism increased by 23 percent, logging increased by 6 percent. Vancouver Island as region was 79 percent of that tourism activity in B.C. In 2011, tourism on Vancouver Island was up 4 percent in 12 months. That beat all other industries. A smart government and smart business would support our number one growth industry. But this is doing the exact opposite; this is killing our coastal communities. These cuts to service mean a loss of property values, because people are losing the want to be here. Our tax dollars are going down, which means the money that's going into our municipalities is going to go down, which means that the ability to live and thrive in a small town is not feasible. We can't all move to Burnaby. We need to have support for small towns, which means we need an income coming into our municipalities. A lot of that is tax dollars coming

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from homeowners. The loss of weekend traffic here is going to cripple our community. We need to be able to come onto our island on Friday night. These charts are indicative of people sitting in their offices far away, making decisions based on statistics, which have nothing to do with the reality of our life here. People need to be able to come onto Hornby on Friday night after work from Alberta, where we have many home owners, from Vancouver, from Victoria, from Nanaimo. Those people come here and they support the bed and breakfasts, the photographers, they support the builders, they support our cafes, they support our Co-op, they support the ringside market businesses. No one is going to travel three, four, five, hours on a Saturday morning to stay overnight and then leave the next day to travel the same amount of time and go home. It's not rocket science. We need people to arrive Friday night. Our community needs a Friday night sailing, because this is a great place to live. It's a great place to raise children; they're the future of our province. There's a lot of wealth to a childhood raised in a non-urban environment. We need to access services off the island; we have one day a week where we can do business and go to the swimming pool, which our tax dollars pay for. We need to access that but it's not easy to access. I ask you to consider, what it would be like to be in your house at 6 p.m. and to not be able to go out. You have to think outside of your office that you're sitting in with those pages. We need wise thinking outside the box. We don't need desperate measures like these. These are desperate measures.

- C: *Anonymous:* I really appreciate the fact that there are people from Ministry here. It underlies the fact that this is government policy, not BC Ferries Policy. Whatever we think about BC Ferries, the rates and service that we get are a function of BC government policy. Kirk Handrahan is the man. He's the Executive Director of the Marine Branch, which means that behind him are only politicians. I want to reiterate: these service cuts are counterproductive. It's going to have a heavy impact on revenue, which means that you're going to be back here in a few years to discuss the same shit; which wrist do we slash first? The real discussion should have been and should be: what's the maximum level a fare should be? What's the appropriate level of subsidy? All transportation gets subsidized somewhere or another. For roads and highways, it's 100 percent. The busses and transport systems, maybe 50 to 60 percent. The West Coast Express is the most heavily subsidized transport in the province. I want to talk about BC Ferries, and what fares should be. It shouldn't be any more than what impacts upon ridership. If it's going to the level where ridership's falling off, and we've passed that level, fares are too high. Any more increases, which includes service cuts, it's a snowball effect. If after all prudent management policies have been put in place, and ridership is still falling, that means that rates too high and there needs to be more government subsidy. It's a political decision. Why you can increase the subsidy of the Coquihalla on the same day that you're decreasing the subsidy to the coastal ferries, that's a political decision. If you want to look at cost savings, the big ones, how about the interest on that \$500 million dividend? BC Ferries got nothing out of it, the BC government did. BC Ferries is paying the interest on that.
- C: *Judy Kirk:* Do people understand the dividend?
- C: *Anonymous:* BC Ferries borrowed \$500 million. The money went to the BC government, into general revenue. BC Ferries is paying the interest on that. In other words, the BC government took out a mortgage on the ferry corporation, put the money in their pocket, and made BC Ferries - us - make the payments.

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- C: *Anonymous*: That's wrong!
- A: *Kirk Handrahan*: That's not correct. BC Ferries does borrow to finance its capital; it doesn't owe the BC government any money. The \$6 million dividend that you're referring to is taxpayers' interest in non-preferred shares of \$75 million. In exchange, BC Ferries pays back to the taxpayer \$6 million a year. In exchange provides services, and gets \$180 million from the province. Including federal funding, it gets about \$210 million dollars. All borrowing that BC Ferries is doing is on the open market to finance the capital and vessel replacement costs.
- Q: *Anonymous*: What about general revenue, some of which came back in the form of new ferries?
- A: *Kirk Handrahan*: I'm not aware of any money that went from BC Ferries back into the general revenue, other than the \$6 million a year.
- C: *Anonymous*: The free tickets. I don't begrudge seeing the employees and retirees riding for free. That's standard practice in all transportation companies. I do question why every board member, from current and past ferry corporations, has a lifetime free pass. I do question why every MLA has a lifetime free pass. People who served in the BC government 40 years ago are still riding the ferries for free.
- A: *Kirk Handrahan*: I understand that some MLAs in the past received a lifetime free pass on BC Ferries. The current practice is that no MLAs get a free pass on BC Ferries, even while they're sitting.
- C: *Judy Kirk*: How long has that been in place?
- A: *Kirk Handrahan*: I'm not sure exactly. As long as I've been involved – six years – I've never heard of that.
- C: *Anonymous*: There are still MLAs that served in the BC government 40 years ago that are still riding the ferries for free.
- A: *Kirk Handrahan*: I understand that's the case. I haven't observed that first hand, but I have read in the press that there are some MLAs from eons ago who have that pass.
- C: *Anonymous*: And board members.
- A: *Kirk Handrahan*: And board members currently get free passes.
- C: *Anonymous*: Board members have always had free passes. Lifetime free passes. So they sat on the board in the 1950s, they're still riding the ferries for free.
- C: *Judy Kirk*: Is that true David?
- A: *David Hendry*: I'm not aware of the intricacies of which ferry passes are handed out; whether board members from 40 years ago still get free passes.
- C: *Anonymous*: Those are small potatoes in the overall scheme of things. But there are savings in prudent management, that wouldn't impact cuts to service, which are going to have an impact on revenue, which means we are going to be back here three years from now talking about how we're going to cut service some more.
- C: *Elspeth Armstrong*: There's a real problem in the BC Ferries and our provincial government. It's called ISEP – it's someone else's problem. Now you've got your BC Ferries Act that you're working under, and it's to make a profit and do the best you can with dollars you have available and you get so much from the government. So you can say it's not my problem. It's not my problem that you're not giving all this service to people and the government turns says it's not my problem, we've given you all this money to run your corporation. It's not my problem, it's yours. So we've got a real sickness here. Nobody's accountable and nobody's willing to accept responsibility for what's going

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- to happen to all these communities that are dependent on a ferry service. I'm wondering if you will have the courage to write down what you've heard and pass it along to your CEO, who will talk to the Minister of Transportation and possibly Premier. How deleterious, how dysfunctional you're going to make these communities. There's no doubt about it, down the road you will see people hurt and it will be your fault and the government's fault. It's not our fault; we're here trying to make a living and bring up grandchildren. You can't say "it's not my problem." The government can't say "it's not my problem." It's both of your problems. So, what does it cost to run the small ferries, other than the three major routes?
- C: *Judy Kirk*: What is the cost of the ferries, other than the major ferries?
- Q: *Elspeth Armstrong*: What's the money you're trying to save by cutting all of these services?
- A: *David Hendry*: I don't have the breakdown for the small ferries. I know they cost approximately \$775 million for BC Ferries to run them, on an annual basis.
- C: *Elspeth Armstrong*: That's not my question. I want to know, you should know, because this is part of your job, what it costs to run the ferries? What is the savings you are going to make by making the proposed service reductions on all of the minor routes?
- A: *Kirk Handrahan*: the net savings we anticipate, after assuming some revenue loss from lost traffic because of reduced sailings, the net savings for these changes is \$14 million over next 2 years. \$7 million a year.
- C: *Elspeth Armstrong*: That's what you're expecting to save? \$7 million? I have a solution for you. That's unbelievable! What you do is write down all the hardships and all the job losses, because you can figure it out. You figure out what it's costing families who can't get off island or who lose businesses. You write this report in all its brutality and suggest to government that all we need is an extra \$7 million, you win, the government will look like a saint, and the people will be happy.
- C: *Donna Tuele*: I'm a business owner on the island and I raised a family here. I've been a Ferry Advisory Committee member for the past three meetings, which is equivalent to a year. It's a frustrating service – it feels like lip service. They're consulting because they have to. I would encourage the government, to consider another form of consultation, where the government, and maybe the ferry commissioner's involved as well, consults with this advisory committee as well, because we represent a wide aspect of these communities. I know you talk to the chairs on a regular basis, but many minds bring different ideas to the table. There's been some great stuff said. I don't want to repeat that, but I need to get to some of the very root of this stuff. When I look at the root of these statistics: they call our boat, the Kahloke, a 30-car ferry. How many times has anyone here ever seen 30 cars on that ferry? When you have 25 cars on that ferry, and the ferry's fully loaded and you can't get one more one, it's not at one hundred percent capacity, according to you guys. The basis of your analysis is completely wrong. We can't honor those statistics. You also don't count. There's some grey area here. If you have six full size trucks pulling RVs and it fills up the ferry, it's only considered six vehicles. When you look at those statistics, they're skewed again. You're basing decisions on those numbers, saying we should cut these routes back because you're not running at capacity, that's not accurate. We need to go back to the drawing board and make sure. I will sit and look at your numbers, because I think numbers can be made to say whatever you want them to say. When I look at peak season usage, there's not one run that says its 100 percent. How many of us here go for a ferry Saturday at 11 o'clock, and we've never got it in July or August. One person pointed out to me that there's three stat holidays in there and that's going to make it

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- look wrong. Actually, the turnover day for people who are renting accommodation is either Saturday or Sunday, it doesn't matter whether it's a holiday Monday or not. The savings that they're talking about here for eliminating the one run per day, the late night boats, and the Saturday morning boat is \$180,000 for Hornby. That's probably two lower-paid manager's wages.
- C: *Judy Kirk*: Let's have David answer the question around the statistics around measurement and then the question about how full the boat is during the summer, during peak time.
- A: *David Hendry*: The statistics are averages, so will it will average out over the peak season over 60-70 days. Some of those sailings are over 100 percent, some of them are less than 100 percent but it averages out to the number that's shown there.
- C: *Donna Tuele*: I challenge you to come to Hornby Island from the end of June until after Labour Day weekend and try and catch a Saturday ferry between 10 and 12 o'clock. It's not possible. It's not possible that it's 80 percent, because then you're telling me that some of them are 80 and some of them are 100. It's just not possible. I cannot honour those statistics. And this whole thing is based on how to determine which routes to eliminate, based on that. I don't think it can be disputed, it needs to go back to drawing board.
- C: *Judy Kirk*: Let David answer the second question, about a 30 car ferry versus 25 possible, and the next one about when they're full.
- A: *David Hendry*: In terms of 30 cars versus 25 cars, we use a standard measurement, the automobile equivalent. We use the same equivalent across all routes, consistently. It goes back quite a few years. On all of our vessels, we have deck space and then we take the vehicles that come on and convert them into automobile equivalents. The one that's being use for the Kahloke is 30 automobile equivalents.
- C: *Anonymous*: That's consistently wrong!
- C: *Donna Tuele*: There's nobody there to tell you that if somebody comes from Denman onto Hornby Island after they camp there, there's nobody there unless you go back to the fares, and say we charged you for 43 feet, so now we're going to divide 43 feet by 20 to tell us this 2.3 or 2.15 or whatever it is. That's not happening. I challenge you to go back and look at these numbers. I've written to Minister Stone, I've written to McKay. I want these numbers reviewed because I think that these numbers are not telling us the truth.
- A: *David Hendry*: We tried to take account of over-length vehicles as much as possible in these numbers. We're not trying to hide anything.
- C: *Donna Tuele*: Recently there were some modifications made to the Kahloke that eliminated two car lengths. So you probably weren't working with 30 cars, because now it's not even 30 with the modifications that were made. There was also modification made in the last refit that took the platform for the zodiac boat out and into the laneway that now eliminates over-height vehicles from going down that lane. So there are things that happen on a local level, that when you're sitting in Victoria, you are not aware of. It's not communicated to you. If you would work with us, you would work with our local crews, and you would consult with us, we feel we can put together a more accurate reflection of what's going on and also provide ideas about how to remedy things versus a top-down process. I'd like it to be a ground up process for how to remedy things. For the information of the people in this meeting, the Hornby ferry burns between 2,000 and 2,500 liters of fuel a week. It runs for 88 hours a week. That's a high average of 10 litres per ten minute crossing. If we eliminate a middle of day sailing, we save ten liters of fuel. If you're buying fuel at the Co-op, which you're not, it's \$1.30 a litre so you're saving \$13.00. You mentioned that you're going to save

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on missed meal breaks, well I just talked to a BC Ferries employee, and the only time they have a missed meal break is when they're shuttling. This is not going to change. The only cost savings that I can see from shutting down in the middle day is reduced maintenance costs. How about you sit down with us and the local ferry crew and see if there's an alternative to shutting down. There were recently here major modifications, by removing our docks on Hornby Island. BC Ferries has a policy to standardize, I understand they will standardize vessels in the future. Our ferry that comes in here, I don't know what the next ferry is going to look like, but our ferry is a K-class, which is fairly standard in the fleet, it can't even come into our dock and land straight-on, and it has to land cock-eyed. When they have a semi or something on there they have to wiggle and work, because this dock was built for the Island Sky, which has a capacity far greater than our ferry and far greater than you will ever see on the Hornby run. You're talking about eliminating runs; you should never talk about bringing on a bigger ferry. Without any input from the community you put on a capital project that probably cost a couple million dollars. With \$180,000 dollars in savings that would probably have paid for keeping our run for the next 10 or 20 years. I appreciate standardization. Those are fairly things. The rationale has to come back: is this a good business decision? Then you one off on Denman, a whole different story, where we're not going to standardize, and we're going to have cable ferries. On one side we're standardizing and on the other side we're saving some money. Let's find the happy medium where we save money on both sides. My husband works for BC Ferries; I get 20 to 24 free trips a year. I go off this island an average of one to two times a week. I started calculating, and I pay between \$2,000 and \$3,000.

C: *Anonymous*: You're taxed on them too, Donna.

C: *Donna Tuele*: My husband's taxed on it; it's not free. I'm a very big user and Friday night is huge for me. You gave most of the other ferries in the fleet extended hours. We gave up extended hours a long time ago to save you money. That's why we only have to cut back \$180,000 this time, instead of Denman's which is double us – you're asking for twice as many runs off of Denman. We already made the cutback way back when you said "all we ask is for one late night." We've got it and we did it, and we've saved money. Now you're saying, we need to save more.

C: *Janine Gronay*: I don't have any statistics like the Donna. A lot of what I wanted to say has been said already. We're a family, we work, and we do the usual things. I noticed there are a lot of retired people on the island. I have seniors as family members as well. Friday is the one of the days where a person can go to Victoria to see a specialist. A lot of seniors don't have a lot of money, and they can't afford to stay in a hotel. Friday is the big day, it's not just the big day for cultural events, sports, or shopping, it's a big day for day surgery. Friday is a really important day. It feels a bit disrespectful to seniors to take that away. People who have contributed so much for so long. If you are trying to save money, I understand you are having some financial problems I don't fully understand, I really wish you could look somewhere else to start slashing, before you are willing to hurt our communities.

A: *Albini Lapierre*: I have been a resident for 20 years. I've heard the comment from British Columbians that are not using the ferries to connect with the rest of Canada, is that you chose to live there. I'd like to say to every British Columbian, you chose to live in B.C. where we have high mountains, where we have wonderful coastal areas. It's the way the geography is. If you think that it's too expensive to provide avalanche recovery, I guess you must want to live somewhere else, because that's what B.C. is about. If this isn't a part of British Columbia, tell us.

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- C: *Albini Lapierre*: Let's be honest about it. What you'd like to see, is that the Gulf Islands look good on your maps and tourist brochures, but when it comes down to really make it part of the province, it's too expensive. I'd like to see how you would feel if climate change made it so you can't drive to work, or to the hospital. That you had so much snow, that you would have to pay to get out of your driveway, for the company to clear the roads. It's going to cost you about \$100 just to get out of your driveway. That's what it costs me to take my kids to the swimming pool that our tax dollars built. For twenty-five or thirty years, we've already made the concession of only having one night where we can actually do something off island with the rest of B.C. If you're taking it away, on top of the fact that the price is so high that it's impossible to consider taking the ferry regularly, it's insulting. We've made a lot of concessions. Maybe you guys didn't know that we actually said no to the rest of the sailings way back. Like Donna says, go back to work and check out your numbers and make sure that if you're asking for concessions that are hurting people's lives, be ready to pay for it. I don't know exactly how, but I really think that whether it's just on your conscience or something, seriously, it's going to make an impact.
- C: *Andrea Kaback*: I have some questions around the cutting of the first sailing off of Denman. Have you considered the implications of this for Hornby Islanders? Here's how it looks from where I stand: Denman Island traffic will back up, which means our first ferry off the island at 7:30 a.m. will be unable to connect with the Denman ferry. So it means we wait to the second ferry to get across. If I leave my house at 6:30 a.m., to get to the ferry in order to be on the 7:30 a.m. sailing, I catch the 8:40 to Buckley Bay, which arrives at 9:00 a.m. That amount of time in order for me to make the connection to get my kids to school, to get to work, to get to a medical appointment, is just not acceptable. What solutions do you have in place, so that we can make timely crossing to get on with our lives?
- A: *David Hendry*: You bring up a great point. The schedules that are out there for Denman to Buckley Bay, fortunately there's a bit more flexibility in that run. There are two shifts. Again, we didn't want to be presumptuous and put a schedule down without talking to the community. We've shown reductions on the existing schedule, but what we want to hear about are what sailings are critical. You need to put that down in your discussion guide. We need to hear about and digest that, so when BC Ferries comes back out in January to talk to the Ferry Advisory committee, the goal is to find out if opportunity to adjust the timing of that so that it works for both islands.
- C: *Anonymous*: No cuts!
- C: *Andrea Kaback*: There are two things at play here. One is that it is critical that we be able to make the connection off of our first ferry. The Denman ferry is the Denman-Hornby ferry. Hornby Islanders need to have priority on that ferry, in order for us to get on with our lives.
- A: *David Hendry*: One thing that we've heard loud and clear in the seven meetings so far, is that the utilization in the middle of day, although high, the ridership on that is more discretionary. If that's the case, and there's strong enough agreement in the community, there are possibly opportunities to put a gap in the middle of the day, so that you can extend the day to a later sailing. Those are the things we need to hear about and talk to the Ferry Advisory Committee about in January.
- C: *Andrea Kaback*: To be clear, our first sailing is critical, it's critical we make the connection on Denman. We need to find a solution to that problem.
- C: *Judy Kirk*: Thank you very much.

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- C: *Daniel Arbour:* I live on Hornby Island. I've been here for ten years. For the last eight years the head office of my company has been in Vancouver. You're frustrating your repeat customers. That's the bottom line. I'm raising my family here. I give you \$2,000 or \$2,500 a year. A lot of us do that. I commute. I can repeat everything people have said around the importance of the Friday night ferry. I can't believe you missed that in your analysis. Step up your game. You have resources at your disposal. Most of what I've heard tonight has been a defense of the ideas you've brought forward. I haven't heard anything very creative from you, except the last comment. I'm starting to wonder if the Friday night sailings are straw dogs that you guys are floating, and your real plan is elsewhere. That's terrifying for me. I haven't felt the openness I was expecting tonight.
- C: *Judy Kirk:* Let's get an answer. That was quite a strong statement you just made. Kirk or David deserves to be able to respond to that.
- A: *David Hendry:* There not a hidden agenda here. We look at numbers. We haven't wanted to put down a schedule that we think works; that's up to the community, with the flexibility afforded to still achieve net savings. The fact that we've penciled in late night Friday sailings, those are expensive sailings. They're on overtime. That's why they're there.
- C: *Daniel Arbour:* Where you're not getting the picture is around a total sum analysis. You've heard tonight that what we're criticizing is that you haven't done your homework. You're just looking at the ten percent ridership on the latest ferries. You are the province. You need to understand these are the economic ferries. When I commute to work, in Tofino, Vancouver, Prince George and Ottawa, these ferries get me home. These ferries also get me to ferry to Vancouver once or twice a month, on the other ferry to Vancouver when I pay \$80, in addition to the \$2,000-\$2,500 I pay on this ferry. What you've done is narrowed down and looked at simple statistics of ridership, rather than look at utilization purpose and who is on the ferries. I imagine that your team would have looked at a more comprehensive picture of this situation in regard to ridership. If you're looking at efficiency, why didn't you bring BC Hydro with you tonight? You're coming here in the same week we're getting hit with 25 percent increase over the next two to four years. At some point, you're putting at risk your social license. You're attacking your repeat customers. Some of us are saying, at what point do we go back to a private ferry? Maybe that's a good solution for you; a big casino-ferry model.
- A: *Kirk Handrahan:* That is one of the things we're trying to get a handle on: how are you using that ferry? We've given a target of savings that we would like to achieve, and we are hearing from the community how they're using the ferry. We will bring that back.
- C: *Dan Johnston:* I've lived on Hornby permanently for 13 years. I'm a senior. Some of these changes are going to affect me. As a resident I go off the island, one of the first ferries I use to get off the island for the weekend is on Saturday morning. If that is changed, that means that the traffic that will get on 8 o'clock ferry is going to be combined. I'm sure that's what you've looked into. This is going to create a problem on Denman, because of the amount of traffic. There's the possibility that won't make the ferry off Denman to Buckley Bay. I see that as a very bad move, to eliminate that first ferry on Saturday. The second point is about seniors. That 50 percent is going to affect a lot of people whose incomes are not going to increase and who don't have the ability to make up that difference. It might make people decide not to live here; it would be the straw that broke the camel's back. The pension incomes are important to the island. They're important to the people who live here and do services for the retirees.

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C: *Judy Kirk*: Thank you, sir.

C: *Ian Thomson*: I've listened to interest. It does seem to that the ferry corporation is the jam in the sandwich. It's the provincial government, and I address my comment to the government, that is providing the budget and is pulling the strings, and saying "thou shalt save this amount of money." We've learned it's approximately \$7 million, of which \$180,000 impacts Hornby Island. You've heard of the social impacts from this. I would describe this as a social experiment by proxy. A piece of social engineering with huge consequences. This is a \$7 million experiment in a provincial budget of billions. How does your master justify this? This is a \$7 million social experiment with huge social consequences. Why is there not the money available to avoid this social struggle?

A: *Kirk Handrahan*: You raise a good point. Government is taking responsibility for its decision. Government has looked at how much the spending is on BC Ferries and providing coastal ferries service. This year alone, federal and provincial funding will be over \$200M. They're the elected officials. You may agree or disagree. They're saying that we've heard clearly that fares are going up, government has been putting more money in, and they want to look at a variety of ways of trying to bring costs down. There are longer-term strategies like LNG and the standardization of vessels. Different types of strategies. In the immediate term, they have the goal of trying to save money through service reductions.

C: *George Bouvier*: I've been a resident here for 40 years. Everything that I wanted to say tonight about the criticisms of this program has been said. You must have a pretty fair idea that almost everything that's been suggested as a solution to your problem is not a solution to the problem. It's totally wrong, for all of the coastal communities. It doesn't allow for coastal communities to survive or thrive or expand. The population around here is growing and the economy of this area has the potential to grow. The ferries have the potential to grow. There should be strategies – I understand that one of you has job of looking into the future and providing ideas. I saw a couple of ideas out here for the ferry corporation to grow. If the ferry corporation is going to survive, it needs to be growing, not contracting. You're contracting to try and save money. The different approach might be to try and think of how to improve things to make money. There are ways the ferries can expand operations and make \$7 million, maybe not in the first year. The idea that goes way back to CPR and Union ships is that there is potential for intra-island routes. Passenger only, or now that we have a ferry dock that will accommodate a larger ferry, a car ferry that runs directly from Vancouver to Hornby Island, and maybe Powell River and Comox, and encourages more traffic. It increases the profitability, by expansion into other areas. The North end of the island needs to grow, Bella Coolla and the interior needs to grow. They will grow, there's no question that that's going to expand. You need to be thinking about the expansion as a way of making more money. Not trying to take the money out of us, who can't afford it and are going to utilize the ferries even less. You cut services and you raise the rates, it won't make your \$7 million dollars. It will just lower ridership and starve out communities. We won't be able to afford to pay taxes, property values will decline, it's all been expressed. Doing the cuts you're talking about, and raising the rates, that will not make your \$7 million. Thinking about the future and expansion and utilizing creative ideas and making your corporation work better, that will make money.

Q: *Kent L.*: I'm the seniors' rep for Hornby. Thank you for coming tonight and listening. Hopefully heard with your hearts what we're saying and will make those decisions accordingly. You can see

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what the impacts will be to our island if you make those kinds of cuts and keep increasing fares. I thought I would help you out with a visual voting thing: who here would like to see the elimination of the seniors' free rides Monday to Thursday? Raise your hand.

Q: *Kent L.:* Who here is in favour of having your sailings cut?

Q: *Kent L.:* Because you're asking us to feel some economic pain, who on this stage has a free ride on BC Ferries?

Q: *Kent L.:* That's two of you.

A: *David Hendry:* Just to clarify, the cost of that is added to our pay cheques in tax.

C: *Kent L.:* I understand, it's a taxable benefit. Are you willing to give up your free rides if we have to have our sailings cut? Would you help in sharing the economic pain? That's how we feel about giving up our sailings and our free seniors rides. Think about that as you go to sleep tonight.

C: *James Volkers:* I'm the Local 17 president of the BC Ferries officers' component for this area. I am also the most recent Captain on the Kahloke, hired a couple of months ago. The Cortes Island-Quadra Island route was not included in the service reductions. Why not? Did it fall over the annual utilization percentage, so it wasn't flagged?

A: *David Hendry:* One is that the utilization rates are higher. The main reason is that there are only six round-trips, instead of the 30. The only way we could take out a sailing is if you can carry traffic on existing sailings. Given that there are only six sailings, you would not have been able to carry the traffic.

C: *James Volkers:* For this route, you mentioned 55 percent is a flagged number for annual round-trip utilization. Is that the number that you're using that's flagging this whole thing as well? If it is, you maybe should tack on the actual percentage of full ship, which is the 25 cars versus the 30. It has been changed since years ago.

C: *Judy Kirk:* Thank you, sir.

C: *Will Thomas:* I have been a resident for 13 years and I have been coming to meetings like this one for more than 10 years. I have seen mothers in tears, I have seen families destroyed and moved off this island. I have heard the eloquence heard tonight again and again, and here we are again. What is the point of this meeting tonight? Look the median age of the hundred plus people in this room. Look at the hands-on island living experience in this room. It's a huge resource, and you've just tapped a little of it tonight. You've heard some brilliant suggestions. You've heard from the hearts of people. The BC government has been hearing it for 10 years. We're listening, we hear you, and the fares go up and the islands empty out. I am not convinced that this meeting matters a damn. I am not convinced that any of this input is going to make any bit of difference. What is the point of this meeting? I don't want "we'll take it back, and consider it very carefully. We considered very carefully in 2012, this is what we came up with. We considered very carefully in 2010, and we keep raising the fares." I don't want to hear more words from BC Ferries, or BC Government, I want to see action. If this meeting has any meaning at all, we want to see action – no fare increases, no ridership cuts, no deterioration in service. We want to see action not words. Thank you.

C: *Tim Biggens:* I've been a resident of Hornby Island for 43 years. I've been a commercial hauler on BC Ferries. My average pay to BC Ferries is \$7,800 a year. I'm a paying customer. I passed that \$7,800 onto these people, because cost of goods goes up. You're trying to bump it up more; that's not fair. It's not fair to me and other commercial operators on this island, and it's not fair to your

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customers. We are taxed heavily enough for our choice to live on Hornby. Please act in moderation if you can. Thank you.

- C: *Andrea Keback*: It occurs to me that the changes that you are suggesting are in essence experiments. We're going to try these things, and we're going to see. They could save us money, they could not save us money. I've got an experiment I would like to propose: cut the ferry costs in half, we'll travel twice as much, everyone will be happy. Problem solved.
- C: *Anonymous*: Donna asked me to mention one other thing, that on Friday night at the Thatch Pub people from Denman won't be able to play or listen to music. How many managers need to be laid off to save \$180,000 on the Hornby run?
- C: *Judy Kirk*: I'm not sure these individuals can answer that.
- C: *Anonymous*: It was probably a rhetorical question. Of the 450 managers, and go and ride for free on the ferries, if two retire, you might save the \$180,000 you are looking for.
- C: *Rob Zelinski*: I'm a business owner on the island I've lived here my whole life. I speak for my business, and most other businesses on the island, that it's a challenge to run business off-season here. We have a lot of challenges already. As a business that relies on weekend traffic, that Friday sailing is really important to me. It allows guests to get here. It doesn't turn into a three day trip for them. They can leave after work in the lower mainland and get here on Friday night. This holds true of many businesses here. There are a few that are borderline; they need that extra winter business. I'm not saying that I'm going to lose all my business because of these cuts, but it will affect my business and others for sure. It directly affects me and my employees. It's a savings on the ferry side, but I don't think they look at it from the economic side here. I don't have a choice. I have a boat and I do water taxi service. I even move BC Ferries employees after-hours. In the winter months, I can't pick my guests up if the weather's rough. I rely on that ferry to get guests here. Those late ferries are critical to the businesses here. We talk about money here – it's a savings. You're trying to make a small savings, but you're still not fixing the bigger problem. We pay quite high taxes here. The person who lives in Northern B.C. doesn't get their road cut off. It's going to be maintained and provided. We want the government to pay their fair share to maintain system. I don't want free ridership, I expect to pay. I want to pay a fair amount and get regular service. I want my taxes to help fund that.
- C: *Tony Law*: I listened to the Minister's press conference and he talked about having some tough news, to the point of saying that these cuts are going to affect people's lives. I'll come back to that in a moment. What astounds me is that you have not done adequate analysis. If you talk to someone who is running transit, they know that there is low ridership at the end of the day. Those runs are critically important to the people who use it. This is a totally inadequate consultation process so far. You could redeem yourself by fully engaging this community. You have a contradictory set of statements: on one hand, you say cutting sailings in the middle of the day is not going to save very much, and then it's proposed as a solution, saying that you floated the Friday sailings and maybe we could cut sailings in the middle of the day. We have very conflicting messages. It is very hard for us to evaluate those, when we don't have the appropriate information so we can have a sensible discussion. I'd like a response to that. The tough message that I would like you to take to the minister is that successive governments, NDP and Liberal, over the last 20

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years, have saved taxpayers money by underfunding the ferry system. You got away with underfunding coastal ferries service for two decades. There is catching up to do. As one speaker said, the reality is that the geography of this makes transportation difficult. That's the reality the province has got to face. Trying to nickel and dime us, and destroy communities in the process, is going to come back and haunt in 2016. As people have said, you'll have to come back to us again. The only solution is for the government to fund ferry service the way it should have done all along. As a member of the ferry advisory committee, I am very apprehensive of this ill-refined process. I would like specifics about how the process in January will be carried out and for you to resolve the conflicting statements I've heard tonight.

C: *Judy Kirk:* Let's deal with the mid-day sailing first, and then the process.

A: *David Hendry:* To clarify, each route is different, as are the constraints on each route. Unfortunately, the Denman to Hornby route doesn't offer a lot of flexibility in mid-day, because it's just the one shift. The Denman to Vancouver Island run does afford more flexible, because there's two shifts, so there's the potential of doing something in the middle of the day for that route.

C: *Lindsey Allen:* Bridges. Whenever we've talked about bridges, BC Ferries says "we can't do bridges, we don't do bridges." I'd like to ask the province. There are at least four locations where bridges are feasible, economically and technically: Quadra, Denman, Gabriola and Salt Spring. It's simple math: It costs \$5M a year to operate the Buckley Bay Ferry. Multiply that by 20, that's a \$100M. That buys a very nice bridge, which would last a lot more than 20 years. Simple economics. Kirk, is there any appetite in the BC government to talk about bridges?

A: *Kirk Handrahan:* Last time we were out, we raised the idea of building bridges in some locations. Bridges are expensive to build, that's why in a lot of places there is ferry service. There hasn't been a lot of recent work done analyzing bridges. The last work I've seen is maybe 15 years old. I haven't seen a lot of work on this particular location. Last time we heard fairly mixed messages on bridges.

C: *Judy Kirk:* I would say that's an understatement.

Q: *Jennifer Armstrong:* How much approximately was upper management paid in bonuses last year?

A: *David Hendry:* I don't have that number at the tip of my tongue. I'm sure that it's publically available.

Q: *Jennifer Armstrong:* Just a rough guestimate? Is it anywhere close to \$180,000? This is what's wrong with corporate and government leadership. Mike Corrigan said that we have to pay our upper management so well so that we can attract people similar to private sector. I disagree with that. You can look at non-profits that get incredibly intelligent, educated thinkers who do the job for far less than the private sector. We have such a top-down problem. The problem is at the top. There is too much money going into salaries and bonuses. There are too many employees. Cutting \$180,000 to destroy a community's viability is not wise thinking.

A: *David Hendry:* Most of the labour for BC Ferries is related to operational labour, to run the service on 25 routes throughout the coast. Yes there is management. Executive and management compensation has recently been brought in line with other provincial crown corporations. That has been recognized.

C: *Jennifer Armstrong:* That has been recognized in relation to other Crown corporations, that has nothing to do with recognizing that in relationship to coastal communities.

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3. Closing Remarks

Judy Kirk wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on November 28, 2013 at the Denman Island Community School, Denman Island, B.C.
FACILITATOR	Judy Kirk, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Lynda Petruzelli, Senior Manager, Marine Branch, Ministry of Transportation and Infrastructure Sean Nacey, Senior Manager, Infrastructure Development Branch, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Joanne Doyle, Manager, Master Planning, BC Ferries Anna Wright, Kirk & Co. Consulting Ltd. Laura Abbott, Kirk & Co. Consulting Ltd., Meeting Recorder Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants said that BC Ferries should be returned to the provincial highway system and funded at the same level as highways in B.C. Participants said that they do not like the ferry authority model.
- Participants stated that fares are too high and that this has caused a significant decline in ridership, putting the economic and social viability of their community at risk. Participants particularly mentioned that property values will decline further if ferry service is reduced.
- Participants did not support service reductions. They stressed that:
 - The 6:40am and late evening sailings are critical for community members commuting to work and school, as well as for ensuring community members are able to access extracurricular activities for students, social and recreation activities, and medical services.
 - Ferry service reductions will have profound socio-economic consequences and that the projected cost savings to BC Ferries do not factor in the magnitude of these community consequences. Participants said service reductions would result in a demographic shift, with young people and families leaving the island.
 - Service reductions will have a negative impact on tourism to Denman and other Gulf Islands.

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- Participants suggested that BC Ferries should do more to grow its business and attract ridership by partnering with local communities.
- Participants expressed significant frustration with the level of executive compensation and bonuses.
- Participants said the new cable ferry already provides a cost savings for this run and that those savings should be considered in place of service reductions.

DISCUSSION

1. Welcome and Introductions – Judy Kirk

Judy Kirk welcomed participants to the open house, and explained the format of the Q & A. Judy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- C: *Kevin Richter:* I just want to give you some context as to why we're here this evening. Back in 2012, the ferry commissioner submitted a report to the province. He identified that fares were at a tipping point, and said that with rising fuel and labour costs, and capital investment and declining ridership, the sustainability of the ferry service going into the future is in jeopardy. The ferry commissioner said that action has to be taken in order to ensure that that system is sustainable into the future. Government responded by adding an additional \$86 million to the system. BC Ferries was asked to find an additional \$54 million in efficiency savings and the province changed legislation and also identified the objective of finding \$18.9 million in service reductions. Last fall we came out and engaged with people about the considerations used for service reductions, such as utilization, such as shortfalls on routes, the complexity of the routes with multiple stops and also capital investment and basic service levels. We also asked people about long-term strategies to keep the system sustainable. We then worked with BC Ferries on a plan to look at service reductions, and that what's were here to talk about tonight. To hear what these service reductions mean to your communities. We have also put forward some ideas for other measures that could help out with the sustainability of the ferry system in the longer term, to try and take the pressure off fares into the future. We're here to talk about service reductions and what it means to your community, and if there's some considerations that we've missed. We're also here to talk to you and most importantly to hear from you about other measures that are being considered to have a long-term, sustainable system. Another part is to ask you for ideas. This is the plan, but there may be an opportunity to refine that plan. That's also very important.
- C: *David Hendry:* I think it's important to recognize, as Kevin said, we didn't want to be presumptuous by coming out with schedules that reflected changes. What we've done is shown the existing schedules with reductions that are identified. BC Ferries will come back in January to work with the local Ferry Advisory Committees. Openness will rule. In the process of that, the Ferry Advisory

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Committees will act as a liaison in the communities, looking at the refinements to the schedules that are shown here. There are certain potential opportunities to change what's shown here. We've heard already that the 6:40 in the morning sailing is critical. That perhaps there are some opportunities in the middle of the day, to look at some adjustments. I want to emphasize that these adjustments are for the off-peak season. The peak season is not impacted. There are no changes anticipated for that. The other important thing is that any kind of shuttle arrangements that happen in the peak season and on long weekends will still be in effect.

- C: *Bill Nicholson*: I'm the President of the Hornby-Denman Community Health Care Society. I'm going to give a presentation to try and capture the principle issue. We are arguing that the whole is much bigger than its parts. I do expect that representatives from the government are elected and employed to view transportation needs through a vast lens, not a narrow, budget-driven scope. I would posit that the proposed service adjustments, which have been suggested, which will come into being without the government or the ferry corporation having a meaningful understanding of how our communities operate and exist. I say suggested, because it seems that we are here to offer either acceptance or alternative to your proposal. As I had mentioned, the Hornby-Denman Community Healthcare Society views our two islands and the Comox Valley as our field of engagement, where we provide range of services. Our vision statement is simple and to the point: healthy islanders. Our mission statement is also succinct: to optimize the health and health services for residents of Denman and Hornby. Most of our 40-plus employees use their vehicles to provide services to clients. Frequently our staff travel by ferry between islands to their jobs, often in the homes of clients. Sometimes, their work can include travel to Vancouver Island to provide outreach and other direct support services. Our staff and our agency view the ferry system as their highway, as many islanders do. Especially those who work on and between islands. Especially those who travel to travel to Vancouver Island for work and recreation. The schedule changes or adjustment poses a very real threat to the flexibility required to provide very real and personal much-needed levels of care, as well as to participate in educational and cultural pursuits. I won't comment on other changes, I'm sure others will.
- C: *Dennis Laval*: I represent the Denman Island Educational Society. It's a society necessary for the existence of our community school, which you're in right now. Our school is dependent on children. At one point 105 students went to this school, now it's 34. I know the economy is bad. If we have a schedule change that doesn't allow people to work off-island and have a full day's work and come home, our island will shrivel up and die. I've been here for over 30 years, my children grew up here. I commuted for nine years. A lot of young people are in a similar situation, but there are no young people living here. They are severely restricted if we get away from a ferry schedule that allows commuting. Commuting means going to work really early and being able to come home at night. We are a bedroom community. We do a lot of our recreation, post-elementary and college education in Courtenay and Comox. Our kids want to play sports there and they have to get home. Cutting the 10 and 11 o'clock ferry will make that virtually impossible. It's important that we are a viable community. We cannot be that if we don't have a transportation infrastructure that allows us to have a full day of being away from Denman. Other changes could be made perhaps; I don't want to concede too much. We need a really early ferry and an extended evening ferry. Perhaps not 11 o'clock, but we need an extended evening. I'm hoping that message gets through to people. The viability of us existing, of having a mixture of population, is crucial. I do not want this to

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become a retirement home. I want this school full of active children. We're in tough times right now. The suggested change, getting rid of the 6:40 a.m. and the 10 and 11:00 p.m. would be disastrous in my opinion. Thank you.

- C: *Sheldon Remple*: I've been on Denman Island 14 years. I raised children here. I own and operate a business. I think one of the things that is most profound, is that as a business owner I am responsible to grow my business. I feel with the cuts and what's been going on with BC Ferries. When you flush a toilet you see the water going down. To me, that's a strategic plan that's BC Ferries' strategic plan right now. All of us that have to commute, we leave our cars at Buckley Bay because we are pushed out of the market. We have watched our tourism go down and down and down. It is price-prohibitive to bring cars across. Here are some of the implications of you stopping at ferry service at 10 p.m, everyone in the accommodation industry. If you leave Vancouver at 5 p.m. when you finish work, you catch the 7 p.m. ferry to Nanaimo, you can't access Denman Island on a Friday night. Don't you understand the multiplier effect? If BC Ferries is interested in our province, in terms of the Gulf Islands, no one has approached me for partnership and to discuss some of the assets that Denman Island has. We can work together to build, rather than reduce business. It seems profound that you're allowed to run this business into the ground without proactive marketing and partnership with the players on this island. I find that extremely frustrating. I also have a couple of children who are devastated. They are teenagers. You've taken this away, they are no longer able to go to dance, they spend a lot of time on projects and work for school Monday through Friday, so you've pulled the rug out from under their feet. In summary, BC Ferries needs to engage communities to build businesses, not service cuts. Thank you.
- C: *Diane Snyder*: I live on East Road. I've been on Denman Island since 2007 and I've worked off island for 5.5 of those years. I realize that there have been many comments about the 6:40 a.m. sailing for commuters. That ferry impacts my life. I have looked at your discussion guide and I have question. I've looked at routes similar to ours, which have similar utilization rates, which have just as much shortfall. On not one of those routes have you proposed cancelling an early morning commuter sailing. Why Denman Island, which has very consistent utilization rates on that early morning ferry. You seem to think that we don't have to work from September until June. In 2011, my husband and I were both commuting full-time off the island. Between the two of us ,we spent over \$8,000 on ferry services, with all of our attempts to leave vehicles and catch rides with each other. I think you need to look more strategically at whose services you are cutting off. I don't have children, but I hear that the evening ferries important for children and socialization.
- C: *Judy Kirk*: Let's get an answer to your first question.
- A: *David Hendry*: That's a good question. Going through this process, we looked at all routes, we looked at opportunities with low utilization. The 20 percent was used as a guideline; it didn't have to be a hard guideline. What was more important is if a sailing came out, could we carry the traffic on remaining sailings. On the Denman run, with the frequency of the sailings, we felt it was an opportunity. Looking at numbers, we didn't realize exactly what was behind those numbers. That's why we are out here to hear what is behind those numbers, what it means to the community. Already we've learned a lot: the 6:40 a.m. is a very important ferry. We will be back in January to look at possible refinements.

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- C: *Sarah French:* I have lived on Denman for 33 years. I'm a nurse at the hospital in Comox. My husband had a letter published today in Comox Record. He's not here to speak to you because he doesn't think that the ferry corporation is listening. The gist of the letter is that this is all a band aid solution. I should mention, when I first came to Denman, all the ferries were under the Ministry of Highways, which is where they belong. Service reductions are going to cripple Gulf Island communities far more than you recognize. You need to look at the big picture; I think you need to close terminals. Why does Salt Spring Island have three ferry terminals? Why do you run a cruise line from the top of the island to Prince Rupert, which lost \$31 million last year? In, Nanaimo any time I've taken the Duke Point ferry, it has been very, very empty. The Departure Bay ferry terminal is prime real estate. I know it would make the mayor of Nanaimo very unhappy, but why don't you close one of those and run people through the Duke Point terminal? These nickel and dime solutions are solving nothing. You're hurting these communities, you're not paying attention. I came to one of these consultations several months ago. I don't feel you've listened. I think you need to make big changes. Thanks.
- C: *Anne Hamilton:* I've been for 8 years. I too don't want it to be a retirement community, even though I'm approaching that age. I wanted to add to the previous lady's comment, specifically on page 9, the Horseshoe Bay-Bowen Island ferry; the number of sailings is very close to the number of sailings Denman Island to Buckley Bay. The utilization percentage is within nine percentage points, yet the round trip reduction for Bowen, for April 2014, is 4.2 percent. For Buckley Bay-Denman, it's 14.4 percent. How much does that have to do with the Vancouver commute versus our island to Vancouver Island?
- A: *David Hendry:* It's got nothing to do with where the route is, whether it's Bowen Island to Vancouver or Denman Island to Vancouver Island. It's got everything to do with the utilization and if you have to look at utilization from a directional standpoint. On the Bowen Island, we looked at the opportunity where it was low enough that we could still carry additional traffic on remaining sailings. Where there was an opportunity, there we made the reduction.
- C: *Anne Hamilton:* It appears that Bowen's schedule is almost like ours; every hour. The ten percent difference is enormous. That cut's enormous.
- C: *Charlie Tate:* I'm a 28 year employee of BC Ferries and a 39 year resident of Denman Island. The online survey is really crappy. It didn't ask anything about demographics or usage of the ferry, what you were travelling for. The socio-economic part of the survey was nil. When asking people for feedback, you need to take all those things into consideration, because like you've seen the 6:40 a.m. and the 10:00 p.m. ferries are important. If you create a new survey, you might want to ask for age, travel reason, and what's least or most important to you. That survey was just brutal. The other thing is that there needs to be an independent audit of BC Ferries. Not by the Ministry of Transportation and Infrastructure or Minister Stone. I have a problem with the bonuses going into salaries; it's appalling. Why does management need bonus incentives to do their job? Mr. Stone, Minister of Transportation, hasn't responded to our petition where we had 1,800 signatures opposing the cable ferry. That's appalling as well. There is no justification for BC Ferries proposing cuts and a new \$45 million ferry on this run. It's an experiment that will not work. It doesn't make sense to spend \$40 to \$45 million on a ferry that we don't know anything about, when we have a 97 percent efficiency rate on this run. And we don't want it. I cannot justify all of this for BC Ferries mismanagement. It's gone downhill and they've run this thing into the ground, due to

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mismanagement. It's like the old Baseball thing – build it and they will come. Lower rates and ridership will grow.

- C: *Erin Dragenson*: I've been on this island for 20 years. Your calculations are based on 50 car load. That is unrealistic it's very rare that in the best circumstances, with the smallest cars, that you can get 50 cars on that ferry. It totally overlooks the fact that it's not all cars on ferry. You can't fit 49 cars and a logging truck on that ferry. Your numbers are not accurate.
- C: *Judy Kirk*: Let's get Kirk or David or Joanne to respond.
- A: *David Hendry*: Good point. We've heard that point from a number of communities. We use an automobile equivalent, which is looking at the deck space on a ferry and seeing the types of vehicles that come on. For instance, an automobile equivalent means a seventeen and a half foot vehicle. It's a system that's used on an international basis to try and standardize the utilization on vessels. We take all types of vehicles that come onto the ferry and convert it into an automobile equivalent. That's what's driving the utilization numbers. We've also take into account overlength vehicles. On a point-of-sale basis we've tried to add those extra feet into the calculations. We're trying to be as standardized as possible throughout the fleet; it's the same system that's used on every ferry.
- C: *Erin Dragenson*: Does it also take into account walk-on passengers?
- A: *David Hendry*: Those numbers are strictly vehicles, but the passenger numbers are available online on the Coastal Ferries Engagement website.
- C: *Erin Dragenson*: It's been taken into consideration when you're deciding?
- A: *David Hendry*: The considerations are primarily based on vehicle utilization. In most cases, that's what you reach capacity on. It's quite rare that passenger reaches capacity.
- C: *Erin Dragenson*: And yet a lot more people are walking across instead of driving, because they can't afford the fares anymore. We know where to make the cuts to make this work: the bloated management and obscene bonuses. We all know that. This meeting pointless. We are talking in a different lexicon. We care about the community, we care about the economy of Comox Valley, which is tied up in this, we care about the economy of B.C. which is going to be impacted by all of this. You guys are working from a different lexicon. We are no talking in same conversation. By a show of hands, how many people came here tonight, not because you thought any change would happen, but because you wanted to have a body here in protest for this whole process? What you're not seeing is the younger people on this island because they are fed up with the hypocrisy and the time wasting and the simple rudeness of how we are being treated time on the island, with the ferries and with this process. A whole demographic has boycotted this meeting. They aren't here tonight because they've given up. They know this is pointless. I want you to take that into consideration when you're thinking about what came into this meeting. Thanks.
- C: *John Lebaron*: Thanks to everyone who's spoken tonight. I came here in 1997. I raised a family here almost single-handedly. As well as living on the island, I don't have an independent income. I would like to speak some truth to power here. I think the issue that we are all having to face, like it or not, goes beyond and before anything happening right here and right now. I am old enough to remember when BC Ferries was a Crown Corporation, owned by the population of B.C. Somewhere along the way, wonderful governments, supposedly elected to do the will of people, decided to privatize and to bring in the element of privatization into the Crown Corporation. I don't remember any, even remote, process of questioning or getting permission from the population of B.C. Neither

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do I remember anything remotely close to any form of real accountability that the population of B.C. demanded of those supposed leaders, in giving away this corporation to private hands. I do remember finding out that the private hands they went into were cronies at some level or other of individual leadership, personalities, in the various levels of government that supported this change to privatization. This does not call for a level of trust. From the people, I'm speaking or everyone here, in the way you folks are coming from. As private owners of BC Ferries, I imagine your bottom line is profit. It's my understanding that that's mandated by law to any private corporation. They have to make a profit for their shareholders and the people in that corporation. That's in conflict with the basic service requirements that we, the main users of this ferry, are impinged by, drastically. It even harms the occasional users, mostly tourists, which hopefully we're trying to benefit from as much as possible in our community. There's a sensation of the rug being pulled out from under us. There's a sensation of trying to deal with an entity that we don't trust, because they're trying to make a profit off of all of us. I don't begrudge the expenses you report, I don't necessarily believe that it's exactly the way you report. As everyone knows, it's easy to lie with statistics. Not calling you liars. I don't trust it just because you say so. Superior levels of government, up to the Federal government, set the tone for lower levels of government. You do have an intrinsic relationship with the Government of B.C. It's a mixed bag here. It's not totally private; it's anything but clean and clear. There are vested interests all the way up and down the line, starting with the federal government. There is basic distrust across the country to governments and especially to corporate business heads and politics. Politics and business run hand in glove. The people are expected to pick up the tab. That happens over and over and over. I have mostly said, what is the point of even protesting? They have their agenda and they are hell-bent on fulfilling their agenda of greed and power over, not power with. What's the point of even wasting my time to say so? I am really angry. Thank god for anger and a motivation. We all need to take responsibility for what we have allowed to happen. We all need to do serious thinking about how we've allowed this to happen. A damn unholy mess is what you're representing. You're coming to try and figure something out and work it out. I don't think it's going to happen on this basis. This meeting is a waste of time. What can we do and say to make a difference? I don't see there's anything, except to speak the truth. That's what I'm trying to. I don't know how willing you are to be honest with your own personal circumstances. Sometimes I think it would be better to please take your boat and your ferry situation and tell you to go away; we don't want a relationship with you, because of how you're doing things. We've given up trying to fix it; just go away. The least you can do is support us with whatever minimum money you're spending on us anyway, we you are giving us a fractured ferry service, and we'll make our own ferry service. There is a can-do spirit on this island. We have overcome level after level of difficulties and there's no reason we can't do it again. It may be a long shot; I'm not attached to it. That's what we need to come up with I feel. More of the same is clearly not working. The bottom line in this interchange has and will continue to be greed. The more you get, the more you want. It may not apply personally. I am speaking to the corporation and what I see happening there. This is what's happening at the federal and provincial government levels. This is just a piece of our provincial infrastructure, and it's echoing what all you see up and down the line. Greed and power. The population at large is expected to support that, no matter the cost. There is greed and dishonesty up and down the line. I don't trust government. Government doesn't represent me anymore or provide for me in a compassionate and thoughtful way. They mandate what they mandate, take it or leave it. You and

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those behind you are trying to maneuver us into a similar position to accept meekly, and pay the bills. Like BC Hydro with their Smart Meters. I am fed up with the endless lists.

C: *Frank Frketich*: I am the President of the Denman Island Resident's Association. We are trying to solve a complex situation in a simple way. That's why it's not working. I've said it already: you don't understand or know Denman Island or the socio-economic situation or what makes this island tick. Your solution, with cutting three round trip ferries, doesn't work for us. We need the 6:40 a.m. ferry. The ferries in the evening are important; you've heard the reasons why already. Students involved in activities, students with part-time jobs in town, students in university or college taking classes at night can't get home. People who might have medical appointments. Those night sailings are important, although not really full, are important for those people who need them when they need them. You are supposed to be providing a service for the well-being of the residents of all the Gulf Islands. You have failed miserably with your suggestions in this little booklet. I always thought governments were supposed to be involved in trying to grow economy; in fact if these cuts go through is killing the economy on Denman Island. If these things go through, you're going to be back in three years, when Performance Term 3 ends. This is not going to solve the problem. Something else will have to be done at the end of this contract term. Based on your past record, it seems that cutting things is the only solution. You know and I know what the solution is, but your political masters don't have the courage: one, make a declaration that the ferry system is part of the highway system. If it's part of highway system, it obviously needs to be funded at same level of highways. Some of us get to Vancouver and we see the horrible amount of money being spent on infrastructure in greater Vancouver, we just want a bit of money to keep our highway open so we can use it when we need it. We aren't asking for everything. I would go so far as to suggest a compromise, if your political masters can get up the courage to do it. I've been told in the past that ferries can't be part of the highway system because unlike a road, a ferry needs to be maintained and crewed. Even if there are five or ten passengers, it still needs the same amount of crew. What if the provincial government said we'll build the ferry, like they build a highway, and the terminal, like they build a highway, and we'll let BC Ferries run it. The money from fares, the fares would be considerably lower, then we could travel more, then would have reasonable set up. It would be of the highway system and affordable for people. We could use it when we want to, no just when we have to. That would be my compromise. If you say we'll cut these for now and then later, all's going to be well. We know it's not going to be well. I think you know that and I know it especially well. You'll be back here in two years, looking again for a long-term solution. This is not a long-term solution for sustainability. This is short-term solution to maybe get to the next election, and see what happens. I'm not hopeful but I hope you're listening. I hope you get this stuff down. I hope that the political masters will listen, but I'm not optimistic.

C: *David Laing*: I live on Denman. I am here representing myself as a frequent ferry user who uses the ferry a lot to make his living. I am also representing the people I work for. Lots of them. When you see me on the 6:40 a.m., they're all there too. Your utilization numbers are not telling an accurate story. It doesn't seem like a good way to figure out where to cut. I think that's obvious actually. Those things are what's leading to the frustration you might be feeling here tonight. Nobody is meaning to be personally rude, and I apologize if it feels that way. The utilization numbers are not telling a useful story. Cutting our access on both ends is not good for the economy. It is not good socially. People are talking about property values. What's a performance period? How accurate is

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that? Does that compare equality with the utilization numbers? When you're telling us that we've lost this much money each year on this run, how accurate is that? I know that the ferries were created to increase the social and economic commerce of the province; they weren't created to make a profit or break even. That's their job. I don't think there is one in this room who agrees with Coastal Ferries Act – Bill 19. It just kind of showed up. I didn't vote for that. I haven't seen anything good come of it. I don't even know when it came in. It's easy to talk about not agreeing that we need to drop service and somehow what have is costing too much. I see a lot of things that are costing too much and this doesn't seem like place to start cut services because we've got a downward spiral and I don't think it's going to work. If we had to lose runs, which I don't agree with, I don't think a good choice has been made. It doesn't give me much confidence. Not a good quality choice. Nothing personal.

- C: *Dante Diambria*: It's unpleasant for everybody. I moved to Hornby in 1969, before BC Ferries existed. I rode the little three car barge back and forth and when BC Ferries was created, I was thrilled. Over time, I have lived on several Gulf Islands. We have a lovely lifestyle. We love it. I did notice that when I lived in Vancouver and had to go to Mayne Island and Hornby. The evening ferries and the first ferries in the morning were critical to the people who rode the big ferries. I see us all as a large web of necessity. By cutting the early and late ferries, the people who ride the big ferries, to get on the little runs, if they can't get on a late ferry, they won't ride that ferry. Those big ferries will lose more money. I'm an artist, we have a gallery, and we do music things. All evening and culture stuff will die because they can't go off the island at 10 or 11. Our evening culture will die. A lot of my clients are seniors; it's inexpensive to come mid-week. They can go to the galleries and buy cards. That will die. They won't have the money to come and buy. My issue with you guys is that the big ferries, the ones that everyone rides to get to the little ferries, I see the ridership go down and down and the prices go up. It's a complicated issue. Rather than make it worse, by cutting off early ferries, that people use to get home and after the weekend. That means no weekend tourists on Hornby period. That means there will be nobody riding the big ferries either to get to the little ferries. That's a concern to me, because I want BC Ferries, whatever form it takes. When it was private, I knew what it was like. When it was part of highways, it was great. Now that it's been privatized, it's complicated and we've watched a lot of money issues happen. Nonetheless, I love BC Ferries service. I want it to survive. If the morning and late night sailings are cancelled, no one is going to travel to the Gulf Islands. No one is going to ride the short ferries. I don't know if you've factored that in. It's a big system. Also, we implore you to let us speak past 7:15 p.m. It will be worthwhile.
- A: *Judy Kirk*: We will be ending at 7:15 p.m. and leaving at 7:30 p.m. I'm sorry. I want to give David an opportunity to speak to whether there was a consideration to the point made about the connection between the minor small routes and the major routes.
- A: *David Hendry*: The reductions and the schedules here are not set in stone. We still need to achieve savings, but there are potentially opportunities for refinements. They would also have to take into account some of the connections to the larger ferries. You're very right; it's a very complicated system. It's never going to please all people all the time, but at least we can try.
- C: *Anonymous*: I moved here in 1989. I moved here because I could commute to Vancouver Island to teach. I was a musician and worked at night and I could get back on the 11 o'clock ferry and work on Vancouver Island. The ferry fare was \$5.50 for car and driver, so I thought I could make a living. I

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did that for quite a while. The ferry fare kept going up and up, and my salary and my fee did not go up accordingly. I was working on Quadra two to three nights a week, I was working in Campbell River, and I would get back on the 11 p.m. ferry. The price of the ferry kept going up and up. I had to let my Vancouver Island jobs go. Working over on Hornby, if I go over on Friday, now I am going to lose that job. Even if I stay over, the Hornby Island Resort says they can't keep the business going if they don't have the Denman and Vancouver Island people coming over to keep the restaurant open. This is a big loss for jobs. I guess I get to retire this week. If I was younger, I would have needed those ferries to make a living and mostly, I have to say, you have lost the ridership because the fares have gone up so much. That's the crux of the matter. If you found way to reduce fares, ridership would go up. \$18 or \$20 to go over is outrageous. We can't afford it.

- C: *Laura Busheikin*: I'm one of the local Denman Island Trustees. We will be giving you a written submission. I know that you've heard from the Islands Trust. All of our constituents are ferry dependent. You've had papers and talks, so I'm not going to repeat it all. I am one of those families with two teens. We started about two years ago leaving a car on other side whenever we could. We do a combination of picking each other up and complicated hitchhiking, cycling, and rides with neighbours to save money. We do it and I can make that work with my family. The loss of ferries on either end, very early or the 10 o'clock, I don't know how next year will work with my son starting college in Courtenay and needing a job in Courtenay to help pay for that. If he doesn't go to college, I don't know what he'll do. It's not probably going to lead to gainful employment. That's just another story, and you're getting all these stories. They're all really important. The question I have has to do with the cable ferry. It's interesting, haven't heard much about that this year. This has knocked the cable ferry to the back burner, even though it's a big concern to everyone. The numbers that show how much will be saved by the proposed cuts, are they based on the operating costs of the Quinitsa or the operating costs of the cable ferry? I'm asking, if you would please consider?
- A: *David Hendry*: They are based on the current costs of the Quinitsa, so they would go down when the cable ferry is implemented.
- Q: *Laura Busheikin*: Does that mean that you would want to do more cuts, because you wouldn't get enough savings?
- A: *David Hendry*: No.
- Q: *Laura Busheikin*: There will be significant savings to BC Ferries because of the cable ferry, we've been told and we've seen the numbers. There's a collective feeling that we're paying our dues. We're being accepting a degree of uncertainty and stress around our transportation, which affects our economy and our families. There is no cable ferry across salt water, across such a distance. What BC Ferries says is that it is not a new type or use of technology. This is quite a big savings for you guys. It feels like a big threat to us. Would that not be factored in to your considerations? I understand you want to be fair to all ferry dependent communities. I'm asking that you would please consider that.
- C: *Judy Kirk*: So you're saying consider the savings that the cable ferry gives, rather than a reduction in service.
- C: *Laura Busheikin*: Exactly.
- C: *Terry Clements*: Who's the elected official?
- A: *Judy Kirk*: There is no elected official here.

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Q: *Many voices:* Why not?

Q: *Terry Clements:* I guess you're just all on payroll. We're giving up a family night to come here and talk to you. This is very important to us. We're coming to talk to you and you're all on payroll. It would have been nice if just once we could have said great idea, but so far you haven't come up with one. I don't agree with the savings from cable ferry. It looks to me like the business case has evaporated. We're jaded here, because we've gone through consultations and engagements for many years on the cable ferry. We don't use those words anymore; those words are ruined for us. We can't seem to keep up with you guys, because the Freedom of Information process is just a bit too slow. You are not transparent with your information. You have also developed a new science to deal with the pesky problem of mandatory public input. I have to admit you were diabolically clever, starting this marketing campaign. I didn't approve of the flawed survey you put out last year in phase one. The accuracy and quality of the data was suspect and misleading. No effort to address the social/economic effects on our community, which are really big. I don't approve of your conclusions or the resulting strategy. We don't have the details on costs associated with service cuts, so we can't give a decent response. We're going to have to go back to our community and see if we can get proper information that is guiding you, rather than the information you've brought to us. The solution you did propose is bleak and blank checks for \$640,000 ultimatum are a temporary fix. That money will come right off our hides. You're going to take it from one place and we're going to pay the price. I don't think you're going to save a lot of money on any of these cuts. I want to see them broken down so we can analyze them as a community. I hope you can get a sense of the punishment and the damage that you're inflicting on us by choosing to deal with the crisis that is BC Ferries. It's very disingenuous. If this community thought that BC Ferries was already a lean, frugal, transparent corporation, and the only barrier left to efficiency was adjustments on under-utilized routes, I think you would find us eager and receptive to this prospective. We have yet to see efficiencies in BC Ferries. Efficiencies make sense. The commissioner recommended that all ships and terminals should be standardized; we all liked that idea. Except you've ruined us by sticking us with the cable ferry. This has been going on for eight years. We've been told by BC Ferries many times in our inquiries that BC Ferries is not in the business of creating employment. What we've seen for the past eight years is that they're creating employment for the people studying the cable ferry. The people who are prancing around the whole province, or the country or even Europe to study the cable ferry. They call it the most studied cable ferry in the world. That's a criticism, not a compliment. The whole world's seen what you've identified as our inefficiencies, our low-utilized ferries. I would like you to tell me the details of the found efficiencies in the BC Ferry Corporation? You found \$14 million in efficiencies. I want to know what those were.

Q: *Judy Kirk:* What is inside those \$14 million efficiencies?

A: *Terry Clements:* Yes.

A: *David Hendry:* You're talking about the number up on the chart there?

C: *Terry Clements:* No, not that. This is public knowledge. What isn't public knowledge is what was found by BC Ferries. They were charged with the task of finding efficiencies. What did they find?

A: *David Hendry:* It's a \$54 million target over 4 years. We found some efficiencies so far in in fuel and labour, and wage freezes, whether that comes from reduced positions and a variety of tax savings. It's a big company; it's got a \$775 million budget. There's a lot of areas that have been identified.

C: *Terry Clements:* Do you think you could you give us that information? Some wages freezes, some this and that. I would just like to see it broken down. I'm curious to put a price on our sailings, and

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- individual activities undertaken by BC Ferries. We think there's a lot more back there. We see BC Ferries as a. I'm trying to be polite. It's difficult because there's really nobody here to speak to. You mentioned earlier that the province is doing this survey, but it's up to BC Ferries and the Ferry Advisory Committees to finalize it. Is that what your plan is?
- C: *Judy Kirk:* So perhaps Kevin can respond to that.
- A: *Kevin Richter:* We're out and engaging and getting information. That information will be compiled into a report that includes what's been said this evening and what's gone into the feedback forms and written submissions. That will go to elected officials to make final decision. Once the elected officials have made a decision, a plan will be going forward from that, but not until the elected officials have received all of this input from communities.
- C: *Terry Clements:* I heard from someone here tonight that BC Ferries was going to work with the FACs in January. Is that correct?
- C: *Kevin Richter:* What is being suggested is that we're going to hear from the community. I've heard loud and clear from the community that there are concerns about early morning and late evening sailing cancellations. What's going to be looked at is perhaps changing the schedule. Currently there are two shifts from Buckley Bay to Denman. The idea is to try and save some labour and fuel costs. Looking at having two shifts and maybe instead of having morning and evening shifts, moving the shifts apart, so there won't be sailings in the day. That's ideas that we're looking for. That's input we're seeking, in addition to what this means to the community.
- C: *Terry Clements:* Didn't you tell somebody just recently in this meeting that the FAC and BC Ferries were going to look at the tweaks? Did you not say that? Am I hallucinating?
- C: *Judy Kirk:* You're not hallucinating. I just want to make sure you realize how many people are waiting.
- C: *Terry Clements:* I do, but he didn't answer my question.
- C: *Judy Kirk:* I will get him to do it now.
- A: *David Hendry:* The intent is to get the input from all of the feedback forms, gather that as much as we can, and come back in January to talk with local Ferry Advisory Committees.
- Q: *Terry Clements:* You're speaking as a BC Ferries employee?
- A: *David Hendry:* Yes, that's what I am.
- C: *Terry Clements:* So, speak up!
- C: *Judy Kirk:* Give him a chance to answer.
- A: *David Hendry:* We will take the input from the communities, and that's why it's really important to fill out your feedback forms and tell us what sailings are critical and what makes sense to you. Do you have more discretion to travel during the middle of the day versus the beginning of the day versus the end of the day? We will take that input and come back to talk to the Ferry Advisory Committee as a liaison between community and the company and look at potential opportunities for refining that schedule and still achieving the net savings.
- C: *Terry Clements:* Thank you. I thought we were consulting with the province.
- C: *Amelie Schroeder:* I grew up on the island and it was my choice to come back here. I love living on this island. I started commuting six days a week into town. For the first month I took my car over every day, and drove home every day. I paid more than half my wages just to do that, so I started parking my car. It was still expensive. I chose to live here and make that sacrifice. As a young person, I don't have a lot of money to work with. It's pretty day by day. Now you guys are asking

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for another sacrifice, in terms of taking away our runs and limiting us even more. Now when I go to a job interview in town, as skilled as I may be, and educated, and smart and dedicated. After all that, I still have to say “sorry but I have to leave early to make my ferry.” You’re taking away runs and limiting me even more. I have to say “I have to leave early and these are my limitations,” otherwise I can’t get home. When you’re faced with two identical people, who are you going to pick if someone says I have to leave early to make a ferry?

- C: *Riane DaSilva*: I have lived on Denman for 18 years. I have two children born and raised on Denman, one is 4 years old, who will go to the Denman school next year, and the other is 13 and goes to high school in Courtenay. Like most kids, like Amelie, they hit town and they are really excited to spread their wings and fly. It is a wonderful thing. It’s difficult to get them to extracurricular activities and negotiate part-time jobs. But these are things they need to do, to blossom as people. The 6:40 ferry is very important for Denman kids for jazz band, for swimming, for skating, for all sorts of extracurricular activities. For the kids who are already enrolled in jazz band, if you cut the 6:40 ferry, they will lose credit. My child is in dance classes, and we take the 10 o’clock ferry home. Her year-end recital isn’t until may. We will have to find places for her to sleep in order for her to fulfill commitment. We’ve already paid for it and it’s something that I would like to continue next year and in the following years. Her friends and family from Denman won’t be able to see people her in her year-end recital. It might seem like small potatoes to you, but it’s a big thing for our family. I’m thinking about having to do it again with my four-year old. How many of you know that the highway to your house turns a profit? Here is my suggestion: close the interior roads on Tuesday and Thursday, stop doing snow-plowing, and put that money back into BC Ferries. This is our highway. You are charged with working for a corporation and running the highways. How can you be sitting with that context? You have conflicting contexts and nowhere in there is the community. We are a community; we are families and individuals. Does your road turn a profit? What if your road got shut down, how would you get home at night?
- C: *Toshi Draper*: I live here. This brochure is so cool, how much did we pay for this? \$100,000; \$50,000; \$20,000? We’re going to make the seniors pay. Come on guys. We’ve been through a million consultation programs, but this brochure is so cool. It’s beautiful. You seem to have forgotten that we ride the ferry for a reason. This is not a cruise. It provides with a ride to where we’re going. BC Ferries has very fancy packages. You can do the circle route and ride the big ferry and go to all these places. We can’t go now because we can’t afford it. I would love to take a cruise around B.C. If you just lowered fares, we might all be on these cruises and have money for the slots. I hope the project works well on big ferries because then we will get the slots on little ferries and have something to do on our 10 minutes. We will have longer waits for the cable ferry, so we can get those slots put on the road while we wait for the cable ferry. I’m trying to think creatively; you look really sad, smile. The major problem with BC Ferries is that we have lost touch with the fact that we need basic transportation, not fancy activities to fill up our day. Maybe take the message back to the big boys that we just need ferries to get to work and back, or to buy groceries. We don’t need the slots.
- C: *Bob French*: This is my fourth decade on Denman. I’m going to tell a BC Ferries joke: the only reason for a single-purpose trip to town is a heart attack. The punch line is, if it’s just chest pain, get groceries too. You’ve heard a lot about how this solution is not going to work and how this band-

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aid solution is just cheese paring. You're going to be back here in two years with more. I did here the phrase "out of the box thinking" mentioned. I am going to give you some out-of-the-box thinking. The first think you have to do when you're in trouble is to identify your core function, everything else is extraneous. Your core function is to provide an essential transportation link for communities that can only be reached over water. The vacation package is dead. More importantly, you have one really big money-loser to Prince Rupert. There's a perfectly good highway that goes to Prince Rupert. It's not a ferry-dependent community. Before you start cutting service to ferry-dependent communities, you start getting rid of stuff like that. The Mill Bay ferry is a convenience for I don't know who, but it's out of here. You've got a couple of places served by more than one service. Why does Salt Spring have three services? Why does Powell River have two services? Rationalize those services before you start cutting the only-service to ferry dependent communities. You've got three major terminals on Vancouver Island serving two major terminals on the Lower Mainland. The reason that Duke Point was built was to get the truck traffic out of downtown. That's a good idea. Close the Departure Bay Terminal; centralize your mid-island services at Duke Point and get better utilization out of there, sell the land at Departure Bay, and use the money to deal with BC Ferries problems. If you don't start thinking outside the box, you are going to end up in a box at the bottom of the sea.

- Q: *Sean Novak:* I'm a Denman resident as well. Just to add an extra point from when Erin spoke earlier about people leaving their vehicles on the other side. Take note of that as you head back, and look at the cars that fill the parking lot and go down the street. In summertime, the lot across from the Petro-Can is full as well. There are a lot of lost fares there. Do we have the Minister of Transportation here? I know that I heard somebody from Transportation was here. How much is the cable ferry? \$45 million, is that correct?
- C: *Judy Kirk:* What is the cost of the cable ferry, in terms of the cost of building it?
- A: *Sean Novak:* Yes.
- A: *David Hendry:* I don't think the cost is that high. It's around \$35 million.
- Q: *Sean Novak:* So how about when you have to redo Denman West terminal?
- A: *David Hendry:* To clarify, that's the cable ferry and the terminal development on either side.
- C: *Sean Novak:* I know there are some ferry brothers and sisters here that I may anger. My apologies, because I am one of them as well, but is there any chance of putting that money toward a bridge? As far as investments go that are here, I'm putting \$350,000 towards my house, and that's going down the toilet, because you're going to keep coming back like you've heard over and over again. Put in a bridge and pave it and we'll take care of it from there.
- C: *Steve Sherlock:* I've been here since 1981. The only thing I have against privatizing the ferries is that it's a monopoly. There are no other options, there is no other competition. There is no way to keep the cost down and make them do it right. My one suggestion, because that's not going to happen, is that we had recently a transit survey in the mail because they want to look at corresponding transit. I'm sure that BC Ferries didn't take into consideration the transit situation on the other side when they add or subtract things in the middle of the day, which is when the bus comes.
- C: *Leigh Harrington:* I have lived on Denman for 43 years, and worked for BC Ferries for the last 12. The representative from BC Ferries said that you had found efficiencies in labour. Would you agree

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that one of those efficiencies was the reduction of casual employees through regularization, meant to reduce the number of casual employees in the corporation? Is that one of the efficiencies you are talking about?

A: *David Hendry:* I can't speak specifically to that, we look for major savings throughout, whether it was management, whether it was casual employees, whether it was seasonal employees, or whether it was regular bargaining-unit employees.

Q: *Leigh Harrington:* Earlier in this privatization experiment, there were freezes in hiring for running the boats. This year, we've had some of the highest numbers of overtime hours on this boat alone. Many of the boats are running on overtime. A couple of days ago, this boat nearly shut down because we did not have enough casual employees to ensure that someone could come in on straight time. Other people were not willing to continue to put in the overtime hours. Would you consider that efficient?

A: *David Hendry:* I don't think that any system that's running their employees too hard can be considered efficient.

C: *Leigh Harrington:* Excellent. As far as running your employees too hard, the position that was missed the other day was just an entry-position, an oiler. The oilers are exhausted, maybe they don't check things, something doesn't get greased, small things might break. If a deck hand is exhausted, maybe cars are going to bump on the car deck or something might get forgotten. When there are masters working three different ferries in three days and having to travel between those ferries in their time off, they get exhausted and ferries crash. That's not good or safe. I'm not sure that's relevant to this issue, but I think this is another issue that needs to be looked at. Overtime hours are out of hand. There are too many boats running with people out of hand. I tend to agree with a bridge too. The economy will grow and some people will leave, because the character will change. Overall, this community will thrive again. We will pay a toll, we don't mind, if every other bridge in the province can too. Thanks.

Q: *Tanya Quinn:* I have a question about the savings that you think you're going to get out of the three ferries you are proposing to cut. Are you assuming people will take another ferry, if these ferries aren't available?

A: *David Hendry:* The intent is that we get savings primarily from labour and some fuel, that's going to be offset from the revenue erosion from that and the people who potentially won't travel because they won't shift to another sailing.

C: *Tanya Quinn:* It's not just people who are not able to shift to another saving. They might be unemployed, instead of having a job in which ferries like the 6:40 are essential. People may decide that the ferry schedule doesn't work for them anymore and then we have less residents on Denman. My husband and I decided to move here three years ago in part because Denman had a good range of ferry schedules and options for commuting for jobs.

C: *Keelan Gamble:* I've been here for 24 years. As soon as I heard about the scheduled changes, and knew I had to leave Denman. I represent the dwindling number of young adults trying to live on this island and make it our home. I'm an artist and I can't really go to play music and come back and Annie won't be able to go to jam on Friday, which she's been going to for 20 years. I'd also like to associate myself with the comments made tonight, including the bridge and the corporate greed. BC Ferries are a bunch of pirates.

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- C: *Phillipa Jolly*: I've been living here for the last three years and I have a two-year-old. My gut reaction to these changes is that we're going to have to move. Between me needing to commute to work and needing options for my child to grow and be independent and follow her passions and skills. I don't want to limit her future. I also don't want to limit the future of Denman Island. A lot of families are going to be greatly affected by the cuts. That's going to change the demographic here and make it strictly a retirement community. We need vibrancy and young and old people. I want you to pay attention to how this will affect the future. It's not just about money, it's about people's lives and the livelihood of the community. A community needs young people.
- C: *Ashra*: I've lived here since 1977. When I came here in 1977, the ferry cost 25 cents a return trip. You could get a book of pink tickets for \$2.50. Pretty soon, the way we're going, the one trip will be \$25. For a lot of people, it already is by the time you add in the kids. Last year, I turned 65. I was so excited I was finally going to get my discount. Now you're going to take that away, too. My salary hasn't gone up comparably in 35 years.
- C: *Interjection: Bag pipes*. Pipers against ferry stuff!
- C: *Ashra*: I would like to echo Philippa's plea. I work at the school. We were in a two-room schoolhouse when I started in 1980. We saw the population grow and we needed a bigger school built. Now we just have a very subsistence level. Definitely it has to do with the cost of living here. Ferries are a big part of that.
- C: *Louise Erickson*: I moved here when I was six years old. I go to high school at Vanier and I take the ferry every weekday and it's tiring. I appreciate that I can live on the island and still go to school. As an athlete, sometimes I have to take the earliest and latest ferries. If I can't do that, it will reduce what I can do in town. There are many people my age who do the same things, including many successful athletes. It's crazy you want to take that from us. Do you really want to dwindle our community to nothing?
- C: *Carl Goodwin*: We have had our property on Denman since 1989. I'm almost accepted as a Denman Islander now. I want to in some ways thank BC Ferries, because for a while you made me young again. When I was about three years old, my mother said I could go to the end of the sidewalk in front of our house. When I was five, I could go to the end of the street. In high school, I could go to the nearest city, then farther and farther away. When I had my curfew removed, the world became bigger. Then I read that the sailings at night are going to be cancelled, and all of a sudden that curfew is back again. I'm pushing 70 and you're giving me a curfew again. How about some basic respect here, folks; I think can manage 70 pretty well a little past 8 o'clock at night. Solutions: I've been driving a car for many years, I notice that the price of gas goes up and down, but we're pretty well always tolerant to gas going up and down. I saw a place in town last week, where it went to \$1.14 and then up to \$1.22. We all cope with that. We're looking here for a common solution. The most common solution I came up with is that to support roads and ferries, what would happen if we increased the gas tax, to pay for roads and ferries, and spread the cost around, the same way costs are spread around for the cost of bridges from Vancouver, for using the Coquihalla, for going down the Malahat. Spread the cost equally, to hell with what's politically popular. Think about when your parents put you on a curfew. That's what you're asking us to do.

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3. Closing Remarks

Judy Kirk wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on November 30, 2013 at Elphinstone Secondary School, Gibsons, B.C.
FACILITATOR	Judy Kirk, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure Lynda Petruzelli, Senior Manager, Marine Branch, Ministry of Transportation and Infrastructure Sean Nacey, Senior Manager, Infrastructure Development Branch, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Peter Simpson, Director, Fleet Operations, BC Ferries Karen Schroder, Kirk & Co. Consulting Ltd. Lisa Santos, Kirk & Co. Consulting Ltd., Meeting Recorder Caillin Katnich, Kirk & Co. Consulting Ltd. Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants stated that fares are unaffordable and fare increases are destructive to communities. They said that due to rising fare prices, utilization has decreased and communities are being eroded.
- Participants are opposed to service cuts, especially the Sunday morning sailing, and stated that there should be a hold on all service cuts until meaningful consultation with the community and commuters is done.
- Participants felt that the ferry system should be the responsibility of the provincial government, and returned to the provincial highway system. They stated that ferries should be funded in a similar manner as provincial highways. Participants said the ferry board and management should be abolished and the business model changed.
- Participants said that BC Ferries is not independent, and the business model should be changed. They said BC Ferries is a contractor and is required to deliver the contract given to them by the government.
- Participants said a good ferry system is important to economic development and said a socio-economic study should be done to understand the impacts of these cuts. They felt that a community-

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by-community needs assessment should be completed before decisions are made about service reductions.

- Participants stated that the seniors' discount should not be reduced. They said that many seniors who are on fixed incomes will no longer be able to travel on ferries due to this change and the economic benefit of seniors using ferries to access shopping or to travel will decrease.
- Participants were opposed to gaming on ferries, saying it would encourage people, especially young people, to gamble.
- Participants felt that in place of the 6:20am Sunday ferry to Vancouver, there should be a water taxi service.
- Participants stated that with the constantly changing ferry schedules, it makes it difficult to integrate the schedule with local transit schedules. Workers take the 6:20 am ferry to Vancouver and 5:45 pm ferry back – these are key commuter times.
- Participants stated that elected officials should be attending the Community Engagement meetings to hear what people are saying.
- Participants asked that BC Ferries send a representative to attend the local Regional District meetings.

DISCUSSION

1. Welcome and Introductions – Judy Kirk

Judy Kirk welcomed participants to the open house, and explained the format of the Q & A. Judy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- C: *Jakob Khaus:* With your proposal to eliminate the Route 3, Sunday 6:20 am sailing in the off-peak season to save \$100,000 each for the next two years, you most likely will put 50 people out of work. The ferry users from and to the Southern Sunshine Coast are already penalized by BC Ferries with exorbitant fares, which are 40 percent to 60 percent higher than on the other major routes on a dollar per mile travelled basis. This overage is just over \$8 million per year higher than the major route fares. From the operations statements for the first quarter of this year we see that the fare income is lower than last year, despite a four percent increase in the fares per April 1, 2013. This is a definite sign that on our Route 3, fares are unaffordable and people reduce their travel by ferries. If you want to find some savings there is a much more obvious approach. Last year 9,642 trucks were ticketed at Horseshoe Bay for travel to Langdale, but 11,654 trucks, 2,012.

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- C: *Unknown*: Excuse me, I don't know about the rest of you but I can't hear a word with the microphone. If everyone else is experiencing this we are losing what's being said.
- C: *Judy Kirk*: What happens when you turn the levels up too high it distorts in the gym. What we can do, and I'm happy to do it. I will repeat the key points of what the gentleman has to say. Some people simply can't speak out as loud as you need.
- C: *Unknown*: Give them your mic.
- C: *Judy Kirk*: It's my projection, it's not the mic. All the mic's are the same.
- C: *Jakob Khaus*: 2,012 more trucks travelled from Langdale to Horseshoe Bay. Apparently these trucks pay a barge to take them to the Southern Sunshine Coast and they travel back free to Horseshoe Bay. This represents a loss of tariff revenue in excess of \$300,000 per year. The obvious remedy is to ticket commercial traffic at both Horseshoe Bay and Langdale. We have pointed this out to BC Ferries over the last three years, but they say that this is not a problem for them. The communities of our Southern Sunshine Coast are an important economic unit of 30,000 residents. The provincial government charges us large sums of money for income tax, provincial sales tax, provincial fuel tax, motor licensing fees, medical scheme premiums and a lot more taxes and fees. We are not getting one cent out of the provincial government to support our Route. 3. The provincial government has even cut our share of the federal government subsidy of \$28 million annually to support our BC Ferries. Our Route 3 generates earnings for BC Ferries of \$8.8 million annually on the operation of the ferries. When you calculate infrastructure costs like amortization, financing of \$13,876 million we are moving into negative figures. In 1977, when WAC Bennet consolidated the ferries into BC Ferries, he contributed \$35 million per annum to the running of the ferry system. He called it the "highway equivalent subsidy", confirming that the coastal ferries of BC are part of the provincial highway system. The 1977 \$35 million are worth today \$124 million per annum. In view of what I have said, I strongly urge you not to cut the Sunday morning sailings. Is it worth putting 50 people out of work when the money can be found elsewhere?
- C: *Judy Kirk*: To paraphrase, the gentleman said that fares were unaffordable and there were key things that were said in respect to that. He said that savings could be found elsewhere in the system and not to make cuts in particular not to cut Sunday morning. He said that the BC Ferries system should be part of the highway system.
- C: *Jef Keighley*: Good morning. My name is Jef Keighley. I am the Chair of the Sunshine Coast Senior Citizens and a member of the Lower Sunshine Coast Ferry Advisory Committee. But I am not here today speaking on behalf of the FAC, I'm here speaking on behalf of the seniors. We are going to be respectful, we are angry but not at any person in this room it is directed at the people above you. We're affiliated with COSCO (Council of Senior Citizens Organizations of British Columbia) which is the largest senior's organization in British Columbia there are more than 80 groups over 100,000 members. I wish I could say that we are pleased to be here today, but we are not! In fact, we are outraged at this disgraceful and farcical 'engagement process'. It is an insult to our intelligence and to the intelligence of everyone who has followed the machinations of BC Ferries over the years. Daniel Prokop in his rather pressing book called "Leaving Neverland: Why Little Boys Shouldn't Run Big Corporations" said "Even amidst tragedy there is laughter, sometimes farce. The degree of farce depends on who is running the tragedy." Well it's very clear that BC Ferries is a mere contractor. In our experience it does a pretty decent job of delivering the contract it's told to deliver. The problem lies with the contract that it's told to deliver. We are routinely aware that

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notwithstanding earlier suggestions that the BC Ferries management did not have any idea what was coming down the pipe until the public was seeing these cuts. We know that it's not the case. In fact, it's not possible that the government could have put out the information that you see in that book before you without the assistance of BC Ferries because they are the holders of the information. Having said that, it is the province that is running this tragedy, it is the provincial government who will not hear. It's the provincial government who does not want to understand or does not understand what ferry dependent communities want and need. And it is the provincial government who will not own up to the cold hard reality that their decade long experiment of imagining BC Ferries as an independent corporation has been an abject failure and it should return to the highways department. Imagination is a wonderful thing! It allows us to conjure up amazing fantasies, but when the fantasy fades to black and reality stares you in the face once again you have to recognize that BC Ferries is no more 'independent' today than it was when W.A.C. Bennett created it some 50 years ago. Back then, they envisioned it as the marine section of our highway system because that is what it is. Two years ago the BC Ferries Commissioner Gordon Macatee came and met with coastal communities and we told him ferry fares were too high, schedules were inadequate and that the ferry system was an integral part of our highway system and should be brought back under government control. Two years ago, Gordon Macatee reported that ferry fares had then already passed the tipping point and were damaging coastal communities. That was two years ago. The provincial government's response was to again raise ferry fares in excess of inflation. A year ago we were at the Cedars Inn, where we were scheduled to be again this morning, but through the wisdom of Kirk & Co. it moved to here and thank you for that. During consultations last year we told the provincial government that ferry fares were more unaffordable and the schedules were still inadequate, that they should find out what the communities really want and need and they should design our marine highways to fit those wants and needs and to bring it back under government control. The provincial government again responded with a fare increase well in excess of inflation. And now here we are today! It seems clear that the provincial government puts its faith in the ancient art of bloodletting. In that regard, bloodletting was the practice of cutting the patient and letting them bleed, supposedly to rebalance the 'humors' that ran the body at that time. If the patient's health continued to decline, then you cut and bled again, in some cases until the patient died. We don't find any humour in that government approach. What we said last year and what we still say, and we aren't here to talk about tweaking the manner of our own execution. We are not going to do that. We are here to tell you to take the message back to the provincial government to stop the bloodletting. What we want is actually found in the document that Judy Kirk put together. If you turn to page four of that document in the bottom left hand corner. This document quite fairly summarizes what all the communities up and down the coast told them, was that fares are not affordable. There's a planned increase in 2014, another one in 2015. We say that fares should be reduced by 30 percent and then only brought up only by the value of inflation. Last year we said that BC Ferries should be an essential part of the provincial highways system and should be funded by the province and taxpayers. That's how it was originally envisioned and the only way it would work. That's how Washington State works very well with fares at about half of what we pay and just as responsive. In Washington State if you care to look at Claire Trevena's report, out November 28th, she discovered that both Republicans and Democrats are fully committed to having the ferries as part of the highways system because it's good economic development. We need that same commitment from the provincial government. Coastal

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residents do not object to paying our fair share of the provincial highways budget. But we do object to paying both our fair share of the provincial highways budget and a disproportionate share of BC Ferries. There were suggestions regarding increasing revenue shares or reducing operational costs. Last year there was discussion where we were asked about alternate fuels, LNG and the like. Most people couldn't figure out why we were being asked those questions. We were asked about capturing truck fares. We talked about that and Jakob noted the fact that there's \$300,000 worth of commercial truck fares that we are basically giving to the trucking industry because we aren't collecting it. We talked about some passenger only runs and we support that. We support looking at better ways of running the system. But we support that on the basis that what needs to happen up and down our coast is a genuine, open and transparent needs assessment as to what each community needs from our ferry system and then a plan to deliver on those needs. There was no support last year, there was no support the year before that for increasing fares and particularly well in excess of inflation. On most of the technical things, what people said last year was BC Ferries management, by whatever mechanism it is, if you believe it can save money, if you can be done efficiently and an environmentally benign manner, just do it. You don't have to ask the public, should we change the fuel mode for the ferries, just do it. There were a number of other discussions about the various ferry operations. A lot of it centered around the exorbitant executive bonuses being paid. But despite the slight of hand, switch and bait idea with the executive bonuses those are all still too high. The total amount of dollars is picking at the margins. We can handle that quite easily by abolishing the ferry board, by abolishing the ferry commissioner, by stripping down the management to what is necessary and bringing it back under the highways system. There was opposition to service cuts last year, there is opposition this year and it will go on. Again, I say this provincial government has no idea what our communities want and need because they've never asked us. They should ask us. They should put all the cuts on hold and ask the coastal communities what we want and need. There was discussion last year and opposition to increase taxes to fund the ferry service. They thought that the local government could be throwing in money through a property tax or a community based fuel tax. Those were soundly rejected because they are simply another mechanism of having us pay a disproportionate share of what is in fact our marine highway. We are happy that the ministry has shelved both those operations. I will begin to wrap up by talking about what we did not talk about last year. We did not talk about cuts to the senior's discount. It's a very limited program when seniors travel free Monday to Thursday. It was rationalized because on those days' car deck and passenger deck space is running empty so why not allow them to travel free. The car doesn't go on free. Just as this government has no idea what our communities want, they have no idea what seniors want or need. They have no idea how many people are using that effectively because they haven't asked. They should ask. I'm not too bad, I worked for the Canadian Autoworkers for 25 years and they gave me a good pension. So I'm not hurting. But there are a lot of seniors on fixed incomes who are hurting. The BC Hydro rates will make it hurt more, the BC Medical Services will make it hurt more, all of those things will make it hurt more. To the extent that this allows seniors to travel, to see their family, to do shopping to take in a cultural event not available in their own communities, and to the extent that this discourages any of that. It not only cuts to the core, it's questionable if there will be any so called additional revenue at all. When I go to town I drive my car and I'm 64 in January, I haven't got my gold card yet and haven't yet had a free ride. But to the extent that any of those seniors don't travel because of that, and for a lot of people that's the difference. They are also not paying the car

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fee, they aren't shopping in the cafeteria and gift shop. I have heard people say that we shouldn't have the cafeteria and gift shops, quite frankly those are profit centres, BC Ferries makes money off of it and they should make money off it, because that helps to amortize the fares. But you have to balance off the so called imagined savings against what they wouldn't be spending by putting their car on the ferry. By what they are not spending in the cafeteria and not spending in the gift shop, only then can you find the fair balance, and this government can't answer the question because they don't know the answer. Gaming on the ferries. Wow. I think Stephen Hume said it best in one of his recent Vancouver Sun columns, "What's next? Pole dancing?" We have more than enough places in British Columbia for people to give their money away in casinos. But where we do have them are in reasonably discrete locations so minors can't be influenced by that. That would not be possible on the ferries. We have more than enough problem gamblers, far more than when we ever opened up casinos. The last thing that we need is for some kids to be running on the upper decks unsupervised and someone to yell "Child Overboard" and the parents at the casino says, "Not now! I'm on a winning streak!" Gaming on the ferries is dumb... dumb... dumb... and I actually don't believe that even this government is so dumb to do it. I think they put it out there as a throw away like so they are seen backing away saying, look we listened to the public, now accept the rest of the cuts. We aren't going to accept the rest of the cuts. US President Bill Clinton actually won an election on the slogan, "It's the economy, stupid!" Well folks we have to stand together and send the message to Victoria, that "It's our ferries, stupid." We will keep saying it until they come to their senses and until they bring the BC Ferries back under the government control, lower the fares dramatically, improve the schedules and find out what British Columbians actually want. The last thing I want to ask is, how many people here are prepared for more active participation? Because if they won't listen, then we had better be on the lawn of the legislature. How many people here think the fares are to high and should be lowered dramatically? How many people think that the services should be improved? How many people think that BC Ferries should be bought back into government control? That's the message you take back to Victoria.

C: *Sasha:* My name is Sasha and I would like to talk to you guys about the cancelling of the 6:20am ferry. Every Sunday in the winter I go to Squamish for biathlon, which is skiing and target shooting. I need to make it there by 9:30am to get to lessons. If we did the 7:20am ferry then it would be possible but it would be a really tight schedule. This isn't just for me, this is for everyone, my friends all do sports and they all have to take the 6:20am ferry and I often see them there. I see a lot of my parents friends and they are often doing business and on that ferry to get there. That's why we shouldn't cancel.

Q: *Unknown:* You may remember me from the Powell River meeting earlier this week. I'm the Powell River Chamber of Commerce representative. We are putting together the Fiscal Fairness Campaign, which compares these coastal ferries to the interior ferries in the province and shows how we are treated significantly unfairly compared to what they have available in the interior of the province. This has been a complete failure to try and organize BC Ferries in this way, there is a certain price to operate this service and there is a certain price that people are willing to pay. No matter how creative we can get there is no way to bridge the gap in order to make it a viable private service. From that, we know there will be subsidization so we need to look at how we are structuring this and let's bring it back under the highway system that's going to allow for subsidization of this

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product. We are not at the equilibrium price for this service. We know that because every time the price goes up even one dollar or two dollars, we lose significant ridership throughout all routes. We know that, tells us that any price increase will not give us means we want. A 30 percent price decrease actually may raise revenue. That's something you need to take into account. How is prices elasticity measured? Are we suing it properly because it's a monopolistic market? We can dry places up in a monopoly but do you really want to do that when it's a public service that you're dealing with. We are price takers for what the price is set at. I would argue that we are using the monopoly unfairly. I see my community dying in Powell River. I have lived there since 1990 and in that time fares for our routes have gone up 262 percent. It was a viable community, it's impacting all parts of my community, whether it's a tourist shop for example, we have half number of tourists go up there now. This isn't town dying because of the mill not doing well; we are dying because of ferries and policy. Our mill has almost doubled the number of employees over the last three years. It's absolutely one policy that makes the difference between our town surviving and not surviving. It's not five policies it's this one issue that will bring us back to being a viable community. We are a coastal province; don't we want the coast to be open for those who come here and those who live here? We want this to be open. When people come here they want to see Orca Whales, they want to see sunsets over the ocean. We need to make these things available for those coming and for our communities. We are looking for some accountability out of these meetings. We want you to come back, tell us what you've done, based on what we are saying today, I want a direct response from Christie Clarke to the Chamber of Commerce and I'm going to ask you if that's a possibility to see a direct response from her.

- A: *Kevin Richter:* We are here to hear the impacts. I can't comment on what elected officials will do. I will be a voice who goes back and informs them about these meetings. We are getting a report that will be prepared and goes back to them. They will hear message from me and the report.
- C: *Judy Kirk:* Everyone who has signed in and provided their email address will see the report. It will be online. It will be advertised. So you will know.
- C: *Unknown:* What about those who don't have email.
- C: *Judy Kirk:* You can ask for it sir, it will be available in print and online.
- C: *Unknown:* I want to thank the people of the lower coast for expressing their opinions. We are right on top of everything you are saying and we brought the same opinions to the meetings last week. Be loud and be heard. Tell them how you feel.
- Q: *Mike Shanks:* My name is Mike Shanks, I am representing the District of Sechelt as a Councillor and a current liaison member of the Sunshine Coast Ferry Advisory Committee for the past two years. Members of the BC Ferries consultation process, thank you once again for allowing participants here today to voice their frustration and concerns over the recent decisions to cut ferry sailings and to partially eliminate seniors free rides during the mid-week periods. Once again we are all in the position of having to hear the frustrations of the general public as a result of the provincial government decisions relating to our ferry cuts and the reduction of seniors ferry fares by 50 percent. Representatives of the provincial government should be here to face the music and the rationale for those decisions. Little do they seem to realize the impact these decisions make and have made in the past on our coastal economies. We are ferry dependent communities with the ferry system being our highways. Over last few years we have seen increasing ferry fares and subsequently reduced passenger ridership. Our economy has suffered and we see many leaving the

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coast. We ask only to be treated equally with fellow British Columbians, and absorb the capital cost of the ferry system and set fares on the operational costs. Earlier this week on a local Vancouver talk show a caller was online and asked why the fares couldn't be cut to encourage more use. The response was that there was no evidence to suggest that reduced fares would encourage greater use of the ferries. The respondent was correct, I've never seen fares reduced on many years living on the sunshine coast and I've lived here for 38 years when we used to have 12 sailings a day. I believe that the public generally believes that BC Ferries does an excellent job and respective of their mandate. But their hands are tied with the provincial government. It's time the provincial government had meaningful consultation with the ferry dependent coastal communities to get our economies back on track for the betterment of the entire province. Please try reducing our ferries and see what happens.

- C: *Jim Cleghorn*: I am Jim Cleghorn, past President of the Sechelt & District Chamber of Commerce and I'm here today to speak on behalf of the Sechelt & District Chamber of Commerce. BC Ferries is looking to the ferry users to pay more to solve operational or budgetary deficits. Instead, BC Ferries should be looking to the BC Government to meet their mandate to provide transportation infrastructure to the entire province and exercise 'Fiscal Fairness' as populated by the Powell River Chamber of Commerce. We will support you in that initiative and support your efforts to realize BC Ferries long term vision of connecting coastal communities in an affordable, efficient and sustainable manner. In order to be successful and vibrant, communities must grow. To do that we need to attract businesses and residents to expand our economic and tax bases. If people have to pay an additional tax to live in a certain area, that area will have a difficult time attracting and retaining residents. Ferry fares to travel to coastal communities and get goods in and out are an additional tax. Ferry transportation costs are a significant impediment to economic activity in ferry dependent communities. To survive as other than resort or retirement communities we need some relief from this cost so we can compete fully in the BC and world economies. The future of our communities is at stake. In the 10 years since 2003, when the current incarnation of BC Ferries was created, ferry fares have gone through the roof and ridership has gone through the floor. Clearly this experiment is not working and a new model is required. The Ferry Commissioner has affirmed the increased price of ferry fares is a factor in reduced ridership and with recent increases fares have reached a tipping point. Any further increase in fares will result in reduced usage. In the information package for this engagement process it states, the BC Ferry Commission noted that without changes the system is unsustainable. The Ferry Commission further stated that "the principal stakeholders – users, taxpayers and the ferry operator – will need to be part of the solution to achieve a ferry system that is both affordable and financially sustainable. Our fundamental position is that the ferry system is part of the provincial highway system and should be managed, paid for and financed in the same manner as our provincial highway system. The capital assets should be owned by the taxpayers and a contractor paid to operate and maintain them. Capital expenditures and debt should be paid for by the taxpayers of BC and not the ferry users directly. So what should the fares be? It is pretty clear the costs of BC Ferries as presently structured cannot be covered by fares alone and a government subsidy is required. It is also clear that the present rate structure is too high as evidenced by declining ridership. The fares should be set in reference to average income levels and only increase as that average income increases to ensure ongoing profitability. This is the same approach taken with public transit where it is not

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expected the users will pay the full cost of the system. At present some routes (Route 1 and 2 which are not part of this engagement process) generate operating surpluses and therefore end up subsidizing the operating costs of other routes in the system. This is clearly inequitable. If anyone should be subsidizing a particular route it should be the BC taxpayers and not the other ferry users. The fare structure on any route should not exceed the operating and maintenance costs to operate that route. To address affordability we propose an immediate 25 percent across the board fare reduction with the BC Government and federal subsidies increasing by \$117 million to \$327 million based on March 31, 2013 year-end figures. This would change the cost sharing from government subsidies to 42 percent of revenue from the present 26.8 percent. Thereafter BC Ferries and the Ferry Commission should undertake a study to determine an affordable fare structure. BC Ferries Services Incorporated is insolvent as presently structured. It cannot generate sufficient earnings before taxes, interest, depreciation and amortization (called EBITDA in the accounting profession) to meet principal and interest on debt and capital expenditures required. There is no affordable fare structure which will make it solvent. In the detailed position paper we have submitted, the numbers are outlined for March 31, 2013 year-end: \$219 million EBITDA was recorded after increasing fares and increasing the government contribution by \$28 million. In other words, the present structure generated an operating surplus. In 2013 it was enough to cover \$179 million in principal, which was \$9 million, a 100 year plan on the \$1.2 billion they owe. Interest was \$69 million and capital expenditures of \$101 million. Next year the principal on debt and capital expenditures are projected to be \$298 million. If interest expense stays the same year-over-year, the total requirement will be \$367 million with EBITDA of \$219 million; a \$148 million shortfall will result. Where is that money coming from? It would take a 31.5 percent increase in fares to cover the \$148 million shortfall. What happens when Capex goes to \$260 million per year as projected? Is the plan going forward to fund all capital expenditures with debt? How about debt principal repayment? What will BC Ferries debt picture look like in 10 years if \$2.6 billion capital expenditures are undertaken and funded with debt? It will be very difficult to have a sustainable solution unless BC Ferries is made solvent. If BC Ferries was to become the contract operator with all debt and capital the responsibility of the BC Government then it could become solvent and sustainable. If desired, the operation of routes could be contracted out to private operators similar to the way highway maintenance contractors operate on BC highways. That system seems to be working and we don't hear about them being short of funds to operate or their executives getting large salaries and bonuses. We are not suggesting union busting to drive costs down. Any new contractor would have to accept the union. We think BC Ferries and their personnel do a fantastic job of providing ferry service. They make the daily transport of vehicles and passengers across the waters at 20 - 30 knots seem effortless. It is in fact quite a marine transportation accomplishment. Of course it could be improved but what in our society could not be. BC Ferries has been put in a very difficult position by the BC Government and has limited options under the current paradigm. We refer to our fundamental principal that the ferry system is part of the highway system and until the BC Government starts reducing service on BC highways we do not expect significant service reductions in the ferry system. We recognize that some routes have very low usage. In those cases we would expect meaningful consultation with the communities affected before service is reduced. We think the seniors' discount should remain unchanged. Firstly, it will likely not generate the extra revenue BC Ferries anticipates as vehicle fares may be lost. At a minimum, it should be retained for senior drivers to help retain the vehicle fare. Secondly, it is the least we can do to

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acknowledge the contribution of our seniors to society over their working life. Most seniors have to travel outside their ferry dependent community to visit family. Young people have to leave the coast to find work as our coastal economies are so thin they cannot find work. Granma and Grandpa have to go visit them and the seniors' discount becomes important for those on fixed incomes. Senior citizens are a larger-than-normal population cohort in ferry dependent communities and a large portion of the ferry traffic. That is because you can only afford to live in a ferry dependent community if you don't need a job and can afford to pay the high cost of living. On top of expecting coastal communities to accept the cost of capital replacement for an aging ferry fleet, BC Ferries is having the assessed value of their real estate in coastal communities reduced. This takes funds from local governments' coffers to fund BC Ferries operations. The reduction in property tax revenue for local government will have to be funded by an increase in taxes for the residents of those communities. The fact BC Ferries, the BC Government and the BC Assessment Authority have conspired on this matter is criminal. How many ways do we residents of coastal communities have to pay for the ferry system when the rest of the province uses the highway system without additional charge? As to gaming on BC Ferries, we oppose that proposal for many reasons but are sure there will be plenty of people here today to tell you how wrong they think that is and why. We need to end this charade now and put an affordable, financially sustainable solution in place before our community economies are decimated. We coastal communities fully support BC Ferries in lobbying the BC Government to accept their responsibility for the ferry system portion of the BC highway system. We will not pay increased fares or accept service reductions. We will support a government who recognizes the importance of the economy of the coastal communities and the detrimental effect of high ferry fares on our economies. I thank you for your time and look forward to a new sustainable and affordable paradigm with respect to the ferry service.

- Q: *Fran Miller:* I have lived on the coast for 10 years and I am speaking to one issue. The cut to the seniors' discount. I am shocked, honestly, I couldn't believe it when I read you were planning on doing it. I know you have all checked the stats and know the number of seniors who live at or below the poverty line. The last speak made a good point, there are many seniors who live here because real estate is cheaper. We are on fixed incomes, we do like to get out to see friends and family and do a big Christmas shop and we always do it from Monday – Thursday sometimes those amongst us will take our cars and we take them Monday to Thursday. I love our ferry system, it's clean, fast, efficient, and the staff are amazing, it's a tremendous system. Now, 10 years ago when I moved here the cost of a walk-on-fare will now be the same as half the full fare that I will have to pay Monday to Thursday. That goes to show you the fare jump in 10 years. So full fare 10 years ago, half fare come April. If indeed you folks in the ferry system and the BC government are so financially bereft, or morally bereft, I don't know which, that you feel you have to cut a no cost service to seniors I will take it but only if the same costs are applied to ferry retirees, ferry employees, my well paid MLA's are travelling free. Kevin do you get to travel free?
- A: *Kevin Richter:* No.
- C: *Fran Miller:* Good. Fair is fair. If you are asking seniors to take it on the nose, then I think all discounts need to be eliminated.
- A: *Kevin Richter:* MLA's do not get free fares.

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- C: *Aleria Ladwig*: I'm a commuter I live here on the coast and I take your ferry service two times a day, five days a week. I want to say that large corporations come back from the brink of bankruptcy every day. Air Canada is in the midst of a massive comeback and they didn't do it by following the same failing business model that got them into that situation in the first place. You can't expect there to be a different outcome if you keep following the same model. Cutting services and expecting this to have a different result won't work. Shame on you for lack of ingenuity and lack of creativity to solve this and shame on you for the lack of opportunity for true engagement, this isn't an engagement process. I work for the federal government I should know. This is consultative process, a lip service; this is not how we are going to solve this. I take your ferry, probably more often than you guys do and I have creative ideas to fix this, but haven't been given opportunity for a working group or committee that has you involved. This is not working.
- C: *Heather Gordon*: I'm Aleria's mother. She spoke nothing about the personal cost of the being a ferry worker and commuter on a daily basis. In particular in the summer when schedule doesn't work I get calls from Aleria where she can't get home to her tiny child, and you only get so much time off when you are working to be with your baby, before she goes to bed in the summer. Where she's waiting in Horseshoe Bay for two bloody hours because it just left and it doesn't work for commuting folks and the bus schedule. While she has to bite her time, while dad and the baby are playing in the sun on the beach in the summer. Then the baby goes to bed. It's not OK that you're not consulting with the commuters, with family, with people who are impacted by the reality of the changes you make. Yes the dollar is huge, yes I'm a senior citizen, yes there's the grandparent issue. No one gets on the 6:20 am ferry willingly, there's a good reason. I work in social services; the healthy families are the ones who are engaged in sports. This matters, all of it matters, and if you don't start really consulting with the people who are heavily affected from all different angles you're losing tremendous amounts of information and creativity to solve the problem. Get a grip on how to actually do this. Talk to us properly, I know it's not you but this is a sham process, we all know it and know nothing will change as a result of us staying here. So next time you have to do a change you'll really consult with us.
- C: *Garry Nohr*: I'm the chair of the Regional District Board. Judy and Kevin, you have seen me often. My paper isn't aimed at the two of you but I want to make sure the people in the crowd know what the chairs have said. I want everyone to know the Regional District Chairs in the ferry dependent communities weren't listened to in the community engagement process. We don't agree with the decisions made. In past BC Ferries consultation meetings we presented concerns for families, jobs and communities as expressed by Premier Christie Clarke in her election campaign. We also maintained that BC Ferries should be part of the highway system. This engagement process has little to do with people but rather to getting to an arbitrary financial bottom line. To say that this will make the ferry system sustainable when there is little empirical proof is not fair to families in ferry dependent communities. The constant rounds of fare increases and now reductions in schedules really hurt families. These changes would be more bearable if a needs assessment had been done in each community and resulted in reasonable recommendations based on that input and included with the financials. As we are here for consultation, which only allows tweaks I would like to give you some tweaks under different headings as they relate to jobs, communities and families. Tweaks under schedules and savings jobs, I would like to remind everyone of the backlash

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the last time there was a plan to remove the first Sunday morning ailing because there were 30 people who couldn't make it to work. Kevin Falcon found funds to remedy the situation, there has not been enough time to see how many people will be put into job jeopardy this time. If BC Ferries had determined to cut this run by 40 trips over the winter so it looks as though the Sunshine Coast has share in the misery for ferry dependent communities. I suggest a tweak. For the 6:20am run on Sunday, BC Ferries would allow a water taxi or passenger ferry to use facilities to take commuters to Horseshoe Bay as a service to those with jobs on the mainland. Tweaks about slot machines, if you live in the Sunshine Coast slot machines are a moot point. Especially if you are trying to make connections from Tsawwassen to Victoria. By the time you pay the cost of two ferries and two meals because of poor connections you have little left for slot machines. By the way, anyone living on the coast that wants to ensure they get to Vancouver Island on the shortest time needs to catch 6:20am ferry. Tweaks for commercial vehicles, in past presentations we have requested an economic zone for commercial vehicles. The Sunshine Coast must bring in materials whereas the Vancouver Island has other options to receive goods. BC Ferries has a special system designed for commercial vehicles from Tsawwassen to Nanaimo. On the Horseshoe Bay – Langdale run there is a commercial load on the 7:20am many times each week. That adds to food and other costs for locals. This is an area for BC ferries to look for tweaks. Tweaks for families, have a yearly 5:30pm from Horseshoe Bay each day. If we had an opportunity to have a needs assessment on the coast, it would be easy for BC Ferries to understand why. The changing of ferries schedules three times a year makes it difficult for commuters and families to establish regular routines to rely on. I would like to end with tweaks for seniors. I would suggest that BC Ferries give yearly feedback to the public as a 50 percent ticket will be well monitored by thousands of seniors in every ferry dependent community. I'm sure that many seniors are aware that the next set of community engagement meeting might happen in 2016 and there could be more rate increases for so called sustainability. If the 50 percent seniors charge later becomes 100 percent I think the silver threat will be unleashed. Groups of seniors through ferry dependent communities will be taking down their kitchen anti HST signs and replacing them with anti BC Ferries slogans. This would be a great tweak for BC Ferries to drop the 50 percent seniors charge before a protest leads to the turmoil that HST did.

C: *Beverley Nelson*: I have a few comments today. But I have put them in a song, so I need a quick sound check for my orchestra and I will continue. [Editor's note: the following is a summary of her song]. Don't know who to blame for the mess. The ferries are privatized and the government gave them away in. Fares will rise or poor service will prevail. BC Ferries, the load each will carry, it's our lifeline. Since the passage of the Coastal Ferry Act, no one had the time to speak or even react. I've come to sing the blues and ask you to join me, to take back our ships once more. Everything we had is gone. When can I catch the next ferry, I'm waiting all the time. I want to take the ferry safely back home.

Q: *Alice Janisch*: I too have problems with the way the ferries done. This issue shouldn't be viewed as only about ferries, it's about transportation. British Columbia has a long coast, and the province has long offshore islands, as we know. I live on the Sunshine Coast which is not an island, it's a peninsula and only accessed by water. The subject is about transportation not just ferries. Highways cost millions or billions and once they are completed they are open for vehicles for

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nothing. Exit and access lanes on Highway 1 have been enlarged and improved at enormous costs, how much tax dollars were used for this highway change? It's an improvement at Willingdon and Burnaby that has been going on for several years. It's a huge progress. There is no fare for a driver; it comes out of tax dollars, unlike ferries. Someone living in Chilliwack can drive to work without paying a penny of a fare. The highways come out of tax dollars, maintenance and upgrades are the same as construction, bridges are the same, how come we are paying for ferries over and over again? If Highway 1 and the TransCanada Highway were funded by the Federal Government then some of the ferries could be dealt with similarly. The bridge to Prince Edward Island was funded by the Federal Government. What is our BC Government doing? In Washington State the ferries are part of the highways, and they have spent far less than BC does and theirs is economical and sensible. I've lived on the Sunshine Coast for nine or ten years. Recently I have heard that the ferries on lakes are free and I asked several people this afternoon and they confirmed it. Since the ferry across Mill Bay is free, I want to know why the 45 minute trip across the lake trip is free, when the 40 minute trip across Howe Sound costs \$49 and a nickel for my undersized vehicle and \$14.55 on days when seniors pay, which all adds up to \$61.10. It is a different level of treating people.

C: *Judy Kirk:* Let's get an answer to that.

A: *Kevin Richter:* So the inland ferry service is free, you're correct on that. To run and operate the inland ferry system is \$23 million. The coastal ferry system is a lot more expensive to run. It's around \$750 million. So the Province provides a subsidy to the inland system and a subsidy to the coastal system. If you look at that subsidy per vehicle, it's about \$18 per vehicle on the inland and \$23 per vehicle on the coastal. So the subsidy for Province is comparable, it's just that the coastal system is so much more expensive.

Q: *Alice Janisch:* Then it's probably a good idea for the Province to figure out why so expensive. They are all boats. They are all connected to highway and to be treated significantly differently doesn't make sense. Why would we pay our taxes? More recently the ferry authority wasted more tax dollars by putting high end lounges on ferries so that ferry passengers would spend large amounts of money while eating or drinking. In a way the ferry company attempted to profit by creating a cruise ship atmosphere. Wrong plan. Ferry passengers want to get from their island to the mainland. Passengers have jobs on the mainland or relatives that they haven't seen for a while. They are on the ferries for a purpose and not to wallow in a cruise ship atmosphere. Also a ferry should not try to entice passengers to drink alcohol on a ferry as the next thing they are going to do is drive on a highway as soon as they leave the ferry. I heard there were cocktails on these cruise ship type ferries.

C: *Judy Kirk:* I think we should get an answer to that. Is there alcohol on any BC Ferries?

A: *David Hendry:* The only alcohol served is on the Northern Ferry which is a long run.

C: *Alice Janisch:* And I'm getting to the end. Washington state management are paid normal salaries whereas some BC Ferries management are paid extravagant salaries. And one last thing when I first moved to BC, the ferries had the most delicious chowder I had ever eaten. I looked forward to a ferry trip. The staff and the crew are still wonderful but the food isn't.

C: *Judy Kirk:* Thank you very much Ma'am.

C: *Arden MacKenzie:* My name is Arden McKenzie. Born and reared right here on the Sunshine Coast. I actually went to school right here in this High School. I wouldn't mind talking a bit about freedom because that is maybe the only way I could get a point across. We had a freedom in elementary

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school a couple of buddies of mine had fathers who would take us to hockey games once in a while. And we were able to come back on the ferry, I think it left at 11:15pm or so. And I could understand that that was not fiscally viable any more so the freedom was taken away. To go to a hockey game or something in the evening in Vancouver you have to book hotel room and it costs a bit more money. In the last ten years I've had a job in West Vancouver as a paramedic. My way to get to work is to take that first ferry, I work a 4 on 4 off pattern so and it's 2 Sundays out of every 8 and it really frustrates me that you want to take that away because I have to sleep on somebody's couch or something like that if I am fortunate enough to have a friend that will take me. Anyway, most of the point I wanted to make is that I don't want my freedoms taken away.

- C: *Kelly Hatfull*: Good morning. My name is Kelly Hatfull and I am a regular commuter. Just out of interest, how many regular commuters do we have here today? There you go. My understanding is that we have 400 to 500 regular commuters on the BC Ferries to Vancouver. That represents the largest single group of people employed. The mill is around 400 people or so, correct me if wrong. It's a huge number it's a big impact on the community. My commuter costs are around \$5000 a year and around \$2500 to \$3000 of that goes to ferry costs. I walk on the ferry and at times, because of my teaching schedule, I have to sometimes bring my motorcycle or vehicle down. And like the last speaker, if it weren't for the goodwill of my 87 year old mother and a spare couch, it would be over \$10,000 year for the commuting – especially because of that 915 pm cut off. I started commuting in 2000. The fares I believe was around \$4 a trip, with car around \$11.50. It has pretty well tripled. I look up the costs on the board and yep, they are saying the costs have gone up 150 or 200 percent. It has tripled and your costs have doubled. What is going on here? We hear that our ferry run pays for itself. We are sustainable. We pay that much and we use that much. On the issue of inland ferries, I'm glad people have asked that question about the inland ferries. I looked on it on the website and I see under Ministry of Transportation ferries and I see 14 inland ferries and all free. And I looked on their schedules and I see they have better schedules on a lot of those runs than we do and we are paying for our runs. A key aspect here - a ferry is a ferry, is a ferry. And for us, I hear people say our ferries should be highways. It isn't should be. A Ferry is a highway and a highway is a ferry to us. We have no choice. This is our only access to the rest of the Province. It is our road. It is our only way to get on and off the coast. The problem that I see that we have here is, and again, we're not going to get the answers here today, is that what we are dealing with the political process. We are less than 2 years into the last election. This is when the Government does a lot of their dirty work. The first two years. The last two years is when they try to get reelected. We are pawns in a political process. Again you look at the population. 'How many votes are we going to lose if we make this decision?' We are a smaller portion of that province so easier to put the impact onto us. What we are looking for is for you to make the right decision. A good example, I'm a Forester, I look at a tree. An 80 year old tree has to survive 20 rotations of Government. An 80 year old has the same thing. An 80 year old has to survive 20 rotations of Government. Where is long term management? When people just have two years of getting voted in and two years of making decisions. This is unfortunate. Someone has got to make the hard decision. Make the right long term decision. And I haven't seen that. And I know you guys have to live within that political situation. But someone has to step up. I know why the Government doesn't do that. They would probably lose 10 or maybe 12 ridings if you charge for inland ferries. What's the bottom line? It is politically dangerous. I teach and I know, in our school system we

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have to justify what we do. We need the government to change the legislation to recognize this. I don't want to hear it. Before we come to the meeting someone said that we're no longer part of the highway. That Legislation needs to change that it is part of highway system, period. Here's an example of my experience commuting here this summer. One thing the regular commuters want to see is a 6:20am ferry down and 5:30am ferry home. And what do we have? 5 months of the year we're stuck with the 5:50pm ferry. It doesn't seem like much, 20 minutes but I'm sure you can look at your own statistics and see that 5:50pm does not leave at 5:50p. Most of the time it was 10 or 20 after. 6:20pm. This half an hour late. And again, you have the numbers, you have better access to this type of information. Good example: We got to terminal and saw 'Oh the ferry is running 20 minutes late, we can still get our tickets.' We run down to the booth and they have cut off the machines. And again, I adore our staff on our ferries; they work their ass off, they are part of our community. This is not intended to them at all. So anyway, I got down there, I couldn't get a ticket on the machine. I went to the booth. Cut off. Four of us were there going "Oh. You know I do this 5 days a week. I leave at 6am and getting home at 7pm." I would love to stay on the Coast and work. I can't do it. I can't make a living. I have to do this commute. So, we go down, all four of us, we walk down to the ferry and we stand there for ten minutes watching the cars load on and the two ferry workers were watching us. And they said "Do you have tickets?" And we said "No, but would you please call the Chief Steward and say 'look, we made it down here'". We waited for ten minutes and he wouldn't call the Chief Steward. It's \$14 or something to get on the ferry without a car. And I said "Look, I'm willing to pay \$20 to get on the ferry!" And he wouldn't call the Chief Steward. I think the problem is we are dealing with a monopoly. I looked right at the ferry worker and said "You know, if Westjet went to into the BC ferries business you guys would be out of work." If you handled this like you actually had competition, I guaranteed you would have to act differently. To us, you appear to act, as if you have a monopoly of total control and we are just like kids and must do what you say. "Why do we have to do that?" "Because I said so!" That's what it feels like. I feel like we are not respected. And again, coming back to who is making the decisions, we have been political volleyball between political parties, I have no partisan to know party in particular I just want someone to make the right decision that we can live with. And please stop bouncing us around. I know that it happens a lot and I sympathize with you having to work within that system. Again, tongue in cheek here, sometimes when you work your ass off you got to have a little sense of humour. I look at this situation. Most people don't see any support for this Gaming. Well, again, look at the social cost with the gaming. And cigarettes and alcohol have the same cost. You're talking about having extra liquor store. So when you have extra deck space, why not have an extra liquor store roll on. I know that's being facetious but sometimes we get a little cynical. Are you ready to cut me off? I won't go too much longer, we're getting near the end here. When you come on ferry we are reminded of the inequalities. As we pull into Horseshoe Bay we have gorgeous view of that beautiful highway that goes the way up to Whistler. I watched it be being built for 4 years and again that's part of the Ministry of Transportation and Infrastructure. We saw that happened. Now we've got these island bridges going in, you can see people don't want it and its going through. Again, it's part of the political process of having these mega projects. The last thing I want to say is, you go to the BC Ferries website, and it says experience the difference. I don't want to experience the difference, I want fairness, equality. I want you to take that message back. Thank you. I appreciate the time and that you came here.

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- C: *Alice Lutes:* My name is Alice Lutes and I am a Councilor for the District of Sechelt but I'm here to talk as a very long time resident of the Sunshine Coast. I was born in Port Millen and I have seen a lot of changes but I think one of the things that we haven't heard about here today. I was taught a long time ago if you put a face to an issue or a problem, people can see it better. Well, we're standing here in one of the high school gym, one of three on the Sunshine Coast and every June we graduate kids from this school. This community raises hundreds of thousands of dollars in scholarships so that those same students can leave the Coast, get some training and come back. But they don't come back. Look around this room. Where are they? They can't be here. They can't raise their families here. And it's not just a BC Ferries issue. It's a Province of BC Ferries issue. The problem that our minimum wage is disgraceful that when we continue to hit low income people with increases it affects ferry communities. These rates we are all talking about will affect behind me on the wall are banners of kids who have excelled in sports, in arts and academics and they can't stay here and do those things. Those banners will disappear because our schools won't be able and our families won't be able to send their kids off coast to take part in provincial things. And I think you need to consider that once those kids have gone and are having their families elsewhere, we as seniors don't get to see our grandchildren. They can't afford these rates we are talking about when we have this inequity in incomes all over the Province. They are leaving and going to Alberta. We are losing the best thing we have in our community and that's the young people. I get so upset that we try and aim everything to tourists and not to the community. There have been offers on ferry for "go on cruise, stay on hotel in Victoria" when you break those things down those people are getting a better cut than anybody with a card to ride BC Ferries. That's not right. You have to consider the losses. We have heard everyone talking about goods and services, economic drivers, all those things. But it's the people that you are affecting and who we need to look at. Put some faces on these things and not just dollar signs. For me that's what's wrong with this Province.
- Q: *Rick Negus:* My name is Rick Negus. I have been on the coast for 13 years. When I first arrived here I used to go down to the city once a week. It was economical. I could afford to do it. Today, this last week, I go down about once a month. I park my car outside the lot. I'm a Senior, I walk on for free. Didn't cost me anything, because, if I go with the car, we know how much that costs. We talk about the ridership going down, of course it does. I make that choice. I choose to stay home now, and as far as costs for coming the other way. I have 3 children and 5 grandchildren in the city. For them to come up here, my daughter with her husband and her two kids, it's a \$100 bill to come up and see their grandfather. It's not something they do lightly. So they are adapting. Something else here, looking at your report. It says if we remove the Sunday morning sailings, we get 40 reductions in trips, we save \$200,000 that correct?
- A: *Kevin Richter:* yes
- Q: *Rick Negus:* So, what are the bonuses that the Executives are getting, in relationship to the \$200,000.
- A: *David Hendry:* I don't know the exact number but it's more than \$200,000
- C: *Judy Kirk:* The gentleman said \$133,000 per person, for each.
- C: *Rick Negus:* My understanding is that when you give someone a bonus, you give them a bonus for excellence, for doing something above the ordinary. About excelling, that's what bonuses are about. We reward somebody for creating a system that really works. We have a system that's

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failing and we are paying people bonuses? Where is the logic in that? And as for our political masters who are not here today. Do they get to ride on ferries for free? No, because you know why? They don't use the ferries, they fly. They don't sit in the lineup. They go to Victoria Harbour and they get on helicopter or they get on a float plane and they fly. They don't do what masses do. I am going to reiterate what the others have said. This is our highway. We don't have a choice. This connects us to the rest of the world. I have one experience this summer, I have a little boulder trailer, when I put it on the back of my car I am 28 feet long. Now I pay \$50 for 20 ft vehicle. It cost me and additional \$52 for that additional 8 feet of trailer. Where is the logic in that? I am not taking my trailer off the coast anymore. It was almost \$105, for me, the car and the trailer. That doesn't make sense.

- Q: *Kenan McKenzie:* Arden's brother and I work in the Real Estate industry. Kevin, of the inland ferries that we subsidize by \$18 per vehicle, how many of them need to take the ferry, they do not have highway access to their community?
- A: *Kevin Richter:* There is actually quite a few. If you've been up to Terrace there is the ferry. If you have been to the First Nation community outside of Litton, you'll have to take that ferry. When the passes close up in the skyway, that's between Salmo and Creston you have to drive all the way around. If you have to drive all the way around from Shelter Bay and Galina Bay you would have to drive all the way up through 97 and down and around. So some are connected, absolutely, but there are some remote communities and that's their access. When the boats aren't travelling in the wintertime because of ice they actually have aerial trams, so you get on an aerial tram and that takes you over to the community.
- Q: *Kenan McKenzie:* So I was on Gibson Council for a number of years, I have participated in I don't know how many of these meetings, I been around Barry and Jacob, but we have been talking about, giving you suggestions. I'm going back around 17 or 18 years. Can you name 1 suggestion that has come from the community that has been enacted by BC Ferries?
- C: *Judy Kirk:* I think we should give Kevin a chance and then David.
- A: *Kevin Richter:* I have heard a lot and I have really appreciated getting this feedback. I was out in the community last November. I was traveling around last November and December with the previous round of engagement and it was during that engagement that there were ideas put forward and yes, we asked about LNG, we wanted to get feedback about standardization, I heard people say 'no frills' on the vessels. People made suggestions about the seniors discount and the gaming, so those are some of the ideas that we are coming back and asking people about. But specific examples of where Ferries has listened to the communities I'll let David comment on that.
- A: *David Hendry:* Just in context, we have 25 routes, 36 vessels 47 terminals, we carry about 19 million people a year, about 9 million vehicles. We try to stay in touch as much as we can with the local users, the customers. One of forms for that is the local FAC. There are 13 of those. We meet twice a year and they are the liaison between the community and the company. It's their opportunity to bring concerns from the community to the company and we try to action those as best we can. We aren't perfect, we acknowledge that. But there are things that get knocked off in terms of those action items. I don't specifically have them off the tip of my tongue. For instance I know one of the concerns has been the Langdale terminal. For instance, the lack of an overhead walkway. We have conducted a master plan over the last 2 years to address that. We have put the

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notional dollars for that type of infrastructure into capital plan. So that's the kind of forward looking planning we're doing.

C: *Kenan McKenzie:* So David, what you are really saying, I don't mean to be impolite, but you really haven't taken any of our suggestions and enacted them, because we want a ferry to get on, not so much an overhead walkway. We want a ferry there at the dock that we can get on and get back and forth to our community. I'm sorry about that. But we keep coming back here to these meetings and I was on the Ferry Advisory and suggestions like, we have seniors who can't make it to from where the berth docks to where the bus stops. And I have seen seniors getting knocked down as people are rushing out to their cars and to get to the bus and nothing has been done about that, and that's been brought forward before. But fares and the costs has been the number one thing that this community keeps coming back to here. But what do we get? We get cuts and increase. That's all we keep seeing. Look around this room, Alice alluded to it. How many people under 50 do you see here? There's only a handful. You're killing our community. The story about my younger brother, I am constantly meeting families who are having to leave their homes because they can't take the ferry commute. You heard from the young lady over here, when she needs to be at home with her family over the summer, you change the schedule. You do not offer an alternative. You don't put in different types of vessels. You just keep building these larger vessels that don't work for our communities. Please take it back, make this voice from the Sunshine Coast be heard. You are killing our community.

Q: *Barry Cavens:* My name is Barry Cavens and I am Chair of FAC for the Sunshine Coast. I'd like to ask some questions first about the process. I think you are hearing from some of the concerns from the community but when we are being asked to fill out this questionnaire, there's a whole bunch of concerns. First of all it starts out that the 6:20am sailing during peak season is being cancelled. Is that a given?

A: *Kevin Richter:* No, we are out here to hear from the communities to hear about impacts are. There is going to be service reductions. Government is clear on its decision to get \$18.9 million in service reductions. But we're also here to do is to find out if there are any considerations, what the impacts are. So that's why we are here.

Q: *Barry Cavens:* Right, well I'm concerned about how it is presented in the document. If we go to page 10 it says: "Elimination of first round Sunday morning in the off-peak" and Off Peak is a term that, according to the BC Ferries contract is, from the end of school until after Labour Day. So that means that we are losing all of the 6:20am sailings.

C: *Judy Kirk:* Hang on, is that a correct definition of 'Off-Peak'.

A: *David Hendry:* Yes.

Q: *Barry Cavens:* The reason I bring that up is because during the year we have 7 different schedules, so the schedule changes 7 times a year now, so it's not clean to all people what that term 'Peak' means. I'm sure it's clear to BC Ferries and the Ministry but what we are cutting is all those sailings every Sunday except for the 2 summer months and a couple extra and it's not explained what the extra two are.

C: *Judy Kirk:* So let's just make sure if that's correct. Is that correct David?

A: *David Hendry:* So first of all, in terms of the process. We didn't want to come out with schedule, we didn't want to be presumptuous and say 'This is the changed schedule' so we've shown what we thought would have been an opportunity for reduction on the existing schedule. The intent is to

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come to the communities, have them fill out the discussion forms, get the input if there is an opportunity for changing that reduction and we're hearing that there is possibly opportunity, instead of taking out that 6:20am, that we could perhaps collapse the 6:20am and 8:20am and have a 7:20am sailing. Those are the things that we need to do. And just to clarify BC Ferries will be back in early January to talk to the local FAC about is that an opportunity.

C: *Barry Cavens:* I understand that and the people in this room will now understand that but for people filling out that form online, and this is a consultation that is Province wide, anybody in the Province can provide input, and it says that we are going to have eliminate the first run on the Sunday morning in the Off-Peak. Then it says "With this reduction a schedule change to the first sailing from Langdale is also being proposed and following this engagement process BC Ferries will consult the local FAC to refine the schedule of the remaining sailings. The way I read it and interpret it, if I wasn't at this meeting I would assume that it's a done deal. I think we need to clarify that and, on an email that I sent in through the engagement site last Saturday, I asked that it be clarified at the start of this meeting and I didn't get a response to that email and so I thought I had better make a comment on it.

C: *Judy Kirk:* No that's good. That's great.

C: *Barry Cavens:* The other comment that I have to make is, in terms of the cancellation of the Sunday morning sailing that was announced by BC Ferries in 1988. it was announced in a newspaper as being a done deal. After a meeting was arranged by our local MLA and a large number of people turned out with the exception of BC Ferries people at the time, that decision was reversed by the Minister. It was as a result of the Minister finding out that this boat was being used by people going back and forth to work. There had been no survey before that cancellation was cut, asking 'Why are you on that 6:20am'. In order to do people get up in the morning at 5am and 5:30am. It's not something that people willingly do if they can go on a later sailing. So it's not discretionary, or it's not considered discretionary by those people. I think, what we have done in consultation last year is put a red box around this sailing and thought that maybe it would be considered and now we are hearing that the decision has been made. But what have we done in terms of surveying that boat? That boat goes every Sunday morning. There are BC Ferry people on it. We are surveying for general stuff on the afternoon sailings with the general public. 'Are you happy with the cafeteria? The food service?' and all the other things. But if BC Ferries and the Government knows that this sailing is being considered for reduction, I think, since 1988, we should have been doing a survey on who is on the boat and why are they on it. Maybe if we talk to them they might say that it's okay if it's 7am or 7:30am that we're proposing. I suggest that on your way home tomorrow morning at 7:30am or 6:20am, get on that boat and talk to the people because it is very, very important. They are concerned. They expect that BC Ferries and the Government have done their homework, talked to the people involved before we come out and make these high level pronouncements as a done deal. I also volunteer that there are many people in this room that will help you with this process if you will let us. We suggested it at the FAC meetings "Lets do this." "But oh no, we can't do that until the Government decides what sailings are being cut." I think it's backwards. I'd also like to talk about the cost of \$200,000 we are going to save over 2 years. I think we'd like a bit more detail about that. I went on the information based in the guide and the customer numbers that are now on the website, in terms of what sailings will be. I think the fuel cost on that run is about \$2,500 a run. I took the numbers from the customers and I made some assumptions on the number of vehicles and people on that run and it appears that the income is

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about \$4,400, if you take the averages, I don't have individual sailing numbers. If you take that number and you deduct the fuel it looks like there are a couple of thousand dollars less. So are we going to cut the size of the crew? We can't cut the capital cost, we can't cut the amortization, I mean the boat is there, we're paying for it anyway. So I think when you come to the meeting you should give us spread sheet or something beyond a big number that doesn't mean anything to anybody in the room. I think we have to explain, are we going to have a later shift? How are those numbers achieved and I think that's part of a consultation process. I am not sure that we can help you much in the FAC meeting coming up in January if we don't have those details. Labour? Where are the numbers coming from? If it's not available to us and we don't have a chance to take that information back to the public and get some input. I don't think the FAC are prepared to help if you aren't prepared to do that.

- Q: *Michael McNevin:* Good afternoon. My name is Michael McNevin. I represent the ships officers of BC Ferries through the BC Ferries Marine Workers Union. I would like to thank speakers who have given us kudos for good work we do. I know all of our members do extremely good work and they do their best. Even though I'm a former resident, as a matter of fact I went to this high school I won't speak about the service reductions and how that will impact the community. The community is very well able to do that. What I'm going to do is make a comment and a suggestion and ask a question. I don't think most people are aware that BC Ferries has in excess of 600 managers – 615 to be exact, exempt managers. To put it in perspective, the Bargaining unit is around 3600 employees, which gives you a ratio of about 6 to 1. So my comment is, in a normal industry of approximately 4000 employees with bargaining unit exempt managers, we are somewhere in the neighborhood of 25 to 30 to 1. Since BC Ferries needs to find some savings, since there are bargaining unit members going to be laid off as a result of these service reductions, how many excluded managers can we expect to see and what kind of savings will result in those layoffs?
- A: *David Hendry:* Thanks for the question. I'll try to clarify. We have 600 exempt staff, they are not necessarily managers. 450 of those are managers. When we're fully staffed, we range from 4000 to 4500 total staff, so it is a ratio of probably 1 manager for every 10 bargaining unit staff. So in terms of your question about savings, obviously it's a very fixed cost system. We're looking for savings from fuel, we're looking for savings from overtime premiums – that sort of thing. We're working with the Union and the crewing officers to mitigate the impact on bargaining unit members, as much as possible. In terms of exempt staff and the impact on exempt staff. We've worked very hard over the past 5 years, probably reduced approximately 50 staff positions to take down labour costs and on the executive side we've taken down 17 executives down to 9. So we've been proactive when we can, and will continue to be proactive.
- C: *Michael McNevin:* I wonder if I might have a rebuttal to that question. From what I hear you say it sounds or it appears as though much of cost is going to be realized through the bargaining unit. I didn't hear any suggestion that there was going to be any more of the exempt staff laid off. And just a correction, so that the members of the audience understand completely, when you speak to 450 exempt managers, you don't include 165 exempt shipboard managers that you have just exempted over the past 5 years. So there is in fact over 600 exempt managers in the company.
- Q: *Lynn Chapman:* Hello I'm Lynn Chapman and I'm a member of this community, I have lived here since 1975. I want to speak specifically to the idea of cutting back on the free fares for seniors.

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I just managed to get my gold card and just managed to finally get a break and it's 15 bucks. It's so cynical. It's such a cynical ploy to claw back 50 percent of fares on those 4 days that used to be free for seniors. People can't sustain the ongoing onslaught of increased costs of living without any kind of corresponding income. So what I think is really cynical is the justification that I've heard and that's it's baby boomers, and they can afford to pay their way. They made lots of money in the '90s. That justification is that somehow baby boomers have all this extra money. Well that's bullshit. Excuse me but it's bullshit. What needs to be understood here is that we may have some extra money but our kids can't afford to come home? Who do you think pays for that? For our kids to come home, it's going to cost them \$60, you know \$80 for the kids to come and see their parents for the weekend. It's a cynical ploy and won't result in anything really substantial as a benefit for reducing the overall cost for BC Ferries. I just don't speak clearly about it, because I'm really emotional. I think it's wrong that you do your cost cutting on the backs of seniors. That's not just for today. It's going to impact all of the people living on this coast who want to see their family and want to go to town and will make arrangements on a day when it won't cost so much. They can use the ferry when others can't. Where is the intelligence. There is no intelligence behind this. It is just bottom lining and it stinks. You guys need to convey that message. The other things that I want to ask, is in the same vein, what intelligence has continued to build large ferries instead of smaller ferries? And build more flexibility into this system? Why can't we build cost and energy efficient boats for the ferry service? Why can't we retrofit the existing fleet such that the cost of fuel can be decreased? I think that could happen. I don't think it takes a rocket scientist to figure it out. Those technologies already exist. Where is the intelligence in not doing that and then coming to this community and saying we want to hit seniors and cut your sailings. I can tell you for a fact that our fares have gone up and our service has gotten worse. It has gotten worse and worse and worse. Do you know how many late sailings exist on an ongoing basis. Have you reviewed that? Our service has gotten worse and fares have gone up. I don't think it's acceptable.

C: *Judy Kirk:* David, maybe you should speak to some of the capital planning that is going on, in terms of smaller vessels.

A: *David Hendry:* To the lady that just spoke, very good points. We are looking at longer term strategies to look at more flexibility and standardization of some of our vessels. We have three vessels that are coming up in the intermediate class that will be standardized, perhaps provide for the opportunity for LNG as a fuel source. That's dependent on a number factors in terms of sourcing that fuel, but we are looking down that road, longer term. It will take more time but you are absolutely right, the key to business, it's so capital intensive, is to look for those efficiencies, look for that flexibility, look for that standardization and drive out as much inefficiencies and costs as we can.

C: *Lorne Lewis:* My name is Lorne Lewis and I'm a Director at the Sunshine Coast RD. I don't have any new material for you. I just want to embellish on a couple of points that have been brought up by other folks. Do I have to bring up the seniors stuff again or do you get it? Okay good. So, I have 2 children who live in Vancouver. One of the Christmas presents they get are ferry cards so they can afford to come and visit us. Alice Lutz and Kevin McKenzie both brought up the demographics in the room and what the fare structure has done is driven away youth from this area. That is the opposite of economic development because with youth comes energy and innovation that it takes to get new businesses off the ground or to take over new business. Not you guys personally, I'm

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not blaming you. This system is driving them away and we need that here. I know BC Ferries has been working hard to try to make this a success but there comes a point where you have to look at it. If you have been working very hard to try to make something a success and it keeps getting worse and worse and worse, then maybe it's the system that's wrong. There's something that I bet you everyone in this room knows that the BC Government doesn't and that's if you are riding a horse and find out it's dead what do you do. What do you do folks? You get off! It's time to go back to what was happening before because that did work. When I moved there were 11 sailings a day and you know, every now and then there was a fare increase and I thought, it's a great place to live and I didn't mind paying a bit more. Then recently it went to from being a little bit more to, a lot more, then it got to be outrageously more, then it got to be more and then, right now it has mushroomed into paralyzing more. Which goes back to the old economic development part of it. The Premier ran on 'jobs, jobs, jobs' and this has been the opposite of it. Anyone in this room under 40? Because of BC Ferries you're working. I just have to point that out, okay? I just wanted to touch on those things, and I hope that you take us seriously because this system has been mis-run. Actually, no, I'm going to go back to my point. It's the wrong system. I don't think that, no matter how hard you work, there's no way you can fix it.

C: *Judy Kirk:* Thank you Sir. I just want to let people know that we'll end the question and answer portion in about 20 minutes and then we'll be here until 1pm. So we've got about 20 minutes.

C: *Pat Carroll:* I'm Pat Carroll. I live at Sechelt. We've all put in input at the last meetings and I think you have used that paper for toilet paper because you are not getting it. The Provincial Government needs to get back to Victoria and quit making deals in God-knows-where and they have to deal with all these things that are wrong. Totally, totally wrong. People are trying to sell their houses up here because nobody comes up here because people can't afford to go back and forth. But the property values have dropped a huge amount and houses don't even sell. Now, you are all getting paid for making your studies on our dollar, and you are not doing the job properly. You have to bring back the ferries under the highway department and we need to have ferries that run up here and go back and forth at affordable amount. Two weeks ago we took 3 grandkids to Victoria because our younger grandson was playing football. For one night we couldn't come back because the game was too late, so we had to stay overnight. For nine people with the ferry it was \$730 dollars. There were teams that they can't afford to come to town, to Vancouver, and they can't come here because it costs too damn much. You're running it into the ground and I think it's intentional because you aren't listening. You are not listening.

C: *Kate Stanford:* Hi my name is Kate Stanford. I live on Gambier Island, there's a few of us here. I am also the trustee for Gambier Island, Keats and the other associated islands in the local trust area. So, basically take all the schedule conflicts and costs associated with Route 3 and double it because of some the things that we are dealing with on Gambier and the islands in the local Trust area that are served by the Stornaway, which is one of your more efficient, passenger only taxi ways, that we appreciate very much. Specifically, we need to use the ferry service to buy milk, to buy bread, to get my daughter to school. That is a huge cost for families. When I first moved to Gambier, there were a variety of different aged children, now there's my daughter. There is one other little boy under the age of 12 and that's it. That's what we are dealing with as a community. I'm going to read a couple of statements from the Islands Trust Council's submission on the BC Coastal Ferries

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Consultation and Engagement Process. I'm reading it to the staff here. The staff here has been charged with reducing the ferry costs by \$18 million. I don't have a suggestion for that but I do have some suggestions for political representatives who are here today. The Islands Trust Council sees the BC Ferry service as an investment in BC, not a subsidy. British Columbia's prosperity depends on an accessible, integrated and affordable transportation system, that efficiently links all communities and businesses, whether separated by land or water. The Coastal Ferry System helps sustain the Provincial Government's economy by transporting goods, products and services generated throughout the Province and beyond. In recent years the Provincial Government has invested heavily in transportation infrastructure throughout the rest of British Columbia and in other discretionary infrastructures, such as the Vancouver Convention Centre for \$540 million, BC Place for \$563 million and since 2001, the BC Government has invested \$44 billion in capital spending on infrastructure and there are plans to spend another \$10.5 billion over the next three years. These Infrastructure Investments are intended to be the underpinning of a healthy economy. The Provincial Government continues to budget \$22million a year to support 14 inland ferries. And by the way, I took one of those ferries a couple months ago across Francois Lake. It was lovely. I do not resent them having half hour service from 5:30am to 10:40am at night but I sure wish we had something similar. In addition the Provincial Government has agreed to buy a new \$26.5 million ferry for the 30 minute crossing between Shelter Bay and Galena Bay in the Kootenays. This inequitable treatment is blatantly disrespectful for coastal taxpayers. At the same time we are told that the ferry coastal system will need \$2.5 billion in the coming decade for the future capital but that users may need to pay the price, not just through fares but through reduced services and additional local taxation. The Provincial Government needs to recognize that the Coastal Ferry system is an essential and integral part of the BC Transport infrastructure and fund it accordingly. By taking full responsibility for future infrastructure costs the Provincial Government will remove some of the pressure to increase fares beyond the consumer price index. In the meantime the Provincial Government should immediately provide sufficient funding to significantly reduced fares on the minor routes for coastal communities that have been hard hit by substantial cumulative fare increases. By reinvesting in the minor routes to reduce fares and jumpstart ridership, the Provincial Government can help restore the economic and social health of ferry dependent communities in the Province. This document, I have a few copies but it is also available on Islands Trust website.

C: *Rosemary Jones:* Hello my name is Rosemary Jones, I've lived on the coast for 14 years, I'll be very, very quick. What gives you the right to give someone a bonus of \$60,000 and we only know of one and there are many of you. The average wage here is under \$30,000 for a year for someone to survive on. What gives you the right to insult us by making us pay for you to have such a high bonus. The more you charge someone for the ridership the less likely they are to go on, so of course you going to lose money. It makes absolutely no sense to charge people such a huge fare and expect to make money. It is going to be the reverse that will happen. Buses, trains and ferries around the world do not make money, they are part of the highway. Get over yourselves.

C: *Judy Kirk:* I'd just ask you to be a bit mindful of those behind you in terms of brevity.

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- Q: *David Dick:* My name is David Dick. I live on the coast. I have been here about 13 years. I have two issues that I wouldn't mind chatting about. One is, our service: we have more commuters on this service than on any other ferry that operates within the BC Ferries system, however we have the least frequent service. We have 8 sailings. Bowen Island has 15 or 16, depending on the season. Gambier has more. Salt Spring has more. Quadra has more. We have a situation where our frequency between sailings are 2 hours, most other routes are 1 hours between their sailings, and the time of service during the day is one of the shortest. Bowen is another two hours, Gambier is another couple of hours, Salt Spring is even more than that. So, from a service point of view, I believe we are under served in terms of frequency and in the length of day. The second issue and this is for Mr. Richter. How much has the province put into BC Ferries in the last 10 years?
- A: *Kevin Richter:* The Province has put in about \$1.4 billion into Ferries. This year the Province and the Federal Government are putting in over \$200 million dollars.
- Q: *David Dick:* Let me give you some numbers, going backwards on that. BC Ferries has paid \$453,580,000 to the Province. They did that that in 2003 and 2004 and 2005. They have paid \$60,380,000 in dividends to the Province. They have made miscellaneous fuel adjustments over the years of \$1,619,000. They have produced retainer means of \$234,187,000 and those moneys belonging to the Province. The Federal Grants to operate the Coastal Ferry system and we would only get the Federal grants if the ferry system was operated, have been in excess \$260million. And the consumption taxes which are applicable to BC Ferries which aren't applicable to the inland ferries, because again, those are fully paid, PST, Motor Fuel Tax, Carbon Tax, provisional portion of the HST and the clean air tax, alone have amounted to more than \$160 million over that ten year period. So the total paid to the Province during this period has been in excess of \$1.169 billion. So the difference between those two is about \$250 million. Over that period there has been 200 million passengers ride on BC Ferries. So the subsidy, per passenger is less than a \$1.50. And compare that to the \$18 we talked about for the inland ferry, I don't think we are being treated on a fair basis.
- C: *Donna Shugar:* My name is Donna Shugar, I represent Roberts Creek, Area D on the Regional District Board. I moved here some time ago, in the 70s when I was in my 20s and at that time there was an actual in migration of people to the Sunshine Coast. At that time the ferry ran every hour and the last ferry coming back was around 11:30pm at night. I was able to work during the day and take courses at UBC in the evening and come home and sleep in my own bed. I won't talk about the costs because that was a long time ago. But also at that time, we had a Resident's card and that Resident's Card entitled us to a discount on the ferry by virtue of the fact that we lived here and it was part of our highway. But now, in order to get a discount I have to be rich. I have to be able to put down over \$100 to get an Experience card. That has been an issue for me and I think you should bring back the Residents Card and entitle people who live here to a discount. Because if you are a student, or you are on income resistance, or you are a senior, you can't afford an Experience card. You can't afford a discount. And it's not fair that only tourists are entitled to that discount. I want to speak to a couple of things that haven't yet been spoken of and are things that I know about by virtue of my position on the Regional District Board. One thing is, that has been discussed, is the constantly changing schedules in BC Ferries. And one of the impacts is that wreaks havoc with our transit system. We cannot maintain a consistent schedule throughout that year that people can rely on to encourage people to get out of their cars and into transit and onto buses

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because we are constantly changing our schedule to ensure the buses can meet the ferries that are changing. So that is creating a very big hardship locally. Now I think there would be a higher awareness of that impact. We have a Transportation Committee that meets every two months at the Regional District that includes everybody on the Sunshine Coast that has anything to do with transportation except BC Ferries doesn't come. We have asked formally that BC Ferries become regular attendees at that meeting so that they would understand the local issues and hear from the local elected officials and other members of the public about issues that pertain to BC Ferries. Please somebody higher up ask them to send a representative, it's a couple of hours every other month.

- C: *Betty Ann Pap*: You guys say we don't have any money for BC Ferries, is that correct? We are going broke? I would like you to go and tell Christie Clark to start raising taxes on multinational corporations. The other thing is, how long is this going to be good for before. I have a disability status ID card. How long is that going to be good for until you take that away from me and others who need it more than I do? As far as cutting seniors fares I can't see my grandkids like I would like to. I'm 71 years old. I've seen them once, last Christmas, I hope I get to see them this Christmas but that will cost them over \$300 to get here from Vancouver Island. Grandparents need grandchildren, grandchildren need grandparents. Why are you making it difficult for people who are trying to raise families and can't afford to come and visit? There's been a lot of effort into making those signs up there. Did you read them? Then I would like you to take those posters to Christie Clark and her henchman and tell them to invoke the section of the Ferries Act that makes the ferries part of the highway system.
- C: *Nicholas Simons*: That was Betty Ann Pap, she writes my speeches. Thank you very much. This is my third public consultation meeting in 5 about nights and days. And I have to thank you guys for, with an even more pressed schedule, thank you for being here to relay the messages we have for the Minister. I would have to say I am impressed and thankful that we have a Liberal MLA in the house who is a friend of mine and a new representative for Sea-to-Sky. I just know him as Jordan Sturdy and he has ties to the Coast and he is here also to ensure that the messages that we give will go back. So I want to thank Jordan for being here and I expect the messages that we have will go back to the Minister who is obviously trying to pay attention to this. It's almost 5 years ago we had a meeting at the community center where about 450 people came to express how upset they were about the cancellation of the Sunday morning sailing and within a couple of days we had that sailing of restored on the basis of it stimulating our economy. Here we have the reverse. We are actually knowingly doing the opposite of stimulating the economy. What is the opposite of stimulating the economy? Stymying. Depressing. I think you all get a prize. Whatever it is, that's what's happening when we isolate and when we choke off the commercial and residential interaction with the lower mainland and I have to say, this riding has 4 ferries that are essential to people who live on Texada Island, the upper and lower Sunshine Coast and the islands. I think that this particular approach hasn't worked in the past and there is evidence to show that so I'm disappointed that that wasn't contemplated during this round. One thing that the Auditor General has always recommended is that there should be a vision for BC Ferries. The Commissioner's report said that there is a lack of vision in the company; it needs to establish what that vision is. You would think that would come before these kinds of proposals are met. Without a vision we are

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having trouble getting where we need to be as a Province. One issue is the utilization. You are telling us that our ferries are not being utilized to their capacity. Well you never asked; if our boat was 46 percent smaller we would have 100 percent full. When you look at the reality of the way this question is framed. The least used ferry is not the least important ferry. I think that any Government that prides itself on being good managers should have contemplated or considered on doing an impact assessment on plans for changing our entire transportation system and in fact having a dramatic impact on our lifestyle here on the Sunshine Coast. It is making a lifestyle that all British Columbians enjoy, less enjoyable. We have heard from students and we know there are not a lot of young people here but I think they know we are representing their voices as well when we talk about their need to access other high schools for interaction in sports or in music or in drama or just the interaction that other young people enjoy in this Province. I've done 3 nights and I've run out of a bit steam but there is one thing that was brought to me in the line. That's that BC Ferries is one of the only companies that consider a 12 year old an adult. If I was 11 years old I'm thinking "When I'm 12 I'm going to get to go on a ferry and gamble!" I hope everyone realizes that their voices have been expressed in all parts of the Sunshine Coast and if the Government doesn't make changes it's because they have decided not to listen.

C: *Sara Bujan:* My name is Sara Bujan and I am acutely aware that you have heard of all these things before and we appreciate you for at least your presence. I have travelled on ferries for 50 years and took 14 years to get this card and I'm speaking for commuters, but commuters go through hell here in the summer and it continues right the way through the year. There is absolutely no reason why you can't assign a lane and give the commuters, I would hesitate to say because I don't think that would be in my pipe dream, but give the commuters a Resident card so that when they come, they show that, they go in the line and they are given priority boarding. I've spoken on many occasions and it does not require money. It only requires one card. So I would like you to say that you could put that as a Christmas present for commuters who keep our economy going. Thank you. I feel we have to move forward. Decisions have already been made here. The meeting is fait du compli, but we have to move forward and we have to stay positive and in my mind, this is a first positive step.

C: *Barry Janic:* Good afternoon and thank you for coming on this cloudy day. My name is Barry Janic and I'm a card carrying member. I have lived here since a card was \$9 and a driver was \$3 and to put that in time, that's in 1978. And I'm not very tall but I will be short. In my 15 years on Gibsons Council and 12 as Mayor, I met with BCF many times and I'm sure glad that they still run the ferries because Lord knows, I burned my bridges with a number of your CEOs. I'm going to be a little political, so bear with me. I'm kind of surprised that you need the input and ideas as to how to address these apparently predetermined reductions in service, from these good folks, as those nuggets of wisdom really ought to come from the well paid executive and board members whose job it is. Frankly, dealing with the singular service issue is akin to changing the band-aid on a terminal patient. I have always thought that the reason that taxpayers subsidize the generous wages, stipends and bonus of the Ferry Corporation intelligentsia was so that you can provide wise business advice, not the other way around. Our attendance here today illustrates the inability of those in charge to appropriately manage the problems that they were engaged and appointed to resolve. Nevertheless I do thank you for recognizing the obvious shortcomings and arriving here

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this gloomy afternoon. Beyond the fares and cuts I believe we seriously need to discuss just a few of the systemic and fundamental issues that have compounded over the decades and which must be resolved as they are aspects of the total problem that led us to this day. Things like: on time performance. Route 3 has the infamous reputation of having the tardiest schedule of all routes. Our ferry is consistently behind schedule, particularly on Thursdays to Sundays and holiday weekends and shoulder season and of course, the blessed summer. Sadly the failing to meet the schedule is not due to a boom in tourism. Based on the statistics I was finally provided, after a protracted FOI process, it appears not one weekend in the summer of 2013 was the afternoon schedule maintained. By the 5:50pm sailing our ferry was often 20 minutes and as much as an hour late. This insults the profit margin for this route, the Commuter. This relatively new phenomenon is likely a change in demographics and wealth transfer to the Baby Boomers. Some baby boomers do have money, there are huge numbers of non-resident property owners jamming the later afternoon sailings, completely disrupting the routine and quality of lives for the thousands of weekly Commuters who are the financial saviors to our route. This class should be coddled and not treated as steerage. Is there no way that the midday schedule could be adjusted to allow for the published schedule to be met? You are already paying overtime to the crews as you cannot maintain the schedule, arriving in Langdale beyond the schedule almost daily in the summer. Another idea: lobby the Federal Government for additional funds. I'm not going to elaborate because I know that the Ferry brass are already doing this as an item on their 'To Do' List. I also suggest, not coming home with a 'no' as an answer. The Feds understand that they have a responsibility here. Just look at map and trace the TransCanada highway. Highway 1. Does it stop at Horseshoe Bay? Nope! It actually continues across Georgia Strait to Nanaimo and down to Victoria, and speaking of which, where is our federal rep and affected MP's on the issue? Perhaps our Local MP thinks we can run on the water for exercise. Terminal Upgrades, rationalization and fares must be discussed and agreed to before the commencement of any plans. Why Route 3 should be expected to pay 41 percent of \$100 million refurbishment of Horseshoe Bay needs to be explained and principles confirmed before any actions, because we have our own terminal to upgrade. These improvements are almost a decade overdue. How could Langdale travelers possibly be expected to pay for both? It could double our fares. The public can never determine, if it's the Government, or BC Ferries or the Ministry of Transportation and Infrastructure that's culpable for these antics because the parties deliberately feign a blame game. Each eluding that it's the other that is responsible for this duplicitous and ruthless but very clever mismanagement. To this issue if all parties are hell bent to reduce the seniors subsidy, then I'm convinced that I will not see in any event, why not reduce the full subsidy to employees, executives, board and their families? And, the preferred boarding privileges that are not considered a taxable benefit. Then maybe the young people up to the age of say, 16, could travel for a much reduced fare. They would easily pass the means test. Prior to any change, why would BC Ferries, and the Government not have the decency to appropriately acknowledge citizens to conduct an objective and comprehensive socio economic study to understand the implications. It is juvenile to say that the reductions for our route are a simple, well 1 or 2 percent, without truly understanding the results of the loss of those critical sailings that are spoken about earlier, no matter how many residents are travelling on that sailing. Last Saturday Highway 99 was closed for about 11 hours due to a tragic accident. That is only .0001 percent and look at the chaos that loss of a link had on travelers and the businesses of Whistler. You wanted ideas? I'm sure we all have many more. For example, it's been mentioned, why not

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seriously consider using BC Natural Gas, our own LNG, to fuel vessels? Ignoring the GHG emissions benefits, savings in fuel costs and engine maintenance when compared to the capital outlay for refits, it likely presents a logical and solid business case. And finally, as we could all go on a long, long time, it would be most disheartening to hear that this entire reductions and savings strategy has more to do with the punishment of voters in residential communities than finding practical alternatives for a chameleon corporation that continues to be managed more by political will than by common sense. I can tell you that if the people of the Sunshine Coast are not listened to loudly and clearly, you will experience a mutiny like you have never seen. These ships are our highway, they are our lifeline to the world. I do not see these people giving up any portion of that link without real confrontation and significant cannon fire. Thank you.

C: *Ray McNally:* My name is Ray McNally and I have lived on this coast since 1996. I moved here with my family, to start a family. I had one son and then we had another. We bought a house and it was affordable but there were no jobs for me. She worked in the city so she had to commute on the 6:20am every day and come home to the family on the 6:30pm you know, a 12 hour day. Sometimes the ferry is late and that's a 14 hour day and a long time to not see our kids. I used to work in retail sales when I lived in Burnaby, but when I came here there was no job for me. So I had to diversify my life. So I started my own business. I started a web design company and I was doing well up to a certain point. And now with the economics of the ferry, lot of my clients are in the tourism industry, their jobs are affected because of your higher rates and so less people are coming here so when their businesses are affected they can't afford my services. I had to raise 2 kids and we put them through school, high school and then came college and they couldn't do it here because they didn't have the courses here and with my limited income we had to combine our forces for them to go to school and they graduated. But a big impact is, they aren't living here, there are no jobs for them here. I can't see my kids now. So it affects me personally but it also affects my business because a lot of the businesses here can't afford my services any more. I have to commute or do something of that nature. When you raise prices to pay cover your costs or whatever, it's alarming to me to see and hear about bonuses that CEO's are getting or whatever it may be. It's an imbalance to our community on the Sunshine Coast, where a lot of people can't see their grandkids and I can't see my kids for Christmas or anything like that. It's expensive for us to live here. Socially and economically it affects us here. With that in mind, I find it disturbing that we have a system that tries to get tourism dollars here when they don't have the right plan in action to do that because people will not pay more to go somewhere. Give them a deal.

C: *Fran Diamond:* Thank you for this opportunity, my name is Fran Diamond. I live in Sechelt. I moved here three years ago. I'm a senior one of the things that enabled me to consider moving to Sechelt was the fact that I could commute on the ferries Monday to Thursday. The seniors thing is very central to me. The issues have been well presented here this afternoon. My question at this point is what are we doing about accountability here because this is what it's all about. I very much appreciate that we have heard all the presentations this afternoon and getting very attentive looking faces but we have heard repeatedly people saying that these issues have been presented for years and years and they don't get responded to, they don't get heard. We hear that people in management are paid \$60,000 bonuses to come up with ideas like taking away senior discounts. The decisions being made are not decisions that are serving the people, that are serving the needs

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of community for growth and development and sustainability. The points that have been made here clearly and eloquently have to do with quality of life, sustainability, and success for our communities. We need the government support for hearing and responding to meeting those needs.

- Q: *Barry Cavens:* I'm not going to take much time. A couple more points to make. One is, Judy, on the questionnaire, there are individual questions under section 4 for all of the routes and at the bottom it says please provide comments for consideration prior to implementation of these changes. I sent a question in to the website and I thought we could talk about it here because people are coming up to me and asking, 'What happens if I don't fill out all these sections for all the routes? The only route I know about is the one I use, for route 3.' The concern that I've heard is that if they don't fill in something when these are tabulated from people across the Province, is it going to be assumed that they approve of it?
- A: *Judy Kirk:* Absolutely not.
- C: *Barry Cavens:* That isn't explained here and maybe it should.
- A: *Judy Kirk:* In answer to your question Barry. Absolutely not.
- C: *Barry Cavens:* The people in this room once again know that but others in the community have asked me that question so it's probably a concern that should be mentioned at other meetings that are coming up.
- C: *Judy Kirk:* I'm happy to mention it Barry, it's never come up yet but I'm happy to mention it.
- Q: *Barry Cavens:* It came up last week when I sent the email.
- A: *Judy Kirk:* Fair enough. I just haven't heard it here.
- Q: *Barry Cavens:* In terms of consultation, BC Ferries is a contractor, we've heard that and they are providing a service to the Ministry. There are Highway contractors on the coast who are doing a good job providing service to the Ministry. We have an office on the Sunshine Coast for the Ministry of Transportation and Infrastructure. They attend every meeting, as Donna Sugar mentioned of the Transportation Committee and so we have the Ministry representation at the table. What the Ministry has done in this process in the last number of years is come to the community once a year and I wonder whether they should have someone in the Transportation office on the Sunshine Coast, as ferries are as important to us as highways, Someone directly from the Ministry, not BC Ferries. I'll stand here and say that BC Ferries has been good in terms of providing information to the FAC and they have worked as best they can. But they are an intermediary. If it's important enough to have somebody here looking after the high school, doing the road maintenance, looking at the road matters, maybe the process, in terms of consultation is to get the Ministry here on an ongoing basis. I'm not sure it's fair to them to come once a year and try to understand what happens on Sunshine Coast and how it impacts. BC Ferries commissioner came here several years ago and his consultation was held in very high regard. He listened and made a very good report. One of the statements he made was that: 'The contract should set a target', which he's done. He also said to 'Empower the Commissioner to approve changes to the schedule, following public consultations and with consideration of the best interests of ferry users and taxpayers.' I'd like to ask the Ministry, do we feel that we have followed the intent of that? Have we made the decisions with due respect for the consideration to the best interest of ferry users and tax payers and done it, prior to the announcement? What the Commissioner said was 'Let's do it following public consultations.'

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- C: *Judy Kirk*: Thank you Barry.
- C: *Barry Cavens*: Can I have one more comment?
- C: *Judy Kirk*: One more then we'll get the answer as soon as you are finished.
- Q: *Barry Cavens*: Our ferries are not the only transportation link in the province. But are we closing any roads in the Province that people use to go back and forth to work without involving those people? Have we shut down one yet and are we setting a precedent?
- A: *Lynda Petruzzelli*: I'm quite familiar with the review that the Ferry Commissioner did. He made 31 recommendations to the Province for changes. The majority of those required some legislative changes to the Coastal Ferry Act. The Province did follow up on those changes and amended Coastal Ferry Act. I'd be happy to chat with you as we're closing up the meeting Barry, if you wanted to talk about that report in a little bit more detail. But those recommendations were accepted by Government.
- C: *Barry Cavens*: I understand the recommendations but in his comments he made the comment that it should be after consultation and that he should have a role. I have the quotes from the report right here in front of me.
- C: *Judy Kirk*: I hear you Barry. Thank you very much.

3. Closing Remarks

Judy Kirk wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on December 2, 2013 at the Sandspit Community Hall, Sandspit, B.C.
FACILITATOR	Nancy Spooner, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Joanne Doyle, Manager, Master Planning, BC Ferries Lisa Santos, Kirk & Co. Consulting Ltd., Meeting Recorder David Pankratz, Kirk & Co. Consulting Ltd. Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants were concerned about decisions being made without an understanding of the socio-economic impacts of the service reductions.
- Participants opposed service reductions and said that:
 - Cutting early and late sailings will further isolate an already struggling community, which relies on the ferry for banking, hospital visits, and high school and social events.
 - There would be a loss of jobs and businesses that will occur as a result of the planned service reductions. Representatives from a logging operation, fishing guide company, and a guided tour company explained that the 11-hour window would not allow them time – either for a full work day (factoring travel time to get into the bush and get out and back to the ferry) or to complete a day of fishing or touring, with the distances involved.
 - Tourism operators were also concerned about the lack of notice, given the fact that many have sold tours and made commitments for the coming tourist season.
- Participants want to see BC Ferries returned to the control of government as part of the Ministry of Transportation and Infrastructure.
- Participants were very unhappy about the perceived lack of fairness of inland ferries users getting free ferry travel, and suggested that the savings could be found if these ferry users paid for their service.

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DISCUSSION

1. Welcome and Introductions – Nancy Spooner

Nancy Spooner welcomed participants to the open house, and explained the format of the Q & A. Nancy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- C: *Kevin Richter:* It's really important to hear from you tonight. To hear how these government decisions can impact you. We are in the planning stages. To give you a bit of history as to why we're out here, back in 2012, the Ferry Commissioner prepared a report, and he talked about fares, he talked about pressures facing the ferry system rising fuel, labour, capital investment and declining ridership. He said that action had to be taken to have the system to be sustainable into the future. Government put another \$86 Million into the system, BC Ferries was asked to find another \$54 million in efficiencies, and we went out last year in November and December to engage communities about long-term strategies to make the system sustainable but also to engage communities about considerations about service reductions. Elected government officials decided that there would be service reductions, and in order to make those, we came out and we asked the public for their thoughts about considerations. Considerations like where we should make the service reduction, should it be based on the significant annual shortfalls on the vessels, vessel utilization, if there's going to be replacement in the vessels, capital investment, buying new vessels, and improving terminals, route complexity, but trying to balance that with providing service level. Government also made the commitment that prior to any service reductions that we would come out to the communities. We are coming out to hear from you what these decision mean to you. Government has been clear that there is will be \$18.9 million in service reductions. There is only a plan on the table, the elected officials will make the final decision, so it's really important to hear from you, to fill out the feedback form about what it means to your community. Also, what ideas you have about what a schedule could look like with these types of service reductions. We are also having some other measures. We are looking at the long-term of the system, so government is looking at other measures like the senior's discount program, looking at the introduction of gaming, passenger service.
- Q: *Unknown:* Why are you here? How do you think we feel about these draconian cuts?
- C: *Nancy Spooner:* Excuse me sir. There will be plenty of time, 2 hours to come to the microphone and have your comments recorded. I am going to ask Kevin to finish his introduction, and then a quick introduction from David and then we'll get started. Thanks Kevin.
- C: *Kevin Richter:* We are here to listen to what it means to your community and to also solicit any ideas you may have.
- C: *David Hendry:* The reductions that were shown on the schedules are not necessary reductions that would hold. We didn't want to be presumptions and come out with new schedules. As Kevin said

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it's very important that you give us feedback on what sailings are critical. We are looking for input. We still need to achieve the same net savings, but the changes may not be the ones we have listed on the schedule recognizing that there is very limited flexibility to make those changes. BC Ferries will be coming out in January to talk to the Ferry Advisory Committees. They are the Committees that are the liaison between the company and the community. We will be coming out January to talk to the FAC's and if there are opportunities to make changes, so it's important to make your feedback known and that will be factored into those meetings in January.

Q: *Nancy Spooner:* If there is anyone that wants to take a position at the microphone and make a comment or ask a question?

C: *Sandra LaRose:* What I am worried about is that we are a really small community. A lot of people move away. It's really hard to keep the jobs here. Cutting that first run, there's people who do work over here that won't be able to make it on time. That's a huge issue. It's not as busy as it looks, but that's their livelihood, to come to work here or to work over there. In the summer they will be back. We don't have peak season changes. That will cut tourism, and we don't get that already because of seclusion. But if you cut off those nightly sailings there will be no one coming here in the summer, you will take that away, fishing lodges and groups that have people going to the other side to fish and stay here. It will cut tourism that we desperately need to keep this town going. For us who are here, we don't want to leave and it feels like we are getting cut off. Everybody is getting cut off. Even for the summer, even to keep some of those fares. I understand it's a lot lower in the winter, but it's really going to cut us off completely.

Q: *Gene Hainstock:* I'm a taxpayer in Sandspit. I have been dealing with you people for a couple of years on this issue trying to find information, and it's like pulling teeth. I've found out that Ministry of Transportation and Infrastructure provides free ferry service to all fresh water runs in the province to the tune of \$18.7 million. That's a gift that they are being given for living in the interior with alternate routes. If they were charged fairly similar to our changes, this would generate upwards of \$40 million a year going on 2011 ridership stats. What rationale is given for penalizing people who want to live on coast?

A: *Kevin Richter:* Numbers you had for inland, it's actually over \$20 million that is provided to pay for the inland service. The province is contributing over \$200 million to the coastal ferry system. The subsidy per vehicle works out to \$18 per vehicle on inland and \$23 dollars per vehicle on the coastal ferries, so the subsidy to the coastal and the inland are comparable.

Q: *Tina:* Why do you subsidize freshwater ferries when they have alternate routes?

A: *Kevin Richter:* The inland system has been around for a while and government at the time had the inland service provided. Some routes don't have alternate connections, so some do have to use the ferry route to get to the communities. The coastal system has a long history where the service was provided by private contractors, and there has been a payment for service. The subsidy government that gives the inland is the about the same for the inland as it is for the coastal system.

C: *Nicholas:* I would just like further clarification because you are saying the subsidy is approximately equal, in fact it is actually a bigger subsidy that is being given to the coastal system. Why is it that

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- the inland fresh water ferries have free service and the price to cross back here from Skidegate is more expensive, if we are being given a subsidy that is greater than the freshwater system?
- A: *Kirk Handrahan:* The inland ferry system is relatively inexpensive to provide being that it is in fresh water. A lot of the routes are quite short and run by cable ferries, there's only a few free operating ferries. The general cost is \$21 million to provide service each year. The cost to provide the coastal ferry service on 25 routes is \$740 million a year. They are both ferry systems, but one is dramatically more expensive to provide service than the other. We look at that we are providing about the same taxpayer level of support to both systems. While some have alternate routes, it can take 3, 4 or 5 hours to get around.
- Q: *Evan Putterill:* I'm questioning the logic of using a per user comparison when your comparing 20 minute sailings on the inland routes with 8 and 20 hour sailings on the northern routes. Do you have more statistics on that; perhaps a per kilometre comparison? It's about results. How can the government justify the result of having unaffordable ferries on the coast and free ferries in the interior on rivers and lakes? How can you justify that difference in policy?
- A: *Kirk Handrahan:* It's the difference in the cost of providing the service. One is very expensive to provide. I don't have kilometre comparison, but really it goes back to what the taxpayer is supporting? There have been concerns of level of the fares. That's one of the reasons why we are here. We are looking for ways of keeping the fares down, which includes putting more provincial funding and taxpayer funding in. Ferry fares have gone up, but by less than what they would have. We are looking at BC Ferries finding efficiencies and savings from service operations. We heard clearly, concerns about the affordability of fares, and these measures are in line with trying to bring those costs down for the user.
- Q: *Evan Putterill:* In March 12, 2003, the Province of BC issued a press release that promised to publish route schedules two years before they were introduced. In addition, they promised the fare increase would be modest and predictable. How can you justify what's happened over the last 10 years now when it comes to commitment modest fare increase? And how can you justify this change in schedule in the next couple of months when there was a commitment at that time to publish schedules two years in advance to allow for communities and businesses to adjust to the schedule change?
- A: *Kirk Handrahan:* There's a commitment to publish the schedule system, needlessly to say they don't change all the time and can change for a variety of circumstances. We are trying to provide people with predictability around the services that they contract out. It's clear that government has been on this path for quite some time to do some service reductions. We came out last year saying that we wanted to provide some savings from service reductions, and now we are coming back out with those planned service changes.
- C: *Don McNeice:* He didn't answer the question. Maybe he can answer it.
- A: *Nancy Spooner:* The question has been asked and answered and we have somebody else waiting with a question. I'm sorry you are not happy with it, but it's the answer that has been provided. It's the answer that has been provided. Would you like to ask your question, sir?
- Q: *Don McNeice:* It would be good to get an answer to the first question.
- A: *Nancy Spooner:* The answer has been provided and I'm sorry but there is no other answer to the question then the answer that has been provided.
- C: *Unknown:* I thought you were a middle man.

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- A: *Nancy Spooner*: I am. We also have quite a few people waiting to ask their question. I ask you to please be civil and let's have a civilized meeting. We have somebody else at the microphone. The question has been asked and answered, and we are going to another question.
- Q: *Don McNeice*: I own Bridgeview Marine in town here. I came here approximately 8 years ago as part of my business is up here. My cost with BC Ferries has gone up in excess of 30 percent, the service level is going to go down about 50 percent. Some of my staff live on the other island and cannot put in an 8 hour day with this schedule. My staff on this side who have to work on the other side to do different jobs cannot put in an 8 hour day. So you've cut off 50 percent of my business that I can do on either island. How are you going to provide a service to taxpayers of Haida Gwaii? We cannot put in an 8 hour day. We do not have early sailing so they can get here on time and put in an 8 hour day and we don't have a late sailing so they can get home.
- A: *David Hendry*: What's being presented here is basically the operating hours are approximately 11 hours. So the first sailing to the last sailing, that would end up back at Alford Bay, would be approximately 11 hours.
- Q: *Don McNeice*: You're missing an hour on either end sir. My business opens at 8 am and closes at 5 pm.
- Q: *David Hendry*: Like I said, it's an 11 hour operating perimeter. When the ferry start in the morning is something that is possibly subject for input in terms, it 7 or 8 am in the morning, as shown on the board. But the operating hours within that is 11 hours, depending upon when your business starts, it would provide 8 hours within those 11 hours.
- C: *Don McNeice*: We miss an hour on either end. Opens at 8am and close at 5pm
- Q: *David Hendry*: 11 hour operating perimeter from when it starts. The actual operating hours beyond that start time are approximately 11 hours. Depending on when your business starts it would provide for 8 hours within those 11 hours.
- C: *Nancy Spooner*: Thanks David. Does that answer your question Don?
- C: *Don McNeice*: Yup.
- C: *Derek Botchferd*: I am owner and operator of Properday Lodge. We own a unique business that operates strictly in the wintertime. We take steelhead fisherman. It's our fourth year, we've grown by 30 percent every year. Our guests explore the entire islands and stay here in Sandspit the entire time. We do fishing on the other side. By taking away our 7 am ferry you have cut our day so that there's no point in even going. We have limited daylight to fish, so we have to be back at a certain time. By the time we get to the river we won't be fishing until 10am with this new change. We have invested time and money to get this set up and this shouldn't even be on this side. You have taken our business away by removing that. I think it should be considered that everyone here has been asking for that first ferry, it's just an important thing for the economy on this side. We are one of several people who will be screwed by removing that 7 am.
- Q: *Audrey Putterill*: I'm sure you can sense the frustration in this room. I am going to ask the panel here, why would you come here to our small community without first doing a social-economic study for this small island of Moresby? Thank you.
- A: *Kevin Richter*: Although we haven't commissioned a social-economic study, we have asked people last fall about considerations to inform a decision about service reductions. That's why we are here now. We want to hear from you. You know best what impact it has for your community. I've been

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hearing loud and clear that the impact of not having that first sailing, so I'm asking for your feedback as to what these impacts are for your community. So I can inform the elected officials of the impact of your community. There's going to be a report to inform them of that impact to your community.

Q: *Audrey Putterill:* Is this the third time that you have been here?

A: *Kevin Richter:* This is the second time. Last November and December I was here, and I was asking for input on the considerations, but also long-term strategies, such as looking at LNG propulsion, looking at what types of services could be on the boat, asking those types of questions. The Ferry Commissioner was out here previous to that.

C: *Audrey Putterill:* We have had two meetings, so this is the third meeting in our community. Thank you.

Q: *Evan Putterill:* I just wanted to ask another question on social-economic or economic impact assessment. To put context on this when I met, had a telephone meeting with Minister Lekstrom early this year or late last year, he made a commitment to do economic assessments. Government commitments on the phone don't mean anything these days. It seems like it made sense to him and me at that time that if you are hell bent on making these cuts at least know what their impact would be. I'm just wondering if the panel thinks it's a responsible thing to make cuts to services, without understanding what the results of those cuts would be.

Q: *Nancy Spooner:* So to make sure I understand, your question is why were the cuts done without a social-economic survey?

C: *Evan Putterill:* Okay. A bit of a rephrasing, but yeah.

A: *Kevin Richter:* I think it's important that we're out here in the community. That's why we're here to hear from you. The government thought getting the considerations and engaging with communities last fall was a step in that direction, but absolutely by hearing from you and the community prior to moving forward with any final decision.

Q: *Evan Putterill:* Okay, so I am just trying to get that there are no impact assessments and there won't be an impact assessments? All you guys are going to do is come to these two meetings and get info from us. If we go to our last round of meetings and the questions asked. Those questions and answers informed this process, but those questions were biased from the beginning. You had a forced ranking scale for how you wanted us to deal with these service cuts with 5 or 6 questions in it. So people would say what's my number one choice to cut services? And how that was sold was that people were in support of cutting services. They had no choice. If you really wanted to get that information, the question you would have asked is do you think the solution to the ferry problem is slashing services? If they answered yes, then they could describe how should be done. But that wasn't done.

C: *Nancy Spooner:* I will answer that question because we took that input and produced the report. The report had many parts to it, and I don't know if you had a chance to read the report but the report had all the key themes to meetings, also from the online feedback, and also from the stakeholder meeting, and there was an indication clearly that they didn't want any cuts. That was recorded and made very clear in summary report. So specific questions, yes there was some agree scale questions about how we would go about doing that and what was most important. But people made it absolutely clear in feedback forms that there is a whole page blank for you to tell us

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- how you feel any particular subjects going forward, and that's where people made it loud and clear that they do not want cuts of any kind.
- C: *Evan Putterill:* I am just trying to make the point that because there was no impact assessment we are relying on processes. It's problematic when the summary report made it look like to me and I did read it, it looked to me as if 58 percent of the people, I am throwing the number out because I don't have it, support cutting services based on capacity utilization.
- C: *Nancy Spooner:* There was two parts from that report. One part from the coastal communities 41 meetings, and second part of the report was a province-wide poll. The 51 percentage, I cannot remember, that you are referring to was a province-wide separate poll not part of these meetings.
- A: *Kirk Handrahan:* There was a question last time and in the report: please rate your level agreement with BC Ferries to achieve a \$26 million in saving by 2016? That gave people an opportunity to say whether they were opposed to having services cut or not. And that came out that 47 percent agreed and 46 percent disagreed.
- Q: *Evan Putterill:* The Union of BC Municipalities meetings over past 4 years have brought resolutions and recommendations on each of those year's two-part resolutions. The first part is that we need to see fairly and we can't have service cuts. Those were debated by thousands of delegates from communities all across BC. The delegates knew what it meant and if there weren't service cuts that it would mean that interior would need to provide more tax dollars to support the system. They knew that and each year all delegates voted unanimously in support of those resolutions. So with that amount of support for the marine highway system, how can the government justify what it's doing?
- A: *Kirk Handrahan:* The government is trying to balance the interest of the users, the taxpayers and the ferry operator. The elected officials have made a decision to achieve that balance through service reductions.
- C: *Bob Prudhomme:* Of course you said there is 11 hours of sailing. That sounds like lots of time to work. If a worker comes from the other side at 8:30 he won't make it to Sandspit until 9 or 10 am at the earliest. To get back to 5:30pm sailing, he has to leave here at least by 5 pm. So that's 9-5. When does he eat lunch? If he has to work in the bush he's likely to get a 6 hour day. Do you see anything wrong with this? You should be on Madison Avenue selling cars or something because that 11 hours sounds like lots of time, but it's not. You're lucky to get an 8 hour day in.
- C: *Jim Henry:* What I find interesting about this whole process, and you bring up fact that Ferries have been here three times over the last several years, yet the implementation of the service cuts as far as I'm concerned this is the first time that I knew about the new schedules. What I find unusual is that there wasn't any phase in, three years before being implemented to say approve or not or can they be tweaked to serve this community. When you ride on BC Ferries, the people that you are serving are the people who are riding on the ferry. They are not serving the people of Victoria and Vancouver. There is another ferry that does that. So the service cuts in my opinion should have been presented in more timely fashion. They take place on the first of April. You haven't mentioned any opportunity to perhaps modify those new service schedules. I agree that I don't like new service schedules and would like to see them changed. I don't know how that's going to be achieved. There are some models out there, not sure what you did with Denman and Hornby, but there used to be late night schedules. For us to live on Moresby Island, and get on the Northern

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- Expedition, if the last sailing is 7pm and the Northern Expedition doesn't get in till 8pm we are hung up on other side till next morning. Presently, the tug and barge, they stay over there until the big boat comes in so they can get home the same night. I don't see in this new schedule any opportunity to address the needs of this community and the people who really ride on these ferries that serve these islands.
- C: *David Hendry:* Those are great points, Jim. That's the kind of feedback we are looking for. We don't know if we have overlooked things. There's 25 routes and we don't want to make promises, but if there's an opportunity to have one late night ferry a week? I don't know. But that's the type of information we need and how it would service the community. That is the type of input we need and we will be coming back in January to discuss with the FACs.
- C: *Christine Whiteside:* I'm work as a casual for Regional Library. I work at 4pm, what has happened I used to work in Port Clement but had to take my name off the list because I won't even make it home. I'm affected because the ferry would leave for Charlotte for a lot of my shifts. That's Tuesday night and the library closes at 8 pm, and I think about the high school students who want to study late at library. Again, activities on Friday and Saturday nights if I would like to go at a dance in Charlotte, and we will be even more isolated from the other communities on Haida Gwaii. It's hard enough being isolated on Haida Gwaii without being more isolated in Sandspit.
- C: *Cathy Baran:* I teach at the local school here. If that goes ahead with the cutting of first schedule, our principal lives on other side, and she can't make the start of the school day at 9am. She and I spoke and brainstorming ways for her to deal with that and there is some school board housing and she could stay there. She owns on the other side. I would be really concerned that she would lose interest in her job and I think that's a real important job in this community. Thank you.
- Q: *Joanna Brunsten:* You may recognize me from last time. I'm a professional archaeologist. I am the only one on Haida Gwaii. My jobs take me all over the island, but for me to work an eight hour day in Masset? Impossible. To get home to my children and feed them and cook for them, that's ridiculous. The question I would like to oppose to you again is: how did you get here? How did you get here? On the ferry? No, because it's time consuming, inconvenient, expensive.
- A: *Kevin Richter:* We have 23 meetings--
- C: *Joanna Brunsten:* The rest of us have lives and businesses too.
- A: *Kevin Richter:* We are trying to get to the meetings as our schedule can permit. The majority of trips we are taking are on ferries. But to make sure we can get to communities to hear from you, we are catching some flights.
- A: *Nancy Spooner:* We are taking ferries as much as we possibly can.
- C: *Evan Putterill:* An interesting conversation with Councillor James. We were talking about Copper Bay, a first nations fishing village over on this side. It was an interesting conversation. Since there was no assessment done prior to cuts, did you know that these cuts will restrict access for First Nations to traditional food sources?
- A: *Kevin Richter:* Again, we're to hear from the communities what these impacts are, and so we want to hear what all those impacts are. If they affect First Nations, I want to hear wants happening and I

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- will report that back to the elected officials. It's important to hear from the community of the impact.
- Q: *Nancy Spooner*: And further to that. Is that person filling out the feedback form, or do you know if they will be speaking at the meeting or any meeting?
- C: *Evan Putterill*: No. I bring this up to make a larger point you don't have the information because there hasn't been any assessment done. We are looking at cuts in April and you guys have no idea what the economic impacts are going to be, the social impacts are going to be, the cultural impacts are going to be. You guys don't even have a clue. So wouldn't the right process be if the government is so hell bent on making cuts to slow down a bit, to do this analysis and to have the information necessary to make good decisions. I'm asking a question, wouldn't it be the more responsible method to take? Yes or no?
- A: *Kevin Richter*: The idea of doing that, I think that's something that you can put in the feedback form, to tell the elected officials that you think the process should be slowed down. Before final decision is made that it has to be made that that has to be considered.
- C: *Nancy Spooner*: And that is on the record, as well as anybody who puts it into their feedback form.
- C: *Gail Hoss*: I am a senior and retired. I wanted to support what Evan has said about the economic, social and cultural impact on this community. As a senior I rely on teachers that come over to island in the evening. The teachers come over here as volunteers after their work hours and teaching a Tai Chi group, for me it's a medical thing, preventative health. As long as I'm in Tai Chi I'm doing it for health. If they can't come here we are alone without instruction. That was only one. There was a yoga class here, and I'm sure there were other services but because of increasing fares this is done less and less. I hate to see it completely cut out.
- Q: *Alan Hunt*: I work here on the island and I live here on the island, and I like it. I don't want to leave because the ferries have been cut off and we been left stranded. Why are you guys doing such a piss poor of job running the ferries? The ferries are here to bring people back and forth. The ferries are part of the highway system. Why am I being told that I have to tell you what you are doing wrong with your business? Any other business in the world would be out drumming up more business for their company. Any other ferry in the world should be saying: why don't we take more people to the Haida Gwaii? Why don't we tell people what is available on the Haida Gwaii. We don't we drum up our own business to keep ourselves in business. I have yet to see a business anywhere that has made significant cuts to their company and survived. You can't make a business by making cuts. Eventually you have to recover from your silliness and start expanding again. All you're talking about is making cuts. All I am hearing is negative. I don't understand why we have a marine division to take care of the ferries. Why not part of highways act? They used to be. There used to be a lot of things. If the highway is closed for 3 days a week because you don't want to pay price of maintaining it anymore, then I suggest you go down to Vancouver and close the Lions Gate bridge and tell people they can't use this bridge this week because we don't want to pay for it. I keep hearing stories about how government giving away money, the government is dumping so much money into BC Ferries, and yet they are floundering. It's being run poorly, and they are not doing anything to drum up their own business, and for some reason they have hung it on us, the people who live on small islands. I don't see why BC Ferries is separate from highways. We were talking before about fresh water ferries. Why is there any difference?

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- C: *Nancy Spooner*: I am hearing two questions.
- C: *Alan Hunt*: You're hearing three or four. I just haven't phased them yet because I don't know where to.
- C: *Nancy Spooner*: I'm just trying to figure out which questions we can get answered for you. Why the ferries are not part of the highway system? What are we doing to market the ferries? Why aren't we out there selling our business?
- A: Kevin Richter: We aren't just talking about service reductions. Other things have happened. The government has put additional money into the BC Ferries. The government has changed legislation to give more powers to the Ferry Commissioner to watch what's going on. BC Ferries has been asked to achieve an additional \$54 million in service efficiencies. Elected officials have decided they cannot put any more money in, so instead of having fares go up even higher, we heard clearly last year, and the Ferry Commissioner heard that fares are too high. So service reductions is also a part of the strategy, as well as, long-term strategies and we have consulted last fall to try and get a handle on all these cost pressures on fuel, on labour, on declining ridership. The idea about service reductions, the consideration was there are some routes losing a fair bit of money. Either the government needs to put in more money or if they are not being used, to look at service reductions. Whether the ferries are in highways department or outside it, you are still going to have labour costs, climbing fuel costs, and huge capital costs. Elected officials have decided they have put in enough and they're looking at these other options to try and deal with the problem and try to make the system sustainable.
- C: *Alan Hunt*: Reductions will not grow your business. Reductions will not save business.
- A: *David Hendry*: I wish all of us weren't here talking about service reductions. Any business wants to grow their business. We have a government that stipulates what the level of service we provide. We have taken out a number of round trips out of the major routes, probably about 6 percent in last 5 years. We have adjusted because the economy has come down. Most transportation has adjusted. They take flights out, put more seats on the planes. BC Ferries doesn't have flexibility. It's a fixed cost system. We have a service contract, where we can, we want to grow business. We want people to travel on the system, obviously that will help the fare pressure. Our Victoria centre spends about 30-35 percent on marketing Northern routes. We market our northern routes, inside passage, and service to Haida Gwaii. We are seen as monopoly, but feel that there is discretionary traffic people can take planes and other transportation. It's in our best interest to grow business and market it.
- Q: *Alan Hunt*: How many people in the room have seen BC Ferries promoting northern transportation? How many have seen ads saying, "go to Haida Gwaii?" You're not doing a good job at promoting yourself.
- C: *Joe Precourt*: I work at the Sandspit Airport. My background goes back 39 years in public transportation. You guys are from the Ministry of Transportation. I worked for Alaska State Department of Education in charge of school transportation for the entire State, and that included was including ferry transportation in south east Alaska. I understand the difficulty when you work for the State and legislature says you have X amount of dollars. That being said, I have heard the message at the opening meeting that you are here to take input and not to play defence. I hope that's sincere because I don't want to hear you have an 11 hour period. Well that sounds like you are not open for discussion on that, and that has a different ring to it, to the people of this room.

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We want to discuss, and you heard several indications how inconvenient that 11 hour window is and realistically it can be very difficult when people work back and forth. There's a couple of things around that window. We have all been on ferries where our vehicle was the only one on the ferry. So we understand the difficulty of supporting that through the infrastructure but we have some activities that we are very much restricted for and don't want to be penalized for that. Example, there are school activities. My daughter goes to Sandspit, but next year and the next she is going to be needing to take the ferry over. As a transport person having to budget several million dollars for school transportation sailings every hour, you could easily go every other hour or be creative. There's the rush hours, but a lot of slow times during the middle of the day. But limiting it to an 11 hour window creates a lot of hardship here. My wife recently got her social work license with BC Ministry of Health and Human Services, she is a license clinical social worker and now a registered clinical social worker. She just heard she is going to be added to the list of employee assistance services. We do get a chance to see a counsellor but after their work hours. Most of them cannot take off at 3-4 in the afternoon. If they have an 8-5 or 9-5 day, she is coming from Sandspit over to Charlotte to provide services for school district employees, employees that are employed by Haida Corporations. She has a background of critical incident, stress management, addictions, counselling to family and children's services. She is one of two people who can actually do counselling like a psychologist or social worker counsellor on the entire island. There are not many places to go with this kind of service. So you have to look at this here. We are basically saying that since less densely populated area: the islands, these traditional islands of Haida people as you well know. It's not very densely populated island, so the cutbacks to infrastructure make it more and more difficult for people to just go through their normal lives. Things that you people, and I, when I lived in Seattle or Portland took for granted. We cannot take for granted here. If we have evening activities for school for my daughter, she can't go. There's been some great things happening and we cannot go because there is no late ferry. If we restrict that even further, it's going to be more difficult for people to get involved in the communities. Please, when you're making determinations, I hope you're not set on this 11 hour window. Be creative. In Northern communities, which many are populated by as high as 95 percent of First Nations people, it sends a continued message, that goes back 150-200 years, that those communities are less important. Whether it's intended to say it or simply because those are the boonies they don't need it. Many people do not choose to live out here, this is their traditional lands. So please consider that when making decisions. Like the lady said, she went to all the meetings and no one wants cuts and the legislature said we have to cut \$58 million. Something has to give. We want to be reasonable and we understand that, but don't discount us because we are from a less population area. The message you send to us and to the people who need the services the most, which are often First Nations people, or people who are less economically and socially. Evan mentioned himself, that there has not been a strong socio-economic study of these islands to see what is the impact beyond the financial impact, what is the social impact. So I urge you to keep an open mind and certainly opening that window of opportunity. Like Don McNeice said it affects his business. They are many other business and schools that are affected by this 11 hour window. In Charlotte they can go anywhere they want because there are other communities there, but in Sandspit they cannot go anywhere else. So I urge you to keep that in mind.

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- Q: *Gail Henry:* When talks about utilization of the Kwuna run based on vehicles it would take on each run. If the Kwuna was smaller, our utilization would be higher. So we're actually being punished because of size of Kwuna. Why would you spend that money on Kwuna when it worked well for 38 years. I know that we have to refit and replace wiring, but why would you spend more money adding a bigger bridge and making it fancier when we are going to reduce the run. To me it's a waste of money.
- A: *David Hendry:* All the utilization are charts based on vehicle capacity. Smaller vessels with existing traffic would lead to utilization would be being higher. That's consistent, and your routes are no different. The Kwuna went through a three quarter life upgrade profile. We do one quarter, half and three quarter upgrades before retiring a vessel. The philosophy behind it is the regular upgrades will save money. If you leave it, you have to pay more money and with a vessel life of 40-50 years there are components on vessels that need to be replaced and change out with modern technology. It's not mean to be frills, but looking down the road to get more out of vessel before she's replaced.
- Q: *Benton:* I have lived here for 12 years. I organized the Rock the Boat protest years back. Looking through here it says basic levels should be considered to ensure the majority of users get to go to work and school. If we cut the first one, we're not ensuring the people who need to go to work and go to school are getting here. There are 25 routes, so when you say that cut backs need to be made. Will you look at each individual route and decide what they are and realize that we can't afford to cut these back and were taken off the list. Will that happen? Or is it a blanket of cuts no matter whether you need it or not.
- A: *Kevin Richter:* Government has decided there will be \$18.9 million in service reductions. We looked at all routes. We looked at the shortfall, utilization, and not just blanket cuts. As I said, we want your input about what do these reductions mean to your community? That's why we are going out and have these 22 or 23 meetings across the coast to get your input.
- C: *Benton:* We are already devastated by lack of work. We have eco-tourism and fishing, if you take our routes you will devastate us even further. Right now we are a jumping pad to the other island. This is the impact. We lose out. This community will die off even more. This is the impact.
- Q: *Anne Wesley:* I am someone who would be impacted. I'm on the first ferry, and I don't always get to come back on the 5:30 or 6 pm ferry because things happen. You talk about marketing. If I phone the 1-800 number, your Victoria marketing strategy, you get told you're on standby on the ferry for Rupert. If you phone your local office, which you guys don't have a number for anymore, we get told there's room. Why? What do they know here that Victoria doesn't know? It's doesn't make sense.
- A: *David Hendry:* We try to keep as much up to date information as we can. There will be disconnects and we try our best.
- Q: *Anne Wesley:* Well, why not leave booking here instead of in Victoria? That will save you money.
- A: *David Hendry:* I don't think it would warrant opening a separate office.
- C: *Anne Wesley:* It's not. It's the same office.
- A: *David Hendry:* The crew up here are not charged with marketing, they have other responsibilities.
- C: *Anne Wesley:* But they still answer the phone and if you ask if you can get on the ferry they tell you yes or no if it's open. If you cut the Kwuna down and the runs down to an 11 hour shift, if I have to

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- quit my job and find one on the other side, or leave my house empty on the other side and find work on this side. What about staff on ferry? What do they do? Is it an 8 hour day or 4 hours? If you cut down, they can't work in an 8 hour day. So they stop using ferries, then we go on EI or another system, and the government is still paying. The ferry employees who lose their jobs, what ends up happening? It reduces again so now you have an 11 hour window. In two years you are going to come back and say you have a 7 hour window. We will lose even more people.
- A: *Nancy Spooner*: So the question is what will be the impact be on the employees and how that's going to affect the employees and the service levels?
- A: *David Hendry*: We are working with our union and our local offices to mitigate the impact on employees as much as possible.
- Q: *Anne Wesley*: You relocate them, but that's not the issue. The issue is that 2-3 years down the road by doing that simple step it's a quick fix. You have now made an 11 hour window. You're still losing money because now there's even less people going back and forth. Does it actually fix the problem?
- C: *Nancy Spooner*: Can you please record that in your form as well? Thank you.
- C: *MLA Jennifer Rice*: I am the MLA for the North Coast, which includes Haida Gwaii, Prince Rupert and the central coast, Bella Bella Bella Coola. I wanted to hit home about the socio-economic impacts. How decisions will be made based on these anecdotal stories. These stories are very important, these are people's lives we are talking about, but where's the math that will weigh the pros and cons or add up rationale. If the idea is to save \$18.9 million, where are you accumulating the math to see the value of these people's lives. I've was miffed, mortified that two weeks ago we learned the BC Ferries top executives have their outlandish bonuses rolled into salaries, and 10 of 19 executives no longer have performance targets they just get that bonus rolled into their base salary. The following week we hear the announcements about how people's lives are going to be devastated with these cuts, and then the following week we have these so-called community consultations where it feels like these are the same stories you have heard before. I just wanted that on the record that I find it extremely insulting to the people of this province. Lastly, I won't be able to hear the rest of the stories because I do need to catch that last ferry. And that's the same problem we all have.
- Q: *Bill Rieger*: Touching along those same lines as Jennifer had, what I've been hearing is that there's no study being done. There's been a 2-3 year process to come to this point to know we have cuts. In your projections in \$18.9 million or what you're trying to save, there's no study been done and considering doing these cuts April 2014 in hopes that these cuts will give you that magic number by 2016. It doesn't make sense to me as a business that takes cut, and I don't think it's going to work. Are we going to have to go through the same process in 2016 without another socio-economic study done and maybe more proposed cuts? Basic services maintained with these cuts. That basic service isn't just a basic service, its people's lives, its commodities and everything. You have taken 3 years to come to us and say you're going to cut these things. And like Jennifer said we hear these executives getting these bonuses. Where are those people? Why aren't they in front of us? You are the messengers, but take it from their bonuses. In 2016, a definitive answer, if this magic number isn't met, do we go through this again? The second part is from another member from the audience.

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- A: *Nancy Spooner*: I don't know if we can't speculate what's going to happen in 2016.
- Q: *Bill Rieger*: Are we going to be revisiting this without studies again? Consultation services, nice glossy things to show people. Last year I was impressed, it was beautiful and it must have cost a lot of money for the pamphlets. It's coming from somewhere, and you want cuts. If these objectives aren't met monetary wise, what's the next step? Is 2016 going to be another round?
- A: *Kevin Richter*: We are looking at many strategies to help sustainability of system going to future. Government is also looking at changes to seniors discount program, and looking at having gaming coming in, looking at introducing LNG in system, making sure the vessels have no frills. Right now the government is focusing on these. The Minister has been clear that this is where were focusing, the minors and northern and finding service reductions on major routes. If ridership turns around, if fuel prices stabilize that's all going to help us.
- C: *Bill Rieger*: Sir, I'm sorry. You are reducing the sailings. Regardless if it's less than 20 percent, you are already saying you will reduce the ridership. You reduce the ridership, even if it's lowest sailing in one part, that is still a rider, and that rider doesn't have a choice to ride the ferry or not. A question was asked of you if you got here by ferry. All of us get here by ferry. For me specifically the movement back and forth, when there's family members that you care for on the other side in Charlotte hospital, that's where our family members and loved ones go. It's important to be able to visit those family members. The sailings after hours, if I'm working a 9-5 day, I don't get to go and visit my family member and say I love you and say good night because I have to work in Sandspit and make money for my family. I should be able to visit them. It's impossible for me. I need that timeframe. Family is important. With these cuts, whether it would be my children in school where their principal cannot get on the first ferry, or myself leaving in the afternoon to go visit a family member in the hospital in Palliative Care, these reductions totally take that away from me. That is my input.
- C: *Unknown*: My dad's been in longer-term care 7 going on 8 years now. I have been going over on a daily basis and now I'm cut back to every other day due to monetary reasons, but that doesn't always work, and yes it's hard. I can go over during the day, but to others, it's not a just short term deal, it's a long haul. I don't see a way around it. Even with ferry card just spending upwards of 20 bucks a day, figure out the math on that one.
- Q: *Bee*: I was told that the freshwater ferries are considered part of the highway?
- A: *Kevin Richter*: The freshwater ferries are part of the highway system.
- Q: *Bee*: How are they classified like that? What is the criteria to become classified as part of highway? We have a community where we don't have hospital, we don't have bank, and our high school kids have to go to other side to go to school. What classifies a run as part of the highway? And could we end up as part of highway again just so we can get those runs? Because we're not like Masset or Charlotte. They can go to the hospital whenever they like, they can go to the bank whenever they like. They don't have to get their children up extra early to go to school. So that should be taken into consideration as well. We are very very different.
- C: *Nancy Spooner*: So your question is there a criteria that determines when the ferry is part of the highway system and not, and could Sandspit qualify for that?
- C: *Bee*: Correct.

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- A: *Kevin Richter:* The elected officials decide on how the organization is structured. In early 2000, the Coastal Ferry Act was created and BC Ferries was created as a separate company to have it operate more like a business and not be interfered by government. It would be the elected officials that would make the decision to have the BC Ferries to come back into government. It would be the elected officials that would make that decision.
- Q: *Bee:* So as a revenue making thing could the fresh water ferries be looked as being taken off the highways, and the communities that live there being made to pay such as us? It's all BC Ferries; I don't care if it's fresh water and it costs less to maintain then it does for us. It has to be equal. It's not fair that they don't have to pay because their classified as part of the highway and say we could make more money by doing this.
- A: *Kevin Richter:* The inland system is a system that we talked about how much money they get, and the contribution by government is comparable to what is subsidize on the inlands and coastal system. They are very different systems, and at the end of the day that could be a decision the elected officials do decide. That's a decision by the elected officials.
- C: *Unknown:* With the Inland ferries, there is still an alternate route? So there is maybe a 3 or 4 hours to go a different route. Here there are no alternate routes. We don't have an alternate route.
- C: *Nancy Spooner:* I think earlier it was mentioned that some have alternate routes and some do not.
- Q: *Evan Putterill:* I think we can all agree that there is no rational justification in the difference in these two policies. It's not fair. I don't think they can answer that question. It just can't be justified and it would be great if someone could stand up and just say that: we cannot justify this policy. I got onto something that was said about BC Ferries being businesslike, which I guess they make some good decisions and some bad decisions. I will point to one decision of replacing the Queen of Prince Rupert and replacing the Queen of North with a long term contract that stipulated the number of sailings that had to be done in year. Those two vessels were nowhere near fully utilized on those schedules. Businesslike decision makers in BC Ferries decided to replace both vessels with larger capacity vessels, driving down capacity utilization numbers even further. How can that be justified? The question was, was that business like decision? We have vessels that are too big already, but we're going to replace them with bigger vessels knowing that we're going to have to do the same amount of sailings.
- A: *David Hendry:* Great question. The Queen of Prince Rupert and Queen of the North were quite well utilized in their day. With the North going, we had to make a decision quite quickly and had to go and purchase an existing vessel and we did the best we could given the time we had. It's not a perfect vessel but it does quite well. The building of the Northern Expedition was done seven years ago when the times were different. The economy was different. European travel was stronger. We were anticipating same types of loads that we used to get with the Queen of the North. Unfortunately, this type of business you have to commit to capital assets that you have for 40 years. Most times you get it right, sometimes you don't get it right. It was driven more so by an economy that impacted a lot of things. The world economy, tourism, US dollar, gas going up, all those sorts of things.
- C: *Evan Putterill:* I work in the aviation industry, and if anyone in the aviation industry responsible for that type of decision was to look at route, and say: there's 50 percent utilization and we are replacing the type of aircraft on that route and they put in a larger aircraft, they would be fired. It doesn't add up.

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- C: *Unknown:* I'm a senior. I got to ride free for 7 months. I am willing to pay half price or full price, but if you are making cuts to me why aren't BC Ferries employees getting cuts from their free fares? I know they pay tax benefits, which is like if there income tax is 33 percent on \$100 they pay \$33. I don't want any answers to my questions because they will just be performed answers. The second thing is do you realize by bringing the Prince of Rupert ferry in 2 days a week how much that will cost because our produce will cost more, because they cannot turn them around in a day? They bring them on Monday and park and unload and take them back on Tuesday. Now they are going to sit until Thursday. So that is 4 days before the turnaround. We have to pay for that on our groceries, on any freight we're going to get. That ticks me off. If Monday's sailing gets cancelled, Tuesdays is still rough, so we get one ferry a week. We get mail now with the new system one day a week. Because Monday's mail doesn't have anything because it gets cut off at 3 pm in Prince Rupert thanks to BC Ferries. When I came here BC Ferries was the be all to end all. I have been here for 33 years. This is one of the worst decisions I've seen anyone make, you are going to impact this community's mental stamina. They are going to be one of the most depressed communities on the North Coast. I would like to thank you BC Ferries for destroying a community.
- Q: *Nicholas:* We met before. We're talking about socio-economic studies. I hear this a lot. Your answer the reason why it wasn't done is because you are here now to gather that information now. Is that correct?
- A: *Kirk Handrahan:* No we didn't do a socio-economic study. We recognize that anytime you do service reductions that there would be impacts. We recognize that. It's hard to determine exactly what those impacts would be do, but were out here. The elected officials made a decision to make service reductions and get a certain amount of savings. So we put forward a plan to achieve those savings and were out here talking to communities now about what those impacts will be so we can inform the decision makers prior to making a final decision.
- Q: *Nicholas:* You guys are sitting here and my heart goes out to you because I'm seeing four people who don't seem very comfortable and you guys seem like this is an uncomfortable procedure for you. After this when you guys are having your drink, saying they didn't lynch us, were okay, what is this information that you're being given now, where is that going to go? How are you going to transmit the things you're hearing in this room, not just words, stories, but the emotions? How will you take that and transmit to that to those ultimately making the decisions? Because you are all messengers here, how are you going to transmit that?
- A: *Kevin Richter:* Each night after the meetings I prepare a note that I send off to the our minister's office and I comment on how many people were here, the distribution, if there's children, young adult, youth, seniors, and summarize your feelings. I also take the time to summarize the passion you have. I hear your frustration and I communicating that. There is also going to be another round, when I am finally back. We've be on the road, we have 22 meetings in 24 days. Some of us are getting sick, but we are weathering through it. So we're out here because it's important it's really important to me. I have my phone calls and email, and when I get back there I have an opportunity to talk to the elected officials and share with them your views. We have retained Kirk & Co. to prepare a summary report of the information that you guys are providing that will go to the elected officials. My personal commitment that as I sit through all these meetings, I am

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absorbing, listening to what you have to say and I'm conveying it in the best way possible about what you're feeling and what these impacts are.

- Q: *Stan Houde*: That report that you're going to give to the elected officials; can we have a copy of that same report when it goes?
- C: *Nancy Spooner*: those people who put their email on the sign in sheet will receive a link when the report is ready.
- Q: *Stan Houde*: Can we have a copy sent to Moresby Island Management Committee in Sandspit?
- C: *Nancy Spooner*: Can you put that information on the sign in sheet?
- Q: *Stan Houde*: I don't see how you can cut the Kwuna sailings with what we are doing now? It's hard to find out the social aspects of it. There are working people, medical and ambulances that has to get called out. It's a large expense, and lot of times wouldn't have to be if it was being run right now. Call out is \$1,500 each way and that goes onto the medical bill that BC residents pay for. Cutting sailings is really not very good. I would like to see some of the elected officials and top brass coming to these meetings instead of sucking up their big salaries. Second comment is that the BC Ferries office down there. It's huge, and it's the quietest building I've ever been in, and I've been in it. I don't see activity. I see 15 people going for coffee and then another 15 people going out. I know there is more then what happens there, but it's a pretty quiet place. I have been on the BC Ferries in September going on the Skidegate from Rupert and down to Vancouver and I got waitlisted coming back. I was waitlisted in October and now made a booking the other day that was waitlisted and then they said it will be taken off. So I look at percentages and I asked, why are there waitlists, and I found out some answers? The commercial runs are done at Rupert and Skidegate and other categories from pickups to cars to RV's only allow so many on each sailing. If you cut it down to two sailings, then make it first come first serve. No waitlistings. Either you're on or not. It is very nerve racking and it's really hard to travel that way. BC Ferries aren't very friendly. Thank you.
- Q: *Unknown*: Kevin, I'm sorry to target you, but you were here last time and you said you heard our stories and felt our passion last time. But unfortunately, it seems like that wasn't conveyed very well, because nobody heard us? So I was wondering how will you convey that this time, so that we can be heard?
- C: *Nancy Spooner*: I think he said it as fully as he can how he is going to be communicating. I'm not going to ask him to stand and repeat the answer again. Sorry.
- C: *Christine Whiteside*: Nicholas calls them messengers, I call them spin doctors. I've been to the meetings. I have a message to your about the liberal government, it's bad for the small communities like us. I've been to these so-called these meetings of input. I went to the ones in Enbridge and everyone were against Enbridge and all the north is against it and guess what the Liberal government has not appealed against Enbridge. This is what I think of the Liberal government and unfortunately you work for them.
- C: *C Gail*: I'm surprised that there aren't more seniors here who have spoken about what your plans are for a reduction. Right now it's zero and an adult fare is \$9.45, and someone said that it would be reduced by a half, and that would become the seniors. That opens us up to every year when you

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have an increase to increase that. I'm not sure if the seniors, I being one, have thought about the pocketbook end of it. It's not so much if I went over there once a week I am going to lose 5 dollars, but I also have a vehicle, so right now it's \$22. So if I wanted to go visit a friend in hospital. She was my Magjong player. One had a stroke and she's over there and she's lonely, but it was like she was my family. I don't have much family. So I try to go there and now you're going to add another \$5 or more to that, well I am going to start thinking twice. I kind of like to help people, something our friends do. Another friend lives there and she has bad eyes, so I usually go over and drive her. These things will be eliminated. Maybe I can help one friend, but how many friends can you be friendly with. She called me because she needed a ride down at the senior's luncheon next week. I wasn't planning on going because of how much it was going to cost me to go. It's the All Islands Luncheon, but as a senior I have to pay my vehicle and my passenger fee, the other seniors they don't have to pay that. But now just a luncheon, is going to cost me dollars just to go. It was kind of nice that we didn't have the fare, but we still had to pay the vehicle fee and I don't get any increases in my income. It's a fixed income. I'm too old to get a job here. I like to be productive, so I do help out here and there. This will limit it, and this is one of those socio-economic things that you don't see written anywhere. I'm sure it impacts others seniors lives here, and I am surprised that they all haven't stood up one by one and said something, except for the one that says I can afford that. Well not all of us can afford that, especially when it means what I just said. I have two friends over there that I have to look after. I don't know. I just can't keep adding \$5 here and \$5 there when I have an income that is fixed. Thank you. And as I said, where are all the other seniors?

- C: *Bill Rieger:* I'm looking on the November 18-December 20 feedback through the glossies and what I read online and great information that I am able to submit about what I feel should be done. Kevin, you said that you are on a large tour throughout the province going through all the cities. December 20 is my deadline to submit for these new changes, and my question is will you guys provide information to the higher ups that we would like them to maybe by the 20th of December put in a form as to how they can help with the shortfalls and how they can input their dollars or more time in the BC Ferries troubles. You have a lot of towns you are going to, but this is one out of how many. This input has been the same as all communities. It's a pretty blatant thing to say I'm going to tell minister what exactly you guys felt in here, that conveying is not what I see happen last time. You came and asked the questions and people gave input and now I have a timeframe to input more information, and the information is such that I have many forms but why aren't the higher ups here in front of us. Why can't they sit here instead of you four and give us the truth of what's going to happen. Because all I see are the 65 year senior and the gaming and it's really just a shadow game to the service reductions. You can count on possibly getting the gaming going and the seniors are going to get ripped off. Whatever it may be, in the end we are going to get cuts and the cuts outlined here do not work for us as a community, and they sure don't seem to be working for a lot of other communities. What I want to know is that the higher ups be put on a deadline on their input with what they are going to do. I know that in April 2014, were going to get reductions and it's going to be reductions here. You can answer it as much as you can, but are you going to convey it to the point that it's critical? It does not seem right. You keep saying the Minister wants the public to make choices. How about the Minister and the government say to the BC Ferries Corporation and the committees take some cuts, give back to the system where the public is making you money.

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- C: *Heron Wier*: I run a marine transportation business and tourism business out of Sandspit. Most guests and probably 1,500 individuals a year take it in the morning from Queen Charlotte and come over here and do a tour and take the ferry back in evening. Because of the distance we have to go, it can't be done in the amount of time that's laid out in these schedules, and I just took a look at some of our tours that definitely couldn't be done in that amount of time, and I have 540 people that would not be riding the ferry or would not be going on tours. And I have well over 100,000 in revenue that wouldn't happen and that may be enough to do us in. I wanted to let you know that there is a larger economic impact here not only to my business. There's two of us who own it but many other businesses that rely on people coming on that ferry every day. The last businesses that are running here and if we go and a couple of these other businesses, then goes the grocery store and school, then we're done. Thank you.
- Q: *Chris Putterill*: I run a small logging operation here in Sandspit. Sometimes I work on the other side and sometimes on this side. I am going to talk about those people who get up early to work. Taking that 7:00 am ferry away from us is going to be a major problem. I have employees from Charlotte. If they catch the 8:30, say 25 percent are from Charlotte, and the rest from here we can't take 75 percent people out to the bush so they can work at a normal time, and then come and get the other 25 percent. So what will happen is you'll get a truck full of guys that will be leaving here at 8:30 to pick them up at 8:50, and it doesn't work. That first ferry no matter what you do cannot be cut, that is a majorly important ferry. I realize that there's a lot of ferry time with no one on, and you need to make a few cuts, but that first ferry can't get cut. One thing that really bothers me about BC Ferries is that there is a lot of wasted money. Every three years you take that Kwuna down south and you get a tug from down south that hooks the ferry, a hundred foot ferry, and tows it down there and it's self-propelled. I own a 45 foot fishing boat that takes me 75 hours to take it to Vancouver from here and I have done it at least 10 times with two people on it. That Kwuna can go there by itself. It costs thousands of dollars to take that ferry down there with a tug. I don't want the deck hands on the Kwuna getting pissed off at me because I like you guys, but there is a lot of maintenance that could be done up here. It doesn't need to go down there every three years. It's propelled by two engines. There's a lot of talented mechanics here, and those engines could be swapped out here on the Charlottes. You could hire two 2 commercial divers and in five days you could scrape the whole boat off and inspect it. There's all kinds of ways you can save money. All these little things add up to the reasons why you can cut other things back. You got to look at the whole picture overall. There's too much money being pissed away, and it's poorly managed.
- A: *David Hendry*: We have a very large fleet. We have 36 vessels, 47 terminals, 25 routes. We have a maintenance facility in Richmond that is there to achieve economies. We have expertise down there that can look after our vessels on an ongoing basis. They know those vessels and we have a continuity with those vessels. Where we can, we try to do localized repair and maintenance. I cannot answer the specifics as to why we tow down the Kwuna. I am sure there are some valid reasons. We have some very good people looking after those vessels, they are all charged with trying to drive out as much as efficiencies as they can. It's not an open budget on all vessels. Budgets are managed very tightly. I can attest to that because I looked after some of them for years. There are close eyes, and we are trying as close as we can to keep the cost down.

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- C: *Brian Charman:* BC Ferries is coming across as you think of yourselves. I wish once you would come to one of these presentations and make something positive. When you talk about cutbacks we are losing jobs. We have a population of maybe 200, you lose 2 jobs, that's a major impact on the economy. You talk about cutting back the hours. Chris alluded to it, Don alluded to it, we need people to work here, and easy access to work here. We've got to keep this community alive. Your mandate years ago was to help the economy of the Haida Gwaii, Queen Charlotte Island, now I don't think you are helping. You are a detriment to it. On that screen, it says the Alliford Bay-Skidegate is going to save \$1.2 million of this \$18.9 million. That is not logical to me. How many routes are you cutting back on? I would rather have BC Ferries come here and say we are going to invest in your community and make it happen, so that we can get the ridership up and help BC Ferries. I need clarification about why the high amount of \$1.2 million to save on our little ferry here when it's \$1.9 million from Prince Rupert to Port Hardy?
- A: *Kirk Handrahan:* When we were proposing the plans to make savings we looked at the considerations, we looked at utilization and the amounts that we might use. We are trying to minimize the impact and I know it's hard from your community, but we saw an opportunity to go to an 11 hour day that would allow for significant savings. When we looked at the numbers, the utilization was relatively low. But we're coming out here and you are saying okay here's what we look at when we look at it, and we're hearing from you that certain sailings are critical and important, and we are going to take that back and look at what we can do.
- Q: *Unknown:* I recently saw something on the TV that said that Washington State runs a lot of ferries off the west coast. How does BC Ferries stack up against Washington State Ferries? The President of Washington State Ferries gets \$114,000 salary per year. But I wanted to hear your opinion, or how do you justify yourselves against Washington State that can turn a profit?
- A: *David Hendry:* The two are very different systems. Washington State Ferries operate 10 routes. We operate 25 routes. Their routes are operated in a very close proximity within an 80 kilometre radius. Ours goes from Southern Vancouver Island all the way up to your neck of the woods. We have large, medium and small ferries. They are more commuter-based around the same size, they're able to carry more traffic, more vehicles on their ferries. In terms of costs, they have a different cost structure, their labour is a lot lower than ours, their operating labour is driven by federal regulations as ours are and their regulations are quite different than ours. They are able to crew at half of what we're able to crew at, and that is not in our control. That is something that Transport Canada dictates. That being said, they have a lot of similarities as us. They have declining ridership, they have a lot of aged vessels and they have a lot of fare pressures and if you go directly to their website, you will see a lot of the same challenges that we're talking about tonight. That being said we are in close communication with them, they learn from us, we learn from them but again they are quite different systems.
- A: *Kirk Handrahan:* They are facing similar challenges. I have been contacted to head up their system on many occasions. If you look at their website they are saying that they are unsustainable. In the current format that they have, they've been taken from the highway side and do not have enough revenue to support themselves. They have had a 120 percent fare increase over the last 10 years, but their fares are generally lower because they are smaller system with more users. But they are declining in traffic and their ridership is now down more than ours.

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- Q: *Misty*: I am a homeowner here in Sandspit. I haven't lived here on a permanent basis in part due to jobs and ferry costs, so I'm back and forth. This last trip back home I've become a part of community and have engaged in things and people here and never had that opportunity to before. There's one message that's clear here, basically when you cut this you are severing us, it's like a homicide and a suicide for you because you're shooting yourselves. Kevin, you talk that you want to solicit ideas and we give them to you: you can't take away a morning or late ferry. Not negotiable. You will kill this place. These people deserve to have lives. There are older people here, there's a good selection of people here. It's a community. And Kirk, your numbers, that's great, you clearly don't care, it's evident in your body language, and it's all about numbers and you hear this, but you are not hearing this. That's the message I got from you today. Kevin, are you going to take this back and these ideas? A gentleman said: take these savings invest in the community and get your numbers back and we both win. Is that an option to invest in the Community? Don't paraphrase me. Is this an option for you to take the savings from the cuts and invest in this community so we can get back on track where we used to be?
- A: *Kevin Richter*: The savings that we are looking at are part of the overall strategy to have the fares where they are. The Ferry Commissioner who regulates BC Ferries, on a four year basis, he sets the price cap, so that limits how much the fares can go up by. When government said we'll give another \$86 million into the system, and BC needs to find another \$84 million in efficiencies, the government decision said that there needed to be another \$18.9 million in service reductions. There's another price cap coming in April 2014 of 4 percent and then in April 2015 it's going to be 3.9 percent. Those price cap numbers include these service reductions of \$18.9 million. If they don't happen it only puts pressure on the fares to go up.
- Q: *Misty*: What about the pressure we are experiencing already? Does that matter as a community?
- C: *Nancy Spooner*: Okay, we have four people behind you, do you have a question?
- A: *Misty*: I just asked it.
- C: *Nancy Spooner*: I think Kevin has answered that question several times during the evening. I just noticed that there are quite a few people in the line who have spoken before. Can I just ask the people how haven't spoken before to come up to give everyone a chance?
- C: *Unknown*: As a director with the Gwaii Hanas Tour Association with 15 companies as you may be aware it's an important park reserve and value to Canada as a whole. The economic value to local economic on a broader scale if Canadians can access the area and get First Nation's history and culture tied in to that. The cuts to the Prince Rupert run and local runs here would affect people. We have a timeline and have people booked for tours and you can't say as of April you can't go on tour. It doesn't work, businesses need more time to plan. So I would like to see that taken into consideration.
- C: *Heather Brule*: I live in Sandspit. I've lived here for about 9.5 years. I work in Charlotte. If the proposed ferry cuts go ahead, I will probably move out of Sandspit. That is going to mean one less person in Sandspit, less ridership on BC Ferries which I'm one person, but if everyone said that your ridership will go down. I don't have a question, I have comments. BC Ferries needs to wake up if someone doesn't do their job right they should be fired. Are the CEO's doing their job right? I don't know. Doesn't really seem like it but they still get paid. If you are looking for ideas, I thought that

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maybe it's not giving a free ride four days a week, but maybe once a week. All our medical is on the other side in Rupert. People need those ferries. Maybe the employees could pay a little bit more, as long as they had their services I'm sure they would be. That's how it's going to impact me and Sandspit.

- C: *Evan Putterill:* I want to go back to these questions that were asked last time. How these cuts should take place, most people said basic levels of ferry service and other opinions. What isn't there consideration on the impact that this will have on communities and vulnerability of communities to these sorts of cuts. It's seems like such an inhuman thing to not consider that. As a key thing to not ask people, don't you think it's looking at impacts? Why was that not included?
- A: *Kevin Richter:* We are here to get your input, if you think that's a critical consideration. We tried our best last year to put on the table to get considerations to inform our service reductions. If no action is taken, the system is unsustainable. Looking at utilization, and ask that you put that down. That's why we are here, to hear about any considerations.
- C: *Unknown:* \$1.4 million and \$1.9 million comes to \$2.3 million that comes to more than 20 percent of \$18.9 million. There are two routes and have to cover that. How much is fuel, cutting wages, wear and tear on vehicles?
- C: *David Hendry:* You are referring to route 11 and route 26. The route 11 savings are mostly coming from fuel. The savings from route 26 is primarily coming from labour.
- C: *Unknown:* More than 50 percent is coming from the Northern communities, and how much is coming from the south? So shutting down the north and the ridership of lower mainland is not getting touched. Just one more, your ridership does it include the walk-ons or is it only vehicles?
- A: *Kevin Richter:* There's already \$4 million coming off the major down south and another \$4.9 million coming off, so that's \$8.9 million coming from the south. We looked at all the routes and through the lens of these considerations. Regarding your second question, on the website it's posted now for passenger utilization, the numbers you see are for vehicles. When we looked at it for passenger utilization, the utilization numbers are smaller. You can have more people on the boats than you can have vehicles, but they do fall a similar trend except the utilization is smaller for walk ons. That information is on the website if you would like to look at it. If you go onto the website at: coastalferriesengagement.ca.
- C: *Unknown:* So what you're saying is that our ridership of walk-on passengers, there entire 500 people or whatever are not counted? In this situation?
- A: *Kevin Richter:* They are being accounted for in the utilization, but the utilization levels are low in the same times that they are low in the vehicles.
- Q: *Unknown:* So every person who walks who tries to save a dollar, is not being included in this report?
- A: *Nancy Spooner:* When they are included, they follow the same trends, but they're not in those numbers?
- A: *Kevin Richter:* Those are looking at the deck space, so the amount of the deck space that's being used are on those maps. But if you were also going to plot for passengers, you would see the same level of low utilization with the passengers.

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- C: *Unknown:* If you add them together they make a larger number in the north. The north has a lot of walk on passengers because the cost of getting the vehicle here. So they get here and find another form of transportation.
- C: *Nancy Spooner:* I just wanted to thank you all for coming. I really appreciate you coming out on this cold and windy night and sharing. We are taking everything back, and recorded the whole session, and appreciate your input. Thank you very much.

3. Closing Remarks

Nancy Spooner wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on December 3, 2013 at the Queen Charlotte City Community Hall, Queen Charlotte City, Haida Gwaii, B.C.
FACILITATOR	Nancy Spooner, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Joanne Doyle, Manager, Master Planning, BC Ferries Lisa Santos, Kirk & Co. Consulting Ltd. David Panktratz, Kirk & Co. Consulting Ltd., Meeting Recorder Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants were worried about the health of people in the community, particularly seniors who, if they have to incur additional costs for extra days in Prince Rupert to attend specialist appointments or treatments, will not go.
- Participants are concerned about loss of jobs due to employees not being able to get to work on time or get home at the end of the day; jobs in tourism, logging, and fishing. Participants also complained about the short notice of the engagement and suggested that there be a delay in the decision regarding ferry service reductions so that the community can try to develop some alternative solutions.
- Participants are concerned about youth losing the ability to participate in programs such as sporting and education trips out of the communities. They said youth will not be able to afford these programs if they cannot get back home at the end of the day.
 - School district representatives were concerned about teachers who go back and forth; specialists and counsellors – often going for after-school sessions – will not be able to provide services if they cannot get back.
 - Many of the volunteers who work with youth live on one side and travel back and forth to help with youth programs. They believe ferry reductions will kill some of these programs, as volunteers will not be able to get back in the evening.

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- Participants were concerned about the cost of groceries and quality of food decreasing if trucks have to lay over if the already limited sailings from Prince Rupert are reduced.

DISCUSSION

1. Welcome and Introductions – Nancy Spooner

Nancy Spooner welcomed participants to the open house, and explained the format of the meeting.

Nancy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Community Engagement team members introduced themselves.

- C: *Kevin Richter:* You may recall the Ferry Commissioner came out in 2011 and he came out to coastal communities to hear from you about the ferry system. The Ferry Commissioner issued a report in 2012. He said in his report that he is concerned about pressures on the system; rising fuel costs; rising labour costs; declining ridership; and the need for a capital investment in the ferry system. So with all those pressures, he said the system won't be sustainable if no action was taken in the future. Government took action. Government invested another \$86 million into the ferry system. BC Ferries was asked to find \$54 million in efficiency savings. Government said that was as much money as they could contribute so to keep pressures off fares, Government asked that there be some service reductions. Last fall I was out here and my colleagues were engaging communities about longer-term strategies to ensure the system is sustainable in the future, but also to get input on considerations to inform the discussion around service reductions. So we were asking questions about considerations like if we should look at routes with high annual shortfalls; look at routes where the utilization is low; look at routes where there is complexity to the sailings; look routes where there is big capital investment required. Trying to balance all that with basic service levels. Government has decided, the elected officials have decided there is a need for \$18.9 million in service reductions. The Ministry, working with BC Ferries, put a plan on the table, and we are tonight to hear you and what this means to the community and whether there are considerations that we missed. Also, with this plan, are there refinements that can be made? We are asking questions, because this is not only an issue today but an issue going into the future to keep the system sustainable. We are also asking questions around changes to the seniors' discount; consideration to putting gaming on the major routes down south; looking at the reservation point-of-sales system. So looking at this menu of things to get your input and get your feedback. We have been travelling to many communities. I think we are on our 13th meeting, and we are going 20 communities with 22 meetings. I am looking forward very much to hearing from you tonight, to answering your questions, and I very much encourage you to fill out the feedback forms and for the people who haven't been able to make it to go our website and provide a written submission. We want to hear what this plan means to you and your community, and how it may be refined, if that is a possibility.
- C: *David Hendry:* There has been a lot of concern to what is being presented up on the discussion boards in terms of schedules. We said this to all the communities we have come to so far, that we

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didn't want to be presumptuous and come out with the final schedule. What we have done is attempt to show what will be the reduced sailings on the existing schedules, but where there is the opportunity we will try to refine those schedules, and still achieve the same net savings. For example on the route to Alliford Bay, there is not a lot of opportunity for change there, we have heard loud and clear, but there is an opportunity to change when that first sailing will start. But there is more opportunity for the sailing from Prince Rupert to your community, in terms of what reductions come, how many come out in the peak season, how many come out in the off peak season, what days those reductions come out on. Leading from that there is an opportunity to refine the schedule, so it works as best as it can. It's never going to work for all the people all the time, but we will try to change it where we can. On that note, BC Ferries will be out early in 2014 to work with the local Ferry Advisory Committees. They are charged with being the liaison between the community and the company, so we are going to with the FAC and with the feedback from this process and look to a refined schedule.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- C: *Nancy Spooner:* Thanks David. Over to you, any questions or comments if you would please come to the microphone, and say your name first, so we have it for the record.
- C: *Missy McDonald :* Hi, I work for the Haida Health Club. Our mandate is taking care of health and wellness on the island. One of our concerns is medical travel. If you reduce the sailings, it will cost more for everyone on this island, not just the Frist Nations people on this island. A lot of people cannot afford be in Rupert longer than a couple days. You know they can't even feed themselves. They would choose feeding their own families before taking care of their own health. My suggestion is to get rid of the Friday and Saturday sailings in the summer where it serves the tourists. When we have to leave the island we are used to leaving on a Thursday and coming back on Sunday night or on a Monday. We have to keep in mind that people will be impacted by this. I hope that you guys keep this in considerations.
- C: *Nancy Spooner:* Missy would you also record that in your feedback form and make sure I get that? Are you going to do it online? Thank you.
- C: *Chief Roy Jones:* One of the things that I wish you guys had reflected on is the traffic even 10 years ago on this report. First of it is very valid, one thing that is going to standout is the reduction in travel with the increased fares. When you are running and you put the price of that business out of reach of people, people don't move. I've got a mother-in-law who is in failing health in Prince Rupert. We used to go over on every long weekend and we don't do that anymore. The other thing, when this government talks about money, nothing burns me more than to get on a ferry to go across Lake Kootenay and not pay a cent. Why can't that contribute to the service that we have here? There are so many issues. When that American first came up here, Gord was our main man here for the ferry, I told him once David Hahn starts working on these books we are all in trouble. That was what, 11 years ago? It's been pretty frustrating. I am so happy to see our business people in our community here at this, because I want you guys to hear from them. I am just in the process of building a house and my dad built a house a few years ago and it cost \$7,000 to put up the concrete and it's \$17,000 today. All attached to what it costs to bring stuff over to Haida Gwaii

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- here. We enjoy these services. I am glad you have guts enough to come before the coastal communities, because I will tell you one thing: you are sitting in front a lot of people that are hurting, a lot of people. And maybe some of the stuff you don't like is going to come to the surface, but at the same time welcome to Haida Gwaii, I am glad you are here.
- C: *Nancy Spooner*: Thank you very much.
- C: *Unknown*: I am a little bit confused. My question is, is BC Ferries a tourist service or part of the marine highway? I think David Hahn's answer to that is that it is a tourist service, and to us it is not. It is part of the highway system that we pay for and everyone in B.C. pays for. If they are in the interior they take their ferries for free, which is a little confusing and I think is a question that has to be answered. The other thing that I have been thinking about is maybe it is time for the BC Ferries to go back to being part of the government and not a private corporation.
- C: *Nancy Spooner*: Thank you, I am just going to ask Kevin to speak to the question about the inland ferries.
- C: *Kevin Richter*: The government gives a subsidy to both the coastal and the inland systems. The subsidy amount is comparable, I think it is \$23 dollars per vehicle for the coastal and it is about \$18 per vehicle on the inland. It is a government decision. As I have been travelling around I have heard, people viewing the ferry system as part of their highways. At the end of the day that is the elected officials decision to have it in the highways department and or have it outside. One thing that I struggle with is that whether it is in the highways department or it is separate there are these cost pressures that are really putting pressures on the fares. The fuel, the labour, the capital. So if it is part of highways, there are still going to be these cost pressures and government will have to make a decision if it wants to put more money in, whether it is part of the highways or not government has to make a decision to give additional money. So whether it is in or out it still has those cost pressures.
- C: *Unknown*: I get that. What I don't get is I don't get access to highways until I get to the mainland, so why am I paying for the highways. And my other question is if BC Ferries went back to being part of the Ministry, they won't have to pay the government half a billion dollars, which they have done, as a private corporation, they have been paying dividends to the government, as shares in a private corporation.
- C: *Nancy Spooner*: I am correct in understanding that you would like an explanation of the reporting structure.
- C: *Unknown*: No, I've got that; I would just like that to be on the record.
- C: *Nancy Spooner*: Thank you very much.
- C: *Angus Wilson*: I am here representing School District 50 Haida Gwaii. I am school district Superintendent and Treasurer. I appreciate the need to cut costs, believe me. And I am teacher and I like all the data, but it is a little bit flawed. The service reductions have implications on our ability to allow students to go over and compete in sports and post-secondary tours and all those things that we believe are important. Also the specialists coming over here, they are able in the winter to come over for a day or so to see some students and also private individuals. But when that option gets removed they have to be here for 4 or 5 days, which is economically not viable and puts pressure on the school district and goes back to the funding formula that we get from the Ministry of Education, Treasury Board, and back up the loop. There are a whole variety of things with that trip that you will hear from other people on a personal note. I want to walk about the Alliford Bay

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connection. I am really relieved to hear there is a possibility of shifting where the cut comes. Because the way it is done over there is that's the first one of the morning and has low utilization, so that's not a useful one, so that's the one to be cut. In an effort to be innovative and watch our costs, I have a really excellent principle that I share between two schools, one of which is over there. She will be unable to make it the school in time for the day to start where she teaches most of the time if we follow the cut. I have teachers on call on both sides that cannot go to work at the other school. I have qualified teachers in Sandspit that cannot get employment over here that is full time continuing employment, so their answer will likely be to move away from Sandspit with their children and put more pressure on little Sandspit to continue as a community. First of all with that I would suggest that the cut be a 10 am kind of cut, instead of a 7:30 kind of one, because even though the utilization is lower, the people who rely on that sailing are people with jobs. In this corner of the province we really need jobs. Since there would be no evening sailings, it would be impossible for me or my employers at the Board of Education to do any consultation with my community in Sandspit, because the last sailing is at 5:30 on that schedule. So we will never be able to go over unless we spend the night. If we spend the night that is another cost pressure, on the school system. I just want to draw your attention there, to unforeseen impacts that create a feedback loop back to the government. Thank you very much.

C: *Nancy Spooner:* Thank you very much.

C: *Ed Lavoie:* I am a small business owner in the Queen Charlottes. Along with my wife, I have a wholesale food business in Terrace. Our main business is in Terrace. It is critical with scheduling, because when we send the truck over, it usually goes over on Sunday night and comes back on Tuesday morning. And it keeps the costs a little bit lower. But if this schedule is introduced, it will be an extra two days for our truck. We ship approximately 60 to 70 loads a year and I am a little concerned with freight increases for our service. Because the way we do it we only pass on the actual ferry cost to the product. As a result, if we have to overnight our employee here as a result of the ferry, it's going to increase for the people here. Thank you.

C: *Nancy Spooner:* Thank you very much.

C: *Evelyn Von Almasy:* When I hear the word subsidy it really makes me angry. Poor us, we have to be subsidized. These islands have been subsidizing the provincial government for 90 years with resources of fish, resources of logs. Provincial and private companies have been making money off these islands for 90 years. When you talk about increasing the fares and reducing the ferry service, why don't you connect that with reducing the wages and the salaries of CEOs in BC Ferries? I don't think you have to be a rocket scientist to be a CEO of BC Ferries, but you shouldn't be paid all that money. Look at your own budgets and maybe some of those CEOs can come here and ride the ferries.

C: *Nancy Spooner:* Thank you very much.

C: *Sunne Young:* I am an international Haida. I was raised on the coast. I grew up in Washington State, my home is Tacoma, I also went to grade school in Juneau. I had to take a ferry to go to school in Washington every day. I had to get up two hours early every day to get to school. I have a long history of marine law and mariners, when I was little my mother worked on the Alaskan Marine highway, as a stewardess, when it was glamorous. What I want to say is that there are no borders for us to see our families, we use the same ferries. Many of us go to Washington State to use the

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ferries, many people from Washington State and other areas come here to use the ferries. Lots of people from Ottawa have used our ferries. I am sorry if I sound mad but I am pretty steamed up. I am seriously trying to be nice to you, but this is an very important issue for our marine highway. How can you call this Highway 16? Personalizing this issue is not going to get us out of this issue. We are born into system, and then suddenly it shifts under our feet. Your wording sounds like the whole oil and gas fiasco. What was the word, refine the schedule? I am sorry but we are already below basic levels of service long ago. Sorry we been enduring that, north coast people are tough, we can endure a lot, not like people who ride on the ferry when they want and enjoy the amenities on the ferry. We do it for travel, and for health. I can't even remember the last time I got to go off here and I am happy here. I am just saying there are different ways of looking at things.

C: *Nancy Spooner:* Thank you very much.

C: *Mike Meegan:* I live in Queen Charlotte City. And my first questions is I heard that you guys flew here, is that true?

C: *Kevin Richter:* We have been taking ferries as much as we can. We have been going 6 out of 7 days a week. We have 22 meetings in 24 communities. We're using ferries on the majority of our trips. We did fly up here, but we are trying to use ferries as much as possible to get to as many communities as possible within our schedule.

C: *Mike Meegan:* Well you should set your schedule around the ferries considering the core of the meeting. I think that it is an insult and kind of a joke that you would actually fly here because the ferry system doesn't work well enough to meet your needs. That is what you just told me. Yesterday we I heard that you had flown here I posted on Facebook that it reminded me of when the heads of the car companies went to Washington and the Senator asked them how they got there, and their answer was in their private jets. And he said you come to Washington to ask for help in your private jets. That's sort of what it feels like in a sense. It really indicates how poorly the system works, when the people who are coming to discuss these things can't even take it. I know you are not happy to hear that, but it is a shame. I just went to Vancouver and it cost 800 dollars, without a car, round trip. Coming back from Port Hardy, you are talking about cutting services, I never once heard improving services. For example, when you get into Port Hardy the bus leaves 30 minutes ahead of when the ferry gets there. When you come back on the Wednesday, the bus arrives half an hour after the ferry leaves. So you are then stuck in Port Hardy for three days. You are with the Ministry of Highways or Transportation. Who controls those things? I know you can say you have no control over Greyhound, leave an hour later. You know I am not asking the bus to arrive sooner, but since it is a BC Ferries meeting why won't they leave when the people get into town that we advertise to come see the coast on the Inside Passage, in Germany and worldwide, and you can't even catch a bus from Nanaimo for me to get home without spending three days in Port Hardy. I would like to see the words "improved service." Mike noticed something when he walked in; it said on the smaller ferries you are hoping to cut frills. What are you going to do, row that tug? How do you cut frills? That is what it says over there. The other thing I would like to know is how much it costs to do this type of thing in a cost cutting situation. Like there is a fortune in posters there. There is a fortune in my hand to have this printed; there is a fortune in the guy who makes \$500,000 a year. Dave Main, who use to run the BC Packers fleet which was 1,500 boats minimum, with a lot more characters, when a couple skippers could get them to go to Port Simpson for an opening and he wasn't making \$500,000 a year. It's not really that scientific to have

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boats go from point A to point B, like to run from Nanaimo to Gabriola Island and back. And you have a guy \$500,000 to figure it out.

- C: *Nancy Spooner:* Mike, I have heard two questions. You want to know what frills BC Ferries is planning on cutting on the smaller routes and the second question is how much is this process costing. I am going to ask David to speak to the proposal to cut some of the frills on the smaller routes and ask Kevin to talk about the cost of the process.
- C: *David Hendry:* Last year when we were out for the consultation process we heard pretty loud that people didn't want fancy ferries on either the major routes or the smaller routes. That is something that we have digested and taken account of, in fact we have 3 ferries that will be built over the next 2-3 years and we have factored into those, where it makes sense, that if a route is looking for more amenities, the restaurant and retail, there is the flexibility to do that, and if the route is not looking for that there is the flexibility for not doing that. We are just trying to strip it down and keep costs down.
- C: *Kevin Richter:* This engagement has a whole bunch of parts to it. There is booking venues, preparing poster boards, there are these discussion guides, there are thousands of these discussion guide that we are giving out to people or sending out to people, creating a website, travelling to all the communities, and facilitating these sessions, all those activities for us to go to all those communities is over \$500,000 for this engagement service.
- C: *Mike Meegan :* The last thing I wanted to say is when you looked at finances, and how much it actually cost, I know the ferry from Rupert loses money. That's a no brainer. My friend came over the other day and was the only guy on the boat. Anyways I think the numbers you are not looking at are the numbers that show the economic impact of the ferry. I have some rentals and if those rentals sitting empty, and I collect tax for the government, and I employ people to clean them, if those rentals are empty or my retail store is sitting empty because there is no one coming through in the summer. Or if Rosie's stores in Skidegate that sell local art are empty the artists stop and the whole chain stops. And I don't think that those numbers over there are a true indication of what the ferry does for communities like this. If I was just to look at the ferry it costs too much. If they the fare at \$1,000 it still wouldn't cover the cost of getting on it. I know that, but there has to be stuff that comes off the side of it. I think you are completely turning a blind eye. If you look at these people in the room, most of them are hard working. A lot of the income now, because the logging is basically gone, the mining is gone, the fishing is gone, this whole row of fishing people over their life, all of those jobs are gone. The little bit of hope that there will be some economic growth in a community like Charlotte, has been the tourism sector. I think eliminating that is just very short-sighted. I don't think that is just my opinion, I think you people would agree with me. What do people do when the rooms are empty, when the stores are empty? The school teacher guy said, even just to get the teachers across. We have got no other way of getting here. The plane has got smaller over the years, they have downsized, you guys have downsized. And even though tourism was growing, it had already peaked because there are only X number of boats per week, like say it was 5 or 6 boats a week that were full, that's as good as it's going to get. And you are going to even cut that in half. That's really my concern, that you are not looking at the big picture. You are just looking at the pie chart over there. What about the money you bring in from putting people to work? You start paying me, Roy, this lady, Al, welfare cheques and you add that to your pie chart and then you will see what your pie chart costs.
- C: *Nancy Spooner:* Thank you Mike.

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- C: *Alanah Monntifield:* I think I have seen some of you before. So welcome back and I wish you would have taken the ferry here, I really sincerely do wish you had, and I hope you do on your own tap, actually, in the future, and you buy our food and eat in our restaurants and you hang out with us and get to know us, because we really are cool. My first question to all of you guys is when is the last time you enjoyed had a nice tall glass of powder milk?
- A: *Kevin Richter:* Last time I had it was in high school
- A: *David Hendry:* Last time I had it was there was three of us at home and basically the real milk came in and it was gone within an hour and my mum said that was it and you guys get powder milk. That was high school.
- A: *Kirk Handrahan:* Last time I have it I was hiking up in Cape Scott, and that was the only milk I could carry with me.
- A: *Joanne Doyle:* For me it was elementary school when we lived in Terrace and didn't have other milk.
- C: *Alanah Monntifield:* Thanks for answering. Did you like it? Neither did I. And when I was child here I had a lot of it, and I had a lot of canned milk, because we had a barge. And in 1980 the first ferry came here and I have a Polaroid picture of it because we were all so excited. The ferry is a huge part of every single person in this room's life. When the Queen of the North sank, I cried. I know all the people on the boat, don't love all of them, but I loved some of them. I think they work hard and I am really glad they are there and when they are not there it is really going to suck, because I am going to see myself drinking powdered milk again. I wonder how much the Coquihalla toll bridge cost?
- A: *Kevin Richter:* When you talk about the Coquihalla, I don't know what the cost was to construct it.
- Q: *Alanah Monntifield:* Can you guess? Would you say it was \$10 million, \$10 to \$20 million? Would you say it was in the millions and millions of dollars?
- A: *Kevin Richter:* In the millions and millions of dollars.
- Q: *Alanah Monntifield:* Okay cool. It thought so too. B.C. paid for that largely in tolls, am I right?
- A: *Kevin Richter:* Yes.
- Q: *Alanah Monntifield:* And what happens when that bridge needs to be repaired? Actually, is there still a toll being charged on that bridge?
- A: *Kevin Richter:* So when you talk about the Coquihalla, I think you are meaning from Hope all the way to Kamloops?
- Q: *Alanah Monntifield:* I went over a toll bridge and paid \$8. I don't care where it doesn't really matter. But do we still have toll bridges in BC?
- A: *Kevin Richter:* Yes, we have toll on the Port Mann Bridge, which is a toll bridge.
- Q: *Alanah Monntifield:* And is that toll bridge going to be tolled forever? Like if I go across that bridge in 75 years, because I will still be driving, will I pay a toll?
- A: *Kevin Richter:* The idea is that the bridge with the toll is going to pay for itself. I don't know how long that will last. There is also the Golden Ears Bridge and that is also a toll bridge down in the Lower Mainland.
- C: *Alanah Monntifield:* I guess the point that I am trying to make is that if you as the Transportation Ministry, all got together and said, every bridge in BC has to be charged a dollar, I think you could take our bridges out of the equation because we already pay a lot of money, but if you did and you put that throughout all of B.C., I think you could pay for the BC Ferries systems and bring it back into the government. And I think it would be fair to say that all of BC would be benefiting from it.

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Because when you have to replace a huge bridge like that, it costs millions and millions of dollars and I pay for that too. But I never or rarely drive over it, I expect when I do I have to pay \$8 more. So anyways that is my point. I didn't make it very well, but I think you understand that spirit of my point. This ferry is part of my life and will continue to be part of my life as long as I live here or have relatives that live here, or friends here. I hate to say this, because I would like to be all businesslike, but I take this quite personally and I am not the only one. And I don't want to take that personally and give it right back at you guys, because I know you are only here doing a job. And I know you have heard me before, and you liked me, and you still do. And so hear me. You are not ever going to have happy people in this room unless you are trying to help us lead better lives. And this isn't going to help us lead better lives. So thank you.

C: *Nancy Spooner:* Thank you Alana.

C: *Jack McGuffie:* I live in Queen Charlotte. As you can see I came from work over in Sandspit. I live over here. I want that 7:30 run in the morning. It gets me to work at 8 o'clock, that's when I start. I catch the 5:30pm home. Looking around here there are at least 4 or 5 people that take that same run. Maybe it is not all the time, but most of the time. I want to keep it. You are telling me I am going to lose an hours work, I don't like that, it pays for my ferry. Thank you.

C: *Nancy Spooner:* Thank you very much.

C: *Barbara Wilson:* I come from Skidegate. When I came here I was so angry of the idea of you taking away something from us. These islands have been stripped bare. We don't have much fish. I believe our unemployment rate, at least in Skidegate, is 80 percent. People need the ferry service in order to get things to make their life a little more comfortable on these islands. I am not saying life is hard here. I love it, living here. This summer I was down in Bella Bella, I go there when I am working with one of the universities. The thing that dismayed me was that I think it is called the Nimpkish, it is a small thing. It takes 24 hours, if you can believe it, to go from Bella Bella and Bella Coola. It goes from Bella Bella, to Shearwater, to Ocean Falls, to Klemtu and then to Bella Coola. There are no rooms, you have to bring a tent, a sleeping bag, and if you don't have that you are out of luck. You are talking about cutting frills, hello, there are no frills. The same thing going up and down the coast, I travel a fair amount. It is a shame, I look at what we have here, and we have good people, people that work really hard to live here. And most of the people that are here love this place. If you take away more then you give us, I think you should turn the thing upside down, and take it from those people that sit in Victoria making big wages. Thank you.

C: *Nancy Spooner:* Thank you very much.

C: *Joanne:* I have a question about numbers. There is a table here that I got from your engagement discussion guide. That gives the percentages of utilization on the ferry for all the sailings. What I want to know is what those percentages are based on. For example, you say 57.1 percent utilization on a particular sailing. The reason I am asking is because it is really, really easy to mislead people with numbers. So I need to know, is that 57.1 percent of the deck space, vehicles only, or based on the number of passengers only? Basically what is your database? I think that might shed some light on the numbers that you have. If you could answer that question for me I would appreciate it.

A: *David Hendry:* It's a great question. The percentages shown on the charts there are basically vehicle equivalents that are on the total deck space of each vessel. It is a consistent calculation that

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is done across all the routes, on all the vessels. We can't get a perfect count. The only way to get a perfect count would be to go on every sailing and actually measure the number of vehicles on that particular sailing. So what we do is we have a number of the actual under-height cars, buses, semi-trailers and convert it back to what we call an Automobile Equivalent (AEQ). A larger truck would be 1 AEQ, a commercial vehicle would be 5 AEQ, a cube van would be 2.5 AEQ. I don't want to get into too much detail, but that is how we convert the total number of vehicles back into a percentage of the deck space. The numbers that are there show all the sailings in a day for the total period. If it is a peak sailing, it will be 90 days on the particular sailing, and it will be an average of what the capacity was on every sailing. It is just vehicle capacity; the passenger capacity that is not shown here that is available on coastalferriesengagement.ca. Typically what we find is that it is half of the utilization that we have for the vehicle usage. Does that help?

C: *Joanne:* It does help. But I would like to point out that there are times when there is high percentage of foot passenger only on a vessel. For example, for medical appointments. In that instance most of the people travelling for medical, or at least 50 percent are not driving. They go as foot passengers, and get off on the other side to make connections with the Northern Health Connector, or they take other modes of transportation. VIA Rail is an example or Greyhound. Or their appointment is in Prince Rupert and they don't require any transportation other than BC ferries. That skews utilization statistics as far as I'm concerned. It also doesn't give you a true picture of groups such as school teams because they most often travel as a group, it doesn't give you the true utilization at the time of the All Native Tournament when there are many families that travel without vehicles. I think what you are doing is giving an unfair picture of use, and I don't think that is fair in the sense of the media presentation to people outside of the island. And it isn't fair to the people who live here, because those ferries are more utilized then these percentages show. I think that is a point that really needs to be looked into by the people in this room. Thank you.

C: *Nancy Spooner:* Thank you very much.

C: *Lesley Johnson:* I live in Queen Charlotte City and want to welcome you back here tonight. Further to what Joanne was saying, my husband has volunteered a lot with the high school soccer team, and there are many sports team here. The only opportunity that they have to compete really is when they take the ferry to Prince Rupert. Those are all walk-ons. You might have 20 kids walking on the ferry go to compete in a tournament. The year the Queen of the North sank, our family was in the middle of the orthodontic work in Prince Rupert. If you take away one sailing in the winter, an orthodontic appointment takes 4 days. Whereas right now, what kids do is they take Monday off school go over and get off the ferry at 5:30, and the orthodontist is considerate enough to Monday evening appointments, all the Haida Gwaii kids see the orthodontist on Monday night, they get on the ferry at 11 o'clock at night, come back here, get off the ferry Tuesday morning and go to school. That's what the ferry means to us. Would you consider 4 days for a monthly orthodontic appointment? That is totally unreasonable, unrealistic and unfair. The year the Queen of the North sank, that was the year that we were taking our son for orthodontics. And there was no service, and I appreciate those were very unusual and tragic circumstances and I accepted the fact that we had to make alternative arrangements. That was a hardship but we did it, but for the government to purposefully put a hardship on families living here, to that extreme, I think is totally uncalled for and unfair. Someone made the point that this is Highway 16, and starts in Masset and

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it ends in Portage la Prairie, but there is this gap at Hecate Strait. To me it is part of the highway. It is what connects Highway 16 to the rest of the country. I think that we are being treated unfairly, and I hope you reconsider your approach to this whole process and the government reconsiders its approach how it manages BC Ferries.

C: *Nancy Spooner:* Thank you very much.

C: *Kerby Oldershaw:* I think I have been using the Kwuna since 1976 or 1977. I spent the last 5 years working in Sandspit and living in Queen Charlotte. I really like that. From time to time my job requires me to work long days. Your proposal takes those days away from me, and makes it so I can't work. You are taking work out of my life. I also work for the Canadian Rangers, I am second in command for the Sandspit patrol, our meetings are in the evenings, I will no longer be able to make those meetings, my meetings. I will no longer be able to participate as a Canadian Ranger in that patrol. I am also first in command for the Sandspit Junior Patrol, which is a youth group that does a lot of great things for the kids in Sandspit. This proposed schedule means I will miss work with them, and it takes any other opportunities for them in Sandspit away from them. There are not a lot of opportunities for youth groups in Sandspit. The opportunities afforded to them in that program are huge. In March, we are taking our patrol to the other side of the country. They are coming here. Your current schedule means that the children coming here would want to go do, are now not possible because of the barge schedule. Because they are coming once the Kwuna has returned they will be able to partake in these events. It affects people that are coming here and it affects people that are living here greatly. It means that I will have to give up those positions if this schedule comes into effect, which is a huge part of my life. I really enjoy doing this. So I am pretty mad. As far employment goes, I am a construction worker, I can pretty much find work anywhere in the world. But I love being here and you are taking work away from me. I am pretty upset about that too. You are drilling a hole in the bottom of this community and just letting it drain away, because you are offering less and less service. Sandspit is a community with a small number of people and an economy in a downturn. I have seen a whole community disappear because of logging going away on this island. I would really hate to see another one disappear because they cut the ferry back. I have 100 other things that are really bugging me about your proposal. That's the important stuff. If these sailings get taken away, they are not going to be put back, there will be no push to put them back into place, to help the community grow, and I don't see them ever returning. I think the level there is far below what any acceptable standard would be anywhere else on the province. I am curious to know if any of these people used the bathroom going over on the ferry today. You could probably wait a half an hour. When you were on that ferry did you look at it? It is a construction Port-o-Potty. I really don't think that is an acceptable level of service. Did any of you see the lounge? I have seen penalty boxes at junior hockey games that are bigger than that lounge. And I see several people in this room use it every day because it's blowing and howling out on the boat, and they are toughing it out because it is just for a little while, but that really sucks. That contractor that is put in place is doing his job, but I think what the ferry has put down for them, and consider acceptable is really not acceptable. I think you have some big shortcomings there. And the schedule itself and implementing it and saying it will be the regular thing now really sucks as well. It is like a dry run to see if this is a good idea. It is not a good idea. It really, really makes my life difficult. It really affects the way I can contribute in my community, here and on that side. And it really makes life difficult in Sandpit, for everybody who has to come over here for

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groceries or medicine or another part of their life. That community is just as much a part of this island as we are to them; it makes no sense at all. If you are to take that ferry away, you need to build a bridge over there and just take the ferry out altogether, because we need to get there in the evening, there are people we like to visit, there is food we like to collect that you can't get here, there are a 100 other reasons. We really need it the way it is.

C: *Nancy Spooner:* Thank you very much.

C: *Roy Jones:* I am Haida, I am home, and this is it. We depend on that ferry a lot. You really can't bitch about lack of revenue unless you are willing to accommodate industry and other needs that we have. When I say that, I just purchased a modular home and I could have had it here in December but they can't get it on the ferry in Prince Rupert. Your captain said, we will turn the ferry around and do whatever it takes to get it on the ferry, and we got more revenue because nobody is using it. Those improvements have to be made, and again you heard Mr. Oldershaw talking about people sitting in that little box. Why are they walk-ons? It is too damn expensive to go over. I don't go to Sandspit like I use to, I love Copper Bay, I don't even hunt over there like I use to. I can't afford to anymore. It is the cost that is killing everything. If you want to make money, create a volume run, we get on that ferry, we pay for food, we buy rooms and we get off on the other side and we come back. I used to go over to Prince Rupert probably 12 to 14 times a year, and now I go over when we really need to. That's been the real killer. I mean we are Haida, a lot of us are Haida that live here and a lot of our kids are leaving because there are no opportunities. You know BC Ferries has got a job to do. They have to revitalize this. I used to own a laundromat, coffee shop and a photo lab, in Skidegate here 10 years ago. And because of the declining economy I went down with it. But one thing sticks out in my head. This guy comes in from Saskatoon, and says "we had reservations. We just we just went up the Alaska Highway and back again, and we are going to go back to Saskatoon and we found out we could get on the ferry. My first choice was to over from Prince Rupert to Skidegate and spend a week on Haida Gwaii and go back. I went to the BC Ferries to see if I could get on and the ferry was half empty. When I was making that reservation out of Saskatoon they told me it was booked." Several times when I book my trip over to Rupert I am on stand-by and when I get on that ferry it is empty.

C: *Nancy Spooner:* Thank you.

C: *Joanne:* I work for a freight company and there is an issue with freight companies on the mainland sending trailers to sit here for 4 or 5 days. If you chop service, what will happen is those trailers will be trapped here and unable to produce revenue. Therefore, the freight company, should they continue to choose to service as partners and to use BC Ferries for transportation, will buy more equipment. And do you know who is going to pay for that? Everyone sitting in this room. Speaking of milk, have you guys bought any milk while you have been here? I have a 20 year old son, he drinks three 4 litre containers a week. \$7.49 for every container. Have you bought any bananas? \$1.29 a pound. He eats about 30 of those a week. You see where I am going with this. That is the current prices. If you chop the service and put the freight companies on the mainland into the situation where they can't access those on a secure roundy-round, we all know where this is going and I think it is something that needs to be looked at very carefully. When you look at in the bigger picture, some people have already talked about that, there is still logging going on here. And when you look at the money that goes into the provincial coffers off the hardworking backs of the people here, and what we get back. The last thing I want to say is quit messing with the subsidy. You have

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\$27 million dollars a year from the federal government that, we all know here, is intended to subsidize northern routes. We are not talking about Port Hardy, we are not talking about south of Port Hardy, we are not talking about Gabriola and the Gulf Islands where they have access to a hospital in 40 minutes. We are talking about isolated communities where we look after ourselves. If you break your arm good effin luck if it is after dark in the winter, because you are going to sit in the hospital until it is light enough for a helicopter. If your kid fall downs and has a concussion you have to wait for the medevac. You have to realize that we are isolated and that \$27 million dollars belongs to us, no matter which way you cut it politically, it belongs to us in the North. Put it in the North. Where it belongs and where it was intended to be used.

C: *Nancy Spooner:* Thank you very much.

C: *Terry Tollestrap:* Good evening, I run 5 small businesses here; I employ a few people, in both service and other industries within town. Part of it is logging. I catch that 7:30 ferry every morning, are you trying to tell me I have to quit my job? That's not right. There are a lot of people in here that ride that ferry with me every morning. So I have got some choices though, you have offered me choices. I can turn around and move to Sandspit and work on that side and close the other businesses. Is that what you are trying to do? That's not right. That is not right at all. For one of my businesses, I rent rooms out by the night. You are going to cut access for people to my rooms. That's not right. Also on your fancy little chart over there, you are beating on us harder than anyone else on the coast. 34 point something percent. Why are we getting the least of it when we need the most of it? It's wrong. You have got to sit back down at the table and figure something else out because that doesn't work. Thank you.

C: *Carol Kulesha:* Mayor of Queen Charlotte. We cannot afford the cuts that you are talking about. I would like to see the Minister come and ride our ferry and see what it is like to live here. The highway is the marine highway and we need the ferry. Some people have not mentioned what we need the ferry for. Our mail, which is down to a couple times a week and I don't know what it will be now. They've touched a bit on medical travel and I know there's someone here who has better statistics than I, so I'll let her speak to that. You've heard about the schools, and this is on the Prince Rupert-Skidegate run. These are the everyday kind of things we are talking about. If there is a storm on Sunday, our groceries don't come until the next time there is a ferry. That means it'll be Thursday. So you'll have groceries sitting in vans for days. You want us to be healthy, this is the push from government, but we cannot get our groceries. I am not happy with the solutions that you have come up with. You want to be fiscally responsible, there has to be another way to think about this. You need to come up with long-term plans. When people applauded about making a bridge to Sandspit, absolutely. Look at dealing with the federal government on Transport Canada rules and regulations that insist that we have more people proportionally on the ferries than they do in Washington State. Is that something that you can work on as a province with the federal government? This is a very important part of everyday living. You've heard about the Kwuna ferry and how it impacts people's lives. Well it does. They are a small community and they are isolated and these cuts will make them even more so. We can't join each other for a party of a dinner. I know that this is not fiscally the answer, but there is more and the government needs to respect that there is more than simply money involved here. Please send that message to the Minister and extend my invitation for him to come visit us and work on more solutions face-to-face.

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- Q: *Carla:* This route recently got a new ferry after the Queen of the North sank. At the time that ferry was replaced was ridership on the decline?
- A: *David Hendry:* At the time the North went down, the economy was still strong, the world economy was strong, our ridership was still growing, so to answer your question, the ridership had not started to decline when the ferry was replaced.
- Q: *Carla:* I think Mike Meegan had mentioned that Air Canada used to bring a big jet here. As ridership has declined, the size of that plane declined along with it. Have you considered trading amongst BC Ferries? Moving this ferry to another route and replacing it with a smaller, more cost efficient ship, and keeping our routes as is?
- A: *David Hendry:* That's a good question. Unfortunately, there are only two ferries that can go across the Hecate Strait and along the Inside Passage to Port Hardy. So those are the two ferries we have to work with. The ferries down south are not classed to go over these waters.
- Q: *Carla:* Is there a way to refit them in order to have them classified for these waters?
- A: *David Hendry:* I'm not an engineer, but I think that by the time you do that and spend a lot of money, it probably wouldn't warrant the cost.
- Q: *Carla:* My second question. There are a lot of times when you're calling the reservation system and being told that there's no room. Has that been looked at, or is that new information for you?
- A: *David Hendry:* A little bit of new information. We've heard about that last night and we need to look at it. My understanding is that the call center in Victoria looks after reservations for passengers, and then the local commercial is booked in Prince Rupert. What we understood is that there is tight communication between the two, but it's something that obviously we need to look into.
- C: *Carla:* The next question I direct more to the audience. I think everybody here understands what the cuts will mean to the community of Sandspit and that there are other ways to tweak that system so that there is at least some sort of evening service and a way to get back and forth and I would just ask that everyone could keep that in mind and put forward those ideas to BC Ferries either online or on the form because I think they need to hear it again and again. And the second one is based on that reservation system, if you've experienced the same thing there is a power in commenting on that in numbers.
- C: *Nancy Spooner:* Thank you for that, and I hope that everyone is either completing a feedback form here tonight or online. We are receiving a lot of them and all of them are important.
- Q: *Alex Burton:* I have only lived on Haida Gwaii for a couple of years, but I have spent a number of years living in various communities on the coast. All of those communities were dependent on the ferry system. Repeatedly over this period of time, I've seen many of these communities suffer every time a narrow-minded focus on saving a few dollars is used to justify cutting the service. Maybe, as was suggested, is there a way we could have smaller boats? If the boats were smaller, ridership would go way up. And costs, I assume, would be affected accordingly. What I'm getting at is, I think there are other alternatives that are not being addressed. There is very little attention paid to the economics. It is part of the highway system. We hear that time and time again, but it's not treated that way. I have seen the vessels that are replaced and they get bigger and bigger. I lived on the Sunshine Coast in 1986 with Expo. The best service that I saw on the Sunshine Coast was with two small vessels going back and forth. They had the highest ridership and the best

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service. After Expo, those ships were cut apart and made bigger. That gets more people at a time across, but we are better off with smaller ferries running more often.

- A: *David Hendry:* It is a good question. The challenge with replacing the northern vessels is that the economy was very strong and ridership was very strong on these routes and there was nothing to indicate anything different. Unfortunately, in this business, when you replace a vessel you take your best estimates of traffic growth and forecast, which is what we did. As I said, we don't have the ability to swap these vessels out for other vessels, so it's a bit of a challenge. Where we do have the opportunity to swap the vessels out, we've done so. That does help to bring costs down, which does help on a system wide basis to bring fares down. As we get into the future we are looking at more standardize vessels so that they have the flexibility to be put onto different routes. They'll also have the flexibility to be scaled up to the larger size if that's required. It is something that we recognize. We're trying to get away from vessels being one-off for routes. That's always going to be challenging in the North, but where we can we're doing it, and that'll help on a system-wide basis.
- Q: *Alex Burton:* The other comment that I want to make, is that it appears to me that this whole process is smoke and mirrors, you have already decided what you are doing.
- C: *Nancy Spooner:* I will ask Kevin to address that because it's an important issue.
- A: *Kevin Richter:* It is important to hear from you, all of you, all of the communities that we're going to. Last fall when we came out we were asking for people's input on the considerations for service reductions. Why service reductions? Government is trying to find a balance of what the users use and what Government contributes and also BC Ferries. Government decided that there would be these service reductions. Government also committed that prior to implementing the service reductions we would come back out and seek input from the community. So we're here. Before any final decision is made Government is going to get the report. And I'm giving feedback back to my Minister as to what you're saying and what your concerns are and what the impacts mean. It is important and before any decision is made, this information is being taken to the elected officials. They've been clear that there are going to be service reductions, but before those are implemented they want to hear from you, but they are going to have the final decision.
- C: *Alex Burton:* I just don't believe that. I think it has been a very narrow process and I don't think the economics have been taken into account. All of the spinoff effects of implementing this sort of plan into place for all of the communities that are dependent on the ferries and the economy of the north. You want to take all the resources from the north, but you don't want to give anything back.
- C: *Mike Meegan:* Sorry for coming up twice. I don't think the solution is trying to find a smaller boat, and instead of even meeting with us, go meet with someone like Donald Trump and say how I fill this boat. Not, "What am I going to do because the boat is empty." I haven't heard any solutions about what we are going to do. We've got a problem, we've got to cut back and make it smaller. You should be saying, how do we improve our business by getting people in the seats? I think that's the real question. When I mentioned the plane scaling back and making the thing smaller, sure it meets an economic goal in the meantime. But it kills tourism and growth. My son was on board the boat when it sank, by the way. The fact remains; I know how small those boats are. I appreciate Carla's approach of making it a smaller boat, but it's the Hecate Strait. It makes some sense to cut some cost, but the real questions is, how do we get people to come back to like us? Why don't people like BC Ferries anymore? That should be the question you're asking. What are we doing

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wrong? The last time you were here people told you to close the store. People aren't shopping in it realistically. Try to make a go of it. Don't just downscale and come up here and try to have us downscale with you. I'd like to see you raise the bar for yourselves. Talk to people smarter than yourself, like Donald Trump. He would have figured out how to fill the thing. I don't want a smaller boat and I want it to be clear. The second thing is, in your three agendas, you are going to cut back the seniors' discount and maybe introduce gambling. So what I see is all the do-gooders come out of the woodwork in Vancouver and say no gambling, it kills our neighbourhoods. And what about the old people? Those three things, as I see them, are a distraction to the real issue of cutting service. That's how I see it. Even though it's on the table and it's legitimate, I see it as a red herring. In this community here it hasn't been mentioned once really. No one has said what about me? I would rather pay full price more often. I don't care if people want to gamble because I expect them to have enough brains to not gamble if they don't want to gamble. I don't want the ferry to use it as an excuse and pretend you're listening to the public because you decided you're not going to have any gambling. That's what I see. You bring 3 issues, when there is really only one issue here. The communities are dying. You are cutting the artery that feeds the people. That's the real concern. And the size of the boat, just figure out how to fill the boat. Make it fun. VIA Rail can do the same thing. Use your imagination. You don't want to be here slashing everything, don't you want to be part of something that's growing? Wouldn't you rather be on something that's going up rather than trying to figure out how to get a parachute on the way down?

- C: *Colleen:* I just have one point and that is I could be one of the people that's filling the seats on the ferry. I go to Vancouver Island quite often and travel a lot. I fly though. I tried to take the ferry when I first moved here a year and a half ago, and it took me 17 days to spend 3 days on Vancouver Island. Because I had to leave on a Thursday night, etc. If it could be a one week trip I would probably do it two or three times a year, but that doesn't work with the way the ferries connect in Prince Rupert. I think that there is a lot of thought that could go into it to get people like me that do travel into the ferry seats. I love travelling by ferry and would like the opportunity to do it. Thank you.
- C: *Keith Alexander:* I have a vacation guest house. I have had a potential customer tell me that he was ready to book until he looked at BC Ferries fares and he said that to get my vehicle and family here, it's just too much and I have to book on the mainland. I asked every customer that I had this summer that came over on the ferry how full it was. Not one of them said half full. Not half. And that's the height of the season. My point is, if we accept that these routes will never be profitable, it's a whole lot better for the economy to have more people on full ferries at affordable, attractive rates, than empty ferries at high rates. At the rate we're going now, you're going to have one passenger per ferry at \$10,000. It just doesn't work. Having those ferries full is good for the economy. The second point I have is more political because you guys have no control over it. It's government policy. You take highways and ferries. Both have a huge infrastructure and high operation and maintenance cost. If you apply the BC Ferries model to highways, then there should be a toll booth on every highway in BC. But it doesn't make sense and we all know that. It would kill tourism and just be bad for business in general. How does this government justify killing our highway? They're both highways. One's land and one's marine. It is a political statement, but the Liberal government says they are business friendly, but they are not. They're killing business on the north coast. It's going to kill things. If you had rates that attracted people, the ferries would be full

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again. People want to come here, but they're not. Not in the numbers they used to. I know you are limited in your government restrictions and what not, but I suggest that you think about full ferries versus empty ferries.

- A: *Scott:* I'm not from here, but I can assure you the people here are very nice. I think Mike hit the nail on the head with the gambling part. I saw that you were cutting the senior's discount and introducing gambling and thought "what are you going to do, put our grandmas in the poor house?" This whole presentation reeks of grease and reeks like Enbridge's presentation. I can see that it's plainly marketed towards tourists with the normal schedule in the summer. I'm from the interior and disagree with putting a tax on every highway and what not. My question is what about different rates for BC citizens or people who live here and travel from Skidegate to Alliford Bay every day and then a different rate for people from Alberta or Germany or wherever.
- A: *David Hendry:* That is a great question. We are introducing an IT program that is going to overhaul the entire way we do bookings and reservations and who our customers are and to get to differential pricing. First of all, we will have a better idea of when the customer is coming and offer, say, time of day pricing, or time-of-week pricing so we can get people onto underutilized sailings and vice versa. That's what transportation companies generally do. The other part of that doesn't so much apply up here, but in the south they have an experience card where they get a discount for using the ferry after pre-loading a certain amount of money. So what we're trying to do is transition those programs to a frequent user program. Essentially, the more that you sail, the greater the discount you get. So to your point, someone from Germany wouldn't be able to buy an Experience Card and get those discount rates versus someone who's a resident who would be able to.
- Q: *Scott:* So someone from Kelowna or Kamloops would pay the same as someone from out of country? But don't we pay for BC Ferries in our taxes? What you're saying is that if you use it once a year, you pay the same no matter where you're from? Shouldn't there be a fare for BC residents?
- Q: *David Hendry:* That is not in the purview of the company. What I am talking about is a business decision. A resident rate would be a government decision, so I can't answer that.
- Q: *Scott:* Is there anyone from government who can answer that?
- A: *Kirk Handrahan:* That is not something we have looked at in the past. I encourage you to put that in a feedback form and it will be part of the record of this proceeding here and it is something that we can look at. It does take a lot of time to establish and ID everybody and determine if they are a resident or not a resident. So it would have some impacts on the ability to provide the service and we would be looking at a different rate structure. But it is something we could look at.
- C: *Nancy Spooner:* If you have a comment please come to the mic. I just want to point out that it is 16 minutes to 8 and there are 5 people waiting to speak.
- Q: *Scott:* I will make it quick so that I don't have to come up again. I saw that they are going to put in automated height checkers for cars. That seems like a frill to me. Can't the person at the booth look at a car and decide if it is over-height or not.
- A: *David Hendry:* It is really a program that would automatically measure the length of longer vehicles and that height. It is probably more so that length than the height. I don't know if you have seen, but a terminal attendant would have to basically get out and roll a measuring tape down the length of the vehicle. In this day and age, it is not the most automated system in the world. This would allow us to streamline that process.

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- C: *Nancy Spooner*: There are 5 people at the back and I have seen 2 more hands go up and that is probably all the time we will have. If you do have a question I would encourage you to take your spot.
- C: *Bill Yavanovich*: Everybody is probably in a hurry to go back to their powdered milk I guess. One concern that I have is the timing of this thing. I think from the feedback from your consultation, one of the common themes will be the impacts, to our health, our mail, our food and the impacts to our business. It is huge. The timing of this thing is crucial I think. I had time to speak to Kevin earlier about the concept of a road. There is no time to even do a feasibility study. I would hope that maybe we could postpone this for another year so that solutions could come forward and they could be implemented. If we could come up with the greatest idea there is no chance it will come in before this is pushed down everybody's throat. My suggestion would be that we delay this a year, work together, come up with some solutions and maybe even do a feasibility study for Route 26. There are some solutions, so real genuine solution. I think in your consultation you are going to hear all about the impacts and I don't like to hear the repetitive stuff over and over again. Probably what you are going to see is all the impacts and not a lot of solutions coming forward. I don't think we have a lot of time for a lot of solutions if this is proposed for the next fiscal year. Maybe we can delay this another year and I think the reality has sunk in that these cuts are coming so we need to determine how best to we minimize the impacts. If we go ahead right now with what you are doing and come up with some ideas and juggle and fumble it, it will not be the best solution; the impacts will already be there. Sandspit is already crumbling. If this goes ahead, with what is proposed more people will leave here and the rest of the communities here on Haida Gwaii, because of the challenges to service. We wouldn't be able to repair that, so there is lots of pressure to do this in no time. That would be my suggestion to bring that back to your officials to say we need more time to look at real practical solutions, and implement them in a timely fashion. That is my message, to delay this another year and work together to come up with some solutions that work for everybody.
- C: *Nancy Spooner*: I appreciate that and please put that in your form. Thank you very much.
- Q: *Mike*: How are you leaving the Haida Gwaii?
- A: *Nancy Spooner*: We have a meeting in Masset tomorrow and then we have a meeting in Prince Rupert the next night so we are flying.
- Q: *Mike*: I see a study here on BC Ferries. Was there an economic impact assessment done on how this would affect the northwest economies?
- A: *Kevin Richter*: We recognize that there are impacts; we did not conduct a socio-economic impact study because what we thought was that the community knows best. So this forum is for you us to come forward. We have heard about the cost of groceries, impacts to the mail system and for people being able to get to work. So hearing from you, having your input is part of the understanding we can get and give to the elected officials. We want to know what the the social and economic impacts are, because the community knows best.
- C: *Mike*: So no. I am going to do it for you quickly because I have heard what everybody said. Here are a few notes for you to take. There will be impacts on: life, family, work, health, medical, school, hobbies, sport, dental, mail, food, supplies, tourism, recreation, cultural, freight, highway and economy. I hope you all just think about that for a minute tonight.
- C: *Nancy Spooner*: Thank you very much.

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- C: *Ellen Cranston:* I am a Councilor for the Village of Queen Charlotte, I am also on the Northern and Central Ferry Advisory Committee, and I am also a Northern Health Employee. I wear a lot of hats, but I am going to put on my Northern Health hat. Any idea how many people go to Rupert on a northern Travel Assistance Program form, which is a travel assistance program done through the Medical Services Plan. 2,500 people per year. Our population is less than 5,000 people. I don't know who is going and I wouldn't tell you if I did, but what I am saying is that is important, because we are talking life and death now. If people can't afford to stay in Prince Rupert for 4 or 5 nights, Northern Health actually offers a room there for \$50 a night. Well for 4 or 5 nights that is still a lot of money. But a TAPS form only covers the cost for the person travelling, their car and an escort if they need it. If they have had surgery over there it doesn't even cover a bed on the way back, so we are talking about the minimum, really minimal. The people will not go if they cannot afford it. And people will die. So that is where I am concerned, and I hope that you will take this to heart, because it is important. Thank you.
- C: *Nancy Spooner:* Thanks Ellen.
- C: *Jim:* I am a resident of Queen Charlotte. Most people know me and I know most people as well. I have some statements and also some questions. One of the statements I would like to make is in regards to the current ferry system. I have a regular sized pick-up truck and it is very common for me and other people to bring goods across. As long as I stay within the height allowance, I think 7 feet it used to be 6 foot 8 inches, there is no over height charge, but the minute that it goes beyond that we lose our residents rates. That has happened to me a couple of times this year just having a vehicle that was 7 foot 2 inches, which made my passing with my trailer \$550 one way, and of course you have to take it both directions, even if it is empty. I understood that because I was working off-island, that the southern islands got their over-height charge dropped for the residents, and I would like to see that happen. Because we augment the cost of living here by bringing goods. I am curious about the timing of you coming here. It is a little curious, that this all happens 3 years after the government said we are going to have to charge everyone a tax for the Sea-to-Sky highway. We all had to pay for that, and I have not even been on that highway. Yet I use this ferry service. Why is the rest of the province complaining that they might have to subsidize this place.
- Q: *Nancy Spooner:* Sorry sir, would you like an answer to why the government has not tolled the Sea to Sky highway?
- C: *Jim:* Well the government said to us that you need to pay for this highway, it wasn't like we had a choice; it was an obligation as a taxpayer. This is the same scenario. We live here and the group that uses it takes advantage of the ferry, it is a highway and the rest of the province pays for it and that is just the way it is. I am concerned that we don't seem that important; that the rest of the province doesn't want to subsidize the ferry, but it is the way it is. There is another issue. For instance the economic is slowly dwindling. And I have been in Terrace, and that area, and the north is booming. So does the government of British Columbia look at the economy as growing, because that is what it seems Christy Clark is suggesting. But we are standing here saying that it is shrinking and that coastal communities are suffering. Are these costs that are being suggested based on a shrinking economy or are these based on a growing economy and at that point are they going to readjust the numbers? How have you calculated this?

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- A: *Kevin Richter:* For these service reductions we looked at considerations. We looked at how much the shortfall was on the route, its utilization levels and capital expenditure. Those were the considerations that we used to develop the service reduction plan that you see before you. Government has put in additional money to the system, and government knows that there is going to be impacts, but it also recognizes that the ferry system is important and that is why it has put in additional money. That is why it has asked BC Ferries to find additional efficiencies, because it recognizes that the ferry system is important. What I am hearing is that you and many people in the community have talked about it in context of a highway system. Government's decision right now is that they have put in as much money as they can. It is government's decision if they think more money should be put in. What I am hearing is that you think that it is something government should be looking for. I would ask that you put that in your feedback form.
- C: *Jim:* I have been in Terrace, and there is a lot of money being thrown around by the government. Like a lot of money. And I am a family person and I know that there are a lot of people here with families. What if I were to say to you that I have two sons who are going quite nicely, and I have a daughter who is struggling. Do I chip in money to my sons, throw more money at them, or do I help my daughter make it. That is what it feels like here. We need the extra help because we are a struggling community. Don't be so lavish with these communities that are doing well. Thank you.
- Q: *Alanah Monntifield:* Last time when I was talking about powder milk I forgot to tie it back to the reason I brought it up in the first place. It is tied to the question about cancellations. In the past, if there was inclement weather or something like that happened the ferry would hold and then it would come over. Recently, and I don't know what the timeline is, but it just started to get cancelled, and it was like "oh sorry about that we will just come back on our next scheduled run." Which is like, "oh okay, that sort of bites but I will accept that for now." When you are reducing the sailings, especially in the winter time, I think you are taking away the Tuesday. But if you are taking away the Tuesday and there is inclement weather on Sunday, and the next one is on Thursday, what happens to our groceries? And what is that the contingency plan for BC Ferries to get us groceries? And we are talking about shitty groceries. You know they already sit over there for a day in the truck. I am not blaming you for that, but that is a reality and if you are going to cancel ferries that is something that is going to affect me. And I am going to be really mad about paying \$7.49 for 4 liters of milk. I don't know if that is a question, a comment, or an accusation but I will just leave it at that. How do you justify over height policies on the Kwuna, which has no roof, and how do you justify over height policies on the new ferry that has no ramps overhead? Thank you.
- A: *David Hendry:* I will try to answer your first question, about the schedules that may be in place. We have heard that certain days are very important. That is something that we will need to look into, and what schedule makes sense with the remaining service profile. That said, as a company our mandate is safety first, and as you well know Hecate Strait is one of the choppiest bodies of water up and down the west coast. We have regulations of when and we will and won't sail and if something like that happens and we can't sail due to weather, we would take that into account, especially if there are important goods that need to be transported. We have the discretion of being able to sail to get needy things across the strait. The second question is not so easy to answer. We have an over-height policy in the north and an over-length policy in the south. Without getting into to many details, it goes back a few years, with needing to still retain the revenue from certain types of passage. In the future, we will have a standardized system across all routes. There

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will still be an over-length, but it will understandable. Basically if you have a car that is 20 feet long it would be a per foot charge in addition to that 20 foot vehicle. It is something that we know doesn't make sense and we are going to fix it.

- C: *Leroy*: I have lived here for 5 years. Earlier you guys talked about ridership. If you had looked at your ridership, you would have noticed it almost makes more sense to take the plane than taking the ferry because the costs are so high. I think that if you take that into consideration you might be able to some more ridership out of that. I forgot what I was going to say.
- C: *Nancy Spooner*: If you think of it before we are done just come back. Thank you.
- C: *Terry Tollestrap*: What I missed touching on was your reservation system. With my lodge I have had people phone and say we are going to have to cancel our booking because the ferries are full and we are on standby. And then you go down to the ferry and you talk to people that come off and it is only half full. What is wrong with you reservation system? It needs to be revamped.
- Q: *Jennifer Rice*: MLA for North Coast. My first question would be is it possible to look at the entire model of BC Ferries, because we have a quasi-private, quasi-Crown corporation. Would it be possible to revisit all that? It appears to me that it is not looking all these solutions without looking at the actual problem of BC Ferries being financially viable and servicing the coast.
- A: *Kevin Richter*: That is under the purview of the elected officials. It is their decision to decide what the model looks like. I think it is important to understand that no matter what the model looks like we have these pressures: rising fuel, low ridership, capital investments. These pressures are going to be mounting in the future. So something has to be done. So yes that model can be looked at but the bigger issue is that the costs are rising and we need to figure something out to make it sustainable into the future.
- Q: *Jennifer Rice*: So I am cognizant of the fact that there are big cost pressures and I am grounded in reality enough to know that it is not financially viable, but I am also curious to know how we serve remote and rural communities, such as those on the Haida Gwaii, North coast and Central Coast, which are in a completely different geographic, education, medical, and economic situation then the communities in the rest of the province, especially in the Lower Mainland and Vancouver Island. So going back to whoever brought it up, the \$20 million from the federal government. Could that be relooked at for serving rural and remote communities? How is that money distributed?
- A: *Kirk Handrahan*: Sure. We get about \$28 million a year from the Federal Government. It increases each year by the consumer price index. The agreement was, and I wasn't there when this was done it was back in the 1970s, was to provide a service connecting the North and connecting the Lower Mainland to Vancouver Island. So what we do is take that \$30 million and approximately \$150 million for the service fees and divide that amongst all the routes, the smaller minor routes and northern routes. The major routes connecting Vancouver Island and the Lower Mainland they don't get any service fee. The other \$30 million comes from other social service like Medical Transportation Assistance Program, and the Seniors and Student funding.
- Q: *Jennifer Rice*: So would you say that the communities down south are comparable to the communities up here in the north?
- A: *Kirk Handrahan*: No every route is unique. A significant amount of funding goes to support the Northern routes. They are the most expensive and we understand that. They are longer and they

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require live aboard crews and they require more fuel. A lot of the service fees and funding goes to support the routes from Prince Rupert.

- Q: *Jennifer Rice*: I guess I will make a comment then. I would like it on the record. The intentions for the federal funding need to be revisited and that I think communities down south should be compared to communities in the North and the economic situations that these communities are in. One other comment I would like to make is that you were mentioning Kevin that it didn't seem appropriate to do a socio-economic study ahead of time, that you wanted to do this consultation and hear from the mouths of the people that live here and how the cuts would impact them. In my mind, I think it was Carla, if things are repeated they might actually hit home, I think here is a need for a socio-economic study, with the proposed changes the way they are and if that is sort of fluid and not carved in stone yet then at least do one component; do the health component. Provincially, we have a \$44 billion dollar budget and I think 80% of that goes towards health. And I would like see how these proposed changes would impact the health of these communities as that is biggest burden on the provincial government. We might actually see that we are going to cost the province more. I would like to suggest that that is something that is looked at. Both of the Mikes talked about the big picture stuff, and I definitely think that needs to be looked at. I am an elected official, I am not in government, don't tar and feather me. We look at things in silos and little boxes and not in a holistic manner. Well I understand that when you are dividing up funds that is what you have to do, put things in little boxes. But if we looked at the situation in a holistic manner I think we would realize that we are putting people into dire situation in the North and Central Coast. I guess I would probably like to close with two things, one question one comment. The comment I made last night. A few weeks ago we heard the top executives were having their bonuses rolled into their base salaries. In a lot of people's minds they are exorbitant salaries. I would agree with them. In addition, I learned that 10 of those middle managers no longer have performance targets; they just get their bonuses rolled into their base salary. They could basically underperform and get this bonus. I think in the real world, which is in a Crown corporation or private industry that would just never fly. I think to roll out the proposed cuts after these so-called bonuses is an enormous insult to British Columbians. I definitely want that on the record and I will repeat that in Masset tomorrow and I will repeat that in Prince Rupert. I will follow you around to any other community and I will keep repeating that. Then to have these consultations, or as many people you know call them so called consultations, to say tweaking is allowed. What is tweaking? It doesn't seem very viable. I just wanted to have that on the record. It is really unfair to British Columbians, in particular small coastal and rural communities, such as Haida Gwaii. My last question would be to Kevin, is that you were talking about 22, 23 consultations. I think you mentioned 26, and you have done 13, so you have done 50% of these tours. My question to you would be, if you were to write your report right now what would you say? What have you heard?
- C: *Kevin Richter*: I have certainly heard some common themes. I have definitely heard that BC Ferries should be part of the highway system. I have heard people talk about the impacts, whether it be regarding their families, whether it be regarding tourism, whether it be regarding their businesses. We have heard about what these impacts are. And then I have also heard people's ideas about refinements, people with some suggestions. I have clearly heard last night and tonight about the morning sailing. In other communities, I have heard people coming to the table with some ideas. So those have been some of the themes I have been hearing.

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- Q: *Jennifer Rice:* I have one more question. I have heard people talk about converting the Ferries to operate on LNG. I haven't heard a lot of people talk about that. What would that cost? Because it seems like we can't afford any other capital infusions, but that sounds to be that it would be an enormous undertaking.
- C: *David Hendry:* Great question. We are looking at LNG for new vessel construction. It is something that would be built into new vessels. At the moment there is a bit of a premium for that, which is well paid off with the cost of LNG at this time. LNG is approximately half the cost of diesel fuel, so the pay back is quick. We are also looking at the opportunity on larger vessels that are coming up to a middle life upgrade and they have enough life in them that it would warrant converting them over from diesel to LNG. Again, there is a premium for doing that but that payback is quite large. Our fuel bills, as you can see on the charts there, are approximately \$120 million a year. If you can get some of those large vessels that are burning 10 million liters of fuel a year, which is approximately \$10 million, to convert to LNG at half the cost and add that up for 3 or 4 vessels you can see the potential. That is something we definitely need to pursue.
- C: *Leroy:* You talked about the over-height and over-length vehicles on the vessels and you said there would be a system that would detect the length. Will you still have those employees? Won't that duplicate their job?
- A: *David Hendry:* We would not implement something that would be a duplicate.
- Q: *Leroy:* What would happen to those employees if we didn't need them?
- A: *David Hendry:* That hasn't been decided.
- C: *Nancy Spooner:* Sonai and then the Chef will have the last word.
- C: *Sonai:* I don't know how this is going to come out, but it is something that has been haunting me since the night the Queen of the North sank. And a lot of us are haunted by that; you know we have friends and family who lost their lives. That is a ship that we all loved too. Ships they call them ladies, back in the day at least, I don't know what you call them anymore. That is a beautiful lady that is down there, and there is a community that went to great sacrifice to make sure that people were helped. I won't get into to the fact that you could have raised the Queen of the North since then with some of the money that is spend on a top heavy system. But the thing that bothered me the most that night was an attitude. There was a privateer on there; maybe you didn't hear that word for a while, privateer. And maybe I was not seeing this on the news, but I am going to look for footage. Talking about how he was on some fan tour with the BC Ferries, oh the Queen of the North would make a great casino, blah blah blah. Maybe I am crazy; lots of people say I am. But I swear I seen it. This man was saying hip hip hooray as the ship went down. He said that was a mariner thing. Maybe I am crazy, but I swear I seen this that night on the news. You know how there are news stories and at first they are all live and you get a lot of speculation and then as it gets dwindled down it gets less and less. And maybe if it is a really big news story and people down want it to be heard you don't hear anything about it for years. Well this is something that if it is true I have never heard of that. And that is an attitude that it is like the wild west over here again. We already went through enough. Is this because we don't agree with some of the things that are going on with pipelines and that? Oh so just hold them over the wire and pretty soon we will own everything and have the tourism to. That is the kind of attitude we feel. Maybe I am only speaking for myself here, and I am willing to do that, but if you really don't have that kind of attitude towards us then we need to know you don't. We need to know that you really care. We do!

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- C: *Chief Roy Jones:* I want to thank you for staying a little over your time. I think this issue is really important and I think that we should have even more time, because there are still people upset about it. I think there are two issues. Number one, this is for the operations people. In Prince Rupert, since the sinking of the Queen of the North which comes up often, everyone is being checked for ID. It is easier to get across the US border then to get on a god damn ferry in Prince Rupert and you are treated like shit if you haven't got ID. And that really burns me up. The other one is a business fashion. McDonalds sells hamburgers around the world, Mr. Mike sells hamburgers in Prince Rupert. McDonalds is full of families, Mr. Mike has got people who can afford it. Look at the math; it is the volume that is going to pay the bills. That is what is going to make the difference for the service on Haida Gwaii and southern BC. Stop ripping off the people who can't afford it and putting them in corners that they can't get out of. It is devastating being broke. I have gone broke 4 times in my life. I have processed about \$42 million in my work life and I have employed a lot of people and today I am at the end of my days, I am 62, there is not much prospect for me. BC Ferries is one of the vehicles that can enhance the community I live in not only for my but for all the people on Haida Gwaii. So when you are making decisions, take a damn good look at what is happening? Take a look at it and maybe come and live with us for a while. Come and live in this environment and what people on social assistances have to live with. Try it out and then go and make a good educated decision.
- C: *Nancy Spooner:* Thank you Chief. I will just ask Kevin to close.
- C: *Kevin Richter:* Thank you very much for coming this evening. Thank you very much for sharing your words. I ask that you fill out the feedback forms and talk to your friends and family, your colleagues, have them fill out the form. Go to the website. I really, really encourage you to get as many people as possible to come together. Thank you very much and have a good evening.

3. Closing Remarks

Nancy Spooner wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on December 4, 2013 at the Masset Community Hall, Masset, B.C.
FACILITATOR	Nancy Spooner, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Joanne Doyle, Manager, Master Planning, BC Ferries Lisa Santos, Kirk & Co. Consulting Ltd., Meeting Recorder David Pankratz, Kirk & Co. Consulting Ltd. Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants did not support service reductions:
 - Participants said that the consideration of “basic service” is not being met now, and that further reductions to their lifeline are completely unacceptable.
 - Participants were angry at what they perceive as an unfair reduction in service to a community that is already suffering significant hardship.
 - Participants said that the cuts in service to Prince Rupert will make a difficult living environment even worse, creating greater challenges for people and businesses that rely on the ferry service to and from Prince Rupert for healthcare, mail service, groceries and family connections.
- Many participants urged government to reconsider the way the subsidies for the ferries are allocated. They suggested that the utilization figures put northern communities at a disadvantage because the type of vessel and the distances are so much greater and the population so much smaller. People felt that northern communities should be treated differently – that there should be a regional solution that reflects an understanding of the realities of life in the northern communities. Many participants also felt that the suggested cuts are consistent with a general lack of government services and that the significant contribution of the natural resources of the islands to the provincial economy has not been considered and has not been repaid.
- Many representatives of the Haida Nation expressed concerns about the importance of the ferries:

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- To the health of their people: elders barely getting by on a pension cannot afford to stay in Prince Rupert extra nights if the sailing is cut.
 - To maternity care: mothers must travel to Prince Rupert to have their babies.
 - To attending funerals: which bring together Haida people from all over the territory.
 - To visiting extended family communities.
- Participants urged the BC Ferries and Ministry of Transportation and Infrastructure representatives to “carry the message strongly” that Masset needs the ferry at current service levels.
 - Many participants expressed concerns about the high salaries and bonuses being paid to BC Ferries and suggested that there could be savings there that should be put back into the system.

DISCUSSION

1. Welcome and Introductions – Nancy Spooner

Nancy Spooner welcomed participants to the open house, and explained the format of the Q & A. Nancy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

- C: *Nancy Spooner* : Really appreciate you taking the time to be here. My name is Nancy Spooner, I work for a company called Kirk & Co and Kirk & Co has been hired by the Ministry of Transportation and Infrastructure to organize the 26 meetings that we are doing around the coastal communities, and to gather all of the feedback from all of the meetings and from the feedback forms that you fill in, in hard-copy or online. We’ll gather all of that input together, and we will be producing a report for the Ministry in the New Year. As I mentioned, we are doing 26 meetings and we are about half way through; this is our 14th meeting tonight. So we will be continuing through to gather feedback until the 20th of December. It will be into the New Year by the time we can compile everything. There will be a summary report which will become public; it will be on the website and for those of you who have provided us with an email address, we will be sending the report to anybody who wishes to receive it. Just a quick overview of how we are going to run the meeting: we want to hear from as many of you as we possibly can. Your feedback is very important to this process, so we’d like you to come to the microphone when you have a question or a comment. My colleague Lisa is taking notes and the meeting is also being recorded so that we have a record to make sure that we’ve captured everything that you’ve had to say to us tonight. Mr. Whittaker in the back is also videotaping the meeting, I think there was a plan to have it on a live feed but my understanding is that it is not a live feed, is that correct Roger?
- C: *Roger*: Yes, it is not a live feed.
- C: *Nancy Spooner*: But it will be available afterwards?
- C: *Roger*: Yes it will, it will be broadcast over the next week or so.
- C: *Nancy Spooner*: Thank you, OK. When you come to the microphone, if you have something to say, we would really appreciate if you could just give your name for the record. We will be attributing comments. If you are representing an organization if you could let us know what that organization is, if you are just representing yourself and your community that is fine as well. We’ll get started. I

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just would just ask first of all that for the team here to introduce themselves and tell you who they are before we start our questions.

- C: *Kevin Richter:* Back in 2011, the Ferry Commissioner came out and he visited several coastal communities. He provided a report in 2012 that indicated that with growing pressures related to fuel, related to labour, related to capital investment that BC Ferries has to do to replace vessels or fix terminals, and declining ridership, there's a lot of pressure on BC Ferries going into the future and it's question around sustainability. He said that the ferry system won't be sustainable unless action is taken. So Government responded and Government gave \$86 million in addition to BC Ferries. BC Ferries was also asked to find another \$54 million in efficiencies. The Government also decided that that was as much money as it could put in. To keep pressure off the system, it asked for an additional \$18.9 million in service reductions. Last year I came out to the coastal communities, with my colleagues, and we were asking people for their input on considerations that could be used to influence or inform decisions around service reductions. Considerations such as looking at routes that have significant annual shortfalls, that are losing money. Looking at where the utilization is low on particular sailings or on particular routes. Looking at routes where there is going to be have to be significant capital investment. Looking at a consideration of where a route connects up with other routes. Also trying to balance those considerations with a very important one, of maintaining basic service levels for most users. So we came out and we asked people about that, we also asked people about long-term strategies such as using LNG, having no-frill vessels and other strategies that could be used in the long term to ensure the sustainability of the system. Government decided based on those considerations and on the feedback that was heard, to then put a plan out. We're coming out because Government committed to come back out to communities, to engage with communities, to get your feedback on this plan. One part of the plan is asking about what do these service reductions look like and how do they impact your community? To get your feedback on any other considerations that should be used, that we should be made aware of, before that final decision is made by the elected officials. Also getting your feedback on other measures that could help us out in the medium to long-term to make ferries sustainable, including the introduction of gaming down in southern routes connecting Vancouver Island to the Lower Mainland. Looking at changes to the seniors discount program. Looking at modifications to the reservations system. Looking at whether there is a possibility for passenger-only service and what would the community be looking for in that. So we're out here tonight to get your input, to get your feedback on what these government decisions mean to you and to your community. And so I'm glad to see lots of you have the discussion guide to fill out that feedback form to get your feedback. In addition is looking at parts of the service reduction plan that could be refined. Again, I want to emphasize that there's no final decision yet. We're coming out here with a plan, and Government has made a decision to find \$18.9 million in service reductions. We want to get your input, we want to also see if it could be refined and so that's why we're here tonight. David, can you talk a bit more about that refinement?
- C: *David Hendry:* I think it is important to recognize that the schedules you've seen in your guides and the boards out there, they're just indicative at this point. As Kevin says, we still need to find overall net savings but we didn't want to come out with a revised schedule showing how those reductions might look. We've shown those reductions on the existing schedules but where there is

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opportunity to refine what those reductions are, that's what we need to find out. That's why we're out here, that's where you need to give us your feedback. In some cases there's less opportunity, in other cases there's more opportunity. On the route between Prince Rupert and Skidegate there are opportunities of changing the days those reductions happen and possibly even changing when those reductions happen between the peak and the off peak season, so it's important that you give us your feedback on that. We've heard up and down the coast a lot of different needs that we don't know when we're looking at the numbers so that's why we're out here. BC Ferries will be out in January to talk with the local Ferry Advisory Committees and other Government bodies to look at opportunities to refine those schedules so we will take the input from this process and come back out in January to look at revising the schedules. Thanks.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- Q: *Unknown* : I've got a copy of review of the coastal ferry documents put out by the commissioner. And Section 1.4, I'm just going to take the last bullet from that part there, and the section that I'm referring to says there needs to be a more effective process for consultation and input from ferry users; "BC Ferries operating policies and procedures do not appear to ferry users to be serving the interests as a priority and there is a perceived lack of meaningful consultation on the decisions affecting them." My question is, we are sitting here in the room right now and you're going to be hearing a lot of input from us. Are you actually going to be listening to us and are you going to be taking and reviewing that, about how your process, rather your bottom-line, how it affects the communities on the coast?
- A: *Kevin Richter*: Absolutely. We're listening, I'm listening and I'm hearing what you're having to say. We are also recording it for the record and it will be prepared for a report to go to Government. The final decision is with elected officials. I'm doing my part to inform them, I'm giving them briefings. There will also be a report that goes to Government. At the end of the day, it's the elected officials who make the decision.
- C: *Unknown*: That sounds like a deflection to me.
- C: *Andrew Merilees*: Thank you, Andrew Merilees, I'm the mayor of the Village of Masset. Joanne Kirk, David, Kevin, Nancy, thank you very much for coming again, nice to see some familiar faces. Welcome to our community. As well, I'd like to thank the Powell River Chamber of Commerce for paying for Roger Whittaker in the back for coming and videotaping the proceedings tonight. I'm not going to take up a lot of time, I have a few notes and I'm sure you're going to hear a lot from the community here, but thank you for coming to the community anyway. I think the community is very disappointed; we had consultations late last year as you're aware and the community really doesn't feel that you really heard what the community said. Because we didn't say that we would accept service reductions, in fact I think I stood up and I was very clear that we will not accept service reductions, that we would not accept cost increases on the coast. So we will not accept those things until the systematic problems with BC Ferries are fixed and we see you're tinkering with a totally broken system. And we would like that system fixed before we start messing around with things that are going to seriously affect the economies of Haida Gwaii and the entire British Columbia coast. The proposed service cuts that you've done, cost increases, withdrawal of benefits

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by cuts to the seniors' discount, introduction of gaming, they're all short-sighted and they're misdirected attempts and they will do nothing to address the real issues that are affecting BC Ferries. Nor will they contribute to a sustainable coastal highway system. So the proposal around these service reductions without performing an economic assessment around these impacts, shows a real disregard for communities and the people that work and live along the coast that rely on ferries to provide a livelihood for their family. You know, proposed changes would see two sailings a week scheduled during the winter. Haida Gwaii could be without fresh produce and dairy for more than a week with inclement weather by missing just 1 sailing. It will further reduce our mail capacity, currently all of our mail is delivered by the ferries, to have mail service twice a week is substandard for a country like Canada I feel. It has serious economic benefits for people receiving benefit cheques or for people trying to do any form of business on the islands. Coastal people are going to have an increased difficulty in accessing healthcare on par with other people in the province. It will make people stay away from home longer; it will make it more expensive and add increased hardships onto already serious medical issues that they may have. Tourism industry businesses and other business that rely on the influx of visitors into the islands are going to see their opportunities to expand and grow our local communities totally wiped out. The sustainable growth is going to have serious impact by limiting the ferry service to Haida Gwaii and the British Columbia coast. BC Ferries as private or quasi-private company has been a dismal failure. There appears to be a real inability to understand the basic principles of business outside of executive compensation and to use ferry system that will benefit the communities, which is why it is in place. What BC Ferries needs to do is not cut services, it needs to increase ridership. You need to bring more people into the ferry system, not make it more expensive and harder for them to do it. You need to work with the local tourism businesses, not to develop BC Ferries vacations, but to develop Haida Gwaii vacations, to drive people up the coast from Bella Coola all the way up to Prince Rupert and Haida Gwaii and beyond. I understand that the Government is reluctant to treat us coastal communities fairly, in providing the same services that everywhere else in the province receives through compensation of their highways and bridges. I know it would cost money, and I know as a mayor how little money there is, but the economic health of our coastal communities is linked to strong transportation link with the rest of our province. We cannot do anything without a strong transportation link to grow our sustainable local economies. You know, the rest of the province has far the greater value it seems, and it's going to take vision and leadership and yes it's going to cost more money from government, but we won't accept any of these changes and coastal communities are demanding fiscal fairness and equality with the rest of the province in achieving a transportation link with the province. As Kevin has said, this will be a political decision and I didn't thank everybody for coming out, my apologies, thank you for coming out. But, this room, as Kevin has said, it will be a political decision. We need to write letters to our Minister of Transportation and the Premier. We can't just show up at meetings, our message doesn't get through. We need to seriously have a campaign to let the leadership of the province know that it is unacceptable and it is unfair to coastal communities. To treat us this way while giving huge benefits and supplementing transportation systems to the rest of the province. And with that being said, if you look at figures, this year, Haida Gwaii ridership on BC Ferries has increased. So we are doing our part by increasing our ridership on the islands through Haida Gwaii tourism and other ways, we expect the province to come and treat the coastal communities with fiscal equity like the rest of the province. Thank you.

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- C: *Kiefer Collison, Council of Haida Nation:* I don't have much questions, I just kind of have a statement for you. On behalf of the Council of the Haida Nation, I wish to express our absolute opposition and extreme frustration to the recent announcement of the proposed reduction in the service of the residents of Haida Gwaii. We already manage with these difficult living situations in a remote setting. Perpetual climbs in transportation costs are making getting off-island a lot harder. Your proposed reduction in services is making this already a difficult environment even worse. All to save a Crown Corporation some money. It's incredible to fathom that you could put dollar figures on the negative impact that you are proposing to an entire island of people who rely on essential services. Our people deserve better. We cannot express more clearly how upset the Haida Nation is with these announcements. Increasing rates year after year, sunken ferries, inadequate vessels for our waterways and, especially, big bonuses for executives. We cannot believe the audacity you have to propose such changes and expect anything else but anger and frustration. What were you expecting? Applause? Understanding? This entire consultation taking place these past three days has been somewhat of a ridiculous situation for us. Our president Peter Lampton sends his regrets; he could not change his schedule due to the short-notice of the meetings. The Council of the Haida Nation will not rest on this issue. We will get political and you have not heard the last of us.
- Q: *Bret Johnson, Council of the Village of Masset:* Has there been any decrease in services or increase in prices for the three ferry systems in the interior?
- C: *Kevin Richter:* Did I capture your question correctly in that, has there been any decrease in service?
- Q: *Bret Johnson, Council of the Village of Masset:* Will there be any decrease in service or increase in price to those ferry systems? And if not, why not?
- A: *Kevin Richter:* At this point the Government has decided that there will not be any charges on the inland system. So currently the inland system is free, there will not be any charges on it, and there's not going to be changes to the service. That said, I just want you to be aware that the contribution that's given to the inland system, the subsidy per vehicle for the inland system, is about \$18 per vehicle. So as tax payers, \$18 goes to pay for each of the vehicles. On the coastal ferry system, tax payers pay \$23 per vehicle for the coastal ferry system. So the contributions made for the inland and for the coastal are comparable.
- C: *Bret Johnson, Council of the Village of Masset:* It's like the Sea To Sky highway. I don't use that but my tax dollars pay for it. I don't see this as a fair and equitable system.
- Q: *Jason, Village of Masset:* Just looking at the figures, the one that interests me the most I think is the Langdale – Horseshoe Bay. So here we've got traffic of 1.8 million vehicles and 2.5 million passengers, but somehow it's only half of the annual capacity utilization and it still loses \$5 million bucks a year. How we can imagine a system where the ferry schedule from Masset or from Skidegate from Prince Rupert is every going to make any money? I mean how does this lose \$5 million when there's 1.8 million vehicles a year and 2.5 million passengers? It seems like, like Andrew said, there is a fundamental problem with the way that this is structured. Because that amazes me, I thought that was one of the money makers. What is happening on the Langdale ferry that they lose 5 million bucks a year, before, I understand, before taxpayer contribution? But how

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is that not making money? That ferry? That's the question, because I think that the idea that we can ever achieve that here on Haida Gwaii is impossible. So there's clearly a fundamental problem with the way the ferry system works; it needs to be part of the provincial highway system. I don't know if we can do calculation on financial performance on highways before taxpayer contributions, I'm kind of new to the infrastructure game myself. So I imagine there's actually some sort of calculation where they can actually look at highways and see how much money highways make before taxpayer contributions. Because I would imagine some of the routes are probably not a whole lot different than the ferries.

C: *Nancy Spooner:* There are 2 questions I heard, one is how can the Langdale ferry lose \$5 million a year, and is anything going to change there?

C: *Jason:* Yeah that's correct.

C: *Nancy Spooner:* And then the second question is the fundamental question about the long-term sustainability and the way the system is structured. Am I representing that correctly?

C: *Jason:* Yes, that sounds good.

A: *David Hendry:* Yes it's a good question. Those shortfalls are shortfalls after all costs, so it's all operating costs, it's operating revenue less operating expenses, and then less capital charges. So that \$4.5 million is after capital charges for the amortization and the financing. You raise a good point, there are 25 routes throughout BC's Ferries system and only 2 of them cover all the costs. And those are the 2 main routes down south, and the rest of them lose money after capital charges are accounted for.

A: *Kirk H:* There's no expectation that any of these routes will actually cover all costs. The comparisons made there are just to show you the operational costs, including the capital, verses the tariff revenues what we are receiving for the route, just for indicative purposes. But there is no intention here that any of these routes would ever fully cover their costs from the tariffs.

C: *Nancy Spooner:* And Kevin, do you want to just talk about the long term sustainability of maybe some of the other mid and long-range ideas?

A: *Kevin Richter:* So service reductions are a part of the strategy, there are other strategies to look down the road to try and make sure we find this system to be more sustainable. Fuel is a major, major cost, and David might correct me for the fuel costs, but I think it's about \$120 million a year that is in a fuel cost to BC Ferries. They're looking at putting LNG which is half the cost of the marine fuel that they use to propel the boats. They're looking at different configurations in the vessels, when they're looking at new vessels, looking at the size of them based on what the ridership is so, to size them accordingly so you're getting better utilization, better efficiencies within technologies, either in hull designs or whatever and these other measures that we're talking about like in the reservation system. As we've been in Haida Gwaii, we have heard concerns about the reservation system and when people are trying to get on the boat and they're on the waitlist, and then they find out that heck, there's half the boat full. That doesn't help utilization. So there's a bunch of strategies that we're looking at down the road to help the system get better, to make sure that it's sustainable in the future.

Q: *Hank Taggart:* I'm a business owner and senior of this community. I have a quick little question that will require a yes or no answer only. Then a comment and possibly end off with another question. To our BC Ferries gentleman here, is it true what I had heard on the BCTV news, that the BC Ferries members, their family members and contractors ride free on BC Ferries?

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- A: *David Hendry:* BC Ferries employees and direct family are able to travel free on system, it's a taxable benefit, so if I travel with my family the cost of that is put on to my paycheque and then taxed. Contractors do not travel for free.
- Q: *Hank Taggart:* OK, I feel that the family members or employees traveling on their own time should pay their fair share on the ferries. And this, I'm not a graduate of math by any means, but I feel this would cover an awful lot of the deficit now being faced by BC Ferries. And the reduction in the seniors rates, up here apparently, we pay 2/3 and the seniors down on mainland, or down on the lower mainland there are presently riding for free with their fares to go to 50 percent. Why, why should we be so much different just because of area we reside in?
- A: *Kirk Handrahan:* So if I can understand your question, why is there a difference between the fare discount for seniors in the south as opposed to on the northern routes? It's historical nature that costs of the northern routes are much higher. The southern routes are less expensive. So in the south, in the past, seniors traveling Monday to Thursday, just in that period were only getting a discount of 100% of their passenger fare. And they paid vehicle fare. For seniors in the north, they get to travel any day that there is travel available at a third of a discount. So it's a time restricted thing in the south and they got a bigger discount for traveling in that period but paid for their cars. We're moving to period, where we are looking at, the last time we were out, we heard from some seniors that said "we would be willing to give up that discount if we could help keep fares down." So we heard that, we're not going to eliminate the 100% discount, we're going to move to the 50%. Government spent last year, about 15 million dollars for that program. We are going to continue to take that money, put it into the service fee to BC Ferries to benefit all users and then the benefit to system will be that additional payment by the seniors. So I hope that explains it.
- C: *Barry Pages:* I just want to follow up on that earlier comment of Bret around Interior versus coastal ferries. You can skew the numbers any way you want, but essentially BC Ferries has been directed now to capitalize the cost of the new ferries, borrow the money and amortize it to pay those ferries back. That is, I did a quick look on BC Ferries financial statements today and your biggest cost is amortization. One of the big factors is that the interior ferries, they're not paying amortization; they're not even paying for the bloody staff on them. And you know, you can say its \$18 for a subsidy for the interior versus \$24, but you can spin the numbers any way you want. It's ridiculous, but the bottom line is the coastal ferry system is our highway system, just like interior ferries are a highway system in the interior, so what is the difference? There is no difference. I mean, quite frankly, the Government moving the ferry system into a corporation has failed miserably and sooner or later they have got to understand that. I mean Ray Charles could see that.
- C: *Nancy Spooner:* I know there are other people who wanted to speak.
- C: *Chief Allan Wilson:* When I heard this BC Ferries meeting was coming up, I thought, oh shoot. But then I heard about the cuts, price raises, senior discounts gone. You know, I travel on the ferry lots and I enjoy it. And then I get all this, I'm trying to be really diplomatic about it, I get all this stuff come into me about BC Ferries and what they're going to do to us. I've ridden on the ferry up north in Alaska. If I travel from port to port up there, because I'm a senior it's free of charge and because I'm a foreigner, when I go from Prince Rupert to Ketchikan it costs me for my vehicle and my passenger and I ride free because I'm the driver. Then I see the stuff happening here and I heard

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your comment about taking the seniors and making them pay 50% more down south and yet we are way up north here and the cost difference is quite dramatic I guess. And yet, further north, where weather can be very bad, they still ride free. Maybe I'm stuck on dumb where BC Ferries is concerned on their operations. Because I see a person in a similar position in Washington State, like the president for their ferry system gets \$160,000 a year, and then his retirement package will be just a little bit less. But I think BC Ferries makes pretty damn good money. Because they pay the Past President, his pension is \$1.2 million or something. I can't get it in my head, if you want to save \$5 million a year, if you cut his pension by about \$1 million you save \$12 million already. I hear it every morning on CBC because they seem to be reporting a lot of stuff on just about everything. And I think it was last year I started hearing about all that "Hey, I want to be president of BC Ferries, you know, it's pretty cool." And at first, I wanted to be a Minister because they get a \$180,000 pension a year after only 7 years, the heck with that, I want to be president of BC Ferries now. And all the stuff coming to me, it kind of boggles my mind. BC Ferries President \$1.2 million, Washington State Ferries President \$160 thousand; maybe I'm bad at math.

- Q: *James Camp:* I was looking through your booklet here, and I want to know how many other services, how many other routes are being trimmed that have less than 30% rider capacity? Because the ridership on the ones you want to trim is 32% so I've just gone through and found other routes that had less than 20% ridership that weren't being trimmed please explain that one?
- A: *Kirk Handrahan:* So we looked at number of considerations when we were devising the plan to achieve the targeted savings, capacity, utilization on a specific route on annual basis we looked at and that encompassed most routes because our threshold was round 50%. We also looked at the individual sailings and we had a threshold of around 20%. But we didn't say that every sailing under 20% we're going to get rid of, we looked at the specific circumstances around each route. Another consideration was the imbalance between and the revenues generated from tariffs on a route and the costs of providing that service. And with respect to northern routes, Routes between Prince Rupert and Haida Gwaii, and Route 10 from Prince Rupert down to Port Hardy, there is a significant cost imbalance between the revenue generated from the tariffs and the costs of providing those services. So that was the consideration most looked at in relation to the northern routes. Less so was the round trip utilization. So between those 2 routes there's about 15 million dollars imbalance between the costs and the revenues.
- Q: *James Camp:* So in other words, a route appears to be trimmed regardless of how good the ridership was?
- A: *Kirk Handrahan:* No, if the ridership had been higher, then maybe it wouldn't be. But the combination of low relative ridership and the loss on the route, or the imbalance between the cost and the revenues, was the deciding factor. There is an opportunity for significant savings from fuel because those are long routes.
- Q: *James Camp:* Your proposal to cut the sailings, I'm just going to use the Prince Rupert – Skidegate ferry, so your proposal is to cut down to 2 ferry sailings a week right? Round trip sailings. What is your plan for the crews during that 5 day period there when they're not going to have a sailing? Are the crews going to be released or are they going to be continued to be paid? As most don't live on either Haida Gwaii or Prince Rupert, they travel back and forth from the Lower Mainland, that's my understanding. Just curious what your plans for the crews are going to be?

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- A: *David Hendry:* No final decisions have been made, whether it's going to be cut down to 2 round trips in the off peak season or down 5 round trips in the peak season, that's something we need to find. We need to discuss with communities and find out what are the actual needs. And we are hearing, wow they are strong, 3 round trips needs to be maintained in the off-peak, so that's something we need to look at. The primary savings for this route come from fuel, so with an extra round-trip that's taking out the crew is still on the vessel.
- Q: *James Camp:* So I'm understanding we are going to be paying these crews to do nothing, is that correct?
- A: *Joanne Doyle:* So consistent with what we do currently, the Route 10 and Route 11 vessels, so between Port Hardy and Prince Rupert, and Prince Rupert and Skidegate, for the winter season that will continue. And some schedules that we're looking at, based on feedback that we've received, is expanding out the time that the sailings, so giving a little more in dock time, or input time on either port, so the Skidegate side or the Prince Rupert side. We heard today that some appointments that people have are in Terrace, so we're looking for more feedback on how the timing of the ferries, based on the number of sailings that are left, can best suit the community. So it's not saying that the schedule that we have posted and that we've been doing for the last number of years is going to be the schedule, because we want to look at better suiting the sailings that are left to meet the needs of community. And that will also mean working for Port Hardy and Prince Rupert as well as those who would be coming down from Bella Bella or coming down from Klemtu to Port Hardy. So there are a bunch of different communities that we are trying to work in to the schedule for the off-peak season. Does that answer anything? The vessels are not going to be sitting there; you're looking at fuel savings from reducing round trips but not having the vessels sitting for 5 days like you suggested. Does that help at all?
- C: *James Camp:* No, not really.
- Q: *Fran Reddit:* You've quoted or stated a few times that the primary savings would be out of fuel costs. Years ago, when the ferry was first put in, it was proposed that it would come in to Masset. Part of that proposal reason, as my understanding, is it was cheaper fuel. So if looking at majority of the savings being realized by cutting back sailings, have you done any consideration into moving the ferry to come in to Masset is my question. My comment is Haida Gwaii over the years through stumpage rates, taxes, whatever, has contributed a fair amount, especially in stumpage to the provincial coffers and I think it's time they realized we need something back for that. Thank you.
- A: *David Hendry:* To my knowledge, there hasn't been any consideration for using Masset as the base for Prince Rupert. I don't know what the operational consideration is in terms of crossing from here verses crossing from Skidegate. The terminal infrastructure at Skidegate is quite significant, and I think you all realize there was a fair amount of money put in to accommodating the new vessels, so it would be a significant capital infrastructure to put anything in Masset that I don't think would be paid back by fuel savings for quite some time.
- Q: *Kim:* My understanding is that the new ferries are larger than the old ferries. They have a higher capacity. So in essence, that means that with the changing of the ferries, we are now being penalized, because even if we had the same ridership, the percentage would now be lower. Can you factor in where we would be if we had the same ridership as the old ferries?

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- A: *David Hendry:* My understanding is that the passenger capacity on ferries is somewhat similar to the Queen of The North and The Queen of Prince Rupert. Those ferries, the new ferries were purchased and built at time when economy was a lot stronger on a worldwide scale. The European economy was stronger, there was a host of factors, there was a lot of US tourists still coming. The dollar, their dollar was a lot stronger and gas prices to get here were cheaper. So there are a lot of factors that were used at that time to build and purchase vessels and you have to take best knowledge you have at time when you're purchasing those vessels and project out. So unfortunately, like a lot of other companies in the transportation industry, we've been hit by a decline that would suggest that those vessels may be larger than they need to be right now.
- C: *Elizabeth Stewart:* Just to tell you a little story, we moved to the Charlottes 25 years ago and came here on the Queen of The North, it was Halloween night 1989. We moved here with our young kids, and starting a new life and all. And we used to go off on a summer vacation every year. As time progressed, ferry fares were so expensive that we could not afford to go. And that was pretty sad. The only time to get our kids off this rock was to fly them down to their grandparents on the mainland. The kids have grown and they've moved away, back to the mainland because there's nothing really here for them anymore. So in 2007, my husband was diagnosed with cancer, so we had to go to Prince Rupert, and that's where we got the diagnosis. We had to come back from Prince Rupert, pack our stuff up, and got on a ferry and get down to Vancouver as fast as was possible. We relied on that ferry and in the first leg of our journey we had to get a stateroom, my husband wasn't well enough to be sitting in the general public on that ferry. We got a stateroom that cost us, I think it was 65 or 75 dollars at that time, just to go across to Prince Rupert. Then we had to get a hotel room overnight because we had to catch the ferry the next morning to go down to Port Hardy. The hotel room was about 79 dollars. And so we're already at \$150- 160. We had to get a cabin on the other ferry going down. Same room, you get different prices. Then we get down to Port Hardy, where it gets in 10:30 at night. You have to get a hotel room in order to be able to drive to your destination the next day. So by now we spent, you know, we're getting upwards of around \$400-500 in hotel rooms alone just to get to a medical appointment in Vancouver. Anyways, suffice it to say, we've used the ferry system an awful lot over this last few years. My husband is in good health now and it's really good to hear, but we still have to use the ferry to go to all these appointments and we do this every year. Every year it gets more expensive and more expensive and, yes the travel assistance program works for our fare and all. But then now what we decided to do last summer was we bought a little travel trailer to take with us for when we go off island now instead of paying all that money out in hotel rooms. So now, instead of that, they're getting us because our trailer is only 22 feet long. They want to charge us. If it's hooked up to our truck they're going to charge us for over-height for the entire thing: the truck and the trailer. The truck is supposed to be paid for by the pass program. Unless we unhook the trailer and we have them hustle it on the ferry for 40 bucks. Then our truck is covered but our trailer is \$278, something like that. So, my point is, we rely on this ferry and anything less than three times a week is going to be absolutely unacceptable. And I believe that if we are residents of the Charlottes or Haida Gwaii as everybody else calls it, we also should be given certain privileges and that is if we need a stateroom on the ferry system it should be a set fee for us year round for an inboard or an outboard cabin. It should be \$50-55 year round. That way, give us a break. It's ridiculous. And don't charge us so much money for trying to take our vehicle off to try and save ourselves some money.

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Our gas prices up here are higher than on the mainland. And we have to travel for, first of all get in the ferry terminal, and then get on the ferry and then get off. It's a lot. It's a lot of stress on a person who may be going through a very serious time in their life. So there's that, and I don't know if you guys realize it but there's no ICBC repair shop on Charlotte here at all. All of our major repairs are done on the mainland. So if your vehicle is in an accident you have to get it off the rock yourself and they'll send it back to you but you have to send that away. So you rely on the ferry for that as well. That's on top of everything else. So please, I'm begging you, don't take away what we already have now.

- Q: *Sharon Matthews:* Hello. My name is Sharon Matthews, from Masset. I heard that maybe you might look at getting a smaller ferry. I would ask you not to do that just simply because we need a boat that we know that is safe. I don't mean to be critical, however, even just saying that scares me in that, really what has been looked at to make the decisions you have been making? Whoever did this study needs to have done a little bit more research, in my mind, to make these decisions and know how they affect our lives. Not only our lives, but the lives of everyone on the coast who depend on this ferry. Can you let me know about what a Crown Corporation is? Is that something like a private business? Do you have to make money? That's all I need to know, is do you have to make money?
- Q: *Nancy Spooner:* Kevin, can you talk about the structure?
- C: *Sharon Matthews:* In a little detail, sorry.
- Q: *Nancy Spooner:* Did you say in a lot of detail or a little?
- A: *Sharon Matthews:* In a little detail. Just give me the basics.
- A: *Kevin Richter:* BC Ferries is not a Crown Corporation.
- Q: *Sharon Matthews:* Oh, so what are you?
- A: *Kevin Richter:* Well I'm with the Ministry of Transportation and Infrastructure and David and Joanne are with BC Ferries. The government, in 2002-2003, decided to create this separate company and it was called BC Ferries. Prior to that, it was a Crown Corporation. But Government was concerned with political interference. There was a time in which those aluminum vessels were built, the FastCat ferries, and government at that time said they wanted to have BC Ferries to be separate and to bring a business sense to the operation of it. So BC Ferries is a separate company, and the province has a service contract with BC Ferries. And in that contract, this year we're giving them over \$200 million in tax payers' money to go towards BC Ferries and its operation.
- C: *Sharon Matthews:* So, ok. So you're a company. So can you get fired if you're not making money? Do you have to have a business plan that makes sense? Before you answer that, please let me finish. I'm just trying to get a real understanding of what this company is supposed to do. You can't be not making money. So, if you're not making money, then what you're going to do is cut back. You're going to cut back our services because you're not making money. This is the part I'm struggling with. People that are living in Germany or Alberta, wherever, and they want to come to Haida Gwaii, or anywhere, Alaska, wherever because this is what draws people. So, they phone up BC Ferries- this is just one of the glitches I guess, in the service- and BC Ferries says, "well, you have to book three months ahead," so they don't know about Haida Gwaii, they don't know about Bella Bella, they don't know all about these places. They phone to come up here and they don't get a place, they don't get a reservation, and I can go there the next day or two days later and I can get a reservation because I know that you get onto a waitlist. I'm just saying, it seems to me that if it was

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my business I would worry about that because the people that want to come here that have money can't come here now because you've cut service-you're going to cut service. And your business plan doesn't take into consideration different things that would draw the people here. And people that do finally learn about Haida Gwaii, not that we really want everybody here, but when people do find out about Haida Gwaii I find that most people- all people I've met are very respectful of how we live and want to be part of it. And they appreciate Haida Gwaii for all that it brings. And I hate to be exclusive but there's other places along the whole coast that are going to be affected. People are appreciative of what they see. I'm just wondering why, as a business, you would want to cut back on what's going to bring you money. You're going to use cutting back our community's way of living, our island community's way of living, to save \$6 million. We're one of many that you have decided to make this decision knowing how it affects our lives. And I'll come back to what I asked you earlier: please don't get us a smaller ferry, please look at our way of life before you make these snap decisions. I appreciate that you're here; however, I'm under the understanding these decisions are made and I would worry if I owned that company. Because you must have an employer or a contractor who you contract out to. So thank you.

C: *Nancy Spooner:* Thank you very much Sharon.

C: *Gerry Stevens:* Gerry Stevens of Gerry's Fishing Charters Bed and Breakfast. It costs me around \$1,200 every time I go up in the ferry with my truck and trailer when we go up to buy our supplies. Because a lot of times we can't afford to buy supplies on this island because of the cost of the ferry. It's freight, that's all they tell you, it's freight. The costs went up on the island because of freight. And the freight is the BC Ferries because to run a trailer from Alberta to here doesn't cost them any more than it costs me and I have a highway tractor and a trailer. The tourists come here and they have large trailers. Since you guys got that vomit comet, I've got lots of experience driving tractor trailers and backing down onto that god damn ferry is bullshit. You've got that building halfway down the building they say is for tourists going down, the people walking down. That's crap because they're halfway to the ferry already when they get into the building. Take that building out of there. Straighten that run out and people can back down. This would increase the traffic on the ferry. There used to be a lot of tourist traffic on that ferry, but ever since you got that vomit comet the traffic just dropped. Just like that. And I back onto that thing every year, since you got it. I have no trouble because I've got a lot of experience doing it, but people with motorhomes and that, you cannot see that ferry when you're backing down that ramp. So get rid of that building and it will improve the traffic on that ferry. And it's not just to come over here, it's to go down the Inside Passage. Same thing. And there's been a couple of meetings here and I've brought that up and nobody has even looked at doing that. And our traffic on the ferry keeps going down and they say we don't know why. People with a car can drive down, turn around on the ferry, and do whatever they want. But on this vomit comet ferry you've got to back in. Period. That's it. You have no choice. And if you don't believe me, ask the guys that are running the tractor trailers down onto the ferry. They've got the same problem as the rest of us have. And another thing, on this fuel, what it costs to go down to the ferry... fuel on the ferry. I look at the ferry schedules. Every day I do this. When they said that they were going to go to winter schedule and eliminate the one ferry, they were going to use the one ferry to come over here. I watched every time. The ferry would come over here and go back to Rupert and then it would go to Port Hardy. The other one is in Port Hardy coming this way. They'd pass where the old ferry went down. And you can go on the records

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or whatever. You can see it. So where is the fuel savings? When they were going to eliminate the ferry anyway, just send the damn thing down the dry dock. I mean, it's crap. I mean, there's nobody running the operation to start with, because it just doesn't make sense.

C: *Nancy Spooner:* Thank you, sir.

Q: *Fran Reddit:* Fran Reddit from Masset. You said earlier, in the answer to Sharon Matthews' questions, that it was no longer a Crown Corporation. The Government created a business because they were concerned about political influence, if I heard you right. If that's so, you said earlier that the plans have been made but nothing has been signed on or finalized, that the politicians would decide. Well if the politicians are deciding what the new schedule is, is that not political interference? Why would they get involved in a separate business company's decisions on operations? Thank you.

C: *Nancy Spooner:* Thank you Fran. Kevin is going to take a minute to respond to your question.

A: *Kevin Richter:* That's a good question. We have a contract. The province has a contract with BC Ferries. We give them, taxpayers give them, over 200 million dollars. And in that contract, we specify the routes and the level of service. So to change the contract, it's Government, the elected officials that make the decision to change the contract, to change the service levels because that's the agreement we have. We have an agreement to give a service fee, give them a service fee so that the level of service can be provided. So that is the relationship with Ferries. We give them funds to provide a minimum level of service and we're defining that with them.

C: *Nancy Spooner:* Thanks Kevin.

C: *Ken Ray:* Hello my name is Ken Ray, I'm from the Old Masset Village Council. I'm glad to see that the Minister of Transportation representative is here along with BC Ferries. It sort of mystifies the private business model and government, if you can call it a private business. However, it's not the case or else the government wouldn't be here. I'm not sure on your plans on how to reduce services to Haida Gwaii, from three ferries to, I imagine, two. But if you do, their numbers are pretty broad here, their percentages. From 55 to 48 to 32. What that tells me, and what makes it most distressing, is if you try to put the statistics together and you do an average, we're leaving 30 percent on the beach one side or the other. And that's not just people. That's products and services and that's goods that are required for this to try to move forward and develop our economy. Right now, this island is going through the biggest economic transition that we've ever faced, more so than anywhere in the province. Nobody's building an LNG project here. The jobs are going away. The people are reducing because we're not getting any economic support, for lack of a better word. If you drive in Masset, you know there's no government services here except for a courthouse and a cop shop. So I'm pretty sure the government doesn't even know what's going on in Masset. Our airport is locally controlled. It's locally controlled for a reason. We're trying to do things for ourselves because nobody's coming to help. And the little bit of help we get by being subsidized by government- it's not a private company, it's subsidized by government. And the only thought to make it work is to reduce services? There are other ways to cut operational costs and it takes a little bit more forthright thinking. There are cheaper ways to get to this island, shorter routes. I know the BC Liberals are very famous for amortizing their capital projects over a long period of time. I think a little bit of thinking here is needed to make sure that the services that are necessary on this island are provided. What's going to happen is, if we can't get services here, if we

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can't get off the island, our children can't get off the island, or people can't get here, this island is going to shrink even more. And that's the real tragedy that's facing us. So I think government - I think government, because obviously BC Ferries doesn't have the capacity for this unique, innovative thinking - I think government here needs to have a real look at the operations of BC Ferries and who's running that show and challenge them for some more unique thinking. Because what's happening here and what's being presented, that's not the solution. I had other things to say but I think I made my point. These general numbers here, if you put these stats together, that's leaving people on the beach. That's what's at stake here.

C: *Nancy Spooner:* Thank you very much.

C: *John Disney:* My name is John Disney. I work for the last speaker. You're trying to fix a problem that's not fixable. You'll never ever fix this problem. You started wrong four years ago. You probably weren't around then, because I was at the public meetings when they proposed BC Ferries and they put the terminal in the worst possible place. They put it there. If you want to lose money, that's where you put the terminal. So from our point of view, the thing was broken in the seventies. And if you think you're going to fix it by holding meetings and talking about details, you never will. What we need to do, and I am glad there's one representative of government here, but this needs to be a conversation going on with the top politicians of the province. And we need to look at this BC Ferries as just a piece of an entire BC economic family or picture. These islands have contributed some fantastic number, I think it's a billion cubic metres of wood, to drive the southern economy. We have the richest seafood water in the world. We have the best fishing in the whole province. The best sport fishing in the world. And we have this block called BC Ferries sitting in the way, not doing anything to help that or recognize it. Port Clements was always perceived to be the centre of forestry and logging on the islands. They don't even have sidewalks. What's wrong with this picture? So when did the province ever recognize the enormous wealth they've sucked off these islands and they can't even, at this very late date, make a small gesture and say, "you know what, we'll give them a ferry. We'll give them one that works. We'll make it land in a place that makes sense and we'll give them a break on the price. And to heck with the cost because we'll get it back with the increased economy that it's generated." If you lower the prices to get people here, everything will flourish. And guess what, businesses will make more money and pay more income tax. I mean, we've got to look at this as an entire picture. If we're just going to look at BC Ferries and try and solve this, you never will. Your best clients in the province are losing money. How the heck do you think you're ever going to make any difference here? You shouldn't care about that. A stateroom, that's got to be the most expensive bed in the province. Figured out by the hour, you get cheaper beds in downtown Vancouver. What is this? We should be able to go to Rupert and back for 40 bucks with a car. And you know what? The economy will take off and that's where you'll get your pay back. We're sitting on this incredible- on the verge of launching a huge agriculture industry and we're getting no help from the government or from BC Ferries recognizing that. Forget about trying to recoup losses. You're never going to do it, it's unfixable. You can't fix that. You started on the wrong foot 40 years ago. So just forget about that. Why don't we all work together to see if we can make this an overall picture that's better for everyone? Thank you.

C: *Nancy Spooner:* Thank you.

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- Q: *Unknown:* Just a couple of quick questions and a comment, if I may. I'm just wondering how you got here, to the islands. Did you fly? Did you come by ferries for free? Or did you fly?
- A: *Kevin Richter:* The majority of our trips have been on ferries. We did fly up here. We have 22 meetings in 24 days to get to communities to hear people. Evenings like this. I did live in Terrace so for my work I have taken the boat over here and my family have gone down from Rupert down to Hardy. For this, we flew up, but for the majority of our meetings we are taking ferries.
- C: *Unknown:* So you didn't take the free ferry then. The other comment I have is: you keep saying how much tax payers' money is spent on the ferries, well that's why we pay our taxes. So we have ferries.
- C: *Nancy Spooner:* Thank you very much.
- C: *Lily Bow:* I'm Lily Bow from Old Masset. I always stress "Old Masset" because I'm from Old Masset. I just want to say this is a real bum meeting because you made us come at supper time and there's probably a lot of hungry people. I just want to say, I thought by now we would have a ferry coming from this end, from the Northern end. And here we're almost losing our ferry. But I just want to say, just as the canoes were a lifeline for our ancestors, for our Haida people. The canoe was like their lifeline for them because that's how they went out and got their food and protected their people and kept them alive. Now you've given us a ferry and it's become like our lifeline. And here, again, the government wants to take it back. So that's why I say in my everyday language that this is a bum meeting. And I hope that you carry the message strongly that this is like our lifeline to us on this island. It's like our highway. It's not like we can just go get in our car and drive anywhere. We have to go across the water. So I really hope and pray that you're really listening and bring this message back strongly that we need the ferry because it is truly our lifeline for all that we get here. You shouldn't have given it to us if you're going to take it back again. Anyway, I thank you all for coming and I just pray that your message will be strong for us.
- C: *Nancy Spooner:* Thank you very much.
- Q: *Denise L:* I have a question in, when you are determining capacity, whether you're talking the car deck or people? Because the car deck is often full because that's how all of our supplies and foods and everything gets here. So it may look like there's only 40 people on the ferry, but the car deck is full. I came up from Port Hardy to Prince Rupert no problem, but they were not going to be able to put my scooter from Prince Rupert to Masset because the car deck was that full. So what are you using for capacity? My other comment is in relation to the fact that now you're looking at one sailing coming from Port Hardy up, which is our link to the south. I notice that the Saturday morning- it's only going to be on Saturday. You have to be there three hours ahead of time to keep them happy, in the middle of nowhere. You have to drive down from whatever part of the island you're on that now, the Comox-Powell River link, the Saturday morning sailing that you would take to get to Comox to come up island in time, is now cancelled. So you're severing a secondary link to the only way we can get up here. Ok. Thank you.
- C: *Nancy Spooner:* Thank you. So we're going to get answers to your first question, which is what we're using for the capacity figures, and then a question about the schedule and the linking.
- A: *David Hendry:* So the utilization numbers in those charts are based on vehicle utilization. So we take the available deck space and look at what are called automobile equivalents on the deck space. And that's any range from a normal sized car all the way to a semi-truck and they're

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converted back to an equivalent and then we take the number of types of vehicles that have sailed throughout the year and convert it back to an annual utilization. The passenger numbers are also available if you want to go on the coastal ferries engagement site. Typically we see them as, on a lot of the routes; they're about half the utilization of the vehicles. So that information is available. Second question, in terms of the timing of the vessels, a lot of that is still in flux. Like we say, we need to come out and look at where there's opportunities to refine schedules and in that process we'd have to look at the potential of linking to other ferries as well. It's going to be a challenge. We're not going to be able to get all of those connections there but it's something we need to look at.

- C: *Joanne Doyle:* One thing that's important is any of the ferries, like the Route 17 to Route 10 connections that you make, to put that in the additional comments in the back section of the feedback form because that was a new one. I didn't know that people were using Route 17 and Powell River-Comox to come up here. We heard loud and clear at the Powell River meeting that Saturday mornings were trouble for students going on sporting events but I didn't hear that yet so it's important: Any of the other routes that you're using for connectivity, make the comments in the feedback form so that we are aware of them.
- C: *Nancy Spooner:* Thank you. And we're already aware of them on the record now too, but the more people who have that experience and put it in their form is helpful. Thanks.
- C: *Galsant Omasu:* Thank you. My name is Galsant Omasu. First, welcome. Thank you for taking time to listen to us cry on deaf ears. So, I'd just like to say that this is nothing new to us. There was a time this island had one ship for all the communities on Haida Gwaii, so it's nothing new. I don't like the fact that I'm reacting to a process. The process is, you guys are here to listen to us after the fact that the decision is made and all of this is a compound from what I see in the bigger picture here: LNG, oil and gas. Suppress everybody so that you've got control. You go back to your lives where you come from. You live your lives. We're the ones that pay premium dollar in this grocery store. We don't even look at the price; we just put it down and pay for it. It's just a fact of life for us. The savior for the majority of the people that live here on Haida Gwaii is not the stores, it's what's surrounding us because we have it in us to become better by providing for ourselves instead of asking the government once again. And yet, it's our vote that puts them there. And yet it's you guys that come here and tell us "we're doing this for your own good." I would like to see a chart of your Board of Directors as to ten years ago what they were paid to what they're paid now. That's not much to ask for. I mean six figures to run this company? Your CEO? Privatize it, just about? I have hopes and dreams for this because it is a lifeline for me. I have children that go off island. I have an older son who is involved with the youth of Haida Gwaii and they use that extensively to get off island and it is not cheap. They fundraise all year round to go on their trips. They bust their backs to go. And yet we're getting cutbacks. All the resources extracted from Haida Gwaii, we're knocking on their doors saying you guys help us out. But like I said, it falls on deaf ears. Just once I'd like to see something done for us that will benefit all of the island. The ferry is important, it's really really important and I really hope you guys lose sleep over this. I really hope it bothers you to a point where you have to speak from your heart and not from your paycheck. Thank you.
- C: *Nancy Spooner:* Thank you.

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- C: *Michael Grant:* Hi. My name is Michael Grant. I'm a student, currently attending George M. Dawson. I just want to address how much this impacts the youth of the island. We live in a place with few extracurricular activities as is and we look forward to those trips where we travel. These trips already cost obnoxious amounts of money, which we all fundraise on our own of course. You know, we are busting our backs for this money, as Roy said. There's only so much money a small community can give to a travelling team. And by taking a trip away, not only are we extending the length of the trip that we're taking, we're missing precious schooling. And that is if we can afford to go off island. Thank you very much.
- C: *Nancy Spooner:* Thank you very much.
- Q: *Peter Hamel:* My name is Peter Hamel, I live here in Masset. I'm the Anglican priest and also involved with the Delkatla Sanctuary Society. We use the ferries a considerable amount. Like other speakers I'm confused by your figures. When I look at them for the Skidegate-Rupert run, it strikes me that it's simply marine baffle gab and doesn't really give us a true picture of the number of people and the capacity of the ships. It is very depressing because I have had some knowledgeable information that, in fact, this ferry to Prince Rupert pays for itself. But if you're including in that, then, the capital charges, that's the price of the boats? Is that a part of the finance report on this?
- A: *David Hendry:* The ferry from Prince Rupert to Skidegate brings about \$6 million a year. It costs about \$16 million to run, for just the operating expenses. That's the fuel, that's the labour, that's the repair and maintenance, that's the terminal maintenance, the terminal operations and some other charges. And then it costs a further \$10 million in terms of capital charges. That's the amortization and the financing of the vessels and the terminal infrastructure.
- Q: *Peter Hamel:* Right. Alright, so on that last point: when the consulting company went out to look for a vessel to replace the Queen of the North, they came back with five ships and they had them in order of their significance. And the Northern Adventure was number five; it was at the bottom of the list. And in fact, it has cost as much to bring it up to scale as it was to pay for it. These are figures that I got from people in the know. I'm wondering, in terms of what you have here in the financial report, there doesn't seem to be any inclusion of mismanagement. And I think, listening to the crew, they were frustrated in terms of that whole process of getting the new Northern Adventure and they felt they were not listened to in the final analysis. You know when you come here from Victoria or somewhere else and we're not really being heard. I believe you've already made your decisions. When you talk about the route on the Kwuna, that's a crew-driven point that you're suggesting in terms of the cutbacks on the runs so that in fact it neatly fits into one crew per day so that you don't need more than one for that. But anyway the point before was the one I really wanted you to respond to.
- Q: *Nancy Spooner:* So the question, Peter, is about the cost of the Northern Adventure and the refit cost?
- A: *Peter Hamel:* Right.
- A: *David Hendry:* As anybody else in this room knows, the Queen of the North had a devastating impact. Obviously we had to adjust to that very quickly. Ideally, we would've been able to go out and purchase exactly the vessel we needed. We couldn't build a vessel in time so we went to the world market and were able to secure the best vessel we thought at the time and that's the one we purchased and she wasn't exactly what we wanted. We had to make some retrofit to her to bring her up to what's needed for the run.

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- C: *Peter Hamel:* But my information is it wasn't the best vessel; it was in fact the fifth best in terms of the list of the ships that were available that could've been purchased for the run.
- C: *David Hendry:* I'm not aware of your information.
- C: *Peter Hamel:* Ok. Now, the other thing was, I'm not sure that the people here on Haida Gwaii asked for a cruise ship.
- C: *Nancy Spooner:* Sorry, Peter, your question?
- C: *Peter Hamel:* Well, Northern Expedition is a cruise ship. We don't need a cruise ship to come to Haida Gwaii and the cost of that vessel could've been much reduced for simply having a ferry that would be serviceable to come here and also face the waters of Hecate Strait.
- C: *David Hendry:* I'll try to answer your question. I explained earlier, at the time the Expedition was purchased as a replacement for the type of service that Queen of North did. Queen of the North was like a mini cruise ship and she offered a combination of commercial travel, commuter travel, and a tourist package in the summer season. That's what we were looking to replace with the Northern Expedition. We went out to the market to build that vessel at a time when the economy was a lot stronger. When you have a long run like that, I think you need to offer some sort of amenities because you have to crew it with a number of crew that's required there for license anyways, in terms of the number of passengers on board. So it behooves the company to put some amenities onboard, whether that be the food and retail or some other types of amenities so that we can generate additional revenue to try and keep the fare pressure down.
- C: *Peter Hamel:* Right, but that hasn't worked, and the QPR was fine. The QPR was also on the Hardy-Rupert run.
- C: *David Hendry:* And the QPR was an older vessel and she needed to be retired.
- C: *Peter Hamel:* Right, but all I'm saying was it was a vessel that worked. We didn't have to go from that to an Expedition in terms of the cost which we are bearing. So in terms, then, of cutbacks, that's factored into it. We suffer here on the island because of that as well. So I support the fact that we need to have the level of service that we do now. And if we don't, I won't see as many birds. Thank you.
- C: *Marina Jones:* I'm Marina Jones from Old Masset. I have a few questions; a few concerns. And just may be a little bit mad. Why am I mad? I'm not an educated person; I never went to college, never went to university. And this is handed to us when we walk in the door. This is garbage. It should have been brought to our communities to study way ahead of time, before you guys are able to sit in front of us. You're giving us a bunch of answers. You're standing up right away to give your response to people that are standing here. Like I said, I'm not educated, but I've got a big TV in my living room. And you know what? Right next door to me, just maybe over a year, I got addicted to going to bingo every blasted night almost. Why am I saying that? I stood in my living room, my mouth fell open when they said that they wanted to put maybe slot machines on the ferry. This is B.S. It's crazy. Why do I say it's crazy? Addicted again to bingo; I gave it up years ago and I went back again. It's a disease. I was saying to somebody on Facebook, I look at my money and I say, "Oh no, I'm not going to go and buy my children milk or whatever because I'm keeping my money for bingo." Imagine, maybe, look at me. I'm a mother of many children. I'm a grandmother. I say many children because I take a lot of family members underneath my wing. But I'm a grandmother of 13 grandchildren, 2 great-grandchildren. Imagine if I brought my 13 grandchildren onto that ferry and my 2 great-grandchildren and my many children. And if I had enough money to go do that, to put

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into that slot machine, I'm telling you I'm going to go to that slot machine. Don't put it on there. Don't put something on there that is going to continue to destroy our families. One more thing: I look at the great Titanic. They said that the Titanic would never go down. Look at the people that are sitting here today. We are like we're sitting on the Titanic; we're sinking. And how many of you maybe were the low-class citizens? We're low-class citizens. I don't have that sapphire diamond that they showed on the Titanic. But, heck, you know what? There are some people that are rich that could afford to lay on those beds on that ferry. Sometimes, you know, it gets very emotional. You look at, maybe, our elders. I look at one of the elders who are sitting here and that a dear wife struggles at times to bring her husband on there. You know there are some of our elders that just make it by. A pension, that's very little. They don't have big hot shot people that are bringing in millions. They're bringing in maybe \$1,000 a month and they have to pay \$60-70 to sleep on a hard bed. It should not be. And another thing, what else was I thinking about... darn it, a lot of things are going through my mind, but I'm going to tell you. I may not be educated, but I'm going to say one more thing: you may have made your decision, but have you listened to our people? NO. NO. NO. We've got to have the ferries here every time we go. I'd like to share one time I made reservations because there was someone sick in our family over in Prince Rupert. Someone was sick. A Haida person never stands still when we have one of our loved ones that have passed on in Prince Rupert. We pick up. We load our suitcases. We get on the ferry because we don't stand by ourselves; we stand together as a family. And if that ferry is cut imagine the hurt that will be here on Haida Gwaii, but the hurt that will be felt maybe Vancouver, Rupert, Terrace, Heidelberg, Alaska. We travel all over. Our families aren't just situated here in Old Masset. We have families here and there. And I'm going to tell you one more thing- one more thing. Ok, Marina, settle down. One more thing: you look at the blood of Marina, it's red. You look at the blood of your white friends, it's red. I tell you, even the white friends are my family and I hurt when they're away. So, think about it. We don't stand apart, we stand together. So I'm going to ask you: don't cut those ferries. Don't cut those ferries. I don't know if you understand the word. It's D-O-N, apostrophe, T. Don't cut those ferries!

- C: *Unknown:* Marina just touched very strongly on my concern. You were talking earlier about mentioning the important links that are not just the direct route. Our links are international and the Haida nation is not just Haida Gwaii. We as a nation, our territories extend to southeast Alaska and those links are important. The Alaska Marine Highway is already reducing their link to Prince Rupert and their times and now you're proposing to reduce our link and ability to get to our families. Marina did a really good job talking about family and it extends not just to our Haida people, but to our Haida Gwaii neighbors. All of the families are going to be affected. Mothers cannot have children here on Haida Gwaii. They have to go to Prince Rupert when they are expecting their first child. So families come together for those milestones of childbirth and of people who pass on here or in Alaska or in Prince Rupert. This ferry service is very important to families. I am a nanny and I go into the local store and we've had a couple of serious storms and sometimes, as people know here on the island, that those storms can not just last a week, they sometimes last a month. And you have a baby that expects some formula and you go to the shelves and because those ferries were cut because of weather, we can't get essential food. Milk. Shelves are empty and produce is dangerously wilted and old. This is real important stuff and the thing is, is that every single sailing reduction that you've talked about, the bottom line is that you maintain

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that you have provided the basic services even though you've cut reductions. Well on Haida Gwaii, no. You have not maintained the basic services. If you cut that sailing, that statement will not be true. The statement that you have, despite the sail reduction, despite that, you have not fulfilled that statement. Basic services for our community and our families and our people. Thank you.

- C: *Laura Therrien:* Hi I'm Laura Therrien. I'm here as a Haida woman who cares very much about all the people in Haida Gwaii. I'm a mother, daughter and a grandmother. That's why I'm here. I sit there getting very frustrated listening to you talk about the fuel costs around the ferry. Go live on Haida Gwaii and pay \$1.60 a litre for gas that you guys probably bring over. We're paying for it. We pay the high prices for the food. We suffer in the winter when there's no food on the shelves. And it's pretty sad when you see the young women with young children stocking up on milk to freeze it because we're scared the ferry might not make it this week. You guys don't see the impact on individuals. You guys are looking at the big picture, "we're going to save a million dollars here, a million dollars there." But every million you guys are saving, you are killing someone here. We need the food; we need the gas to get around. And it's just frustrating to me that you guys aren't a part of our world; you're not a part of Haida Gwaii. You don't see the impacts. And it doesn't just impact our little community up here in Masset, it's the whole island. And luckily we're starting to get along and understand each other and that's a big part. And I'm really glad to be here. I wasn't going to speak but my frustration just got the best of me. When I heard about the meeting coming I was like, I would love those politicians to come and live on Haida Gwaii from December to March when we have all these storms that hold up our food, hold up our gas, hold up our freedom. And you're going to take one sailing away. You guys sit there and think about how you'd feel without having food in your cupboard, produce in your fridge, milk in your fridge. You guys wouldn't like it. You'd die if you had to pay the prices we do. Eight dollars for four litres of milk? What are you guys paying? Three dollars? We pay twice as much for our produce, our milk, our food, our services and that's where my frustration is. You guys need to see the reality of the people on the island. You're not here. Politicians aren't here. Tell them to come live here for 4 months. See how great you're going to feel when there's no food in your store. Just come here. Experience the life on Haida Gwaii. You guys sure as hell wouldn't be happy. That's all I have to say.
- Q: *Unknown:* Hi. I'll be quick. I just have one question. We hear all about: we're losing money, we're losing money, we're losing money. But yet, BC Ferries employees are getting bonuses that are more than the average person makes here as a gross income annually. And you're taking our highway away? That's the only way that a lot of us can get off of this island to go for medical, to go to see our kids that are going to university, to go and do day to day things. We hear on the mainland, "oh our services are cut off for a day because they closed the highway." They have three other ways to get out of there to get their groceries. We have one way in and one way out.
- C: *Nancy Spooner:* Thank you very much.
- C: *Unknown:* So you say you're taking notes and you're taking the feedback and you're going to go do something with it. I'll take your word for that. But, essentially, the government historically has built highways, has built boats. You went and you privatized it ten years ago and now you're saying, "we're going to continue to build highways, we're going to build them to the Olympics at a billion dollars, we're going to build new bridges in Vancouver at billions of dollars, but you coastal

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communities, you've got to go take a mortgage out to get a new boat." Essentially we have to amortize the cost of those, where everybody else in the province is getting through general revenue those capital dollars invested into their highway systems. But you're telling coastal B.C., "go get a mortgage if you want a new vessel." So we have to pay that back. You're saying that the amortization costs are \$10 million just on that boat. There's half of your savings right there. If you capitalize the ferry system infrastructure like you do the rest of the highways, you'll come up with the amortization costs to save the \$18 million right there. All of the communities last year were at the UBCM, there were representatives from all of the communities. There was a resolution on the floor that was supported by every community in B.C. that essentially said BC Ferries should be part of our marine highway system. So if you guys truly are listening and are going to take that back to government and provide some feedback, take that back. If they just provided the capital dollars. We're paying our share. There is a \$150 toll highway here on Haida Gwaii, where nobody else in British Columbia has to pay a \$150 toll. When I was a kid, the ferry going over to Sandspit used to be free. It was run by your department there, the Ministry of Transportation, and then it went under BC Ferries. Now it's \$100 to jump on the plane just to get to Sandspit. So the prices have gotten out of control. In ten years, looking in your booklet there, the average price per run, most of them were over 200 percent increase in ten years. You can't keep those numbers going that way; you're just driving everybody off the ferry because they can't afford it. If you're truly taking feedback, take it back. It's not rocket science, but tell them just to get a mortgage for our highway.

C: *Nancy Spooner:* Thank you very much, sir.

C: *Unknown:* I just want to make a comment basically regarding and pre-empting the notion that often comes from the Lower Mainland, particularly when I'm reading the blogs and when I read the news blogs in the Vancouver Sun and the Provincial, regarding the cuts that BC Ferries was making. I often read this attitude from the Lower Mainland that comes across as, "you decided to live on an island. So because you decided to live on an island, you need to pay the costs of living on that island." I call, to use the same term that a number of people have used, that B.S. because from this island comes the Lower Mainland fish, comes the lumber, logs that keep the sawmills running on Vancouver Island. All of our resources continue to feed the Lower Mainland. So you need to speak with us and give us a regional solution to the BC Ferries problem here. A regional one that doesn't include the Lower Mainland, but that takes into account the resources that the Lower Mainland gets to take advantage of from here. And I don't want to hear the argument that we choose to live here. I don't like reading that on the blogs and I really hope that when you take this back to the government, that does not come up because we feed you guys.

C: *Nancy Spooner:* Thank you very much.

C: *Sharon Matthews:* Hello, Sharon Matthews again. I just have one quick comment. I won't go like before. I just realized when I sat down, really I just was wandering around. I didn't know what I was saying. I didn't get my point across so I want to try one more time. I don't want our islands exploited. We do live in the most special place, I think in the world. People pay millions of dollars to find this what we have. That's why I shake my head trying to figure out why you're cutting back. I just don't want you to exploit us and misuse our island, but I do want you to promote us. Everybody loves our island who knows about it, but BC Ferries doesn't. They don't get it. You're a private company. Let's call it that; that's what you called it, so we'll call it that. You're a private

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company. I just don't want to labour the point but I want you to see that you need to look at us differently. What are you doing by cutting us back? You're destroying our way of life here. We can't go back to not having the ferries. So I'm just saying why don't you, then, try to find a way. Get creative. Use your business plan and get creative and start to promote us and get the people here. The tourists. Tourism is the biggest growing industry in the world, and yet your business is taken away from us. This is what tourism is. You need to promote it. Thank you.

C: *Lorrie Joron:* Good evening, I think it's evening now.

C: *Nancy Spooner:* Do you mind giving us your name?

Q: *Lorrie Joron:* Yes. Lori Joron, principal at the local high school. I'm a number cruncher and I've been looking at some of the numbers and sitting here, I've had my internet and my iPad going and going "Ok what's this?" and reading various things. So what I have noticed is, yes ridership has gone down for BC Ferries. It's BC Ferries Corp. was incorporated in 2003 and yes it's because the prices have gone up. There's one little mention here at the beginning about how the 2008 downturn in the economy worldwide has had an effect. I think that's minimal, considering the numbers started dropping as soon as you guys took over. The other thing that's interesting to me is, a comment made on one of the blogs that Netanis was talking about, is that B.C. contributes 12 percent to Canada's gross domestic product. Newfoundland contributes 1 percent. The government of Newfoundland subsidizes their ferry to the tune of 83 percent. BC Ferries is subsidized by the BC government only 35 percent. So, one of the richest provinces in this country should be able to provide that subsidization equivalent to what the poorest province in this country is doing. Considering that Ms. Clark has been promoting B.C. as being stable and making lots of money. We're kidding ourselves when it is a private corporation. A 35 percent subsidy, it is a quasi-corporate government. A third of it is the government subsidy. It's not private and shouldn't be operated on a private business model of creating money. It should operate on a break-even-basis and not for profit, other than to reinvest that money when you do make a profit. So my question is, are Ms. Clark and the government intending to up their subsidy and make it, you know. We're a rich province, they should be subsidizing it more. If Newfoundland can do it, why can't we?

Q: *Nancy Spooner:* So the question is, is the government prepared to put more money into the system?

A: *Lorrie Joron:* Absolutely. The fares have gone up and up and up over the last ten years. What I'm looking in the utilization statistics, of course they went down the year that the boat sank, but they went up the following year by about 10-20 percent and they have been dropping ever since the gradual increases starting with the 5 percent, the 7 percent the 12 percent last year.

C: *Nancy Spooner:* Right. So I'm going to ask the question in two parts. First, I just want David to clarify, because you said you shouldn't be trying to make money, shouldn't be trying to make a profit. So I think we need to clarify that piece and then if Kevin could speak to the Government subsidy.

A: *David Hendry:* BC Ferries' business model is that you basically try to earn as much revenue, drive ridership as much as we can. Whatever profits are earned are put back into the company; they are not paid out to any shareholders or anything like that, in dividends. So they are ploughed back into the company into retained earnings to help alleviate financing pressures and to help fund general operations and to help fund future capital programs.

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- A: *Kevin Richter:* Two things: The first one is around ridership. It's interesting to note BC Ferries' decline in ridership. There's also been a decline in the ridership in Washington State Ferries. I think their ridership is actually more if you look over certain windows. There's an inland service people have talked about. You know the inland service and why is it different and why isn't it the same? Well, for ridership it's in the same thing. It's declining ridership and it's actually a free system. And we've seen these trends in ridership changing after the economic downturn. Seen it with recreational vehicles. People don't want to drive the big 5th wheels and the big motorhomes. So ridership, we're seeing these declines in ridership in other systems too. With regards to the government contribution, the Government contribution over this four years has been increased by \$86 million. It's Government, elected officials that are looking after the interests of tax payers, who have decided that that is the amount of money that they can put it in. But by all means, if you think as taxpayers that government should be putting in more money, then there is the feedback form. But I think it's also valuable to think about where that money is coming from because one of the things that this government has been saying is they want to balance the books. So to put more money into ferries, to do the things that I'm hearing people saying about fares and making it more affordable and sustainable into the future and not having the service reductions. I'd also ask, if you say put more money into it, have some suggestions for those elected officials on where that money can come from.
- C: *Lorrie Joron:* Well apparently that's all the LNG money that we're making in the future. I recognize the gas rate is 50-60 percent of the costs of running the ferries, and some of that reduction is probably going to be the biggest thing if it goes to the LNG. But certainly if you're looking at overall, yeah we have a fairly big and generous budget, but if we're paying the taxes and paying the fare cost we're paying it twice then for something that we're already subsidizing. Let's just pay it once.
- C: *Nancy Spooner:* Thank you very much.
- C: *Unknown:* The subject of the natural gas is coming up. I know that you're not involved in those departments but I was just recently reading on a blog that the net revenue for the BC government was less than \$8 million for the difference between the royalties of natural gas that's being received by the province and offset by the cost of the subsidy to these large multinational corporations to explore for the gas. The BC Government is taking in royalties and then they're giving them back to these multinational corporations as a form of subsidy so that they can explore for more natural gas. The net profit to the province was \$8 million last year. So, obviously the oil and gas industries run by multinational corporations should be actually trying to reduce the subsidy to those multinational corporations and leave BC Ferries alone. Make it affordable for the people of this community.
- C: *Nancy Spooner:* Thank you very much.
- Q: *Elizabeth Stewart:* I'll try and speak louder this time. Elizabeth Stewart from Port Clements. I hope to see you guys in Port Clements next time. First of all, can I suggest that if you're going to try and reduce all of our sailings, that when we used the ferries last summer, we noticed that the times that we went across- and there's 6 sailings a week in the summertime, approximately- that the ferry was fairly empty on some of those days. So, if you have to reduce any of our sailings, take them from the summer sailings. Take maybe two away or one away a week or something. My second observation or question is, what about performance bonuses? How does that work with

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- these bonuses that are being withheld? If you guys manage to find these millions of dollars in savings does that mean that the people that are waiting for these bonuses are going to get them?
- C: *Nancy Spooner:* So the question is about the salaries and the bonuses for...
- C: *Elizabeth Stewart:* These performance bonuses that are held back.
- C: *Nancy Spooner:* And are they going to get them if they don't meet their targets.
- C: *Elizabeth Stewart:* Either way. What do they have to do to get the bonuses, I guess. When you get a bonus you're usually doing something good or you have performed in a good way and you've done something to improve something. So is this what this is based on, these performance bonuses, is that you guys are going to find all these cuts and these people are going to get rewarded for hurting the people here by being paid.
- C: *Nancy Spooner:* Ok, good. Ok I think that question is clear. Thanks.
- A: *David Hendry:* I don't believe these cuts are tied in any way to the performance program that we have. These cuts are necessary just to meet the fare increases that will occur over the next two years of this performance term. So they're not tied to that.
- Q: *Elizabeth Stewart:* So does that mean that nobody's getting performance bonuses because if we can't afford to keep the ferries going the way that they are, are these people still going to get rewarded at the end of the year? Why can't you take those performance bonuses and put that in towards the money that's missing?
- A: *David Hendry:* I'll say a quick statement and then maybe Kevin can add to that. The performance bonus system at BC Ferries has been changed at the request of the Province and voluntarily by the company and it's in line now with what other Crown Corporations are. It's in the spirit of what other crown corporations are doing.
- Q: *Elizabeth Stewart:* Didn't they get a raise first though? Didn't they all get salary increases before that got changed?
- A: *David Hendry:* I can tell you that, not from the bargaining perspective, but from the exempt perspective there's been one wage increase over the last five years and wages are frozen for the next two years.
- C: *Elizabeth Stewart:* Do you know that some people that live in our community haven't seen wage increases in 7-8 years?
- C: *Nancy Spooner:* Thank you for that.
- Q: *Jennifer Rice:* Hello, Jennifer Rice. I'm the MLA for North Coast. This is my third ferry meeting and I know you know that I'll be stalking you to the fourth one tomorrow in Prince Rupert. I don't really know that I can say a whole lot that's different from each meeting, but I guess I have two questions. Question one would be, if Kevin could explain the federal dollar infusion and how that works and what the criteria is for the federal government's contribution to ferries.
- A: *Kirk Handrahan:* I'll take that one. The federal government, in an agreement I think goes back to the 1970s, agreed to get out of the ferry business because I believe they were directly involved in a lot of the northern services. And they made an agreement with the province to provide a sum of money to support a transportation system to the North and to connect Vancouver Island to the Lower Mainland. Last year the total distribution from the federal government was \$28 million. Last year, the total taxpayer contribution to the three Northern routes - Route 40, which is the Port Hardy to Bella Coola service and the Port Hardy to Prince Rupert service and the Skidegate to Prince Rupert service - was about 67 million dollars. That was the taxpayer contribution. In relation

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to the two new vessels that were built to serve the north, the provincial government increased its service fee to fully compensate BC Ferries for both the capital and the interest charges associated with those two vessels. So the service fee went up to cover both of those costs. So that goes to a gentleman's earlier comment about the government paying for the capital cost.

C: *Nancy Spooner:* Thanks Kirk.

Q: *Jennifer Rice:* So I'm still confused. Tell me about the federal government's contribution and what the criteria is for them. What the criteria is for their contribution.

A: *Kirk Handrahan:* Sure. Sorry, I thought I explained that. It's \$28 million last year and the criteria is that we provide service to the North and we connect Vancouver Island to the Lower Mainland. And it doesn't specify a certain number of sailings or anything like that. It's fairly high level.

Q: *Jennifer Rice:* Ok you're right, I did understand that. So how is that distributed between the people that live up here in the North, and in the Central Coast, and those down south on Vancouver Island travelling to the mainland? How much money did we get up north?

A: *Kirk Handrahan:* What happens is it just comes back to the province in terms of general revenue, and the province provides to the three northern routes that I talked about, \$67 million in the last year. How much of that is of the federal side, I can't say. I don't know off hand. But, whether it's federal taxpayers or provincial taxpayers, they're all the same. That contribution from the taxpayer was \$67 million for those three routes last year, which is quite a bit more than the \$28 million that the federal government gave.

Q: *Jennifer Rice:* I guess why I'm isolating the federal government contribution is because I thought there was criteria that it was for folks that didn't have alternate transportation routes, that didn't have highways. I'm wondering if there's some truth to that. If, for folks here that don't have alternatives, if that money was sort of allocated to keep coastal communities alive and thriving.

A: *Kirk Handrahan:* It's an old agreement. I haven't read it recently; I can certainly take a look at it. My last reading of it, I remember it to be fairly high-level. It's to provide a connection between Vancouver Island and the Lower Mainland and to provide a northern service. It is at a fairly high level, but I can't remember the details of it.

Q: *Jennifer Rice:* Is there any interest in exploring what that means and what that looks like? Or revisiting that? Would you not agree that the people in the North and Haida Gwaii and the Central Coast are under different circumstances than those living on Vancouver Island or the Gulf Islands travelling to the Lower Mainland? Do you not think that there would be some value in putting some parameters so that small communities that are rural and remote won't die?

C: *Kirk Handrahan:* I'm not really clear what you're asking, but let me try to understand it a little better. Are you suggesting, could we go back and negotiate with the federal government to increase that amount? Or are you asking me should we take all that \$28 million and put it toward service in the North?

Q: *Jennifer Rice:* I wasn't asking either of those questions. I guess my question is, is someone going to go back and relay to decision-makers- I am an elected official, but unfortunately I'm not in government- that it would be of value to sort of have a sort of baseline artery that allows coastal communities and island communities in the North to just be viable? Is that a message that's going to be going back? Is that going to be heard?

A: *Kirk Handrahan:* We can bring that back. Clearly we've heard the importance of ferry service to the northern communities and to coastal communities in general and we will be bringing that back to the elected officials for their consideration.

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- C: *Jennifer Rice:* Ok, so I did say two questions but now it's evolved into multiple. I apologize for that.
- C: *Nancy Spooner:* Ok, so can I interrupt you for just a second? Because I do want to just let everybody know that we have about 12-13 minutes left, and so if there is anyone who's been sitting, waiting for their turn- I'm not suggesting, Jennifer, that you should shorten up your comments- but I know sometimes people wait until the very last minute because they want to get up. So if you could think about doing that in the next 10 minutes so we get everybody who wants to speak. Go ahead. Sorry.
- Q: *Jennifer Rice:* So I guess the question that I had, I asked it before but I can't exactly remember what the answer was. It was for Kevin. It didn't really come up too much tonight but in other communities people talked about the desire or the need or the question of doing a socioeconomic study on the impacts of these cuts to communities. And that was decided that it wasn't needed, that it was more valuable for you to come to these communities and hear from the mouths of the people that are affected directly. So I guess for me, what I'm trying to understand is, what will be the criteria for a change in these decisions? How do you report back? How many stories of economic hardship or impacts to health, impacts to the ability to get food are the threshold for a decision to be reversed or changed? How are these decisions made?
- A: *Kevin Richter:* There is no criteria at this point, but I think a strong message to the elected officials that it's important for a socio-economic study to be carried out could be delivered in the feedback forms. That could be conveyed to the elected officials, to be a part of their understanding for them to make those decisions. We're out here with this plan, and the idea was to get your feedback, to get your feedback on what the impacts are. As we've been travelling to all the communities, we're hearing a very loud message that there are impacts. We knew that there would be impacts and we're trying to figure out a way that those could be mitigated. We are informing the elected officials what those impacts mean so that Government has that understanding before they make that decision. Last night a person asked that there be a study about the medical impacts of service reductions. That's important information that I want to share with the elected officials and I would just ask that if it's important for you then I ask you to fill out in the feedback forms to send that message to them. I don't know what the criteria is, but if you have a strong voice in saying it then it's something that goes to the elected officials.
- C: *Nancy Spooner:* Thanks Kevin.
- Q: *Jennifer Rice:* Ok. So then, I guess... I don't mean this in a belligerent way but I don't know how to say this tactfully so I apologize with how it comes out. There's three of you who work for BC Ferries? Two. Ok so can you- can you explain again to me, I...
- A: *Kevin Richter:* So, I'm with the Ministry of Transportation and Infrastructure, Kirk is with the Ministry of Transportation and Infrastructure, David is with BC Ferries, and Joanne is with BC Ferries.
- Q: *Jennifer Rice:* Ok. So if ultimately it's the elected officials that have the power, why do we even have BC Ferries staff here? What power, what influence do they have? Because when I talk to BC Ferries they're like, "well it's not our decision." So I'm just curious why they come.
- A: *Nancy Spooner:* Because there's a lot of questions that they need to answer, because people want some details, going around about what the charts mean and what the numbers mean. So it's important we have knowledgeable people here.
- C: *Kevin Richter:* So the Ministry sets policy decisions and the government sets policy decisions. Government sets that funding level. So we're here on behalf of the province to hear you and to

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listen to you about those policy decisions. But there are other issues that are being raised: operational issues or issues around schedules or issues about how BC Ferries functions as a business. Just to give you a bit of an idea: there's myself, there's Kirk, and there's one other person who's been travelling with us but she's sick so she wasn't here. So there are three of us who look at this contract and Kirk and Linda do most of the work. Those two people manage this contract with BC Ferries and that's our role. But BC Ferries, I think you guys have about 4,500 employees in total? Or what's the number?

C: *David Hendry:* In the peak season there are 4,500.

C: *Kevin Richter:* Ok, in peak season there are about 4,500. There was a suggestion this evening about uh... I'm gathering there's a ramp going down into the ferry, and there's a building in the way so if you're backing up your truck it's really difficult. Like that's the first time I've heard of it. But that's an issue that BC Ferries is able to address. I'm here on behalf of the province to hear about policy. All these operational things; efficiencies and the timing of schedules, like coming out of Powell River to Comox. That was something that Joanne heard for the first time. All that scheduling, that's BC Ferries. They run that business. That's their business. And we're here for input on the policy side.

C: *Jennifer Rice:* Ok. One question and one more comment. And I know you're looking at the clock, but this hall is booked overtime. Sorry I lost my train of thought.

C: *Nancy Spooner:* Sorry. So while you're gathering your train of thought, I just wanted to clarify: the Q&A section was actually scheduled to start at 6:30 p.m. In the advertising, we had indicated that the first hour and a half would be having a chance to talk directly to the BC Ferries and Ministry people and ask questions one-on-one because there are quite a few people who aren't comfortable standing in a venue like this. So we advertised that the Q&A would start at 6:30 p.m. and go until 8 p.m. We in fact started it 45 minutes early because everyone was here and wanted to get going, so we actually started our meeting on time and started our Q&A session 45 minutes early, just for everyone's information. Go ahead Jennifer.

Q: *Jennifer Rice:* So my question would be, what are the chances of having the Minister- having Todd Stone come to these coastal communities? Would that ever happen?

A: *Kevin Richter:* You can certainly extend the invitation for the Minister to visit. I can't speak on behalf of him. I know that the Mayor of Queen Charlotte City asked me, and put it on record as an invitation to the Minister to come. I can certainly relay those invitations on to the Minister and it's his decision on whether or not he comes.

C: *Jennifer Rice:* Thanks for bearing with me folks. It's the third time you're going to hear it, but you said a strong voice and a loud voice and someone said we can beat a dead horse, but I definitely want it to be recorded on the record that the way that this process has unfolded is insulting to the people of British Columbia. In particular to northern and coastal, remote, and rural communities. By having top executives' bonuses rolled into their base salary, where 10 middle managers no longer actually have performance targets, they could absolutely flub up and do a lousy job and then get an enormous raise. Essentially that's what it is. That's just disgraceful, in itself. To then, the following week, announce these cuts that are dramatically and drastically going to impact the lives of a lot of poor people in particular is furthermore insulting. Third of all, to have these consultation meetings, which as you know, many people here feel are "so-called" consultation meetings because there's only room for tweaking, is just an absolute disgrace and it's disrespectful to the people.

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- C: *Nancy Spooner:* Thank you. I think there are three more people waiting to speak. Mayor, are you going to speak again? Ok, so that will be five speakers that we have before we close.
- C: *Unknown:* I can ask a question. We're all here for one thing, and go past 8:00. Who cares?
- C: *Nancy Spooner:* Yes. Sorry, no I just want to make sure that I know how many people are speaking. And absolutely I want to hear from you, I just need to keep track of how many... yeah, thank you very much. I look forward to hearing from you when you come up to the mic.
- C: *Jim Holland:* My name is Jim Holland, I'm a local resident. I came here in 1972 on a freighter from Vancouver. That was the mode of transportation. To go on holidays, I had to send my car on a barge and then fly out of Prince Rupert to pick it up with my family. I was really happy when I saw the BC Ferries came. I did 25 years in the service and retired here because I really liked it here. But now I see cutbacks, fares going up, and it's really disgusting to see the fares going up. And it's no better service. The money is going somewhere. And I was just going to make a point: you want to take 1/3 of our trips away? Try it down south and see what happens. I know it would not happen if you did it for every resident of B.C. I think this is really crap.
- C: *Nancy Spooner:* Thank you sir.
- C: *Ken Ray:* This is the second time. Ken Ray from the Old Masset Village Council, and I want to stress that- what's facing the community I represent politically- and it's real- is the cost. This isn't government saving money. This is going to have a real meaningful cost to the community of Old Masset, which is governed by Indian and Northern Affairs Canada (INAC). In 2012 we had a \$800,000 travel budget, and we exceeded that budget by \$600,000. And if I'm spitballing numbers here, it compounds. And so now, when you're offering a 30 percent reduction in ferries, if someone needs a CAT scan and they leave here Monday and the go to Rupert and they spend one night in a hotel and they come back Tuesday. And so what you're suggesting here, if I'm not mistaken, is stay until Thursday. But if I have to look at our travel budget and difficult decisions have to be made at our local level, I have to tell Uncle Bill to suck it up with his bum knee and he can wait until he has to go over. The CAT scan's not necessary because we can't afford it. We can't get you off the island in an affordable manner. This is Government - the Minister of Transportation and Infrastructure or the province's Liberal Party taking that cost and shuffling it to the federal government because what's going to happen is we're going to start using the sea planes more at \$500 a turn because it's a medical situation. And that's only medical. When you start talking about goods and services you have to factor in the compounding effect. When you have a product, demand suggests the price of that product. Now when you have 30 percent less of that product available, it compounds. It was already 7, we spend 8 dollars for a gallon of milk. Fuel in Whitehorse is 30 cents cheaper than it is here. Now all these things do compound and you're not making decisions on efficiency because you can't say when you cut 30 percent of the service to a whole island, I can only speak for Old Massett. I can imagine that people who live on a fixed income and need to travel for medical and don't have INAC to back them up, it suggests that you're going to create a crisis here that's unheard of anywhere in Canada. This is as inefficient as you can get with three sailings. But to suggest you can knock it down to two, and that we can live a quality life of any sort? If we were to cut off the tax dollars leaving from the fishing lodges because you've taken all of the local fishing production from this community and you moved it to Vancouver. All the logs here are cut in Vancouver. All our resources are done somewhere else and it's like we're

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not adding to the tax for the province. I think some- a little more creative thinking is needed here and some real thinking. Thank you.

- C: *Fran Reddit:* Fran Reddit, back again. I forget which gentleman, I think it was... anyway, it doesn't matter anyway. When they were talking about the bonuses and how they had changed and he made the statement that they were now more in line with a Crown Corporation. You told us earlier that BC Ferries is not a Crown Corporation, so putting those bonuses- calling them deferred salary, whatever. To me it's still putting them in the bonuses. I didn't realize some of the parameters for meeting those bonuses have gone away, so if that's correct it's just smoke and mirrors. With your statement about the overall sustainability of the ferries system, there's been a lot of talk about the fuel costs and possible gains if they switch to LNG. Has BC Ferries done any planning or do they do any planning around retrofitting their vessels? Because if that does go through and it is that much more cost-effective then it would only make sense that those vessels should be changed. I don't know, does BC Ferries have a capital reserve? I grew up in BC and spent 40 years on the islands, on Haida Gwaii. To the best of my knowledge the FastCats and our two ferries are the only sort of capital changes that have been made to the BC Ferries fleet in a number of years. Maybe there may be more but they just don't make the TV when they launch them. The Queen of Squamish, the Queen of Vancouver, all of those boats have been paid for I'm sure many times over. So if they're not building in a plan to replace some of those aging vessels and another one, god forbid, goes down or pops a rib and finally has to be replaced, if you're going from point one to build that ferry, first of all you're looking at a number of years to get it done, designed, whatever. And then the cost if that's it all at that point versus having a slush fund for new ferries, be it on the south coast or the north coast, then to me that's poor planning on BC Ferries' part. I won't get into the whole bonus thing, what I think about that. I worked as a Ministry of Health employee for 25 years and I never got a bonus so, if you're getting it take it and be thankful.
- C: *Nancy Spooner:* I'm just going to ask David to speak about the LNG question and whether or not there is a plan and then the general sort of maintenance and replacement program.
- A: *David Hendry:* Just to start off, we've replaced seven vessels over the last six years. So there has been vessels replaced. That's out of a fleet of about 36 vessels. In terms of LNG, we're looking at that seriously for three new vessels that are going to be built over the next two to three years. We have to ensure that there's going to be stability of supply and that the commodity price of LNG makes sense to do that because the upfront costs are a little bit higher at this stage, but the payback is huge given the current price.
- Q: *Fran Reddit:* Are you putting money away now so if that eventuality comes that the supply is there, the cost is what it appears to be, and...
- A: *David Hendry:* I'll get to that. We're also looking at retrofitting some of the larger vessels that are coming up for mid-life upgrades. Again, if the commodity price is there and the payback is there, there's- right now the price would suggest it's half of diesel fuel, so if you have a vessel that is using 10 million litres of fuel a year at ten million dollars, then to have that price is something we seriously need to look at. In terms of the slush fund, that's not how we fund these capital programs. It's basically more effective to go out and secure the financing in the open market, pay for the financing costs, the interest costs and amortize the whole capital cost over time.
- Q: *Fran Reddit:* What percentage of your fleet is nearly at the point that it has to be replaced? I know that the Queen of the North and the Queen of Prince Rupert were several years past their due

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date, if you want to call it that, before they finally replaced. One by necessity, one by whatever. What percentage of your fleet- and I said I've grown up in Vancouver- the Queen of Vancouver, whichever, one of those boats has been on there forever. So what percentage of your fleet is nearing that point of replacement now? Because if you've got a high percentage of boats needing replacement, that's only going to make our issue up here worse because you know where all the money is going to go. It will go to your boats in the Lower Mainland.

A: *David Hendry:* Well obviously the vessels in the north are fairly new so they don't need to be replaced anytime soon. It's primarily the vessels on most of the minor routes and then some of what we call the "Queens", Queen of Surrey, Queen of Coquitlam. They need to be replaced starting in the mid-2020s to the early 2030s. I don't have a percentage off the top of my head; our average fleet age, I think is around 34 years. That's come down from the last few years, but there's still a ways to go.

Q: *Fran Reddit:* So you don't think there's some gains to be made by looking at putting money in capital reserve versus going out for the dollars in the year 2020 when you look at how the interest rates and stuff have gone up over the preceding years?

A: *David Hendry:* Well we would have to find the cash to put into a reserve in order to fund that capital program. So, as I was saying it's cheaper to go out and finance the cost of those capital programs instead of creating a reserve.

C: *Annie Fergusen:* I'm Annie Fergusen. I'm a single mother with two kids, and I don't make a lot of money. And this is my son Michael. I am obviously very angry and I'm not really bothered about, you know, passing the clock or not. This is a question that he wanted to ask, or I guess rather a statement: "can you please cut the ferries from 200 so you people can stop the high prices." Anyway, my point is my son Michael has- my point is- there aren't a lot of sailings. Like everybody said before, there are no sailings for a week or two and we don't have any bread or milk on the shelves or basic necessities. And a lot of the medical things that come over and our mail, everything is like, very minimal at times. We've only lived here for four years and there are not a lot of amenities; there's no swimming pool, there's no movie theatre. I can't get off the island with my kids. I can't take them on a summer holiday to go swimming. If you guys cut one more day off, for heaven's sakes, what the hell is the point? That just really really drives me crazy. I really hope that you do take some of this back and actually do something about it instead of just sitting there and... it looks like you're not even paying attention. Thanks very much.

C: *Nancy Spooner:* Thank you. I'm just going to ask the Mayor to close. Thank you very much.

C: *Andrew Merilees:* Thank you again Nancy, and to the panel, everybody that's here, and to the community for coming out. I think you can see that there's a lot of anger in the community and we could've probably used a whole day. We could've started this morning and you would've had people out telling stories so maybe next time we'll have two days of consultation in Masset in two days. And it would give you some time to appreciate the islands a little bit more. So, again, thank you Joanne, Kirk, David, Kevin, Nancy, Lisa, David, and people in the back as well for coming and to all the community for coming out tonight. This isn't the end. You've made your views known here. Please, I cannot encourage you enough to write a letter to the Minister, write a letter to the Premier, as well as fill in the feedback form we have here. If we don't do that, we are voiceless. This is one step to take, but it is only one step. I know we all have to go and eat. Thank you for

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coming to the community, thank you for coming as well and don't forget to give them your feedback. Thank you.

3. Closing Remarks

Nancy Spooner wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on December 5, 2013 at the Crest Hotel, Prince Rupert, B.C.
FACILITATOR	Anna Wright, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Nancy Spooner, Kirk & Co. Consulting Ltd. Lisa Santos, Kirk & Co. Consulting Ltd. David Pankratz, Kirk & Co. Consulting Ltd., Meeting Recorder Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants opposed service reductions and said reductions would:
 - Severely hurt the tourism industry and the Prince Rupert economy as well as the economies of coastal communities.
 - Hurt the residents of Haida Gwaii, who rely on the ferry to bring food and freight.
 - Impact the residents of Haida Gwaii, who also rely on regular ferry service to access medical services.
- Participants said that ferries are critical to the tourism industry and that reliable published schedules are required for the industry. Participants noted that the announcement of cancelled sailings and the elimination of Route 40 is already impacting the tourism industry.
- Participants said that fares are too high, resulting in declining ridership.
- Participants said the ferries are part of the provincial highway system and should be funded accordingly. Some participants said access to the ferry service is a fundamental right, which the provincial government has an obligation to provide for people living in coastal communities. Some participants from Powell River noted the “fiscal fairness” campaign and said everyone should have equal access to transportation.

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DISCUSSION

1. Welcome and Introductions – Anna Wright

Anna Wright welcomed participants to the open house, and explained the format of the Q & A. Anna informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment).

- C: *Kevin Richter: We want to hear from you and that is the most important part. But what I want to do is give you a bit of an overview of why we are here. Going back a couple of years, the Ferry Commissioner came and did this report. The Ferry Commissioner was noticing that fares were going to go to go up a fair bit. He came out and found out that there are a lot of pressures such as rising labour, fuel costs, declining ridership and need for a significant capital investment over the next 10 years. I think it is \$2.6 billion. But fares are going up a lot, and he heard from people that fares were at their tipping point and if action wasn't taken then the sustainability of the system into the future was in jeopardy. Government responded. Government put in another \$86 million into the system, BC Ferries was asked to find \$54 million in efficiencies. There were legislative changes. And also Government said it didn't have any more money than the \$86 million, so Government then asked that the difference, to keep pressures off of fares, be found in service reductions. Last year I was out here in Prince Rupert, and up and down the coast, engaging with people about considerations to be used in determining the service reductions. Considerations around routes that have low utilization, significant annual shortfall, routes where there is a need for large capital investments. There is need to balance that we a need to maintain a basic level of service for users going to work, or school. Government also committed that, before making any changes, it would come out and engage with people to seek their input. And so were are here tonight to get your feedback on the proposed plan of what those service reductions will look like. You know your communities, and I appreciate the people who have been sharing their views with me tonight. I have been really appreciative, as I have been going up and down the coast, of what the impacts are going to be with these service reductions and putting on the table other considerations that we weren't aware of. Also, although government has made its decision that there will be service reductions, there may be opportunities to refine the plan. What we want to get from you is that information that can help the elected officials make that final decision. To ensure the sustainability of the system, Government has decided to look at the discount rate for seniors on the minor and major routes, look at the introduction of gaming, looking at getting some feedback to minimize the impacts around service reductions by having water taxi service, and also getting feedback on the reservation and point-of-sale system. So we are out here to get your feedback on all those topics. I am sure, like in other communities, people have been telling us about the impacts, but also ways to refine the schedule.*

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- C: *David Hendry:* I think that it is important to mention is that the schedules that are shown on the posters boards and in the discussion guides are not necessarily what will be implemented. Where there are opportunities to refine those schedules we will do so; that's what we are here to talk to the community about. In some cases there are more opportunities than others. For example, on the route from Prince Rupert to Haida Gwaii, we are looking for reductions, but the way they are presented on the board may be open to discussion. There may be more reductions in the peak season and no reductions in the off-peak season. When those reductions are done, in terms of day of the week, there is probably less opportunity with the route from Prince Rupert to Port Hardy. But that is what we are here to talk about and why it is really important to give us your input in the feedback forms or in whatever the form you want give to us that input. BC Ferries will be out early in 2014 to talk to the local Ferry Advisory Committee about refinements. That is the committee charged with being the liaison between the community and the company, and along with the Ferry Advisory Committee, some local government and Regional District Chairs where appropriate. That process will roll out in early 2014. What is shown on the route maps is not what is ultimately going to be implemented.
- C: *Anna Wright:* Thank you. If anyone has any comments or questions, if you could come up to the mic and provide you name that would be great.
- C: *Jack Mussallem:* Good evening, thank you for being here. I am the Major of the City of Prince Rupert. The City of Prince Rupert totally rejects what you are trying to do. We will have someone here read a statement, that shows how this impacts our quality of life, impacts our tourism and reasons why it shouldn't be done, particularly in the time period you are proposing, and how it impacts our economic develop. Then I will follow up with some other comments.
- C: *Bruce Wishheart:* BC Ferries service to Prince Rupert is essential to the quality of life for the northern residents of British Columbia. It is a vital part of the transportation hub that feeds the visitor economy not only in coastal communities but throughout the BC heartlands. Ferry service is also an important consideration in the overall economic development of Prince Rupert and the North. The City of Prince Rupert strongly objects to the proposed cuts in service on northern routes, and also to the manner in which these cuts have been introduced. The timing of the announcement, and particularly the short notice, has sent shock waves through our tourism industry and has increased potential damages. Residents, and present and potential investors, are left with questions about the future. Our primary concerns are as follows: Quality of Life – Rising costs, and now reduced services, can only be interpreted as punitive measures by the provincial government upon local residents. The only options for Prince Rupert residents are cost-prohibitive air travel and a single, 1,500 km road to Vancouver. Highway 16 is often dangerous in winter and highly susceptible to prolonged closure due to weather events. During these almost annual closures, the only freight reaching Prince Rupert and the surrounding coastal communities, including Haida Gwaii, must come by sea. Aside from the increased cost to the provincial government by reducing the ferry option for the medical Travel Assistance Program, we are concerned by any limitation in travel options for residents requiring medical services. The removal of seniors' discounts reduces travel options for highly valued members of our communities in Northern BC – in return for questionable cost savings. With comparatively limited medical care in Northern BC, this is a factor in driving families from our communities. Similarly, options for

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community youth traveling to post-secondary education are reduced by rising fares and now by potentially reduced service. This is a factor in drawing away our community's youth. At a time when our economic future is reliant upon increased recruitment, this threatens our ability to retain our most valuable workforce. Community events that contribute to our quality of life are reliant upon BC Ferries service throughout the year. We would point as a single example to the annual All-Native Basketball Tournament, the largest basketball tournament in the province, operating here since 1947 and of overwhelming social and economic value for Prince Rupert and all of our neighbouring communities. Tourism – The economic impact of BC Ferries northern routes extends far past the coastal communities. In consultation sessions in 2006 we learned that the sinking of the Queen of the North led to hotel cancellations as far east as Saskatchewan, and a substantially-reduced gate at Butchart Gardens. Thus, the implications of service cuts must be seen as a threat to all of BC's \$13 billion tourism industry. According to an extremely comprehensive visitor study conducted in Prince Rupert by the province in 2007, over half of our community's overnight leisure travelers reported having traveled on Route 10, BC Ferries. Route 11, Haida Gwaii, was another popular option for visitors. Ferry travel is more frequently used by the fewer, but much higher-yield, international visitors. These high-yield international visitors are most highly concentrated in shoulder seasons. These visitors come in lower numbers, but contribute a proportionately higher value to our visitor economy. Because our tourism businesses cannot survive on July and August revenues alone, these May, June and September visitors provide the sustainability to our tourism industry. As our community tries to expand our tourism revenue beyond this traditional shoulder season, we simply can't afford any threat to our existing transportation infrastructure. BC Ferries Route 10, Inside Passage, and Route 11, Haida Gwaii, are just part of the complex scheduling that feeds the northern visitor economy from the transportation hub of Prince Rupert. Meshing these two schedules is only part of the challenge facing trip planners selling Northern BC itineraries. International travelers must also be able to match up with sailings of the Alaska Marine Highway System, which has over the past few years chosen to increase their investment in sailings into Prince Rupert. BC Ferries sailings must also match VIA Rail schedules, as 79 percent of visitors arriving by train depart by ferry. Similar numbers apply for bus arrivals. Scheduling for all of these transportation systems have evolved together, and arbitrary changes to Route 10 or Route 11 sailings would send ripples throughout our transportation systems. Visitors left uncertain by scheduling changes are not rearranging complex North American vacations to maximize profits on whatever remaining BC Ferries sailings are finally announced. This is particularly true given European laws concerning the liability of tour providers in the fulfillment of promised travel. In an increasingly competitive global market, uncertainty in B.C. means that potential visitors are choosing different travel options altogether – which in most cases will not include B.C. or even Canada. It should also be noted that the value of BC Ferries customers is exponentially higher for community attractions and small businesses. One bed and breakfast that has approached the City, a business specializing in solely European visitors, has had every single 2014 booking called into question by the announcement of these potential service cuts. Such businesses may not survive service cuts to BC Ferries. Given the dependence of our publicly-funded attractions upon the higher-yield visitor, it has been suggested to us that a 30 percent reduction in service even in the shoulder season would result in a conservatively estimated 30 percent reduction in overall revenue – leading to increased reliance upon public funding. With our accommodation sector already accepting bookings for the 2015 season based on published schedules, the timing of the

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announcement of reduced service is disastrous to the visitor economy. Lead-time is vital to the tourism industry. Uncertainty in December and January means that actual losses in 2014 will be far more significant than actual service cuts. Economic Development – Freight moved by BC Ferries, particularly on Route 11, is a largely invisible but highly valuable part of the northern economy. We are particularly concerned by the human impact of any reduced service to Haida Gwaii. With Prince Rupert, and indeed Northern B.C., developing as a “future economic centre for growth”, global investment interests have sensed uncertainty in the BC government announcing changes in something as basic as transportation infrastructure. By even proposing service reductions in access to the community, government is sending a mixed message when the community is investing in sending an overwhelmingly positive message of being open for business. In addition to the threat to tourism industry jobs, we are also concerned by the ramifications of service cuts in direct employment by BC Ferries for Prince Rupert residents. The City of Prince Rupert recognizes the value of not only long-term jobs, but also summer employment and training opportunities for our youth, and we are extremely concerned about any potential threat to these positions. Solutions – The City of Prince Rupert supports the statements of the Ferry Advisory Committee Chairs as set out in the October 2013 report, “Coastal Ferries: An Unnecessary Crisis.” The City of Prince Rupert believes that ferry service is an essential service that has been unnecessarily brought into question through management of the ferry system. The Ferry Advisory Committee Chairs have recommended that fares be reduced or at least frozen, provincial capital investment increased, and that BC Coastal Ferries should be seen as an essential transportation system equivalent to provincial highways: “In the business world, cutting costs to stay ahead of falling revenue, without also fixing the cause of the falling revenue, is a path to business failure. The cause of falling revenue for ferries is unaffordable fares and traffic decline, and chronic government underfunding. The rescue plan does not fix this.” Particularly during the 2012 consultations, ferry users and stakeholder groups from Prince Rupert and all other coastal communities have been consistent in the message that steadily rising fares have severely reduced ridership on BC Ferries. Fares are the real issue. Fares have risen over 60 percent in the past ten years, and domestic price resistance has led to B.C. residents and many visitors finding alternatives to travel on BC Ferries. It is in many cases less expensive to book an Alaskan cruise than it is to travel our marine highway between Port Hardy and Prince Rupert. We question a business model that overlooks this basic concept. One need look no further than the increasing under-utilization of the vehicle deck to understanding that rising fares are killing Route 10. Furthermore, the proposals put forward seem to be based upon unsupported estimates. For example, traffic estimates are based on already-dated passenger loads. These will continue to decline if fares are allowed to remain at the present unsustainable level – continuing revenue shortfalls – and if marketing the northern routes continues at the present minimal level. We recognize that the level of federal funding meant to subsidize Route 10, presently less than \$30 million, is not a substantial contribution toward the operating cost of BC Ferries. Yet this subsidy, dating back to the earliest days of BC Ferries, along with the defunct provincial Highway Equivalency Subsidy, demonstrate that both federal and provincial governments have historically recognized that Route 10 is a vital transportation network with far-reaching economic and social impacts. There appears to be no business case for these cuts. There has been no review of economic or social impacts with regard to lost jobs, lost accessibility, and indeed lost municipal or provincial taxation revenue as a result of the cuts. We find it difficult to believe that lost revenues to the community and province will not exceed the anticipated savings

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to the provincial government. The extremely suspect idea at 75 percent of traffic from lost runs will become increased utilization on the remaining runs is also an unsupported claim. In fact, we believe that it suggest a very limited understanding of both local needs and the visitor economy. The Ferry Advisory Committees have been asked to “tweak” service reductions without being provided adequate information on proposed cuts. This is an affront to coastal communities. This proposal is of concern to every northern resident, and as residents we have not been given adequate information to solve the problems in the flawed proposal provided by BC Ferries and the province. We respectfully ask that BC Ferries and the Minister of Transportation do not impose arbitrary service reductions to our northern ferry routes. Thank you for consideration of our concerns, City of Prince Rupert, Jack Mussallem, Mayor.

- C: *Jack Mussallem:* Prince Rupert is the fastest growing port in North America, last year we facilitated 407 ships. We have the largest salmon cannery in the world and in 2013 the cannery produced 230,000 cases of salmon. And seafood from our area provided 1 billion meals for human consumption in 2011. Prince Rupert is the third largest port by volume in Canada. And we are the second largest port on Canada’s west coast, and the third deepest natural harbour in the world. We have the most efficient grain terminal in North America, and the first phase of the most efficient container port on the west coast of North America. There is a coal export terminal currently under expansion and the construction will allow the shipping of 25 million metric tons annually. A wood pellet export terminal has just been complete and is operating. Currently there are three companies doing work in anticipation of developing Liquefied Natural Gas export facilities in our area. One in the City of Prince Rupert, one in the District of Port Edward, which is less than a quarter mile outside the city’s boundaries, and there is a \$90 million dollar railway facility and road corridor which is under consideration for construction to access another 1000 acres of Port property. Our future contains or may contain four LNG export facilities, a coal expansion onto another 150 acres, 2 expansions of the container port, and a potash export terminal. Prince Rupert is undoubtedly a world class North American trade gateway. We are well aware that 70 percent of British Columbia’s export income comes from Northern British Columbia, and Prince Rupert is pivotal to that. Rural British Columbia are aware of the expenditures to Lower Mainland transit and the improvements to the Sea to Sky highway as examples, but there are limits as to what is acceptable to us. We are also aware that the Liquefied Natural Gas Consortium just paid the Provincial Government \$24 million dollars for a piece of property that is not 20 miles from our city. It is ridiculous for us to see a time of unprecedented growth here in Prince Rupert and then have the provincial government on very short notice decided to cut ferry access to Prince Rupert. With growth the way it is now and the way it is planned here for the future, with this sort of growth it is not appropriate to cut access and regress. You need to understand we’re very resistant to this. We’re very resistant to people who don’t live here coming here and imposing something. Even from a practical and common sense point of view. You don’t come in and start something in December and want it to take effect in April. Even in the hospitality tourism industry, which means a lot to this province, and a lot to our area and other coastal communities, you give advanced notice of at least a year so people can make changes. You are in effect, and we have talked to members of the BC and Yukon Hotels Association, have had people talk to hospitality and tourism operators in Terrace, Smithers, Prince George. This ferry route is bigger than Prince Rupert, bigger than the coastal communities. This is the wrong way to go about doing this, and as a result we will

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be asking Premier Clark for reconsideration. I don't want to insult anyone here, but I am not really interested in talking to you. We are going right to the Premier. This is a political decision and it is being handled in a very poor way and if you were in my shoes you would understand why we are objecting to this. Why we are actually insulted by this. In the last two weeks, \$24 million dollars has been invested for a site less than 20 miles from us. We are going to get growth here, that in some cases our fathers and grandfathers dreamed about. And we are being stymied. It is not appreciated, you are welcome in the community, but this is a very poor way to go about doing this. Thank you.

C: *Des Mobiles*: I am the Vice-Chair for the Queen Charlotte Regional District. I would like to both echo the sentiments the city has put forward, and to be honest they haven't left me a lot to discuss and put forward myself. But the sentiments they have made and brought to you extended across the entire region. All of our constituents are extremely upset with what is being proposed. Just in terms of their own needs. You have heard about business, medical, you have heard about a whole range of things. These changes are going to be extremely onerous on those people who live here. We choose to live here because it is a beautiful area. The tourists have come for the very same reason. What we are having trouble recognizing is BC Ferries becoming a cruise line. There are many aspects there that just don't need to happen. Do we need two restaurants on the ferry, do we need a range of help on the ferry, do we need a separate section in the front for tourist to sit in separately from the rest of us? What we would like to see is a series of opportunities to provide us with a highway service, just as it was previously. And we still consider this a marine highway and an extension of Highway 16, as both the Mayor and our tourism head here have stated. These things are important for the region as a whole. But for those of us that live here, it is the cost of riding the ferry that is killing it. Your ridership has gone down strictly because of that cost. I and my family use to use this ferry on a regular basis, 2 or 3 times a year. We may use it once now if we have to, only if we have to. We avoid it and so does everyone else, because the cost is extremely prohibitive. It is ridiculous, I can fly for half the price and I can drive for near a third of the price. So where are you competing and what are trying to provide. The tourists that I spoke to on the ferry indicated that they will not be doing this trip again, and they told me that on the Facebook site in Europe that they use to read about this trip, that from others it is clear that they will not travelling again. So I am not sure who you are attempting to cater to, but in reality you need to cater to the people that live here and need this service for their benefit. If other people choose to use it wonderful, but the choice here is to deliver a service for the people of British Columbia, and you are not doing that. I would have to say to you as well that we oppose whatever regime you intend to come up with because it is not in the best interests of the region. Thank you very much.

C: *Arny Nagy*: I am a member of the Haida Nation. I am here to speak about the issues on Haida Gwaii. I can tell you and I am sure that you heard it when you were on Haida Gwaii, that I am completely and utterly opposed to any cuts on Haida Gwaii. It was not us that removed the ferries system from the Highways Act. It was the Province. The Province may have removed it by legislation, but we still consider the ferry system an integral part of our highway system for transportation back and forth to Haida Gwaii. A lot of my people from Haida Gwaii depend on the ferry to come to Prince Rupert for medical treatment. Because it is the only viable option, it is very expensive for them to come over to seek medical advice because they can't get it on Haida Gwaii. You know when you look at the economies on Haida Gwaii and how much people are actually

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making, it is a major investment. For a father or a mother to accompany their children in Prince Rupert. What you are asking is that people who can least afford it to forsake their medical treatment to subsidize a Crown Corporation. Because Christy Clark decides that the Province doesn't want to show respect to these types of communities. No no no, that ain't going to happen. Think of so it, you have access to medical treatment in Vancouver or Victoria or wherever you live at the drop of a pin. It doesn't cost you hundreds or thousands of dollars to come here. You are asking people without the financial resources to increase their stay in Prince Rupert for a lot longer. How do they do it? What ends up happening? They forsake their medical treatment, they forsake the treatment for their kids because they cannot afford to pay \$700 to fly back and forth on an airplane for one person. That ferry system cut is a no-brainer for us when we say that it can't happen. As a matter of fact, we would like to see an increase in service. To allow people to just set up doctor's appointments easier, because the specialists that come here don't always come at times that are convenient with the ferry schedule. And I know that you guys don't really trust the ferry schedules, because I know that quite a few of you flew into Powell River for the meeting there, only one of you took the ferry. That doesn't say much, and I got that from Judy. You know if you guys don't have faith in the system, how do you expect us to stand here and tell you how to hurt our people. That ain't going to happen. We are telling you we aren't going to let that happen. That we are here to stand for our people. We are telling you that we are not going to take the cuts. The Haida Nation is spending an immense amount of time developing local economies to great jobs on Haida Gwaii for our people. You are putting another financial stranglehold on any kind of development there. By getting those resources, or whatever else we decide to do, or tourism to bring people to Haida Gwaii. To increase an economy for a people that desperately need jobs. Oil and gas ain't going to sell it, and that will never happen on Haida Gwaii, I can assure you of that because we have already made that very clear. You know, you want us to pay when we can't afford it. I will put a question to you, who is going to subsidize those people who can't afford to stay? Is BC Ferries going to accommodate them? No, that will be the last thing on your books. So tonight I am going to serve a little bit of a notice here. If these cuts go through, at the next House of Assembly on Haida Gwaii, I plan on introducing a resolution. Maybe it is time that the Haida Nation have a nice little sit down with the BC Ferries and explain to you that if you are going to hurt our people financially, and place their health at risk, maybe it is time that you started paying a little bit more to the Haida Nation that would help subsidize those people when they have to come here. That is unceded territory. We haven't surrendered any of those lands. That belongs to the Haida Nation. And I am serious about that. It is important to me. People in in this room know that throughout the year my house is always full with people; friends, family and others staying at my house. When the weather is bad and the planes can't fly or the ferry can't sail, and that is fine. I have never had a problem with that. But I would suggest to you guys and to Christy Clark. I don't pay my mortgage, and my taxes, utility bills, and the increase in Hydro to subsidize a Crown Corporation. But are you going to compensate me every time someone has to stay? No, you are not going to do that. It is the worst thing that ever happened, when they turned it into a Crown Corporation and turned their backs on the communities up and down the coast that need it. You know I shake my head, I just cannot believe that in this day and age, what we see is going on across this country in regards to the treatment of First Nations people, and know we see in this province are provincial government lining up to do that exact same thing. Maybe it is time to draw the line in the sand. I am telling you that tonight, I am drawing the line in the sand. I know you have heard

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that from our people on Haida Gwaii. Enough is enough. We are not going to be treated like second-class citizens on Haida Gwaii or anywhere in the north. You get nice big paychecks for the work that you do, and the people that work here work hard they don't get paid as much as you do. And you want me to fork out more for less service that is a fundamental right for the people in the north, service that we depend on. I don't think so. I have never had a problem paying taxes. I have had a problem paying taxes and watching it get dumped into the ocean through ad campaigns and everything else. The Province can find money for BS campaigns to promote themselves for the good they are doing for people. And then you have to come to a meeting here and try to protect people that the Province is trying to damage and trying to hurt. BC Ferries isn't about profit; it is about keeping coastal communities alive and vibrant and allowing them to develop their economies. So I hope that you take me seriously. Because people in this room know, that when I am at the end of my temper, and my valve goes, I will take you on. I will organize with the Haida Nation to make sure that our people get off the islands one way or another. Because you have an obligation and that obligation is to make sure that people here have access to medical treatment, to build economies and to keeping service in place. \$19 million dollars is a pittance, that is absolutely small potatoes in today's world with the money that is being wasted every month coming out of Victoria. I think that this government and others should be ashamed to come to the people and tell them they want that little bit of money back, and out of the pockets of people that will be forced to make a decision to go seek medical treatment or die. Think about it, because you are going to be hearing a lot more from us. Thank you.

- C: *Joy Thorcolson*: I am a councillor for the City of Prince Rupert and I am the Northern Representative for the United Fishermen and Allied Workers Union. We represent and organize labour in the commercial fishing industry. I first want to say that I concur with the other speaks that have said that we in the north view the ferry as part of the transportation system, and that is as valuable to the people as the highways are to people who want to commute from Surrey to Vancouver. The ferry system to us is important and we think it should be a right, we understand that in Newfoundland that there are a lot of outport communities and the Newfoundland government wants to reduce the amount ferry runs, and so they are reducing the amount of outports. But I don't think that they people in Prince Rupert or on Haida Gwaii consider themselves reducible outports. And so we need to have the mechanism to be able to move goods and services to Vancouver, other than the highway, from the Prince Rupert area. We also need to be able to move goods and service from Haida Gwaii to Prince Rupert. The second point I would like to make is, at one time, during my first term, we had discussions with BC Ferries about attempting to market the BC Ferries and Alaskan Ferry system as one alternative, as a good fairly inexpensive alternative to cruise trips. There was a fair amount of discussion at that time between Alaska Ferries and BC Ferries, on how to be able to market the two systems, because both were having some financial difficulties. Nothing seems to have come from it, and I think that the Alaskans are still interested in promoting their system, and I wondering why BC Ferries hasn't worked harder to promote tourism particularly in the times of year when cruise ships aren't running. When we could fill the ferries and make them more economically viable. The third point I would like to make is also about Haida Gwaii. The union has a fish plant over in Masset and it is closed and has been closed for two and half years. One of the problems with that fish plant is that we cannot complete with off-island processors, because of the cost of shipping off the island. It's a huge economic disadvantage, to

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move fish products off the island. What happens if you are in the commercial fishery and you fish off Haida Gwaii; is that fishermen paying for their own fuel to bring their product into Prince Rupert? So it is far more economical for him to bring it to Haida Gwaii, and do more trips and fish in and out of Masset. But the processors have to pay less and it has become inefficient economically. Of the 3 fish processing plants on the Haida Gwaii, there is only one that is operating. The normal shore worker wages over here are between \$16 an hour and \$18 an hour. Shore workers in Haida Gwaii are getting between \$10 and \$16 an hour. And the reason is because of the costs of getting fish off the island. These are 2008 prices, and I would like to give them to you. The cost of getting offal, offal is the guts that are leftover. For a 60,000 pound load to be shipped over to be incinerated, was between \$3,500 – \$4,000 in 2008. If we look at January 2008, again we are trying to negotiate work on clams and winter work, not during the crab season, so we are looking at what it would take to bring a trailer over here, and the shipping cost was \$12,000 for a trailer. It was 22 cents a pound. The cost of shipping was going to be more than the price that was being paid to the fishermen for the fish. When we talk about reasonable shipping costs and reasonable shipping times, the other thing is that fishermen tend to deliver according to weather and how fast they can fill their boats. They don't like to deliver to ferry schedules, particularly in the winter time when ferry schedules tend to change. So this adds another burden to the companies as they try to match the ferry schedules. We have actually changed the overtime provisions, and we had to get permission from the provincial government to do this, to match the ferry schedule, and work with the ferry schedule. I don't think there is anywhere else in the province where you change the overtime to work with the ferry schedule. I just want to say that we think it is a right, and that you should keep the costs for shipping low enough so we can ship off-island. And I can tell you that we used to ship lots of product down on the ferry, instead of having to drive. I just think that there are all kinds of economic advantages to running the ferry on a better schedule. I know that you are divorced from the responsibility of economic development, and something that economically benefits us might not benefit the ferry corporation. I think that as part of the provincial government you could make an argument about why things would be better off for communities and not for Ferries, but overall it was better for the province. This divorcing of the ferry system from the well-being of the province and our communities was not wise. And it has led to this conundrum BC Ferries needs to make money, or so the province tells you. We can't seem to work together to satisfy that. Thank you very much.

- C: *Jack Barr:* I am the President of the Chamber of Commerce of Powell River and unfortunately I didn't get an opportunity to speak at the meeting last week in Powell River. I'm here on the Chamber's behalf and in support of our fellow British Columbians who live in the ferry-dependent communities and coastal communities, as you have seen our support in Sunshine Coast and you will see in the continuing exchanges that you have over the next few days. Ten days ago, we launched a campaign called "BC Ferries and Fiscal Fairness: It's about time." Our objective is to invite the 51 municipalities who rely on the ferry service for economic viability to band together with us and we demand a change to the cost, the structure and the reliability of our ferry services. We invite all of the Chambers to get together to enter into a constructive, practical model, with a sound business approach. There is definitely evidence that shows a direct correlation with the increasing fares that have been going on and the economic decline or lack of growth in these communities. 20 percent of B.C.'s population resides in coastal communities and supplies upwards

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of 36 percent of B.C.'s revenues from our resource-rich areas. These communities grew as a result of the infrastructure and the vision that was put in place via our marine highway system, and it's a reprehensible act to see their lifeblood be taken away so callously. Our communities are at serious risk, and may have their survival hanging in the balance. We feel BC Ferries has a fiduciary duty to the 800,000 residents of these coastal communities to provide uninterrupted and reliable transportation services. Our marine highways are an essential service, and the economic well-being of these major supporters of the B.C. economy rely on this service. A news release from 2002, prior to the implementation of the current model, stated: "The new structure will help ensure services are delivered on-time and on-budget. It will create a vibrant, properly managed ferry system that improves customer service, creates new jobs for coastal communities, ensures stable rates, and is substantial for the future. A revitalized system will mean:

1. improved service and customer choice
2. Guaranteed service levels and fare rates
3. Economic development and job creation
4. Ongoing accountability"

In the words of my teenage daughters, it's been an epic fail. It's time the Government realizes that the ferry routes are part of our marine highway system, and should be treated as such. Our message is that the proposed changes be immediately scrapped, fare increases are frozen, and the ferry system be returned back to the highway system. In a nutshell, BC Ferries has lost sight of its core mandate. We ask you: who do we speak to? When our Chambers have gotten together and we come up with the solution and the idea to bring back to Government, who do we speak to bring that? Do we talk to you? Do we talk to the Minister? Is it the Premier? That's what we would like to know.

- C: *Kevin Richter:* We are here to listen and to hear from you. At the end of the day it is the elected officials who are making the decision. As the Mayor talked about earlier, it is going to be elected officials who make the final decision. We are here to listen, we are carrying back the information. I am updating our Minister's office; there is a record of what is being said. I encourage everyone to fill out the feedback forms. That information will all go to the elected officials for them to make that final decision. The elected officials who are the Government.
- C: *Jack Barr:* Thank you. For folks that are interested please join us on Facebook, Fiscal Fairness for BC Communities. You can Tweet me, you can email me. If you want any more information I will here, because it is all about joining the communities and getting together to make this work.
- C: *Scott Farwell:* Good evening ladies and gentlemen, my name is Scott Farwell and I am the Chair of Tourism Prince Rupert, a director of The Prince Rupert Chamber of Commerce, and General Manager of the Crest Hotel. We believe that the recent announcement will have a direct and immediate negative impact on tourism in the province, particularly in the north. As visitors to Northern B.C. are often travelling as part of a broader circle tour that includes many communities and regions, being able to connect the segments of a trip with reliable and reasonably-priced transportation is critical. Cancellations have already begun to occur and will continue. Other visitors will choose not to book in the first place, choosing destinations that are more readily-accessible. Northern B.C. will lose the ability to promote our full tourism season, reducing the peak travel season to a few short months in the summer. The ferry service reductions will have far-reaching effects, but the fact that these changes are intended to occur as early as April 2014 will

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create extraordinary challenges for our partners in the international tour community who already have contracts and bookings in place for 2014. They are now faced with trying to rebook clients to alternative dates or, in most cases, cancelling their bookings outright. This has created significant uncertainty in the travel trade community and a great deal of work will be needed to assure our partners that B.C. is a worthwhile travel destination that can offer a predictable business environment. We believe that BC Ferries is part of the provincial highway system and that service to the north should be a priority. We understand that the value of the service does not come only from profits generated from ferry travel, but from the economic activity that results from having a reliable public transportation network in the province. This decision will create incredible hardship for people living in coastal communities and for those running tourism businesses throughout the province. The Crest Hotel and all of our tourism partners have signed contracts with tour operators for scheduled departures for the summer of 2014 for hotel rooms, airline flights, tours, attractions and various other services from Vancouver, Victoria, through Port Hardy, Prince Rupert, communities along Highway 16 into Banff and Jasper. There will be cancellations at the Hotel Vancouver, fewer guests at Hell's Gate, Butchart Gardens, as well as a reduction of visitors to the Khutzeymateen Grizzly Bear sanctuary located north of Prince Rupert.

- C: *Amanda McDonald:* I am Sales Manager for the Prince Rupert Hotel. I recently returned to Prince Rupert after completing post-secondary studies. As all teens do, I made a very strong resolution never to return to Prince Rupert and here I am because there is so much growth. Initially when I graduated from Prince Rupert Secondary, probably 85 percent of my graduating class left Prince Rupert. Since then probably about 30 percent of people who left are coming back. I am running into people who just returned to Prince Rupert. We have so much growth going on that we don't even know how much growth to expect. I think that preemptive cutting these sailings just prior to our take off, is going to hinder the Prince Rupert community, Haida Gwaii community, and the communities along this route that are going to benefit from this growth. And I think too that in turn BC ferries could benefit from this growth, and instead you are kind of taking a step back. That is kind of frustrating. I will use the Feedback Form to get into the details that other community members have gotten into. I guess my appeal is more of an emotional one. Probably about 23 years ago, I rode a BC Ferry for the first time. I was quite young and it was the one last trip that I ever took with my grandfather and it was to Haida Gwaii. And I just that trip again last month and it touched me. And so it really hurts me when I know that currently if my grandfather was alive and he was to take my daughter on that trip, even with inflation, he wouldn't be able to do it. He would not be able to do it, and that is really frustrating for me to know that had it been today that he had taken me on that trip, we would never have gone. Thank you.
- C: *Mary Allen:* I have a small accommodation business in Prince Rupert that I have operated for 23 years. Over the 23 years we have gone from being 80 percent full with BC Ferries guests, to I would suggest less than 20 percent BC Ferries guests. When our tourism season kicked off in May we were turning away people right and left from BC Ferries because we couldn't accommodate them. We would get calls from the ships; we no longer have those calls. Certainly, some of this comes from the decline in the economy. But when we look at the overall tourism statistics for Canada, I couldn't believe that the BC Ferries tourism vacation planning department is efficient or effective with these declines. And I look at the site for the planning service and it's like navigating a puzzle. It doesn't flow through. It does not adequately represent the coast and the Highway 16 community

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attractions. It does not flow. It is a hunt-and-peck system. Surely in this day and age we can be more efficient in that service. The other thing that strikes me when I look at the statistics that have been published is the vast over-capitalization of the ships that are on our route. Certainly our utilization numbers are going to be down below 50 percent if the ships are being constructed to accommodate 300 people, if really we only need 150 vehicles. It is like me constructing a 700-unit hotel when the demand for it coming into the community is only 350. Now I understand there has been an economic change. But if I invest that sort of capital in a project it behooves me to, if that business changes, to somehow solicit business. I don't think BC Ferries is adequately addressing that. Some of our other Councillors have drawn to your attention the need for support of small business. On our route from Prince Rupert to Haida Gwaii where there is no other highway, surely that is an essential service. We don't complain about the cost of highways from Prince Rupert to Prince George, from the northern part of the province south. We fund those costs and we expect to be included in the highway system. We have no data that shows why the ferry costs are rising as they have. Now obviously the cost of fuel is a big cost, the cost of capitalization is a big cost. But the capitalization costs need to be spread out over the years. They can't all be borne in a short period. And I think that as a province, because we are generating resources from the northern area, that a percentage of those resources need to be reinvested so that small businesses can afford to continue to operate. As Joyce says, the fish plants, the secondary processing industries couldn't relocate, they need the support of a coastal highway, not a for-profit service. I believe that addresses my concerns. I don't that we need a ferry system that tries to compete with the cruise ship industry. We need a basic, safe and secure system. Thank you very much.

C: *Anna Wright:* Kevin do you want to address the size of ships?

C: *Kevin Richter:* I will have David Hendry speak to the ships. As we have been going up and down the coast we have been hearing that people see this a marine highway and as part of the highway system. It is a transportation system and a system that has very different costs. To put it into perspective, for the highways department, when we are paying our highway maintenance contractors, for the road and bridge maintenance contracts for this area, the province contributes about \$24 million for those contracts. For the northern service it is about \$70 million, so would have to keep driving all the way to McBride and you still wouldn't be getting the equivalent amount of contribution. I hear you and I ask you put that in your feedback form that you see it as part of the highway system. But it is a system that costs a lot more, with the operation of the vessels, and there is a great deal of staff. One of things that I am hearing, and I may not be hearing it right, so I encourage people to write it down, is that it is a different system. Government has said that it has put in an additional \$86 million into the system and it has asked ferries for efficiencies, but if fares don't then increase, government has to ask what else needs to be cut. If you see it as a system and equate it to highways, and I have lived in Terrace, and see all the work that they do in avalanche control and de-icing, the ferry system is a lot more money. And it needs more money to achieve what some of you want. I just want to give that as context. I am hearing loud and clear that you see it is an important part of your community. On Haida Gwaii I was hearing what it means for getting groceries, and not getting grocery and medical appointments. I just want to give you that context.

C: *David Hendry:* We have heard it as well at the meeting that we had over on Haida Gwaii about the size of the vessels, whether it is the Northern Expedition or the Northern Adventure, as opposed to the previous vessels. Whether it was the Queen of the North or the Queen of Prince Rupert, those were great vessels, great work horses. The vessels were replaced at a time when the economy was

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a lot stronger. The tourism economy business was a lot stronger. There were a lot of factors that aren't in place today. The Canadian dollar in relation to the US dollar, Canadian dollar versus European currencies, the price of fuel, a whole host of issues. What I am trying to say is that when the Northern Expedition was built and when the Northern Adventure was purchased in a very short period of time, that was done with the expectation that economy was still strong and our ridership was actually still trending upwards. That was the forecast that we were going with. We want a vessel that would support three things: The commuters, the commercial linkage, and tourism, because that is very important to the economy up and down the coast, to bring people in and showcase the area. We don't have the benefit of hindsight; we purchased and built the vessels at a time when forecasts were trending upwards. You do need vessels that are large enough to navigate the waters around here. Is there a better vessel? I don't know, but at the time we did the best job with the knowledge we had.

- C: *Rob Beebee:* I am born and raised here in Prince Rupert. I have a few points I want to make. First, I want to give you the opportunity to go back to Victoria and when you talk to the powers that be, really look after the interests of the north coast. Really passionately say that you heard a strong message that this is our highway system. I would like to echo what people have said and that I would love to see the ferry system as part of the highway system again. We know we have to pay for the system, but bring it into the Province, because it is my understanding that if the ferry is back into a Crown Corporation again, there will be lower borrowing costs. Look at that. Also I want to say that with rising ferry fares, they are about as high as they can be, and they are almost too high. On a personal note I went to Haida Gwaii with summer with my family. Minivan, two adults, two kids, one was a baby, and it was over \$800 by the time we got there and back. That is too much. And it is not a wonder that there are less people travelling with less frequency. I want to make a comment on the Mid-Coast-route, the proposal to cut ferry service every second week between Prince Rupert and Port Hardy. That will have a huge impact on our friends in Klemtu and Bella Bella. It will impact business here in Prince Rupert as well. My business, Mackenzie Furniture goes to Bella Bella and Klemtu throughout the year and we go specifically because of that mid-week sailing that is every second week. If that is cut you are going to isolate those communities even more than they are now. Thirdly, I have been going over to Haida Gwaii for over 20 years now, some years as many as 10 times, and coming back on the Thursday night sailing. That Thursday sailing is often full, there are often people on stand-by, and vehicles that don't get on, and with the proposal to go from 2 to 3 sailings for 8 months of the year, if that is going to happen there will be a tremendous amount of people left behind that can't get off the island. I have heard a lot of people that have said they need to get over here for medical appointments, well all of the sudden if they haven't booked 3, 4 weeks in advance they are not getting on the ferry with their vehicle. The freight has got to get over there, and if BC Ferries decides to cut it down from 3 to 2 sailings it is going to be catastrophic for the whole island community. If you go from 10 to 9, that's 10 percent, we can deal with that. But if you go from 3 to 2 that's 50 percent, that's just uncanny and it's just not doable. Lastly I learned here tonight that for us to get the changes we need to talk to the Minister, we need to talk to Government. But I know that the four of you have a little bit of influence. So please speak passionately on the whole coast's behalf, we are 20 percent of the province and we are important and we need our ferry system. Thank you.

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- C: *Mont Dewberry:* Good evening. I am not representing anybody's interest other than my own. I was fortunate enough to be invited to Minister Stone's little gathering where he casually mentioned to us that he was going to have to make some tough decisions to what he was going to do with the ferry system. I would have a different set of questions for Todd Stone if he was having a meeting next week. What I have heard tonight is to voice our concerns to you. But you are just a small voice I understand, so I am going to write a letter to Todd Stone and tell him what I think of the system, and that he had better make some changes. I applaud everyone who said what they said earlier. And I concur with it all. Thank you.
- C: *Dave MacDonald:* Mayor of Port Edward. I am not going to say a lot here, because what I would say has been said. It's going to hurt us all. It's going to hurt the Queen Charlottes. It's going to hurt everything that is going on. All that I can't say is that the District of Port Edward will be with whoever goes to Victoria to see anybody to talk about the cuts, and it will not be a friendly conversation. I have been on council for 20 years. We have been talking about the ferry, and it's great to say that they were excellent boats. No. They were old and they had had their day. The right ships come and a replace them. They seemed more for tourists. When I say tourist, I mean the tourists who go as if they are on yacht. These ads you have on TV for BC Ferries vacations, I don't watch them very closely. Because up here it is a necessity, not a trip for people to just enjoy the trip. I will say my piece in Victoria. Thank you.
- C: *Joe Viscount:* Many people here have said far more than I go. The emotion here is high. I am a father. I have 5 children, I one in VIU Nanaimo, I have one who has recently moved to Port Hardy. I love seeing my children. You know what you have introduced here is prohibitive to me maintaining contact with my family. To providing emotional support to my children in university, to seeing my grandchildren, my friends in Haida Gwaii. It is totally unconscionable behavior. I am not going to pick a fight with you, but I am going to make something very clear. [You have parted out our transportation in the north. You are holding this piece of it, you are the ferry discussion.] I frequently have to travel to Prince George for medical reasons. That highway has claimed 6 people so far in this past year. It is not a safe highway. I have been caught in an avalanche on that highway. I have been driven off the road by trucks that can't see on that highway because it is not adequately plowed for the snow load that we get. It is dangerous. For you to applaud it, that is ridiculous. Since I have lived here, I think it is 27 years now, I have seen bus transportation slashed in half, I have seen train transportation completely compromised by the lack of track, that VIA Rail has to get what is left after CN rides that track. I have ridden that train maybe three times a month in the past year and I have heard nothing but complaints from tourists. They have missed their ferries, ironically they have missed the ferries because of the train and not the ferries. On Tuesday I was in the hospital for tests and while I am standing at the counter booking imaging, I actually saw a family of three that could not get an appointment, because they had missed it because of the ferry. They came all the way over here and they could not get a date for another appointment within a month and half. Sheila the hospital administrator was here earlier, and I wish she was here now because she would speak quite well to the load that this hospital accommodates as this community grows. And thanks to the people who are here speaking. What's going to happen? We are going to have more demand on our facilities, we aren't getting a new hospital, and if I am correct we are looking at least 400 new jobs, not fly-in-fly out jobs in this community in the next couple of years and probably more. Our resources are already taxed. We can hardly get flights out

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of here to Vancouver because they are overbooked routinely. They are expensive to begin with. I am not impressed with what you are suggesting and I think that you will find that the reaction will be a hell of a lot more severe than you ever anticipated. Thank you.

C: *Rich Sholtz:* I am from the island and we have a place here as well. My wife and I have a place called All the Beach You Can Eat. There are 4 other business or cabins, for 16 cabins altogether, we are always full. Our season was primarily July and August, but it has expanded now from early May until the middle of September. All our cabins are all full all the time, if the people can get there. Now in my opinion, rather than cutting back, you should increase and lower fares. There is a shoulder season with tourism on the island, and it where it used to be just July and August, it is May, for sure June and for sure September. But if you stop and look at it, most of the people that come to the island are outdoors people, people with families. And they can't come if there is only one or two ferries per week. It doesn't work. They have to put it off or they have to fly and neither one of those options work. The potential for tourism on the island in the shoulder season, to a 6-month tourism season, is there if the ferries are reasonable and if the ferries come more often during the shoulder seasons. We have people who book large parties. We aren't low-end cabins, we pay \$140/150 a day for the cabins, so a lot of money goes back into the community. If we can't provide cabins because people can't get there, that hurts everybody. Not only us, it hurts the local communities. So there is a shoulder season that needs to be taken into consideration and it is not being done. The other thing about it is that the BC Ferries is user-hostile. Because here and on the island you have to be here two hours before you get on the ferry. What? You go to Vancouver, you drive on, you drive off in Victoria, you drive on, you drive off. Here you have to be there two hours early, they check your I.D. three times. For what? Okay, the Queen of the North sunk. Okay. But it doesn't have anything to do with rider safety to arrive two hours early. So for example, say we are going to go Skidegate to Prince Rupert, leaving at 6 a.m. in the morning. To be two hours early, I have to be there at 4 a.m. in the morning. Okay, I live north of Masset so that means I have to drive 2 hours, for I have to drive from 2 in the morning to 4 in the morning to sit in the parking lot for 2 hours while they check my I.D. as I drive on. The other thing, nobody likes the way the ferries are going. It is part of the highway system and it should definitely go back to the government. Here's another one; if you are really out to make money, then make money. Start a ferry that runs from Vancouver, not Port Hardy. Who wants to drive 8 hours to get on the ferry to drive up to Prince Rupert? Run the ferry from Tsawwassen to Prince Rupert. We use to do it that way, it was always full. Start where you come from Prince Rupert, and you can stop on the island, or go straight down to Tsawwassen, you can do your shopping, get on the ferry and come back. The other thing is to promote it. Promote it from the perspective of people who ride the ferry, promote it from the perspective of people who have some idea how money and peoples budgets work. It doesn't seem that is happening now. That is my say. Thanks

C: *Anna Wright:* We have time for one or two more questions or comments.

C: *Jack Payne:* I am a local resident. I have lived here all my life. I am involved the hotel business here; I am involved in two hotels and a motel in operation in Prince Rupert. I am also a Director of Tourism Prince Rupert and North West Tourism Association. I am concerned. You have heard a lot about the social impacts, I will speak to our business impacts. I am concerned over the cuts and the changes that have been announced. Restricting sailings on the Mid-and-North Coast is regrettable.

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And I am really concerned with how little notice has been provided to the industry, for us to make adjustments and make changes. I recognize that it is the government's right to make changes, and you will suffer the consequences. But that is how it works and our elected officials are going to have to deal with that. But the changes, if they have to be made, need to be made in a reasonable manner. The north and mid-coast, in particular, should be recognized as having unique circumstances, compared to the commuter services in other parts of the province where there are literally thousands of round-trip sailings every year. Where we are dealing with 200 in our area. The changes carry a lot more impact for our area. The really unique service offers opportunities for tourism, tourism wholesalers and packagers, to market tourism all over British Columbia. The hotel that we are standing in now was first built when BC Ferries service was first introduced in Prince Rupert. Most of the tourism infrastructure and hotels were built on the north coast of Vancouver Island, really the genesis of it was the incorporation of the BC Ferry service. I don't know how evident that is for everyone and I don't think it is as big of a component today, but that is what built our business, that is what started our business here in the north. This hotel was for sure built with the announcement and creation of the original BC Ferry service in the 1960s. Right now we are marketing the 2015 season, and we already have contracts in place for 2014. Contracts have been signed and we have given room commitments out. We have blocked rooms for tourists. We should be able to accommodate these things, but all those bookings were made on the published schedule that we knew for 2014. Now it changes. I would appeal to you to report back that, as far as this business is concerned, this is something that needs a quick decision about what is going to happen here. If there is going to any extension or change in service for 2014, which I believe there should be, we need to find out about sooner rather than later. To wait until next June, or February or April is going to leave the industry in some difficulty. I think it is pretty obvious that tourism is not just in the coastal communities. There are big contributions made across the province. Throughout the Province – Haida Gwaii, Terrace, Burns Lake, McBride, Prince George, Okanagan communities and Vancouver, and the full length of Vancouver Island from Victoria to Port Hardy – there will be an effect on our industry. The other thing is the reputation of our tourism industry has the ability to be affected by this. There are all kinds of promotions going on for Destination British Columbia, that doesn't just include the coastal communities, but our whole province. Making changes like this doesn't do anything for the reputation for our industry. This affects everything: hotels, airlines, bus lines, every related service. I think we need to consider honouring the commitments that have been made and how this industry has been operating for many years. And if you are going to make a change, implement it after the current season is completed. As I say, changing the game damages the reputation to B.C.'s tourism industry. I respectfully suggest that some consideration be given to trying to find a less pragmatic solution that doesn't alienate rural communities, and doesn't impact the reputation of the tourism industry. My suggestion would be that the 2014 summer schedule be honoured and that changes and adjustments should be implemented after the completion of the 2014 season, and the determinations for changes after 2014 be made soon, so the industry could make those possible adjustment for the 2015 season. We are not trying to play catch up and make apologies and become embarrassed by these moves. The reputation of our industry is very important and these changes are disastrous. Thank you.

C: *Jason Share:* I am the president for the Prince Rupert District Chamber of Commerce, representing businesses both here in Prince Rupert but also in Port Edward and Haida Gwaii. The Chamber, Our

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board and membership, echo the comments made tonight by our elected officials, our business and community leaders of the region. We have all heard of the importance of this system to business development and investment; for access to medical care; for travel for sports teams, especially our very important All Native Basketball Tournament; for cultural and social needs that support the community and rely on the service for tourism. There is a consideration that this is an essential part of our transportation system here. I was just talking to someone from Bella Coola and the service reductions to that community are pretty substantial and will have a really deep impact to that community, as it does here in the north. I was looking the consultation that you have done previously and there are some key themes that were pointed out that we have all echoed here tonight. The ferry system is not affordable; it is an essential part of the highway system; it needs to increase revenue, and there is strong opposition to service reductions. You have also heard tonight, living in these coastal communities, it is hard to get out because there are dangerous long-distance roads in the winter, expensive airfare and inability to get access to flights. And now with the reduction to BC Ferries service it will further reduce the ability to get in and out of the region. We are about to encourage huge growth here in the north. In Kitimat, Terrace, and Prince Rupert. Something that is pretty much unprecedented. This is an essential trade gateway, not just for this region but for Canada. People and businesses are starting to come back, so we are starting to see growth here in the north and we are starting to see the potential for growth in LNG, which the province is looking to increase its coffers and balance the books. You have also heard here tonight that there was a recent \$24 million transfer to the government for a site here up north. We recently hosted both Minister Stone and Minister Wat here, along with the Chamber of Commerce and industry business leaders to talk about what is about to happen here and what we need. I think if these Ministers visited now, I think we would have a different set of question for them. On behalf of the Chamber, tourism reps and residents we ask that the changes be halted and that BC Ferries and Ministry engage in dialogue with the community and business leaders to look for real solutions for the communities that rely on this service and that BC Ferries and the government considered this to be an economic generator for this region and the province.

- C: *Jennifer Rice*: MLA for the North Coast. This is my fourth ferry consultation meeting in a row. I was in Haida Gwaii for the three meetings there. So I was actually just going to summarize the things that I have learned the last four days, but I think Jason did a really did a good job of that. I don't want to beat a dead horse; I have repeated myself three times in Haida Gwaii. I will reiterate some of the comments and key themes that we are hearing and I know you are hearing. I really appreciate you bringing this back to the Minister and maybe even the Premier. For northern residents and for central coast residents and even those on the Haida Gwaii, in our eyes this is a part of the transportation system and even though you have pointed out clearly that the cost pressures are enormous compared to highway maintenance cost, that doesn't change that fact that there is no other alternative highway. Despite the high cost pressures, we can't ignore the fact that cutting or reducing these services negatively impacts the health and well-being, and the economic well-being of the residents within the north coast, the constituents that I represent. It is more than just economics, it is about health and well-being. The ability to access proper nutrition is important. As we heard on Haida Gwaii, reducing one sailing puts the potential to get milk and fresh produce at risk. I think that, regardless of cost pressures, we can't ignore that that's a huge health concern, and could put a huge burden on the health system, which is the largest part of the

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provincial budget. I have heard from people on the central coast, in Bella Coola, that tourists are cancelling their vacations. For a lot of people on the central coast, where logging and fishing are no longer significant economic drivers, their entire wellbeing is tied to tourism. So I rightly agree with Mr. Payne that it is not enough notice for these people to prepare themselves. Should these cuts have to be made, they should be given a year to adjust and adapt. You have heard here in Prince Rupert how it would impact the accommodation sector. I hope that you bring the information back to Minister Stone that this is very dire to us. Thank you.

- C: *Loat Sheza*: I am a person with disability, so doing this thing is uncomfortable for me; It is really hard and difficult but I will try to speak clearly. Searching some-odd years ago people of this province were swayed to make a change. But when a change is not done in a proper way, then things screw up. Our community was devastated, the whole north up here, almost as far as Smithers, was devastated by a new government that said we have a mandate now, we are going to close a pulp mill. Everything stopped. Now this is years later and somehow we have this government in power. As far as I am concerned they have cloaked themselves in this Liberal thing, but they are really Republicans. They are using ideology that is not Canadian, has never been Canadian. I am a German-born, German-raised Canadian, and I am applaud in this country with what goes on politically. We have this system of transportation that was working, and it seems that every time we have a political organization in this country they get their hands on something it goes to the toilet. What usually happens is we get less and we pay more and it becomes dysfunctional. We are just on the tip of the iceberg of getting back some economics and I hope this oil business never goes through. As far as I can see there is going to be a war between the people and the government. Because what is being proposed is threatening the basic fundamental ability to live and have a life. The people moving the money are getting the benefit of this. When you take away the ability to rely on the ferries, like the Haida gentleman said, you are threaten people's ability to live, that is not human. When you close things on other people and expect them to be complacent that is colonialism. What I am thinking is, let's take this back to what it used to be, so people can rely on it. Like the road to Prince George. The ferry you can no longer rely on, because you have ruined it. It is not economical for us to use it. I would like to use it to go to Vancouver; I have medical conditions. I like to use the ferry, but I can't, I can't afford it. I am at the age where I want to go to Haida Gwaii and live the rest of my life. I would like to help the Haida get what they are fighting for and have been for some time. At the beginning, before the First World War there was an incentive to colonize the Haida Gwaii, and the Friends of Masset put together a book of the history of that. They had so many farms going that they supplied fresh food to Prince Rupert. The concept of trying to get your stuff in a close area is a hell of an idea. All our food comes by truck. God help us if the trucks don't come anymore, we are screwed. Everything comes here by truck. It is disappointing to see our government that got elected, doing the things they are doing. In the beginning they made a lot of cuts, but they also gave a lot of money to companies, and they gave tax back to people who were affluent. We have people that have needs that are not being looked after. It is mindboggling, this whole concept that, "we are going to change the ferries and you are going to like it." What have they done? Is it better? I certainly don't think so. But somehow the people down there that got elected have this Liberal cloak on, but are really Republican, still believe that what they are doing is right. Please tell them they are doing it wrong. Thank you.

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C: *Anna Wright:* Thank you for coming tonight. All your comments will be recorded and we encourage you to submit them online or if you have written submission here tonight to give it to us. Kevin, any final comments?

C: *Kevin Richter:* Thank you for coming and sharing your comments. Please tell your friends, colleagues and family to fill out the feedback form and make their voices heard. I will certainly carry back what I heard tonight to our Minister's office. Thank you.

3. Closing Remarks

Anna Wright wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on December 7, 2013 at the Gulf Islands Senior Secondary School Gym, Salt Spring Island, B.C.
FACILITATOR	Nancy Spooner, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Lynda Petruzelli, Senior Manager, Marine Branch, Ministry of Transportation and Infrastructure Joanne Doyle, Manager, Master Planning, BC Ferries Peter Simpson, Director, Fleet Operations, BC Ferries Chris Chok, Kirk & Co. Consulting Ltd. Laura Abbott, Kirk & Co. Consulting Ltd., Meeting Recorder Max Tobias, Kirk & Co. Consulting Ltd. Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants were opposed to service reductions. They expressed frustration and concern about the impacts of the reductions on the community, including:
 - Social impacts: People think that the community will be destroyed if people leave the island because they can no longer commute to their jobs and their kids cannot participate in programs off-island. Many youth athletic programs will not survive if the early and late sailings cannot be adjusted to ensure that athletes and teams can get back to the island after mid-week practices and weekend tournaments.
 - Economic impacts: Business representatives warned that the costs of impacts to small businesses will outweigh any savings from the service reductions.
- Participants are frustrated with what they think is an unfair targeting of coastal communities for relatively small savings, especially in light of the recent announcement and timing of the executive bonus and salary scheme. Participants think that the compensation paid to executives and board of directors should be reviewed before considering service reductions.
- Participants are unhappy about the change to the seniors' discount and cautioned that the company will lose more money because the seniors on fixed incomes will no longer travel and will therefore no longer be paying the fare for their vehicles.

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- Participants expressed frustration at high fares and asserted that the utilization would be greater if the fares were not so expensive. People think that the fares are past the tipping point and that many people would travel more off the island and come to visit more frequently if the fares were more reasonable.
- Participants questioned the utilization numbers for the Vesuvius to Crofton run, as they say their actual experience as commuters is completely different than what the numbers would indicate. People encouraged BC Ferries' management to travel on this route to see for themselves.

DISCUSSION

1. Welcome and Introductions – Nancy Spooner

Nancy Spooner welcomed participants to the open house, and explained the format of the Q & A. Nancy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- C: *Kevin Richter:* Just giving you a bit of background as to why we're here and what's happened in the past. In the spring of 2012 the ferry commissioner released his report. The ferry commissioner, Gordon Macatee, came on board in 2011 and asked government if he could do a report about the ferry system. He provided that report in 2012. He identified that there are a lot of pressures facing BC Ferries now and into the future, including the rising cost of fuel and labour and a need to replace aging vessels and do some work on aging terminals. He also identified that there is declining ridership. He said that if action isn't taken, the sustainability of the ferry system is in question. He also indicated that fares have reached a tipping point. Government, taking the ferry commissioner's report in hand, took action. The government increased its contribution over the four-year performance term by over \$86 million. BC Ferries was asked to find efficiencies of \$54 million to help take pressure off the system. Government was trying to balance its budget. They felt they had put in as much money as they could. To keep the pressure off or to get the fares to where they were declining, there was also going to need to be service reductions. Last fall I was out with my colleagues, travelling up and down the coast and engaging the community on considerations to inform a decision about service reductions. We were asking about considerations like, should we look at routes where there is significant annual shortfall. The routes where there is low utilization. Looking at routes that have multiple stops and high complexity. Looking at routes that have significant capital investment coming up. Trying to balance those considerations with balancing basic service levels. We were also out last year about strategies for the longer-term, such as using LNG, making the vessels no-frills, and other strategies. We got that information and as government committed, prior to any service reductions we would come back to engage with communities to talk with you to get input on considerations for service reductions. We've come back and there's this plan on the table. As we've been travelling to different communities we've been asking about

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the impacts; are there considerations we didn't think of that should be considered when we're looking at planned service reductions. We're here to get your feedback on impacts. We're also here to get your input on refinements. The ferry system has to be sustainable into the future, so we're also asking for input on other items. Last year we heard people putting on the table ideas such as gaming, looking at the seniors discount, and improvements to the reservation/point of sale system, to manage the traffic by using different pricing at different times of the day. We've also discovered that there are water taxis and private passenger-only service. We're getting feedback on all those topics going forward to make sure the ferry system works. We certainly recognize importance of the ferry system. The communities' best know the impacts and that's why we're here today to hear from you.

- C: *Peter Simpson:* There are two routes that are being proposed for changes and reductions. I'll speak to the Long Harbour – Tsawwassen route first, which is the Queen of Nanaimo, Route 9. The changes that are being brought forward by the province exist from mid-Oct to mid-May, after Thanksgiving and before the May long weekend. They're affecting the Friday night sailing, the Saturday morning sailing, and the Sunday night sailing. The proposal is that the ferry run that goes from Long Harbour to Tsawwassen be combined with stops at Mayne Island and Galiano Island. We need to work with both the outer islands and Salt Spring Island on how we would connect Pender Island with that ferry service. Essentially, it would mean that service on route 9 on Friday and Sunday night and Saturday morning would be very similar to what you see the rest of the week. The ferry would leave Long Harbour, and pick up traffic at Mayne and Galiano, go to Tsawwassen and return. The combination of having the Galiano and Mayne Island stops. The other route we're here to talk about today is the Vesuvius to Crofton route. The identified reductions are from mid-October to mid-May, where two round trips would come out of the service. For the rest of the year, Mid-May to mid-October, one round trip would come out of the service. The diagrams you see on the board have identified those round trips as low-utilization. We've done some preliminary work. We are in contact with some of the representative on the island. Part of the review of the service for route 6, would be talking with the FACs and regional representatives. What I can tell you is that we have done some of the preliminary work. While I don't have information on specifics throughout the day, the important aspect that I want to convey today is that the new service would offer about 15 hours of continuous service. That means that during the week, Monday to Thursday, if we maintain the current departure at 6 o'clock that last departure would be at 8 or 8:30, about half-an-hour earlier than it is now. That would be the same on Friday, Saturday and Sunday, when the ferry leaves an hour later, it would leave Crofton about a half an hour earlier than it does now, at around 9:30. We want to talk with the communities and representatives about the kinds of things that we would do to affect that. The important thing that we want to leave you with today is that the last sailing out of Crofton will not be 18:55, it will be about 8:30 at night. We will be meeting with the representatives on the island in January and having further meetings on that.
- C: *Gary Holman:* I'm the MLA for Saanich North and the Islands. I'll let folks here speak to impacts of the specific cuts being suggested for Salt Spring. I wanted to raise the broader issue and that's around the fares and the equity issue of treating BC Ferries as part of our public transportation network in British Columbia. Taxpayers on the Gulf Islands support billions of dollars in investments and operating losses throughout the rest of British Columbia, particularly the lower mainland. I

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think on behalf of people here, and constituents in the rest of Saanich North and the Islands, when I say we want to be treated fairly and consistently. We pay a toll on our highway. When you get to the point when everyone pays tolls on highways throughout British Columbia, then come to us and talk about cutting services. Thank you for coming here. Our office did request a larger venue than Central Hall, and you found it, so I appreciate that. I thank you for coming here today. I know it's not a comfortable situation for you. I know it's not you making the decisions, it's you having to present the decisions. These decisions are not being made by BC Ferries. This is a political decision by the Minister and the Premier. These are political decisions and priorities. It's not about efficiency. It's not about BC Ferries decision making. It's a political decision. I wanted to set a context for the operating deficit that you're seeking to address – about \$19 million. The provincial budget is \$44 billion annually. That's the context in which we are making these kinds of choices. The province is projecting a surplus of about \$130 million. Whether they'll reach that or not, I don't know. Also baked into this year's budget is a contingency and forecast allowance. If you sum the three up, you're talking a half a billion dollars a year that has not been spent. What you're trying to achieve here is a \$20 million shortfall. If the political will is there, the dollars are there. I don't want to take too much time here. Others want to speak. Two points: if you were to have to meet the shortfall by raising tax, I don't think you do because the dollars are there. The political will is not, but the dollars are there. If you had to raise taxes, the cost per household would be \$1 per month. That would be the cost if you had to raise taxes. I would argue strongly that you don't have to; the dollars are there. One other little tidbit: BC Ferries actually pays the province \$6 million a year in dividend, because the province is the sole shareholder of BC Ferries. BC Ferries, that is to say the users of BC Ferries, pay a dividend to the province for a corporation that is not making money. That dividend is calculated at 8 percent. If you eliminated that, you are one third of the way to addressing the problem. The savings here are \$200,000. The \$6 million dividend would cover not just the shortfall here, but in a number of other places on the coast. The \$6 million dividend to the province is outrageous.

- Q: *Eric Griffiths:* I'm a regular commuter. I commute back and forth to Victoria every weekday. A change in service and fees mean a lot to me. I have a simple question: basically B.C. has two ferry systems right now. We have the inland ferry system and the coastal ferry system. I'd like somebody to be able to explain to me why the inland ferry system, that has alternate routes, since you can drive around a lake, is fully subsidized and yet the on the coastal system, where you can't drive between the islands, is a user- pay system.
- A: *Kevin Richter:* The inland and the coastal ferry system are quite different. To run and operate the inland ferry system is about \$20 million a year. To run and operate the coastal ferry system is in excess of \$750 million a year. The government contributes through the service fee for the coastal and through the contracts for the inland. Per vehicle, it's about \$18 for the inland. For each vehicle, the province is putting in about \$18. On the coastal ferry system, it's \$23 being put into each vehicle. From a taxpayers' perspective, both systems are getting contributions of almost comparable amounts of money.
- C: *Eric Griffiths:* I have a problem with that answer. I look at the Skeena Queen; it's a 35 minute ferry trip from Fulford Harbour to Swartz Bay. On the Inland ferry, the Osprey, it's also a 35 minute trip. It's the same size of vessel. I can't see how it would be considerably less to run that vessel on inland

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water, since it's the same size and carries the same number of vehicles and it's the same length of trip. It's fully subsidized. The only real difference there is that you have amenities like a cafeteria. On our ferry, we have vending machines that don't usually work. Those are the only differences. Why is that ferry fully subsidized and ours isn't? I know the inland ferry system could have fewer ferries, that's why the overall outlay is less. However when you compare apples to apples, these ferries are the same size, why one fully subsidized and other not?

A: *Kevin Richter:* The gentleman did touch on the point that the coastal ferries and the inland ferries are quite different. There are nine routes on the inland ferries, while on the coastal ferries there are 25. There is a boat like the Osprey that goes on a longer route between Shelter Bay and Galena Bay. There are also cable ferries or reaction ferries, like some of the cable ferries that go to Glade or Fauquier or Needles or Arrow Park, that are a lot smaller vessels. The crewing is a lot different on them. That's part of the overall costs for those vessels. They're operating in freshwater, as opposed to salt water. There are more demands and complexities to travelling in the more challenging coastal waters, including safety requirements. They are quite different, and the contribution of province to both of them is quite comparable.

C: *Harold Swierenga:* I'm the chairman of the Ferry Advisory Committee on Salt Spring. Speaking of the inland ferries, I happened to be in the Kootenays earlier this week. In my motel in Creston, there was a poster extolling the virtues of the longest free ferry ride in the world. I was quite impressed by that. I'd like to make a few comments, partly long-term and partly concerning Route 6. Our local Ferry Advisory Committee will also be submitting a written submission to the BC Coastal Ferries Community Engagement. First of all, the vision of BC Ferries; the consultation last year and this year, according to page 4, were supposed to come up with vision for the future of ferry operations on the coast. On page 4 of the discussion guide there's a reference to "achieving long term vision of connecting coastal communities in an affordable, efficient and sustainable manner." With respect, we are still waiting for this vision to be enunciated to us. As far as the affordability issue is concerned, we are concerned about from exactly which perspective you are talking about affordability. As a number of studies have shown, we had the Commissioners report two years ago, we had the results of the study last year. There have been a number of reports from Ferry Advisory Committee chairs, of which I am a member. The coastal community has either reached or surpassed the tipping point; people can't afford to pay more than they are now. Affordability, as far as users are concerned, we have already reached the max. What do you mean by affordability? Is it the affordability of the government to pay, to what we consider to be, an essential part of the transportation system of the province. The question of sustainability is another factor. When BC Ferries was established over 60 years ago, there was a vision that it not just be a transportation system, but a method by which the coastal communities and economy could be built. This vision seems to have been lost over the years of privatization and cutbacks and inadequate funding. The question of sustainability is an involved one and not easy to come to grips with when we talk about individual routes. There is no question, as fares keep going up and traffic keeps going down, as the trend lines have shown, a number of communities, I might refer to route 40 – to Bella Coola – if that route is disconnected, as is being proposed, it will undermine the entire tourist economy of that part of the mid-coast. It takes a long time for an economy to develop. The ferry system is an integral part of the framework needed for a coastal community to evolve. If ferry

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service is reduced, it means that the coastal communities' ability to evolve will be reduced by that amount. Eventually you end up on a downward level spiral, until you get to a subsistence level of activity where we don't need the ferries at all anymore. I don't think anybody wants to see that happen. That's the spiral it can lead to, if there are continual fare increases and cutbacks. The two are very interrelated. Other comments about cutbacks in service: one major weakness that has been identified and recognized by BC Ferries as well. The Coastal Ferry Services contract is very inflexible, not only inflexible. The ferry corporation is more or less locked into providing a set number of sailing, The set number of sailings established in 2002 hasn't been changed, other than a few tweaks here and there. It is based on traffic levels going back to the 1980s and 1990s. The fact that it was so inflexible hasn't allowed the ferry corporation to make improvements and adjustments to the routes, as conditions have changed. We have heard many stories about ferries running with more crew members than passengers. I'm sure that's happening, but the reason that it's come to that is that the ferry services contract is too inflexible to make incremental changes to the different traffic levels as it needed to. As a result, we've come to this, where they have to make wholesale changes that will be very disruptive, as people have based their lives around the schedules as they've been developed over the years. The schedules have to be totally disrupted because these changes were not made over time, as they should have been. I have a quote here from a famous American author: "for every problem, there is a solution that is simple, neat and wrong." I would suggest that this is very much the case with the suggestions that were originally made for Route 6. I'm very glad to hear that modifications have been made. We look forward to our meetings from the FAC perspective. The cuts that were proposed initially were based on a simple utilization rate. The last sailings of the day had the lowest utilization and were the low-hanging fruit. However, there is one problem with the numbers here. I understand that all the utilization rates were based on a full capacity. The Howe Sound Queen normally operates on a "B" license, which is not full capacity. It seldom runs on an "A" license; when it does, you have to have more crew members on board. If these calculations are based on the maximum capacity of ship, the utilization rates are all understated. They are actually higher than the numbers show them to be. Most of the feedback that I have had on the proposed cuts on Route 6 has been related to youth coming back from events, sports activities and other activities on Vancouver Island. I've had some feedback from the school board on this, and the calculations were that there are roughly 10 different teams and organizations connected to the high school that would be affected by this. In other words, students going over as part of a team would have to now stay overnight because they couldn't make it back to the ferry in time. They might have to leave the school earlier to go and come back on the last ferry, if it was in fact the 6:55p.m. Fewer visiting teams would come to Salt Spring because of the reverse situation, when they would have to go back on an earlier sailing. There would be less contact with other schools. The final comment made by the athletic director is that the athletic program is at risk if these cuts are made on Salt Spring Island. The adjustment being considered, to move the last sailing to 8:30p.m., would be a massive improvement. We recognize that and hope it will happen. As well, there is a question of the students who go to school off island, mostly to Duncan and Chemainus, if they were to stay later for activities, they would be very limited by the earlier sailing. I found looking over the data that with the 6:55 p.m. sailing, there would only have been three small islands that would have earlier last sailings than Route 6. Yet Route 6 is one of the more heavily used routes in the system. Those islands, Hornby

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and Cortes, are very small. There are a few general comments I would like to make. To have meaningful consultations, as this is supposed to be, it should occur before the service cuts are identified, not after. Get the input before the exercise starts, don't wait for the reaction afterward. The juxtaposition of the announcements that the senior executive bonuses were being rolled into their salaries with the announcement of service cuts two days later, made it hard to explain from a Ferry Advisory Committee standpoint. I had a lot of irate phone calls about that one. If the final decisions about service cuts are not finalized until month or so into 2014, and they are supposed to take effect at the end of March, it doesn't leave a lot of time for people to make adjustments. People might have to make adjustments regarding activities or employment. There should have been far more lead time allowed for that kind of change. The inland ferries have already been discussed. It was announced that seniors are a cost to the ferry service, because we are going to have seniors pay half fare. It was also announced that BC Ferries employees free passes are not a problem because the ships are half-empty. Maybe somebody could clarify that. The province still sees the coastal ferry service as something other than an integral part of the provincial transportation system, thereby rationalizing its limited financial support and referring to almost any support as a subsidy. The term subsidy is used rather loosely here. I was just in the Kootenays, and I don't think anybody talked about the cost of the snowplow on Highway 3 as a subsidy. We recognize that BC Ferries is one of the best systems in the world. From an FAC standpoint, it's our job to make sure stays that way. Thank you.

- C: *Bob Jones:* I'm a member of the Ferry Advisory Committee. I work closely with Harold, and as a result we discuss quite a lot. This whole process has been driven by the ministry at the highest possible level. We are talking to the wrong people. You have been through this before; I have read the reports from Gibsons and Powell River. We are talking to the wrong people, so I will in advance apologize for the anger we are displaying for others and not yourselves. The death spiral that we are now in of ever increasing costs and ever decreasing ridership can be attributed directly to government action or non-action. This is not the fault of BC Ferries. The imposition of the Coastal Ferries Service Contract tied the hands of B.C. to an inefficient system developed over the previous 20 years. BCF could not introduce more efficient operations. Most importantly, the failure of the government to contribute its fair share of the fuel surcharges, which were pretty massive at the time, allowed the minor route fares to increase at double the rate of the major routes. This was a significant contribution to the decline of ridership and revenue. The current proposals show that government does not understand the economics of the minor route system and haven't heeded the advice of their appointed commissioner Mr. Macatee. Despite what Mr. Richter has said, you simply have not taken any notice of some of the more important points and I would like to illustrate that. The proposed solutions are a classic picking of low-hanging fruit. They are simplistic, insufficient, and wrong. Let's consider Route 6, Vesuvius to Crofton. Mr. Macatee states that a measure of profitability in ferry industry is the percentage of fare box recovery to total cost, section 4.2.7 on page 19 of the report. The government's proposals are based on vessel utilization. By this measure, the Mill Bay ferry is superb at 75 percent utilization, yet because of low capacity the fare box revenue is low. That route only contributes 56 percent of costs through fare box revenue, nowhere near as good as the utilization factor would suggest. Route 6, Vesuvius to Crofton, has nominally a lower utilization rate of 35 percent, a number questioned by Harold, I know he's

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correct. Because it's larger ferry, with two-way commuting and spread out utilization over the day, and the vessel is older and written down, with lower costs. It's also a light displacement boat with relatively low fuel consumption; the fare box contribution to total cost is a staggering 85 percent. From the years 2006 to 2011, it made a profit in all but one. If the rest of the minor route service was anywhere near the performance of Route 6, you wouldn't have this problem at all. Because B.C. expenses the major and minor refit costs in the year in which they occur, as opposed to capital costs that are amortized over a timeframe, endeavoring to determine financial performance of a route over a year, which your investigation does, is very misleading. A minimum of five to six years of averaged or graphed data is necessary. It makes no financial sense to cut sailings and revenue on a route that is your most profitable. Some travelers are sailing specific; in particular, youth. Revenue will unquestionably decline. On somewhat estimated evidence, I would suggest that you would be lucky to save \$90,000 a year. Let's put that in perspective: \$90,000 doesn't pay one executive annual bonus. Neither does it make political sense. For a government to whack seniors and school kids, when they were elected on a mantra of families first, is bizarre. Hell, you can't make this stuff up, can you? Harold has already stolen my line regarding seniors and Mr. Corrigan's remarks, so I will bypass that entirely. I'm not suggesting that there's no low hanging fruit; there is lots of it. As stated, this process was driven by ordained direction from a government ministry that has not done its homework. Mr. Macatee said in his report, and I quote, that cancelling the odd sailing provides very little in the way of cost savings. The biggest cost savings occur when a whole shift is removed, or the schedule is adjusted so that overtime costs can be eliminated (section 9.3, page 71). Let's now turn to Route 9, part of the complex route structure that includes Routes 5 and 5a. You state that this route is complex and interconnected and it is difficult to make cost savings in it. This may be so, but taking Mr. Macatee's advice, it can be stated that Route 9 incurred in 2010 \$648,000 of overtime. Routes 5 and 5a incurred \$730,000 of overtime. Mr. Macatee was right: there is \$1.4 million of low-hanging fruit. I got these numbers from Brian Hollingshead, Chair of the Southern Gulf Islands Ferry Advisory Committee, who has a fairly close connection to Rob Clarke, Chief Financial Officer of BC Ferries. If you change the sailing schedule to reduce or eliminate the overtime, you will also save about 730,000 litres of fuel a year. Based on a cost of 1.05 a litre, which I'm guessing is about the right price for a volume buyer like BC Ferries. You will save a further \$750,000. We now have a potential savings of \$2.1 million a year and you'll win brownie points with the climate change constituency. That's \$750,000 in fuel, not going up in smoke. I may be too optimistic with what BC Ferries can do, but with these significant savings hanging low on the branch, is it not worthy of some investigation? BC Ferries did not think so. I suggest that it is much better to investigate this level of savings than whacking school kids and seniors for \$90,000 a year, if you're lucky. I believe that these savings can be made without lowering the current schedule in any way. If the government were to be truly brave and imaginative, it would also base the Mayne Queen in Lyall Harbort, and use a fast crew boat to deliver the crew. This would offer much better connectivity between the outer islands and save a further 750,000 litres of fuel a year, less the cost of the crew boat. I'm a numbers guy. I would like to table detailed analysis of the minor routes, in terms of revenue, cost and utilization, and also a generic schedule for Route 5, 5a and 9, supporting my numbers for a mid-day period. I would mention that this was done in 2011. A lot of money has been wasted from then to now. I say wasted, because this is polite company, I would much rather use a stronger adjective.

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- C: *Larry Cross:* I'm a local resident with a B.C. Gold Card. I'm retired from a business that I ran for more than 20 years on this island. Thank you to the messenger; that is what you are. You will hopefully carry our message onto the ministry. Perhaps, because we're privileged to have CTV and Global TV here today, the Minister won't ignore our message this time. I hope this is not an exercise to appease us poor peasants. We went through this process before, and what was the result? It seems the decision has already been made to increase fares and reduce service. We've heard many times the problem is reduced traffic on ferries. They need more people. Well, the Golden Ears Bridge has a problem too. It's costing \$45 million a year for that bridge, because not enough people are using it. Perhaps they should be taking the example of BC Ferries and raising the tolls. That will sure get them more traffic. If Walmart started losing customers, do you think they would solve their problem by raising prices? Management would get fired. I read the news release from BC Ferries regarding bonuses for executives. It's intentionally misleading. The bonuses will be converted to salary increases, based on total income from the past, with some kind of a 15 percent holdback, whatever that means. What are the criteria for them to get rest of their salary? We weren't told that. The press release says "To replace the plan with a salary holdback, tied to the achievement of financial and business results." First of all, they say the bonus plan for executives and managers has driven significant results. Yeah? WHY ARE WE HERE? As far as I'm concerned, this bonus scheme or "holdback 15 percent scheme" is just a scam. Senator Mike Duffy only stole \$90,000 from us, how much are we getting robbed by BC Ferries with these bonuses? The other thing is, what purpose does the Board of Directors serve? The Minister sets policy. Who is managing the ferries? Accountants. They know how to count the profit and loss dollars, but they seldom know anything about marketing a product or a service. Who is the Board of Directors? They are all accountants. They can only measure results of good or bad management. Bill gates, Steve Jobs, Jimmy Pattison, are all pretty successful people. They weren't accountants. BC Ferries' senior management has very little experience with actually serving people like me. They really don't care. I'm a senior. BC Ferries estimated \$6 million in increased revenue from seniors paying 50 percent of the fare. Who's the rocket scientist who figured that out? BC Ferries will lose fares. The seniors have paid in the past for their vehicles. They will not use the ferries on low-traffic days, Monday to Thursday, if they have to pay 50 percent for the driver and senior passengers. Revenues will not increase. The net result will be a decrease in revenue. It doesn't cost the ferries anything if have three to five more seniors in my car riding on the ferries. Does anyone agree they will ride ferries less as a senior? That has to be considered. One last point: slot machines. I love to gamble, I've paid for a couple of cruises by gambling. I love playing the dice, but slot machines are for stupid people. You may think we're stupid because we put up with the ferry management, but playing the slot machines is not the answer. If BC Ferries, managed by the Minister of Transportation, had a conversation with the Minister of Health, perhaps they could put slot machines in all the hospital rooms and that would raise the revenue they need.
- C: *Sheila Houston:* I'm a resident on the island and I have also been a commuter off-island for the last five years. I thank all the people before me; I wish I had the time to study statistics. I really hope they're listened to, because they have more time than some of the people here to really study the problems. I hope that they're given the respect to be really heard. Like some people mentioned, it's about sustainability on these islands. There is a lot of industry or jobs here. Many of us new folks to

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these islands have to make it work by commuting. To commute, you need ferries of different hours. For many people, changing ferry schedules will cause them to lose jobs and houses. That needs to be a consideration. People wouldn't have moved over here in the first place if they knew everything was going to change. I have senior parents who live with me and they travel during off times, because they don't have a lot of money, and that's why they live with me. If they had to pay, they wouldn't be coming across at all. If they do go across, the little money they do have they might spend in the coffee shop. The ferries are making money because they are spending money on having a meal and that is giving them some joy. I want to think about the costs of all this. Living in the city, I pay higher gas costs because I have to subsidize bridges and TransLink and all those kind of things. When I come to the islands, gas prices are cheaper. I know nobody wants taxes and gas prices raised. It makes sense to me, that if there were a small surcharge on gas, it would help to cover some of the costs, like we cover the cost of bridges and things in the Lower Mainland.

- Q: *Susan Warrall:* I live on the island. I commute almost every day to Crofton and beyond or to Victoria. I am lucky enough to be able to afford a second car, so I don't have to take a car every day. Thank god BC Ferries doesn't own a parking lot in Crofton, so I don't have to pay. I park over there at a lesser cost. I get on the ferry for a lesser cost. It's no easy commuting. For frequent commuters, there is a huge price, physically and emotionally. There are not enough jobs on this island. The jobs here are taken by people in Duncan, because there are not enough jobs there. I could do more research if I were not working full time. Does the cost of the service include executive compensation?
- A: *Peter Simpson:* Yes it does.
- Q: *Susan Warrall:* I understand that there are over 400 non-union executives in BC Ferries. Is that correct?
- A: *Peter Simpson:* There are about 600 non-union employees in BC Ferries. That would include everyone from the president and the executive vice-president to technicians.
- Q: *Susan Warrall:* In terms of this pie chart, where are they? Where are the 600 non-union salaries going in this pie chart, and in the cost of ferry service?
- A: *Nancy Spooner:* What you're asking for is the percentage of the total cost?
- Q: *Susan Warrall:* I'm asking for the total cost of the non-union, executive compensation.
- A: *Peter Simpson:* You can see the cost of that in the "Administrative Expenses" section.
- Q: *Susan Warrall:* So you're telling me that the \$30M in admin is covering all of the executive compensation?
- A: *Peter Simpson:* It would be included in that as well.
- C: *Susan Warrall:* The labour says that it's operational labour, shipboard and terminal labour. That seems that it would union labour, not non-union labour. Are you telling me I'm wrong?
- A: *Kirk Handrahan:* The ship's master and engineer. About a year-and-a-half ago, 150 positions were taken out of the union. Those are all shipboard.
- Q: *Susan Warrall:* It seems like a low figure. I know the figures are online and I will look at them online. How much is lost in ferry fares by the non-union people having free ferry travel as part of their compensation? How much is lost?
- A: *Peter Simpson:* I don't have a breakdown between the costs for union versus non-union ferry users.
- Q: *Susan Warrall:* How much is it total then? How much is the lost compensation?

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- A: *Peter Simpson:* They did a study about five years ago that estimated the value of employee travel was about \$5 million.
- Q: *Susan Warrall:* So it's increased by about 50 percent over the past five years, roughly? Or \$6 million? Is that a year? We don't have those numbers. Even if I peg it at \$5 million a year, for 4 years that's \$20 million. Why isn't there more compensation coming from the workers of BC Ferries. It's not that I resent this, I just want due diligence. That's an area that isn't being talked about.
- C: *Anonymous:* It isn't even counted.
- A: *Peter Simpson:* There was a public statement from the president, Mike Corrigan. He identified that it is part of the engagement of employees. It is very consistent with what other transportation companies do. It's a normal practice for this business.
- C: *Susan Warrell:* It's not a normal practice. Air Canada doesn't give free trips to everybody. They give a compensation for family members, but they don't give endless free trips. Their people have to go on standby. That's the same with the other airlines. There is not a free trip for everybody. It may be in line with some, but it's not in line with all. It seems unfair.
- Q: *Roger Middleton:* I'm a Salt Spring resident. What I learned in economics was that in tax policy the art was to plug the feathers from the goose, up until the goose started squawking. We're squawking. The inflation rate in B.C. has gone up 38 percent since 2004. Ferry fares up have gone up around 70 percent. Revenues from tariffs are up about 45 percent and costs are up thirty percent. The difference has gone into financing capital costs. I have this quaint notion governments are there to support the economic growth of communities. If I was to start a business, would I consider locating it in a coastal community or a mainland community? I would start to wonder. My basic question is has the B.C. government ever carried out an economic survey of coastal communities to quantify the cost to those communities of rising ferry fares? Our communities on the coast will go into a death spiral if this game keeps on being played.
- A: *Kevin Richter:* For your question about an economic study, we have not done an economic study. What we are doing is providing a plan. When we were out engaging last time, people were saying that we need a plan. Coming out to the communities now to get feedback is so important, because you know best. We were up in the Haida Gwaii and people were talking about how they have to buy a jug of milk for eight dollars and how often their groceries come in, and people up in Texada talking about their shift patterns and how they get to work. We are getting this information from you. You are the best to tell us the impacts, economically and socially, of changes to ferry services. That's what we're trying to gather from you today. We're asking people to fill out feedback forms. We can inform and educate the elected officials about what these service reductions mean.
- C: *Roger Middleton:* I can speak to the residents of Bella Coola, who are probably worried and fear for their community. That's the case all across the coastal communities. I have a suggestion, the operating result is quite positive over the combined routes. There's an operating surplus of \$66 million, exclusive of capital costs. Users are assisting remarkably in the financing of the capital program. That program is under direction from the Province. BC Ferries can't proceed with the purchase of any new vessels without the say-so of the government of British Columbia. There is a lack of discipline in the provision of the ferry service fee. It is important that accountability and responsibility be aligned. You are responsible for operating ferries and hiring your crew. You are

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responsible for creating the environment that they operate in and you have a sign off authority on their capital program. My recommendation is that the Ferry service fee should match capital costs. If that was the case, we'd find we would be adding another \$15 million to the ferry service fees, which would enable us to cut fares by 10 percent. I put that to you as a positive suggestion as to what can be done to resolve this problem. It's definitely related to the capital program. We need to get the ferry service fee decision removed from political whim and will and subject to discipline.

C: *Tom Vikander:* I live on Salt Spring. I travel about every three weekends to go to Vancouver.

A: *Nancy Spooner:* Can you face the microphone straight on, please?

C: *Tom Vikander:* I hesitate facing you people, because those in the audience are the people who matter to me. I often go to Victoria to do some research at BC Archives. I sometimes to Duncan to buy things there. On long weekends I go to Hornby to visit friends. I use the system to a large degree. I am an ex- European. I have travelled on ferries in the North Sea, the Norwegian Sea and in the Baltic Sea. I have used the ferries that run in Sydney Harbour. About five years ago the Scots decided, after having taken the tolls off their huge bridges and finding that resulted in an increase of commercial traffic and usage, that they would have a look at the ferry fares to the Hebrides, the, Orkneys and the Shetlands. They decided to look at the Norwegian system. They are reviewing that now. From my experience in Norway, the equivalent of a half-hour return trip cost six dollars return for a foot passenger. For our ferries, it costs eight dollars going each way. On one island, where a friend of mine lives, there was service until one in the morning. The population of that island is under 500 people. What happens in a scenario like that is that people can live on the islands and do business, run things and have things transportation. Doctors are able and willing to live in far reaches of the country. Norway, like British Columbia, has a long coastline with huge long fjords. They have oil, we have oil. Their country, like our province, has a sparse population. We can look at those similarities and hopefully learn something. When I the paper I very often see announcements about how cheap it is to ride the ferry in B.C. I never see reference to what first world nation they compare those prices with. I suggest they compare prices with some of the European countries. 250 years ago, Napoleon was taking tolls off of roads. That brought into existence the modern state, where taxation wasn't a process of handing a little bit of money into a toll both on a highway. They taxed people differently because of where they live. That again increases traffic. We have a situation on this island and on Hornby where we are going to be depopulating the coast. We are not going to be facilitating the development of this coast the way Phil Gaglardi did with the development of the highways in this province in the 1960s. Going to be depopulating the coast. Something is wrong in Victoria. People there seem bereft of creativity and the ability to see things on an international scale and to utilized that information and put it to use here. Use the good parts. The way they fund the ferry in Norway, is that they're a continuation of the national highway system. Between headlands, going onto an island, this is what happens: you're travelling on a road, just like in this province; you want to transport yourself and your goods. They look at the cost of building that bridge and maintaining that bridge, and they look at the cost of filling in the ocean and servicing a highway on a yearly basis, then they figure out an equal subsidy should go to that ferry, if the ferry is cheaper. Their living minimum wage is approaching \$20 an hour. Let's find out how they do it. It's something to think about.

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- C: *John Davies:* I've been a resident here for more than 20 years. I want to be clear about a couple of things. I'm not interested in the way these questions have been framed, in terms of service reductions. That comes from an ideology I don't subscribe to. I believe in affordable public services and highways being paid for other than by users. When fares doubled, I travelled half as much. I want to make that really clear. Ridership and fares are related. It's really simple. I don't think people in Victoria get it. The reason they don't get it, is because there is too much fat going there. When fares go up and I pay more, I correlate that to BC Ferries executive salaries and pensions. There's something wrong with the picture. It's not just BC Ferries; it's an ideology that's infected our system. It is corruption and legalized theft. The level of executive compensation is outrageous and I believe that it is a form of robbery of the public. It's not just here, it's across the board. How do we address that? You've been sent here today, in my mind, not to take back notes on which ferries I'm willing to give up, so the province can spend that money on other pet projects that they have, as we all know the government does not spend money wisely and frugally. It spends a lot of it on its friends and its pet projects. Let's get to the bottom line: in my way of thinking government exists to provide essential services to the public, in the most affordable and cost-effective way. It's there to help us to live our lives in a satisfactory way. Not to enrich themselves and their friends, which is the public perception. When I read the news in the mass media, when I talk to a BC Ferries employee or here, where I run into the BC Ferries union president, I don't like what I hear when I hear that there are many more managers and executives in BC Ferries who make much more than those in the Washington State Ferry system. There is something fundamentally wrong. What's wrong is not in the number of ferries we have running. Who came up with this idea of service cuts? It wasn't the people here. It's wrong. Take that message back.
- C: *Diane Clement:* I am a resident and senior on Salt Spring. My numbers differ from other people's, but according to what I have found, 85 BC Ferries current operating costs are covered by ridership. That's an amazing amount for an enterprise as large as BC Ferries. The whole seniors' discount is a red herring. If you go on the website, you'll find that the ferries ticket stubs for seniors get collected and get handed to the ministry, who make a payment to ferries for full amount. Whether we pay half or whether we pay whole that doesn't affect BC Ferries' bottom line one cent. I think that we need to look at lowering costs, not changing services. When ride on the Fulford ferry, which I ride extremely frequently, usually Monday to Thursday, one of the girls told me that they get a bonus if the ferries operate on time. When we hire public officials to do a job, if they don't do the job, they shouldn't have the job. There should be some sort of come back if, for other than natural causes like the weather, the ferry is not running on time. It shouldn't mean that every time they dock on time, they get a bonus. If you ever ride the 9:00 p.m. ferry on a Friday, it's early every time. It is always early. One of the things I notice on other ferry systems is that we have a much higher worker to passenger ratio. It affects us sometimes when you get left behind, because they haven't hired enough workers for a particular shift. Quite often those workers are not really necessary. I don't see that we have much a safer ferry system than Washington or other developed countries. I really believe that the bonus system and the board of directors that brought in... when they first came in, they had a very low salary. In a short time, they bumped their salaries to \$100,000 year per board member. It's unnecessary. For many years, the whole ferry system was part of the Ministry of Transportation. It worked just as well and it was much less expensive. You

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need to rethink some of these things. I understand that there is a 60-year contract between coastal ferries and the government and that changes have to be made with major negotiations. If you go back and look online, a lot of the stuff there make the citizens of the province look like idiots that this was ever put forward. I would like to remind everyone here that this meeting is really important, but more importantly, write to Premier Clark and let her know how you feel. Letters that arrives on her desk, on any MLA's desk, that influence what happens.

- Q: *Ron Hawkins:* I appreciate you coming. You have heard the point many times that the ferry system should be a part of the comprehensive transportation policy mandate of the province. Mr. Richter, can you tell me, are you aware of the reason why Cabinet doesn't recognize or respond to that concern? I've written many times and I never get an answer. What is your understanding of why they won't do that?
- A: *Kevin Richter:* The Coastal Ferry Act was created in the early 2000s. The intent was to bring a more businesslike approach to ferries. In the past, the Fastcats were built and there was concern there was political influence in BC Ferries. The elected officials felt at that time that to create the Coastal Ferries Act, which created BC Ferries as a separate company, would add business rigor to operations. As I've travelled around to communities, I've heard people talk about it being part of the highway system. Quite a few people who have come to the mike have commented on this. Whether it's within highways or outside of it, there are significant capital costs coming up down the road. They are about \$2.6 billion dollars in next 10 years. Whether it's in highways or outside of highways, the bigger question is the funding of the ferries. We've heard people talk about the affordability of the system. We've also heard people talk about the impacts of the service reductions. The whole idea of the service reductions and the other measures is to try and take pressure off of the fares. If what I'm hearing is about the provincial contribution to the ferry system, that is focusing on what's happening. I think it's about a million dollars a year that's put into the road and bridge maintenance contracts on Salt Spring. That means trimming the bushes, fixing the pot holes, doing snow removal. That work is about a million dollars. Just on route Route 6, there is a loss of about \$2.4 million. The other routes have a cost. At the end of the day, whether it's in highways or not, it's that level of funding. Where does that money come from?
- Q: *Ron Hawkins:* I appreciate your comments, but I don't think that they're relevant to the question. All of this talk and these responses all have to do with why BC Ferries is not within the envelope of total transportation policy. These other factors are incidental to the main thrust of the question. It can be done. It can be envisaged. My second question: are the inland ferries part of BC Ferries?
- A: *Kevin Richter:* No, the inland ferry system is part of the Ministry of Transportation and Infrastructure.
- Q: *Ron Hawkins:* Is that the BC Government?
- A: *Kevin Richter:* Yes, it's the Ministry of Transportation.
- Q: *Ron Hawkins:* Why should the B.C. government distinguish between one part of the electorate and another? It's a vision. I'm not hearing you articulate an effective answer to that question.
- A: *Kirk Handrahan:* Highways are quite different from ferries, but both are integral parts of the transportation system. The ferry system is an integral part of the transportation system. It has different cost structures, compared to highways, but it's no less important. In the case of the inland ferries, my branch operates under contract with four service providers to provide those services. It

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costs about \$21 million a year to provide that service. When you add the capital costs and interest onto that, it's about \$23 million a year. Contrast that to BC Ferries operations, which is 25 ferries, at the cost of about \$750 million a year. The difference is that the taxpayers' contribution is about \$18 a car in the inland case and \$23 a car in the ferries case. From the taxpayer perspective, they are contributing similar amounts to the carriage of traffic on the inland ferries as opposed to the coastal ferries. In both cases, the services are being provided by independent contractors. In both cases, the government decides, through those contracts, the level of services provided.

C: *Ron Hawkins:* I guess the challenge is to consolidate all aspects of transportation within the province and unify them in a common policy manner and decide how to distribute revenues to support those services.

C: *Kirk Handrahan:* Thank you.

C: *Jenny McLean:* I get sent something through my email from Mustel Group, to do surveys about things. I just got one about BC Ferries. In their booklet of information, it is claimed that in the 2012-2013 year Route 6 lost just \$200,000, whereas you said it cost \$2.4 million to run Route 6. It's a very busy, popular route. There's a lot of freight travel on that route and it's a vital link. It also connects with Vancouver Island. I feel the damage from cutting it is well out of proportion to the minor savings that have only been taken from a one-year figure of operating costs. There has already been damage, because Route 6 has already been reduced. There are different clubs that people were going to previously, and they took the 10 p.m. ferry on weeknights to get back over to Salt Spring Island. One of the clubs even folded. I feel that's the wrong place to cut. I would really like to communicate the message to leave Route 6 alone or to expand it. From a foot passenger point-of-view, there have always been questions about what to do about Route 9. There is no real streamlined way to get to Vancouver through Fulford, if you're a foot passenger. Especially in the summer there are tons of people coming off the Swartz Bay to Tsawwassen route for foot passengers. There are also gulf islanders and even tourists who are totally lost. I've helped so many tourists to try and figure it out. What I found interesting is that when the Olympics were here in 2010, millions was spent on security for Tsawwassen and Swartz Bay, to make it an enclosed environment; meanwhile you have foot passengers that could be carrying a bomb. It doesn't make sense. Michael Smythe wrote a comment in the Province newspaper in the summer about the amount of money paid to executives. It's not his last two columns that he wrote about BC Ferries. I've heard people asking you questions about bonuses and payments. Try emailing Michael Smyth to get that information from him. When I was reading this thing from Mustel Group, there were these ideas put forward that were brainstormed from within government for cost savings, that included changing fuel to natural gas and standardizing the ferries and the docks. There was an idea to get more money from the federal government. All of these ideas are not going to hit the nail on the head. You can't standardize the ferries and docks so that they're completely interchangeable, because every terminal is slightly different. You can't just bring the Queen of Inspiration, or whatever it's called, into Vesuvius. It's quite precarious. I wouldn't mess around. It did indicate to me that the people who are thinking about this must come from the interior; they're not thinking about the coast at all.

C: *Nancy Spooner:* Thank you very much.

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- C: *Matt Kellow:* I have lived on Salt Spring Island for 15 years and I have three kids. I work in Nanaimo. I have never worked on Salt Spring. I have commuted off Salt Spring my entire time here. I catch the Route 6 ferry, all the time. I look at your graph here and looking at the average vehicle utilized capacity number, for the sailing I take, and it's about 50 percent. What I'm actually seeing is a full car deck every time. Why is there that discrepancy?
- A: *Joanne Doyle:* These utilization tables are calculated by sailing. All of the 6 a.m. sailings out of Vesuvius will be counted as 250 vehicles, with one over height vehicle, maybe a commercial vehicle or a semi. A factor will be applied to any vehicles that are larger than under height, to get an automobile equivalent. The over height vehicles about 1.5 and the commercial vehicles are about 3.75, depending on the region. That information is pulled together to determine the amount of loaded automobile equivalents and that is divided by the capacity of the vessel. The vehicle capacity of the vessel that is shown on the utilization table is 70 for the Howe Sound Queen. We have the traffic data, that we have shared with the FACs, that show how the calculations workout for the AEQ. There are some sailings that have up to 70 vehicles on them. It depends on the mix of vehicles using the sailing.
- C: *Matt Kellow:* My point, when I look at the numbers, and I stand there every day and watch 50-60 people walk off and then I watch truck after truck come off a full deck every day, it doesn't equate to 42 percent. I look at the utilization numbers, and I think maybe we should get rid of some sailings. These ferries are pretty full, in my head. If have friends and I'm relatively young and people ask me about living on the island and I say "don't move here." Don't live on Salt Spring as a young person, trying to raise a family, because it costs way too much money. Costs have skyrocketed since I've lived here. My wage hasn't kept up with the inflation I'm seeing with groceries and ferries. It's unsustainable. We're on the cusp, we live paycheque to paycheque, probably like most young families on Salt Spring. If I were smarter, I would live in Cowichan or Nanaimo. I would not have built a house on Salt Spring. Ferries play a key part in that.
- C: *Nancy Spooner:* Thank you very much.
- C: *Tony Hamburg:* I am a 20 year resident of Salt Spring Island. Between my wife and I, we are frequent users of Route 6. Like the previous speaker, you should get out of the office and look at what goes on the Crofton to Vesuvius run. It's either full of gravel trucks, full of logging trucks, full of tourists, or so late you know if it's the sailing you were trying to catch or the next one. Throw away your statistics, because they don't match reality. You don't have historical data in here, but I can tell you that there's way more commercial traffic and there are way more passengers walking or driving on than there ever were before. Project that forward, and I would project there will be growth in Route 6 ridership. With the specific notion of taking away the two last sailings of the day, there are implications for kids on sports teams. I have a son in baseball and the league that he's going to play in next year will not exist if you eliminate these runs. We can't go to Duncan, Chemainus or Ladysmith to play baseball, and then come home at 6:30 in the evening. As an employer on the island and a general contractor I take apprentices in carpentry. I see others taking apprentices in electrical and plumbing. It's great that you can go to VIU in Duncan. You can do night school. Apprentices can go to school during the day and come home in the evening. There is no post-secondary education on Salt Spring Island. If young kids want to get a head ahead, get a career, grow up on Salt Spring, reach out grab skills and education and come home, they're not

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going to be doing that on the Crofton-Vesuvius ferry if these changes proceed. I'm not going to get into where the money comes from, but you should look at the implications of what goes on down here and what the implications are for your \$100,000 savings. Thank you.

- C: *Chris Abbott:* The Howe Sound Queen has never carried 70 cars in its existence. She carries 55 cars at a maximum, year in and year out. How do I know? I worked there for 15 years. I know what I'm talking about. Vehicle traffic, especially passenger vehicle traffic, has declined. People are leaving their cars on both sides because they don't want to pay the ferry fares. BC Ferries has priced themselves out of business. If a two-by-four isn't selling, doubling the price isn't going to help you sell any more. This is about ideology and failed Coastal Ferry Act. It didn't work when it was put into place. Nobody wants to buy a seasonal operation, just like nobody wants to buy highways. On the Sea to Sky, the maintenance costs are between \$40-64 million annually, depending on which report you read, for a population base of less than 10,000 people. Is that fair or equitable? The travelling public pays roughly 85 percent of the costs of operating BC Ferries. That's higher than any other form of transportation in B.C. Why are we the fall guys? You come after seniors. They are fully funded by the government. There is no shortfall to BC Ferries when seniors get a discount. By tacking on an extra 50 percent when they travel, you're not reducing amount coming in from governments, you're actually getting 150 percent of the fare with your proposed plan. That's kind of you. The single biggest raise on cost, according to your pie charts, is the cost of servicing your debts, has doubled in last 10 years. They're going to have to double again to pay for your infrastructure costs. I have to assume the ferries are going to have to double at least one more time. What's that going to do to your ridership? Your ministry refuses to acknowledge that these are the marine transportation links between communities, just like the highways are in the rest of the province. They should be funded in a similar fashion. You've heard all of the negative consequences of your cuts and the resulting negligible cost savings. You are fixing BC Ferries. It reached critical mass a long time ago and your government's failed ideology refuses to acknowledge this. The managerial ratio of Washington State Ferries is one manager for every 40 employees. For BC Ferries, it's one manager for every six employees. You know how you said you'd fixed the bonuses? The numbers are in and they've been fixed. You've rolled the bonuses into their base pay and made them pensionable. These people are literally laughing all the way to the bank. You say you're consulting with these people; I beg to differ. You're the fall guys, getting to listen to people vent. You're going to go back to Minister Stone and say people are unhappy and his response will be something to the effect of "what do you expect? That's why we sent you there." We consulted last November and spent \$800,000 then, getting a similar story from the constituents you're supposed to represent. Now we're spending a half a million dollars again. Getting the same answers to same questions. That's \$1.3 million, and where's it gotten you so far? The ferry system is failing system the very people it was put in place to serve. Public services aren't supposed to turn a profit, they're supposed to provide a service to communities. Did you know that the BC government is actually making money off of the BC Ferries debt, to the tune of \$6 million dollars a year? Nothing you're proposing here is going to fix the problem. Three years from now we are going to have the same problem with an ever increasing debt load. Without an acknowledgement that these are highways and they should be funded in a similar fashion, you are going to be in sorry, sorry shape. They took the tolls off of the Coquihalla some time ago to great fanfare, saying

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this highway's been paid for. The money that's been restored to people's pockets is going to be a real boost to the economy. Why is there the double-standard with Coastal Ferries?

- Q: *Andrew Hague:* I've lived here for thirteen years and I have two kids. My first point is related to sports teams: my son plays for Cowichan and he won't be able to play next year if these cuts go through. The Premier was elected on a "families first" platform, and it must be except for those living on the Gulf Islands. Without the later ferries, kids can't go to a movie in Victoria or Duncan and get home. That's not fair to the kids who live here. You're talking about \$105,000 a year over two years on this route. That money could come out of executive compensation. If of you take \$23,000 out of each of the 600 executives, you can save the all money try to save. Why do you have 600 executives, when Washington State only has 150?
- A: *Peter Simpson:* BC Ferries does not have 600 executives, it has 600 non-union employees. There are nine executives, down from 17 executives. That's been cut in half over the past three to four years. The non-union employees include shipboard staff, like captains, the chief engineers and the chief stewards. It also includes administrative staff.
- C: *Andrew Hague:* Compared to Washington State, that's still a 4:1 ratio. There are too many of something.
- C: *Nancy Spooner:* A comparison with Washington State.
- A: *Peter Simpson:* Our system has 600 non-union employees. During the summer, we have upwards of 4,500 employees. Not all of the 600 non-unions are managers.
- Q: *Andrew Hague:* How much does BC Ferries spend on advertising each year, considering it's a monopoly and doesn't really need to advertise? We don't have a choice.
- A: *Joanne Doyle:* I don't have number for the marketing budget of BC Ferries. We do know that the marketing and the BC Ferries vacation centre pays for itself. They're an important part, for communities up and down the coast, for getting the word out and selling vacation packages. It's an important part of making different parts of the province and of the world aware. On the commuter runs, it's maybe not as big. There is still benefit to different regions.
- C: *Andrew Hague:* There must be some parts that they can cut. For the ferries in the Kootenays, a lot of them run late, with only two cars on them. If we're talking about cutting the late night runs here, because we have low utilization, why aren't we cutting some of those to make it fair? Or, don't we blockade or cut off highways for part of the night. It doesn't seem fair that the other places don't get cut off.
- A: *Kevin Richter:* That's a suggestion that you should put forward. If I understand correctly, you want to suggest the government generate money by reducing service on the inland ferries or changing how roads are being opened.
- C: *Andrew Hague:* Or put the toll back on the Coquihalla or on some of the other highways, just to make things a bit fairer. We're paying exorbitant tolls here.
- C: *Wayne Macintyre:* I would like to say thank you for coming. I know this is a difficult task. I'm the electoral area advisor for Salt Spring Island. I'm also on the Ferry Advisory Committee. Rural B.C. has always been an important part of the fabric of B.C and coastal communities are an important part of this fabric. This fabric is showing some serious tears. The Islands Trust was established decades ago to preserve and protect on behalf of the people of the province. This includes not only

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the environment, but the social and economic elements of sustainability. Ferry corporation policies are significantly affecting the mandate of the trust to preserve and protect, threatening its very sustainability. An analogy can be made to provincial parks, for the province as a whole to support the acquisition and maintenance of provincial parks for the benefit and enjoyment of residents and visitors alike to enjoy in perpetuity. Why is this principle not applied to Islands Trust? Why are fare increases and cutbacks being made? It's the death from hundreds of fare increases and cutbacks over many decades. A lot has been well said on fiscal fairness and the impact of ferry corporation policies on B.C. residents and visitors. The potential devastation to youth programs such as school, sports, cultural exchanges, as well as other youth and adult sports programs. Increases in fares will have serious impact on sports such as soccer and baseball. Making the proposed changes to the Crofton-Vesuvius route would have a huge economic and social impact, with marginal cost savings. This makes no sense. Over the course of these consultations, I would encourage you to get back to community and see what these impacts truly mean to the sustainability of our community. Thank you.

Q: *Kim Macintyre:* I live here and my dad grew up here. I have lived here my whole life. I have a family and work in Chemainus three days a week; I work here two days a week. I cannot gain the employment to make it worth sacrificing time away from my family and home on this island. My daughter competes as a gymnast and trains in Duncan five days a week every week of the year. These cuts mean that she will be home. We cannot leave this community. We live here and I have roots here. The proposals to cut these runs at some savings are ridiculous. The impact on our community is far too great. There have been good points made and I agree with a lot of the people who spoke earlier. As I understand, the Ministry of Transportation is using B.C. Ferries as a contractor. Is that correct?

A: *Kevin Richter:* The Ministry of Transportation has a services contract with B.C. Ferries.

C: *Kim Macintyre:* If I were building a house and paying a contractor to look after that need, and he spends so much money that the final house is a sham and he's walked off with all the money, it doesn't make any sense that the contractor should remain employed. Any business that is losing so much money and taking away the goods and services that people want instead of expanding or improving those services, or making cuts at the top. All I can see, and what I think that all of us see, is that the rich are getting richer and the poor are getting poorer. I don't understand the numbers. What BC Ferries is doing is criminal.

C: *Gail Anthony:* I live here on the island. The timing of this event would have been better if there hadn't been three major community events going on. You would have had a lot more people here. The reason that we are politely lining up and not showing our anger more is that we understand that you are just the poor messengers. I am absolutely amazed that I heard said that there had not been an economic impact study done on the impact of rising fares and the cuts in service. Everyone has said the same thing. How many people here have cut back on the number of fares? How many people here have had family members not be able to visit because ferry fares are too high? How many people have had to pay more for contractors, because the fares have gone up? What is going to happen when no longer have late night ferries from Crofton, in the summertime when you have to line up in Fulford Harbour an hour or two early to get a 9 o'clock ferry because it's too busy and

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too crowded and you can't make a reservation on it or get any preferential treatment because you live here.

C: *Susanna Devitt:* I'm a 20 year of resident of Salt Spring. I would like you to take back to the powers that be the idea of legacy. What kind of legacy or example are we giving our future? There are a lot of people in this room, myself included, the legacy is to our children. To the 20 and 30-year-olds who probably can't make it here today for whatever reasons. That's who we need to get to. We are all sitting here in a freezing gymnasium and we're not putting on the heat, we're putting on a sweater. Why doesn't BC Ferries put on a sweater? Cloak and start saving. I have some feedback on the travel card. We have so many cards; I give the wrong card every time. Why can't we have it in partnership with the new care cards and present that to the toll booth. If you live on the islands, you get a discount. Thank you for coming. I encourage everybody to send out those letters.

A: *Nancy Spooner:* Thank you very much.

C: *Wayne Hewitt:* I've been on the island since 1991. Since I've been here, costs have escalated tremendously. For my family, including my kids in Vancouver, it's too expensive to come over here. Your ridership is going down and down and you guys have no choice but to keep raising the costs. The big concern that I have is that you're not looking at the overall community of Salt Spring Island. The young people on Salt Spring Island are having a hard time making ends meet. By raising the fares and changing the schedules, you're making it more inconvenient for people. You're cutting out the things that they would have if they lived in a city. You have helped destroy the community of Salt Spring Island. The problem that I have is that we have had so many meetings over the years with BC Ferries and rarely does BC Ferries take the point that we're trying to drive across. I went to meetings in Saanich when they were trying to redo that ferry terminal. We tried to encourage them to make it so that we could have through-fare and also make sure we could get on. We didn't have concerns about paying the reservation fee. And then we get a new terminal that's down the road and just about guarantees that you will miss your sailing. I don't see you closing the Coquihalla because it costs too much to clear all the snow. You're not going to close it down all winter. That's what you're doing to our ferry system. You just keep picking pieces off it. We gave \$450,000 for pathways, which is fine. Does that mean now that whenever there is any capital expense upgrades that you're going to find a way to cut back? It doesn't take many years to get that \$450,000 back. People want to communicate to the ferries. We're not shooting the messengers. We want you to deliver this message back. Every time there's a capital expenditure through the Ministry of Transportation, does that mean we have to pay for it through on ferry cuts? That's what it looks like to me.

C: *Tom Hoynbee:* Unless you don't want to wait for another ferry, I don't understand your time limit. It's preposterous. This is an important subject.

A: *Nancy Spooner:* Yes, it is.

C: *Tom Hoynbee:* You may have set your schedule, but it's ridiculous. I didn't make a lifestyle choice to live on Salt Spring Island, my parents did before me. I was born here in 1934. I'm a proud Salt Spring Islander. I've been on the ferries since 1939. I was on the second sailing of the ferry at Vesuvius in 1955. We are talking about the least subsidized ferry system in the world. The other people who operate car ferry systems, and Norway is a very good example, put more money into

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their systems, so they maintain the integrity of transportation systems and their economy. Our government does not. I am much less concerned about seniors than I am about youth. I have spoken to a businessman who has young people working for him who are considering moving off the island because of the uncertain future of the ferries. The Coastal Ferry Act was created with basic flaws. There were some good ideas in the beginning, but there were some basic flaws identified early on. They were also identified by the Commissioner, but the government arrogantly refused to consider them. We were continuously underfunded during a time when money was lavished on other transportation forms. I have to give credit to the members representing the Ministry here. If my boss had given me the job of presenting such a weak and flimsy script as this one, I would have quite on meeting number one.

C: *Danica Tuddle:* I'm 18 years old and I have lived here my whole life. I'm a student here at GSS. I go to Duncan three times a week for dance. I arrange my life with the ferry schedule. Without that 9 o'clock ferry I can't get home from dance, which means I have to stay over or stop dancing. Dance is a vital part of my education. If you are going to cut ferries, leave 9 p.m. ferry. There are so many students who need it to get back from extra-curricular activities or jobs. If you're going to cut ferries leave the late ferry, otherwise there is no way to get home and we're stuck.

A: *Nancy Spooner:* Thank you, very much.

C: *Janet Houston:* I'm a general manager with the Salt Spring Chamber of Commerce. I respect the process that's happening here and the involvement of the community. I think it's important to have these dialogues. I hope that you listen to what we have to say and have it impact the decisions that you're making that are having profound impacts on the livability of our community. I hear a person who is raising a family here thinking he has made the wrong decision to come to Salt Spring and have his home here, because of the impact of your decisions. I hope you understand that. I was on a conference call with 14 coastal community chambers of commerce. We are all very concerned about the impact of these cuts and the ferry fares. The chamber of commerce represents small businesses. There are 1000 small businesses on Salt Spring Island and we are all impacted by your decisions. We're looking at an economic shortfall of \$18.9 million between now and 2016. I would guarantee that the decisions that you're making are going to cost community economies far, far more than \$18.9 million. We're talking about livability and economy and about getting people to and from this island. I asked a question in the fall, which I think feel on deaf ears: what are you doing with stakeholder communities to help us with tourism marketing? Getting tourists on and off this island by ferry is important to us, not only in terms of transportation, but it's important for our economy. Hotels and restaurants and service providers need those tourists to be coming here. As communities, we would like to work with BC Ferries on international tourism marketing and getting more people to come to these islands. As a person who owns a home here, and as a business person, I'm concerned about the economy of my household. You're decisions will have a long-term impact on livability.

C: *Nancy Spooner:* Thank you very much.

3. Closing Remarks

Nancy Spooner wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on December 9, 2013 at the Community Centre Hall, Quadra Island, B.C.
FACILITATOR	Nancy Spooner, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kevin Richter, Assistant Deputy Minister, Ministry of Transportation and Infrastructure Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Sean Nacey, Senior Manager, Infrastructure Development Branch, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Joanne Doyle, Manager, Master Planning, BC Ferries Anna Wright, Kirk & Co. Consulting Ltd. Karen Schroder, Kirk & Co. Consulting Ltd., Meeting Recorder Caillin Katnich, Kirk & Co. Consulting Ltd. Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants were very unhappy that a socio-economic impact study was not done prior to proposing service reductions. People were concerned that the island economy is already struggling and that reductions will cause further job losses, as people will be unable to commute to work on time.
- Participants said that there should be no service reductions at all. That stated that service reductions will not work to deal with the debt and that there should be a bigger picture review to find a longer term solution to the problem.
 - Participants said that the proposed reductions are unfair and discriminatory against coastal communities. People mentioned the many expensive transportation infrastructure projects that government is funding in the Lower Mainland and the Interior and expressed frustration that government will not adequately fund their only mode of transportation.
 - Participants were concerned that the service reductions would drive youth and families with children off the island, as young people would not be able to get to and from social events, sports practices and games, and school functions.
- Participants felt that management of the ferries should be returned to government in order to properly serve the needs of taxpayers. Participants expressed frustration and anger at perceived

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misplaced spending priorities and corporate/board salaries in a structure that is profit driven rather than service driven.

- Participants felt that the loss of the seniors' discount will cause further hardship to people on fixed incomes who are least able to afford the ferries and that this will cause further isolation from families.
- Participants said that the main reason utilization is down is that fares are too high. They insisted that more people would be travelling if the fares were more reasonable. People also asked that BC Ferries consider the fact that more people are walking on, and that this is a significant factor in understanding vehicle utilization data.
- Participants were frustrated with the process of announcing a plan and then coming to the community for feedback. Many participants felt that government had already made up its mind and that the process was not respectful of communities.

DISCUSSION

1. Welcome and Introductions – Nancy Spooner

Nancy Spooner welcomed participants to the open house, and explained the format of the Q & A. Nancy informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- C: *Kevin Richter:* I want to give you a bit of background about why we're here this evening. Back in 2012, the Ferry Commissioner provided a report to government. In the report he talked about the fares, they are at a tipping point. He also talked about the future and if it would be sustainable. And with rising pressures, with fuel, with labour, with declining ridership, with significant capital investment that's required over the next ten years, the Ferry Commissioner said that the system is in jeopardy unless action is taken. The government took action. The Government put another \$86 Million into the ferry system, the government changed legislation around cross subsidization and several other recommendations that the Ferry Commissioner had. BC Ferries was also asked to find \$54 Million in additional savings and efficiencies. But government felt that that was as much money as it could put in, balancing other priorities, so government said, to help take that pressure off the fares, we would have to look at service reduction. So last fall we were out visiting communities asking for people's input, ideas about consideration - considerations that could influence the decision around service reduction. So looking at such considerations as where there are big shortfalls, utilization of routes, capital investment, complexity of routes but also trying to balance basic service levels. We also came out at that time to communities to ask for ideas about other strategies, like using LNG to propel the vessels, no-frill vessels, other ideas. When we were

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also out, we heard people raise ideas that we hadn't thought about. So that brings us to this round of engagement. Acting on the information that we heard from the previous engagement and government's decision about finding \$18.9 Million in service reductions, we're out here to ask for your feedback and input on this decision, on government's decision, the elected officials' decision, on doing service reductions and there is a plan on looking at service reductions on the minor, on the Northern but also finding service reductions off of the majors. So that's what we're here, and we've been traveling up and down the coast, meeting with communities, to hear from you, get your input on what those reductions mean to your community. What does it mean to your families? To your work? To your Businesses? And then we can give that information to government. Government is committed to coming out and engaging and listening to communities prior to making any final decision. So we're here to get that input from you, and also we're out here seeking input on other measures, such as about the gaming, or the senior's discount or reservation systems or passenger-only ferry services. So we're here tonight to listen, to hear from you and also to relay that information on to the elected officials. Thank you.

- C: *Noel Lax:* I was looking at the Oxford English dictionary this afternoon and they have three meanings for the word engagement – one has to do with two people with an agreement to marry, another is putting machinery in mesh, to engage, and the third is to battle. I think your reference to engagement so frequently in your first comments is indicative of the tone of the government's attitude towards the people here.
- C: *Jim Abram:* Good evening everyone. Welcome. Thank you for coming up here in the snow. Can't say it's a pleasure to have you back, even though we have nothing against you but. Well, I'd like to first, I'll tell you who I am first. I am Jim Abram. I am the Regional District Director for Area C, the Discovery Island, Mainland Inlets that covers everything out there that you can see, except for Cortes and Marina - that director is over there. I am also the Vice Chair of the Regional District and the Chair has asked me to represent the Regional District. That is 44,000 people from communities of Kyuquot, Gold River, Thasis, Zeballos, Sayward, Campbell River and four electoral areas, huge electoral areas, and those are 44,000 ferry users. They all use the ferry. Not ours, necessarily but they do use the big ones. They are affected. Some of them have major businesses that spend major money on your boats and they don't like what is going on. But I do want to say, that this is absolutely incredible. This is my community that I represent and I am proud to do that. Don't forget that all of them are ferry users. I want you to know that these people that are here and people who came over from Powell River, the Sunshine Coast and people that came over from Campbell River and people that came over from Cortes Island, all came at great expense and great difficulty and they all need to be congratulated on being here first of all. And I'd like them to have a round of applause. [APPLAUSE] Most of them have more ferries to use than we do. But I have to tell you, we are insulted by this process. We are disgusted by this plan and we are extremely angry at this government and we are not going to take that any more. [APPLAUSE] Our community says very clearly and very simply NO to what you have planned for us. It is insulting, it's deceptive and it is distracting because every community here on this coast, all up and down the coast, knows that the problem with BC Ferries services is that the fares are too high. [APPLAUSE] You have got it on your boards. You have the nerve to put it in those books – the decline in ridership, as the fares go up. I mean c'mon. What kind of business would do that if they

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wanted to sell something? The loss of business and service cuts, all of those things that are happening here, are very hurtful. And everybody, besides knowing what the major problem is, which is the fares, they also know what the solution is. I am going to read it to you quickly, “that the province recognize that the coastal ferry service be recognized as an essential extension of our public highway system. Roll back the fares and maintain the service.” [APPLAUSE] That is the solution. That is the only solution. If the government had a brain in its head, they would look at this and say: ‘You know what? We can’t do it any other way.’ They cannot keep coming back to these communities year after year and saying to them ‘hey, we want to engage you’. Okay, another battle. Okay, they are going to engage us about more service cuts? About more fare raises? Yes. We’re talking fare hikes in April. Service cuts in April. More fare hikes the next April. How many more times are you going to come back and tell us that bad news? It came out of highways, put it back in highways. [APPLAUSE] There isn’t a transportation system that’s been studied that makes a profit. In the global situation, no users are expected to pay for transportation operations totally, for those operations. In the last 10 years the government has paid \$1 billion and the users have paid \$5 billion. Those are shocking numbers and I bet if you took those down to the Skytrain or Seabus or Canada Line or any of those places and asked people to pay 5 times as much as the government pays, they would probably tell you where to go. So the problem with this process is that we meet with you folks a year ago as Coastal Regional District Chairs, the group that I’m on that represents 70 per cent of this population. 70 per cent! And we asked for some simple things: we asked you for a cost-benefit analysis for what you wanted to do because what you wanted to do then was just as crazy as this; we asked you for an impact assessment; we asked you for an examination of putting it back into highways; we talked about assessment of the loss of revenue to the province through things like property taxes due to falling property assessments that taxes are going to go down, the income to the government is going go down; we talked about income and sales taxes declining; we talked about loss of revenue from the resources that are extracted daily from this entire regional district, and we have not gotten a single word back from anybody about any of those topics. We asked at the meeting that we had in Nanaimo with the Chairs, if you had done those assessments, cost benefit analysis and you said no. So, why not? You had a year to do it and you didn’t do it. So, if you don’t know the answer to all these questions, then you are terrible business people I am sorry to say. You are making decisions based on ideology, not common sense and that’s not right for a public service. You are public servants. You are killing our communities. We went through this whole government campaign, provincial government campaign, hearing these ridiculous statements about families first and jobs and economies. Well, both of these are the first to be negatively impacted by this insanity. Jobs in our community are disappearing. Our community is disappearing. Look at the numbers. You know you are part of the people that devise the numbers, so read them. Seniors are going to suffer, tourism is suffering, shift workers, our largest employee, who will speak. All arts, culture and sports, economic development, are all going to suffer. Both on this side of the water and the Campbell River side of the water. We have reciprocal situations where we go to functions over there and we spend a lot of money at those functions and people come over here to this stage and they come to some incredible cultural events that they will not come to in the future because they won’t be able to get home, and they aren’t going to spend the extra \$100 or whatever for a room. Our ambulance service – did anybody ever think about the fact when the ambulance drives on the ferry, it just drives on the ferry like a car or a truck? It costs nothing to take it back from here over to there. Costs about \$20, \$30 to bring it back

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this way. Well, if you take out our last two runs and we have a night time emergency that are within those run times, you are now charging the health care system, which we all know here is in dire straits, you are going to charge them an extra \$3000 per callout. That is insane. You would save all this money that you are trying to save by just leaving the service there. Hydro trucks, have you talked to the hydro company? They don't come over here until they have dealt with the major stuff on the other side, where they have a whole whack of customers. 30,000 people living in Campbell River, they get served first. So when do we get them? Late in the evening we get them, sometimes, if they can get over on the ferry. And they will work. Sometimes they will stay overnight and sometimes they will go back on the last ferry. Not anymore. And the crews that I've talked to, they have said that if they can't come over knowing that, you know, it's a simple outage and they may not be able to go back that night, they won't come over. They'll come over the next day. So we will be without power for 12, 14, 16 hours, who knows? That may not sound devastating to you folks, but it is to us. We have wells, we have deep freezes, we live off a lot of things that we gather ourselves. So I don't want to take up too much more of your time or the audience's time but I have to say that your plan is a joke. It is an insult to our intelligence and a crime against our people. [APPLAUSE] You will continue to shuffle the deck chairs on the Titanic while the ship is going down and we will not allow ourselves as communities to go down with the ship. Tonight is not the end. We are not finished here tonight. We know what the outcome of tonight is. The outcome is going to be 'we are moving ahead with the plan'. We had to come. We had to be here. We had to tell you that you are wrong. So we did, and we did it really well. This is incredible. I haven't seen this hall this full and I've been elected here since 1988. We do intend to expose this deception and it's being exposed through TV cameras, through live streams, it's going to happen through media, it's going to happen through us talking to our neighbours. But it is a deception. It's Province-wide, and we have to take our concerns directly to government. That's the only way we are going to win this. So government has not heard the last of this issue. We will be there. We will use whatever means necessary. We will stop this insanity that you have proposed. Thank you very much.

C: *Nancy Spooner:* Thank you very much.

C: *Eve Phillips:* I just want to make a point that I make regular trips to Vancouver to St. Paul's Hospital. I can leave on the 6:15am ferry; make an appointment for 1:00 pm. I can get the ferry from Nanaimo to Horseshoe Bay and providing I get the 5:00 pm ferry from Horseshoe Bay home, I can get home that night. If I don't get the last ferry, I will have to stopover at a motel which will cost the government. Okay? That's all I wanted to say. But it's important.

C: *Nancy:* Thank you very much.

C: *Michael Lynch:* My name is Michael Lynch and I am the President of Discovery Island Chamber of Commerce. We have a membership of over a hundred business and service organizations here on Quadra and Cortes Islands. And I feel that we speak decisively and with a big voice about the ferry service to and from these islands and about the impact that the proposed changes and service cuts will have. We are also grateful this evening to have with us in the hall representatives from the Campbell River and Powell River Chambers, both of whom represent areas in which the proposed will have devastating economic repercussions. The Chamber has put a lot of time in recent weeks into preparing an economic impact report to this meeting. In terms of concrete fact and figures, and without betraying proprietary business information, that has been proven to be an

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overwhelming task. However, I can still give you an idea of how service cuts and continued fare increases will jeopardize these island's economies. First of all, the continued fare increases; it has already been demonstrated how continued fare increases generally decrease ridership, thus do not meet projected financial gains. As you well know, a trial fare increase program in 2009 was quite an effective demonstration in how to increase ridership. It's a technique often used by airlines which are under constant financial and competitive pressure to boost revenue and they do it by increasing passenger levels and load capacity. And they put the fares down. And it works for them. Unfortunately, that trial program only lasted two months, and I think there were weather problems and obviously nobody paid any attention to it. Operationally, the ferries run well and the crews are to be commended. I doubt whether the Quadra and Cortes lose money on the day to day operations. However, when burdened with a proportion of costs of the Ferry Corporation amortization charges and debt servicing, the book loss has jumped by \$2.9 million last year. Conclusions to be drawn from these two facts alone should be: One, keep the fare raises at present levels or increases only to be tied to the inflation rate, or lower the fares to ferry dependent communities; two, negotiate more viable financial terms with your one venture holder – the Provincial Government; three take another look at service cuts on the main line. Right now the proposed reduction on the main line is only \$4 million. The rest is coming out of the minor services. And this is a recommendation that has already been made to you over and over again by the Ferry Advisory Committee Chairs. Now for the reduction in sailings. Late evening sailings are an easy target for the Ferry Corporation. Statistics will show that ridership is very low and they are clearly money-losing runs. Also, evening contracts can be adjusted to accommodate any shift changes by cutting those sailings. Little to no attention has been paid by the planners to the impact to the lifestyle of the residents, or to the fact that reduced ferry service will lead to reduced tourism opportunities, to fewer people choosing to live here and to the trickle-down effect that will result from a declining population. Fewer residents on the Cortes and Quadra Islands will also have an impact on the Campbell River area and the surrounding areas, especially once their construction projects are over in the next few years. Where do the cost cuts stop? When is it evident to your Executive and to Ministry of Transportation and Infrastructure that this round of cuts will not fund the current deficits? Will you keep cutting the sailings till you are down to just three or four a day? That's what we see in the future. Conclusion to be drawn from our argument here is that before any reduction in service to ferry dependent communities is implemented - and Jim has already referred to this, a full and thorough economic impact study must be undertaken. This is something that has not been done in depth and the results will mostly be surprising to you, as well as to us. Again I'd like to remind you that the 35 per cent of government revenue is generated by 20 per cent of the population of British Columbia who live and work on ferry-dependent West Coast Islands. We are not being treated fairly or equitably under the present ferry versus highway arrangement. So, instead of sticking us with the equivalent of tax increases that the other 80% of the population do not have to bare, do some serious rethinking about the ferry corporation, the Coastal Ferries Act – that should not include turning the ferries into casinos, and have the Ministry of Transportation assume full control of his responsibilities and his liabilities. Thank you.

- C: *Ruth Amiabel:* Good evening. I'm Ruth Amiabel. I'm the Director of the North Island for the BC All Age Pensioners Association. I'm also the President here of Branch 91. You know WAC Bennett, or Wacky Bennett or W.A.C. Bennett at one time encouraged people to move on to the islands to get

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taxes from the properties? Now, we got our ferries in the '60s if I remember and my father worked on the ones that are running now and he died in 1976. So, I don't understand why on earth you have to pick on seniors? For goodness sakes! The Ministry of Seniors is paying for this 'free for seniors' for Monday to Thursday. There is no reason at all why you have to do that to them. They pay taxes for all these damn years and you have to do this. I can tell you how to get rid of it all – your problems. Just get rid of the ferry corporation all together, which I can remember when it was created too! [APPLAUSE] I worked for the government in the psychiatric area in Vancouver and they are all not nuts in there, let me tell you. They sure aren't. In fact, maybe they come in there to get away from all the madness that's out there! They formed the BC Billing Corporation and they formed the BC Ferry Corporation, and all the salt water ferries got put, luckily, into the BC Ferry Corporation and all the sweet water ferries were kept for the highways and they don't pay a darn thing. Now why in the hell can't we have that? Why?

Q: *Nancy Spooner*: Can I get Kevin to answer the question about the inland ferries?

A: *Ruth Amiabel*: Go ahead. I know it's sweet waters, that's all I know.

A: *Kevin Richter*: So the Coastal Ferry system and the Inland Ferry system are quite different systems.

C: *Ruth Amiabel*: No, they were all one at one time, they were.

C: *Nancy*: If you want to hear the answer, otherwise we'll just move on to the next speaker. [HECKLING FROM AUDIENCE]. Would you like to hear the answer? Then we'll ask you to listen to the answer. Thank you, sir. Kevin's trying to answer the question, if you don't mind.

A: *Kevin Richter*: So the Coastal ferry system costs about \$750 million a year to operate. To operate the inland system is just over \$20 million. Government provides funds for the contracts on the inland and also provides funds for the Coastal system. If you look at how much taxpayers pay, on the Inland system it's about \$18 per vehicle and on the coastal system its about \$23 a vehicle. So the amount that government provides is about the same.

Q: *Ruth Amiabel*: Well today, I came over from Tsawwassen to Duke Point because I have a good friend over there who I help, okay? And then I have driven up from Duke Point but honest to God, I don't understand, I had to pay the minimum amount on that damn ticket situation you got, and even if I've got \$75 or \$80 on there I still must pay the minimum amount, \$105, which I had to do today. If I want my children to come over at Christmas to see me or something, you know, I find this is crookery, absolutely crookery. I've got an old ferry ticket with ten tickets punched out. I have the card and I had it laminated with ten punches on a card for ten walk-ons. That wasn't that many years ago, I mean, I came here in '86 to move here but I did visit here in the '60s. The reason people come here is to get away from the mad bloody world out there. That's why we come here, and there's many people that have been here for many years. And I tell you, you are top heavy in your administration. Look at Hahn. Whatever happened to that guy when he left? He got two pensions when he left for goodness sake. Why on earth did that happen? Who made that dumb decision? Laughing all the way to the bank, that guy on our benefit, our money. That is criminal what happened there. That should never have happened. I don't know, how many managers do you have in the BC Ferry Corporation?

C: *Nancy Spooner*: David Hendry, how many managers?

A: *David Hendry*: We have about 450 managers.

C: *Ruth Amiabel*: Our MLA has told us the Washington Ferries, and Washington State isn't a small State, they have about 30 or 40 managers to run their ferry system. What's going on? But we don't need to have the seniors picked on. And also I'm worried sick that Walcan, who has trucks going

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back and forth, and they hire many people here are really going to get fed up with this and move off of here. That'll be absolutely disastrous.

C: *Nancy Spooner:* Thank you very much.

C: *Tom Skillman:* Hi, my name is Tom Skillman and I'm the Human Resources Manager at Walcan Seafood and I'm also a former Quadra resident. I am not in favor of cutting runs or increased fares. When I moved to Quadra Island in 1994 it was less than \$10 to drive over and \$3 to walk over. I equated this to paying for parking or taking the bus in the city. Coming from Cambridge in Ontario, this was a pretty easy way to justify the cost of living here. This is not a fair equation any more. We are being gouged and we are being gouged because the core mandate of BC Ferries has moved from serving the public to serving the corporation. [APPLAUSE] It is more important to protect bonus, salaries and inflated bureaucratic structure than to perform the original function the ferries was created to do. Recently, Claire Trevena pointed out that this ferry system should be focused on moving people and goods and services from Point A to Point B. I have not met one single person that tells me what they want is 'an improved experience'. They want safe, efficient and affordable transportation. They want to be treated like the resident of the Province of British Columbia. Cutting runs will not resolve the issues before BC Ferries. They need a management and philosophical overhaul. Recently, I was misquoted in a Victoria paper. If you have never been quoted in a paper I'll give you a heads up – they get it wrong. They wrote that I said that BC Ferries doesn't impact our business. I was pretty choked when I read that because nothing could be further from the truth. This past May, we had a very tough time hiring staff for our prawn season. Applicants are very clear that the number one barrier to accepting a job with us is the ferry cost. It is an unpredictable expense that grows while services are cut. People have taken a ferry and pay \$30, and they can't justify a convenience card, until they know if they have a job. I have had over 25 people change their minds this season about working for us specifically because of the ferry. This is the first time it has happened to us and it has caught me by surprise. We scrambled to find staff and we needed to meet our commitments, and we were short-staffed all season. We lost money on applicants who took our required fitness test that we pay for at our expense who decline the job after taking the ferry because they realize that they cannot add that expense to their working life. We interviewed 3 times as many people this year for this very reason. That's a cost to us that is directly attributable to increased fares. When we need to increase staff, the labour pool on Quadra Island cannot meet our needs. There are a few reasons why. I have noticed a stark decrease in enrollments at Quadra Elementary. And I know a number of young families that have moved to town and they quote the ferries as one of the two reasons that they move. My family moved to Kamloops in 2005 after living on the island for 10 years. We loved living here but it just didn't work anymore with my wife working in town and my kids going to high school. I now commute 5 days a week. I ride the ferry at least 280 times a year. I can't afford to drive everyday on the ferry so I leave my truck in the ferry parking lot and pay for parking, which is cheaper. One year I bought a Volvo for \$2000 and I worked it out – I had a spreadsheet and everything, ask Trevor, and I saved \$2,000 that year in ferry costs by buying a third car and buying insurance and paying for parking over here. Many students from town used to covet working for us as they could make enough money in one season to pay for their school expenses in the Fall. We have seen a sharp decrease as of April 2013, keeping in mind a lot of these kids are coming from Campbell River. It won't surprise you to find out again that the ferry cost is the prohibitive factor. Also the

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negative press and the unpopular decisions made by the BC Ferry Commission, the Corporation, the Ministry of Transport – the Trifecta, have unfortunately made this problem seem so difficult that people won't even apply anymore. Does anyone still think that I think BC Ferries isn't impacting our business? During a meeting with BC Ferries officials a number of years ago, I asked them what their plans were for replacing the Powell River Queen when it came time for her to be retired. This is about four or five years ago. They told me that they needed this boat to last about 20 more years and could not replace it if something happened to it between then and now. I think this was just after that ferry had sunk up north, taking the lives of two people. I asked if they had a plan after 20 years and I was told 'no'. So think about that; no plan, no budget, just hope it lasts 20 more years. The manager in me - I'm being sarcastic, wonders if they are cutting out runs so they cut down on run time hours so they can stretch out the lifespan of the vehicle? Because the savings they are claiming to make seem very paltry to me in comparison to the social, business and economic value of keeping these runs. A number of years ago, I wrote the Minister of Transport, Kevin Falcon, and I was very critical of the sustainable argument that is often used - the idea that each run must pay for itself or be shut down. I find it interesting that we don't hear the same rhetoric about the highway system. You don't hear them say that they can't pave a road or build a bridge because it wasn't sustainable by the users. We only seem to hear these divisive types of arguments when bureaucrats need a buzz word to sell a bad idea. I'm very concerned for Walcan's future ability to accommodate any staffing needs when we have business opportunities. Cutting runs and increased fares mean cutting our ability to inject our dollars into this community. It means an unfair increase in the divide between Walcan and our competitors. We have to absorb that cost against our competitors. Does anyone still think, that I think BC Ferries isn't impacting Walcan?

- C: *Rod Waknakim*: Good evening, my name is Rod Waknakim and I'm a member of the Cape Mudge Band. I sit on two boards: the Cape Mudge Resort, which operates a lodge, and the Elderly Society, which operates the elderly's cultural centre. I am here to comment and say that I don't think that cutting out the senior discount makes any sense. What you are going to do is shut down our business. We have about 4,000 seniors that visit our cultural centre and it's noticeable that they attend when there's a discount, and they all stay at least one night in the lodge. You know what businesses have been like. We contribute quite a bit and try to be a part of the business community of Quadra Island. We're all struggling, and we accept struggling. But when you're making moves like getting rid of that discount, it just doesn't make sense. You're not going to save money. What you're doing is killing our business, and that just doesn't make sense to me. Find another way to do it because you need our businesses to pay your taxes.
- C: *Cameron Pirie*: My name is Cameron Pirie and I was born and raised on Quadra Island. Despite still working on the island, I moved to Campbell River in March of 2011. Increasing ferry costs and having my kids in competitive things like dance and gymnastics 7 days a week forced me to choose between paying fares for each of us to accommodate my children's activities, and the general use that comes from living on the island I grew up on, or I could pay one fare five days a week. Now I take the ferry 5 days a work for work. Our family business, Walcan Seafood, has been here on the island since 1974. We do an average of \$30 to \$40 million of business every year. We have staff that reaches up to 180 employees in peak season and an annual payroll that averages \$5.5 million per year. 45 per cent of our employees reside on Quadra Island with the other 55 per cent from Campbell River over the course of a year. We have always been a successful company and our plan

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is to continue to grow in the years to come. We send an average of 1,200 trucks through BC ferries every year. This is not just the Quadra to Campbell River run but also Nanaimo to Vancouver and the Sunshine Coast. Our impact on BC Ferries ranges from just under \$1 million to \$1.5 million, depending on how much production in that year occurs. We expect that to steadily grow over the next few years. There is no rebate system, reduced rates, or frequent flyer miles that we receive for an account of our size. Despite having pushed for years to receive priority loading for our perishable fresh shipments, we do not receive that either. We do not have the ability to schedule emergency ferries for product when we're running late or having issues that delay trucks. This impacts our business. It is true that dropping the late runs off the schedule may not have a critical impact on our ability to do business. Those runs can be used; however, under emergency situations for late product, or to move employees back to Campbell River if we are inundated with fish that need to be processed, like in 2010. It does hurt our prawn operations and it does further limit our ability to attract employees. It also hurts our ability to attract new customers. Our current customer base has rated BC Ferries as the number one logistic issue when doing business with Walcan. The real impact that BC Ferries has had on our ability to do business has already happened, with steadily climbing rates that have quadrupled in the last ten years. By continually denying us priority, they have increasingly made it incredibly difficult to do business on Quadra Island. Any competitive edge we had with our location in Johnson Strait has been lost long ago to BC Ferries. The cutting of these late runs is only the tip of the iceberg. It will get worse and it will hurt our business and our local economy. We cannot be competitive with the rates and schedules being imposed on us. They are forcing us to look at other options outside of their defunct system. They may have forced my hand on where my family can live but I cannot allow them to force my hand on the business we do on Quadra Island. [APPLAUSE]

- C: *Paul Ryan, FAC Chair:* My name is Paul Ryan and I'm the Chair of the Campbell River/Quadra Island/Cortes Island Ferry Advisory Committee. We have been here before. Let me just say one thing to start out here. Quadra Island people are noted for being friendly, amiable and hospitable but we are not feeling any of those tonight, as you've noticed - and for good reason. We're pretty fed up with what's been going on with the ferry system and the steadily increasing fares, and now you come to us and tell us that you're going to cut runs. So I have a couple of comments to make about the overall plan and then I'm going to talk about the specific cuts that you have proposed for Quadra. So, the plan as laid out by the Ministry and BC Ferries is based on traffic staying at 2012 levels. That is already inaccurate. BC Ferries has been losing ridership steadily since 2007 at the rate of 1 per cent a month and sometimes it is higher than that. Now, that doesn't sound like very much but when you look at on an annual basis and you punch in the numbers, BC Ferries handles 20 million passengers a year so 1 per cent of that is 200,000 people. And they are losing that every year and they are losing something in the order of 90 – 95, 000 cars and drivers per year. And when you put a dollar figure to that it comes out to \$4 million. This is the minimum we're talking about here. So just for this performance term we're looking at a minimum loss of \$16million in lost ridership. So, the \$18 million that you're looking for, \$16 million of it is going to be gone at the end of this performance term. The timeframe that is set out for the institution of these service cuts may be, and I say may be - it's open for interpretation, in contravention of the Coastal Ferries Act. Now, it states at the moment that any changes to schedules cannot be implemented before April of 2015. And I have a copy of a quote in the Coastal Ferry Act that I will pass on to you and I will ask

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Kevin or Kirk or whoever wants to take it on for an interpretation of that please? Before this plan was instituted there was no cost-benefit analysis done, there was no impact assessment, there was no socio-economic analysis done. And, there was no consultation with communities. When you were here a year ago, you promised you were going to do that. And you didn't. That's a broken promise. When this plan was introduced, on November 18, the following day we had a meeting, the Ferry Advisory Chairs Committee had a meeting with the Ministry of Transport and Representatives of BC Ferries, and a lot of you people were there. We asked at that time for a cost breakdown on savings proposed to be gained by cutting runs on individual routes. And we were promised we would get this information. Well, we don't have it. That's another broken promise. I'm confused by the plans' attempt at trying to extract \$14.9 million, out of the \$18.9 million in savings from the minor routes. And then you tell us that you are going to attempt to save the other \$4 million from the major routes. And that's not even on the table at the moment. The major routes have the majority of the operational costs. And the minor routes have the minority of the operational costs. And yet you are trying to squeeze the majority of the money out of the minor routes. That is stupid. [APPLAUSE] Here's another stupid one - cancelling an entire route. And I'm talking about route 40, which is the route that runs from Port Hardy to Bella Coola in the summertime. It is planned to be cancelled, period. Now the estimated savings for that is \$1.4 or \$1.5 million. By doing that you are going to destroy a tourism industry that is worth \$6 - \$10 million. That is stupid! [APPLAUSE] So just before I move to the Quadra thing, I have one more comment to make; the seniors' discount, the proposal is to decrease the seniors discount by 50 per cent. Now, while they are doing that folks, the government is going to pay. If this goes into effect, here's what is going to happen. Every senior who walks on that ferry at this moment in time and rides for free, BC Ferries gets paid that fare by the government. So they are not losing money. In fact, one of the higher-ups at BC Ferries told me one time that nobody rides for free. And you know who I'm talking about, David. That's one of his favourite mantras "nobody rides for free". So, BC Ferries is getting paid the full fare. Not the experience card fare, the full fare. So what's going to happen now if this goes through is that they are also going to get paid the full fare plus they are going to get the amount that they are going to charge you. This is not a cost savings scenario. This is a fare increase for a very select group of people. And I'm one of them by the way. Now let's talk about the specifics of the Quadra service cuts. The government says we lost \$5million operating the Campbell River/Quadra Island run. That's before what they call the taxpayer contribution and what I call a service fee. But, if you take out the \$2.9 million in financing and amortization, out of that picture, and add the \$1.3 million service fee that we're getting, we actually make money. The rationale for cutting service runs is based on what they call capacity utilization, and the short way of describing that is deck space. So, what they are looking at is the percentage of deck space that is used on a vessel on any given run. Now, you have to assume some parameters when you're doing that of course, and one of the very first parameters that you are going to assume is the number of vehicles that the boat can hold. Okay? Vehicle capacity, it's called. In order to calculate these numbers, the Ferries Corporation called the vehicle capacity of the Powell River Queen as 70 vehicles. Wrong. The vehicle capacity for the Powell River Queen is 55. And that is one hell of a big difference. That's mistake number 1. The second mistake is they have failed to consider foot passengers. They are basing all of this on deck space. It doesn't matter to them how many people are in the lounge upstairs. And as you all know, the late runs are - in fact I did a little checking early today and yesterday, I went through some data, and the number of foot passengers in the lounge

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outnumbers the number of vehicles on the deck four to one. So that is mistake number 2, as far as I'm concerned. Mistake number 3: the Powell River Queen has three Transport Canada licenses – they have an A License which covers a crew of 8, they have a B License which requires a crew of 7, and they have a C License which requires a crew of 6. Now, the A License is used for when they have passengers numbering over 200. So the B License goes up to and including 200 people and the A License goes from there up to and including 400 people. When they calculated the capacity utilization, now let me also say that the A License is used when the kids are on the boat because when the children are traveling to and from school there is a possibility that there is going to be more than 200 people and they use it for the peak runs in the summer. Every other time they use the B License, okay? But for the purposes of this calculation they used the A License across the board. And that's another mistake. I don't know if it was a mistake or not but all I know is that it's not the way the vessel operates. We had asked for, when we were at the meeting with the Ministry of Transport and BC Ferries, we asked for a breakdown of costs on what they expected to save by cutting these two runs. And they estimate, if you read the discussion guide that they gave you, the estimate is for \$185,000 per year for the next two years for a total of \$370,000. We did not get the cost breakdown, so we cannot even sit down and figure out if you made another mistake there. These charts and this data are not credible, and they are not acceptable, and we cannot even go anywhere until you fix these. The effects of the service cuts that you're talking about - and a few people have already touched on this, and I don't have much other to say except that shift workers, hospital employees, people going to night school, BC Hydro, people who just want to go to town to see a movie or go to a cultural event at the tide mark or go for dinner or so on and so forth are not going to be able to do that if you cut that last run, okay? So here is the really depressing part, folks. In two years' time, if this goes through and they save \$18.9 million, that is not going to solve anything. The basic problem is this: the government refuses to fund BC Ferries at the same level as they fund every other form of transportation in this province. This is out and out discrimination. Now, the other part of the problem is that the fares are excruciatingly high and need to be reduced. And until such time as they do that they are going to be back here again, folks, they are going to be back here in 2 years, only this time, and this is in the Minister's words, we're going to be facing a shortfall of not just \$18.9 million. We're going to be looking at something in the order of \$120 million to \$200 million dollars. How many runs are you going to have to cut to come up with that figure? Let me just say one more little comment and it's actually a definition for you. The definition of stupidity: when you keep doing the same thing over and over again and expecting a different result. Thank you very much.

C: *Nancy Spooner:* Thank you very much. There was no question. That was a statement that was read into the record. There was no question.

C: *Luna:* My name is Luna and I am a stay at home mom. I was raised here since I was 5 and I'm 34 now. So, I just want to say something about killing our community. I don't know where you guys are from but I am from Quadra Island and I am going to raise my son here. If I was going to be, for example, at the Christmas market, when he's old enough to walk and he loses my hand, in about ten seconds and he's going to have about ten people trying to find me because they are going to know who he is because they know who I am. And what you're doing is killing our community, so. The increases are so high that eventually we are going to have to move off this island and it takes a community to raise a child. So we're going to end up in Vancouver or Campbell River or something

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like that where I don't know my next door neighbour and if my son gets lost at the Christmas market, he's not going to know the person that finds him and they are not going to know his mom. Now the thing is, this is a really special place to live but we have to get off the island sometimes. We have to take our kids over to go ice skating or go swimming. But we can't do that if you are constantly increasing the amount of money it costs to come back here. How are we supposed to live? I'm on Maternity right now and I get \$178 per week. And it costs me \$20 to do the groceries in Campbell River because it is too darn expensive to do that over here. How does that make any sense? I don't know where you guys are from but you need to think about the community. There are other things that I could go on about right now, I could go on about you know how the Chief executive makes \$563,000 a year, which is ridiculous because I make \$178 a week. What is he doing? You know? And how come you guys are trying to save money by increasing the amount of money it costs for me to do my groceries and you have 4,200 that are riding for free and you've got 3,200 of their family members that get 24 free trips a year, which is kind of weird. If I work at a restaurant for example, I don't get to eat for free there. I get 50% off on shift but I don't get to eat for free and my family members don't get to eat for free. Nobody gets to eat for free. I get that there should be a benefit for where you are working, your workplace. But I mean, it's just not making any sense here. \$563,000 a year – what do you do with that money? Anyways, my point is, it is really important that you think about the fact that you are strangling small communities. I have heard people on CBC say "oh it must be all rich people that live out there anyway" but you know, I was raised here and I'm poor. So it's not all the rich people that live here. But we choose to live here because my son will know every other person down each of these lines. And that is a really special thing that somebody that was raised in a city is never going to know.

C: *Nancy Spooner*: Thank you very much.

C: *Claire Trevena*: I'm Claire Trevena. I am the MLA for the North Island. I'm the official opposition Transportation and Ferries critic and I am also very proud to call Quadra Island my home. I am extraordinarily proud of my community and of people from Cortes and Campbell River for coming tonight because people have felt that they have been consulted to death. I've been talking to people and they have been saying "Is it really worth it? We are going to get up there and say it and they are not going to listen." Part of me is thinking well, we're going to say it again and they are still not going to listen. But I'm hoping that you do hear, that there is a purpose for everybody being here, that you are hearing what people are saying, here and up and down the coast. I know you've been on the road for three weeks now. And I started with you in Port Hardy and followed you to a few places and I've heard that you were packed in Bella Bella and I know that you have been talked at a lot. And that is because people in coastal communities are furious that when they are consulted they are not heard. They have been saying for years that the key issues with Ferries is that the fares are too high. Our highways are not making profits. But their own highway - why should they be the only people who expected to see that their own highway makes a profit? But this is the ridiculous system that we've got on the coastal ferries and we've had for the last ten years. So what you're hearing up and down the coast and you're hearing very clearly tonight is that the social contract, that that highway system in this diverse province that we have, we've got vast places in the interior where nobody lives but there is a highway, or the mountains, the Rockies, there are highways or the lower mainland where there are highways and or transit. We expect to have highways too. And we do not expect to have to say, "Oh please, just don't close this one."

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And the other thing that hasn't been mentioned tonight is that we're finishing at 9 o'clock. If these cuts went ahead, you wouldn't get home. That'd be it. And it's not just these meetings, we have concerts here. This is a road. I mean, imagine going up, doing this tour that you've been doing and going up to Burns Lake and saying "you know, we've done a study and there really weren't enough vehicles on the road, so between 6pm and 6am we're closing your roads. It would not be accepted. It is unbelievable that these cuts can be made without doing any impact study about what is going to happen to the economies of our communities – here on Quadra and Campbell River and up and down the islands but also on the provincial economy. We don't live in isolation. It's a complex society. What we do here has an impact right the way through and nobody in this government of sound fiscal management and 'safe economy in our hands, because we're going to look after you and bring you jobs' because if they had done a study, these cuts wouldn't be going ahead. People would be looking at what the coastal communities do for the province as they did in the 1950s and 1960s when BC Ferries was integrated into our highway system. Because it was seen then, as Ruth said right at the beginning, it was seen as important to the SoCreds to have, open up our coastal economies, open up our coastal communities, bring everybody working together, have it part of the highway system. Same thing happened in Washington State and I think everybody in this room knows that I went to Washington State to look at what happened, to look at how they do it. And the difference between here and there is they really have an understanding of the importance of coastal communities and coastal economies. There, most of their ferry dependent communities are not actually dependent on ferries – you can actually drive around Puget Sound. There are the Salmon Islands, Russian Island are dependent on Washington State Ferries. The rest you can drive. Even so, they are investing in their ferry system as part of their highway system. It's there. It's written in legislation that they are funded as a highway because they know that ferries and ferry dependent communities are important. And I hope that this bruising you are getting up and down the coast is something that you are taking back and changes will be made. I'm concerned that they won't be. I mean, there have been questions here and none have been answered. Paul, the Ferry Advisory Chair had a question about the Coastal Ferries Act and we haven't had answer to that and I think that would be an important one. You know, can you actually make these cuts in 2014.

C: *Nancy Spooner*: For the record Claire, he was going to provide us with a quote and he wanted Kirk or Kevin to get back to him. And that is what I have on the record and I was hoping to get that quote before we leave tonight.

Q: *Claire Trevena*: I still think it would be very interesting if this group, the people of Quadra Island and Cortes Island, could be told whether or not you can actually make these cuts.

A: *Kirk Handrahan*: Yes we can. When the Coastal Ferries Act first came into being, in the press release it talked about having schedules set out for two years in advance. That was changed about 5 years in and changed to the schedules would be provided a year in advance. But it never said the schedules couldn't change. There's always been a mechanism to allow for schedules to be changed. So right now, BC Ferries publishes the schedule a year in advance but that's still allowed to be changed.

C: *Claire Trevena*: Thank you very much. So effectively, whatever is said here, changes can happen. There have been a lot of very good comments all the way through here. I don't want to repeat people but I think it is well worth reminding people that there is a bit of double dipping here with the seniors rate. Nobody does ride for free on BC Ferries. You get \$16 million to cover social programs and cover the seniors cost, so seniors are actually going to be helping out BC Ferries

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there. And I understand that it's to help keep everybody else's fares down to what may be a 21 cent increase because that seniors are going to be paying will help everyone out. Well, we are really fed up with helping everyone out, of helping the government fund its infrastructure system and fund it's highway system. We are residents of British Columbia. Like people who live in Fernie, who live in Deese Lake, who live in Prince George, who live in Surrey, who live anywhere else and who are not exploited to use their highways. [APPLAUSE] And until that recognition comes, and until you go back and tell Mr. Corrigan at BC Ferries, and Deputy Minister and the Minister of Transportation – who has not yet gone to one public meeting to talk about the cuts to the highway system that he is instituting – that this is unacceptable and we will not allow these cuts to happen. Thank you very much.

C: *Nancy Spooner:* Thank you Claire.

C: *Chris Abbott:* Good evening. My name is Chris and I'm the President of the BC Ferries Marine Workers Union. Your numbers don't add up. You are destroying the coastal communities and you are doing it with a smirk on your face. It is unacceptable. You talk about cost savings. I had a discussion a little earlier about the residential numbers of this community. It's around 3,000. Whistler has less than 10,000. They get around \$60 million to maintain their highway. You extrapolate that down that should bring \$18 million dollars annually to this community. That should more than adequately cover the cost and expenses associated with BC Ferries. Some people have spoken earlier about the statistics quoted in your pieces of paper there. No, they aren't worth the pieces of paper they are written on. Time and time again you quote the AQ's as they are so quaintly described, that's the car carrying capacity of ferries. They don't add up. The ship I worked on, for only 15 years or so, takes only 55 cars yet it is quoted as 70 in your book. That's quite a discrepancy. Especially when you are basing your service cuts on route utilization. [APPLAUSE] There are some in the business community that would consider that fraud. [APPLAUSE] Talk about costs. To this day, I don't even know who runs BC Ferries anymore. We've got two boards, we've got a commissioner, we've got a CEO, we've got a Premier and we've got a Minister, who said with great alacrity that "you've got to look people in the eye when you make those decisions." Have any of you seen him? I haven't. And I've been to a number of these meetings. That's what I call a gutless wonder. Then you go out and try and pick on the seniors. That is a fully funded operation. That doesn't cost BC Ferries one red cent. But you want to charge them extra anyway because you can. Real stand up individuals. If you take a look at your quaint little pie charts and graphs that they have brought out to you – and I don't know if I trust the numbers but look at the single biggest cost increase. That's the DAT. It's doubled in the last ten years. It's going to at least double again with what you've proposed with the ten or twelve ships that you need to build in the next ten or twelve years. So what are you going to do? Double the rates to combat that, or are you going to cut the service in half again? And just what is the Minister going to spend \$200 million in Horseshoe Bay for? Is it going to have a high rise to put more managers into? I noticed that one of you got up and said that you have 450 managers at BC Ferries. That's a lie. You have 600-plus. Washington State has a rate of 1 in 40 - one manager for every 40 employees. At BC Ferries, it's one in six. Then of course people want to throw rocks at my employees who do the work at BC Ferries. We actually run the ships to and from. I recall the day when a toaster darn near burnt down fleet house. We didn't have managers for a couple of weeks. Those ferries just kept on sailing. Our passes aren't free. They are taxed as income. At the full rate, not at the discounted rate. And

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on top of that BC Ferries gets a tax write-off for giving us those full rate travel at what Mr. Corrigan proudly says is no cost to them. It's all smoke and mirror folks. You've got FAC's attacking FAC's. You've got community groups attacking community groups. "Don't cut my run, cut their run." "Don't cut the minors, cut the majors." None of these runs need to be cut. The government needs to stand up and provide the service that it promised to provide us under the Ministry of Highways. You've got your proposal and you aren't going to fix a darn thing and you know it. All of you know this will not fix anything. The debts going to continue to increase and where are you going to get the money to pay for it all. I can save \$40, \$50 million tomorrow. Roll us under Highways, take the debt under government control. The lower rate of borrowing will save you millions and millions of dollars annually. [APPLAUSE] And the government comes back with "but that will affect our overall debt. That will affect our overall rating". Well it's not affecting BC Ferries any. We seem to be able to borrow money hand over fist. What should it affect the Province of BC, unless you guys aren't qualified or able to run the business of this province? I cannot believe that these people aren't actually up here lynching you guys but I have to admit, most of these people are just the fall guys. The real decision makers don't have the nerve to be here to look you in the eye, or take the criticism. Christy Clark proudly went around this province championing 'Families First'. Are your families being put first? Because my friends and family aren't being put first, so I guess she's a liar too. I'm disgusted by all of you. I'm disgusted by what's in those documents and I'm disgusted that with all the overpriced hired help you have, that you can't come up with a new vision – other than, 'let's just cut service and cost ourselves out of business.' [APPLAUSE]

C: *Joe Dupre:* Good evening. My name is Joe Dupre and I run a hospitality business right at the Cute Cove ferry landing, called the Landing Pub. I've been there 13 years, we've seen a lot changes. I remember thirteen years ago we used to hand out ferry tickets at Campbell River for people to come over and spend their money at our establishment. Can't afford to do that anymore. The whole thing last year, I see the same, I'm sure they are the same thing last year. They just changed the dates on them. Why do you people from government always show up with these beautiful charts which mean nothing? And people are actually shooting holes in them from what you're actually putting on the charts. I find that this is actually a disgusting thing to do. You did it last year. I went home last year after the meeting and I said to my wife "that's the last ferry meeting I'm going to" and she said "why would you say that dear?" and I said "they came and they talked and you knew that they had already made up their mind, so what the hell were we doing wasting our time?" And you know what? I see the same people back here this year and the same results are going to happen. You guys are, have already made up your mind. You are running a company that we, as a small business, if we had ever ran; we would have been out of business long ago. So, here we are, once again, at the BC Ferries. I'd like to preface this by saying that the local people here that are working on the ship – the crews, the deck people – they do a wonderful job and they are not benefiting from this either. They are very professional and I have personally been involved where they had to get me to Campbell River on a hospital emergency and they did it. And they did it with style and they did it so well that I couldn't believe it. They are really professional people. And they are not the problem. You people are the problem. The government is the problem. Let's just take one little scenario. Let's close all the roads to downtown Victoria, wherever you're from, downtown Vancouver. Let's close Skytrain at 9pm at night and I'm sure nobody will say anything. You'll all think that's great. Let's close the Sea-To-Sky Highway. Let's put a toll on it and

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let's close it at 9pm at night. Those people are never going to say anything to the government. Well quite frankly, we have had it. My wife said to me "you're going back to a ferry meeting today?" and I said "Yeah because it's life and death." I'd like to make one last little point, I became a senior recently. It's hard to believe, I know, because I'm such a good looking guy. So today I used my beautiful discount of \$5 because I was in town today. That's what I saved, \$5. And I said to myself, they want to cut this by 50%? Well I'll tell you what. I'll give you the damn \$5 – you can shove it where the sun doesn't shine – if you guys are ready to cut your overhead costs by 50%. You know, maybe we start with those 650 guys, managers out there, who are making millions and millions of dollars in bonuses. My god, a bonus to run a business that is in debt? I can't believe this but anyway, I'm willing to take my 50%, I'll take a 100% cut – I only go to town once a week, so that's \$5, right – if you guys want to clean up your act and get the ferries where they should be. I can't believe what you're doing. The seniors of this province make up 16% of the population and by the way it's growing because we are all getting a little older. There are places in BC that the seniors make up 40% of the population, mostly on Vancouver Island. Christy Clark will be lucky to get her ass back in government again with the way she is running this organization. And, by the way, another 25% on your height rate - isn't that wonderful? You guys have got to start looking over your shoulder. Highway. It's a highway. And you had better start looking at it being a highway. And the whole province ought to be paying for it. [APPLAUSE]

- C: *Liah Windrim*: Hi, my name is Liah Windrim and I'm 16 years old. I'd like to point out to you guys that a lot of the youth have been talked about but none of them have actually come up yet. But I can tell from the friends I've talked to at school, and usually at school, the things that we discuss at school aren't political issues, I can tell you that the day that this came out, these statistics were shown, it was the only thing that was talked about, in a school of 1,000. We are angry. We're not even just upset. We are losing so much of our schooling program. We have after school programs that take us after 9pm. Surprise, surprise. We're involved in the community. These aren't just things like dance and music and sports and theatre. But these are things like 'Youth Action Committee'. Hey, involved in political things, crazy youth. We would like to put out, it's not just our home but it's our paradise. But we take that ferry twice a day so that we can live in this beautiful place and still attend public schools. We know we don't pay for it on school runs but that doesn't mean we don't pay with our time. We take the time every day to take these ferries, your ferries and our parents come over so that they can drive us around to after school events. That's a big part of your margin. If you cut these 9pm, everything after 9pm, I'm going to tell you a lot of parents are going to move off. That's a pretty big profit margin, don't you think? You're going to have a retirement community and then on top of that you're going to cut their savings. What do you think they are going to do? You are going to have an empty island. Good idea? So I'd just like to say that. There is one more thing I'd like to point out. In grade 11 math - not University standard - we learn about parabolas. At the point of the vertex, that's where you balance the amount of people that go on the ferry with the amount of cost you give us, you get maximum revenue. I'm pretty sure if you're jacking up the prices and the amount of people that's going on the ferries is going down, you've passed your vertex. [APPLAUSE] Now, if one of your 600 managers can't figure out the statistics, and stop putting crap like this out, and put out the statistics that we want to see, and the statistics that will save you more money than any money you see in here, then maybe you could send me the information, if he's not capable, and I could do the math for him.

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C: *Nancy Spooner:* Thank you.

C: *Wayne Nowazek:* You can't beat the truth of youth. My name is Wayne Nowazek and I'm just a Quadra resident. I'm really annoyed at what Christy Clark, 'Christy Clerk' and the rest of the clowns in Victoria and on this board have done to the seniors here. You promised that you were going to help families. Help them what? Go away and never come back? Help them so that the kids that we have in Campbell River or off island that want to come and visit us, we can't, like we used to, hand them a ferry ticket and say "yeah, come visit us at Christmas" and you'd hand them a ticket and they could come. No, we have to hand them a \$105 passbook, so that they can come over to visit us. Not just a ferry ticket. You have really helped us out there, thank you. And another thing is, about that, where is the sense in having these passbooks? If I have three people in my vehicle, they can't afford it, maybe they are seniors, maybe not, and I give them my pass to get on to the ferry, and it takes a certain amount of time to do that. And then, another person has to give them their pass to get on the ferry and there is another 2 minutes. And then another person has to give them their pass, and suddenly there is a whole line up of people behind us waiting to get on the ferry, that's ready to go in one minute, and they aren't going to get on because you have decided to take away the ferry tickets and play with these damn passes that's costing us a small fortune. And who is getting the interest on that? It isn't us! You have no interest in us – that's right! And yet, \$40 for two people to bring their vehicle over. One vehicle, \$40. My kids, their friends, a friend of mine and his wife. They can't afford that. They are seniors too. But it's about time that you did something to correct what you've done in the past. You are going to go away from here and say "oh well, we've already decided." I've already been told that tonight by two of you. And I believe you. You're not lying to me. You're not doing anything else but you're not lying. And I would like to see, please, do something to keep the ferry system operating. As the young lady before me said, if you cut us down at 9pm at night, then we're in trouble. And the whole island is in trouble. And so are you, because your job is going to be in jeopardy too.

C: *Rod Burns:* My name is Rod Burns. A couple of things: a) if you are not aware, there is such a thing within government called the inter-governmental agency. The inter-government affairs allows Ministry to Ministry to communicate, to talk, to allow share ideas with each other. I'm going to focus for a second on the Ministry of Economic Development and I think it's called Tourism. And it's also comes under the name of Destination Marketing. Currently the multi-hundred million dollar budget by the Provincial Government, taxpayers gives part of it to an association on Vancouver Island called TAVI. TAVI, Tourism Association of Vancouver Island, is committed to market coastal communities, Vancouver Island, Discovery Islands to the lower mainland communities and to interior communities, plus Washington State and Alberta. So consider, I don't have the figures because it is up to you to do the cost analysis, how many of hundreds of millions of dollars, is the Ministry of Tourism through TAVI spending to get tourists from the lower mainland, interior of BC and Washington to come and experience coastal communities? Problem, there is something called BC Ferries. To come and experience coastal communities, immediately taketh away - \$200 in ferry fees. But you know what is really great? You are doing a grand job of subsidizing tourism development in the interior because for \$200 a person in Burnaby can get to the Shushwap, can get a hotel, can get meals, take the kids to recreational fun time, have a glass of wine and continue. Great experience you're supporting, you're developing tourism to the interior of British Columbia and Washington State. Locally, I'm a small business owner, trying, like many,

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many, many other people on Quadra Island, trying through different avenues, trying to earn enough to stay on the island. I'll leave this information sheet for you and for the rest of the audience. I can get you copies of this as well. It's from the, God bless the tourism information centre. I got some phone calls today but in 2010 there were approximately in round figures, roughly 3,700 visitors came to the Quadra Tourism Booth. Any guesses what it was in 2013? Try, round figures, 2,500. 31% drop. Tourism, according to definition is a trip that is 100km or further, generally requiring an overnight. So every BC Ferry trip from the mainland to Vancouver Island and up to here is a tourism trip. Quadra Island, for your information, like many, many, many, actually every other coastal community, has a Saturday market, a country market, dedicated to attract tourists. I've been operating there for the past three years. And myself and other vendors we have noticed that we've had, in the past year, past three years, we've noticed that we've had 31% drop in revenues. BC Ferries has also in the same period noticed that your travel has dropped. You're using the figure 20%. The Saturday vendors rely 95% on the tourists. So the visitors and this case again of 3,700 dropping 31% to 2,500 are not paying BC Ferry fees. You are losing revenue. Not only that, the vendors on Quadra Island are also losing revenue. For example, and I'll talk quite personally, three years ago I opened up my little company and I said "oh, great, I earned about \$3,800 over the course of about 16 days." Talking with other vendors, like myself, they have earned anywhere from \$150 to \$500, \$700 dollars. Drop it 30%, my revenue this year \$2,600. If we just stick with that, multiply an average of 30 vendors and their revenues. You get to a figure, a high figure, \$114,000 dropping to \$80,000 or approximately \$31,000 in three years. You multiply that over the next five years, how much are we losing? Approximately \$158,000 on Quadra. Multiplier effect? Multiply by ten. Young entrepreneurs are not going to get the experience? Why and it comes down to it. We've done our exit surveys and people are saying that the BC Ferries costs for Campbell River to Quadra Island are too high. Without the experience card again for people, \$35, \$40 dollars. For \$40 what can the people - the mom, the family, get in the Saturday market at Campbell River or Black Creek? It is being taken away because it goes to BC Ferries. We have a social contract that has been brought up. BC Health Care. We all put into the pot. BC Education. We put into the pot. Snow shed clearance on Revelstoke. We, on Quadra Island, help with the snow shed clearance. All over BC bridges, floods, we all contribute. Ferries are also part of that social contract. Will you please discuss this with the other ministries? Tourism and others because at the moment, you're blindsided, one-sided view is killing. The young lady just said, education, learning about parabolic curves and financial analysis – which you have not done. Oh please, put BC Ferries back into the Ministry of Transportation. Decrease fares dramatically. Perhaps as a start point, maybe, we'll contribute a bit, put in a toll fee for BC Ferries, equivalent to using one of the Vancouver Island new bridges. \$2, \$3, \$5. Let us be treated equal. But at the moment you are killing us and it is not kindly.

C: *Nancy Spooner:* Thank you very much.

C: *Jack Barr:* Good evening. My name is Jack Barr and I'm the President of the Powell River Chamber of Commerce. I've travelled up here this evening along with four other of my board members, as we've travelled to Gibsons and we've travelled to Prince Rupert and we're planning to travel to Gabriola in support of our fellow British Columbians that live in the coastal communities. Two weeks ago the Powell River Chamber of Commerce launched a campaign called 'The BC Ferries and Fiscal Fairness – It's About Time'. Our objective is to invite the 50-plus municipalities that live and

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rely on the ferry service, and their economic viability relies on it as well, to band together and to unite with us as we demand a change to the cost, the structure and the reliability of the ferry service and to collectively bring our, and to unitedly, get together with our demands and our concerns and bring them to the elective officials who are the ones who can make the decisions. Our communities are at serious economic risk and may have their survival hanging in the balance. BC Ferries has a fiduciary duty to the almost 1 million residents, of these coastal communities which happens to be about 20% of the province, which produces about 36% of the revenue for this province, to provide an uninterrupted and reliable transportation service. Our marine highways are an essential service and the economic wellbeing of these major supporters to the BC economy relies on this service. Kirk mentioned about the current Coastal Ferries Act, brought in in 2002, and if I can, a news release from 2002, prior to the implementation of the current model, stated, and I quote, “the new structure will help ensure services are delivered on time and on budget. It will create a vibrant, properly managed ferry system that improves customer service, creates new jobs for coastal communities, and ensures stable rates and is sustainable for the future.” [HECKLE] “A revitalized system will mean: one, improved service and customer choice; two, guaranteed service levels and fare rates; three, economic development and job creation; four, ongoing accountability.” I’ve said it before, in the words of my teenage daughters, it’s been an epic fail. [APPLAUSE] There are a lot of people here tonight and I’m not going to take away from their opportunities. I’ll leave with a little bit of an anecdote. And unless I’m mistaken, the previous speaker mentioned how we are supplementing and helping the Okanagan and the Interior tourism. The removal of the Coquihalla toll booth removed \$52 million annually from 2008. That’s \$250 million and \$52 million is double the ferries shortfall. Thank you.

- C: *Rod Lee:* Madam Chairman and members of the Committee my name is Rod Lee and I am a senior and I live on Cortes Island. I am a user of the marine highway called BC Ferries. We were taught in school that government should be of the people, by the people, for the people. I ask you to take the people’s message back to the government and ask them to begin acting for the people. The people want the marine highways put back under the control and operation of the Provincial Highways Department and funded appropriately. Don’t try and tell us you don’t have the money to do this. You do have the money. You just haven’t shown the will. This government has spent billions to build new bridges across the Fraser River between Langley and Mission, build a new Port Mann bridge, rebuild the highway from Vancouver and Whistler to service tourists going to the Olympics and they are now looking to put in underground rail system paralleling Broadway in Vancouver and looking at a new tunnel or bridge at the island area of Richmond. Billions of dollars. Notice that all of these billions have been spent to satisfy about half the population of British Columbia. What about the about 25% of the population that relies on the marine highway and live in coastal BC and rely on the marine highway? Where is our fair share of the taxes we pay? We only needed \$18 to \$19 million to keep our highway open and running with no service cuts. But the government says it has no money. That sounds like a blatant political lie. How would you react if the government told you that the main highways from your homes or businesses would be closed from 6pm to 8am, like it is for Cortes Islanders? Or from 11:30pm to 6:15am like it is for Quadra Islanders, with no other alternatives? Oh, by the way, this was mentioned earlier but I need to repeat it. We have arranged for the marine highway from Quathiaski cove to Campbell River to be closed early tonight, so you will have to spend the night on Quadra, if you can find a room

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anywhere because we have booked all the rooms so we could come here to give you our opinions, as requested. [APPLAUSE] Please listen to this. We understand that it is our choice to live in the coastal communities of BC. But we only want to be treated fairly. We know that we have to pay a little more for the goods and services we need. But our fares are way out of proportion to any other service cost in BC. Do you know what the only product is that is the same price in British Columbia? It's a case of beer because the government sets the price. So please, just treat us like a case of beer and give us a fair fare.

- C: *Kirstie Stewart:* I have to first have to start out by saying I wish I thought of the beer argument. I guess you'd call me a working professional or semi-professional – I commute to Campbell River five days a week. I thought about getting up here and speaking from the heart and telling you that, that friends of mine like Luna, who talked to you earlier, is a single mom. She's someone that I desperately want to see stay here. She gives me hope as someone who is actually at this point scared to have a child and raise them on this island. However, we hang on as seemingly young folk, trying to squeak out a life on this island. So I thought about talking out that and the fact that my brother is a ferry boat captain and again, trying to squeak out a life on this island. I thought about taking about my hubby who is an Australian who went through three almost years to change his ticketing to a Canadian Transport Canada ticketing to again squeak out a life on this island and then I thought, gosh, I'll talk about my Dad who is a retired BC Ferries deck hand. And my fears that at 10 o'clock at night if something ever went wrong with him and his health, what would I do? How would I get him to Campbell River? Okay, uncles, they have boats, friends they have boats because I am lucky to live in a community. I thought about talking about the events I've been lucky enough to see my cousins graduate from Carihi High in Campbell River, well I wouldn't see that. All those things came to my mind. And then I've listen to everyone talk at you all night long. And then I thought I'd ask you a question. Why are we here tonight? We did this a year ago? Are we going to keep coming to you and speaking to you? Why are we here tonight? Please just tell me.
- C: *Kevin Richter:* We are here tonight because government has made a decision, I say the elected officials that make up the government, they have decided that they have put in as much money as they could into the BC Ferry system. They also thought that there could be service reductions that could be implemented that could help take the pressure off for the fares that are happening right now. So we're here to talk to people about the impacts of what those service reductions me. And I have been listening to what the community has been telling me and I will certainly be carrying that back – that message back – about what it means to the community if this proposed plan goes forward.
- Q: *Kirstie Stewart:* So we are here and what we are saying to you has a chance at making a difference to the plan to cut these ferries?
- A: *Kevin Richter:* So, government has decided that there will be service reductions. Government has said that there will be these service reductions. If there isn't service reductions, there will be pressure on the system either for government to put more money in or for fares to go up. So what government wanted to hear, and we're going up and down the coast, is to hear what these impacts are. How they affect you from a family, from a business, from how it affects the social fabric of the community. And I'm communicating back to the minister and there will be a report that will go back to the elected officials. Then they make the final decision. They, the elected officials make the final decision on what that next step is.

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- Q: *Kirstie Stewart:* Okay, fair enough. Then I guess my next question would be. Again, I don't have a business degree – I work in HR. So my question to you is, have tax considerations been thought of? Fuel? The government taxes fuel for BC Ferries – has that been thought of? Has the outrageous marketing that BC ferries puts forward been considered, those costs? And I hate to say this because my partner, many of my family, my brother, work with BC Ferries, have wages been considered in any of this? And I don't just speak of those that run the ferry; I speak to upper executive, etcetera. Has anyone looked at this business model truly - and I don't have a business degree, and looked at other ways to cut back in overhead before looking immediately at looking at our services?
- A: *David Hendry:* I think Kevin mentioned earlier. There are three parts to this: there's what the Province is willing to put in, and they have put in more money recently. There's the efficiency target that BC Ferries was given - \$54.5 million over 4 years. That's coming from a variety of areas. It's coming from, as you say, I just want to go back and say and clarify the numbers that are being given out in terms of management. There is 600 exempt staff at BC Ferries. When we're fully staffed in peak season there is upwards of 4,500 total staff. Of those 600 exempt staff, 450 people are managers, of those 450 people there is a fair amount that are in operational senior positions. They are either on the vessels as Senior Masters, Senior Engineers, Senior Chief Stewards or they are on the terminals. So, just to give you some perspective, over the past 5 years BC Ferries has reduced approximately 50 management positions. They have reduced the Executives from 17 to 9 and implemented exempt wage freezes. So, in terms of achieving that \$54.5 million target, we are looking at all areas of the company that we can take costs out of. The marketing department is one area, versus the travel centre down in Vancouver; its primary purpose is to drive revenue, to drive ridership. We'd like to be up here talking about increased ridership. That's its primary mandate. It covers its costs. It doesn't make a large profit but it covers its costs. And it's meant to push product overseas a lot to our Northern Routes, a lot to our Southern Routes and to try and help to take pressure off the system.
- C: *Kirstie Stewart:* Okay, with all of that. I really do appreciate the answer and I do thank you for that. However, I would just lastly beg that you put yourselves in our place when you consider recommending forward. I absolutely beg it of you at this point. I have nothing left.
- C: *Terry Peoples:* I just want to say a couple of simple things. And number one is that I can't afford for the ferries to go up. And if the ferries go up then we can't sell our houses because nobody wants to buy here. And that is a huge economic impact. Another thing that I would like to say, and I know this must be idiocy but I just look at the things that I've read and I say 'cut out Duke Point'! It's losing \$30 million a year. Rescind some of the wages of the Executives and break the damn contract with David Hahn, the same way that Christie Clark has broken the contract with us.
- C: *Nancy Spooner:* Thank you very much.
- C: *Heidi Ridgway:* Good evening my name is Heidi Ridgway. I'm a realtor on Quadra Island. I've lived here for twenty years. I've been a realtor for 18 years. At this last meeting I went into great detail about how the market, the real estate market, has been affected by BC Ferries. I'm not going to do that this time. Let's just say that it's down. And as Terry was saying it's difficult to sell houses when people are afraid about how they are going to get to work, or not. One of the things that I was extremely shocked when I read, was the Ferries Coastal Act. There was nothing in there about providing service; it was all about the bottom line. So that's what I'm going to talk about, is the

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bottom line. I just want to say one thing about the young lady that so eloquently what I'm going to talk about in a little bit more in basic numbers. Is that is the kind of people that we create in Quadra. So if that's the kind of people that you want to have in your province, this is the kind of community that you want to maintain and keep around. So again, just on a personal basis. I sell on Quadra. I do sell in Campbell River but mostly my business is here but I am actively involved in theatre, dance and I go to Campbell River on average 4 times a week. I used to take my car every time. So let's say that I spent \$15 to take my car over and I went 4 times a week. So now I'm going 3 times a week and I pay just the walk on fare. So basically that included with the fact that I am no longer going to visit my family in Vancouver once a month, which I used to, you are personally losing \$3000 a year from me. And I'll actually ask this question again, which was asked at the last meeting, who in this room has stopped using the ferries because the fares have gone up? So in sales there is a point where, if the price is too high people will not buy. So what do we do as realtors? We don't go out there and say, well let's go increase the marketing on this overpriced listing because that's going to get it sold. What we do is we reduce the price and that's how things get sold. That's what free market is about. So if you are losing ridership it's directly proportional to the fact that you are overpricing yourselves. You've priced yourself out of the market. You are losing money from me! The reality is that I am one of the very few people here that can actually write off all of my transportation costs. So for me, honestly, it's not that big of a deal. But when I see somebody going to Campbell River on minimum wage and they can't afford to buy a walk-on and they are paying full fare to go and work minimum wage in town. That's just crazy. And again, you have got to look. You guys are all about the numbers. You obviously don't care about providing service. It's not in the Coastal Act. I know it's not part of your business plan. Let's just talk about the numbers. You are doing it wrong. It's a bad marketing plan. You are not going to increase ridership by continually increasing fares. By putting a casino in, is not going to make me want to go visit my mother. I would happily pay \$40 every single time. When I went down there because my sister just had a baby, \$67 one way! That's going to be it for me. I'm not going to go down there for Christmas. So there's another \$170 that you guys have just lost. So again if it's all about the numbers, look at the numbers because it doesn't make sense what you're doing at all. And then please, don't kill me, my fellow Quadra-ites that work at the ferries but obviously you guys haven't looked at this at all, I, and my ex Husband, started the very first coffee wagon that ever had a contract with BC Ferries anywhere in this province. I negotiated for two years to get that contract. I know how heavy you guys were, top heavy, then. Nothing has really changed. And the reality is, nothing will. Until you guys actually make a stand. If this is going to be a profitable service for you, well, look at your numbers. So again, the thing that nobody wants me to say is, and you haven't obviously looked at it. What about the 2pm run? Do you guys even know what that means? Probably not. Overtime? Starts at 6, ends at 2pm? You guys are looking at things that make absolutely no sense, when there's lots of places that you guys could save money – marketing, all of this other stuff that's going to get us where we need to be – instead of destroying your market, which is what you are doing by overpricing yourselves. Thank you very much for your time.

C: *Nancy Spooner:* Thank you.

C: *Steve Peterson:* My name is Steve Peterson and I've lived in the Gulf Islands, both north and south for going on 20 years now. I spend thousands of dollars a year going on the ferry system, I could go on but I just want to share an experience with you and when you go to bed tonight I want you to

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think about this. When I lived on Cortes and I just recently moved from there, I would get up at 6am to go and catch a 7:50am ferry. I could get in line at 7am, there might not be very many cars, I could get in line at 7am and not get on until the 9:50am ferry. So, if you got out of bed at whatever time you do and you go to work and you don't know give or take two hours when you are going to arrive at your destination, it is ridiculous. That is not service. And you want to charge me even more for that. You are destroying these island communities. You are ripping their guts out. You are ruining their economies. You are ruining their families. I don't think you know what you are doing.

- C: *Debra Gough:* My name is Debra Gough. It's a funny name. It's sort of like cough with a G but when people say Goo-go or Gow, so I answer to just about anything. I am sort of a Johnny come-lately to Quadra - I have been here for a year and a half. Before that I spent 5 years in Whistler. I had a cleaning business and I had a face painting business. When I was there, I happened to be there for the 2010 Olympics. I happened to be the official face painter for those Olympics. It was a wonderful time. I also was the face painter for the first Grand Fondo run. A lot of what happened at that time depended on the new Sea-to-Sky Highway that was put in there. During the 2010 Olympics I was not able to afford to live in Whistler so I moved to Squamish. That was about a 45 minute ride to and from every day because I worked 8 days a week pretty much during the Olympics – 5 days with my cleaning business and 3 days with my face painting! So, I didn't pay a toll for that Sea-To-Sky highway but it got me back and forth and I was very thankful. I was blessed with that highway. And that highway also made the Grand Fondo and so many other things possible. There were no tolls on that highway. When I moved to Quadra I thought 'I'm not going to be having the Cleaning business but I'm going to have the face painting business' so that's my card – Debbie G 'Bringing the bling to your event'. Well I have done some events on the island here and I have done some events in Campbell River. One of the events I did was, 'Race the River' and 'Relay for Life'. Those are both cancer fundraising events. Now if I was to do those past April I would not be able to get home. So I am not going to be able to bring bling to events in Campbell River if I'm not able to get home. I don't do these big numbers that you guys have. I don't do billion and millions and stuff like that. But I do have some very important numbers in my life. One of those is 53. That's my age. Another one is 8. That's how many children I have. 4. I have 4 grandchildren. I tell a lot of stories. When I was coming here tonight I had wanted to come in character because I do face painting and I do full body art. But work prevented me from preparing and I'm a perfectionist and I didn't want to come in character unless I could get it right. Tonight I was going to paint my face as The Grinch. I went for a walk yesterday and I was walking down Telephone Hill and that came to me and I was inspired. I wasn't able to do it but before I came here I went online and I looked up the text of 'How the Grinch stole Christmas' and one of the things that stood out to me was, I can't do Boris' voice but when he said, "the Grinch's small heart grew three sizes that day" and I think it was Jim that mentioned if the Ferry Corporation, whoever, I don't know who you are but "if you had a brain", I'm saying if you had a heart. My oldest daughter, and two of my grandchildren, moved to Campbell River this week because she couldn't continue to get up an hour and half before work just to get the ferry just to wait over the other side before work started and still get her 8 year old daughter, my 8 year old granddaughter, to school on this side while the 14 year old was going to school on the other side. It was very difficult. I hope there is a possibility of hearts growing and making this a reasonable situation. 25 years that's the number of years that I travelled the world as a missionary. 18, that's the number of countries that I have visited. This place here, as an empty

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nester, is the place that I have finally chosen to sew my sleeping bag to my mattress. I want to stay here and I'm going to stay here and you guys could just make it a lot easier.

- C: *Unknown:* I think that it should cost less money to go across the ferry. Kids like me have things to do across the ferry, like sports and swimming and if you were being a bit nicer then you would give us the opportunity to spend less money going across the ferry.
- C: *Noba Anderson:* How can I possibly follow that? My name is Noba Anderson and I live on Cortes. I grew up there, that's always been home. And I'm the elected Regional Director for Strathcona Regional District and along with my colleague Jim I sit on the Ferry Advisory Committee. I am sorry that you didn't have a meeting on Cortes and or in Campbell River. On Cortes we would have packed our hall which is arguably smaller, but so is our community. But also in Campbell River. I hope that even though you don't have a meeting there, you do outreach to the business community. You have heard from a number of people today who have spoken to the impact to this business community and to the Campbell River business community in terms of people using that late night sailing. So I hope that you can drill into a little bit of the specifics there. That's not my place to speak so much. One of the Ferry Advisor Committee members, Bob Tracey, who couldn't be here, wanted me to deliver this message, and that's: He doesn't mind paying into the highway system for the province but he is having an increasingly hard time using it because he can't get off the island to get to the rest of it. [APPLAUSE] From my perspective, I had the honour for a very short period of time, of being the Chair of the Ferry Advisory Committee here and in that role got to sit with Chairs of the other Ferry Advisory Committees and it was a wonderful opportunity because the people there are so passionate about what they are doing and the communities there and I really invite you to take to heart what is coming out of that Chairs committee because it is really spot on. And, the one reason that I strongly considered staying part of that group is because of the long term conversations they were having around innovation and our ferry fleet in my lifetime and in the last speaker's life time and I'm open to that big picture discussion. Replacement of fleet – what does that look like in 20 years? Can we have more passenger ferries? Can we maybe have service changes and shifts as our economy shifts and grows? And I would be willing to do that as a community leader and even as the Chair of the Ferry Advisory Committee, at that Chairs level but I wasn't left with the impression that the people that we were engaging with were really willing or ready or able to have that big long term discussion about innovation. And I would argue that if you would come to the communities and you work with these communities – not this kind of consultation, in all due respect, I know it wasn't you that set it up – but if you come and work with our islands around how can we, in a generational sense, envision our ferry fleet. You'll come up with cost savings and you'll come up with innovation. But this isn't the way to do it. And the final point that I wanted to leave with is, I was just in a meeting, a month or so ago with a Cortes Island Business and Tourism Association and they received some funds to do a strategic planning initiative and they were talking about how to, I don't have better language for it, but how to brand Cortes – who are we? And how do we want to present ourselves to the world to attract visitors?' And the conversation obviously came up about, not only what segment of who we are do we want to put out into the world but what segment of the world do we want to invite to us? And the term that has stuck with me so clearly, that my colleagues came up with, and I'm so proud of, is: innovators and educators. And I would put to you that Islands, and I'll include Vancouver Island, but especially the Gulf Islands, are innovators and educators. All kinds of land use planning and social and so

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much innovation comes out of these places. And in order for that innovation to stick and spread out into the world – which we will desperately need as our globe crumbles around us – that kind of innovation can really only be embedded in a healthy, vibrant community. And so a little cut here and a little cut there, maybe there is some way of making that work. But what I would ask you, to please take back to your colleagues is: how can you support these communities to be innovators and educators so we can offer that to the larger BC and really, global economy, as we go through, what in my lifetime is terrifying shift on this planet and our economies. And it's in these little places, like Luna was saying, where her kid knows everybody. And it's in these little places where that kind of incubation happens for creativity. That will honestly be able to disseminate and pollinate out in a way that I believe will benefit far beyond these communities. So again, I ask the government of the time, the elected officials, who I know don't get a whole lot of votes here, but this is the place where so much of that resiliency will come for the rest of the province and indeed beyond. And that resiliency can only be incubated by a healthy economy. And as you are hearing, it's really hard right now. And BC Ferries isn't the lynch pin, but it's a big part of it. The economy has tanked and young families are having a really hard time. So how can the government support this place of innovation? Thank you.

C: *Nancy Spooner:* Thank you.

Q: *Mark Hasset:* Hello again, I am Mark Hasset. I sit on the Chamber of Powell River. When you were in Powell River I spoke. Christy Clark's platform when she ran for election – jobs, family and sports. I would like you to go back to Christie with that and ask her to get a hold of the Powell River Chamber and let her know, in writing, how she is supporting that in the coastal communities. I want to hear it from her lips because she is the one that stood at the mic and screamed it, to win the election. And the other thing I would like to say, I like to ask each and every one of you: has any one of you sat and had any commitment or been involved at all in the cuts? I know you are here as a messenger but were any of you involved. That was a question I forgot to ask you in Power River. Did any of you have any responsibility in coming up with the cuts?

C: *Nancy Spooner:* Kevin.

A: *Kevin Richter:* So, speaking for myself, I worked with BC Ferries in looking at meeting the objective. The objective that the government gave us was to find \$18.9 million in service reductions. I was tasked to put together a plan, working with BC Ferries, and so working with BC Ferries we developed a plan that tried to balance the needs of the community, and looking at the low utilization sailings and the sailings that had high shortfalls. So, I was involved in the plan to meet the objective of government to find \$18.9 million in service reductions.

Q: *Mark Hasset:* And you are with the Department of Highways?

A: *Kevin Richter:* I am with the Ministry of Transportation and Infrastructure.

Q: *Mark Hasset:* So is that for the ferries, or for highways? Because they are completely different. Ferries is separate, remember? Government doesn't own ferries. So I'm just trying to figure out, which side of the fence are you on?

A: *Kevin Richter:* So I'm with the Ministry of Transportation and Infrastructure, and in our Ministry, we have the highways department. We have the marine portfolio that I have, we have another branch that has partnerships and we have a finance branch. So it's the Ministry of Transportation and Infrastructure and it's a Ministry within the provincial government.

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- Q: *Mark Hasset:* Did any of the others? Maybe they could answer the question. Were they involved in it?
- A: *Kirk Handrahan:* Yes, I'm the Executive Director within the Ministry of Transportation and Infrastructure. And we have a contract with BC Ferries. So we do set the overall service levels, the number of round trips per day. For example on this route, I believe it is 17 round trips per day. So in the contract that we have with BC Ferries, who are the service provider, we set the number of round trips per day and the length of the day and then BC Ferries provides the operational issues.
- Q: *Mark Hasset:* So you went back to the government then, with the reduction? You were involved in that.
- A: *Kirk Handrahan:* Yes.
- Q: *Mark Hasset:* So you are not just the messenger. You are here sending your own message forward to these communities.
- A: *Kirk Handrahan:* We were given the mandate that said 'we want to find this number of savings', so I worked with BC Ferries to develop that plan. But the objective is from the elected officials that said 'find this amount of savings'.
- Q: *Mark Hasset:* Okay, okay. Now I have another question for Kevin. Kevin, where does the TransCanada Number 1 start? [LAUGHTER]
- A: *Kevin Richter:* I believe the TransCanada starts in Victoria and heads across the country.
- Q: *Mark Hasset:* To the East Coast. And it's called the TransCanada, from Victoria to the East Coast. Is that not right?
- A: *Kevin Richter:* So it goes across the East Coast and from my history I believe it was Terry Fox, when he dipped his leg in and then started running across the country, a gentleman back there said it to St John's, Newfoundland.
- Q: *Mark Hasset:* So, what I'm wondering is, I'm going to Vancouver, after Gabriola tomorrow night. Where is the bridge I use to cross the TransCanada highway to get to the mainland? I ask the question. Where is the bridge I to get across on the TransCanada to get to the other side?
- C: *Nancy Spooner:* Are you talking about from Gabriola?
- C: *Mark Hasset:* No, I'm talking about from Departure Bay actually, to Horseshoe Bay. I need to know where the bridge is that I cross.
- C: *Nancy Spooner:* From Departure Bay to Horseshoe Bay, I don't believe there is a bridge?
- A: *Kevin Richter:* There is no bridge.
- Q: *Mark Hasset:* There's no highway you're saying?
- A: *Kevin Richter:* There's no bridge.
- Q: *Mark Hasset:* Okay, is there a highway?
- A: *Kevin Richter:* There's a ferry system that goes from ...
- Q: *Mark Hasset:* Is the ferry system classed as a highway?
- A: *Kevin Richter:* It's part of the transportation system. So government sees that it is a marine transport system. The elected officials see it as a marine transport system. And the highway system is different. So, just to give some context, my background; I've lived all around the province - rural communities, 9 of them throughout the province. So our road and maintenance contracts are about \$450 million. To run the ferry system is \$750 million. Or about \$550m if you just look at operations – so if you compare apples with apples. \$550m to \$450. If you look at what it costs for road and bridge maintenance work on Quadra and on Cortes, it's about a million bucks. If you look at what it costs to do road and bridge contracts service for the Northern part, you guys have about

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three road and bridge contracts on the island, it's about \$18 million. It's about \$17 million for the central part of the island and about \$13 million for the Southern part. So that's about \$50 something odd million dollars, just under \$50 million. So when you look at the systems of the road systems, I guess the point I want to make, that's a fair bit of money that's being spent on the road and bridge systems and it's a different system than when you compare it to the ferry system. So highways, for the whole Province, it's around \$450m, when you compare it to the Coastal Ferry System, it's over \$550 million. So they are very different systems.

- Q: *Mark Hasset:* I will tell you that the Departure Bay ferry is the number 1 highway because the Federal Government funds it as the Number 1 highway. Were you aware of that?
- A: *Kevin Richter:* There is an agreement with the Federal Government and my colleagues might be able to help me. It was in 1977, that an agreement was made with the Federal Government and the Provincial Government and it's a contribution the Federal Government gives to the province. And in it, it doesn't talk about a highway system. It talks about a link, a link between Vancouver and Vancouver Island. It also talks about a link from Northern Vancouver Island to Prince Rupert area. So it doesn't talk about it in the agreement as a highway, it talks about it as a link.
- Q: *Mark Hasset:* What's the difference? It's between two pieces of highway and they are funding it, a portion of it.
- A: *Kevin Richter:* They are providing \$28 million last year. The province provided \$150 million last year. So they are contributing. But the cost of providing the northern services alone between the province and the Federal Government was \$67 million last year. So yes, there are connections and yes they are contributing but the provincial taxpayers are contributing a lot more.
- Q: *Mark Hasset:* Okay, if you were to break down the ferry ways to kilometers travelled of highway, waterways and the highways in British Columbia, for every dollar the BC Government spends on highways, they put less 0.50 cent per kilometer of sea way. So don't tell me they funding the ferries for a lot more than they are funding the highways because that's not right. And if they hadn't balanced the book by putting the \$1.3 billion gap into the BC Ferries, to balance the BC coffers, we wouldn't have the debt in BC Ferries we've got. That's where the debt came from - balancing the budget back in 2008, 2005 or something - when they balanced the budget. That's where the debt came from. They sold the ferry corporation off to a private corporation to balance the books. What do you say to that one?
- C: *Nancy Spooner:* I think Kevin has already spoken to you about the numbers. He's already talked to you about the numbers that are put in about highways versus ferries. He doesn't have a different set of numbers.
- C: *Mark Hasset:* You are not allowed to answer it Kevin. I'm sorry.
- C: *Nancy Spooner:* I think we're going to have a brief; we're just having microphones off. I don't want to keep you waiting. Okay, next person up. Do you want to go ahead and speak sir?
- C: *Unknown:* I will try and be pretty brief because I guess everybody's leaving to catch the ferry. I just want to say I worked for most of my life in a small family business. Very different from BC Ferries in most respects but very similar in that we ran into financial difficulty, due to rising fuel costs and we also inherited a debt, due to different political reasons. The first thing we did, in order to get our company back on its feet, was not increase all our prices to all our customers because we knew that that would screw us as a company. The first thing we did was cut wages to management and ourselves, the owners because although that's not always the thing to do in the long term

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perspective, it's not moral to start taking money from the places where you are getting the least money and scraping money out of the people who can least afford it. It's not a financial sound thing to do. So the questions that I had: Many people have brought up the financial report and me, and many people were at this meeting last year what happened to the cost and benefit analysis? Was there a commitment made to do that last year? It was many of our understandings that that was a commitment.

- A: *Kevin Richter:* What the government committed to was to come back to the communities prior to any implementation of service reductions to seek their feedback.
- Q: *Unknown:* And you are telling us that a decision has been made prior to this meeting for feedback. So, is there going to be a cost and benefit analysis?
- A: *Kevin Richter:* As to coming out to these communities, the communities know best what these impacts are. And so us coming out here is to get feedback from you.
- Q: *Unknown:* Are we going to see any cost and benefit analysis as a result of this meeting?
- C: *Nancy Spooner:* Are you talking about a socio-economic study? Is that what you are referring to?
- A: *Unknown:* Yes.
- A: *Kevin Richter:* At the moment we are coming out to these communities, and what I would ask is if that is what the communities are asking for, then fill it out in the feedback form and tell the elected officials that you want to have a cost or socio-economic study done.
- Q: *Unknown:* I filled it out in the community feedback form and I know a lot of people who filled it out in the community feedback forms last year. I'd like to ask if you would please publicly acknowledge some of the issues that have been pointed out in your analysis of the cost – namely the vehicle capacity and the fact that your analysis has been based on the vehicle ridership and not the walk-ons, in your charts that you are presenting to the community on these and other ferries. Can you please make that public announcement to the media that those numbers are wrong?
- C: *Nancy Spooner:* I will ask David to explain how the numbers are arrived at.
- A: *David Hendry:* The numbers on the charts are based on vehicle capacity. And we use, what's called, an automobile equivalent. It's a standard unit that is used across all of our vessels and basically is meant to measure a normal sized vehicle and then we will have a look at a vehicle like a semi or a cube van and they would be considered say 5AQs or 2.5AQs. Unless we go on each vessel for each sailing and physical measure the number of cars on the vessel against the deck space available. So we use an equivalent of what is counted on the ferry and convert it back to total space as opposed to the deck space on the vessel. It's a common measurement, there's different measurements but they used the same methodology internationally. It is a vehicle capacity. We've also looked at passenger capacity – those numbers are available on the website, behind these charts. Typically we find that the passenger capacity is about half of the vehicle capacity.
- C: *Unknown:* Because what is happening as a result of it is, every person that I know on the islands has reduced their vehicle ridership and increased their walk-ons.
- A: *David Hendry:* As I say, the numbers there are average numbers for a year and the passenger numbers, and I think every person in this room would probably find some sailings where there are more passengers on, but when you average it across the year, those are the numbers that come out.
- Q: *Unknown:* So there is not going to be any acknowledgment of any difference between the numbers within the vehicle ridership?

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- A: *David Hendry:* Sorry, I've explained our methodology; we use a common methodology across all routes. It's transparent. We're not trying to manipulate the numbers, if that is what you are asking.
- C: *Nancy Spooner:* Thank you David. Any more questions?
- A: *Unknown:* I've got a few more but I want to let these people go ahead.
- C: *Nancy Spooner:* Thank you.
- Q: *Mike McIvor:* My name is Mike McIvor. Which of you is the senior representative from the Transportation Ministry?
- A: *Kevin Richter:* I am. I am Kevin Richter.
- Q: *Mike McIvor:* I have a question for you and it's come up a number of times tonight. The head of the Vancouver Chamber of Commerce – a devout Liberal supporter I might add – is appalled that as an act of constructing how you were going to get towards the cost savings, with the proposal that you have now, that you did not do a cost/benefit analysis. It's just a, in his words, good business practice. Forget about what we wanted. It's just good business practice. Why didn't you do best practices?
- A: *Kevin Richter:* Although we didn't do a social economic study, it was decided that we would come out and hear from communities with a plan. When we were out here last time people said... [HECKLING]
- C: *Nancy Spooner:* Could you let Kevin answer please?
- A: *Kevin Richter:* Last year when we were out here people said we need a plan to understand what it means to us. So a plan was prepared, so that's why we're back out here to hear from communities about what the impacts are.
- C: *Mike McIvor:* Second question, while you are up, save you going up and down. It would have been just logical it seems to me, and this has been raised by others, to find out who those riders are on those ferries that you are planning to cut. Whether it be on Quadra or from Comox to Powell River or to Bowen Island or whatever. Who are they? Are they shift workers? Are they people working at the hospital? As has been suggested, coming from theatre or music? You don't even know who is on those ferries and why they are there. There could be very critical reasons. Why was not a user impact study done?
- C: *Kevin Richter:* When we were out last year we heard that people wanted to have a plan to understand what is going on. We also engaged with people about considerations, considerations about how we could develop a plan and we looked at the plan and we said 'what are those considerations? Where are there significant shortfalls, where the utilization is lower?' Thinking that where the utilization is lower, that's going to have the least impact on the community. But that's why we're out here, to find out what those impacts are, who those riders are, are they shift workers, children going to/from educational, sporting activities. So we're hearing that. I'm hearing that tonight.
- C: *Mike McIvor:* Well, I'm glad to know that you are. I hope that the Minister would hear it. Let's be really clear, when you say elected officials what you really mean is the British Columbia Government. Because you have had three elected officials speak to you tonight and all of them are opposed to this plan. Finally, if you want a plan, I have one for you. You convince of the reality that BC Ferries Act was a non-starter from the year it passed the Legislature. It has not worked. It couldn't work. Even breaking even is not possible. Other publicly owned ferry systems have looked at that and rejected quasi-privatization, or whatever this thing, BC Ferry Corporation, and have

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rejected it because it doesn't work. What you do, is you bring it back into the Ministry of Transportation, you stop putting the revenue for license taxes into the general revenue and you sequester it for uses for bridges, roads and ferries, just like they do in Washington State – there's your plan. Thank you.

- C: *Philip Stone:* Hello. I remember you guys. You came here a while ago. I know all of you guys too because you were here too. Thanks for coming and hearing what the pulse of the community. My name is Phillip Stone and I'm a Quadra Island resident. But if you'll forgive me, I don't really want to address you guys because you've already heard pretty well from the community - your plan stinks. There is no economic basis to it. You've heard the numbers and about the curve and so on. I'm an entrepreneur and I've known for years, watching your model and as a community member trying to use the ferry that you are pricing yourself out of the market. So either you are incompetent or, and about you, although I don't really mean you personally, although I do realize that you have a role in advising the elected officials. But you, being the BC Government, clearly have another agenda. And that's why I instead, would like to talk to the community here at large. Because, it doesn't matter whether it is BC Ferries today or farmers out on the Prairies, or fishermen out on the East Coast with the Newfoundland Cod Fishery or sawmills. The government is trying to squeeze people out of the rural communities and this is exactly what they are trying to do. And so when people are walking away from the mic saying, "you don't know what you're doing". They damn well do. They know exactly what they are doing. They are putting the squeeze on our community so that we will move to the city. When we say and we implore them not to make these cuts and not to raise the fares because it's going to make us leave the island behind their backs they are rubbing their hands with glee because they want us to pull up sticks. They want us to move to the city. They can control us better there; we can go to the big box stores better. They can surveil us and all of that kind of stuff. You know the young lady that came up here earlier and she was very articulate and somebody pointed out that it's exactly that kind of child that we raise in this community? Well they hate that. They don't want innovators. They don't want free thinkers. They don't want people that are making a go of it in this community. They want to get us out of here. So the best thing we can do is tell them, exactly what they want to hear, we tell them how their cuts and how their service changes will affect our community. You know, because on the surface of it, that's what they have asked. We give them a solution – we've heard it multiple times tonight. Roll the ferries back into the Ministry of Transportation; fund it as though it were part of the highways. Fund it. Simple. But after that, what we need to do as a community is look in and focus and support the young people. Support the elderly people. Support people looking for jobs. And make our community more resilient and more resistant to their kind of approach. Because I don't know what kind of movies they are watching but in the movies I watch, there is always that hardy, ragtag band of free thinkers and they always win.
- C: *Nancy Spooner:* Thank you very much.
- C: *Pat Hull:* Good Evening, my name is Pat Hall. I'm a resident of Powell River, member of Chamber of Commerce there. First of all I do want to say, it was nice to hear the applause when someone said Powell River because I worried a little that our motives might be wondered. I want to tell you after having listening tonight, I have nothing to add. You are bang on. Certainly when you talk about what the problem is and what the solution is, you fully understand, it is really exciting to see. We are only here to assure you that there is a driving force and a much larger driving force now,

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behind a movement that will create a movement that will make a change. [APPLAUSE] It isn't instant. It may take time and it may take a fair amount of time. But you know, I applaud BC Ferries for this plan. I do. But you'll know why because it is what pushed every one right over the edge. And I believe that we're finally at that mass, you know, even in my town where I watched 200 people squash something good because 10,000 can't get off their butts and stand up for what they believe in. But that's not the issue any more, I know. People have had it with this issue. And I don't blame BC Ferries. I honestly don't. They have done their job as best they can. They were given a rotten apple. They were given a failed idea. Although I don't blame anybody for trying it out of the box. But let's put it back in the box. And that's the message. That it has to go back in the box. Now to remind everybody, one of the statistics tonight, and it is a true statistic, and that's that 36 per cent of BC tax revenue comes from what we call coastal communities but they aren't coastal communities. I moved to Powell River in '94. I wasn't born there. Did I choose to live there? Yes I did. But why? Because I employ 40 people. They produce a hell of a lot of taxes for this province. I produce for this province. I get a good lifestyle out of it. Absolutely. No doubt about it. I prefer to live in Powell River but I'll go anywhere BC can use me to create a good community and that's what we do. Someone said tonight 'We choose to live here', well, yes we do but why? For the same reason someone chooses to live in Vancouver. Because it is a lifestyle or they can earn a living or they can raise children and it is part of BC. That is the message that we need to continue to drive home. We don't need to feel guilty that our ferries might cost a bit. Because the facts are, they aren't more expensive than any other form of transportation in this Province. The province can afford them but it is going to take political will and political will only comes from the voters in the end, believe it or not. And so, that is this process. I am not the member of a coastal community. I am a member of a community in BC. And I have the same rights to fair taxation and to fair use of my taxes as anyone else. I have lived elsewhere and I got my fair share of the taxes, way over what I get here. So trust me, you are part of something that will get bigger and bigger and stay with it. There is success at the end finally. I don't believe we're going to have to do this again.

- C: *Charles Frederick Konkle (Quadra FAC):* My name is Charles Frederick Konkle and I'm on the Quadra Island Ferry Committee here – just for a couple of years now. I think you know our message. It is well and clear. And I don't think I need to repeat it; it's going on to deaf ears anyway. I would like to say on behalf of myself, is that I wish you folks that were contracted to do this job were over here to make sure that we have a safe, reliable, affordable ferry system. But I don't see that we have an affordable one anymore, I'm not sure about the safety, with the record that we have and for sure, now we're not going to have a reliable service. And that's the mandate of BC Ferries and we're not living up to any of those. I would also like to say that BC Taxpayers have been relieved of the burden of a \$1.4 billion of accepting that into that their tax base it's been dumped on the commuters here in various communities on the islands. And the frustrating part for me is we have no say in how it's being run. We have no representation in how it's run but responsible for paying that \$1.4 billion and all the other costs that are incurred but we have no say. There is nobody on the board of directors or any of that. There's no say. There's no listening. This is ineffective. I've heard lots of numbers running around, one of the things I think we should be studying and someone brought it up here: we've got somewhere from 450, 500 to maybe 600 managers – middle management. We had 155 in 2003, when this company was taken over. Middle management. We've got a situation here where this company is falling down due to

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mismanagement; it is running out of money. You tell me with the ridership dropping, you tell me why have we gone from 155 to 450 when we've got less service? What is that you've done that requires more people when we've got less people riding? Those are the things that I think we should be looking at. If we were in some kind of position that we could look at it, what's the problem? That's the kind of thing we would be looking at. Why can I ride on the ferry system in Washington for an hour and forty minutes for \$53 and over here it costs me \$200. Four times! What is wrong with us, is it because we have ferries running too late at night? There's more to it. We need to have a say in what's going on. We need a representation in what's going on.

C: *Nancy Spooner:* With regards to your question, I want to make sure I got it right, are you asking what is driving the costs up or are you asking another question?

C: *Charles Frederick Konkle:* I know the motherhood answer I'm going to get, but I'll ask the question again.

C: *David Hendry:* I think your specific question was, why has the management base grown from what you said 150 to 450. And many of those management positions have come from senior positions on the operational side that have been excluded from the bargaining unit into the exempt unit. They are not incremental.

C: *Charles Frederick Konkle:* Wonderful, thank you. No matter which way you cut the cake, there was a 155, there's over 455 with your numbers and the business is going down and there's less ridership and there's less things to do. No matter which way you justify it, it's an excuse not a reason. Also, I'd just like to say that when Christy Clark came out and talked about Family Day and that's coming up on February 10th, I got a call from my daughter and she said 'Dad, I can no longer to come on Sundays for supper with my family, it's costing us \$70.' And so if you look at the impact that you've had on, the social impact that you've had on us. As a senior, it's very difficult too with what's going on.

I guess I am just a frustrated ferry user. I've got lots to say and it's late at night, I think I'll just pass it over to the next user.

Q: *Ocean:* My name is Ocean. I'm 15 and I have lived on Quadra my whole life. Living on Quadra with the ferries is pretty challenging already, when I want to do dance, or gymnastics or any music lessons, sport I have to make sure that they all land on one afternoon because my family can't afford to go to town more than once a week. It's really hard. I have to go over to school every day. I have to get up earlier than people who live in Campbell. When you are talking about cutting the last ferries, all those things, because if I want to do anything extra, it might go past that time... I need to be able to get home. I don't have a house in Campbell River. I have to be able to get home and if the ferry is going to end at that time then I won't be able to. So it's going to make it a lot hard. And more and more people are going to be moving off this island because of that. And then you'll just have to make the prices go up and cut more sailings and then it's just going to... until there is no one living on this island. And another thing, there's not enough money, you have to cut the sailings, and was it a year or two years ago there was a giant renovation on the ferries, all the seats were changed, there was custom BC Ferries carpet, there's you know, new swivelly stools and fancy tables and I'm just wondering how did you have the money to do all that when you have to do all this to save money?

C: *Nancy Spooner:* Great question. Ocean, David is going to answer your question about the renovation.

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- A: *David Hendry:* Good question. Very perceptive. You know they are long term assets. They get tired. They have 40 – 50 year shelf lives and we feel that it's important to put money back into those assets. They are used very frequently on a daily basis. Where we can, we've got 36 vessels; we try to share things so we keep the cost down as much as possible. That said, you know the last two years of being out talking to people about the ferry system, people have talked that they want 'No Frills' ferries. They don't want fancy things. That's something that we have definitely taken to heart. And we're starting to look at that. Our new bill program is looking at standardized ferries that are just that. No frills. Where the amenities are not required or they don't have a pay back, they won't be put on those ferries.
- C: *Wendy Luscumbe:* My name is Wendy Luscumbe, I'm from the We-Wai-Kai Campsite and the We-Wai-Kai Nation. I have been here for 49 years and I'm looking around here and it's amazing. And I'm looking at you guys and I'm thinking, you know what? We should have the big guys here instead of you guys because we're not going to get anywhere. But you know, I run a campsite. I work my ass off. I have 6 people under me, 150 sites, 14 rental trailers. And you know the guys from Vancouver can't afford the ferries any more so they rent off us. But you know what, I give deals. That's what you guys should do because I'm full all the time. Also, I want to ask, do you guys have parents. Okay, I'm going to ask my mother to stand up and if anything happens to her. Oh my god, you remember that face. You take the runs, on the emergency runs, you remember that face. That's what you have to go to bed with.
- C: *Steve Moore:* My name is Steve Moore and I'm a resident of Quadra Island since 1999. And I want to put across an idea that hasn't been put across yet. And if these people here haven't changed their mind and present the government with our view, which they probably won't do and if democracy is not working and they won't listen to us or our elected representatives and if our riding the ferries less and protesting in an individual way, if riding the ferries less doesn't work, which doesn't seem to be working... If none of these things work then I want to put across an idea. non-violent civil disobedience. [APPLAUSE] It only takes one person and one car to block the Quadra Island Ferry. And it only takes two bodies and two cars to block the Campbell River ferry. And it has to be united action of all the communities and if we can cost them money, if we can cost them big money, if we shut down the ferry system on a regular basis a couple of times a month. Maybe they'll listen. I just want to put that idea forward, in case nothing else works. We might want to take the possibility of a couple of arrests, a couple of no trespassing things, a couple of cars being damaged, whatever it takes, we might want to consider the possibility of non-violent civil disobedience.
- C: *Nancy Spooner:* Thank you Sir.
- C: *Michael Mascall:* My name is Michael Mascall, I live on Quadra Island. I just want to bring to your attention, I guess it was about 5 years ago we were looking at affordable housing and we did an income survey for the people on Quadra Island. I don't have the precise figures but it was roughly 20% of the people on Quadra Island earned less than \$20,000 a year. 50% earned less than \$30,000, so there is not a lot of wealth for most of the people living here, on an income basis. If we say they take the ferries, they go to the town 5 times a month or something with a vehicle; you've got a ferry bill of close to \$1500. So all of a sudden you are up to 6% of your income, gross income, being paid for ferry fares. It's a little outrageous. Just imagine if you spent 6% of your income on

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just ferries, let alone roads, forget about the roads. In a way, it's just like taxation without representation. You guys are just putting it to us and our cost of living is going up to the point where we can't afford to live here anymore. And I think you've really got to look at that seriously. And that's where people talk about this Impact study, cost/benefit analysis. This is fundamental. You've got to look at the way we live here, which is quite different from living in an urban centre. And I don't know if you have realized that yet. But you've got to take it home and think about it: that we have a different lifestyle here and it depends on having access to getting to highways. I think, you know, anybody that's against this plan, could they please stand up, to you know, give them some idea what sort of support they have for what they've done. I'd just like to let you know that you've got unanimous, I think it's unanimous, yes, against your plan here. So please take it back and rework it. So please take it back, and rework it. Rework it in a way that it fits the people and the communities. You talked about, that one of the missions of the Ministry of Transport in looking at ferries, is meeting the needs of the community. You are not meeting our needs. You are totally missing the boat.

- C: *Nancy Spooner*: This will be our last two speakers. I know you have been waiting patiently, sir, so thank you.
- C: *Stanley Wales*: My name is Stanley Wales, aged 74, retired 20 years, successful business man in Vancouver. I have been living on the island here since '98. I'm sorry to keep you fellas, or really you are good poker players but you were asked a question earlier – have you or why did you not do the studies as to the people who would be affected by your plan? I'll tell you some of the people. You've heard the people who have difficulty getting on or off the island but I'll tell you some of the people who can't come to visit me – their father, and grandfather. One is an emergency room doctor in Surrey, one is a financial advisor in Surrey, one is a school teacher in Surrey and one is a lawyer in Tsawwassen. They can no longer afford to come and see their grandfather. And on incomes such as you can imagine they earn, you can imagine the hardship that you are opposing on other people. So if you were needing the demographics that your plans are affecting, there you have it. But I'm going to leave by asking you a question. You haven't had many questions tonight. If your plan to solve the problem was to increase revenues by jacking up the fares and saving costs by deleting ferry sailings, could you tell me what the rest of your plan was? How do you propose to put more bums on seats and more vehicles on the deck?
- C: *Kirk Handrahan*: The service reductions, the fare increases and the additional contributions from the taxpayers are all part of a strategy to reduce the pressures on fares that we've heard people say. If we hadn't done these things the fare increases would have been over 8% a year. Now they are going to be about 4%, and we want to continue to drive those down and there's not going to be one silver bullet that's going to do it. It's looking at LNG, it's standardizing vessels, it's looking at lower cost systems, like the cable ferry to serve Denman Island. So there are a lot of things going on that are going to try to drive the costs down. This is just part of the plan.
- C: *Nancy Spooner*: Thanks Kirk. Sir, you have the last comment or question.
- C: *Unknown*: This has to be the biggest, smelliest, steamiest pile of bullshit since Steve Harper met Duffy for supper. It's the biggest farce, unbelievable. But I want to echo what my friend Phil Stone was saying. We don't think like these jerks do in high places in government. In order to understand if it's possible, Quadra Island people don't have that kind of heart. They are not that psychotic to

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each other. These people, as Phil was saying, the fix is in. They are waiting for us to move off the island because our houses aren't worth shit. Then they are going to put the ferry system back under highways and sell it back to their rich friends. That's what they are up to. You've got to think like that. I know it's difficult because we're Quadra Islanders. But having said that, I'm a civil guy, I want to thank you guys for coming. I don't know how you guys are going to recover from your tour this time. So, I commend you for your strength. And what I say publicly is different, what we've got to here is.. I've got some friends of mine here and we were thinking of, all of these people here are my friends, we're all Quadra Islanders. Give us a hell yeah if you don't want to pay \$6,000 to ride the goddamn ferry each year. Okay there we go, this is it. [HARMONICA, SINGING]

The ferry is my island highway, it's very important to me, but since they jacked the price up sky high, I'm living in misery. Bring back, bring back, bring back my highway to me.

My kid he likes to play hockey, BC Ferries raised their price, yes sir-ee. So now he's playing Nintendo, he's getting fat and he's having problems with me. Bring back, oh bring back, bring back my highway to me. Bring back, oh bring back, oh bring back my highway to me. Hello? Hello! Our business has suffered from rate hikes. Our tourists are coming no more. Our young folks are leaving this island. What's happening to the Quadra we adore? Oh! Bring back, bring back, bring back my highway to me, to me. Bring back, bring back, bring back my highway to me. U.S. ferries their friends more cheaply, many inland ferries are free, this is the third ferry meeting I've been to, how will this benefit me? Oh! Bring back, bring back, bring back my highway to me, to me. Bring back, bring back, bring back my highway to me. The price of my house is in danger. The Government has no vision you see. If this mess is allowed to continue, I will be living in poverty. Oh! Bring back, bring back, bring back my highway to me, to me. Bring back, bring back, bring back my highway to me. You raise your price when no one is buying, your business plan's wrong we all plainly see, if you think you're doing the right thing, you're badly mistaken that's clear. Oh! Bring back, bring back, bring back my highway to me, to me. Bring back, bring back, bring back my highway to me. Oh! Bring back, bring back, bring back my highway to me, to me. Bring back, bring back, bring back my highway to me. My ferry is my island highway, my highway was a good thing to see but BC Ferries have again raised their prices and I can't afford the fee! Oh! Bring back, bring back, bring back my highway to me, to me. Bring back, bring back, bring back my highway to me. My daughter she wanted a puppy, she saw one on the internet you see but it cost too much to go to. That's something I'll never see. Oh! Bring back, bring back, bring back my highway to me, to me. Bring back, bring back, bring back my highway to me. Oh! Bring back, bring back, bring back my highway to me, to me. Bring back, bring back, bring back my highway to me, to me! Bring back, bring back, oh bring back my highway to me.

C: *Nancy Spooner:* Thank you for ending on a musical note. Thank you all very much for coming.

3. Closing Remarks

Nancy Spooner wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on December 10, 2013 at the Gabriola Island Community Hall, Gabriola Island, B.C.
FACILITATOR	Anna Wright, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Lynda Petruzelli, Senior Manager, Marine Branch, Ministry of Transportation and Infrastructure Sean Nacey, Senior Manager, Infrastructure Development Branch, Ministry of Transportation and Infrastructure Joanne Doyle, Manager, Master Planning, BC Ferries David Hendry, Director of Strategic Planning, BC Ferries Nancy Spooner, Kirk & Co. Consulting Ltd. Karen Schroder, Kirk & Co. Consulting Ltd., Meeting Recorder Caillin Katnich, Kirk & Co. Consulting Ltd. Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants said ferries are an essential service, and part of B.C.'s highway system, and should be funded accordingly.
- Participants do not like the ferry authority model, citing additional costs such as the number of managers and high executive-compensation levels. They said ferries should be returned to the authority of the Ministry of Transportation and Infrastructure.
- Participants are opposed to service reductions. Participants said early and late sailings are critical for the community. These sailings are important for:
 - Children who need to access sports and education activities on Vancouver Island
 - The Gabriola arts community, who rely on visitors to support the island's large arts community
 - People who like to access arts and recreation activities off-island, such as the Port Theatre
 - Commuters who rely on early and late sailings to get to and from work or school
- Participants said fares are too high, resulting in declining ridership.
- Participants wanted to speak directly to elected officials.

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- Participants said ferries are a key driver of the economy of coastal communities, and service reductions and high fares will negatively impact coastal businesses and tourism.
- Participants said they made the decision to live on Gabriola Island based on the current ferry schedule and the availability of ferry service, and that the government has a social contract to continue to supply this service.
- Participants said the government and BC Ferries are not listening to them – people from Gabriola have made numerous recommendations in the past. Participants said the community wants to work with government and BC Ferries to come to solutions, rather than have an imposed solution (service reductions).
- Participants from Powell River noted the “fiscal fairness” campaign and said everyone should have equal access to transportation.
- Participants said there should be a socio-economic impact study before service reductions are considered.

DISCUSSION

1. Welcome and Introductions – Anna Wright

Anna Wright welcomed participants to the open house, and explained the format of the Q & A. Anna informed participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

- C: *Anna Wright:* Welcome everyone. Can everyone hear me okay on this mic.? Hi my name is Anna Wright. I work for Kirk & Co., the company that set up all the meetings and will be compiling the input that is heard at all the meetings. Before I talk about the format of the meeting this evening I will ask Kirk and the team to introduce themselves.
- C: *Kirk Handrahan:* Good evening. My name is Kirk Handrahan, I am the Executive Director of Marine at the Ministry of Transportation and Infrastructure, and I welcome you here tonight.
- C: *David Hendry:* Good evening. My name is David Hendry and I am the Director of Strategic Planning for BC Ferries. Thanks for coming out tonight.
- C: *Lynda Petruzelli:* My name is Lynda Petruzelli, senior manager with the Ministry of Transportation and Infrastructure.
- C: *Joanne Doyle:* I am Manager of Master Planning with BC Ferries. It’s really great to see the amazing turnout.
- C: *Anna Wright:* Just a few moments and we will start. We got a lineup of people who will be speaking. It’s easy for people to line up, but for some reason if it’s not working we will look at moving the mic. to the middle of the room, a more assessable part of the room. My colleague Karen Schroder will be taking notes this evening. All the comments and questions will be noted and very close to verbatim and if I can ask you to mention your name that would be very helpful when we do the notes. Some people are providing written submissions and we are happy to note those

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entirely on the meeting record. If you want to provide me a copy you can do that. If you have any friends and neighbours who cannot make it hear this evening, all of this will be found online at coastal ferries engagement. I ask that you say your name before you comment or ask a question. We have been asked to show a video and though it would be easiest to view it at the beginning so will do that now.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- C: *Jules Molloy*: I am one member of Close to the Sun Productions. We produced this video with a lot of community support over the last week. There were a lot of people in this video, but we had to cut it down to four minutes. Thank you to everyone who was in this video. If you do not see yourself in this version, you can see it online at coastalferriescuts.com. [The four minute video, *I Live Here*, was shown.]
- C: *Tanya McLoughlin*: I would like to say two points. If there are young families that need to speak and need to get home to let them come into the line-up that would be helpful. I hope you will stay here until everyone who needs to speak has a chance to. I am going to start from a quote from the book “The Tipping Point” by Nelson Gladwell. The tipping point is moment of critical mass, the threshold, the boiling point. You are creating the tipping point for many on Gabriola Island and our coast. We did not create this latest mess, you did. This community and the coast of B.C. cannot sustain ourselves with your latest proposals. I stood up at the last proceedings with suggestions and hopefully solutions to your and our problems, but nothing in our wildest dreams thought you would come up with this latest plan. I stood up many times as Chair of the Gabriola Affair Advisory Council starting in 1996, and I was vice-chair of Coastal Council of BC Ferries for four years. I travelled the coast as a volunteer to try and come up with creative solutions for the constant problems because of this management of BC Ferries and Ministry. You are top heavy and the bureaucracy is destroying us and our coastal community. We never get all the facts, particularly financial, so that we can help to make a positive change. We have a chronic problem here. BC Ferries is sick and out-of-date and wasteful, and you are suggesting once again using these band-aid solutions at our expense. We are very willing to come up with rationale adjustments and to suggest the best possible way to run our ferries. You give us numbers for vehicles, utilization, but not passengers. We are willing to adjust, and be reminded that we have been adjusting for over 60 years. But give us the complete facts. I do not resent there are 14 free ferries in the interior of this province. They are considered part of the highways, transportation, and infrastructure of this great province, but, and this is a big but, so are we. One quarter of the population of BC tries to live and work in this coastal province. Yes, we are a coastal province. With \$800 million in your Ministry budget, only \$120 million is there for coastal ferries, which doesn’t make sense to me since we are a coastal province. The young families, teens and young adults seriously are in jeopardy and are considering leaving our community to make a living and have a quality of life that includes work and cultural activities. As an example, with these proposed cuts we cannot attend events at the Port Theatre. Why would we pay \$14,000 in taxes to the Regional District of Nanaimo towards the Port theatre if we cannot attend events? And I am not just using a ticket to a creative theatre experience as a lose to us. Most cannot even afford to go to the theatre. And neither can we

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sustain a 267% hike in fares from 2003 and 2013, which will be raised again in April. Are you really trying to kill the commercial creativity and the livelihood of the coastal communities of B.C.? Here is just one suggestion to the mess we are in today. This is my suggestion, we could return to having a ferry leaving between 5:30 a.m. and 6:00 a.m. with the last ferry back leaving between 10:30 p.m. and 11:00 p.m. We could take out one of the runs in the middle of the day and we could extend the time between crew changes so our crew will not be going into overtime, which is one of the largest costs you are trying to save. I went to the archives in 1996 we had same ship with 34 trips in a day. In 2013, we have the same ship but it goes slower. You can still cut within the structure of the timetable leaving early and late sailings in place and still saving money. Do you consider this an essential service? Do you feel you have a social contract with us?

A: *Kirk Handrahan:* Definitely the ferry system is an integral part of the transportation system. In the *Coastal Ferry Act*, it is defined as an essential service from a labour perspective. Not sure what social contract means, there are lots of different meanings, but there is a contract between the province and the ferries to provide a certain level of ferry service.

Q: *Richard Straw:* I have lived on the Island for 20 years. For many years we were travelling to Vancouver. I appreciate the reliability of the ferries, and also the people we have here. Why is it done this way? There are lots of different, more creative ways to find savings. We have all been on those late ferries and seen how few people are on them. How about offering free parking in Nanaimo? How about a foot ferry? There are lots of creative ways to solve this. Why not start with the ideas and put them all in and figure it out. The way you have done this, it is just like putting a red flag in front of us. We go through Nanaimo every week. We have activities there.

A: *Kirk Handrahan:* Last year the Ferry Commissioner released a report that the government responded to by changing the legislation and providing additional funding. BC Ferries was challenged to find \$54 million in operational savings. At that time, the Ferry Commissioner had estimated that fare increases would have to be about 8% a year so the changes that we made brought that increase to about 4%. A part of that was to gain some savings through service reductions. So we went out and talk to people about developing a plan and we received feedback and developed this plan. We are out here now to hear from you about the impacts to you and your community. This is a starting point of discussion. The plan is not written in stone.

C: *Richard Straw:* Can't you just scrap it? And starting again – this terrible – you should look at all ideas instead of starting with a decision.

Q: *Steven Earl:* I am the Chair of the Transportation Advisory Commission on Gabriola: thank you for coming tonight. At the request of the Local Trust Committee, and in cooperation of the Ferry Advisory Committee (FAC), we created an online survey. We also went on the ferries and talked to people. There were 896 people who responded on the online survey and 768 were from Gabriola, which represents more than 20% of the population of Gabriola. We did interviews on 26 of the 32 sailings that are going to be cut and spoke to 304 people on those sailings. The numbers that we got on those sailings that are going to be cut: 36% of respondents were going to or from work on those ferries (110 of 304 people). Other reasons for being on the ferry included social reasons, education or recreation; 34% said it was likely they would lose work hours or have to change shifts if cuts went ahead; 19% said they would likely lose their job; 12% would lose educational opportunities. In the online survey we asked, "in light of all proposed cuts what is the probability

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that you would consider moving away from Gabriola”. 30% said likely and 16% said very likely that they will have to move away from Gabriola. That is 47%. There are people who have set up their lives here and been here 20 years or longer. People have set up their lives here on the basis that these late/early ferries would be there. That is what we mean by a social contract. It means people have set up their lives here with the understanding that they can come and go from here. They have created businesses here or taken on shift work on Vancouver Island. So you have a social contract with us to provide ferry service. You cannot suddenly take that away. A friend of mine said that the Ministry doesn’t really care about people, but I think you do care about people. We also asked questions of business and one question was how many full time positions would be lost in light of these cancellations and the response was that 176 positions are expected to be lost. We also asked how much revenue per year they would lose and 120 businesses responded for a total annual revenue loss of \$5,734,800. The cuts you are proposing that will save you \$400,000 will cost Gabriola over \$5 million dollars in lost revenue. There is no denying that cancelling last evening ferries will force people to move away from Gabriola. If you don’t believe our numbers, perhaps you have some numbers to share with us.

A: *Kirk Handrahan*: The reason why we are out here is to understand the impacts and so this is the very process we are going through.

C: *Unknown*: We told you a year ago. What about last year? Ask before you make plans then.

Q: *Steven Earl*: It could be 47% who consider leaving but even if it is 20% that is about 800 people and their families and if it’s 10% that about 400 people and their families. What number would you be comfortable with? What number would be a reasonable number for people to sell their house at a reduced cost and pack up and leave so you can save \$400,000? What would be a reasonable number?

A: *Kirk Handrahan*: We have looked at the lowest utilized sailing and now we are talking to you about how that would impact you..

Q: *Anna Wright*: Do you have a copy of the survey you have done so we can include that in the records?

A: *Steven Earl*: I can send it to you.

C: *John Pearce (Chamber of Commerce)*: I have three points to make. Steve made the point about lost revenue way better than I could. But I would like to add one thing to it, BC Ferries serves 30 communities. If it’s \$5 million from Gabriola, then that is \$150 million in lost revenue for those 30 communities. Those economics don’t make sense at all. Highways are an essential service. Ferries are an essential service. Even in your contorted universe where ferries are not part of the highway system, you proposed cutting routes without considering what it would do; you intentional did not do any socio-economic impact study. A holistic approach to the problem would combine utilization rate for both passengers and vehicles and combine that with a measure how cuts would the effects people who use it, if you cannot, or do not want to make such an estimate, then the FAC can do it for you. If there must be cuts then let’s introduce some rationality into the decision rather than the slash and burn, customers be damned approach that you propose. It’s clear the *Coastal Ferries Act* that set up BC Ferries is a broken model. Trying to fix it won’t work. Albert Einstein once said insanity is doing the same thing over and over again and expecting different results. Trying to fix BC Ferries in the same way you have in the past, it won’t work. Your whole process is insane because somehow you miraculously expect it to work this time. It will fail again and we will be back here at

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another ferry meeting sooner rather than later having the same discussion. Your approach will strangle the coastal communities. So the message I want you to take back to your political masters is that your approach is insane and a complete rethink is needed. Finally since this is a political problem and you're just a messenger, I would like you to ask Minister Stone and Premier Clark how does choking families economically fit in with Christy Clark's stated agenda supporting jobs and families.

- Q: *Andre Lemieux:* You are all nice people and are good at listening but there is no action. I dealt with numbers for all those years. I am a numbers guy. I tried for 6 or 8 years and didn't get anywhere. I will use a route comparison to show the unfairness of the system. It is kind of a scandal. I took Bowen Island as a comparison to us here because they have a population of 3,400 and we have 4,100. Those are census figures. Our ferries are both 20 minutes in length. And we are both close to a major city. Gabriola is being asked to save \$800,000 compared to \$260,000 for Bowen Island. This is \$195 per person on Gabriola compared to \$79 per person on Bowen. Those are facts. Bowen Island lost \$3.4 million last year compared to \$1.1 million for Gabriola. The lost is \$280 per person for Gabriola compared to \$1,000 per person on Bowen. The average earnings on Bowen Island are twice that of Gabriola. Government subsidies are \$6.8 million on Bowen and half of that \$3.4 million on Gabriola. This is a government handout. Why are Gabriola taxpayers subsidizing Bowen Island residents to the tune of over \$1,000 per resident when the average income is twice that of Gabriola?
- A: *Kirk Handrahan:* When we developed this we looked at where the savings were and tried to minimize the impact and still achieve a targeted savings. So that's why we cannot compare every route; we didn't take a cookie cutter approach. We look at where the savings where to minimize the impact. We didn't do a comparison on a line-by-line approach. We looked at utilization and the cost and where we could find the savings while minimizing the level of cuts. And that is the plan we put forth.
- C: *Andre Lemieux:* If you have one business that loses twice as much money as the other how can you justify that? You are actually giving them more money. We are a more efficient ferry than they are. The savings should come from them and not us because they are losing too much money.
- C: *David Hendry:* Back to what Kirk was saying, we looked at routes that had low utilization on sailings- by-sailings basis, and whether traffic could still be carried on other runs. In that particular case there were only minimal opportunities if we took out more sailings the traffic could not be carried on remaining sailings. BC Ferries has 36 vessels on the coast. The ferry to Bowen takes more vehicles than your ferry, and therefore requires a larger crew, and the crew is dictated from Transport Canada.
- Q: *Andre Lemieux:* Why don't we get the ferry to here and send them ours? That would equalize everything.
- A: *David Hendry:* It's not about looking at each route as they are very different. It's not about comparing one system to another. We look at it as one system. The fare changes are the same across all routes. We don't look at comparing one route against another.
- Q: *Andre Lemieux:* There is not fairness with everybody in the system. Because we are paying more for the more economical route, so there's no logic to asking us to save \$800,000. My submission is

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- called the “Gabriola-Bowen Scandal”. The figures are there so you could double check. In the presentation there is some day-of-the-week pricing. Are you planning on implementing that?
- A: *David Hendry:* We are currently going through a large scale technology program where we will be looking at time-of-day and time-of-year. Yes we are looking at that over the next 2-3 years. We are looking at demand management to try and get people to use the lower usage ferries. So we are looking at lower rates for lower utilized sailings and higher rates for more utilized sailings.
- Q: *Andre Lemieux:* Do you think it’s fair to ask us to save \$260,000 the same as Bowen Island, do you think that is a fair request of an amount we could give you?
- A: *David Hendry:* We are not going to play one route off against the other.
- Q: *Andre Lemieux:* You should have done demand management way before these cuts. Once you have started cuts it is a downhill spiral. You should have started that 8 years ago. Just one more comment, trying to bring inequality to the Ferry Commission is a bit pointless. Kirk, I got a letter from you saying you cannot do it. Trying to bring those inequalities to the attention to the Commission is a bit worthless. You know why? The commissioner is Sheldon Stoilen and you know where he lives? On Bowen Island!
- A: *Ivan:* This is a hard act to follow. I am one of the Directors of the Gabriola Museum, and I am here to give feedback on the impact these services cuts will have on our organization. Just a preamble: we are a community-based volunteer-driven organization. We preserve the history of the island to tell the story of the island to both residents and visitors. We are also publically funded. The citizens and taxpayers of Gabriola have deemed it that we receive funding from their tax dollars. To some extent, it is driven by the residents. If these cuts are put in place they will directly affect the programs we offer. We offer educational programs that are normally held on weekday evenings. Interestingly, one of the first speakers we had was the VP of Public Relations for BC Ferries and he was happy to leave on the evening ferry. It would be almost impossible to have speakers from off island and attendees from the Nanaimo area. Any cuts, particularly in the summer, will have impacts. We depend on visitors and if there is an impression that it is hard to get to or leave the island people will not come. We have advised your Minister and we urge you to look at other ways of looking to save.
- Q: *Unknown:* I am a registered nurse who works in the emergency ward in Nanaimo, and I am one of four nurses who live on Gabriola Island and work in the Nanaimo emergency ward. Our shifts are 7:30 a.m. to 7:30 p.m.; 9 a.m. to 9 p.m. and 4 p.m. to 10 pm. That also includes weekends if people call in sick. How am I going to get to work? This impacts my potential to get to work. You didn’t ask what the priorities are. I think the priorities are for people to get to work. You just looked at the number and decided where to slash. As far as a social contract goes, that depends on morality and ethics. Why does BC Ferries have a \$90,000 magazine just put out for Tofino? They are thinking about gambling. Why not stop up a bar on every ferry? You’ll make more money. Do you have a contract to transport the people or are you a cruise line? I am not sure anymore.
- Q: *Unknown:* The maximum damage you could do to this island is the way you have gotten rid of these sailings. I don’t know financially if you really need to get rid of them or not, I haven’t done the paperwork to comment on that. But if you are going to make changes, think of the impact it is going to have. The early ferry is not well used, but it’s used if you got to fly east. I have to take those early flights from Nanaimo if I want to see my kids or grandkids. Those who have to go to

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work have to be there early. Leave the runs at the start and ends of the day and make the cuts during the day. Leave people to get back and forth to work. We are a community of 4000 who get our entertainment off island. We are 4000 that can bring downtown Nanaimo alive at night. We provide a lot of business to the Port Theatre, malls and events in Nanaimo. And night classes do not end until 9:00 or 9:30 p.m. This mean you will stop us from doing night school. We elected the provincial government. The government of B.C. and the Minister of Transportation have a social contract with its citizens and you represent them. Will you consult with the people of Gabriola about the cuts and not just tell us the plan and tell us to lump it or leave it?

A: *Kirk Handrahan*: I can't promise you that there wouldn't be won't be cuts. We will come back and work with the FAC.

Q: *Unknown*: We have been told that it's locked in stone. Are we wasting our time telling you what's going on?

A: *Kirk Handrahan*: No you're not wasting your time. We will go back with what we heard and work with it and try to sort out. It may not be want you want, but we heard what you're providing.

C: *Unknown*: I used to work for the government. Listening is one thing. We want a two way conversation, not a one-way.

C: *Frederick Ryan*: I have lived on Gabriola for the past 10 years and am a homeowner here. I believed that I would be able to raise a family and create a life here and the province government would support that. Cuts seems incredible uncreative. A disproportionate amount of the effect will be felt by the young people on the island. I have three friends who say they will have to leave if these cuts go through. It impacts shift work and it impacts my educational opportunities. As a young person, I feel as though I am being targeted. We are taking the fifth highest level of cuts, which seems extremely disproportionate. I wonder if that's because we are an NDP riding. All sailings are underutilized. There are ideas where you can increase ridership instead of making cuts. Has anyone thought that top management should take cuts? If it's moral to stand to in front community that is depended upon these services?

C: *Unknown*: I have hockey and BMX and I can't go to those sports if the ferries are cut.

Q: *Edith Grouse*: I have been working for elementary school. I am here talking about a moral topic. B.C. has been inhabited by First Nations people for over 10,000 years. On Gabriola there are at least 5 generations. British Columbians we need to support each other. If we can't find the money one way, we need to find it another way because the ferry route is a highway. My parents escaped Soviet Hungary and they chose to move from Winnipeg to B.C. They were free to choose to live on the coast. BC Ferries provided British Columbians the choice to live on the coast and where they want to live for whatever reason. We are lucky to have that freedom. What would it take for BC Ferries to prevent the cuts of those early and late ferries?

A: *Kirk Handrahan*: As I've indicated earlier they have decided on a savings number. You can bring that back, but I cannot guarantee you no cuts.

Q: *Edith Grouse*: What numbers are needed to keep ensuring we can keep those ferries running?

A: *Kirk Handrahan*: I am not sure what you are referring to. If there are other ways to achieve the savings we will bring them back. We will have to go back and look at it.

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- Q: *Chris Abbott:* I am the President of the BC Marine Workers Ferry Union. I want to talk about costs. If you look your little pie charts there you will see the debt has tripled in the last 10 years. It's a mess and is projected that in the next 10 years that figure will be \$1.2 billion. This is a user-pay program. It's a long way up. You always fall back into highways. Take out the capital costs about the building structure. Right now BC Ferries covers 85% of its cost through fares. It covers more costs through fares than any other ferry operator worldwide. There was a recent study that Washington Ferries had a ratio of managers to workers 1:40. BC Ferries are 1:6. There are 350 managers ashore as opposed to Washington with 100 managers ashore. That's \$70 million a year for managers. Where do you think cuts need to be made? The damage you are causing the island economies may never recover. Did you hear the bonuses were fixed? Well, the fix is in and they are just rolled into the base salary. On average of a 100,000 base pay is rolled in, all of which is pensionable. Top managers of BC Ferries have two pensions funded by BC Ferries. We are still paying David Hahn \$300,000 plus directly from BC Ferries. Don't fall into pitting communities against communities. The seniors discount is fully funded by B.C. government. So they are still going to get all that money. It is 17 managers per ship. That's greater than the in-service crew of all the minor vessels, intermediate vessels and some of the larger vessels. What happens when these people don't show up for work? We need fair and equal treatment of the residents of British Columbians. Let's talk about the Sea-to-Sky Highway. The maintenance contract on that highway is upward of \$60 million annually and I won't even go into the capital cost to build it. You should be getting about \$24 billion in funding for your highway. The Government has made a policy decision that your communities aren't worth investing in. Your communities don't deserve equitable funding. You know where cuts need to be made and it isn't in service.
- C: *Unknown:* When I moved here the fare was to go to town was \$1.25 for car drivers. I am a senior and I am not a rich senior. I lived here for a long time. I have song for you. Sung a song entitled "BRING BACK SOME SANITY TO BC FERRIES".
- Q: *Con Radison:* I am going into grade 8 and I play tackle football in Nanaimo and if I miss a ferry I will be stuck over there. How much does your boss make?
- A: *David Hendry:* The CEO makes \$500,000 a year.
- C: *Con Radison:* Some people in countries in poverty make less than a dollar a day. Would it be too hard to stop cuts there so people can play sports they love? I am fundraising for people who cannot even buy themselves a bottle of water.
- C: *Cathy Ramsey:* I would just like to say we are grateful to the Snuneymuxw First Nations people for being allowed to speak in their traditions territory. That hasn't been acknowledged yet. I am here with the Gabriola Arts Council. You are not people I want to talk to, you are not elected and don't have the power to make decisions. I would rather speak to those who are elected and can make decisions. But since you work in the Transportation Ministry and with BC Ferries, I would like to fill you in things you might not know about. With more artists working in B.C. than in Alberta and Ontario, and a larger workforce than forestry and fishing industry combined. In 2007, the creative sector GDP was estimated at 4 billion and its growth in certain years outgrows forestry, fishing combined. The arts have been shown to be successful and sustainable strategy in rural areas struggling with addiction. Gabriola has one of the highest concentration of artists in Canada. Our

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artistic community is punching above its weight. When you are on this island, you are standing in the 21st century version of a factory town. Artists and culture is what we make. It brings tourist to our shores. It's what keeps BC Ferries running. The two festivals pumped \$150,000–200,000 into the economy and both are in jeopardy with these cuts. Artists live here because they could not do what they do anywhere else. They need this community. When you make it too expensive to live here or to get here you are essentially closing the town factory. Shame on you. This is the community that our province needs its future citizens to live in.

- C: *Michelle Benjamin*: It is shameful that the elected officials are not here to hear our concerns. We have to state them for the record. How do artists and their organizations survive in an environment with cuts? There is support on one hand and restricted access and opportunities on the other.
- C: *Jim Wilson Story*: For the last 5 years I have been the festival director and did an analysis last week and 329 tickets sold online to people around the province to shows at 7:30 p.m. and 930 p.m. That represents 15% of our profit. That would take us from a small profit to unsustainable. One of the first impacts of these cuts will be the end of the festival. So thank you very much for that.
- C: *Tina Jones*: I am a professional musician. Three time Juno nominee. People will not be able to come to shows if they can't leave. This will take away the diversity we have worked so hard for, so I hope you will reconsider. We will be occurring \$5,000/year in hotel costs just to make it to our travels.
- Q: *Janina*: I will be short. The first thing is that cutting ferries based on numbers is clearly the wrong strategy. Since these cuts have been announced I know seven families are moving off the island. This is very real and happening right now. We had schedules in the past where we had a ferry cut in the middle of the day. What have we been saying here tonight?
- A: *Kirk Handrahan*: I think you said it more elegantly than I can. I clearly heard what was said tonight. I am not going to be able to summarize it all here.
- Q: *Janina*: What is the one key message?
- A: *Kirk Handrahan*: You are concerned about the ferry cuts and in the end you don't want to have them.
- Q: *Janina*: We are concerned about the cuts because if we don't have access to those services anymore, you are going to change the very nature of this community. When will you be coming back with a revised plan?
- A: *Kirk Handrahan*: We are going to talking to FAC and local governments.
- Q: *Janina*: When will we know when our revised schedule with be?
- A: *Kirk Handrahan*: Before April 1, 2014. We will define what we are doing by the early new year.
- Q: *James Emler*: I had the good fortunate of attending last year's ferry consultation. I asked this question last year and would like to ask the same question again. How much does it cost to run the MV Quinsam on a round trip between Nanaimo and Gabriola? How many dollars?
- A: *David Hendry*: We don't typically look at it on round trip basis.
- Q: *James Emler*: You should know this. If you're a manager then what the hell do you know then?
- A: *David Hendry*: Actually, I haven't started, but I will try again. Route 19 brings in about \$5.5 million dollars. The operating costs are about \$7.5 million. There is about a \$1.5 to \$2 million operating

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- loss, and on top of that about \$3 million of capital charges. The total net cost of the route is about \$8.5 million dollars. So if you want to divide that by total round trips, which are about 5,700 I believe, then you should have your answer.
- C: *James Emler*: I asked this question a year ago and I never got an answer. I still don't think I have an answer. Sir, when I was a manager I knew how much things cost, and I was able to communicate them effectively and in people's terms, so that people would understand how much it cost to take the ferry from Gabriola to Nanaimo and back. It's not that difficult.
- A: *David Hendry*: Then you would understand from a fuel perspective it's pretty straight forward, if you don't sail a ferry, then that's going to save you this much. However, the cost of the assets are sunk so that's not going to save you money. The cost of the labour is fixed in the ships, so we have to look at that and it is a bit more complex.
- C: *Andre Lemieux*: \$1,400 return.
- Q: *James Emler*: About something that was said by Janina. You guys are affecting people's lives. You are destroying people's lives to the extent that they have to leave the island. I can't believe that you guys gave any thought any thoughts to these cuts. Or perhaps using your management philosophies, whatever they are, these cuts are necessary. First of all, why make these cuts at the beginning of April? This is our high season. The ferry traffic doubles in the summer, so that means we will have more sailing waits to get over to the island. This is ridiculous. I look at the sheets that you did your cuts from, and you cut all the runs that appeared to be losing money based upon ridership. What a simplistic approach. Simplistic. You did not look at the impact on the island. You did not look at the impact upon lives. And you didn't think that perhaps maybe you could shift some of that traffic from the afternoon runs or morning runs. There was a lady who suggested that you cut middle of the day runs. If you are going to cut something then cut something that makes the most sense. Let the second ship start at 3:00 p.m. My last point, on the same day these cuts were announced, the Minister of Transportation and Infrastructure announced that BC Ferries or the provincial government were spending another \$200 million to upgrade Horseshoe Bay. You just did this! I am so angry with you guys. You should fire all of them.
- A: *David Hendry*: In reference to the \$200 million, it was not to upgrade Horseshoe Bay. Horseshoe Bay, like any of our terminals as they age, some of them will need to be replaced.
- C: *James Emler*: That's bullshit and you know it, and so do we.
- C: *Anna Wright*: Sorry I need to ask that we run a civil and respectful meeting that does not include swearing.
- C: *James Emler*: Excuse me? We are the ones being disrespected.
- A: *David Hendry*: Would you like an answer? The \$200 million is in our plan for Horseshoe Bay. It is the largest capital item that we are looking at. We are looking at options of reducing that as much as possible. That was put in the plan when the economy was stronger. It needs to be looked from a strategic perspective as a way to bring that down as much as possible. It is not an upgrade it is a replacement of the assets that are there now.
- Q: *Gary Davy*: I am an actor, director, teacher and freelance theater artist. I am very very fortunate as an artist to have a small pension. Between my partner and I, our annual income is less than \$50,000. My partner works a Vancouver Island University (VIU) evenings and days. I work off the island in Chemainus, or I teach classes at Qualicum, or I work in Nanaimo. This February and March I will be doing evening workshops in Nanaimo but after that I will not be able to do that. Just from

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this threat of cuts, I will have to turn a contract to work in Qualicum for April, May and June at \$5,000. That's about 20% of my annual income. That's about 10 or 15% of our annual household income. My partner will not be able to work evenings at the VIU. That's just us. We came here to this community that supports artists. I have owned property for 20 years and lived here for 10. My partner has lived here for 15 years or so. I want to go back to something Tina said, about our culture here. Tina and Dina created an art culture here where they met on Gabriola. We have created a theatre festival here because our community asked us to. The Arts Council said what else can we do? Jim said it will cost at least 15% of the festival. What was the percentage of the subsidy that was provided by the provincial government to BC Ferries before 2003 as a portion of the total? You probably don't know that but I am going to ask that anyway. And if you can answer, what is the percentage now?

- A: *Kirk Handrahan*: I don't know every number at the top of my head. But the portion has approximately stayed the same. At the beginning of the model of 2003, government contribution was about \$92 million. Last year it was about \$150 million, so it's grown by \$60 million over that period.
- C: *Andre Lemieux*: That is wrong. That was a wrong answer.
- Q: *Gary Davy*: What I would like to know is why are there 14 ferries that are in the inland routes that are not part of the *Coastal Ferries Act*? Why are they free?
- A: *Kirk Handrahan*: My branch manages contracts for ferries for coastal ferries as well as the inland ferry services on nine routes. The nine routes that we manage cost about \$21 million a year to operate with capital included it is about \$23 million. The cost to provide BC Ferries services on 25 routes is about \$150 million dollars.
- C: *Gary Davy*: That doesn't make any sense to me. A ferry has people running it. The ferries for the inland routes run from five in the morning to midnight. They are staffed, they are fueled, they have to run across the damn lake. And it doesn't cost anyone a penny to travel on those damn ferries, and even if it is only \$21 million that is \$21 million dollars that somehow should be made up. I'm paying for it.
- A: *Kirk Handrahan*: The cost of the taxpayer contribution is \$18 a car for inland ferries and \$23 a car for coastal ferries.
- Q: *Gary Davy*: Thank you. I have a few more questions. On Dec 9, 2002, the government announced that BC Ferries would be restructured into an independent commercial company under the companies act. They have done that, and they have one sole shareholder, and that is the government of B.C. And we know that corporations' only social contract is with their shareholders so we know who their allegiance is to. And yet the Minister at that time said it would be "transformed into a customer-focused and financially-stable marine transportation system that improves services and revitalizes the economy and the provinces coastal community". Is that what it looks like we are doing? What are we doing here? We are looking after the shareholder, but we are not looking after the customer. Here's another one for you. On June 21, 2013, the Times Colonist reported that BC Ferries reported what they call a modest profit of \$15.5 million in the 2013 fiscal year reversing the \$9 million lost in the previous year. So how come the story is suddenly they are losing money, and we have to make up the shortfall?
- A: *Kirk Handrahan*: The shortfall is when the price caps were set by the Ferry Commissioner two years ago, they were set based on a level of contribution for certain fare increases over the three year

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- period by the users, and \$30 million year fund in savings. The shortfall is to ensure that we meet the price caps set by the Ferry Commissioner.
- Q: *Gary Davy:* By whom?
- A: *Kirk Handrahan:* Elected officials.
- C: *Gary Davy:* The Shareholders.
- A: *Kirk Handrahan:* The Shareholders are actually BC Ferries but I understand what you are saying.
- C: *Gary Davy:* This is part of the Ferry contract, it's a social contract and under the contract it's estimated at \$11.9 million annually for the first performance term provided a reimbursement term to BC Ferries to be given as discounts to students, seniors, the disabled and through the medical assistance travel program. \$11.9 million and here later in the contract says entitled to federal subsidy. The contractor will continue to make to BC Ferries the proceeds the subsidy to be \$24 million that were getting from the government to provide for students, seniors, the disabled, and we only spent 11.9 million. This is in your contract that your Commissioner has posted.
- A: *Kirk Handrahan:* I just wanted to clarify that. There was an agreement last year for \$28 million dollars to provide ferry service that does not provide support any of those social programs. That is totally funded by the provincial government, and last year it was about \$30 Million.
- Q: *Gary Davy:* And it's not totally funded by the Federal Government times two?
- A: *Lynda Petruzelli:* I would like to clarify that. The federal government agreement comes to the province every year, and it's a direct pass through to BC Ferries. It increases annually by consumer price index. So that is quite a difference in social programs funding that is provided by the province. The number you are quoting is about \$12 million dollars, which is the cost of the four social programs: students, seniors, the disabled and through the medical assistance travel program. In 2003, the cost of those social programs was \$12 million dollars, and today those same programs cost about \$30 million now. So there are two different sets of funding.
- C: *Gary Davy:* Thank you for answering that. There was the blog written about the coast and I am sure you heard about it at the Bowen meeting, so I am not going to read it. The gist of it was that every single question raised or point made at last year's consultations that you all made note of were ignored in this plan BC Ferries has come up with. How you made your cuts is that you added up your numbers and you looked at everything under 20% and you cut them, you drew a line down them. You can see it on all your charts in your little booklets. There is a little line drawn that shows where all the ferries are at the end of the day that aren't filled up to 20%. If you combined our last two ferries that you cut, it's always well over 20% except for Sunday. You didn't even look at how many people were travelling, and then you didn't look at the people sitting in the lounge who do not bring their cars. You only counted the cars.
- A: *Kirk Handrahan:* We have passenger utilization numbers are on the website.
- C: *Gary Davy:* I am looking at your numbers. If you add them up every single day of the week based on cars only come to more than 20% but you going to cut both. So you are cutting our ability to work off the island and you are cutting our ability to study off the island and so many things other people have said today.
- C: *April Saxton:* I'm a registered massage therapist on the island. I wanted to give you a compliment. You have hired an amazing crew that services us on the ferry. We see those crew members on a daily basis and they are outstanding. Last Monday, I saw three crew members help somebody in a wheelchair down the ramp who also had an IV drip and they made sure the individual comfortably

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got onto the ferry. But that is marred by the fact ...let me go back. In your 2009 survey, you contributed \$5,000 to cover hard costs. Your own BC Ferries report in 2012 says our route has the lowest scores for availability of the washrooms. You gave us this nice new waiting area at a cost of \$400,000, but there is no wheelchair accessible buttons to open the door on the main door and there is not one on the wheelchair accessibility washroom. Can we have that put in immediately, please? We need it. I am a single mother; I like to do as much as I can for my child as does any parent here. My budget is limited. I do work two jobs to see us through. But if I take my little girl to swimming lessons, the ferry costs \$22.89/lesson. I pay 89% in ferry fare just for swimming lessons. I haven't started dating yet. I would like to, and you are going to cut the evening route. It is going to be hard for me to meet someone to go on a date. Even to go to the movies by myself the odd night. You are pricing me out of being able to use your ferries. You will see more of that, which means your ridership is going to go down even further. There is a direct correlation between fare increases and ridership decreases.

C: *Susan Yates:* I've lived here for over 30 years. I have been a ferry commuter for 27 years. I have been a five day a week commuter on all the ferries up the coast. Where do we begin with the travesty of what you have done with the essential transportation. As a taxpaying citizen of this province for 45 years I am angry to have to point out the obvious. You are not doing the job you are supposed to do. You are not doing the job you are paid to do. How can BC Ferries managers tell us they have no plans past 2016? You are paid to look at the numbers and figure out how to provide us with an essential service. The arbitrary cuts you have made are nonsense. When you leave this island you leave a highly engaged community, active participants in democracy, even if we have to reinvent democracy we will do that. Go back to your offices and figure out how to do a model that is completely different than the profit-centered selfish plan you have put before us. There are three constituents: tourist, goods movers and residents. All of us who live in coastal communities deserve transportation services that were traditionally part of a highway system. We have to beg for fair and decent treatment. Next time you send out a survey pretending to be engaging the province to help you find answers to our basic transportation needs, then do not give the survey to those in the lower mainland. If you think that is fair then have the people riding BC Ferries to decide whether there equipment is necessary in Fraser Valley. BC Ferries is running a broken system. The system now runs for itself. If you have trouble looking past 2016, ask any five people in this room or the Ferry Advisory Committee. They know how to have real community engagement. They know how to have compromises and they care about the future of the island and community. Thank you for listening. It's time you took us seriously.

C: *Richard Liversome:* I have been a resident of Gabriola for 20 years. I am alarmed and disgusted by ongoing cuts and constant fare increases. I am of the belief that ferries are part of our highway system and coastal community. I call it death by a thousand cuts. On Gabriola everyone has felt the impact, and now they are threatening us with something new – impacts to seniors and a curfew. Be home by 9 pm or else. Perhaps they can provide overnight accommodation. Ferries are an essential transportation and should be restored with direct funding from transportation and highways. Not as a separate profit dollar line that comes before community needs. How in the hell did we get into this situation where after all the input you had from so many good people, how are we still here without conferring with us the user, the customer?

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- C: *Cole*: I play soccer here and I play soccer off island, and I can't do that if you do the cuts.
- Q: *Carly McMann*: I have young children. As my kids get older we will be impacted. They will be isolated and not be able to participate in sports, theatre or go to social events. Others may say we chose to live here and they are right, we chose to live here based on the ferry being an essential service. It will be harder to attract young families here. People say I choose to live here and that is right. I choose to raise my family here based in part on the essential service and accessibility to Vancouver Island. Had we know 8 plus years ago when we moved back that the Province would cease to view it as a highway, we would have reconsidered our decision to come back. What must we do to force the government and BC Ferries to sit up and take notice?
- C: *Unknown*: Answer the question.
- A: *Kirk Handrahan*: I have answered it.
- C: *Diane Dunsmoor Farley*: I am the Vice President of the Gabriola FAC. We are volunteers. I felt I could play a positive role in helping our community communicate with BC Ferries and Minister of Transportation Infrastructure. My experience has been way less than satisfactory because I realize while these folks sitting in the front are really nice people, we are involved in a process that is no more than window dressing. I appreciate all the hard work that my other colleague put together. We have been asked to come here today and try to figure out how we are going to achieve \$800,000 in service cuts but that is a little like asking a prisoner what kind of noose he would like around his neck. People say you have come out with an arbitrary plan and asked us to come up with something better. A few points: 1. Manufactured Crisis: this crisis is made by BC Ferries and the government of B.C; 2. Breach of Trust: if any business ran this way and treated its customers this way they would be in court; 3. Plan (*Coastal Ferries Act*) is completely flawed; this was pretty clear almost from the get-go. We gave it a few years to work. It's broken; you need to go back to drawing board. We have been talking to BC Ferries about giving us the kind of system we need, but we get partial information or information they cannot explain.
- Q: *Diane Dunsmoor Farley*: The FAC chairs have asked several times for operational numbers behind the cost savings since we meet on November 19 and we are still waiting. I have three questions I'd like to ask before we go on: When will we see the numbers promised? Why is three-quarters of the savings being sought from only 18% of the cost base? Why are the major routes off the table during this consultation?
- A: *Kirk Handrahan*: We will be providing that information. The same people who are doing these meetings, and it's been a lot of meetings over a short period of time, it is those same people who will be putting together the information. So we will be provided that information directly after our last meeting.
- Q: *Diane Dunsmoor Farley*: As a follow-up to that, don't you think it would have been more respectful and helpful to give those numbers to FACs in advance of these meetings so that they could be talking to their communities about the rationale behind those numbers so they could be making good plans to give you helpful input? Do you want to try the second question? Why is only three-quarters of the savings being sought from only 18% of the cost base?
- A: *Kirk Handrahan*: The numbers you are using, I haven't looked at it that way. The commitment was to find savings of \$14 million from the minor and northern routes and \$4 million from the major routes this year and an additional \$4.9million from the majors next year. So right now the major

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routes are going to contribute almost \$9 million and the minors and northern routes about \$14 million.

Q: *Diane Dunsmoor Farley:* My third question was why the major routes are off the table for this consultation and you don't really have to answer that. Regardless of whether you put them on the table or not, this community and all the other coastal communities have told you they should be on the table. My point is it is flawed process. When you hive us off for some purposes and lump us all together for others. It would be nice if we got information and we could be informed and work with you as partners in creating solutions. You get the point I am trying to make. BC Ferries is a monopoly. The government has talked a lot about the value of the private sector. But the Ferry it is a monopoly controlled by the government and holding us to ransom. There is a view that people who live on the islands are wealthy and privileged. I hope that you get the message that these are hardworking people, with families, and seniors – every walk of life. It upsets me that our government allows this kind of misinformation out there and pit us against other communities as rich and privileged when we are not. I won't speak about how unfair people are being treated as part of the transportation system as that has been well covered. I would like to touch on the next point as it is important to me – especially as a FAC member. This, and the last one, has been an insulting consulting process. This is a text book example how not to consult. First make sure that people – including stakeholder groups such as FAC, don't have the pertinent information on which to make an informed decision. Then you bury costs in the minor runs that are mainly related to the major runs by describing them as revenue generating – such as marketing and reservations – neither of which are useful to us. We certainly don't see any of the revenue coming in. And then three, you hold meetings at a time that is convenient for the government and its consultants: on a working day, over dinner time, two weeks before Christmas. What's wrong with this picture? We can do this better. We can work with you to solve problems. We solve them at a local level, not at some central office somewhere. We solve them here. I would like to offer five recommendations to the Premier, Christy Clarke, and to the Minister, Todd Stone, who are the only two people who can make this right. And they can, in the stroke of a pen. 1. Stop the tinkering with system as it stands, admit the system does not work to meet the government's commitments, go back to drawing board and design a system that separates the management and delivery of the small routes from the major routes. Treat the small routes as what they are, a commuter service, like a highway or SkyTrain in other communities. 2. Fund local ferries with the primary costs being borne by the provincial government through annual funding that keep fares at affordable level. 3. Involve coastal communities in the design of the system that will best meet their community needs – not fix what is broken but design the proper system from the beginning. 4. Create governance mechanism for each route or cluster of routes that engages local agencies in planning delivery of service. 5. Take immediate actions to redress the harms you have created in coastal communities by working with these communities to build the economic future you promised in the last election and apologize for the last ten years for putting us through torment and disruption.

Q: *Ron Frank:* How many maintenance shops, storage yards, and offices does BC Ferries have on the Island? You got one maintenance shop in East Wellington. Is there more in Nanaimo?

A: *David Hendry:* Are you referring to terminal maintenance yard? There is one in Nanaimo, and one in Little River.

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- Q: *Ron Frank:* Why is it there? Why are BC Ferries paying for that when they got a terminal at Horseshoe Bay and Duke Point? They've got tons of room there to do their maintenance there and that way they are not driving all the way to the ferries to repair them. So wouldn't it a good idea to take that money and have shops down at the Ferry terminal?
- A: *David Hendry:* We've got some of our terminal maintenance right on site. Some of them are not on site. It depends upon the footprint of the terminal, the availability of space available at the terminal.
- Q: *Ron Frank:* Let's face it that might be the case at Horseshoe Bay but they have Duke Point, because you could put a secondary ramp on the shop underneath. Does that make sense?
- A: *David Hendry:* It was something that has been looked at in the past in terms of consolidating the facilities.
- Q: *Ron Frank:* So why didn't they do it?
- A: *David Hendry:* One of the main reasons is the cost of land.
- C: *Ron Frank:* But you already have the land.
- A: *David Hendry:* It comes back to the space of the land and whether it can be fit into the terminal.
- C: *Ron Frank:* When the money was given to the Canucks were they in the red at the time? Was it done during the years you were making a profit?
- A: *Kirk Handrahan:* It was primarily done in the years that we were making a profit.
- C: *Ron Frank:* I cannot even work night shift. They say one thing and we were assured that the ferry would stay intact. I cannot live here, my daughter will not move here. Do we all need to get together, everybody in this room and get a class action suit against the BC Ferries? You already heard of a lot of ways to save money. You could get rid of a couple managers. Who has a one in six ratio? Are your employees that bad that every six need one supervisor?
- A: *Kirk Handrahan:* We have about 4,000 unionized staff. In peak season we have about a total workforce of 4,600 staff with the 4,000 unionized staff, 600 event staff. Of that 600 event staff approximately 400-450 are managers with a certain amount of operational managers. The ratio of employees to managers is closer to one in ten.
- C: *Ron Frank:* You said that you are already receiving a subsidy for seniors from the BC Government.
- A: *Kirk Handrahan:* Government made the decision to provide that money to put towards the seniors program. They will continue to provide that money to put towards it and reduce the pressure on all users. We are not getting rid of senior discount, we are reducing it.
- Q: *Ron Frank:* Who is losing money now that I don't take my car on ferry anymore? I am saving money. You are losing money. I had a friend staying here for a while and he was parking on the other side only paying \$100/month. Figure it out. You raise, raise, raise and now you are going to make the seniors pay some. They aren't going to be on the ferries as often. Neither am I. I am going to walk on.
- C: *Virginia White:* How much do you make a year?
- C: *Kirk Handrahan:* I make about \$100,000 a year.
- C: *Virginia White:* Some families don't have much money and they are just trying to live their lives and they need to make a living. If the cuts are made they won't be able to pay bills. I don't know what they would do.

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- C: *Doug Routley- MLA for Nanaimo-North Cowichan:* I am going to address my comments to the audience, not to the panel members. These panel members I am respectful of their presence here, but this process is pointless. These shams of consultations are not listened to. They just add to cynicism. I want young people in this audience to have something other than cynicism about the democratic process. In February they can't stop us from sitting in legislature and when we do we will be counting on you, because whose province is this? Whose forest of this? Whose ferries are these? Whose island is this? Yes, it is ours. We need to translate this into action. We are not listened to. The people here are paid to take this beating but there is no Todd Stone here. We need to take this to the government. This is not good enough. There will be a day of action on BC Coastal Ferries. Let's take it to Victoria. If you really want to stop this you can stop this. So come to Victoria. It's your ferries. It's your province. Let's get down there.
- C: *Bill:* We moved here 8 years ago and did that based on what we thought the services were. We pay or taxes and we should be treated the same as those on the mainland. When it comes to governments their business is to see to the needs of people. What matters is to see that the people's needs are met. This is not happening.
- C: *Thorest:* I have lived here for 25 years. I move equipment and material across on the ferries almost every day. This is going to affect me greatly. I was recently in Norway they have a coast like ours. Their ferry is about the same size and trip duration is similar to ours. One thing I saw was there were no toll booths. One man went around and collected the money from everyone on that boat. Have you been to Norway and seen their ferries?
- C: *David Hendry:* I haven't been there myself, but some of our people have been. They are quite efficient, and have been able to advance to a level. They have very different crewing regulations than ours. But you're right it's something we are looking at. It would take a long time to get to that point.
- Q: *Thorest:* Our tollbooth in Nanaimo must cost \$1 million a year. You could easily find the savings you need if we got rid of that. Another question, why are there two terminals in Nanaimo?
- A: *David Hendry:* There are both Departure Bay and Duke Point. Duke Point serves Route 30, which is primarily a commercial route, which is an important route.
- Q: *Thorest:* When the ferry crashed into the dock we made to with one? So why do we have two?
- A: *David Hendry:* That was at a slow time of year so we were able to accommodate all the traffic. In peak season both are a lot busier.
- Q: *Unknown:* Why don't we just run it running peak season then? And get those savings
- A: *David Hendry:* For the three major routes, it's not the type of system where you could take out one of those routes and still carry all the traffic. It's not something we have looked at seasonally. You can't just shut down a route. We are still running three routes.
- C: *Doris Gallus:* I have lived on the island for 20 years with my son. I work and go to school in Nanamio. The cuts would impact us in terms of culture, employment, education, use of provincial parks and seeing friends. BC Ferries and the government are not interested in solutions. You guys are very well-paid puppets for this. The people who should be here, who can make decisions, are not here. I don't think the people here are being treated fairly. If the people who travel the Sea-to-Sky Highway had to pay the cost of travelling, they would not be very happy about that. Why do

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you charge us money? This is our highway and it should be free. There are people here waiting at least three hours to speak here.

- C: *Ralph*: I am on the executive of the recreation society. We have about 1,200 on-island participants. And I am on the executive of the seniors society – with about 300 participants. I don't understand how this decision could be made when you could go to a class of grade 8 students and ask them what the impact would be if you cut those final two sailings. What you're saying to high school kids is that you can't go to dances or graduation ceremony unless you have accommodation. To be so inconsiderate of whole communities in the sweeping changes. All the communities are organizing, and you need to listen this time and the people making the decision need to listen and make some reasonable decisions.
- C: *Jack Barr*: We have started a campaign based on fiscal fairness, and it's a serious campaign. We are going to put a lot of money behind this. It is a principle that our government uses to create equal access to government services – such as stamps and liquor – and that's fine but it stands for equal access. We all know that the Coastal Ferries Act, as much as it was a good idea, is not working. Our campaign will, with everyone's help, create a consortium of people – Chambers and others – we've already had three inland Chambers give us their support. This is not a BC Ferries question – every business can be run better – we have stop focusing on the ferry system and focus our energy on this government that are stuck on a policy that must be changed. I am standing here as a liberal but we want to be non-partisan; we want to be fiscal fair. There are things you can do: Join our Facebook page and do everything you can on social media. And as your MLA said very clearly, we too want to create a mass. We want to see 40 or 50 thousand people. This is going to take time and patience. It is going to be a joint effort. We need to educate the whole province. We have spent money to make sure these meetings were broadcasted. Thank you BC Ferries for making this decision – this is getting the silent majority out of their seats and mobilizing people.
- C: *Hans*: I understand that we have a ferry system and it's our system. We need a group of people to direct the system. These people were not elected to do these jobs. You hope it goes well but the decisions I see I don't think we have the right management to run the ferries. I could go on for half an hour about the stupidity. Since they do all this mismanagement and we are stuck with them. I think I have to stop because I cannot do it.
- C: *Unknown*: When you go across on the ferry you spend money on the other side. We are part of a bigger economy. You should remind those people when you spend money that you're there because of BC Ferries. It's our highway; it's our economic highway. It's what drives our economies. Get out there, talk to people. Come next April 1st things will change.
- C: *Alexa Emerson*: I am a farmer. Both changes you have suggested are going to make a huge impact on agriculture. I don't see many farmers here because it's past most of our bedtimes. I alone spent \$2,500 on ferries to get my daughter, who competes nationally in a band, back and forth. Our farm puts over \$10,000 into BC Ferries pocket. My kids fundraised over \$1,000 last year in order to take the 4H animals to the fairs. When I was growing up 4H was part of our education and you didn't have to pay for the ferries to take animals to the fare. To give you an idea about our farm, we produce food that goes into over 200,000 people's mouths. I farm with my 85 year old dad. It is

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important that every time you put food in your mouth, you are putting the cost of that up. Every decision you make impacts us. Our farm has been there for 65 years. I am third generation. My children have hopes of being fourth generation but right now it sits in your hands, because at 85 my dad doesn't want my children suffer the same stresses. When we put our prices up it's not to put a cell phone in our hand because we don't own them. It's to put to our kids in sports and to educate them properly. Everything you do impacts us. It's important that when you make these decisions, put yourself in our shoes. Our choice is sports, raising livestock and food. If you shut us down, you get to go to Costco or feedlots. Not to fathers and daughters who raise the food and are there to answer questions.

- C: *Giselle Rudischer*: I am a member of Island Trustee and a member of the FAC. I think you need to hear this a hundred times over because you don't seem to be listening. I am a 40 year resident of Gabriola. I didn't retire here with a fat pension. I spent my working life here. I chose to live here when there were only a few businesses. What we had was a regular, affordable ferry service. Communities up and down this coast were built on reasonable and reliable ferry service. People lives have been shaped around it. These ferries are our highways. In 2003 the government decided ferries wouldn't be our highways any more. It decided we would be more independent and more sustainable. We have heard about the promises made by the Minister at the time and we know those promises were not kept. What happened to guaranteed service levels? As for creating jobs some residents will need to choose between their jobs and their homes. Our rates are anything but stable. Our fares have increased over 113%. Now services are being cut. Our quality of life is being eroded by increased fares and reduced service. This is nothing fair about the rest of the transportation system being supported by government while we are expected to pay the total operating costs. This isn't fairness. Users have put in \$5 billion into the sytems and BC Ferries have put in \$1 billion. Is that fair? BC Ferries has lost its core purpose which is to provide affordable marine transportation. This isn't a cruise line. While BC Ferries advertises its holidays, coastal communities are losing tourist dollars due to exorbitant fares. It's time for the province to acknowledge that the ferries are part of the transportation system and fund it accordingly. If ferries were managed as part of Transportation and Infrastructure, maybe we could get back to a time where the average person could afford to live here. If the cuts happened you would have just missed the last ferry off Gabriola Island.
- C: *Sheila Malcolmston*: Thank you. I am Chair of the Island Trustee. I am going to speak to the Islands Trust Council position on this. We meet last week and expressed unanimously deep concern with the process by which ferry service reductions are being implemented. And they are cuts. The Minster did announce that these sailings have been cancelled. So he is fully responsible for the panic that you're hearing in the room tonight. Seven points that counsel made: Concerns about service cuts being imposed on top of fare increases – fares have gone up 113% over 10 years. Islanders have been proposing efficiency improvements for decades. Not well heard. Islanders would have engaged in the conversation about finding efficiencies in the system if it was in the context of fair reduction. And to say we've had fare hikes way beyond inflation and we are now facing another 4% fare increase is a huge problem. Second, service cuts that have impacts on ferry users jobs, educations and other core activities. It is a huge issue that the government has not done the ground work. It's appalling that volunteers had to go out with clipboards at 11pm at night. Three, an absence of any socio-economic assessment is especially appalling. For you to say that

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service cuts will be made but you haven't done the number crunching, it has to be embarrassing to admit that. And it's hard not to take read that as an acknowledgement that the government doesn't care. Four, lack of consultation with the effected communities and no consultation with local governments. To give four weeks to respond to this is astonishing. Especially since we've been asking for years that cuts be considered with real community input to get the best results and to avoid the alarm in the room tonight and we have also cautioned the Ministry about minor route tweaking as opposed to looking at some of the big picture savings that might be out there. It looks like \$240 savings for every cancelled sailing. How can it be this much community and economic disruption for that little savings? Five, inadequate time, information and resources to identify alternatives. For the Ministry not to be able to tell us how much fuel and overtime savings will be saved on this route makes it impossible for us to be cooperative and suggest alternative cuts. We have asked repeatedly for the data and the fact that it can't be provided only fuels suspicion in the community. Number six – these numbers are all part of the Council resolution last week - abandonment of the previous contractual requirement to give appropriate notice of schedule changes. This is just a total fail. Whether as an oversight, or knowingly, doing cuts this quickly seems to contravene the Coastal Ferries Contract which stipulates the soonest you could make cuts would be April 2015. That clause, as we read it, was there for a good reason. People need to plan and decide where they will do a school year, tour operators especially the north coast, book years in advance and I hear that north coast tour operators are going to sue the government over this. On the same theme, you have heard the impact to island families, commuters and business of the three or four month notice. It is so poorly thought out, it's unbelievable. And finally, lack of due regard for principles set out in the BC Coastal Ferries Service Contract. The contract sets out that ferry service is integral to economic growth development and the Ferry Act which provides for considering the interests of ferry users. Giselle summed up what the Council position on this has been consistently. The government needs to recognize the ferry system as an integral part of our transportation system and take full responsibility for capital costs, immediately provide funding to reduce fares and keep any future increases to the rate of inflation. The BC Union of Municipalities in September of this year, passed a resolution that asked that BC Ferries work cooperatively with coastal communities to come up with a long-term strategy for the system that supports the strengthening the sustainability of island communities and the ferry service. Implement legislation that recognizes ferries as an extension of our highway system and ensure fiscal fairness between terrestrial and marine parts of the highway system, freeze fares and service levels and 2013 levels until such time that the legislation and strategy are in place. Please follow that advice. Every local government is asking you to do this and we are sticking together. We are proud of the wisdom and the articulate arguments in the room tonight.

Q: *Local doctor:* This is going to have an impact on health care. The patients that are seniors in Nanaimo Hospital if we send someone over there from here over in the afternoon, they will be forced to stay overnight. But there are no beds in the hospital and they will be discharged. They will have nowhere to go. This is not a rich population where people can afford a hotel. There are people with low income and cannot afford this. I choose to live here because it is an intelligent population that is more solution than problem based. You came here with problems, but where are your solutions?

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- C: *Michelle*: Thank you for staying to here to hear me. I commute five days a week. I work for a on contract to the provincial government. We are all experiencing increased pressure to deliver more with less. So I do understand there are pressures. I choose to live here and it was a conscious decision. I am a relative newcomer to this community. We did a lot of research to make an informed decision when we moved here – looked at costs of living and made a plan that is sustainable. Since I’ve lived here we have now had 30 friends relocate... [crying]...I didn’t expect to get this emotional. I want to know that we will be engaging our government. I look forward to a conversation about a solution that works for everybody.
- Q: *Ellen Jensen*: You are very quick to say that you aren’t making the decision. I worked as a planner in Whistler for 18 years. As a professional staff member I would make recommendations and our Counsel would take them quite seriously. I am wondering if after tonight you are willing to make a recommendation to the decision makers to stop this idea of cutting our ferry.
- A: *Kirk Handrahan*: You know, we will take the information back.
- Q: *Ellen Jensen*: Are you going to recommend it?
- A: *Kirk Handrahan*: I am going to take the information back, there has been a decision to make reductions, but I am going to take information back and document it.
- Q: *Ellen Jensen*: The fact is that government is not asking for our recommendations. Government is not asking for staff recommendation. You have been asked to come out here and talk to people and provide information about why decisions have been made and ask for feedback. Is there any chance at all that changes won’t happen on April 1.
- C: *Lynda Petruzelli*: That will be up to government after they have looked at the report and considered all the input.
- Q: *Ellen Jensen*: And what will be recommending to government? Or are you just the puppet.
- C: *Lynda Petruzelli*: Government has not asked for staff recommendations.
- C: *Eric Bolton*: I am the 85 year old farmer Alexis was talking about earlier. The economic chill you have sent through this community by announcing the cuts; it is huge. My farm is under lock and key to the Agricultural Land Reserve. No one wants to farm. My land cost is probably cut in half. It’s huge; it’s 300 acres. Every turkey I process for Christmas, it will cost \$1 to get to process plant. Every load I take to town once a week costs \$21.65 because I live on the island. This is what the ferry does to me as a farmer. That’s where Alexis gets her \$10,000 ferry fare, for our products going in and out. I am not going to heaven because I cannot take my land, but it looks like to me it’s going to hell. Thank you.

3. Closing Remarks

Anna Wright wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.

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PURPOSE	Notes from a question and answer period for a Public Open House for the BC Coastal Ferries Community Engagement held on December 11, 2013 at Forbes Hall, Thetis Island, B.C.
FACILITATOR	Nancy Spooner, Kirk & Co. Consulting Ltd.
PROJECT TEAM ATTENDEES	Kirk Handrahan, Executive Director, Marine Branch, Ministry of Transportation and Infrastructure Lynda Petruzelli, Senior Manager, Marine Branch, Ministry of Transportation and Infrastructure David Hendry, Director of Strategic Planning, BC Ferries Joanne Doyle, Manager, Master Planning, BC Ferries Sean Nacey, Senior Manager, Infrastructure Development Branch, Ministry of Transportation and Infrastructure Karen Schroder, Kirk & Co. Consulting Ltd. Caillin Katnich, Kirk & Co. Consulting Ltd., Meeting Recorder Max Chalmers, Kirk & Co. Consulting Ltd.
AGENDA	1. Welcome and Review Agenda 2. Q&A 3. Closing Remarks

KEY THEMES

- Participants were concerned that high fares have been driving down the number of people using the ferries and that the economic survival of the community is at risk.
- Participants felt that the island communities are not receiving their share of transportation funding and that the way ferries are funded is unfair in contrast to how transportation infrastructure is funded in the rest of the province. They stressed that the ferry system should be brought back into the Ministry of Transportation and Infrastructure so that serving taxpayers is the priority.
- Participants stressed that the community of Thetis is a community of volunteers, and that many of these people (in particular, the young people involved as volunteer first responders) would not be able to continue to provide services if they are driven off the island by reduced ferry service.
- Participants were concerned about the reduction in the seniors' discount and felt that this wrongly targets people who can least afford the fare.
- Participants were particularly concerned about the specific sailing that was shown in the proposed service reduction plan as being eliminated. When they learned in the meeting that BC Ferries still intended to provide a sailing at that time but to combine it into a triangle route, they were very

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angry that this information had not been provided in the materials, as the proposed reduction had caused extreme anxiety in the community.

- Participants felt there should have been a study regarding the impacts of these reductions prior to being proposed.
- People expressed skepticism about government's willingness to listen to feedback and frustration about a process that they perceive to be a waste of time and money.

DISCUSSION

1. Welcome and introductions – Nancy Spooner

Nancy Spooner welcomed participants to the open house, and explained the format of the Q & A. Nancy informed the participants that the question and answer session was being recorded for accuracy. The BC Coastal Ferries Engagement team members introduced themselves.

2. Discussion – All

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

- C: *Kirk Handrahan:* Thank you very much for coming out tonight. This is the 20th meeting that we've had up and down the coast and this is the final meeting. We'll also have a webinar next week that people can participate in. Early last year the Ferry Commissioner released a report talking about the challenges facing the coastal ferry system. The impetus for that report was the previous Commissioner had indicated that fares were going to rise by about 8.4 percent a year for the next four year period. Government and the incoming Commissioner felt that was too high, obviously. So, he did a review and he went out and talked to a lot of people, came back, wrote a report. Government responded to that report last year, made some changes to the legislation to try to reduce the pressure on fares. They provided additional funding in the order of about \$186 million dollars and the Ferry Commissioner challenged BC Ferries to find about \$54 million dollars over a three year period in terms of operational savings, not related to the operations of the route but just overall. The government decided that it wanted to achieve savings from service reductions and established a target of savings. So that brings us to last year, when we did a consultation, and we were talking about what we should be looking at in developing a plan. What should we be considering when we're developing a service reduction plan? And we brought about six things to the table: protecting basic service, looking at low-utilized sailings, looking at low-utilized routes, looking at routes where there was a big imbalance between the cost of providing the service and the revenue generated from that service...looking at complex routes where there's multiple stops similar to this one and taking into consideration if theirs is going to be a new vessel coming on, or new investments in terminals. So those are the things we talked about. We also talked about the longer-term vision, looking at fixed links, looking at going to LNG. A big thing we heard about was no-frills vessels. So BC Ferries has been looking, in the new builds, at more no-frills vessels. Not everything that everybody said we were able to do. So now we've come out with a plan to achieve

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the savings and from the minor, what we call the minor, they're important routes but we call them minor because they're smaller, and northern routes, we're looking to find \$14 million in savings over the next two years through service reductions. We've put that plan into the Discussion Guide. I'll get David to speak just briefly on it before we start, but what's in there isn't the fixed deal. It's based on what we wanted to find and this is what it could look like. We want to get this level of savings and considered those criteria and developed this plan, trying to ensure that there's sufficient capacity to carry all the traffic that might be displaced. But it's kind of a straw-man in some sense. BC Ferries is going to be refining it based on the input we get from this process. We also looked at things like changing the seniors' discount. Currently it's a hundred percent, Monday to Thursday, and it would go to fifty percent. Also the idea of gaming on the major routes, lots of people have raised it since last time around, so it's a proposal. We are not necessarily going forward with it. We're asking people what they think about the idea of doing a pilot. There's also other ideas, longer term ideas about the idea of how BC Ferries interacts with its customers: the point-of-sale system, the reservation system. It's quite antiquated now and BC Ferries is going through a significant process to renew that infrastructure. And before they get too far advanced, they want to learn what you would value in that new system. Things like loyalty pricing, different pricing at different times. So those are some of the capabilities that BC Ferries are looking at. And, you know, people's habits have changed over time. We're much more sensitive to the environment. Is there an opportunity for passenger-only ferry services in some areas, to come in and provide an efficient service that meets people's needs without having to bring their cars? So those are the kinds of things we're talking about now. It's part of a longer term plan to try to ensure the ferry system is sustainable. So just over to David to talk a bit...

- C: *David Hendry:* Just an important note on the charts that you've seen for your route in terms of the sailing reductions identified; we didn't want to be presumptuous and come up with a new schedule based on proposed reductions without coming to the community first, so we've shown, given the considerations Kirk was talking about, where there may be opportunities to take sailings out. So we've done that based on the existing schedule. The intent is to take the input that is gathered from this process, talk with the local Ferry Advisory Committee, that's the liaison between the community and BC Ferries, possibly some local government representation where appropriate, and to talk to that group and work through where there are opportunities while still achieving the same net savings to look at a refined schedule. So that's something that's going to be happening early in the new year. And so, this isn't the end of it. This is the start of that process. As well as that there will be the opportunity for some form of community input into those refined schedules. Thanks.
- C: *Nancy Spooner:* Thanks, David. So over to you...and I think, Keith, you have expressed an interest in starting off.
- C: *Keith Rush:* Yeah, that would be great. Well thank you everybody and welcome. Thanks for coming. Well again. Here we are again. Oh my name for the record is Keith Rush. I'm Chair of the Thetis Island Ferry Advisory Committee and here we are again, 13 months later. I have a lot less hair than I did 13 months ago and, those people at the back can tell that that's the case. And I heard all the...your introductory remarks and you folks have seen a bunch of the things that we have been looking for over the last little while in terms of information and clarification and some of that kind

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of stuff. And so I'd like to make four points on...just for the record, for the community at large and, I know Kirk and David you've heard a lot of this stuff, but I want to say it again anyways.

Q: *Nancy Spooner:* And Keith will we get a copy of that when you're finished?

A: *Keith Rush:* Yes, and I'll also email a copy to the engagement email as well. So as a member of the Ferry Advisory Committee Chairs, we are non-partisan, so we would be having this discussion with whatever government was in power. And, like I said, this is somewhat for Doug's (Doug Routley, MLA) ears, we would be having it with whatever government is in power. The second point is, the current process is not going that well. I mean, those of you who are following the news and all that sort of stuff, will have seen. I might even go so far as to say is embarrassing to the government and, whether through oversight or knowingly, making the cuts this abruptly is in direct contravention of the contract that Ferries has with the BC government which stipulates the soonest they could make the cuts would be April of 2015. And that clause, I believe, exists for good reasons, so that tour operators, the tourism business can make plans two years in advance for ferries, hotels, lodging, eco tours, that kind of stuff. Cutting service on three or four months' notice really is going to cause some damage in the bigger industry, and I know we have folks here that will speak to that directly tonight, how cutting out the 6:20 p.m. sailing is going to impact them. Someone else is going to speak to that. And the bigger picture, and we've talked about this before, is that the high fares resulting from underfunding by the government are killing our coastal communities. And I know you folks heard that in spades last night on Gabriola and other areas as well. All of our communities are in trouble with traffic shrinking. Economic survival is in crisis, all of which points to the chronic lack of government funding throughout the last ten years. Our fares here on this route have gone up somewhere like 114 percent during that time 2003 to 2013. At 92 percent operating cost recovery from the fare box, BC Ferries is probably the highest in the world in having users pay. And I know, Kirk, you'll probably correct me if I haven't got my math right but, you know, the government speaks of having contributed \$1.4 billion over the past decade. It's actually only \$1.1 billion in service fees to BC Ferries because...and we overlooked the fact that users during that time...just remember this...paid over \$5 billion dollars in fees compared to the \$1.1 billion. The government speaks of having contributed \$200 million in the past year. The real number is closer to \$149 million. The social program fees pass through to the beneficiaries and do nothing for Ferries which has forgone that passenger revenue. And the federal money is just that – federal money. BC government can't claim that as their contribution. Meanwhile users have paid \$484 million in fares and \$56 million in ancillary revenue, which is hamburgers and polar fleece jackets. Provincial tourism is suffering as a result of considering ferry costs in a vacuum. It needs to be part of a much bigger picture and a short sighted approach and the unwillingness to consider the big picture is harming not only the coastal communities but the whole province. And you've probably seen some of the stuff from the interior tourism operators, the Chilcotin member of parliament, Liberal member of parliament, sorry, MLA, is speaking out against some of this stuff, the need for notice on fare changes. The notion that government doesn't have any money falls flat when people see money going into four-laning Highway 97, the new Port Mann Bridge and the related expansion of Highway 1. The plans to replace the Deas Island Tunnel, which happened between this meeting and the last meeting, miraculously, I don't know, pick a number, a couple billion dollars has been found to build a bridge instead of the tunnel. BC Ferries needs the same capital program to support it. People can see the disconnect. It's a matter of priorities, not government poverty. So what we'd like to see is to put the service cuts on hold for twelve months. Given the realities facing the

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engagement process and, David sort of alluded to it, you know, he's going to finish this tonight and then, Monday, I know I got a note from Darren that you guys are going to be sitting down and trying to figure out what we might do the next step. So it's a tough road a hoe. So that's what I mean by the realities. It would only be sensible, next step, to delay the imposition of the cuts until April 2015 while getting the BC Ferries' and Ministry's act together. That way it fits into the contract. And I think that we have to accept the fact that all the service cutting in the world isn't going to fix the fundamental problems of fares that are too high which are killing traffic and strangling our communities and we see this every year as April 1st rolls by and the fares go up. More and more vehicles are parked on this side. It's hard to get a parking spot in the little lot across...in Chemainus. You know, more folks from Penelakut are walking on and it just, is strangling us and it doesn't do anything for the fare box at Ferries. So with that I'm going to stop and let the rest of the folks say whatever they've got to say. I want to thank all you folks for coming and I'm going to be interested to know just how we might...well, let's work together...how we might address the schedule that needs addressing going forward. So we'll be listening for that and...take it from there.

C: *Kirk Handrahan*: Thank you very much, Keith. I appreciate your comments. I just wanted to clarify one point you made. I'm not going to argue with all your numbers. The contract does require BC Ferries to publish a schedule 12 months in advance but that schedule can be changed. And it's right in the contract that we are going to be making changes to accommodate the service reductions, so I think it is consistent with the contract and not in contravention of it.

Q: *Keith Rush*: So, is it in the amendment...the 2012 amendment?

A: *Kirk Handrahan*: Yes it is. When we renewed the contract...in fact, originally, I think it was a two-year schedule back in 2003 after PT1, that was the first performance term, they changed it to a year. But it is permissive to change the schedule. We have to publish one but it doesn't mean they can't change it.

C: *Nancy Spooner*: Thanks Kirk. Anybody else would like to come to the microphone?

C: *Jonathan Thornburg*: My name is Jonathan Thornburg. I'm speaking as a resident of this island. I have two comments which are...one is sort of a broader one and the other is micro-level. Let me start with the micro-level one. I think there may be some mistakes in the numbers in the handout for our route because there's no record in these four charts of the fact that there's dangerous cargo every Thursday. If you look at the other routes in this handout, the dangerous cargo sailings are noted explicitly as DC. Here they're just, here, if you just look you'll see sailing number two on Thursday, for instance, leaving Chemainus. Very low traffic numbers. That's because that's typically the fuel truck...or the propane truck. And there's only one propane truck which usually comes to the island. So, I also noticed in some of these boxes, these charts are showing higher traffic numbers in the winter than in the summer. For instance, if you look at sailing number seven on a Tuesday, It could be just that's coincidence but I wonder if there might have been some other mistakes in these spreadsheets. Ok, those are sort of micro-details to tidy up. The general comment, a personal note, it used to be that when I lived on Thetis Island in the 1990s I would usually go shopping in Duncan once a week. Now I've got it down to once every three weeks and sometimes I push it to once every four weeks, and I try and walk across as a foot passenger to Chemainus once every ten days. I think a lot of people are doing that. This is an example of the self-defeating properties of very high fares. Thank you.

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- C: *Nancy Spooner*: Thank you Jonathan. I noticed that Jonathan was not speaking into the mic and I just wanted to see...you all seemed to be able to hear him? Was the sound still ok? Thank you. Yes, Joanne wanted to respond to the numbers?
- C: *Joanne Doyle*: Great comments about the numbers. The data...I think Keith were you able to get a copy of the CD with all the data? Did Darren send that...?
- C: *Keith Rush*: No. I asked for it from Darren but I have yet to receive it.
- C: *Joanne Doyle*: OK, because what we've done - and for this route, which is slightly different from the other routes, say Route 6, Howe Sound - Vesuvius to Crofton, because it's just a single port, the multi-port routes you see with the round trips at the top as opposed to the sailing time, it's leg data. So it's looking at everybody on a certain sailing. Dangerous Goods sailings were taken into account and it's just...each sailing, the number of vehicles that were on and different events that have happened have increased. If you do look at the sailing number 7 you will notice in the peak season towards the end, I think it's Thursday or Friday where there is much higher volumes than what we are seeing so there is some difference but I think it has to do with the data that's in there. It is specific sailing data as opposed to trying to sum everything up. It's just using the basic data we get from the vessels. But I'll double check with Darren to see where that is because it's good information to have.
- C: *Nancy Spooner*: Thanks, Joanne. Any other questions or comments?
- C: *Peter Theriault*: Good evening, thank you for coming. My name is Peter Theriault. I'm a resident of Thetis Island. Over the last 25 years being out in British Columbia in the marine environment, working for over 15 years, lived up in Prince Rupert where transportation was ferry, airplane or driving. Ferries in those days seemed to be about the locals. And I think the ferries in general, and the governments have forgotten about the locals in many, many instances. When ferry fares were affordable, a lot of people based in tourism as well as logging, fishing, export and industry up in Prince Rupert and the central coast depended on the ferries. These islands were founded by people on boats. The amount of cargo has diminished. Logging industry has diminished. The fishing industry has almost been decimated. But the northern route was so important for people to connect in Bella Bella, Bella Coola, and now I'm seeing they're losing their summer time route. The northern route has become so expensive. It has become the epitome, or at least the David Hahn experience of a cruise line. And the amount of people in British Columbia that cannot afford to travel outside of the province for holidays used to take, in bus loads and car loads of ferry traffic going to the north coast doing a circumnavigation, Vancouver Island, finishing off, coming through B.C. and experiencing B.C. And we've got a centre in downtown Vancouver. I shouldn't say we, it's BC Ferries. That's their vacation centre, I believe, down there by the Pan Pacific Hotel, which is some of the highest lease rates in all of North America for land. And I'm wondering...nothing's been mentioned about cutting anything outside of the ferry scheduling. I haven't heard. I don't know if anybody else has. That lease rate for the BC Experience office has more to get tourism happening for world travellers. I don't know anybody in the transportation industry these days that does not pick up a laptop, does not pick up a cell phone...West Jet, Air Canada, Southwest Airs, Alaskan Airs...they do not have facilities that you can walk into any more. Like Telus. You can't go in to a building and get answers or buy a ticket or pay your phone bill. Why is there a multi-million dollar operational budget to run a building like that in downtown Vancouver that has no realm in today's

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modern technology. That's just one of many, many things I could say. But along the way, look at the office, look at every facet, listen to the people that work on the boats because I know there have been locals that have put up great ideas and concepts. But if you brought those questions and ideas and concepts to the people that actually run the system, and not run the system from their office, I think a lot more could be cut and could certainly be servicing the locals. Thank you.

C: *Nancy Spooner:* Thank you Peter. David's just going to speak to the travel centre.

C: *David Hendry:* Yes, thank you for your comments. Kirk alluded to it earlier. The company's been tasked with finding about \$54.5 million of efficiencies over the four-year term ending in fiscal '16. So that comes from a variety of areas. We've got a \$750 million budget that's basically a \$550 million operating budget and \$200 million of cost of capital. So, we've been tasked with that and we're well on the path to achieving that. It comes from a variety of areas. So that's, I guess that's the first point. The second point is on the travel centre. It's been in operation now for about 3 or 4 years. It's turning a small profit. It covers its costs. You're absolutely right; it's very high lease costs. The idea was to put it in an area...if you're going to make a go at it, you need to put it in an area that's got maximum exposure. And yes, with technology, you can do a lot of things online, but there's still nothing to replace face-to-face when you're dealing with tourists. So, it does cover its costs. It's primary objective is to drive traffic through the system. A lot of the energy of that centre is directed at the northern routes, trying to market it overseas. There are some other options, so the objective is not to only market the northern routes but market the southern routes and let people know about getting to Vancouver Island, getting to the southern Gulf Islands, getting to Vancouver Island. So if you don't make an attempt to let people know what's out there then, you know, you only have yourself to blame. It's meant to drive revenue. It covers its costs. And whatever it drives helps to bring the fare pressures down across the system

C: *Nancy Spooner:* Thanks David. I notice you had your hand up earlier. Did you...?

C: *Sue French:* Good evening, I'm Sue French. I'm a resident islander here and I'm also a trustee with Islands Trust representing Thetis Island local trustee area. And Keith has said an awful lot of what I was going to say. I have a lot of information here that was given to us, crunched, and I'm sure you've had some information from Islands Trust. We've put a letter in just recently, or it's just being written, but I think I'm going to leave that for the moment and just say I have a very hard time understanding why BC Ferries is free on the inland routes and I would like to hear exactly why that is and why, if there's a social contract there when they flooded those valleys, why is there not a social contract that we've heard and known and built our communities around here as well. Why are we being singled out when they do not pay anything for their ferries? Our taxes, our fares must be supporting their travel too. They have roads. We have no roads. So I think that is a really big barrier to my understanding and support. The attitude of this government is to single out the coastal communities to pay for the travel infrastructure that makes our communities exist. So I'd like to hear that please. Thank you.

C: *Kirk Handrahan:* Certainly. Thank you very much. Yes, that's come up a number of times. I think that's come up at every meeting. I'm the Director that's responsible for both contracts. BC Ferries doesn't provide the inland ferry service. It is provided by contractors as well. Last year it cost about \$21 million dollars to provide service on the nine routes that my branch manages. If you throw the capital cost in, the cost of capital plus the interest, it's maybe around \$23 million dollars a year. So they are very different systems. A lot of these routes, there is only three free-running ferries. Most

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of them are cable ferries, fairly short distances, low operation costs, low fuel. It's very cheap to run a cable ferry back and forth. Lower crew levels because of the nature of the service. So the cost structure is different. There's historical reasons. I don't know, someone has told me it's to do with the flooding of the area. I haven't been able to confirm that myself. I looked back and I found that a lot of these pre-dated the Columbia River Treaty. Why are they still free? The government looks at how much they are contributing towards the coastal ferries. On a per car basis it's about \$23 dollars. If you look at how much we're contributing, the tax payers, for the inland ferries, it's about \$18 a car. So from their perspective, there is a tax payer contribution that's comparable. I know it feels unfair that their service doesn't cost anything and yours does. It's a long historical thing and I won't justify it based on history. Most of these, I think most of these have always been tolled but maybe there are some exceptions, I don't know. Those that have always been free, they continue to be free now because the taxpayer's contributing relatively the same amount.

C: *Nancy Spooner:* Thanks Kirk, Doug.

C: *Doug Routley:* Thank you. I'm Doug Routley. I am the MLA for this area...opposition MLA, and I stand in stern opposition to what's happening with BC Ferries. And as Keith phrased part of his remarks for my ears I'll phrase part of mine for his. I wish very much that we were the government that was being petitioned by our communities to provide better and greater service at lower cost. In fact, we have called repeatedly to have this service be treated as an extension of the highways. In fact, we would like to see it brought back. Part of the problem with this process is part of the problem with democracy in general and it's breeding a really poisonous level of cynicism in that people feel they are absolutely not being heard. Or if they're being heard, their voices are being ignored. So often we are asked for our opinion about services, whether it be BC Ferries or school closures or what have you, only to see all of the opinions that were gathered completely ignored and in the solutions that are brought forward. And this is a real problem not just with this service or services in general, but for democratic participation and the health of democracy. So, these are our ferries, this is our province, they're our forests and I think the people of the province should be dictating to the government how these services should be provided, not the other way around. And this is a really deep problem. I think there has been no socio-economic study done to examine the impacts on our communities of these cuts. Nowhere is anybody saying 'these cuts will result in this much damage to local economies'. These cuts are arbitrary, the numbers have been chosen and the service is being bent towards those numbers. So when we say we may find in decision making, science based decision making, this is decision based fact finding, where the decision is made and now the facts must be bent towards that decision. These are government priority decisions. We see in the Northwest Transmission Line, which is a direct subsidy of industry. \$350 million dollar overruns in the building of the line. The total cost is upwards of \$800 million dollars direct subsidy to industry. These are economic decisions as well as cultural decisions that are being made around our ferry service. These communities...there are 700 thousand people completely ferry dependent on this coast. Over a million people are served by our ferries, directly or indirectly. This is probably close to 30 percent of the provincial economy that we're talking about and yet there's been no impact assessment done. So this is not fair. I have said in the other meetings I would like to be respectful of the people here. I think they are doing as good a job as anybody could do in absorbing the anger that is rippling up and down this coast. But the people who really need to hear this anger are the Transportation Minister, who owns a single share of this corporation and the Premier. And

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in order to have these people hear these voices, I think we have to more than show up in our halls. So, as I've said in the other meetings too, we will be having days of action in Victoria where we will direct our question period exclusively towards this issue. And we'll be asking people from the communities to come and bring our voices directly to the government because the government operates only with the confidence of the people...right? And that's how democracies are supposed to work. I hope that everyone here who really cares about this issue will respond when we call. And we will have a huge response in Victoria. That is the only thing that will turn this around. Thirteen months ago when we were in this meeting and I was actually hoping I might be the person you were directing that anger towards, I did say...that whether it's us, or whether it's them...these processes need to hear that this is unacceptable. We need to say loudly and clearly that this is our government to serve us. These are our services and we do not accept this outcome or it will be driven down our throats. The decision has been made. It's up to us to turn it around. It's our democracy and it's up to us to protect it. And democracy is protected through vigilance. And this is vigilance. But it has to be taken to another step, right? We have to take it to Victoria. So let's do that alright?

C: *Nancy Spooner*: Thank you very much.

Q: *Carol Swann*: My name is Carol Swann. I'm a small business owner and resident on Thetis Island. And maybe Doug wasn't the best person to follow. 13 months ago we were sitting here saying this needs to be a part of our highway system. We need to be involved in the decision making. And here you've come back and these are the cuts that you are making. And yes, I applaud the fact that you are doing some work with tourism but there are other businesses on the islands. There's construction, there's artisans, there's all kinds of businesses that are not tourism related. And I'd like to reiterate that there have been no social or economic impact studies done on those businesses. And I do also have a question here that I'd like to address to Mr. Hendry and it does apply to my comment that to some extent we here at Thetis Island feel like we are operating in a vacuum. I believe that the FAC Chair's asked you, Mr. Hendry, on Nov. 19 for details regarding the costs that were used to come up with that \$135,000 savings. They were promised to us. They still have not been received. We were wondering when we might receive those.

C: *Nancy Spooner*: Thank you Carol. Kirk?

A: *Kirk Handrahan*: Yes, I can answer that as well. There were a number of pieces of information that was requested and, you know, I do appreciate that there is a desire to get additional information and we will be providing that after this process is complete. We don't have armies of people working on this. The same people that are responsible for collecting that information and putting a package together are the same people that are in the room today. So, you know, I don't want to get your sympathy or anything but we've been on the road and it's been hard to get to everybody's request. We've been getting a lot of emails from the public that we are trying to respond to as well. So I apologize on behalf of the BC government and BC Ferries for not getting that information to you earlier but we will have it to you this week.

C: *Nancy Spooner*: Thanks, Kirk. Chris.

C: *Chris Abbott*: Good evening everybody, my name is Chris and I'm the president of the BC Ferries Marine Workers Union. In 2003 the *Coastal Ferries Act* was put into place as a new business plan for BC Ferries: a bold new vision. We'll boldly go where no man has gone before. Promise to keep

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fare increases in line with inflation, stable ferry service and the elimination of the debt. How many of those have you seen? Cause I haven't seen one of them. A year ago, pretty much to this day, there was an engagement process. Everybody who came out said their two cents worth, put in their opinions with what they wanted to see with BC Ferries. They wanted stable ferry fares. They wanted their service levels maintained. What did they get? Box D: none of the above. These engagement meetings are all fine and dandy and they are a great place to vent, but it has to go to the decision makers, these people here aren't the decision makers. A lot has been said about money that needs to be saved. A lot of this has to do, well actually, all of this has to do with government policy, and the government's policy has decided that the coastal economies aren't worth the same level of investment that mainland communities are. I'd like to use Sea-to-Sky Highway for an analogy. These people look pretty bored. They've heard most of this before. \$60 million worth of maintenance is allegedly done on the Sea-to-Sky Highway, every year, for a population base of less than 10, 000 people. If you extrapolate those figures down to this community's size, which is 350, give or take, you'd be looking at \$2.1 million of investment in your highway. That more than covers the cost overruns. There's an awful lot of money that can be saved. Cuts don't need to be made. It's a policy decision made by the government. There's a recent study done with respect to Washington State Ferries and BC Ferries. Contained in that study were some interesting statistics with respect to the managerial ratio that's involved with Washington State Ferries and BC Ferries. Washington State Ferries has one manager for every 40 bargaining unit employees. Bargaining unit employees are my members; people that run the ships. You know what happens when my members don't show up to work, right? Ships don't sail. Managers don't show up to work? Not a big loss. There are 600 managers at BC Ferries. 1 in 6 is the ratio at BC Ferries. 1 in 40, Washington State Ferries. 1 in 6 here. The argument will come about, well they're ship board managers, they don't count. Well, they are still managers. But let's go away from that argument for a while, shall we? Let's go to Washington State and its shore-based employees. If you extrapolate their numbers, we here would have 100 shore-based managers. We have 450. Now if you use \$200,000 as an average income, with benefits and wages and the like, and cut those 350 managers, you'd be looking at \$70 million dollars a year. There needs to be cuts? I can show you where cuts need to be made. Have you heard the one about the bonuses being fixed? The managerial bonuses. There was a big outcry about, why should managers get bonuses for a failed business experiment in a company that's going down the tubes. The board didn't do anything about it so they were directed by the government to fix the bonuses for the managerial representatives for BC Ferries. So what they did was they rolled it into their base pay, which makes all of that, wages, now pensionable. Did you know the top number of managers at BC Ferries have not one but two pensions, separate and distinct, funded by BC Ferries. Remember Davy Hahn? "Pass the Gravy, Davy"? We're still paying him, in the neighbourhood of \$330,000 dollars a year on the separate pension that he has outside of the government pension plan. It's pretty big numbers. I could go on but it's been heard before. It's entirely disappointing. We shouldn't be here. The people aren't being listened to. Yes, our concerns are being noted and taken back to whoever they're being taken back to, and I'm sure these people are people who go there and say "the residents are decidedly unhappy", and we are. Our concerns have been noted. Their plan is in place. The only place they can find to save any money is on your backs through service cuts. If you look at the pie charts you'll see the single biggest incremental increase in costs is financing the debt. The debt is projected to go up another billion dollars in the next ten years to finance the

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Ferries. On the years of pay system, who's going to pay for that? Do you know that 85 percent of the cost of running BC Ferries comes from the fare box? That's a higher percentage than any other transportation link in the lower mainland. I've been to a lot of international conferences lately. It's better than the majority of all ferry operators world-wide, but it's still not good enough. Why?...because your communities aren't worth investing in according to this government. Fair and equitable treatment are what people are looking for and they're not getting it out of the Premier or out of the Minister. Minister Stone said: "You have to look people in the eye when you make these tough decisions", but have you seen Mr. Stone? Because I've been to a lot of these meetings and I haven't seen hide nor hair of the guy. Of course, his Deputy Minister's constituency is in the Sea-to-Sky Highway corridor. Minister Stone's constituency has the Coquihalla in it. Great fanfare was announced that this highway has been paid for. "We're going to take the tolls off it and return that money to the travelling public's pocket and what a boost to the economy that will be". How long ago do you figure it was that all these minor vessel highways boats were paid for and why weren't the tolls taken off of those? I can't answer these questions. Only these gentlemen can. My opinion is, your communities aren't worth investing in according to this province. It can be fixed. It's a question of taking responsibility back to government. Pick up the capital costs. Operating expenses can probably be covered by the fare box. Capital...not a chance. These cuts aren't going to fix a darn thing for you. It's pennies on the dollar and it's not going to fix the problems of the ever-burgeoning debt, a lot of which comes from A: the over managerial presence and B: the need for capital expansion with the ancient ships that no one wants to pay for or build. As Mr. Routley said, "This isn't over". They're counting on the Christmas season to kill this thing dead. As of tomorrow, it's all about Christmas ads. You're not going to care a darn thing about service cuts. Come January 2nd or 3rd, we're going to ramp this right back up, take it to the legislature and make the people accountable; actually answer the questions to the community rather than hiding behind the fog eyes, as I like to call them here, cause that's what they are. They're not the decision makers. They're put in place to come here and listen to you all vent. I could go on for another hour or so but there are a lot of people in this community that want their stories heard and no, I'm not a member of this community; however, my members are. These cuts affect my members. They affect my family. They affect my friends. I live on an island too. The notion, the ferries aren't a highway is a delusion foisted upon you by the liberal government. Take it back. They're our ships. Not theirs. Thank you.

C: *Nancy Spooner*: Thank you

Q: *Chris Abbott*: Minister Stone had asked \$200 million to be spent on the Horseshoe Bay terminal. What's that for?

C: *Nancy Spooner*: I'll ask David to speak to that. Then we'll go to this lady, here. And then, sir, you're going to speak from your chair? And then, we'll go to this woman behind you, if that's OK. David.

A: *David Handrahan*: So, the question was: "What is \$200 million planned for at the Horseshoe Bay terminal?" It's in our long-term capital plan that's been there for a number of years. It's related to the transfer deck there that goes back as far as 1960. There needs to be a replacement of those assets in its current form, to replace the transfer deck, move the control tower and possibly look at some other things. Now, that was the plan a number of years ago. We are looking at different options to mitigate that \$200 million as much as possible because \$200 million is a lot of money and it's probably not affordable given then current state of the company, the current state of ridership and the economy.

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C: *Nancy Spooner*: Thanks David. Yes.

C: *Fire Chief Jeannine Caldbeck*: I just...a very quick statement that escalating ferry fares and what's going on...we're constantly coming out, every year it seems, to argue about this. But this is sucking the life out of the volunteers on this island which run this island. Especially volunteer firefighters. If we cannot have young people stay here, we cannot have jobs, we cannot have people commuting: we have no volunteers to operate the fire department. And that's incredibly important. You lose the school, you lose your fire department, you lose your community.

Q: *Denham Kelsey*: My name is Denham Kelsey and I'd rather be looking in the eye of some of you people than speaking into a machine. I must say to start with, I find this whole process very strange. I spent a life in the accounting profession and I dealt with literally hundreds of successful businesses and, I find, that the way the government is approaching this thing is not the way to lead to success. Someone, arbitrarily, has picked a figure, \$19 million, or something like that, and said now you go out and find savings to that amount. Am I right, roughly, on that statement?

A: *Kirk Handrahan*: Uh, yes. I'll make it simple.

C: *Denham Kelsey*: I'd always thought, in business, or running of human affairs, one should try to get back to first principles. What are we trying to accomplish? What is the large picture? This process of saying "19 million" and "your portion is X" has got us all wallowing around in a swamp of detail, without, as far as I've been able to determine, any real, serious, thoughtful, intelligent attempt to get back to first principles. There was a call by someone to say let's call on Victoria well, I arrived here at this meeting with a letter I've written to the Minister of Transportation and Infrastructure, which I'm going to send, registered mail, to him tomorrow. I give you five copies, four copies of it, and it's going to each member of the Cabinet as well. I'm going read this and a bit from the attachments I have with it - Dear Mr. Minister; I'm attaching, for your information, a letter of mine: Attachment 1, which the Times Columnist published about a year ago. It was based on a letter that I had written to our MLA, Doug Routley, which I copied to your predecessor, the honourable, Mary Polak. Now, I'm not going to read those attachments in full but I'm going to read one paragraph, and that is this: "wherever BC Ferries provides lifelines for communities, they should be treated consistently as an integral part of the whole transportation infrastructure of the province. That structure and others, the provision of power being one, bringing the people of BC together as a coherent, effective, social, economic and political entity. Without them, the province would be badly fragmented". Remember, we're trying to get back to first principles. So I say this to the Mminister in my letter: I am sending this material to you for two reasons. First, I detect a strongly growing appreciation of the logic and fairness of the suggestion that the ferry system ought to be treated, for financial purposes, as an inherent part of the highways, transportation infrastructure of the province...hold your applause...In fact, I have been unable to find any carefully thought out or sensible case contrary to that view. If you know one, Mr. Minister, I would be grateful to hear it. Despite compelling logic to the contrary, the notion seems to persist in provincial government circles that financial support for the ferry system is, somehow, subsidizing a favoured group of citizens who happen to live in or travel to or from places isolated from others by bodies of water. There's a bit of a reflection of that, just tonight, someone said "Look at the huge amount we're contributing towards the ferries". There's that strange mindset. – There are strange, lingering feelings that such people are privileged and should be paying more for their ferry service. Sadly this

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is very divisive. Now the reality is that British Columbia, has challenging geographical features. We have rugged terrain and many water barriers to freedom of movement: rivers, lakes, inlets, straits. It's the government's job, as I see it, to do what it can to overcome these physical obstacles so that people and public can roam as freely as possible from place to place and to ensure that the cost of doing so is amicably shared by the citizens as a whole. I believe a good job is being done in overcoming the obstacles, but a poor one in allocating the costs of doing so. Now, examples of the unfairness abound, and here again we've been plodding around in the swamp in all this detail without being aware of some of these huge amounts of money and the huge contributions that are being made to other citizens of the province. Examples of the unfairness abound, the 14 inland ferries are free to users, and thank you for your answer, but it really wasn't a convincing answer. The Golden Ears Bridge, which was built to improve the connection for people across a body of water, which previously would be served by ferries, is losing (in the government's words) \$45 million a year. Yet the tolls for crossing it are a mere \$3 per car. It doesn't matter how many people you have in the car. A similar story for the Port Mann Bridge, which cost \$2.46 billion, not million, billion: that's \$2,460 million dollars. And goodness knows what the bridge replacing the Deas Island tunnel would cost. And remember Mr. Minister, that a significant part of the traffic which crosses there now at no cost, is headed for another water crossing at Tsawwassen, for which the charges are hefty. I also enclosed- and some of you have heard this, I'm not going to read it to you tonight, I also enclosed a true little tale of two travelers which underscores another inequity with the system. As a 90 year old, proud to have been born in BC, lived here all my life, may I say god speed efforts to make sense of this senseless situation and we've had enough of this senseless attempt to micromanage something that ought to be managed with intelligent, thoughtful input from all concerned. But particularly from the people who are elected to office. We expect more of you people in the government. I plan to send a copy of this letter to all the members of the provincial cabinet. Thank you very much.

C: *Nancy Spooner*: Thank you.

Q: *Lea Theriault* : That is a hard act to follow. Lea Theriault. Thetis Island is my home. And I too want to speak about the numbers. So we have you traveling in, whatever that cost. You've traveled before, whatever that cost. You have all the lovely consultant added charts and numbers and flow etc. In the last ten years with David Hahn and whatever his vision was for BC Ferries, I think that's when the swamp really started to fill up. And I'm going to use your word, swamp, because that's what it has become. People have come and gone at BC Ferries, and each time there's a shift. There's a new philosophy and I'm going to do this and I'm going to do that and there's projects and there's money spent on failed projects. You made mention of the reservation point of sale system, I think that's an excellent example. How long has that been going on? Ten years? Fifteen years? Maybe it's hitting heavy right now, but how many millions have been spent and lost there? So there are all these numbers are rolling around in my head. We now successfully have the media and the government manipulating people into fighting. The public fighting amongst ourselves about "BC seniors can't travel free; employees can't travel free; that's not fair." And to me that's just a whole smokescreen of what is really going on at BC Ferries. The senior managers who've been making these decisions since David Hahn has come and gone and they're all still there. They've all been there winning a ride and all these changes have been going on. He's gone- they're still there. Ferries is in this bleeding red hole of money. You look at the easy thing, "oh let's do

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some cuts here.” You’ll do those cuts; the money will still continue to bleed. Because unless there’s some sort of change in how BC Ferries is managed and what is going on in head office, with a multitude of managers, how can we ever expect to see this be a successful business? And that was the big pro discussion about the privatization, and ferries isn’t private, that it was going to save the day. We’re going to show the people of B.C. what we can do. And they’ve muddled it, turned it into a swamp. And here we are today and all the people here on the island, all the Gulf Islands, have their stories of the impact. I get the overwhelming feeling that this process doesn’t make a difference at all to the people who’ve come here, who’ve attended, yet we still are forever hopeful. So this leads me to a question of, what is going to change within BC Ferries- within the management of BC Ferries, head office in particular- to turn this around. How are the tables going to turn when you have all the very same people still there who were responsible for getting BC Ferries in the shape it is today?

C: *Nancy Spooner:* Ok, so I’m going to ask David to speak to your question.

A: *David Hendry:* A bit of context, early 2009, just after the 2008 economic crisis, we basically shed 50 positions from management. And it was done very quickly, it was done in anticipation of the fact that traffic was declining and would continue to decline. Approximately \$5 million a year has been saved since then. From the executive ranks, we’ve trimmed down from 17 executive down to nine. We’re cognizant of the executive and the management structure there and done what we can to trim it down. I personally can attest to that. I was involved in that process. I know what the implications and the fallout from that process is in terms of increased workload on everybody else. It’s a complex business, you know, it’s not a Washington State Ferries. It’s 25 routes, 36 vessels, 47 terminals, around the same passenger base and vehicle base but much more complex. It’s a much broad based territory; it’s up and down the coast. It’s a challenging business to run. We’ve got good people running it. I know that it’s difficult to accept that when you come out and are looking for service reductions, but it’s one component in a longer term strategy plan that we need to get to. We need to look at this company differently. Ridership has changed, demographics have changed, the reason for travel has changed...

C: *Nancy Spooner:* Sorry, can you let David finish his answer?

A: *David Hendry:* So the people in place are looking at that and trying to wrestle with that as best they can and I can tell you that they have the company’s interest at heart. We all have a vested interest in this. It’s not a short term thing; it’s a long term solution that we’re looking at.

C: *Lea Theriault:* Thank you. And I forgot to mention one group, and that are the consultants at BC Ferries, the growing number in all departments and layers and levels. There is a group that always seems to be hard to find out what is that money being spent on them. And I’m not looking for an answer about that right now, but that is another contribution to those numbers that are always growing at head office. And even though you say, many managers have been let go, there’s the consultants who come behind and...

C: *David Hendry:* I can tell you that every consultant contract goes right to the top, in terms of whether it’s approved or not approved, down to a very small amount. Obviously if you let that get away from you, it gets hidden quite fast.

C: *Nancy Spooner:* Thank you very much. Yes sir.

C: *Peter Luckham:* Hello. Thank you for coming into our community. My name is Peter Luckham and I am another of the elected representatives for the Islands Trust here and it’s a privilege for me to

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be able to serve my community and I hope to speak on their behalf. I'm also a volunteer firefighter. I've lived here for 26 years and I've seen a lot of changes in how the delivery of the ferry services evolved over the years and I can't say it's a good thing to have watched. I'd also like to just note, as a volunteer, that I would suggest that almost everybody in this room is also a volunteer in some other form of community service, which provides services to the community and requires often travel or the movement of goods back and forth on the ferries. What's going on here affects every single person in this room. I've got some points I'd just like to mention. A lot of this stuff that we do often is around semantics. And I've noticed, particularly today, that we refer to this whole process as the "coastal communities", the "coastal routes" the "coastal" this... I don't know, in the movies I think the coast is somewhere you go on holiday. We actually live on islands and these islands are our home. We live here. And I ask you just to look around the room at the variety of people that are here: seniors, families, young people and grandparents. We're not special, we're not privileged. We just live here, this is our home. And what's going on with the ferry service is affecting the ability to continue the lives of many people. There are great grandchildren that are here of the same families that have been here since the first peoples came here. It continues to be very difficult for all these people and all these families to stay here and be connected, go visit children, have children come and visit. Um, one thing that strikes me- well first of all, I'm not feeling encouraged by your answers. Too many of the answers sound like excuses to stay on a course which is misguided. This started as an experiment not many years ago, and it strikes me that and many of the people will agree with me, that the experiment has failed and it's actually time to admit defeat. We, the people in this community, and the ferry company for the most part, actually have a very similar purpose. We need service and you want to deliver the service. We need to take the message that this is a failed experiment to the province. The province has to realize this. The one thing about the ferries that strikes me as interesting, and the reason that I draw your attention to the history of the people that are here, is that way back when the railroad was put through to British Columbia, it was to go west. Build it and they will come is sort of the theme that strikes my mind. A story that was relayed to me by one of the grandchildren of some the settlers here, a long time ago, was that back in the 60s when flying Phil Gaglardi was the Minister responsible for ferries, he came here because Adam Hunter wanted the ferry to come here. There was a question that was posed as to how it is we could get ferry service to this island, and the answer was simply that more people needed to come to Thetis Island. There needed to be more people here, so therefore you need to develop more. So, indeed, Adam Hunter divided up some land and shortly thereafter the ferry came. And the ferry opened up the islands much like the rail opened up the west. People came here with expectations about the transportation system that would get them to where they lived or where they recreate. That has become untenable now. I've just got to say, on this process which I don't agree with- and you've heard all the stuff already from the Islands Trust about what we think about this, about returning it to highways, about these kinds of measures and this kind of consultation process isn't the solution to the problem. You've cut the wrong ferry on Thetis. But my point is, how could you know? You don't live here. You don't know the people. You don't know who it is- there may be small numbers of people that travel on that 6:20 p.m. ferry, but you know if you miss the 4:55 p.m. ferry that's your bailout to get home for dinner to your family or volunteer in the fire department or volunteer for one of the other community organizations. Just one other thing to point out is that this whole thing about ridership, fares go up and ridership goes down. As somebody else has pointed out, the parking lot on either side of the ferry here is full

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these days almost all the time because lots of people are walking on the ferry. I'd like to particularly note that seniors are walking on the ferry. And if any of you have senior or elder parents, you know trying to get them out of their car and take their driver's licenses away is a real challenge because they enjoy their independence. Their independence is critical. What rising ferry fares has done is force seniors out of their cars and forced them into car sharing or walking on the ferry, which I can tell you is not something that they necessarily enjoy doing. But we're a resilient community. We're used to tightening up our belt. We're happy to work with you to find cost solutions. We don't think this is the way. So, the reason I talk about the seniors and them walking on the ferry is now you're proposing to charge them for riding the ferry. That's going to even impact them harder for their medical visits, for their visits to children, for whatever it is that they go to town for. It's going to make it more and more difficult. So I'm just going to repeat at the end: this is a failed experiment. You need to take that message back to the province that this process isn't what we want. We want a fundamental change which includes returning the service to the province. Thank you.

C: *Nancy Spooner:* Thank you very much.

C: *Steve Frankel:* First of all, my name is Steve Frankel. I'm a resident here, obviously. And I'm also a member of the FAC and on the Executive of the Residents' Association. I just want to say on the onset, it's a difficult night for all of us here, and you folks too. So we have to recognize that this is not an easy evening, nor have the other evenings been easy for you folks or us. I was asked to pose two questions to you by someone that could not make the meeting tonight, so if you'll bear with me, I have two. Before I do that I would like to pick up on what Peter had said about the 6:20 p.m. cancellation. Don't forget that we have students that participate in activities after school. If they miss that 5:00 p.m. ferry, it's going to be a long night for them on the other side.

C: *Unknown:* They won't get home until 9:00 p.m. That's huge.

Q: *Steve Frankel:* So the first question I have is why are three quarters of the savings being sought from only 44 percent of the cost base: \$14 million from the minor routes and only \$4.9 million from the major routes, one of which loses \$25 million annually?

A: *Kirk Handrahan:* Thank you. Good question. So when you look at the numbers, it is \$7 million a year from the minors and the northern routes, so over a two year period that's \$14 million. So we're looking at \$4.9 million in one year on the major routes because those changes won't be taken into effect until the last year of this performance term. And we've already taken \$4 million dollars out of the majors, so the contributions from the majors are \$8.9 million. That's a significant amount and those are routes that are well utilized, but you do make a good point that, you know, Duke Point has its challenges. Unfortunately, Departure Bay can't carry all the traffic all the time, so we will be looking at significant changes on those routes and over the longer term, you know, how best to provide a connection between the central Vancouver Island and the Lower Mainland. And, you know, it may look like a different service. Right now, neither Duke Point nor Departure Bay can carry all that traffic. But it doesn't mean, as David has spoken to earlier, that the service will remain static going forward. There will be significant changes. We don't want to take money out of those routes, reduce sailings when those routes are actually cross subsidizing the smaller and northern routes.

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- Q: *Steve Frankel:* Thank you. The next question, again this was posed to me by someone who cannot be here, the next question is why are the major routes, with their massive scale, off the table during this consultation and when will the public see what's in store for the major routes?
- C: *Nancy Spooner:* Kirk?
- A: *Kirk Handrahan:* I think I just answered that. They expect reductions. There have already been \$4 million made over the 4 year period. There will be another \$4.9 million in the final year, not this year coming up but the following year, and we'll be rolling that out later. But even going beyond that, I mean we're looking at fundamental cost drivers in those areas to try to stabilize the system going forward and trying to address the rising cost pressures. And people have talked earlier about Washington State and I've been down there, I've talked to the head of their service, and they have a good service. It's similar to ours in some ways, but it is quite different, and it's facing very similar challenges that we're experiencing. It's operated by the government. Ferry fares have gone up by 120 percent on some routes over the last ten years. The rates are generally lower because it's a lower cost system. There are fewer routes, they're shorter, they have a higher customer base than we do. But if you go to their website and look at it, it will tell you that their service is unsustainable the way it is right now. So they're facing the very same challenges. I'm not trying to make that as an excuse, but I'm just saying when you look closely, last year they reduced their wages for all their employees by three percent across the board. Those are the types of actions that they're taking to try to sustain their system. They lost a major source of their funding when a referendum about ten years ago, it used to be partially funded by the fuel tax, they voted against it, they lost that source of funding. They've been borrowing from the highways side to help fund themselves and they're running out of room to do that. So they're facing very significant challenges and I just want to show that to show you that ferry services are different than highways and they're facing similar challenges elsewhere. I've talked to many ferry operators so I just wanted to pass that on.
- C: *Steve Frankel:* I also have an additional submission.
- C: *Nancy Spooner:* Thank you very much.
- C: *Steve Frankel:* I also, one quick statement. I won't read any of that, you can do that. I won't read any of what I just submitted to you. I will say this: I've had some comments that I've heard. People say, "Why should we pay for the ferry? Why should we support the ferry systems of the people that live on the Gulf Islands? We don't use them." I don't use the Coquihalla and my taxes are paying highway taxes.
- C: *Nancy Spooner:* Thank you very much, Steve.
- C: *Kirk Handrahan:* Thank you Steve.
- C: *Patrick Mooney:* My name is Patrick Mooney; I've been a part-time resident of the island since 1966, a full-time resident since 2002. For those of you that know me, this may come as a complete surprise, but I agree with about 95 percent of what our NDP MLA said. So maybe there is hope for us. When did the Thetis Island ferry start? 1958. What's significant about that date? It's two to three years before BC Ferries started. So we predate BC Ferries, along with Gabriola, Denman, Hornby, Quadra, Cortes, Alert Bay, Sointula, and I'm not sure about the Charlottes. When the ferries started, was it on a user pay? Partially. There were nominal fares that were installed to actually, from what I've heard, cover the lost revenue from the gas tax that we weren't paying for being carried over that area. The fares were reasonable. As was brought up, the ferry got here by opening the island- had to be opened up for subdivision. Basically, the government- the

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department of highways, which controlled all subdivisions at that time- opened the islands for subdivision to provide ferry services. Similarly all up and down the islands. The BC Ferries, in 1962, started the gulf island ferries out of Tsawwassen. Built new ferries, took it over to develop the traffic from the mainland to open up the Gulf Islands to the residents of BC. Unfortunately in the 80s, the highways ferries on the coast were integrated into BC Ferries for administrative streamlining and servicing. It went from a very efficient, lean, mean machine providing basic services, into we now have banners up in the parking lots on the other side, “enjoy the coastal experience.” It is not an integrated service for this great BC Ferries that we have. It’s a point-to-point service. There’s no integration between the Gulf Islands, Thetis, to go to the mainland. Do you realize if one person from here has to go to Vancouver or the mainland it is cheaper to fly than it is to take the car and ferry? Now, what’s wrong with that picture? What’s happened to the island in the last five or six years since the publicity of raising ferry fares, cutting service has done? God, the sign makers have made money. You can drive all over the island and you see nothing but “for sale” signs. Guess what? The people can’t sell their homes. Why? Because of the bad news and the bad rep and the uncertainty of ferry service and fares. The Moffet report identified, for those of you not familiar with it, that was the last big in-depth study done on the ferry service, I think around the 1990s, Thetis Island and Penelakut were identified as the two most ferry dependent communities. Another adverse effect- and here’s a good statistic for you, on this island in the last three or four years since this ferry increase has started, do you realize that we have lost 50 percent of our cash registers? We used to have three cash registers on the island. We’ve lost one of them, and one of them is a part time. Now that just shows you how little traffic there is or business commerce that is done on the island. Why is everybody here grey-haired? Because the people that go off the island and work are on that 6:20 p.m. ferry that’s coming over here that doesn’t get in until 7:00 p.m – the one that you identified with strategic planning as the one to cut. It doesn’t make any sense. You can ask anybody. You know, if you could do reductions, you can reorganize them and do them a little bit better. The last great strategic planning I started to see from the ferries was about four or five years ago when, on the long weekends, they introduced the Coastal Savers fare: Lower prices to divert traffic from Route 1 and Route 2 to Route 30. That gave savings because it cut extra sailings down and it was able to direct a service. Well, with strategic planning now, what are you doing? You’re reducing the seniors’ discount. What does the seniors’ discount do? It gets the people on the ferries Monday through Thursday, traditionally the lowest travel days. So, now, if they can afford to go on the ferries, they’re going to go on the primetime because the saving has been reduced. We’re not asking for a free ride, but this one size fits all for 25 routes is wrong. You’ve heard of the de-populating of the outer islands and the outer coasts in Newfoundland, well you’re doing it here to the Gulf Islands and up and down the coast. Thank you.

C: *Nancy Spooner:* Thank you very much. Joanne.

C: *Joanne Doyle:* I just have a really quick comment. One of the things that was really hard to get across on the boards with looking at the service that we have it here is, the proposal was for the elimination of the 6:20 p.m. sailing, which is the dedicated for Thetis, but having a sailing at 6:30 p.m. that also served Thetis and Penelakut, it was hard to get it across because we’re using the existing schedule, but that’s the idea. The 6:20 p.m., we know it’s important from a commuter perspective, but, and I’m sorry that I didn’t start with that at the very beginning. But that is one of

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- the things that we know at that time, it wasn't have a big gap in the time when commuters are coming home. That wasn't the intention of it.
- C: *Ellen Rush:* Well, I just wanted to ask you something about that. My name is Ellen Rush, and I'm a resident. So, that information has been in the community, what, for three weeks now? About, approximately three weeks? A month? That we're losing our 6:20 p.m. sailing. And this is the first time that anybody has said to us, "oh, we didn't really mean that."
- C: *Joanne Doyle:* What it- how it was supposed to come across- and it totally didn't...
- Q: *Ellen Rush:* The point is it didn't. And I'm not putting you personally on the spot on that, but it's difficult to express what that type of information, in our community, does and the impact that it has on everybody here. So if, where you live in your communities, if you knew that your road was going to be closed, your main road to wherever you need to go, was going to be closed erratically, because it wasn't sustainable. And, I don't know what roads and ferries have to do with sustainability. Thank you, you did answer me, thank you. But this is a question for you, Kirk, actually. What do you mean by sustainability?
- A: *Kirk Handrahan:* Sustainable means you can continue it indefinitely to provide a service connection. That's what it means to me. I think it's tied up into affordable. It's affordable for the users. I think that that's very important, we clearly hear that. We clearly hear that there are challenges in that area right now. And, I'm not an elected official. My understanding of the political process is we elect governments and they have a challenging responsibility to manage economies in the government and their budgets. And government will set its service fee in relation to this particular service, and we can all disagree with the balance that they come up with, but they're trying to balance the competing demands. I go and make cases for money and it's always hard because there's endless demands for it. And we all have needs and they're all important needs, in this case we're trying to find a balance between what's affordable for the users, what's affordable by the taxpayers, as determined by the elected representatives, who are accountable every year. They have to put that budget in, go through estimates. They have to answer those questions and ultimately, through elections, are accountable to the electorate.
- Q: *Ellen Rush:* So then what you're saying is that sustainable has to do what people are paying and the money that's coming in? That's what you're saying?
- A: *Kirk Handrahan:* Affordable... I think it's very much linked to it, I think it's a very key part, but sustainable means that you can sustain it. I don't know if there's another word for sustain. Keep it going, right? Make it useful for the long term. So, I guess that's how I would define it.
- Q: *Ellen Rush:* And so then, your definition for sustainability for the roads that you live on, how would you define the sustainability of your roadways? I mean, you know what I'm saying here, it's... You know, I'm trying to push this point.
- A: *Kirk Handrahan:* We have heard the comment of "this is our highway" very clearly. And I can tell you, I understand that. I can also understand that they are different services. Coastal ferries are an integral part of the transportation system, but they're not a highway. They are different. The demands on them are different. When you said would I like my road to be closed between 6:00 a.m. and 9 a.m. or midnight and 2 a.m., whatever. It doesn't cost much, the incremental cost of me travelling on that road at midnight is low, right? But when I carry one passenger or one car on a ferry at 10:00 at night, there's six other people going along with them and carrying a big ship that has to be fuelled, right? So it is a different cost structure. I'm not saying one is more important than the other...

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- C: *Ellen Rush:* You actually are and the very discouraging thing about this whole process, as it drags on for now over a year, is that it starts to pit communities against another. So we all want good transportation structure in place for people in God only knows where, British Columbia. Places that we haven't even heard of and will probably never go to. We want them to have what they need. But this whole process of "the ferries are costing so much, it's not sustainable," you know, how blah blah... it starts to have people look at our communities, that we're doing something wrong. It's like, "you know, you guys are costing us too much money" And it's just not how you deal with big, complex issues and it's not how you deal with people.
- C: *Nancy Spooner:* Thank you very much Ellen. This lady has been waiting for some time to speak.
- A: *Mary Forbes:* Mary Forbes, resident of Thetis Island.
- C: *Nancy Spooner:* Thanks Mary
- C: *Mary Forbes:* I don't want an adequate justification for the premise that the unacceptable and disgraceful and discriminating. It discriminates against those young families, children, the elderly with essential services as opposed to those who live on the other side of bridges and tunnels and lakes who don't have to justify or be penalized. You should not expect us to pay significantly larger percent for all our transportation costs opposed to busses, bridges, tunnels and roads to more popular places. I think that the important fact is that small islanders are being discriminated against as opposed to if we were living in any other kind of remote area. And I just want to be counted for saying that. I think that there's a large number of us that are disheartened, feel the failure of this whole venture, feel a certain despair and anger and I just think it's despicable.
- C: *Nancy Spooner:* Thank you very much. There was a woman waiting behind who hasn't had a chance to speak. Are you ok if we have people who haven't spoken yet go first to make sure we... ok so if we take this lady first, and then the other lady. Thanks very much.
- C: *Arlene Kasting:* My name is Arlene Kasting and my husband and I own a resort on the island. The resort has been here on Thetis as a resort since 1930, but his great grandmother first lived here beginning in 1909. So it's been a family run business for all these years and we find, since 2008, a significant impact on our ability to meet our costs and still provide a service for summer guests who want to come to the resort. More importantly, we also run a wedding business, which has seen a significant reduction in the number of weddings we've done since 2007. And consistently when people inquire and come to visit and look at booking our resort for a wedding, if they do not book, the reason is the cost of the ferries to their guests. And, I have to say that I agree with, obviously being a resident, I'm going to agree with this side, but I have to say I do take issue with, you can feel very strongly that our ferry isn't a highway. We don't think it's a highway either. It's our system of getting from here to there. I don't care what you want to call it. The bottom line is that we need to get to a doctor or to the grocery store- because we don't have either on here and we are tied by the cost. So fix the system that's broken, and don't come to us to ask us to fix it for you. It just doesn't work. And I have to say that, the idea that there was more information out there that the 6:20 p.m. wasn't going to really be cut, is overwhelming. I am the teacher on the island. That is the ferry that, if the families want to go with their children to an appointment after school and then come back again, it's the one that's going to work best for them to maybe do another errand and still get back at a reasonable time for children to go to bed in order to come to school. And for my wedding business, you blow the whole thing out of the water because, if I have that, that's when

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- the guests are all coming from the mainland on the 3:00 p.m. ferry to have a barbeque on this island on a Friday night, and if they miss the 6:20 p.m., guess what? They're going to miss the barbeque. The frustrating thing is that we don't get the important information and then we get argued with about semantics, about whether it's a highway or not.
- C: *Nancy Spooner*: Thank you very much. Yes, go ahead.
- Q: *Simone Luckham*: My name is Simone Luckham, I'm a resident. I wasn't going to say anything because I'm wearing a sign, but when the question came up about the 6:20 p.m. I felt the need to speak because I agreed to Duncan. And I was thinking, "What am I going to do? I'm going to miss the 6:20 p.m." Now we hear, "Oh it was going to be, maybe a triangle route." My question is how is that going to save money?
- C: *Unknown*: That's going to cost more.
- A: *Joanne Doyle*: What it's going to do is, over the day, I think you can see on the chart, it says about 12 round trips, so taking a roundtrip out, taking the dedicated Thetis roundtrip out and moving the afternoon sailing around, knowing that there will need to be some playing with the schedule, that's what David was referring to, we get the feedback from the community identifying the important times of travel for different, the residents and businesses and commuters, knowing that, and then build the schedule with FACs and other members of the community in the early new year, once we get more feedback for the ministry.
- Q: *Simone Luckham*: So you're basically saying you're making the 6:20 p.m. route a triangular one?
- A: *Joanne Doyle*: So, removing the existing 6:20 p.m., and then the sailing that follows the 6:20 p.m. bringing that earlier. So, you'd still have your 6:30 p.m. but you're changing the afternoon service a little bit. So one less sailing, for fuel savings. The length of the day isn't showing crew savings, the length of the day is still going to be about the same as it is now. That's not where we're gaining savings. In this one, it's the fuel savings.
- C: *Simone Luckham*: I think I agree with what Arlene was saying. We've had this information for weeks and it would've been a very small thing to include that it might be a triangular route. Because I also talked to other people who commute to Vancouver or to Victoria and they're considering giving their resignation because they will not be able to come back on the 6:20 p.m. Why make us worry if it would've been a simple thing to put on there: 'not cancelled, shifting of the schedule, maybe a triangle route'. That takes two sentences.
- C: *Nancy Spooner*: Thank you very much. David?
- C: *David Hendry*: Excellent point. It was missed. I think part of the challenge is it's a multi-port route and you can't, if you look through the document and the other routes, you can show times and you can portray what we were intending. Again, we didn't want to come out with revised schedules and to come out with what your schedule would look like definitely, so to put it into this document and try and identify what we're trying to portray is challenging...
- C: *Unknown*: We feel very sorry for you.
- C: *Nancy Spooner*: Thank you very much.
- C: *Peter Theriault*: Peter Theriault again. Through this information session, I think that homework hasn't been done. Moments like this shows the ineptitude and the lack of real understanding on what effects are going to take place for the locals. The point being made about not knowing something so small really gets to who's really in charge? Sure your heads have been buried in a lot

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of stuff. And I give thanks to everybody on the Ferry Advisory Committees on all the Gulf Islands just for the political quagmire that they deal with trying to figure out when a meeting is going to happen here. You don't even know when a ferry schedule is going to be figured out among the other changes and the lack of funding. First off, we have to look where we're coming from too, in the political aspect, because unfortunately this is a political ball. And when you get Christy Clark just throwing out things like getting rid of 7,000 ferry members' family passes and everything else, doesn't bode well for anybody. To look at where she's coming from, that she actually has disdain for Victoria, that she hardly even comes to Victoria, let alone to come to think about what's going to happen within the ferry system. When you've got Minister Stone that's flying back and forth on heli-jet to for business, is there a real connection with the politicians and ferries? I don't think so. Or with the public. I think that, I'm going to ramble here, once again you've heard about all the roads and everything else, Mile Zero of the Trans-Canada Highway starts in Victoria. The government of this province is based in Victoria. And it's going to take Christy Clark to understand that she is running a province that has islands and a marine environment that has to be serviced affordably. So, thank you.

C: *Nancy Spooner:* Thank you very much.

C: *Peter Luckham:* Sorry to have to come back. I'm not feeling good about this and I don't like the sense of what I feel is disrespect to our community. We know there are no yellow lines out there and there are no tow trucks to pick you up. We know it's water. But ferries are different from bridges and bridges are different from tunnels. That's not the point. The point is, as Arlene had pointed out, it's our way of getting from here to there. Having had the pleasure, or not, the 26 years that I've lived here, every time somebody talks about changing the ferry schedule, this room has this many people in here because it's really well thought out. There was a moment many years ago, some of you will remember, that there was going to be a proposed change to the ferry and it was Bruce Bennet in fact, also a past employee of the ferry company by the way, that went over the ferry schedule and pointed out why the ferry schedule works in terms of loading and unloading vehicles, in terms of crew breaks, all of this sort of thing. Simply eliminating a ferry and rescheduling another ferry in order to mix and match- and just for the record one run the ferry in additional distance and offload and on load passengers. I fail to see (and I think everybody else in the room fails to see) where the cost savings are. You're still running the ferry back and forth, extending the route or whatever. A couple of other things that popped up in my mind as we went along is, being the chair of a number of other islands in the Islands Trust, we often have meetings with other members of the Ministry of Transportation and Infrastructure. And it's curious to note that when we want a road fixed, like the road on Mayne Island that's about to fall into the ocean, or a road on Thetis Island that's about to fall over the edge of a cliff, when we ask for funding to repair those things, you can't get an answer. You can't get an answer about a long-term strategic plan for replacement. So it's a little disheartening to think that these ferry terminal capital costs that are planned in advance for a very long time, I think you said, of \$200 million, \$200 million to repair roads on the islands would go a very long way. The other thing that's disturbing in the portrayal of what you said about the ferry centre in downtown Vancouver, and that it pays for itself. Well that's a curious thing, how does it pay for itself? Does it sell something else other than ferry fares? Because the point made by the individual that brought that up was that there's other ways to book a ticket on a ferry. You don't have to walk into a centre to buy a ticket. So that's

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misconstrued. It's probable that those tickets would be sold, those revenues would be had, they wouldn't have to offset the cost of a very expensive piece of real estate in Vancouver, so I'd take that back if I was you. The only other final thing, a little bit of humor, you have to laugh every once in a while. Being an elected representative for the Islands Trust, if I had this many people in the room for a local trust committee meeting, I would definitely get the message that I had done something wrong.

C: *Nancy Spooner:* Thank you very much.

Q: *Nancy Spooner:* Do you want to speak about the youth? And the school, and the school activities?

A: *Leanne Knowles:* No that's alright. I'm shy.

Q: *Nancy Spooner:* You sure?

A: *Leanne Knowles:* No, no. Ok.

C: *Nancy Spooner:* Ok.

C: *Leanne Knowles:* My name is Leanne Knowles and I live here on Thetis Island and I'm a mother. I have two small children. I have two in school and... I totally forget what I was going to say.

C: *Nancy Spooner:* It was about the importance of the ferry times for the kids?

Q: *Leanne Knowles:* Yeah, it's really important to keep the 6:20 p.m. and we should've known that it wasn't going to be cancelled. But it sounds like it will be in a way, like you're going to try and combine the 6:30 p.m. and the 7:30 p.m. together, which is kind of... dumb. I don't know, that's my point of view. Also, you know, I have a boat and when you have it full force, it burns more fuel. I'm just wondering what if you reduce the speed of the ferry by 1 knot or two and keep every single ferry and just go to all of the islands, like just do a round trip. I don't know if that helps, but that way you're not doing like a single Thetis run and you're not doing a single Cooper run. I've been here for 11 years in January and when I first came here the ferry cost \$4.25. And I'm not sure, what is the cost for a walk on passenger now? It's like twelve dollars?

C: *Unknown:* Nine... nine something.

Q: *Leanne Knowles:* Ok. That's a huge jump. I haven't seen anything else go up like that. Is that because of the cost of fuel? Or what is the reason? Why did it go up so much?

C: *Nancy Spooner:* Ok, so I'm going to ask David to answer two questions. One is about reducing the speed, and the other is about the cost.

A: *David Hendry:* The speed is related to the schedule.

C: *Leanne Knowles:* Well, you'd have to change it a little bit.

A: *David Hendry:* It's something that we've looked at on other routes but if you reduce the speed, over the course of the day, the schedule on a cumulative basis is impacted, which is not to say that that's not something that should be looked at in the future.

C: *Unknown:* You're going to take one sailing out anyway.

Q: *Leanne Knowles:* You are going to take one sailing out?

C: *Unknown:* Oh yeah. They're taking a sailing out. They're going to juggle the rest of them around to fit.

C: *Nancy Spooner:* Ok so we need to make sure David can finish his answer please, because there was two questions on the table. The other one is about the raise between \$4.25 and \$9.80.

A: *David Hendry:* The increase in fares directly related to the increase in costs, so a majority of that has been fuel. It's gone from \$50 million to \$120 million, which is more than doubled. It's about 2, and a half times the cost. It was talked about the debt, which has to be financed, related to a lot of

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the assets that have been replaced. A lot of vessels have been replaced; your vessel's been replaced. A lot of the terminals have been replaced up and down the coast to the tune of about \$1.8 billion over the last ten years. That has to be accounted for and paid for. Also just the general cost increase that any businesses face. It's an expensive system to run. The service has not been adjusted anywhere apart from the major routes over the last few years. The provincial fees, the service fees have gone up recently, but when you have the pressure of service fees, rising costs, the same service, really there's only one place to turn and that's increased fares.

C: *Leanne Knowles:* Ok.

C: *Nancy Spooner:* Thanks Leanne. Dave.

C: *Dave:* I'm just going to say, about the fuel savings and all that and you're saying you're adjusting the schedule and I've spent quite a bit of time- I don't know, I gave somebody a copy, I gave you a copy of that- and it left a lot of room for running slow and it eliminates meal breaks, eliminates any late arrivals, and it'll save at least \$200,000. So there you go.

Q: *Nancy Spooner:* Did you give a copy to us?

A: *Dave:* I gave it to somebody. But anyway.

C: *Nancy Spooner:* Thank you, excellent. Thank you very much Dave. We have 20 minutes left. Is there anyone else who would like to speak? Yes sir?

Q: *Ernie Hunter:* My name is Ernie Hunter, a resident of Thetis. I actually don't ride the ferry that much, so I may not be as directly affected as some of the other people in this room but that's beside the point. I've always actually been more in favor of triangle runs just for the basic economics of it and I'm very much in favor of slowing the ship a bit down and changing the schedule to reflect that. The ship would run on time and, as Dave said, we'd be saving a lot of fuel. I do have a business question and I'm actually I'm not all that good at business, as most people in this room know. What is the debt, the ferry debt that we're talking about, how much is it that we're paying on?

A: *David Hendry:* It's approximately \$1.4 billion right now.

Q: *Ernie Hunter:* Now, I was just sitting in my chair thinking about all the things people were saying and the service reductions etc., and then wondering when might be the next reduction, and I was thinking what happened if we reduced it entirely? Like, I mean, entirely. Like all of it gone. No more service. Right? That means there would be no money coming in. Right? There'd be no fares, there'd be no service. So the question is, if that happened, if the government decided to do that, what would happen to the debt load?

A: *David Hendry:* Let me give you an example. Your route brings in about \$1.5 million of revenue. It costs \$4 million of operating expenses to run. So that's the labour; that's the fuel; and that's the re-fit and maintenance; that's the terminal costs on either side. So, \$1.5 million in revenue, \$4 million in operating expenses, so if you didn't run the service anymore, theoretically you save \$2.5 million dollars. So, what you would have to account for the is the capital charges, and the capital charges are the amortization, which is a non-cash cost, but it's a sunk cost, it has to be carried through the years, and the financing of that capital, which is a cash cost, that's the interest and the financing cost, and that's about \$1.5 million. So, technically you're right. So you have a 2.5 million savings eroded by \$1.5 million so you would save approximately \$1 million dollars.

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- Q: *Ernie Hunter:* Yes. But, what I'm after here is that, in truth, if the fares are going to debt servicing that is not right. I don't see that as being a right. Is that what's happening? The fares are actually paying the debt?
- A: *David Hendry:* The fares pay for part of the debt, but they also pay for the rest of running the system; it's the operating costs of the system plus the debt.
- Q: *Ernie Hunter:* Yes, and the debt came from..?
- A: *David Hendry:* The debt has come from the inception of the new entity in 2003.
- Q: *Ernie Hunter:* And what would be wrong with the province picking up the debt?
- C: *David Hendry:* Well, I'll ask Mr. Handrahan.
- A: *Kirk Handrahan:* Part of the service fee goes towards paying the cost. I mean, the costs are the operations, the debt, the interest, and we provide a service fee. We don't allocate it to the debt or to the operational costs; we provide a bulk amount of money. So, on this route if the fares are bringing in \$1.5 million, then the service fee is pretty much covering the rest of the cost - both operational and capital. But I kind of think your meaning is, why don't we just bring it back into government and take on the debt.
- C: *Ernie Hunter:* Hey! That's just exactly what I meant.
- A: *Kirk Handrahan:* And, you know, that was a decision made by the government that this model, they wanted to take it out of government, run it at arm's length in the sense that we're not involved in the day-to-day operations of the corporation. In some cases the province has paid for the capital. For example, when the two northern vessels were built, the Northern Adventure and the Northern Expedition, the province increased its service fee to fully fund both the capital and the interest charges associated with those vessels. In the future, as vessels are replaced, maybe government will increase its share to cover that cost.
- C: *Ernie Hunter:* It'd be interesting just to see how much easier your job would be if we started off with zero debt and tried again.
- C: *Kirk Handrahan:* In the end, someone would have to pay. The costs would be the costs. There is debt, but there are also the operational costs.
- C: *Ernie Hunter:* Oh, of course.
- C: *Kirk Handrahan:* So, the money is going to come from two sources: the users and the taxpayers. And you can drive the costs down. So, at the end of the day, we're all paying.
- C: *Ernie Hunter:* Well, actually, we're not all paying. We're paying, but...
- C: *Kirk Handrahan:* I take the ferry too.
- C: *Ernie Hunter:* One last thing, I won't keep you. Just out of interest, Patrick was mentioning when the ferry was under the department of highways, and during that time you could buy a book of tickets for \$1.20 and it gave you ten runs as a passenger. And the car and passenger was \$2.50, and that gave you 5 runs. So, things were different then, but it's just odd how out of hand things get. Thank you.
- C: *Nancy Spooner:* Thank you Ernie.
- C: *Veronica Shelford:* My name is Veronica Shelford and I am a resident. I certainly agree largely with what's been said tonight. No arguments there. I heard you say a couple of times that you have been tasked by the government to find these savings. I'm not an accountant, but I'm not stupid either. I have been on a number of executive boards and I have also read the newspaper and I am well aware of how flexible accounting can be. And a tremendous amount has to do with what

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Denham referred to as first principles from which you are operating and where dollar amounts get put on the spreadsheet and how it looks in the end. And I know you're not going through meetings like this over building a bridge or building a tunnel. That's not happening. So this is, for whatever reason, a unique situation. It is a unique situation because of a certain decision at a certain time in government. From the sense of it, right across the board you've heard "take it back into the highway system." So, just for the record, we are testing you to take it back to the government and say this is actually what's going to work better, from the people who are living with it. We're not saying that you can't adjust the schedules; we're not saying that we can't work to the higher costs that are present today than were 20 years ago. But a lot of the costs are a lot higher than they need to be, and part of it is because stuff is being moved around in the accounting. Like the place in Vancouver paying for itself. That's a different kind of accounting, isn't it? So, see if we can't do it so that the ferry system is genuinely part of the transportation system in B.C. and not a unique situation that has to be argued over.

C: *Nancy Spooner*: Thank you Veronica.

C: *Kirk Handrahan*: Thank you.

C: *Steve Frankel*: I'm also listening carefully to what folks are saying. I'm also thinking along the lines that, I think that the ferry system is supposed to be an essential service. Like education, health, other ministerial agencies. An essential service provided by the government. Only in this case, this essential service is mandated to make a profit. So that kind of really kills the whole idea of trying to save money or make money. It's like a contradiction in terms; it would be like if the Ministry of Education, and I'm a retired school principle, so I know a little bit of how funding works and how it doesn't work – and most of the time it doesn't work – if the Ministry of Education was structured like the ferry system and we were told, "you've got to make a profit. Every school has got to make a profit." There's something wrong with that. There is certain services that the government should be mandated to provide. The government should manage those services, especially when they're essential services, and this ferry system is an essential service. It's our bloodline. Thank you.

C: *Nancy Spooner*: Thank you very much. Leanne.

Q: *Leanne Knowles*: I just had a few questions. Is it true that you guys are going to be making elderly people or anyone over the age of 60 or 65 to start paying for the ferry?

A: *Kirk Handrahan*: Currently the discount on Monday to Thursday is 100 percent on the passenger fare. So if you travel Monday to Thursday you get 100 percent off the passenger fare. You if you're over 65. You still pay for vehicles.

Q: *Leanne Knowles*: But, ok, if you travel Monday to Thursday it's still free?

A: *Kirk Handrahan*: For the passenger

Q: *Leanne Knowles*: For the passenger?

C: *Unkown*: Now

A: *Kirk Handrahan*: Now. What we're moving towards is charging 50 percent of that. So you get a 50 percent discount instead of free.

Q: *Leanne Knowles*: But I just don't see the logistics of that. I don't see how that is a good thing. That is kind of a bad thing because it starts here and then someone goes to the store and they're like, "oh, sorry, seniors' discount doesn't matter." I mean, they're the reasons why we're here. And to take something from someone who's already on a fixed income? That's ridiculous. It's like taking

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candy from a baby. “You need this, but we’re going to make you do that.” That’s ridiculous. I’m sorry, that’s my point of view. And what do we have to do? Do you guys make a decision? Are you guys the people who actually present a bill or present to the president of BC Ferries to make a decision?

C: *Nancy Spooner:* So, I’ll just let Kirk speak to that. He was explaining the process earlier, but maybe you weren’t here, about how we take the information back and then how it will be delivered.

A: *Kirk Handrahan:* Sure. Thanks for that. So, no, I’m not the decision maker. I work for government. Ultimately, the elected officials are the decision makers and they have indicated that they want to see these savings from service reductions. And so, we were asked to come out and talk to people about the changes that we’re planning to do, get input on the impacts, and then refine that and bring it back for them to make a final decision. So all the information that’s going to come from these meetings, all the forms that you fill in until, I think December 20th, we’re going to take that. There will be a report in January, independently put together. That will go to the Minsters; they will make their final decision.

Q: *Leanne Knowles:* Is there anything else we can do to change the decision? Or is it just here? Like write our comments, send them in... is there another meeting in Victoria? I remember hearing that throughout the evening.

A: *Kirk Handrahan:* People will want to express their opinions, their concerns, in a variety of ways. This is our process here. They can write letters, they can talk to their MLA, they can go and have some protests or, you know.

C: *Leanne Knowles:* Ok.

C: *Nancy Spooner:* Thanks Leanne. So we have a lady who hasn’t had a chance to speak yet, and then we have, you want to speak one more time? And then I’m going to make you the last person because then we will close. Yes ma’am?

C: *Joan Smirl:* Joan Smirl. I’m a part-time resident on Thetis. I just find this whole process really frustrating. I think the whole purpose is just to appease us, to think that you’re listening and we’re being heard and I really don’t feel we are. Honestly, that’s the way I feel. I think it’s time to take that *Coastal Ferries Act* and sink it. Put it under a Minister of Transportation. My second question is, and correct me if I’m wrong, I understand that Kirk & Co. was paid \$781,000 to do the 2012 runaround, and I’m sure that’s the same money. I just find that it’s just a waste of money because we don’t get listened to. Because you don’t really have any power to do anything about it, you put it down. And I don’t even feel- I filled in that page and everything and I bet nobody even read it. That’s the way I feel. I’m really discouraged.

C: *Nancy Spooner:* Thank you Joan.

C: *Peter Luckham:* Ok and I’ve got a loud voice, so I’ll just stand here. I’ll take into account that you don’t think that the ferries is part of the Ministry of Transportation and Infrastructure. Ok. I’ve noticed in my years in local government that the ministry names change all the time. And so if you want to create a new ministry of silly walks or ferry services, that’s fine by me. The message is, it needs to go back to the province. And then I’d just like to point out, because you’d mentioned this twice, that the choices in terms of how this is going is up to how we vote in elections. Well you may not notice this, but most of the governments that are elected representatives on the islands and the gulf islands all sit in the opposition, and they don’t have the ability to make the decisions

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necessary to change the ferry act. It's very sad and very disheartening to think that we have the ability to change things, when the government is just simply not listening.

C: *Nancy Spooner*: Thank you for that. And thank you all very much for coming. It's a cold night and I know you're all busy and we do appreciate you coming. Please, please fill in those feedback forms. If you don't have time tonight, and if you're not going to fill it out online, please mail it to us by December 20th, because every piece of input does count. Thank you all very much.

3. Closing Remarks

Nancy Spooner wrapped up the meeting, thanked participants for their time and encouraged participants to complete the feedback form and encourage friends and others to participate.