Final copy of the May 30, 2007 letter from the Ferry Advisory Committee Chairs that went to all of Cabinet and Speaker, and three Deputy Ministers .. Jessica McDonald (Premier and Cabinet Secretary), Linda Morris (Public Affairs Bureau) and John Dyble (Transportation.)

We, the Chairs of the Ferry Advisory Committees and the 100 colleagues who sit with us, are nominated by local governments to represent the communities of the coast that depend on ferry service through what are known as the 22 non-major routes.

The Committees convey the perspective of the passengers who make more than 10 million trips a year on these routes. They comprise permanent residents, part-time residents, businesses, and many visitors from all over BC and points far afield.

The Chairs are writing to express the widespread grave concern about the consequences - to individuals, communities, the region and the province - of the current government approach to the non-major routes. These will become more acute in the second term of the contract between the provincial government and BC Ferries, if there is no change in government position.

We have concerns also about how the government is representing its position regarding its support for the ferry system and the concerns of users. There is ever increasing public understanding of the system, and the most constructive dialogue is based on common understanding.

Never in the history of the ferry service has there been such a sustained period of fare escalation. The resulting concern goes far beyond anything witnessed before. It will only grow as part-time residents and visitors travel this summer, and as the next rounds of fare increases are applied in November, then in April annually. The impact is already being felt. The Chairs, and a very large number of ferry users, have been conveying this to government representatives.

The Chairs agree with the Office of the Auditor General that the approach to ferry service for the major routes is clear, and appears to be succeeding in its intended goals. We agree also with the OAG that for the non-major routes, there appears to be a policy vacuum. We and many others believe its effects work against the government's broader vision and goals for British Columbia, and undermine what is still a fundamental public trust, the responsibility for delivering essential services.

The government position regarding non-major ferry service, as it is articulated publicly, is based on one clause in the Coastal Ferry Act:

38(1)(f) the designated ferry routes are to move towards a greater reliance on a user pay system so as to reduce, over time, the service fee contributions by the government.

The vagueness of this clause and the way it is being implemented is creating harm and uncertainty for ferry users, their communities, business, and the province as a whole. Ultimately it will also create a crisis in the ferry service.

Ferry users are paying an exceedingly high price for service under the restructured ferry system, literally and figuratively. Already fares have increased by 35-68 % since the implementation of the Act. Further increases in the coming contract term will compound this at a rate at least triple that of inflation.

The user-paid share of the service excluding the northern routes has increased already from 40 to 50 %. This is a substantial move toward user-pay, and a percentage of user support far greater than that for any other form of essential transportation infrastructure.

Support for core transit service has increased by more than 16% over a similar period; highway infrastructure spending will top $2 billion over three years. Yet, support for essential ferry service has not changed in five years, except for extraordinary funding to help the northern service recover from tragedy. There is no apparent policy rationale for this singular approach to a form of transportation as essential as highways or public transit.

The ferry dependent communities are not alone in paying a price for this rapid fare escalation. The high cost of coastal travel is a barrier to any form of coastal activity for all but the very wealthy and the very rugged. This is not a basis for sustaining a large region of the province. People are moving, and adding to unplanned urban growth; First Nation members, and those for whom moving is not an option, will be increasingly marginalized. We ask government to consider some of the projected consequences.

The ferry system itself is also likely to pay a price. We believe that the resulting decrease in ridership, which is already being seen, will spiral downward more rapidly. An ever decreasing number of users will bear an increasing user portion of service costs, until it is simply out of reach. This will undermine BC Ferries' traffic projections, which underpin company sustainability.

There is no entity that has studied fare elasticity and its effect on traffic. The company's current elasticity study, as with so much research related to ferries, focusses on the major routes. It is not asking the questions required to understand what sustains the non-major routes. When the Coastal Ferry Act called for an end to the cross-subsidization of routes, it benefited the major routes, but it created a requirement to understand what is needed to sustain the non-major routes. Currently, only the ferry-dependent communities are aware of this information.

In closing, we note that this is a critical moment in the newly restructured ferry system. It is the first time the assumptions on which the restructuring was based are being tested in the renegotiation of the contract. We ask you to cast a closer eye to the impact of the changes on a large part of the province, and on a large number of people who have no choice but to use this form of transportation.

The Chairs have met with senior staff from the Ministry of Transportation, and with the Minister. We have offered our knowledge of the ferry system and its underpinnings to help all parties develop a more efficient and more cost-effective system.

As people who directly fund half of the service, we are very interested in receiving value for our money. We expect to pay for ferry service. We expect as well to see parity between this service and other forms of essential transportation, which collectively are a responsibility entrusted by the citizens of this province to our government.

We welcome any questions you may have of us, and offer to send you more detailed information about our position and our findings. We look forward to your consideration of our views.

Respectfully,

Terry Cotter, Bowen Island, tcotter2@telus.net 604-947-0843

Tony Law, Denman-Hornby, ceec@telus.net 250-335-1155

John Sprungman, Quadra-Cortes, sprungman@twincomm.ca 250-935-6332

Ian Ralston, Thetis-Kuper, pas@pacificcoast.net 250-246-4774

Andre Lemieux, Gabriola, andre.lemieux@shaw.ca 250-247-9889

Joyce Clegg, Gambier-Keats, jaclegg@primesignal.com 604-886-2763

Steve Smith, North and Central Coast, ssmith@cresthotel.bc.ca 250-624-1974

Greg Aivazoff, Northern Sunshine Coast, histump@yahoo.ca 604-485-0045

Bob Jones, Saltspring Island, 270ltd@saltspring.com 250-537-5514

Dave Dryer, Southern Gulf Islands, innonpender@cablelan.net 250-629-3353

Jakob Knaus, Southern Sunshine Coast, falconjk@telus.net 604 885 7793

Jo Mrozewski, Sointula-Alert Bay, jo@runninglight.ca 250-974-9913