



BRITISH COLUMBIA
FERRY COMMISSION

ORDER
NUMBER: 03-01

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IN THE MATTER OF
Statute of British Columbia Bill 18 – 2003
The Coastal Ferries Act
And
An Application by British Columbia Ferry Services Inc.
to reduce service on Designated Route 30

BEFORE: Martin Crilly, Commissioner on October 31, 2003

ORDER

WHEREAS:

- A. British Columbia Ferry Services Inc. ("BC Ferries") has applied to the Commissioner for authorization to reduce service on a designated route, pursuant to section 43 of the Act. This application is described in a letter dated October 27, 2003, attached, from the Executive Vice President, Finance and Chief Financial Officer of BC Ferries; and
- B. The Commissioner is of the opinion that the reduction is for a temporary period and is for an extraordinary situation.

NOW THEREFORE the Commissioner orders as follows:

The reduction in service as described in the attached letter of application is authorized.

DATED in Comox, in the Province of British Columbia, this 31st day of October 2003.

BY ORDER

A handwritten signature in black ink, appearing to read "M. Crilly".

Martin Crilly
British Columbia Ferries Commissioner

OFFICE OF THE EXECUTIVE VICE PRESIDENT, FINANCE
AND CHIEF FINANCIAL OFFICER

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October 27, 2003

Mr. Martin Crilly
290 Longview Road
Comox, BC V9M 3T7

Dear Martin:

Pursuant to Section 43 of the *Coastal Ferry Act*, British Columbia Ferry Services Inc. (“BC Ferries”) wishes to make application for a temporary reduction in service on a designated route. Section 43(2) states that

“A ferry operator that wishes to reduce service on a designated ferry route below the core ferry services required for that designated ferry route must make application to the commissioner for the authorization required by subsection (1) and must, in that application, justify the requested reduction.”

BC Ferries is currently involved in mid-life upgrades of all its ‘C’ class ships. This is being undertaken for two reasons – to update the construction, systems, and equipment to bring them into compliance with new Transport Canada regulations (particularly with regard to lifesaving equipment and fire protection), and to improve on-board passenger facilities, which are essentially unchanged since the 1970’s.

One ‘C’ class ship is being withdrawn from service for 6 months each year to carry out this rebuilding. At the same time the other ships must continue their regulatory maintenance cycle to meet Transport Canada requirements. Until such time as new vessels are built, this leaves BC Ferries with only the older and slower ‘V’ class vessels as relief during certain periods. These ships are well suited for route one, but at 17 knots, with the requirement to back into dock, they cannot properly fill in for the ‘C’ class ships, which are 20 knot double-ended ferries, on the longer routes.

Consequently, there are two periods during this fiscal year – from November 23rd to December 20th; and from March 1st to March 31st – when schedules will have to be modified. BC Ferries proposes to operate a ‘V’ class ship on route 30 (Duke Point – Tsawwassen) during these times. This schedule change will cause the company to exceed the 30 day disruption allowance for this route. The maximum round trips possible for the ‘V’ class ship will be 3, compared with the 4 normally scheduled. The ship would do one round trip in the morning, and two in the afternoon. This revised operating schedule has been used in similar circumstances in the past. It causes the least disruption because this is the lowest-volume route to Vancouver Island, and because the principal users are truckers who operate with reservations and who can be advised directly of the change.

A graph showing the traffic levels and vehicle capacity offered is attached to this letter. This shows that, even with the reduced schedule, there is ample capacity to move all the anticipated traffic.

British Columbia Ferry Services is requesting authorization to proceed with this service reduction without involving any negative consequences. This pattern of service will likely be required for a few weeks every year for the next four years, until all upgrades are completed and/or the first new major vessel is constructed.

In summary, we believe this request is appropriate for the following reasons;

- Mid-life upgrade of vessels are being undertaken to enhance safety and customer service in the long term;
- Refits for mandatory maintenance must continue on other ships to maintain their Transport Canada certification;
- All the anticipated traffic can be carried on the modified schedule;
- BC Ferries will communicate the amended schedule widely, and will notify the principal customer – the trucking firms;
- No provincial fee flows to this route group;
- No alternative service is feasible – a search for a used ferry has shown that no suitable ships are available;
- BC Ferries is proceeding rapidly with plans to build new ferries which would enhance service and make schedule reductions unnecessary;
- BC Ferries is scheduling refits to ensure that this service reduction takes place at times of the year with low demand.

Please feel free to contact me if you require further information to assist you in this matter.

Yours very truly,

Robert P. Clarke, CGA
Executive Vice President, Finance
and Chief Financial Officer

RPC/fch
Att.

Route 30: Tsawwassen - Duke Point March 01 - 31, 2003

