

Coastal Council Comments on Recent Announcements from BC Ferries

Earlier this week, the Honorable Judith Reid, Minister of Transportation, announced the remaking of BC Ferry Corporation into a customer-focused and financially stable marine transportation system which will be governed by a new British Columbia Ferry Authority.

The Coastal Council to BC Ferry Corporation welcomes these announcements. "It has long been recognized that involvement of Cabinet and the provincial Government in the operation of the Corporation has been a cause of the Corporation's difficulties, whether they were fast cats or terminal development," stated Steve Wohlleben, Chair of the Coastal Council.

Coastal Council was formed in 1998 as an independent body of stakeholder representatives from coastal communities and business interests, whose purpose was to advise the provincial Government and BC Ferries on major issues relating to coastal ferry service and infrastructure. Coastal Council has made key contributions to a number of decisions by BC Ferries, including advice on a sustainable financial framework for Ferries and on an equitable tariff model.

Council's recommendations have been based on consensus amongst stakeholders from very different situations and backgrounds. "We have a strong history of working together for the good of coastal transportation infrastructure, rather than the narrow interests of our individual groups or communities," stated Wohlleben. "I believe Coastal Council can continue to offer valuable input and a vital forum for discussion in the implementation of this new plan."

Coastal Council is pleased that many of its recommendations regarding a rational tariff structure have been included in the proposal. Council recognize that tariffs must increase to offset the effects of inflation and therefore have supported the 3.8% increase proposed for this year. Members of Coastal Council will review the proposed operating contracts and provide recommendations on the future tariff increases outlined in the Minister's statements.

Coastal Council is also pleased that the Government has recognized its responsibility to address the costs associated with social programs for students, seniors and health services, to permit the company to use demand management pricing and to pursue improved reservation services. "This approach to the restructuring of the Corporation should ensure continuing financial sustainability while protecting levels of service and minimizing rate shocks," stated Wohlleben.

Wohlleben has identified several outstanding questions which the Coastal Council will pursue. Included are whether vessels will remain in public ownership and whether raising capital in public markets is wise, given the resulting level of borrowing costs. The Council has stated that the coastal ferry system is part of the highway transportation infrastructure of the Province and that it is an essential role of government to invest in such infrastructure. The Minister was silent regarding the Government's mandate to maintain and support the coastal ferry service as an extension of the Provincial Highway and Transportation system, Council would expect this statement to be up front in the mandate of the British Columbia Ferry Authority.

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The Coastal Council's reports, recommendations and press releases can be accessed at
www.coastalcouncil.org <http://www.coastalcouncil.org>

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