



B.C. Ferries is failing and needs to be fixed

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B.C. Ferries should apologize to more than just the B.C. Ferries and Marine Workers' Union.

Two other candidates come to mind; residents of Nanaimo who will be deprived of ferry runs come the winter months, and the people of B.C. who have watched as efforts to turn B.C. Ferries into a profitable venture have only resulted in a decline in service levels.

Much has happened for B.C. Ferries since the Liberals in a morally questionable move made it a private company with public money.

While B.C. Ferries likes to point at new boats and terminal upgrades, no one seems to be asking how all this will be paid for. And for those who really want to know, details about what is happening with taxpayer money is not available.

The point has been made again and again, that it's just wrong for B.C. Ferries to be exempted from Freedom of Information legislation because of its dubious designation as a private company.

This government does not seem to care that then public remains outraged at this state of affairs. The interest of this government and B.C. Ferries is not so much that the public is served better under this strategy, but that B.C. Ferries cannot be used as a political football.

Manipulating a publicly owned body for political ends is something that smacks of a lack of integrity.

Moral issues aside, B.C. Ferries has a much bigger problem. It has done some high financing with big banks to do all the terminal upgrades and to purchase the new ferries (that are now shaking windows of some homes in Departure Bay) in time for the 2010 Olympics.

How all this is going to be paid for is not something that B.C. Ferries has been very good at explaining. They certainly reveal how it was financed, but no one seems to know how or when the banks will be paid back the millions they have loaned to B.C. Ferries.

The announcement that routes between Departure Bay and Horseshoe Bay will be permanently cut over the winter months is yet another indication that all is not well at B.C. Ferries.

Declining ridership has hit the company hard, and increasing fares has not helped. B.C. Ferries hatched a plan to make money by getting into the drop trailer business -- a market already dominated by Seaspan Coastal Intermodal. And Seaspan does not have the benefit of taxpayer money to subsidize their business.

Things started to go wonky at B.C. Ferries when it adopted its current corporate strategy. Fundamental was privatizing routes. That effort to privatize has now fizzled.

But many people remain fearful that B.C. Ferries will become fully privatized, either before the loans are due in full or by those who call in the loans.

Those fears are not groundless. In business there is only one result when the lines of dropping revenue and increased costs intersect -- bankruptcy.

The province has a right of first refusal should that happen, meaning they have the option of bailing out B.C. Ferries when it comes time to pay back those who hold the loans. No news has come out of B.C. Ferries to make anyone think that its corporate strategy will be a roaring success.

The question now is what to do with B.C. Ferries as it slides deeper and deeper into a hole from which it cannot crawl out.

The first thing that has to happen is the new Minister of Transport, Shirley Bond, must give a clear message to senior management. Either they must get things on track, or the province will get someone who will.

Unfortunately, it is the track this government wants that is the problem, not so much senior management. The corporate structure this government forged for B.C. Ferries is not working.

It's not about money anymore. The current corporate approach is failing. Let's start with transparency and accountability.

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