

## B.C. Ferries fuel surcharge could stay until 2009, firm says

Delay in implementation cost corporation millions: spokesman

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Falling oil prices won't bring an end to fuel surcharges for ferry passengers anytime soon.

B.C. Ferries spokesman Mark Stefanson confirmed yesterday that B.C. Ferries' fuel surcharge will continue for the foreseeable future, and may even last into early 2009.

Victoria gas pumps have eased off from highs that went over \$1.50 per litre to drop down to the \$1.30 mark, as world oil prices retreated below \$100 US per barrel.

This week, Air Canada and WestJet responded by dropping their fuel surcharges and lowering baggage fees. No such luck for ferry travellers, who have paid fuel surcharges ranging from seven per cent to 18 per cent since August, Stefanson said. Keeping the surcharge in place is not price-gouging, he added.

"Our fuel surcharge didn't kick in until Aug. 1," Stefanson said. "We had a number of months in the spring where our fuel deferral account was running at a major deficit. It will take months to recover."

Stefanson says B.C. Ferries maintains the deferral account to balance out oil-market fluctuations. In spring, with rocketing fuel prices maintaining their highs, B.C. Ferries approached the B.C. Ferry Commission to ask for relief in the form of a fuel surcharge.

That relief took months to implement, during which time the ferry corporation says it was forced to cover the increased costs.

Stefanson said the airlines' quick response to rising fuel costs allowed them to adapt to market changes while covering the higher fuel costs. Major airlines, as well as smaller coastal operations such as Harbour Air, added fuel surcharges in May.

B.C. Ferries reported reduced net earnings for the three months ending June 30 at \$8.4 million, a \$6-million drop compared to the \$14.4 million earnings from the same period a year earlier. At the time, the ferry corporation blamed high fuel costs for the plunge in profits.



CREDIT: Debra Brash, Times Colonist

B.C. Ferries says passengers can expect to continue to pay the fuel surcharge on its routes for the foreseeable future - perhaps into 2009.

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