

Impact of Performance Term 1 Fare Increases

Route 20 – Chemainus – Kuper –Thetis

Joint Submission by Kuper/Thetis FAC

From: Doug Snyder [mailto:dsnyder@capernwray.ca]

Sent: Tue, March 6, 2007 10:48 PM

To: Transportation, Minister TRAN:EX

Cc: Grubestic, Lisa TRAN:EX; Ralston, Ian; Pegg, Chris; Cross, Sharon; Jack, Sharlene

Subject: Community Impact of BC Ferries Performance Term 1 - Route 20

The Honourable Kevin Falcon
Minister of Transportation
Room 306
Parliament Buildings
Victoria, BC V8V 1X4
Phone: 250-387-1978

We, from the communities of Thetis and Kuper Islands, extend to you our condolences at this time of your personal loss. This time can be expected, but is not usually welcomed, and is always a surprise. One year ago I also lost my father. In addition to the loss came the surprising realization that now I am the oldest generation.

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Subject: BC Ferries Performance Term 1 – FAC Chairs meeting scheduled March 19.

Today we send to you an attached report that is the culmination of an assessment of the impact on our Communities of Performance Term One of the BC Ferries contract. Our submission is based on a community survey thus represents a valid, community wide statement of impact. We invested the time to do this so that both we (the Ferry Advisory Committee) and you could understand the realities of where we currently stand. In addition to a statement of impact, we have chosen to include a profile of our communities and ferry usage so that you can better relate to our life on these islands.

On the 19th there will be insufficient time to fully present our specific situation to you. So, we thought that both you and we would benefit from your being aware of our situation and our questions, beforehand.

Thank you for taking time to consider the attached. We would appreciate a direct response to our 5 questions so that we can communicate back to our “very interested” communities. We also ask you to incorporate your response into your comments at the meeting.

Yours respectfully,

Doug Snyder

Representing the Chemainus-Kuper-Thetis Ferry Advisory Committee

Kuper Island FAC – Penelakut First Nation

Sharon Cross, Co-Chair

Fred Mitchell

Thetis Island FAC

Ian Ralston, Co-Chair

Doug Snyder

Chris Pegg

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Leaving Chemainus



Docking at Kuper Island



Coming into Thetis Island

We are thankful ...

1. for having a Ferry service and seeing it's service quality steadily improve
2. for receiving Government support

We are challenged by the Coastal Ferry Act contributing negatively to the quality of our communities. **(Frequent User fares +56.5%)**. *Please see the next page for the impact on our communities*

Please protect our communities ...

1. by recognizing that our primary use and dependency is for affordable access to Essential Services and to our homes. The ferry service is the equivalent of our highway ... the reason why the original reporting of the “community” routes was to the Department of Highways.
2. by reducing the current uncertainty through giving us a publicly stated assurance that you will maintain the current level of Service Fees, while providing some relief from the fluctuating, high fuel costs in recognition of our dependency on Essential Services access.
3. by considering the provision of Capital Improvement grants to BC Ferries to lessen upward pressure on fares.

Please note that if our route was to achieve 100% User Pay, based on 2006 numbers this could only be done by reducing Operating Costs and Cost of Capital by approximately 80%, or increasing fares by approximately 400%. Neither of these approaches are viable. In addition, with the forecasted Cost of Capital for 2008, an additional 50% fare increase would be required.

Based on the above observations, our questions are:

1. The Coastal Ferry Act only declares its intent to lower Service Fees and maintain financial viability of BC Ferries, not its intent to maintain a viable life on the coastal islands. The Commissioner does not monitor this balance. Our Profile shows that the uncertainty created is forcing some people to leave as increases continue. This trend will substantially change the diversity and vitality of our current communities. The Government has allowed this uncertainty to exist. Why?
2. Why does the Government allow inequities to exist between water versus asphalt highways, and coastal versus inland ferry services ... each one is an equally necessary means of transport to access Essential Services?
3. For some of us, there was no choice where our homes were to be located (i.e. on Kuper Island). Why do our costs for ferry access to our homes, and to Essential Services, keep increasing? In fact, one could ask why we pay at all?
4. Why do users today pay for the high level of Capital Improvement required to rectify the neglect of former governments, while the current government makes significant investments in the highway and transit systems throughout the province? Will these be User Pay as well?
5. Business and Leisure usage is predominant on the Major Routes and Essential Services usage is predominant on all Other Routes. Why is the opportunity to do value based pricing (rather than cost plus pricing) not taken advantage of on the Major Routes in order to support the Other Routes?

(please see a Profile of our two islands on the next page)

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<i>Profiles of ...</i>	Kuper Island	Thetis Island
Local Governance	Band Council	Rate Payers Association, Improvement District
Services	Volunteer Fire Dept., First Responders, Community Gymnasium, Day Care, Hulhetun Adult Learning & Health Centre, Primary School (70)	Volunteer Fire Dept. & First Responders, Locally built Community Centre, Primary School (15 children)
Population	<u>Permanent Residents:</u> 515	300 plus year round School & Conference Centre (140)
	<u>Seasonal:</u> n/a	avg 1700 including property owners and guests, boat visitors and conference guests
On Island Businesses	Smoke Shop, Convenience Store, Cooks (15), Carvers (30), Building (6)	Accommodation (14), Food related (13), Artisans (12), Bus & Personal Services (8), Building & Landscaping (8), Recreation (7), Auto & Marine (5), Real Estate (1)
Primary Ferry Usage Our route has the highest ratio of passengers to vehicles of all BC Ferries routes	<u>Permanent Residents:</u> Food, Medical, Students to School (50)	Food (88%), Medical (52%), Students to School (13)
	<u>Seasonal Residents:</u> n/a	Food (71%), Recreation (42%)
	<u>On Island Businesses:</u> Move supplies and product	Move supplies, Customer transportation
Impact of Fare increases e.g. Frequent fares +56.5% <i>(Thetis is based on survey of Property Owners done in January 2007, with 28% response rate)</i>	<u>Permanent Residents:</u> travel less often by more buying in bulk where practical	53% travel less often, 47% use alternate shopping methods, 41% have used or considered alternate means of transport, 31% have reduced frequency of service people coming onto island; 21% are considering leaving if prices continue to increase (9% within one year)
	<u>Seasonal:</u> n/a	33% travel less often, 12% use alternate shopping methods, 37% have used or considered alternate means of transport, 25% have reduced frequency of service people coming onto island; 12% are considering leaving if fares continue to increase (8% within one year)
	<u>On Island Businesses:</u> Costs have increased up to 30% for those who are highly dependent on the ferry for sourcing supplies	Some instances of income reduction but main concern is that costs have increased up to 30% for those who are highly dependent on the ferry for sourcing supplies and/or paying for off-island employees.