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Holiday fare cuts part of premier's economic plan for BC

Ferry fares will be cut by one-third during December and January, announced Premier Gordon Campbell on October 22. The cuts will apply to all fares on all routes, including discounted fares paid for on BC Ferries' Experience card.

In addition, the premier also announced that service cutbacks, announced earlier to apply to the Swartz Bay–Tsawwassen, Departure Bay–Horseshoe Bay, and Langdale–Horseshoe Bay routes, will be cancelled and full service will be restored. The cutbacks, which took the form of the cancellation of early Sunday morning and some off-peak and evening sailings, were planned for the October 14 till March 31.

Why Now?

Several months of Islands' opposition to huge fare increases was fuelled by the service cuts. Strong opposition to the cancellations became evident at a public meeting held in Gibsons on October 20, initiated by Sunshine Coast NDP MLA Nicholas Simons. The meeting was expected to attract 150, but 450 Sunshine Coast residents attended. Speakers at the meeting targeted the government, which had 'privatized' the ferry corporation in 2003 but actually continued to own it. The meeting, which got wide television coverage, made it clear that the government was being directly blamed for the cutbacks.

Simons commented that the meeting shows that 'when the public comes together in a concerted way, it does have an effect.' However he said that the system needs overhaul, 'Coastal ferries are a failure and we need legislative change.'

Since 2003, the government had essentially frozen the subsidy provided for the minor route ferries. The result was that all cost increases in that period, plus payment of dividends to the provincial government, have been borne by fare increases, some of which have seen fares more than double. Additional government money had been contributed to maintain fare levels on the northern routes, following the sinking of the *Queen of the North*. The main route ferries are not subsidized, and are profitable; the Langdale–Horseshoe Bay route comes close.

Twenty Million Buck Bail-out

In his announcement, the premier said that $20 million would be contributed by the government to cover the costs of the two-month fare reductions, and the restoration of the cancelled sailings. This appears to confirm the willingness of the government to take action to reduce fares in the face of reduced demand. Recent reports have suggested that the main routes have suffered up to a 12% decline in traffic over the past few months, since the application of significant increases in the fuel surcharge in August. Minor routes have also seen significant decreases in traffic.

The fare cuts are in addition to a recently announced cut in the fuel surcharge due to the falling price of oil, to take effect November 4. (See related stories, pages 1 & 5)

Premier's Economic Plan

The legislature, which the premier had cancelled for the fall sitting, will be called on November 20 to pass legislation necessary to implement the Premier's Economic Plan, which also includes:

- deposit insurance guarantees for provincially regulated Credit Unions
- the initiation of a privately financed defined contribution pension plan, available on a voluntary basis to employers, employees, and the self-employed in BC
- previously planned personal tax cuts to be implemented sooner
- a 50% school tax rebate for industry
- accelerated tax relief for small business
- doubling the commission paid to business for collecting PST and Hotel Room Tax for the province
- acceleration of public infrastructure construction
- 'reining in' spending
- holding 'summits' to get feedback on appropriate responses to the current economic crisis.
- the implementation of further measures to implement the TILMA treaty with Alberta, with the object of complete implementation by April 1. (The specific nature of these measures has not been explained.)

It is not clear whether the late-start session of the legislature will provide any opportunity to debate ferry finance. ✐

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