

Reprint **Island Tides**

Visit www.islandtides.com to read the current edition and more find more interesting articles on other BC, national & international topics in our extensive archive of newspapers and articles.

Reprint from Volume 22 Number 23

Dec 9, 2010

FACC warns of ferry fare impacts

The coastal community liaison Ferry Advisory Committee Chairs (FACC) has published two reports detailing impacts of continuing fare increases on Island communities.

'Community Impacts of Escalating Ferry Fares' deals with questions of affordability, the nature of Island communities and their economies, changes in residents' and visitors' travel patterns, and the impact on the communities of the continuous escalation of ferry fares.

The second FACC report, 'Ominous Clouds' contains the figures and tables that illustrate why the policies set up under the *Coastal Ferry Act* cannot continue into the third performance term.

The trends are unmistakable: rising fares and decreasing traffic; costs constant or rising; decreasing traffic and thus, decreasing revenues for BCFS; no increases in the provincial contribution; rising fares to recover decreasing revenues; decreases in traffic....

Confirming these relationships, traffic has increased in response when fares have been reduced (temporarily, for two months in the winter of 2008/9; permanently for overheights, in April 2010).

Capital costs have doubled between 2005 and 2010 on minor routes, despite only one minor vessel and one rebuild placed in service in that time; many of the increased costs are allocations of capital costs of major terminal expansions, essentially a subsidy from the minor routes to the major routes.

Meanwhile, the aging minor route vessels are, on average, 35-years-old.

As well as on the economics of the ferries themselves, cumulative traffic drops have damaging social impacts on ferry-dependent communities.

Both reports recommend a review of the community impact of ferry fares, past, present, and future; a re-examination of the business model; and that the transportation basic contract fee be adjusted to a level that will really provide 'modest and predictable' fare increases

more in line with inflation, as originally promised when the *Coastal Ferry Act* was passed in 2003.

The two reports were presented to the Ministry of Transportation, BCFS, and the Ferry Commissioner on November 17. The Ferry Commissioner has recently been assigned a new responsibility: to consider the interests of ferry users. This is in addition to ensuring the financial stability of BCFS.

The two FACC reports have been prepared in anticipation of the Commissioner's review for Performance Term 3 (PT3), and the government's anticipated September 2011 decision on future 'service fees' under that contract. PT3 will start in 2012, and last for four years. On current projections, fare hikes are projected to be around 10% per year, or service cuts must be made, or maybe both.

These reports project serious consequences for Gulf Island communities. Find them at: www.gabriola.org/facc/.

© Island Tides Publishing Ltd. This article may be reproduced with this attribution, in its entirety, with notification to Island Tides Publishing Ltd.

This article was published (Dec 9, 2010) in 'Island Tides'. 'Island Tides' is an independent, regional newspaper distributing 18,000 print copies throughout the Gulf Islands and Vancouver Island from Victoria to Campbell River.

Island Tides, Box 55, Pender Island, BC, Canada. Phone: 250-629-3660. Fax: 250-629-3838.
Email: islandtides@islandtides.com. Website: <http://www.islandtides.com>