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Editorial: Heading for the Rocks on Auto-pilot

When BC Ferries was 'privatized,' the government told us that the main problem with the management of the ferry system was that politicians had far too great a say in its management, and it needed to be put on a commercial basis and run like a business with no political interference. So it was set up as a company completely financed by money borrowed on the private market, supervised by a Ferry Commissioner whose main responsibility was to protect its credit rating.

The sole government role (besides owning the company) was to provide a constant subsidy under the guise of a contract to provide coastal ferry services. These services, an essential part of the provincial transportation network, were to be both adequate and affordable. Beyond the subsidy, all further costs were to be covered by fares—including operations, maintenance, capital costs, and interest on billions of dollars of borrowed money.

Well, it's not working. Blame it on massive increases in fuel costs if you like, but fares are no longer affordable, and traffic is not increasing as forecast. As costs have increased, the provincial government has stubbornly refused to contribute its share. At this point, the financial viability of BC Ferries Services is threatened.

The fuel surcharges of 9 to 17%, introduced last weekend, bring ferry fares to the boiling point. 750,000 residents of Vancouver Island, the Sunshine Coast, and the Gulf Islands have experienced massively increased costs to access the rest of the province, and for essential supplies. Visitor traffic has disappeared; businesses are suffering. Communities are being hollowed out.

Transportation Minister Kevin Falcon has recognized that both the ferry company and the communities it serves are threatened. He has arranged for some special funding for BC Ferries' Northern Routes, but has done nothing about the rest of the system. Instead, he suggests that service levels on some of the minor routes be re-examined, particularly in winter.

This clearly demonstrates that he has no actual knowledge of the structure of the ferry system in his charge. But it does suggest that the penny has dropped that ferries are of political concern to the government in the face of an on-coming election.

The government cannot afford to continue to flounder along with BC Ferries on auto-pilot any longer. British Columbians can't afford it either. BC may be booming, its citizens aren't. ✍

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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>
