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BC ferries short-term bail-out

On October 1, BC Ferries announced that due to a reduction in traffic, the company would be reducing sailings on the Tsawwassen–Swartz Bay, Horseshoe Bay–Departure Bay and Horseshoe Bay–Langdale routes at off-peak times in an effort to reduce operating costs. The reductions would be in effect from mid-October through March 31, 2009.

However, on October 22, the BC government announced that as part of a provincial economic strategy, it would provide funding that will enable BC Ferries to reinstate the cancelled sailings. Therefore, starting this Saturday, October 25, the cancelled sailings will be reinstated. Customers are encouraged to visit BC Ferries' website at www.bcferries.com to ensure they receive up to date schedule information.

The provincial government also announced it would provide funding that will enable BC Ferries to offer a 33% reduction of fares on all routes for the months of December 2008 and January 2009. ☞

Ferries' fuel surcharges cut 50%

On November 4, BC Ferries will reduce the existing fuel surcharges by 50%. This reduction will apply to the major routes connecting Vancouver Island to the Lower Mainland, The Southern and Northern Gulf Islands, and the Horseshoe Bay–Langdale route. The northern routes currently do not have a fuel surcharge.

The reduction is intended to reflect recent reductions in fuel costs. Actual fuel costs over and above a budgeted price are accumulated in a special account for each route, and surcharges collected are applied to reduce that balance over time. Since fuel costs have recently been somewhat volatile, BCFS sets the surcharge levels to minimize sudden changes while still paying down the surcharge accounts. Therefore, the company has the choice of reducing the surcharges per trip, or paying down the accounts more quickly and then eliminating surcharges earlier (bringing them back if the price of fuel goes up again).

In view of substantial fare increases and the effect this has had on ridership, the choice has been to make reductions in the surcharges at once. The change will not affect the company's profitability, and will probably not affect its creditworthiness. ☞

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