

## RESPONSE TO BCF Performance Term 6 submission to the Commissioner, March/23

We, the Hornby Island Ferry Action Discussion Group, make this submission to provide information to assist the British Columbia Ferries Commissioner (the “Commissioner”) in establishing the price caps and anticipated spending for Performance Term Six. The operating plan, capital expenditures, and fares BC Ferries charges for core ferry services are regulated by the Commissioner in accordance with the Coastal Ferry Act (the “Act”). Every four years, the Commissioner establishes spending for each route group specified in the Coastal Ferry Services Contract (the “CFSC”) between BC Ferries and the Province of British Columbia (the “Province”) for the ensuing four-year performance term. The price cap is the maximum permitted ceiling of average ferry fares for each route group in that performance term. Spending is a combination of the route fare boxes and government subsidies.

This letter highlights our evaluation of the Performance Term 6 submission by BC Ferries as it pertains to Routes 21 and 22 (Buckley Bay to Denman Island, Denman Island to Hornby Island). It has 4 sections:

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- Performance Term 6 will run from April 2024 to March 2028.

## 1. Our summary of Performance Term 5

Performance Term 5 runs from April 2022 – March 2024. So, we are almost in the last 12 months. From the Hornby / Denman communities’ perspectives, it is fair to say that, so far, we have seen the worst problems since the system began:

- The Baynes Sound Connector was and remains unreliable.

- The carrying capacity of the Kahloke was downgraded in November 2021.<sup>1</sup>
- The peak seasons of the years 2021 and 2022 experienced the longest line-ups and wait times (notwithstanding decreased demand due to Covid) ever.
- Even in the off-peak season, Route 22 saw extended waits and shuttling, because of the lower weight allowance of the Kahloke.

The reduced carrying capacity of the Kahloke could not have come at a worse time. We are aware of people postponing travel, even for medical appointments, because of the service's unreliability and unavailability.

This analysis also applies to the Bayes Sound Connector (BSC), where there have been documented increases in the number of service interruptions<sup>2</sup>. For example, in November and December 2022 the service was not available overnight, which affects medical emergencies. Despite being off schedule, or unavailable, the service levels are deemed to exceed the contract-required minimums.

Since it's installation in 2016, the Baynes Sound Connector has offered the Islands less service. The BSC has carrying capacity for Gross Vehicle Weight of 190 tonnes, the carrying G.V.W. of the previous vessel was greater. When the cable ferry replaced the free moving vessel, the 300 passenger capacity was reduced to 150 passenger capacity. The BSC has poor tolerance in storms/winds, since April 2022 sailings are cancelled when wind gusts reach 39 knot, previously winds of 55 to 80 knots were acceptable

The 4 haulers on Denman collective GVW have approx. 130 tonnes, which is before other commercial and regular vehicles enter the picture. We have reports that the BSC is often overloaded due to weight in the mornings from Buckley Bay. The inability to carry all the commercial traffic is a severe limitation on service provided. For example, fuel trucks not being able to make it to Denman is causing the Denman Island gas station to constantly run out of fuel, and compromises the availability of diesel. The shelves at the General Store are empty before the next delivery. There are also BSC overloads most mornings year-round from Denman West<sup>3</sup>, and overloaded from Buckley Bay often in the afternoons year-round (especially the 4 pm sailing). The constant presence of a BCF maintenance vehicle taking up deck space is indicative of systemic problems; even less vehicles are able to load.

For Route 21, residents have been tracking service performance, producing a chart<sup>4</sup> to summarize service interruptions. Historically, the ferry dependent communities of Hornby and Denman Islands have had access to their ferries for "after scheduled hours of service" emergency access. Medical and Emergency Services personnel have been able to call out the

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<sup>1</sup> In November 2021, as a result of a routine lightship survey required by Transport Canada, the weight carrying capacity of the Kalohke was reduced from 88 tons to 80 tons. Did this factor into BC Ferries report and heat maps?

<sup>2</sup> Letter dated Feb 3, 2021, from Sheldon Stoilen to Jason Barabash, Re: Baynes Sound Connector – Service Reliability

<sup>3</sup> Regardless of what the BCF "Heat Maps" indicate

<sup>4</sup> Credit: Craig Williams

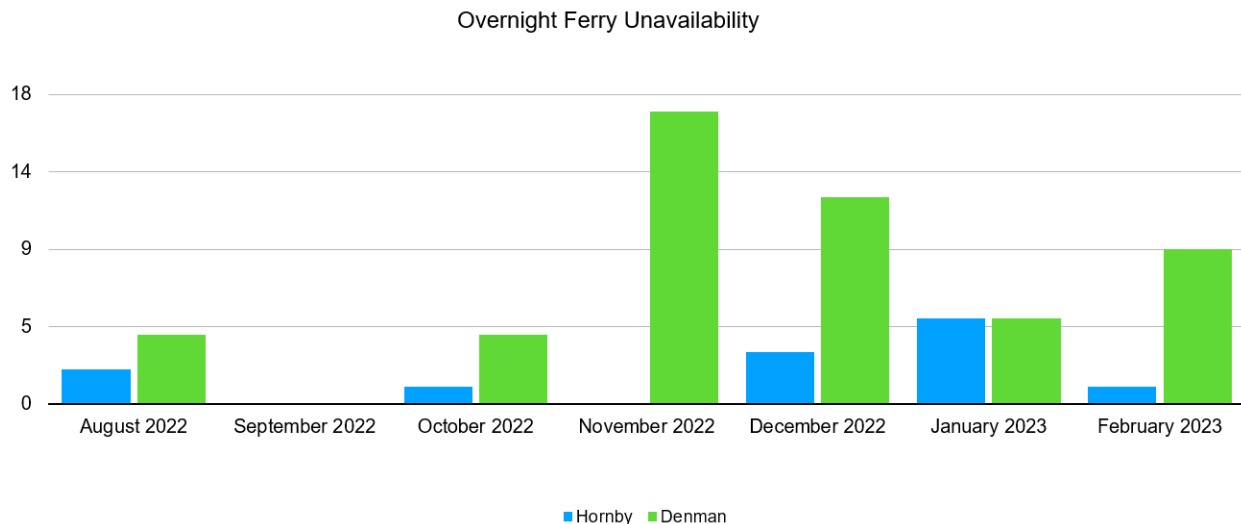
ferries in “the off hours”. This historic service is being severely challenged with the constant night-time work required for the cable ferry. This chart shows lack of availability. If BC Ferries does not continue to provide reliable “after hours” service the government will need to provide a whole new service of helicopters, Coast Guard or building on island medical facilities to provide the service. “Rob Peter to pay Paul.”

This table outlines the after-hours **non-availability** of night time ferry access for both Routes 21 and 22.

Table 1

|                       | Hornby | Denman |
|-----------------------|--------|--------|
| <b>August 2022</b>    | 2      | 4      |
| <b>September 2022</b> | 0      | 0      |
| <b>October 2022</b>   | 1      | 4      |
| <b>November 2022</b>  | 0      | 17     |
| <b>December 2022</b>  | 3      | 12     |
| <b>January 2023</b>   | 5      | 5      |
| <b>February 2023</b>  | 1      | 9      |

To put it another way, the graphic comparison between access to the traditional ferry on Hornby vs. the BSC on the Buckley Bay to Denman run, is drastically different.



Also, some delivery services are not available anymore (e.g. Centra Windows) because they cannot justify trucks, including drivers, sitting in line-ups for unpredictable numbers of hours.<sup>5</sup> Even worse, some suppliers (concrete trucks) have refused to come to the Island during the summer season, resulting in broken supply chains and dampening economic and liveability opportunities.

The lack of responsiveness by BCF and the impact on planned construction projects is dramatic. One of the local contractors has estimated that construction costs on Hornby Island are 1/3 more than those costs on Vancouver Island! The commercial traffic disruptions due to limitations on ferry access have had devastating impacts on many projects.

Safety is a grave concern with ferry traffic, on both sides of the Hornby ferry (Gravelly Bay and Shingle Spit) using one of the lanes of the narrow, two lane main road as a marshalling area (effectively turning the lane into a parking lot, with two-way moving traffic pushed into one lane). Compare the video at [https://www.youtube.com/watch?v=5VOG\\_0xQHdM](https://www.youtube.com/watch?v=5VOG_0xQHdM), taken by a Denman resident, driving to his house which is on the main road down past the Gravelly Bay ferry terminal (the terminal for travel from Denman to Hornby). The video was taken in June 2022, not even the hottest months, which are July and August.

Vehicle wait times during busy months on Route 22 can reach 4 to 6 sailings. Even in the off-season there can be significant waits when there are maintenance problems, too many heavy vehicles, or simply more demand than space on the vessel.

In particular, commercial vehicles can be so close to the weight limit of the Kahloke, that very few vehicles are transported across. All others, or the vast majority of travellers, have to wait for the return trip. While extra trips may be added at the end of the day, when the schedule is not respected, the quality of service is diminished.

In the 5-plus ferry-wait line-ups on many days of July and August 2022, the waiting traffic occupies one lane of the narrow, two-lane main road. Measured on Hornby Island last summer at Shingle Spit Road, the lineup extended for over a kilometre, creating a significant safety hazard for both the people waiting in line and the vehicles trying to travel in both directions on the single-lane, remaining roadway (reference to video). Making matters worse, people in the line-ups regularly walked to the front of the line-ups in search of water and bathrooms. On one particular hot, sunny day last August, by mid-day the ferry terminal washrooms had been so heavily used that the septic system backed up, and the washrooms were closed. Where were

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<sup>5</sup> On February 22, 2022 Home Depot, a major supplier of building materials to Hornby Island, announced an increase in delivery charges from \$125. to \$450. This is a direct result of suppliers waiting in lengthy ferry line-ups after the reduction in carrying capacity impacted the commercial carriers. Simply put, having our supply chain waiting in lengthy line-ups is beyond inconvenient, it is economically crippling, increasing the cost of living.

people supposed to go to the bathroom? What is the responsibility of B.C. Ferries to its customers?

For 2022 and route 22, there were 4,762 actual round trips, approx 4060 scheduled round trips and 3695 minimum required round trips (minimum to qualify for the subsidy). This comes to 702, or 17.3%, extra sailings compared to the schedule, and 1067, or 28.9%, more trips than the required minimum. This illustrates that the schedule, and required service levels, are completely inadequate, and that not only in the summer. How can the minimum be so much lower than what is needed to move the actual traffic? How can completely inadequate service not incur a penalty, but satisfy the Coastal Ferry Service Contract?

Residents have grave environmental concerns with continuing to operate the Baynes Sound Connector. Touted as being more environmental friendly, it has become a broken promise. Vehicles waiting in lengthy line-ups in the hot summer sun idling with their air conditioning on, and in the cold winter months idling with their heaters on. Constant starting and stopping as the line inches forward. The tremendous cost of supplying consumables to the cable ferry – iron ore and coal to make the steel cables, sourced from all over the world and shipped in ocean going “steamers”, crews and equipment travelling to service the cable changes (13 off-site originated workers were counted at Buckley Bay during one of the cable changes). Without cooperation from BCF for the exact number, local sources estimate 19 cable changes have occurred in the 7 years the cable ferry has been in service. The combination of weather and tides provides a hostile environment for a 3 cable drive system, individual cables get stressed past tolerance and become “saggy”, leaving 2 cables to take the tension designed for 3, jeopardizing performance and safety.

Another broken promise was for operational cost reductions. Crewing without any licensed officers has proven problematic both from functional and regulatory evaluations. Transport Canada is expected to gazette Marine Personnel Regulations (MPR) in the Fall of 2023 that require the BSC to have a Captain and a Mate on crew. From a functional viewpoint this should enhance reliability somewhat as there will be qualified decision makers to read wind gauges and evaluate tidal conditions. Cost reductions for fewer crewing and less fuel consumption have rapidly dissolved with new regulations forthcoming and excessive maintenance requirements.

Appendix B more fully outlines the cost discussion. Summary of the cable ferry : **NO SAVINGS AT ALL, AND compared to a sea-going vessel SEVERELY REDUCED SPEED, RELIABILITY, WEATHER CAPABILITY AND CAPACITY.**

## [2. Local developments Impacting, but not acknowledged, for Performance Term 6](#)

The following Provincial Government investments, Federal Government programs, and other local developments will have an impact on ferry traffic:

1. In November, 2018, the Provincial Government committed to \$2.6 million to subsidize a 26 unit affordable housing rental project on Hornby Island, construction is anticipated to begin in 2023.
2. In August 2021, the Provincial Government invested \$5.64 million to support bringing high speed fibre optic internet to Denman and Hornby Islands. The opportunities afforded for remote workers to live/work on the Islands is anticipated to increase year round demand for these ferry routes. We are not able to quantify the impact.
3. In late 2021, the Provincial Government, through B.C. Parks, spent over \$11 million acquiring land to expand Tribune Bay Park and Campsite on Hornby Island. Summer demand for ferry service routinely creates severe overloads. How will the new Tribune Bay Park expansion increase demand?
4. More recently, Government grants, both federal and provincial have also been awarded to the Hornby Arts Council for the construction of a new Centre, and to the Hornby Island Farmland Trust Society for a food processing hub. Construction is anticipated to commence in 2023.
5. Also on Hornby, redevelopment of the commercial property adjacent to the Shingle Spit ferry terminal has been underway, including construction of 15 residential units.
6. Denman North has a 24 lot subdivision completed, and about to have the properties sold. This will result in homes being built, construction industry deliveries, families and increased population on Denman.
7. Denman Green is an affordable home initiative which has secured land to build a development.

The availability and reliability of ferry service will impact both development costs, and pressure on deck space with an intensified demand for commercial traffic.

### 3. Criticism of BC Ferries' submission

One has to acknowledge that BC Ferries had a difficult task when compiling their submission. There are many moving parts, from Covid, to inflation, to the number of routes, to supply chain and staffing challenges.

However, in detail, we feel that BC Ferries' assessment and plans have fallen short, for Routes 21 and 22, in several different ways:

## a. General methodology

How did the plan for Performance Term 5 fail? How did it happen that management failed to be prepared for the Kahloke downgrade to carrying capacity? Even without this failure, the Kahloke was already too small. B.C. Ferries own metrics showed it was the worst performing route in the entire Minor Route fleet. How was this not anticipated in Performance Term 5 planning? Why were lessons to be learned during PT 5 not incorporated into the planning for PT 6?

## b. Problems with forecasting demand

40% of the land mass on Hornby is protected for all citizens of B.C. (parks and conservation areas). and service is for more than just the local census population.

Will PT 6 really avoid the present problems mentioned in Section 1? In the few pages that BC Ferries submission dedicates to routes 21 and 22, they are not mentioned. Even without taking into account any future increase in traffic.

A particular methodological problem is related to their Long Term Traffic Demand Outlook. On p101 it states:

For some routes, econometric models were able to explain past behaviour, but when used to forecast, it became clear they were not appropriate. In those cases, the traffic forecast was developed using the route's long-run traffic trend (compound annual growth rate). For example, routes 19 and 22 have faced considerable capacity challenges that cannot be properly captured in the models. Adding further complexity, route 19's available capacity was increased in fiscal 2022 with a change from one to two vessel service. As a result, it was deemed unreasonable to use an econometric model developed on historical data and the econometric models on routes 19 and 22 were replaced with a long-run growth rate forecast. Similarly, a long-run trend was used on other routes and commercial when a suitable econometric model could not be found.

This is an important point, on p101, they say that they chose an "econometric" forecast approach for route 21, while they chose a "long-run" trend for route 22. How can this be compatible? Almost all Route 22 traffic goes through Route 21 as well. The long-run trend is said to be less reliable, this loss in reliability should affect the reliability of the econometric forecast, for both, route 21 and route 22.

BC Ferries plans for the two routes does not address or seem to anticipate the expected demand and usage changes identified in section 3. Are they captured by the assumed long-term compound annual growth rates? It seems unlikely. For all the analysis included in BC Ferries submission, the result seems to be a system wide forecast of 0.5%/0.8%/1.7% in compound annual growth rates. According to Statistics Canada, between 2016 and 2021, Hornby and Denman's populations grew by 20% and 19% respectively. Given that there are no indications

that this is slowing down, how much sense does it make to suggest that routes 21 and 22 ferry traffic will see an increase of only 0.5% during Performance Term 6?

They say they use the long-run trend method for forecasting the Route 22 traffic. Are they forecasting peak / off-peak separately? Surely there are very different passenger profiles, which would be modelled differently. Are the trends they are seeing convincing? With line-ups half as long, there may be the same usage they are reporting. Are they capturing the line-up lengths?

The values in their heatmaps make it appear that the off-peak service is acceptable, while there have been real capacity issues even from October to May. The heat maps also do not reflect morning overloads caused by heavy commercial vehicles, because they are not reaching the carry capacity of 21 AEQ's. In these situations, there is deck space available according to the AEQ. The heat maps appear to show adequate deck space in the shoulder seasons but that is not the reality. Will this mismatch also transpire for the future heatmaps (Medium Term)?

We have recently learned that reports are sometimes misleading: when BC Ferries adds a sailing later in the day, this can compensate, for the purpose of gathering statistics, for one that was missed earlier.

The disruption to the travelling public is not indicated in the reporting. Also, capacity utilization does not take into account commercial vehicle weight overloads, which leads to skewed metrics. For example, the capacity utilization statistics that are presented are measured against total round trips including extra trips, and not the number of *scheduled* round trips. When we look at the figures for 2022, according to the schedule, we see  $4,060 \times 21 \text{ AEQ} = 85,260$ . Multiplied by 2, for the round-trips, we obtain 170,520 scheduled AEQ. The actual AEQ figure is 138,451, a utilisation of 81%. When one looks at the potential AEQ based on actual trips, including the extra trips, one obtains  $4,933 \times 21 \text{ AEQ} = 103,593$ , multiplied by 2, arriving at 207,186 actual available AEQ. Then the utilisation drops to 67%. That is much lower.

The heatmaps also appear to be internally inconsistent. For the Near-Term heat map of route 22, the off-peak and shoulder season should be the same, since the proposal is only for changes for July and August. It is very difficult to work with such graphic displays when one has to watch every step.

### c. Problems relating to planned supply

Is the Quinitsa deployment really going to solve even the present problems? In the peak season, even Route 21 experiences long wait times and line-ups.

The design of the Baynes Sounds Connector (BSC) was already initially too small. It replaced a vessel with the exact same rating for number of vehicles carried. Meaning there was no accommodation for any vehicular growth capacity. Nor did BCFerries leave the option of switching out vessels. In installing the cable ferry they went outside of their corporate policy of vessel "interchangeability". They created an engineering anomaly, that their staff had no



expertise or experience in operating. Furthermore, in public consultations, the communities of Hornby and Denman Islands were not supportive of the installation.

Now, a few years later, BCF is scrambling to try to figure out how to increase the size of the Baynes Sound Connector. The engineering is problematic. Even if it could be successfully expanded, will the planned expansion in capacity be sufficient in 2028? Will it be sufficient in the peak season? Will it be sufficient in the off-peak season?

There are 3 numbers, actual round trips ( 4,762 ), scheduled round trips ( approx. 4,060 ) and minimum required round trips (3,695 ). It is crazy that the minimum is 1067 ( 28.9% ) less than what is needed to move the actual traffic. BC Ferries can get away with 3,695 trips without incurring a penalty and are considered to have satisfied the CFSC. One could argue that, if 702 ( 17.3% ) more trips than scheduled and actually 1067 ( 28.9%) more trips than minimum are required to serve Hornby, the schedule is completely inadequate and that not only in the summer.

#### **d. Further problems related to the Bayes Sound Connector**

The Bayes Sound Connector was planned for service levels at the time of design. In other words, it was planned not for the future, but the past. On top of this, it has proven to be unreliable. In addition, one of its advantages over conventional service, not requiring a highly-qualified captain to operate, may be lost because of requirement changes on the federal level. Sources at Transport Canada anticipate that the Marine Personnel Regulations (MPR) changes to the crewing requirements for cable ferries of this size will be gazetted in the Fall of 2023. The changes include having licensed officers on Board cable ferries. Costs of operating the cable ferry will be dramatically increased. And further alterations to the barge will be needed for crew lounge space.

There has been an analysis by a local economist, Dr. Colin Boyd, recommending to replace the BSC altogether. Dr Boyd describes the problem beginning when BC Ferries commissioned a consulting firm to analyze the future demand for a cable ferry and recommend its future size. The consultant's report, available on the BC Ferry website, appeared to have a sophisticated analysis of demographics, but Dr Boyd found that the actual numbers in the report were seriously flawed, rendering the analysis next to useless. For example, the report assumed that every adult on Denman Island uses the ferry twice a week to go to Vancouver Island, which seemed extreme to the writer. The report did not acknowledge that a proportion of traffic from Buckley Bay drove across Denman to catch the ferry to Hornby Island. As a result, Dr Boyd recommends that BC Ferries demand all their money back from the consultants.

In addition, Dr Boyd assesses that the ideas of modifying the BCS to carry more cars, and also to have a new source of power generation are essentially Band-Aid solutions that sustain the continued use of a cable ferry when the original problem was caused by the elimination of interoperable ferries in the first place.

The Chair of the Hornby/Denman Ferry Advisory Committee in 2022, Frank Frketich, has described the results of his August 2022 meeting with BC Ferries, which proposed several

changes to be implemented before the summer of 2023. These include operationalizing the Quinitsa on Route 22, and moving the Kahloke to Route 21 to run in tandem with the BSC. Then in the mid-term, expanding the BSC to carry at least 70 cars, changing the BSC to electric power, and placing a new Island Class ferry on Route 22 in 2026. Frketich believes that these changes are a positive development, assuming they are implemented, but has concerns about the effectiveness of running the BSC in parallel with an ordinary ferry. Frketich also questions the feasibility of modifying the BSC to carry more cars and the use of an experimental power system inside it. He suggests that BCF should abandon the cable ferry project and move on to other solutions to improve their reputation.

Dr Boyd also is pessimistic about BC Ferries considering to continue the life of an ill-considered mismatched inept project. He introduced the concept of “sunk cost fallacy” to the discussion, and suggests to just “kill it” and “get on with your lives.”

## eProblems relating to operations

BC Ferries did not include tables for “Extra and Cancelled Roundtrips” in the PT 6 submission, as it was included in the PT 5 submission, see appendices A.3 – A.9. BC Ferries’ statistics show over 700 extra sailings in 2023 on Route 22 at [https://www.bcferreries.com/web\\_image/hd8/hec/8898175860766.pdf](https://www.bcferreries.com/web_image/hd8/hec/8898175860766.pdf)

Many people believe there should be equal deck space on the Baynes Sound Connector, as a shared ferry, for each of Hornby and Denman Islands, to reflect equal population counts on each of the islands. The impact of lack of shared deck capacity on the Baynes Sound Connector to the community of Hornby Island is not significantly mentioned as a reality. What are the plans for the future? Especially with a 20% increase in population on Denman Island (2016 to 2021 Census figures), is the fate of Hornby Islander traffic to be moving further and further back in the line-ups?

BC Ferries reports do not measure service reliability, hours of wasted lives (in line-ups), trips that could not be realised. Does the Ferry Commissioner place an hourly cost on “wait time” per person, missed “medical appointments,” and similar? Overnight town costs should be clearly defined if line-ups make Hornby travellers miss their connection.

Does BC Ferries even have the required resources to provide adequate ferry service? Have they asked for funds for improvements?

A critical point: does the inadequate response to the downgrade of the carrying capacity of the Kahloke constitute a breach of the Coastal Ferry Services Contract? Section 2.01 states

Representations and warranties of BC Ferries  
2.01

(h) it has sufficient trained staff, facilities, materials and appropriate equipment in place and available to enable it to fully perform its obligations under this Agreement.

Section 4.01 states

Representations and warranties of BC Ferries

2.01

(h) it has sufficient trained staff, facilities, materials and appropriate equipment in place and available to enable it to fully perform its obligations under this Agreement.

(a) [Omitted]

(b) will not reduce service on a Designated Ferry Route below the Core Service Level required in relation to that Designated Ferry Route unless (6 points which did not apply)

Also, Appendix 1 of Schedule "A," Route Overview contains this item:

2d. the capacity provided on the Designated Ferry Route will be sufficient to carry the previous year's traffic

It appears that BC Ferries is in breach of these terms and conditions of service for Route 22. It is doubtful that the current submission will lead to adequate service.

It would be a fair assessment that BC Ferries is challenging the core service levels year after year, on both Routes 21 and 22. This is not criticism of the local crews, but of the head office management and Provincial Government oversight and support. How is the commissioner addressing this? Is the commissioner working on further amendments to the Coastal Ferry Service Contract? In general, if there are concerns about the performance of a company, the commissioner responsible for overseeing the service provider may take several steps to address these concerns. These steps may include:

1. Enforcement of existing regulations: The commissioner may review existing regulations and ensure that BC Ferries is complying with all requirements. If there are violations, appropriate penalties or corrective actions may be imposed.
2. Contractual amendments: The commissioner may work on amending the Coastal Ferry Service Contract to address the concerns about the core service levels provided by BC Ferries.
3. Performance monitoring: The commissioner may monitor the performance of BC Ferries closely, collect data, and analyze it to identify trends and patterns. Based on this analysis, appropriate interventions may be designed to improve service quality.
4. Public engagement: The commissioner may engage with stakeholders, including customers and local communities, to understand their concerns and feedback about the

performance of BC Ferries. This feedback can inform the actions taken by the commissioner.

Overall, the commissioner has several tools and mechanisms to address concerns about BC Ferries' performance.

In calculating the price cap, the [Commissioners web page](#) says they "solve one key question":

*What amount of revenue is required to cover the expenses of the ferry operator?*

The aim is to set a price cap that will minimize increases for users while allowing BC Ferries to earn enough revenue to cover its operating costs and service its debt.

In general, we ask ourselves, where is the accountability for the present problems? We have doubts that the current plans for future operations are sufficient. How will BC Ferries be held to commitments? Are there commitments? How is management held to account?

Is this one key question well-chosen? Would its answers address the points we have raised?

What constitutes acceptable service? How is the reliability of the service to be measured? Are there comparisons of equity between the minor routes. Why do some routes get improved service and Routes 21 and 22, with some of the worst performance metrics in the entire Minor Route fleet continue to be ignored? What is a fair and constructive response to unreliable service?

## g. BC Ferries Commissioner Stoilen Ignored

On Feb. 3, 2021 BC Ferries Commissioner, Sheldon Stoilen, concluded his report on the Service Reliability of the BSC. In that report to BCF Vice President, Jason Barabash, he stated *"If service interruptions are perceived to be excessive over the long-term, public confidence in the ferry service may be undermined. To that end, the Commissioner requests BC Ferries to report quarterly, for the remainder of Performance Term 5, on the service reliability of the Baynes Sound Connector, the measures taken to minimize service interruptions and communications with ferry users on Route 21."*

Points of note, Commissioner Stoilen is specifically referring to "service interruptions", meaning delays, postponements, and cancellations are all problematic. Despite persistent requests, the current Commissioners office is unable to provide the quarterly reports for calendar 2023, not do they anticipate receiving any reports for the final two years of PT 5. If there has been a change to Commissioner Stoilen's recommendation for accountability, the cancellation of the expectation has not been communicated to the ferry users of Route 21.

## 4.. Conclusion

For Route 22: There is agreement that this run needs a more serviceable ferry. Both to recover from the November, 2021 reduced carrying capacity of the current 49 year old ferry, the Kahloke, but also to meet pent up demand. BC Ferries PT 6 submission showing a current schedule for a new vessel in Fiscal 2034 is woefully inadequate and the timeline should be significantly accelerated. In the Near-Term, the 44 AEQ Quinitisa needs to be deployed immediately.

For Route 21: There can be no discussion without acknowledging the ‘sunk cost fallacy’. The application of a cable ferry, in coastal and tidal waters has proven to be unsuccessful.

When considering how to move forward there are 5 key points that need to be met:

- 1.
- 2.
- 3.
- 4.
- 5.

To repeat, BC Ferries’ plans for the two routes are described in this table. We are adding our proposed priorities in the fourth column:

| Route                                   | Challenge (BC Ferries)   | Plan (BC Ferries)   | Denman/Hornby Community Proposition   |
|---|--|---|---|
| Route 22, Denman Island – Hornby Island | Less than five percent peak season capacity available and frequent overloads in peak season, high commuter directional demand year-round at key times, overloads cause congestion in surrounding community | Near Term: Redeploy a larger vessel to the route, Quinitisa (44 AEQ) for summer service<br>Medium Term: Redeploy a larger vessel to the route, Quinitisa (44 AEQ) year-round  | Near Term: Deploy the Quinitisa for year-round service. Add flagging service in peak period.<br>Medium Term: As the Quinitisa ages out, deploy a vessel with equivalent, or better, capacity, such as one of the new 47 AEQ Island Class ferries.                             |
| Route 21, Buckley Bay – Denman Island   | Less than 30 percent capacity available in the peak season, high commuter directional demand year-round at key times of day, overloads cause congestion in surrounding community                           | Near term: Supplement peak season with the Kahloke (21 AEQ) to support higher capacity vessel on route 22<br>Medium Term: Increase the size of the Baynes Sound Connector from 45 AEQ to approximately 65 AEQ to support higher capacity vessel on route 22 | Near term, PT 5: Summer of 2023 supplement peak season with the Kahloke.<br>Near term, PT 6: Do not sink more money into the Baynes Sound Connector. It is a failed experiment. Commission a new ferry to be built to replace the BSC with a interoperable ferry with 90 AEQ. |

## Appendix A. BC Ferries' plans for Performance Term 6

In order to facilitate discussion and understanding, we present this summary of BC Ferries' submission as it pertains to route 21 and route 22.

According to the [submission by BC Ferries](#) for Performance Term 6, the traffic increase forecasts for the long-term are n (p111):<sup>6</sup>

**Table 28 – Forecast long-term CAGRS**

|        | <b>Private Vehicles</b> | <b>Total Passengers</b> |  |
|--------|-------------------------|-------------------------|--|
| Majors | 0.4%                    | 0.4%                    |  |
| Minors | 0.5%                    | 0.8%                    |  |
| North  | 0.0%                    | 0.4%                    |  |

Page 116 shows the perceived challenges on routes 21 and 22, and how they will be addressed (p117):

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<sup>6</sup> That's right, there are no figures for route 21 and 22 separately, they are bunched together with the 16 other "minors." There are also no forecast short-term CAGRS for route 21 and 22.

| Route                                     | Challenge  | Plan  |
|---|--|---|
| Route 22<br>Denman Island – Hornby Island | Less than five percent peak season capacity available and frequent overloads in peak season, high commuter directional demand year-round at key times, overloads cause congestion in surrounding community | <b>Near Term:</b> Redeploy a larger vessel to the route, <i>Quinitisa</i> (44 AEQ) for summer service<br><b>Medium Term:</b> Redeploy a larger vessel to the route, <i>Quinitisa</i> (44 AEQ) year-round  |
| Route 21<br>Buckley Bay – Denman Island   | Less than 30 percent capacity available in the peak season, high commuter directional demand year-round at key times of day, overloads cause congestion in surrounding community                           | <b>Near term:</b> Supplement peak season with the <i>Kahloke</i> (21 AEQ) to support higher capacity vessel on route 22<br><b>Medium Term:</b> Increase the size of the <i>Baynes Sound Connector</i> from 45 AEQ to approximately 65 AEQ to support higher capacity vessel on route 22 |

Also, p127 shows plans up to 2036:

| Route | PT6   |     |   |     | PT7 |     |     |     |     |
|-------|---|-----|---|-----|-----|-----|-----|-----|-----|
|       | F25   | F26 | F27   | F28 | F29 | F30 | F31 | F32 | F33 |
| 4     | Add RT's peak   |     | Seasonal deployment of Quinsam as supplement          |     |     |     |     |     |     |
| 5     | Salish Introduced Fall 2022   |     |   |     |     |     |     |     |     |
| 6     | Quinsam redeployment  |     | Island Class Phase 3                                  |     |     |     |     |     |     |
| 7     | Peak available capacity over 30% to F36                                 |     |   |     |     |     |     |     |     |
| 8     | Peak available capacity over 30% to F29, support modal shift initiative |     |   |     |     |     |     |     |     |
| 9     | Salish Class (deployed 2017)  |     |   |     |     |     |     |     |     |
| 12    | Well utilized route with alternate option via highway                   |     |   |     |     |     |     |     |     |
| 17    | Salish Class (deployed 2017)  |     |   |     |     |     |     |     |     |
| 18    | Island Class Phase 1 (deployed Spring 2020)                             |     |   |     |     |     |     |     |     |
| 19    | Island Class Phase 2 (deployed Spring 2022)                             |     |   |     |     |     |     |     |     |
| 20    | Peak available capacity over 30%  |     |   |     |     |     |     |     |     |
| 21    | Kahloke as seasonal supplemental  |     | Increase capacity of the BSC                          |     |     |     |     |     |     |
| 22    | Seasonal Deploy Quinitisa   |     | IC Phase 3 supports Quinitisa redeployment Year round |     |     |     |     |     |     |
| 23    | Island Class Phase 2  |     |   |     |     |     |     |     |     |
| 24    | Seasonal 2 ship service   |     | Island Class Phase 3                                  |     |     |     |     |     |     |
| 25    | Island Class Phase 1 (deployed Summer 2020)                             |     |   |     |     |     |     |     |     |
| 26    | Revert to 2 shifts daily service in 2020                                |     |   |     |     |     |     |     |     |

SERVICE

DEPLOYMENT

PROCURE/CAPITAL

Page 119 and Page 120 then shows these heat maps (Route 22 appears before route 21 in their document), indicating an absence of problems from 2026 on:

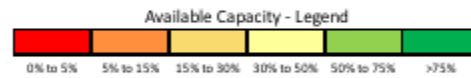
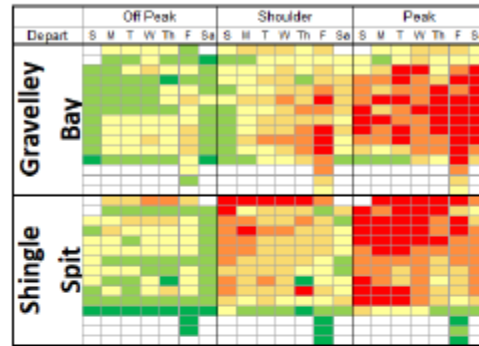
**Route 22 – Hornby Island to Denman Island**

The following tables outline the average available capacity by season, by day of week, across the day for the base year and future years as the near and medium term initiatives are implemented:

**Available Capacity Base Year with Kahloke (21 AEQ)**

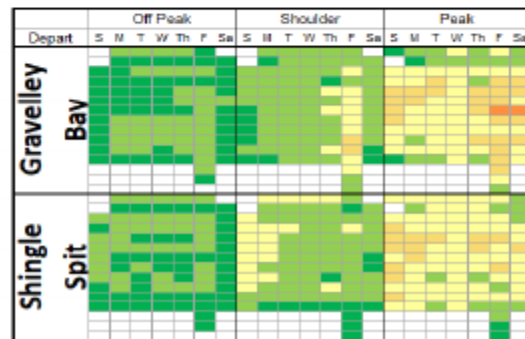
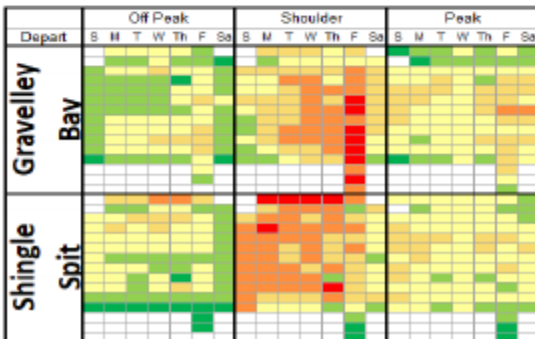
**Service Considerations:**

- Seasonal high capacity utilization and overloads
- Use shuttling to address peak period demand
- Directional nature of daily demand
- Size of *Baynes Sound Connector* is a consideration for a larger vessel on route 22



**Near Term** - Increase the capacity on route by deploying *Quinitisa* (44 AEQ) in peak season.

**Medium Term** -Deploy *Quinitisa* (44 AEQ), year round. *Estimated Spring 2026*





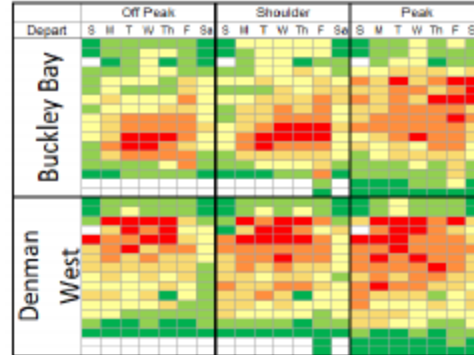
**Route 21 – Denman Island to Vancouver Island (Buckley Bay)**

The following tables outline the average available capacity by season, by day of week, across the day for the base year and future years as the near and medium term initiatives are implemented:

**Available Capacity Base Year with Baynes Sound Connector (45 AEQ)**

**Service Considerations:**

- Seasonal high capacity utilization and overloads
- Use of shuttling to address peak demand
- Directional nature of daily demand



**Near Term** - Increase the capacity on route by deploying Kahloke (21 AEQ) in peak season.

**Medium Term** –Expansion of the Baynes Sound Connector. Estimated Spring 2026

