

# Essential Services, you say....

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*Division 32*

5 (2)

*Nothing in this Act affects the application of section 72 of the Labour Relations Code to, or any designation made under that section in relation to, British Columbia Ferry Corporation, **and without limitation, it is deemed that the delivery of ferry services is necessary for the protection of the health, safety and welfare of the residents of British Columbia.***

COASTAL FERRY ACT

[SBC 2003] CHAPTER 14

The Liberal Government officially enshrined in legislation that the service provided by BC Ferries to the coastal communities is essential. What that should mean for residents and businesses dependant on the ferry system is the government will protect their access to whatever is needed to maintain their health, their safety and the welfare of their communities. Even if they must be protected from government policy? In 2003 the Coastal Ferry Act mandated major changes, both ideological and structural, to BC Ferry Crown Corporation. It wrote in the piece of law regarding essential services to control the Union in the event of a strike or lock-out. We saw how well that worked. However, the government can't have it both ways. If the ferry system is essential by law, then that must apply *without limitation*. What happens when government policy interferes with the delivery of essential services, what jurisprudence will determine at what point the delivery of essential services are not being maintained and what the implications of that are? BC Ferries is being required by the Province to cut services as a matter of Public Policy (insert link to Auditor General's comments here). Just how far can they be slashed before the government is requiring the ferry operator to go below even the essential service levels of the strike of 2003? What then? If the legal body responsible for setting essential service levels considers this to be the lowest possible level of service before harm is done to communities, who will make the determination that the levels required by the government to keep its private ferry operator afloat have gone too far? What recourse will the citizens have against their government to protect their essential service? The Liberals created a BC Ferry Commission that was supposed to look out for the interests of the ferry users and communities. How well has that worked with the Liberal government making sweeping mandates based on public policy to cut services to coastal communities and BC's Senior's. When it comes to Public Policy that is the bailiwick of the Provincial Government.

Essential services, you say...

**What did WAC Bennett and politicians of his day say about the essential coastal ferry service:**

*Hansard Debate February 18, 1977 – Morning session*

**WAC Bennett answering questions on the Federal Subsidy for Ferry Service in BC and the Board of Directors.**

**HON. MR. BENNETT:** *I would hope the economy would be better by then, but that's a good 3 1/2 years from now, I suppose. When is it – the fall or December of 1980? A lot can happen between then and now.*

*The member mentioned the ferry system. I want to make it clear that money was discussed with the federal government and with the minister, Otto Lang. Options were discussed – in fact specifically when I was there the proposal that British Columbia has set forward to Ottawa in regard to the B.C. Ferry system. I have no way of knowing whether we have reached accord or not. We reiterated our position in a very forceful way and in what I think is a very fair way. We haven't asked for the same type of indiscriminate spending that has been going on with the Atlantic coast by the federal government for the ferry systems there – over \$100 million. We haven't asked for that type of money.*

*I think they put too much money into the ferry systems there, even though there, as here, they have a commitment under the terms of which some of those areas, like Prince Edward Island, joined Confederation to provide transportation. **The federal government also, in the terms by which British Columbia joined Confederation, promised a ferry transport system to the mainland.** Now it just so happens that the main point of joining the mainland then by a transportation system was to Olympia, Washington. But the commitment was there to move people to the most advantageous point of the day. That most advantageous point of the day now is an extension of the Trans-Canada Highway from Victoria to Vancouver and Nanaimo to Vancouver, the two main routes. That is a commitment we intend to press. We pressed it most forcefully.*

***They've also had a commitment to help service isolated areas in water transport, as they've done on the Atlantic and Pacific coasts. We've asked them to consider that.***

*As I say, they spend over \$100 million on the Atlantic coast. We've asked for a rationalization of the total service on the Pacific coast. We've suggested a single authority – the B.C. Ferry Corporation -would be the ideal vehicle to award new routes and investigate the need for new routes or the upgrading of old or when routes should be taken off as new roads are built in to service remote areas, as the government is doing now into Port Hardy. The road to Port Hardy will eventually remove a ferry system that costs them money.*

*We sent that proposal in 1976 to the government of Canada and the Prime Minister, and we reiterated it at our meeting with the Hon. Otto Lang. That formula calls for the federal and provincial governments, on a formula, to pick up the deficits of the B.C. ferry system and allow it to develop these routes. Right now we've had the federal government withdrawing some service from the northern part of B.C. and leaving people abandoned. Obviously they're not able to determine the priorities. We have the ideal vehicle and that's why we've suggested the B.C. ferry system to cover all the coast. And we do have available within that B.C. Ferry Corporation additional directorships where we could give area representation on the directorship for the central and north coast, so that they have a voice on that board in directing the Ferry Corporation and directing new routes or directly responding to the needs of the people in those areas.*

*We've received a lot of support for this proposal. The support has come not just from people serviced in those areas but has crossed party lines. I have a letter here signed by T.C. Douglas supporting the British Columbia proposal.*

#### ***Debates of the Legislature Friday, February 18, 1972***

**MR. BROUSSON:** *All of those are important highways to British Columbia. Let's look at the ferry situation, Mr. Speaker. From 1962 to 1970 the provincial government of British Columbia built 18 vessels that received federal subsidies. You didn't mention this the other day, Mr. Attorney General.*

**MR. BROUSSON:** *Total costs of these vessels was \$41.4 million and the federal government contributed \$ 15.1 million – over 36 per cent of the construction costs of the Bennett Navy was contributed by the federal government. The "Queen of Esquimalt," for instance, cost \$3.6 million and the federal subsidy in that case was \$1.45 million or 40 per cent.*

#### ***Hansard Debate Wednesday, March 16, 1977***

##### ***FEDERAL SUBSIDIES TO FERRIES***

**MR. G.S. WALLACE (Oak Bay):** *Mr. Speaker, this is a question to the Minister of Energy, Transport and Communications. In view of the figures released by the B.C. Ferry Corporation showing that ferry traffic continued to decline last month – vehicles down by 26.7 per cent and foot passengers by 21.6 per cent -and in view of the minister's statement that agreement on a federal subsidy will be forthcoming, can the minister assure the House and the users of ferries in British Columbia that these subsidies will result in a reduction of passenger and automobile rates prior to the 1977 tourist season?*

**HON. J. DAVIS (Minister of Energy, Transport and Communications):** *No, I can't give the House that assurance. If moneys are forthcoming from the federal government, I would expect*

*that they would be tied in some degree to better service to people in the middle and upper coast of the province, rather than to those already served by B.C. Ferries.*

**The historic federal/provincial subsidy agreement was signed on April 18, 1977 and it said in part:**

*(2) The Province agrees that in accepting the subsidy from Canada as provided herein for ferry and coastal freight and passenger service in British Columbia coastal waters that it will assure reasonable and adequate service and appropriate supervision thereof.*

You can read the full Federal/Provincial Subsidy agreement here. While there is an ongoing commitment on the part of the federal government enshrined in this covenant, that isn't the only subsidy provided to BC Ferries to maintain the west coast fleet. As we read earlier, the construction of the majority of the BC Ferry Fleet was subsidized. The federal government has forgiven duty remission on all the vessels BC Ferries has imported into the country from the Stena Danica to the Super 'C's which amounts to hundreds of millions of dollars. The federal government has also provided millions in grants to BC Ferries in order that the financially strapped ferry operator can meet its federal regulation obligations including the Domestic Ferry Regulations derived from the International Ship and Port Security Code and the obligation of the federal government to meet its national commitment under the international pollution regulations. BC Ferries has, since its inception, been the beneficiary of hundreds of millions of federal taxpayer dollars. And yet, like Oliver Twist, it wants more...

**Here is what the Liberal's Gordon Campbell said when he was the leader of the Opposition...**

*"We need to examine the operational and decision-making processes that have led our ferry fleet into this sea of red ink. The people of B.C. used to own the ferries, now the corporation is effectively owned by the banks. Hundreds of thousands of British Columbians depend on the ferries for their economic survival as well as their link to family and friends. We must ensure the BC Ferry Fleet will serve British Columbians for generations yet to come. A full public inquiry is the first step."*

*– Gordon Campbell, Leader of the Opposition 1993 – 2001*

**...and this is what his government said a few years later...**

**From the government press release:**

*"The new Coastal Ferry Act supports the transformation of BC Ferries into a customer-focused and financially stable marine transportation system. Minister of Transportation Judith Reid introduced the legislation today.*

In December, we detailed a new structure for BC Ferries that will transform it into a customer-focused, financially stable, reliable ferry system,” said Reid. “Today, we are introducing legislation that will enable this transformation and foster greater consumer choice, competition and service **while protecting consumers**.

*Fulfilling a new-era commitment, B.C. Ferries will also be **designated an essential service**, ensuring that coastal communities receive the service they need.”*

New Era...that’s what it was called back in the day.

**What Christie and her team are saying now, or is it, again...**

[http://www2.news.gov.bc.ca/news\\_releases\\_2013-2017/2013TRAN0073-001731.htm](http://www2.news.gov.bc.ca/news_releases_2013-2017/2013TRAN0073-001731.htm)

*“B.C. charts course for a sustainable coastal ferry service”...hey, wasn’t that what they promised in their announcement the first time around??*

**Let’s have a look at what they actually promised.** You be the judge as to whether they have delivered.

**WEDNESDAY, MARCH 12, 2003**

**Introduction and  
First Reading of Bills**

**COASTAL FERRY ACT**

Hon. J. Reid presented a message from Her Honour the Lieutenant-Governor: a bill entitled Coastal Ferry Act.

**Hon. J. Reid:** I move that Bill 18 be read a first time now.

Motion approved.

**Hon. J. Reid:** In December we announced a new future for B.C. Ferries and its role in our province’s growing economy. B.C. Ferries is being transformed into a modern, safe, reliable ferry system that is designed to provide superior service **with no additional financial burden on taxpayers**.

With the introduction of this legislation, we will be establishing a new regulatory framework for coastal ferry services — an independent regulatory framework — and a new service delivery model. **Coastal communities and ferry users will see improved service and greater customer choice, guaranteed service levels and fair rates, an independent regulator to protect the public interest, economic development and job creation, continued public ownership of ferry terminals, no new public debt and new mechanisms to ensure ongoing accountability.**

**Fulfilling a new-era commitment, B.C. Ferries will also be designated an essential service, ensuring that coastal communities receive the service they need. The legislation will provide for a long-term contract between the province of British Columbia and B.C. Ferry Services to establish a marine transportation system, while ensuring that B.C. Ferry Services becomes a financially viable service provider for the first time in more than four decades.**

While designed to protect consumers, the new structure has enough flexibility to allow B.C. Ferry Services to encourage strategic private sector partnerships and entrepreneurial ingenuity, which will **transform our ferry services into a customer-focused, financially stable marine transportation system that will ensure the ongoing safety of its vessels, passengers and cargo.**

I move that the bill be placed on the orders of the day for second reading at the next sitting of the House after today.

Bill 18 introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

But is that what they meant? Here's an excerpt from the 2002 Core Review submission to Cabinet. It would appear what they said and what they meant were two different things.

*In moving towards an independent, regulated corporation, the end state of BC Ferry Services (BCFS) will be to become an integrator of ferry service providers, responsible for planning and ensuring that coastal transportation services for passengers and vehicles are safe, economic and affordable, efficient and adequate (minimum service levels).*

-2002

*Core Review and Deregulation Task Force Discussion Paper*

So, even way back in 2002 the Liberals started their planning for minimum service levels, not the enhanced ferry service they were to promise. More troubling is their notion of the Service Integrator Model, something they seem hell bent on going forward with no matter how outmoded that concept now appears to be or how much those most affected oppose the idea. The Liberal strategists and policy makers appeared to rely heavily on the **National Transportation Policy** that promised stability, safety and prosperity. We've seen how well that's worked out:

<http://www.ctvnews.ca/canada/one-confirmed-dead-heart-of-quebec-town-destroyed-in-train-explosions-1.1356188>

[http://www.env.gov.bc.ca/eemp/incidents/2006/queen\\_north\\_06.htm](http://www.env.gov.bc.ca/eemp/incidents/2006/queen_north_06.htm)

<http://www.straight.com/news/518476/british-columbia-sees-more-oil-and-gas-pipeline-accidents-any-other-province-country>

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## ***NATIONAL TRANSPORTATION POLICY***

### ***Marginal note: Declaration***

*5. It is declared that a competitive, economic and efficient national transportation system that meets the highest practicable safety and security standards and contributes to a sustainable environment and makes the best use of all modes of transportation at the lowest total cost is essential to serve the needs of its users, advance the well-being of Canadians and enable competitiveness and economic growth in both urban and rural areas throughout Canada. Those objectives are most likely to be achieved when*

- (a) competition and market forces, both within and among the various modes of transportation, are the prime agents in providing viable and effective transportation services;*
- (b) regulation and strategic public intervention are used to achieve economic, safety, security, environmental or social outcomes that cannot be achieved satisfactorily by competition and market forces and do not unduly favour, or reduce the inherent advantages of, any particular mode of transportation;*
- (c) rates and conditions do not constitute an undue obstacle to the movement of traffic within Canada or to the export of goods from Canada;*
- (d) the transportation system is accessible without undue obstacle to the mobility of persons, including persons with disabilities; and*
- (e) governments and the private sector work together for an integrated transportation system.*

**“meets the highest practicable safety and security standards...at the lowest total cost...”**

Says it all, doesn't it?

Our favourite line in the policy is this:

- competition and market forces, both within and among the various modes of transportation, are the **prime agents** in providing viable and effective transportation services;*

Should a province's ferry system, or for that matter any safety sensitive transportation mode, be controlled, guided and manipulated solely based on ideology? The BCCTS doesn't think so and many other British Columbians agree:

<http://www.timescolonist.com/opinion/columnists/les-leyne-it-s-time-to-deep-six-b-c-ferries-board-1.707157>

<http://www.thetisland.net/ferry/FAC2/UTILIZATION%20IS%20NOT%20THE%20PROBLEM%20-%20Bill%20Cripps,%20Chair,%20NSCFAC,%20November%2019,%202012.pdf>

<http://www.prpeak.com/articles/2013/11/22/news/doc528a8aa748717081337212.txt>

[http://www.change.org/petitions/government-of-bc-government-of-canada-turn-bc-ferries-over-to-the-transportation-and-highway-of-bc?share\\_id=KZMagdTJcS&utm\\_campaign=autopublish&utm\\_medium=facebook&utm\\_source=share\\_petition](http://www.change.org/petitions/government-of-bc-government-of-canada-turn-bc-ferries-over-to-the-transportation-and-highway-of-bc?share_id=KZMagdTJcS&utm_campaign=autopublish&utm_medium=facebook&utm_source=share_petition)

<http://globalnews.ca/news/985203/bowen-island-resident-to-petition-bc-ferries-to-reinstate-all-cut-routes/>

<http://facchairs.wordpress.com/2013/11/22/ferry-rescue-plan-shows-cracks/>

<http://facchairs.files.wordpress.com/2013/10/13oct-facc-budget-2014-submission.pdf>

[http://www.gabriola.org/facc/archive/Research%20material/bh/RET080323%20\(2\).pdf](http://www.gabriola.org/facc/archive/Research%20material/bh/RET080323%20(2).pdf)

<http://ferryhostage.com/data/>

<http://www.prpeak.com/media/pdf/news/2013/BCFerryCorp-041713.pdf>

### **What is the BC Government saying now?**

*“BC Ferries is facing financial pressures from factors such as high fuel costs, declining ridership and aging assets. The BC Ferry Commissioner noted in his recent report that, without changes, the system is unsustainable. The Commissioner forecasted significant financial shortfalls in future years and suggested that all of the principal stakeholders – users, taxpayers and the ferry operator – will need to be part of the solution to achieve a ferry system that is both affordable and financially sustainable.”*

*“The BC coastal ferry service faces significant financial hurdles in the immediate and long term.”*

*“In 2012/13, BC Ferries reported the lowest vehicle numbers in 14 years and the lowest passenger volume in 22 years. While reduced ridership may be partially attributable to higher prices, toll-free inland ferries in BC are experiencing similar ridership declines, suggesting that other factors are at play.”*

Things don't appear to have worked out the way they had planned, have they and why is there such a reluctance to listen to the largest customer base BC Ferries has? Is it really a case of



following their ideology blindly, “marching into the future with their eyes fixed firmly on the past”..?

If that’s the case, then the Coast must prepare itself for long term pain and no short term gain, ever-increasing ferry fares intended to meet the user-pay and decreased (read: **minimum**) service levels mandate of the Core Review, the Coastal Ferry Act and the Liberal Government.