

Spedding, Megan TRAN:EX

From: Corrigan, Mike <Mike.Corrigan@bcferries.com>
Sent: Thursday, February 5, 2015 7:14 AM
To: Transportation, Minister TRAN:EX; Wolford, Jessica TRAN:EX; Main, Grant TRAN:EX
Cc: s.22
Subject: 233016 Incoming - Re: 231346 - BC Ferries

Minister Stone - Based on our very productive and positive meeting on Jan 27th, the comments in this letter regarding our employee pass program are not helpful or productive in working towards a PT4 solution that is beneficial to all parties.

Our taxable benefit employee pass program is the cornerstone of our employee engagement strategy which has lead to significant productivity gains at BCF through reductions in lost time injuries of more than 60% and in absenteeism of 40%, as well as noticeable improvements in customer service.

Please take this into consideration when commenting on our program in the future....Mike.

Sent from my iPad

On Feb 4, 2015, at 3:22 PM, "Transportation, Minister TRAN:EX" <Minister.Transportation@gov.bc.ca> wrote:

s.22

231346 - BC Ferries

s.22

Thank you for your e-mail regarding BC Ferries.

I recognize the importance of affordable, efficient ferry service to B.C.'s island and coastal communities, and I appreciate you sharing your suggestions and observations with me. As BC Ferries is a private company responsible for its business decisions and day to day operations, I am glad to see you have also shared your ideas with BC Ferries' President and CEO, Mike Corrigan.

The province's coastal ferry system, like other ferry systems around the world, faces the challenges of maintaining ridership, replacing an aging fleet and managing rising operating costs. Taxpayers are already contributing a significant amount to support coastal ferries with an additional \$86.6 million to 2016, bringing contributions to \$200 million this year. As you are likely aware, the government has made changes to the ferry service, including \$14 million in service reductions on the minor and northern routes this past spring, to help reduce the pressure for future fare increases and protect basic service levels for communities.

The provincial government and BC Ferries continue to look at innovative ways to reduce the pressure on fares, like the new cable ferry coming to the Denman Island route, liquid natural gas propulsion for new boats, and the feasibility study for a possible fixed link to Gabriola. The BC Ferry Commissioner has also challenged BC Ferries to find over \$54 million in efficiencies by 2016, and I understand that BC Ferries expects to exceed that target.

With respect to BC Ferries' current fuel surcharges, these surcharges are connected to a fuel deferral account and do not reflect current fuel prices. If diesel fuel prices continue to drop, then this will reduce pressure on the deferral account, which could eventually reduce or eliminate the current fuel surcharge.

Regarding executive salaries and bonuses at BC Ferries, in response to the government's concerns about this issue, the Board of BC Ferries has introduced a salary holdback plan that is in line with government's policy for executive compensation in Crown corporations. Now that the salary holdback plan is fully implemented, salaries for affected executives and managers will be frozen until 2016. The changes to BC Ferries' executive salaries are expected to decrease annual compensation to excluded managers by over \$900,000 compared to 2012/13. Since 2008, BC Ferries has reduced its executive by almost half.

You also mentioned free sailing passes for BC Ferries employees. BC Ferries is responsible for determining its employee benefits, such as the pass policy. That said, I believe the sailing pass program sends the wrong message to the public, and I have encouraged BC Ferries management to take a serious look at this policy.

Thank you again for taking the time to write.

Sincerely,

Todd G. Stone

Minister

Copy to: Mike Corrigan, President and CEO

BC Ferries

s.22

Sent: Saturday, November 15, 2014 9:25 AM

To: Transportation, Minister TRAN:EX

Cc: Mike.Corrigan@bcferries.com

Subject: Money Saving ideas

In response to the suggestion of closing down Departure Bay terminal, which has been shot down, thank goodness, it had me thinking of how I would save money if I was running such a large corporation.

Apply a fee of \$5.00 per month onto everyone's car insurance, if there address is on the Sunshine Coast, Gulf islands, Vancouver Island, wherever serviced by a BC Ferry. Like residents of the lower mainland have a transit tax added onto their fuel. Collect primarily for BC Ferries operational and improvement requirements.

Offer resident discount cards to residents who live in these areas, Giving a bit of a break to those of us who have no choice in our travel, as it is our highway. Charge non residents full price.

Fuel prices have decreased with the cost of oil down. Save this money.

Cut a few managers and bonuses. Nothing worse than seeing huge losses being reported, to be followed up by payment of huge bonuses being paid.

Void all free passes that have been given out to staff and friends. Maybe offer a reduced rate as well.

Lower the rates= more people travelling. Make it affordable for a family with car to travel..

Do the cafeteria and gift shop provide a profit? if not close them. Surely we can all survive an hour and a half with just a coffee bar.

Outside corporate advertising would provide income.

If you are serious about running a tight ship and being open with the public, you will see improvement with public relations.

If the public feels you are listening and avoiding increasing at the terminals, ridership will increase.

If you are serious on being responsible with the expenses you will see the savings.

Cannot continue the way it is. Cannot continue to overcharge the public to fund too many managers and bonuses. It has to work both ways. If everyone is accountable and responsible it is a win win for all

Again , it is practical to think, less expenses equals more profit.

Thanks for listening.

s.22