
British Columbia Ferry Services Inc.

Annual Report
to the
British Columbia Ferry Commissioner

Year Ended March 31, 2005



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Introduction

In accordance with Section 66 of the Coastal Ferry Act (“Act”), British Columbia Ferry Services Inc. (“BC Ferries”) is pleased to submit its annual report for the year ended March 31, 2005 to the British Columbia Ferry Commissioner.

In accordance with the requirements of the Act, this report has compiled information on the services BC Ferries has provided during the past year on designated ferry routes. This report includes information on the costs and quality of services provided and any actions taken by the company to investigate alternative service providers to deliver services on these designated routes. This report responds to the specified information requirements conveyed to BC Ferries by the Commissioner.

Part 1: Services on Designated Routes

BC Ferries is mandated to deliver coastal ferry services on 32 routes, of which 25 are designated routes under the Coastal Ferry Services Contract between BC Ferries and the British Columbia Ministry of Transportation, and these services are regulated under the Act. Part 1 of this report contains financial information, as well as traffic, operating and performance statistics for each of the designated ferry routes for the fiscal year.

Part 2: Quality of Services Provided

As in past years, BC Ferries engaged an independent professional consulting organization to conduct and document a comprehensive customer satisfaction survey. While this survey was conducted to meet BC Ferries’ obligations under the Coastal Ferry Services Contract, it also contributes to our market research program. For this reason, the survey is undertaken every year and questions are almost identical to previous years for comparative purposes. The only change to this year’s survey is that BC Ferries added questions regarding terminal décor. The results of the survey for the past year are contained in Part 2 of this report.

Part 3: Additional or Alternative Service Providers

According to Section 69 of the Act, BC Ferries is obligated to seek additional or alternative service providers to provide ferry services on designated ferry routes. All actions undertaken in the past year by BC Ferries are listed in Part 3 of this report.

Part 1: Services on Designated Routes

Operations Summary Financial Report

This report provides the following information for the designated ferry routes, presented in numeric format for each route:

➤ Round Trips

The table presents total number of actual round trips BC Ferries delivered on each of the designated ferry routes.

➤ Capacity Utilization

The amount of capacity provided on a route basis as well as the capacity utilization is calculated.

➤ Traffic and Revenue

Vehicle traffic (AEQs) and passenger traffic carried on each of the designated ferry routes during the year is presented and compared to the traffic carried in the previous year. The associated tariff revenue generated from each route is also shown.

On a year over year basis, AEQs carried increased by 3.4% and the number of passengers carried increased by 3.1%. On the major routes, the number of AEQs and passengers carried each increased by 3.7% over the previous year. On the minor routes, the number of AEQs carried increased year over year by 2.3%, while the number of passengers carried increased by 1.4%.

Revenue from AEQs and passenger traffic on all the designated routes totalled \$346 million during the year. This included revenue of \$260 million from the major routes, \$47 million from the minor routes and \$39 million from the northern and other routes.

Operations Report

This report provides the following information for the designated ferry routes, presented in graphic format for each route group:

➤ Round Trips

The total number of actual round trips BC Ferries delivered on each of the designated ferry routes is provided with a comparison made to the total number of round trips that were scheduled for the year.

Overall, BC Ferries provided a total of 84,368 round trips during the year, which was 1,059 more round trips than were scheduled. For the minor routes, the actual number of round trips delivered exceeded the number scheduled, while the northern routes delivered 99% of the number of

scheduled round trips. All other route groups, including the major routes, delivered over 101% of the scheduled number of round trips.

➤ **Overload Statistics**

A sailing for which one or more vehicles waiting to travel could not be accommodated is referred to as an “overload sailing”. Overall, 10.3% of the BC Ferries’ sailings were overloaded in 2004/05. On a year over year basis, the percentage of overloaded sailings on the major routes decreased from 31% to 29%, while the percentage of overloads on the minor routes decreased from 7% to 6%. The minor routes constitute 80% of all sailings and 52% of all overloaded sailings. Overloads on the northern and other routes increased from 6.6% to 11.2% primarily due to peak period congestion on route 3. BC Ferries has attempted to address this issue through schedule changes for summer 2005.

➤ **On-time Performance**

The percentage of sailings departing within 10 minutes of the scheduled time is provided for each of the designated routes. On a fleet wide basis, 84.3% of the sailings in 2004/05 departed within 10 minutes of the scheduled departure time. Improving loading procedures on several routes as well as improving extensive engine upgrades to improve performance on the Route 25 Vessel (Quadra Queen II) in 2004 helped improve on-time performance this past year. Scheduling initiatives focused on Horseshoe Bay and on the Southern Gulf Islands, as well as upgrades to vessels and terminals, which are expected to result in continued improvement in the on-time performance of the fleet in 2005/06.

Temporary Service Disruptions Report

This section consists of three reports including

1. Cancelled Round Trips by Route and Route Group
2. Cancelled Round Trips by Days For Route and Route Group, and,
3. Cancelled and Extra Round Trips by Route and Route Group.

These reports outline the reasons why BC Ferries was not able to deliver all of the sailings specified in its published schedule for the year. For each designated route, the cumulative and consecutive number of days for which scheduled round trips were missed is presented and the causes of the missed round trips are noted. The cumulative information is reported on a calendar year basis, consistent with BC Ferries’ reporting requirements under the Coastal Ferry Services Contract. It is important to note that although a specific scheduled sailing may have been missed on a route, BC Ferries, in many cases provides more sailings than those published in the schedule. In 2004/05, BC Ferries met and exceeded in some cases, its core service level commitments under the Coastal Ferry Services Contract.

Route Financial Report

This report provides financial information for the year ended March 31, 2005 with comparative figures for the previous year for each of the designated routes on which BC Ferries provides service under the Coastal Ferry Services Contract. The information is provided by individual route and is also summarized by the route groups specified in the Contract. Revenues and expenses are assigned directly to a route where possible or allocated to routes where direct assignment is not possible. Allocation to routes is based on various factors which reflect the activity that gave rise to the revenue or expense. Included in operating expenses for each route are the costs of refit and maintenance of vessels serving that route. Refit and maintenance costs for each vessel may vary significantly from year to year with a corresponding effect on route net income (loss).

Operations Summary Financial Report

(Year Ended March 31, 2005)



Operations Summary Financial Report for the Year Ended March 31, 2005

	A	B	C	D	E	F	G
	Actual Round Trips	Capacity Provided (AEQ's)	AEQ's Carried Fiscal 2005	Capacity Utilization (C / B)	AEQ's Carried Fiscal 2004	AEQ Growth (C - E)	AEQ Revenue Fiscal 2005
Route 1	4,126.0	2,876,125	2,286,695	80%	2,205,405	81,290	\$ 79,159,165
Route 2	3,160.0	2,276,659	1,468,089	64%	1,401,402	66,687	48,944,248
Route 30	2,802.0	1,555,981	813,109	52%	798,746	14,363	35,939,149
Majors	10,088.0	6,708,765	4,567,893	68%	4,405,553	162,340	164,042,562
Route 4	2,881.0	574,310	351,445	61%	349,114	2,331	2,170,026
Route 5	3,451.0	685,109	282,015	41%	276,738	5,277	2,112,277
Route 6	5,104.0	714,560	273,308	38%	264,636	8,672	1,987,432
Route 7	2,876.0	716,128	200,334	28%	191,579	8,755	2,809,073
Route 8	5,570.0	961,140	557,031	58%	533,394	23,637	3,446,876
Route 9	831.0	356,197	177,782	50%	178,392	(610)	4,634,721
Route 17	1,450.0	513,252	171,388	33%	164,027	7,361	3,810,992
Route 18	3,645.0	369,831	102,557	28%	100,534	2,023	503,987
Route 19	5,720.0	800,800	431,931	54%	419,943	11,988	2,017,075
Route 20	4,006.0	234,992	85,975	37%	85,529	446	394,901
Route 21	6,482.0	628,120	288,246	46%	279,888	8,358	963,001
Route 22	4,834.0	290,040	125,336	43%	125,068	268	659,711
Route 23	6,262.0	802,550	456,219	57%	448,926	7,293	1,934,798
Route 24	2,145.0	125,956	62,665	50%	64,095	(1,430)	351,289
Route 25	3,961.0	237,660	96,569	41%	98,286	(1,717)	569,998
Route 26	4,401.0	231,608	67,324	29%	65,577	1,747	314,952
Minors	63,619.0	8,242,253	3,730,125	45%	3,645,726	84,399	28,681,109
Route 10	122.0	25,225	19,256	76%	19,313	(57)	3,970,211
Route 11	188.0	31,742	23,146	73%	22,719	427	2,458,149
Northern	310.0	56,967	42,402	74%	42,032	370	6,428,360
Route 3	3,050.0	2,130,318	1,244,819	58%	1,193,123	51,696	16,090,516
Route 12	3,210.0	102,720	76,281	74%	60,148	16,133	714,969
Route 13	4,052.0	Pass. Only	Pass. Only	Pass. Only	Pass. Only	Pass. Only	745
Route 40	39.0	8,970	3,199	36%	3,336	(137)	524,790
Total	84,368.0	17,249,993	9,664,719	56%	9,349,918	314,801	216,483,051

Note 1

	H	I	J	K
	Passengers Fiscal 2005	Passengers Fiscal 2004	Passenger Growth (H - I)	Passenger Revenue Fiscal 2005
Route 1	6,263,312	5,968,303	295,009	\$ 53,462,700
Route 2	3,600,358	3,514,507	85,851	30,540,752
Route 30	1,358,686	1,341,917	16,769	11,554,109
Majors	11,222,356	10,824,727	397,629	95,557,561
Route 4	674,274	670,916	3,358	1,586,239
Route 5	508,451	505,797	2,654	1,150,691
Route 6	520,066	496,454	23,612	1,122,214
Route 7	369,006	353,591	15,415	1,283,094
Route 8	1,248,208	1,198,828	49,380	2,037,254
Route 9	498,828	501,502	(2,674)	3,173,120
Route 17	382,414	372,008	10,406	2,508,772
Route 18	191,368	193,330	(1,962)	327,483
Route 19	918,650	907,645	11,005	1,329,851
Route 20	257,366	258,647	(1,281)	378,112
Route 21	548,612	544,105	4,507	653,582
Route 22	256,994	260,901	(3,907)	515,797
Route 23	925,120	926,054	(934)	1,290,962
Route 24	110,064	112,970	(2,906)	235,254
Route 25	264,197	265,996	(1,799)	483,416
Route 26	128,209	126,016	2,193	199,049
Minors	7,801,827	7,694,760	107,067	18,274,890
Route 10	61,290	61,178	112	4,854,510
Route 11	46,585	46,462	123	898,808
Northern	107,875	107,640	235	5,753,318
Route 3	2,675,997	2,555,463	120,534	8,703,111
Route 12	154,401	121,549	32,852	329,898
Route 13	54,760	53,970	790	143,408
Route 40	9,327	9,321	6	606,147
Total	22,026,543	21,367,430	659,113	129,368,333

% Sailings Departing Within 10 Min.		
Fiscal 2003	Fiscal 2004	Fiscal 2005
80%	80%	83%
69%	73%	79%
76%	78%	81%
75%	77%	81%
88%	94%	97%
80%	74%	74%
85%	86%	81%
62%	61%	63%
84%	87%	88%
67%	62%	60%
90%	93%	93%
92%	92%	96%
81%	94%	90%
76%	77%	84%
92%	93%	92%
92%	91%	91%
98%	98%	97%
94%	90%	95%
55%	63%	64%
98%	98%	97%
84%	85%	86%
45%	51%	47%
48%	51%	47%
46%	51%	47%
74%	81%	81%
87%	84%	73%
70%	Not available	68%
83%	84%	84%

Note 1) Revenue from bike traffic and freight

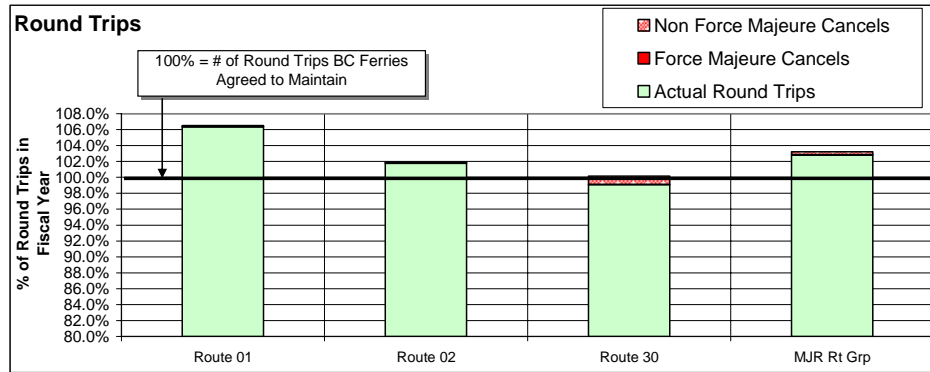
OPERATIONS REPORT

(Year Ended March 31, 2005)

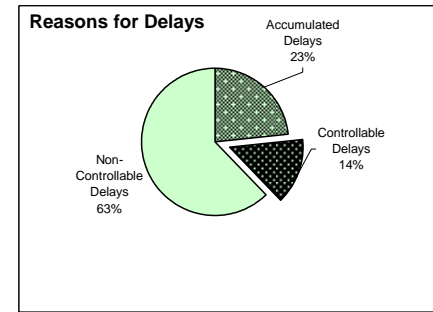


Operations Report – For the Year Ended March 31, 2005

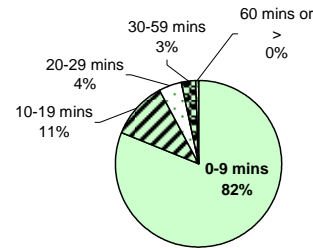
ROUTE GROUP: Major Routes



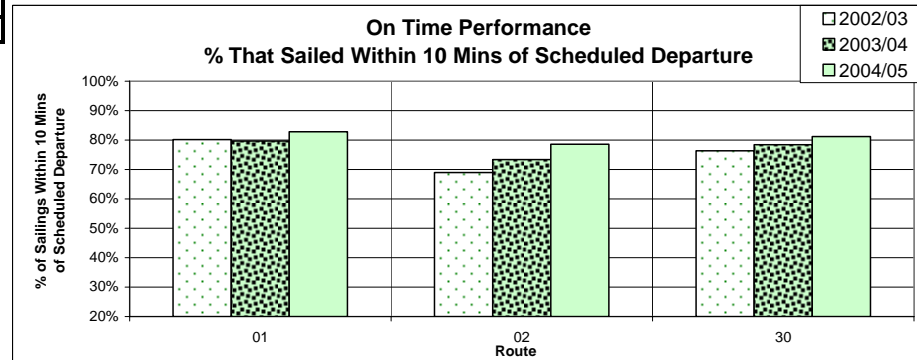
Major Routes	Major Route Description	# of Scheduled Round Trips	# of Actual Round Trips	Extra Round Trips/ (Short Round Trips)	% Sailings Overloaded
Route 01	Swartz Bay-Tsawwassen	3,879.0	4,126.0	247.0	49.8%
Route 02	Horseshoe Bay-Departure Bay	3,105.0	3,160.0	55.0	26.4%
Route 30	Duke Point-Tsawwassen	2,828.0	2,802.0	-26.0	9.2%
MAJOR Route Group Total		9,812.0	10,088.0	276.0	28.5%



On Time Performance 2004/05

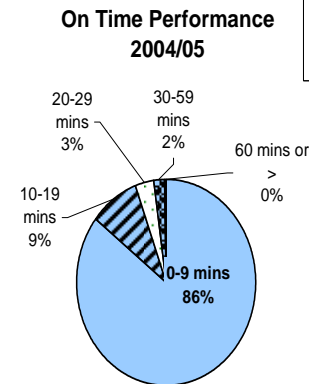
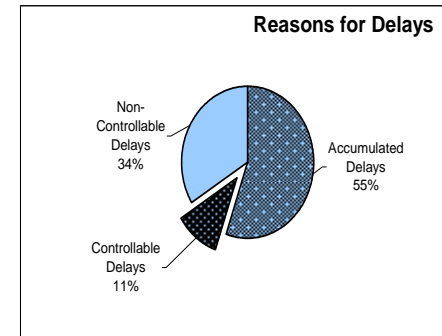
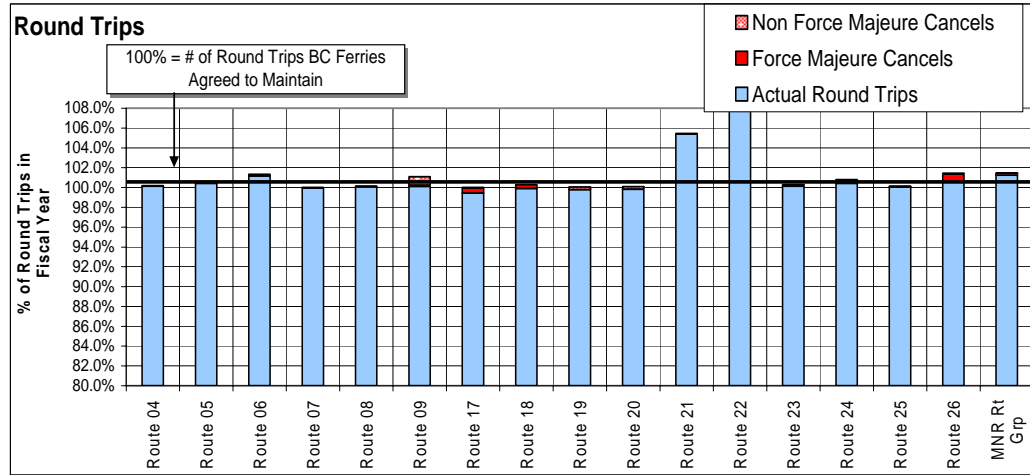


Controllable = Under the control of the company (loading procedure, crewing level, etc.)
Non-Controllable = Out of the control of the company (bad weather, vehicle stalled, etc.)
Accumulated = Delays accumulated over the course of the day as a result of an earlier delay



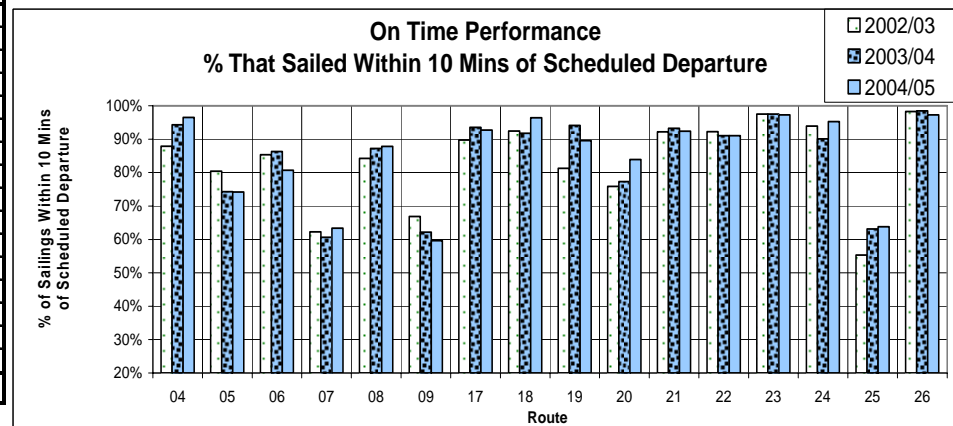
Operations Report – For the Year Ended March 31, 2005

ROUTE GROUP: Minor Routes



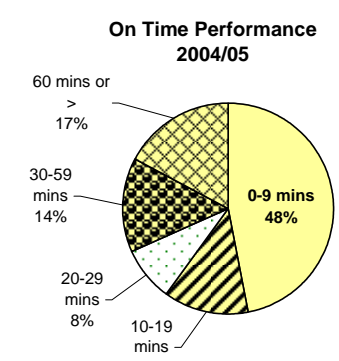
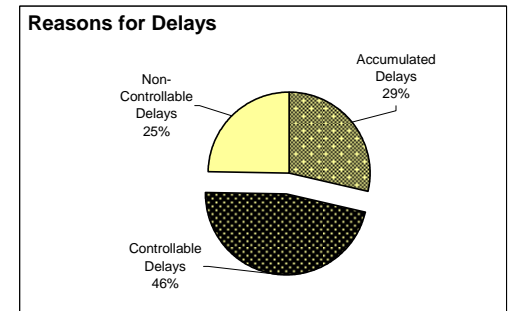
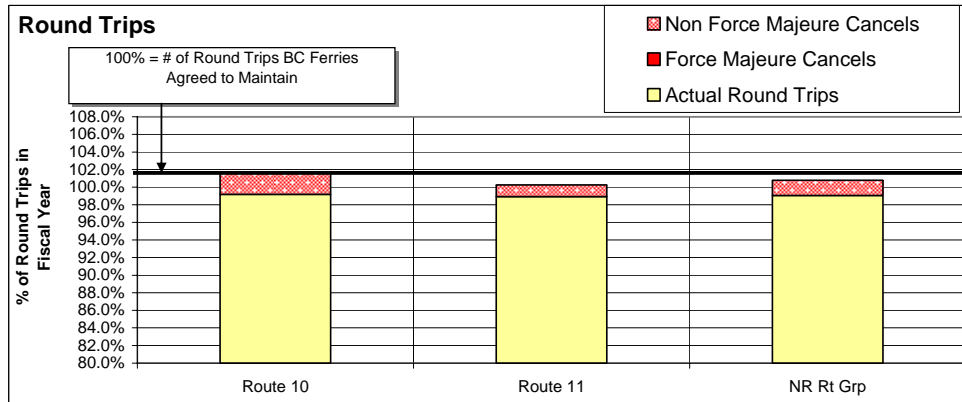
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Minor Routes	Minor Route Description	# of Scheduled Round Trips	# of Actual Round Trips	Extra Round Trips/ (Short Round Trips)	% Sailings Overloaded
Route 04	Swartz Bay-Fulford Harbour	2,880.0	2,881.0	1.0	4.8%
Route 05	Swartz Bay-Southern Gulf Islands	3,441.0	3,451.0	10.0	6.4%
Route 06	Crofton-Vesuvius Bay	5,046.0	5,104.0	58.0	2.3%
Route 07	Earls Cove-Saltery Bay	2,880.0	2,876.0	-4.0	1.7%
Route 08	Horseshoe Bay-Bowen Island	5,569.0	5,570.0	1.0	11.7%
Route 09	Tsawwassen-Long Harbour	830.0	831.0	1.0	4.1%
Route 17	Little River (Comox)-Powell River	1,460.0	1,450.0	-10.0	1.5%
Route 18	Westview (Powell River)-Blubber Bay (Texada)	3,650.0	3,645.0	-5.0	0.5%
Route 19	Nanaimo Harbour-Descanso Bay (Gabriola)	5,731.0	5,720.0	-11.0	12.9%
Route 20	Chemainus-Thetis-Kuper	4,013.0	4,006.0	-7.0	4.6%
Route 21	Buckley Bay-Denman West	6,149.0	6,482.0	333.0	8.2%
Route 22	Gravelly Bay (Denman East)-Shingle Spit (Hornby)	4,484.0	4,834.0	350.0	9.6%
Route 23	Campbell River-Quathiaski Cove (Quadra)	6,253.0	6,262.0	9.0	11.6%
Route 24	Heriot Bay (Quadra)-Whaletown (Cortes)	2,138.0	2,145.0	7.0	12.7%
Route 25	Port McNeill-Sointula-Alert Bay	3,959.0	3,961.0	2.0	1.7%
Route 26	Skidegate-Alert Bay	4,380.0	4,401.0	21.0	1.6%
MNR Route Group Total		62,863.0	63,619.0	756.0	6.0%



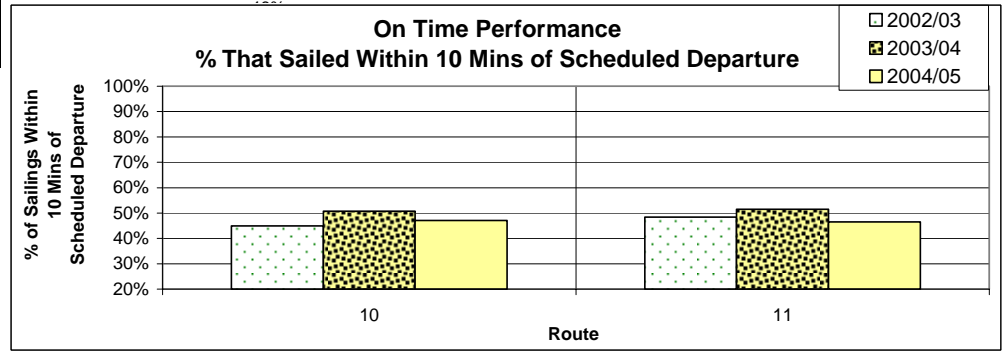
Operations Report – For the Year Ended March 31, 2005

ROUTE GROUP: Northern Routes



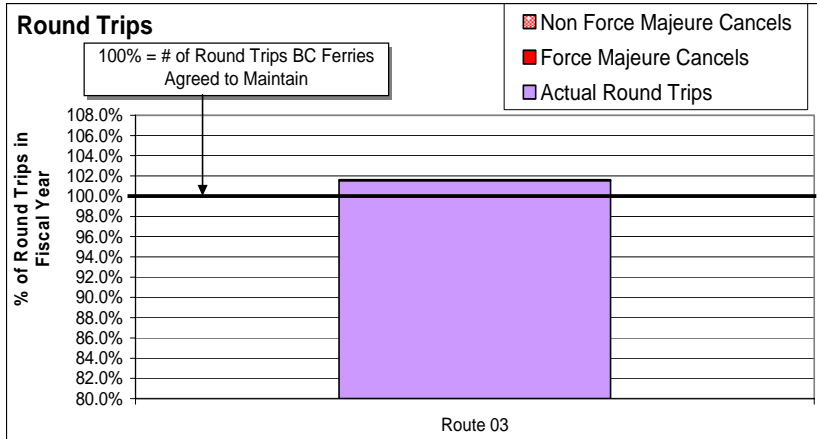
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Accumulated = Delays accumulated over the course of the day as a result of an earlier delay

Northern Routes	Northern Route Description	# of Scheduled Round Trips	# of Actual Round Trips	Extra Round Trips/ (Short Round Trips)	% Sailings Overloaded
Route 10	Port Hardy-Prince Rupert	123.0	122.0	-1.0	3.8%
Route 11	Skidegate-Prince Rupert	190.0	188.0	-2.0	5.1%
NORTHERN Route Group Total		313.0	310.0	-3.0	4.4%



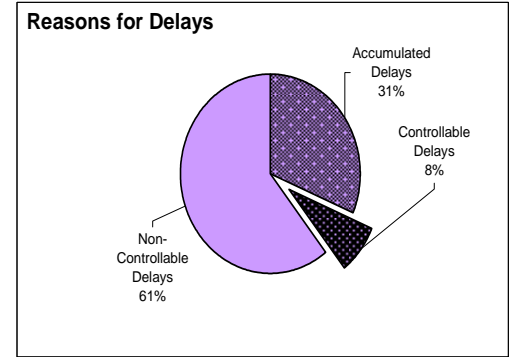
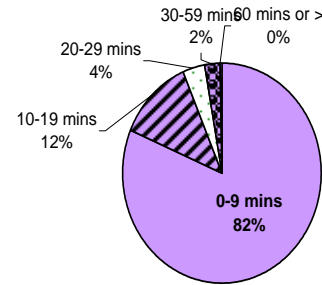
Operations Report – For the Year Ended March 31, 2005

ROUTE GROUP: Route 03

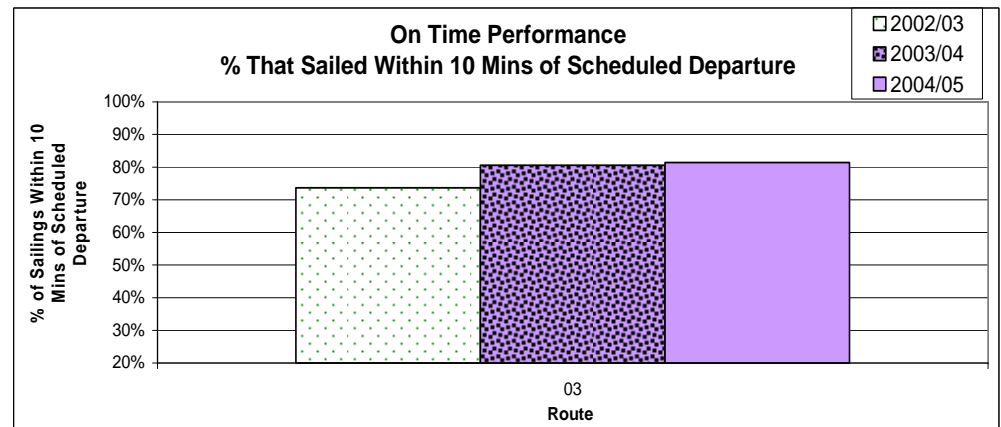


Route 03	Route Description	# of Scheduled Round Trips	# of Actual Round Trips	Extra Round Trips/ (Short Round Trips)	% Sailings Overloaded
Route 03	Horseshoe Bay-Langdale	3,006.0	3,050.0	44.0	14.2%

On Time Performance 2004/05

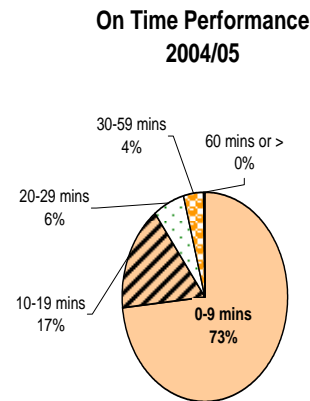
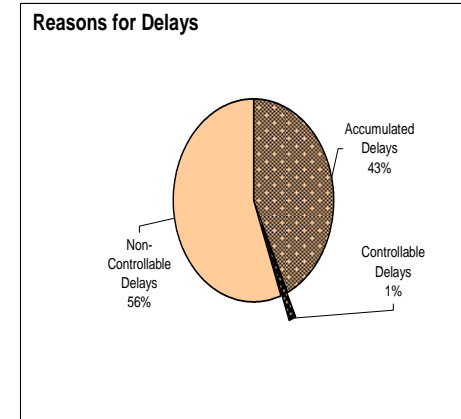
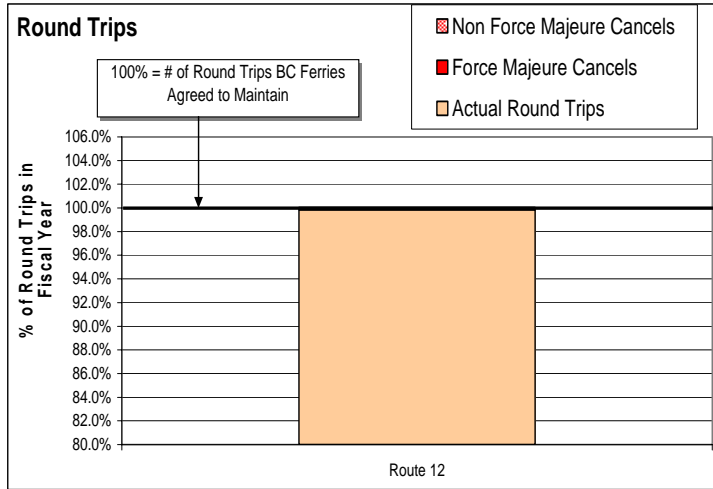


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Operations Report – For the Year Ended March 31, 2005

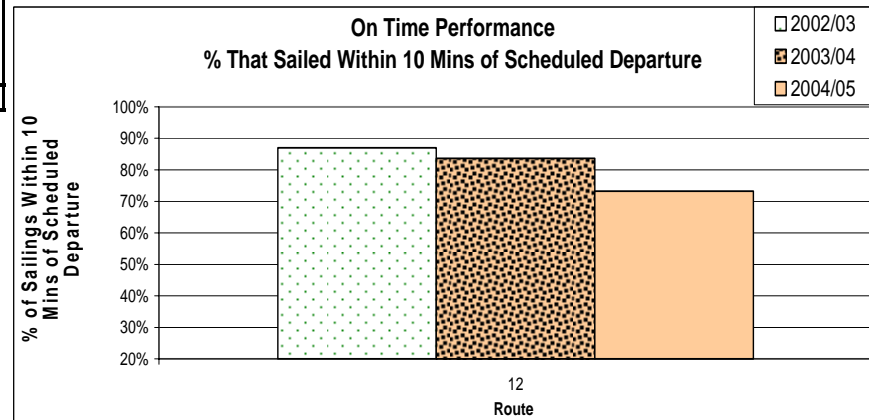
ROUTE GROUP: Route 12



Controllable = Under the control of the company (loading procedure, crewing level, etc.)
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Accumulated = Delays accumulated over the course of the day as a result of an earlier delay

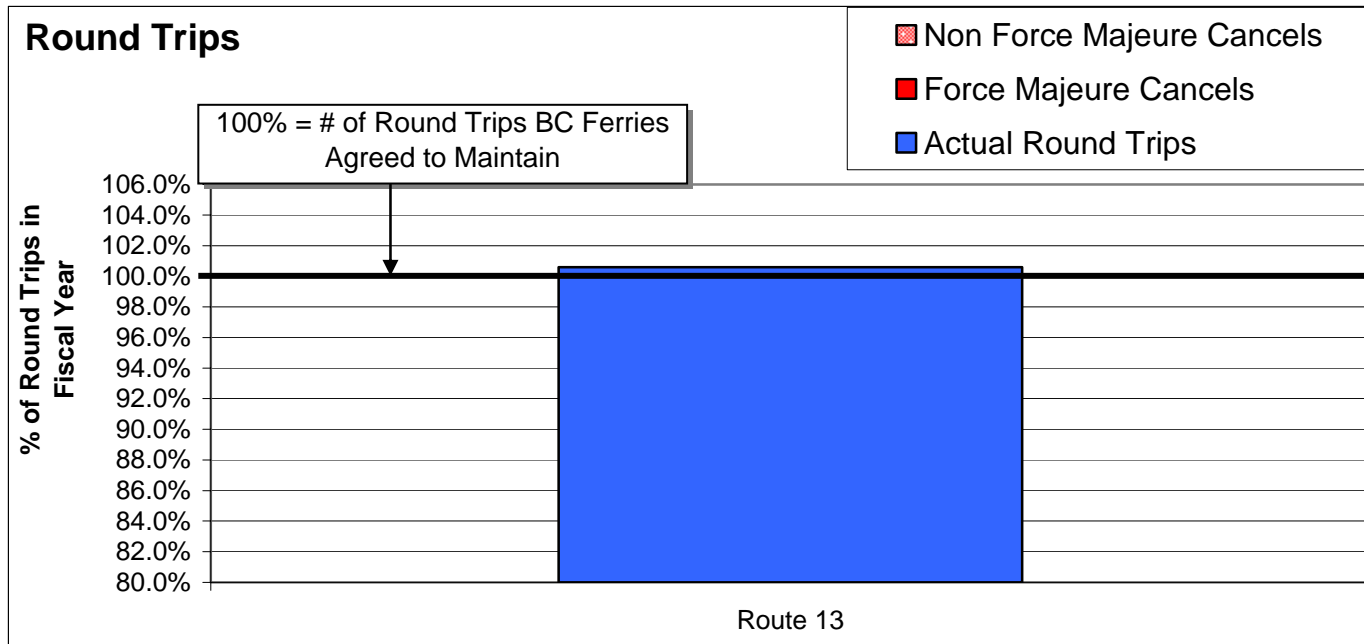
Route 12	Route Description	# of Scheduled Round Trips	# of Actual Round Trips	Extra Round Trips/ (Short Round Trips)	% Sailings Overloaded
Route 12	Mill Bay-Brentwood Bay	3,215.0	3,210.0	-5.0	15.8%

*Note: low number of trips is due to vessel being in refit for one month.



Operations Report – For the Year Ended March 31, 2005

ROUTE GROUP: Route 13 - Contracted Route



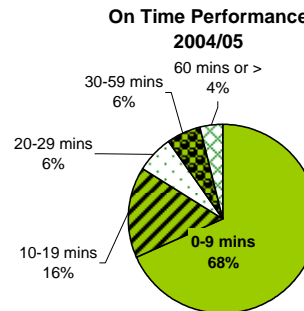
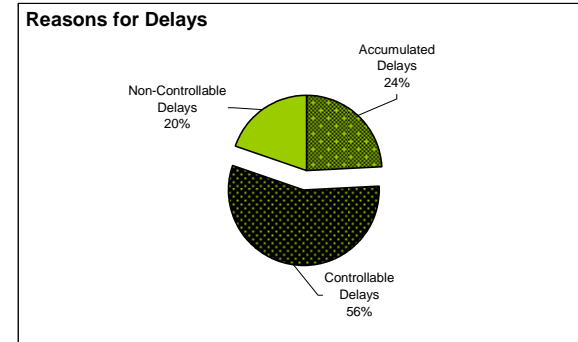
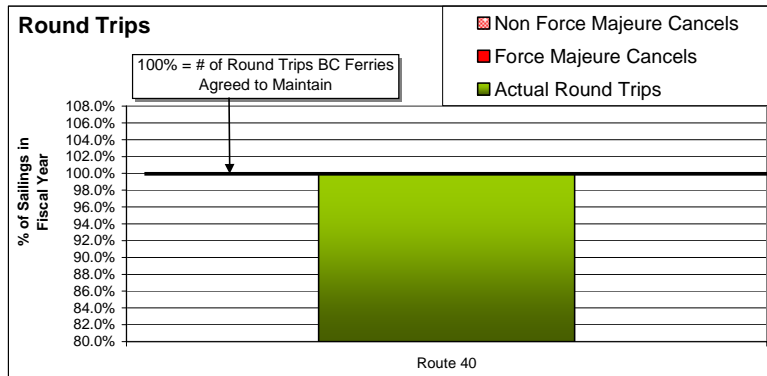
Route 13	Route Description	# of Scheduled Round Trips	# of Actual Round Trips	Extra Round Trips/ (Short Round Trips)	% Sailings Overloaded
Route 13	Langdale - Keats - Gambier Island	4,061.0	4,052.0	-9.0	Pass Only

On Time Performance

On-time performance figures are NOT available for this route due to the nature of these trips (sailing usually run every 10 mins or less)

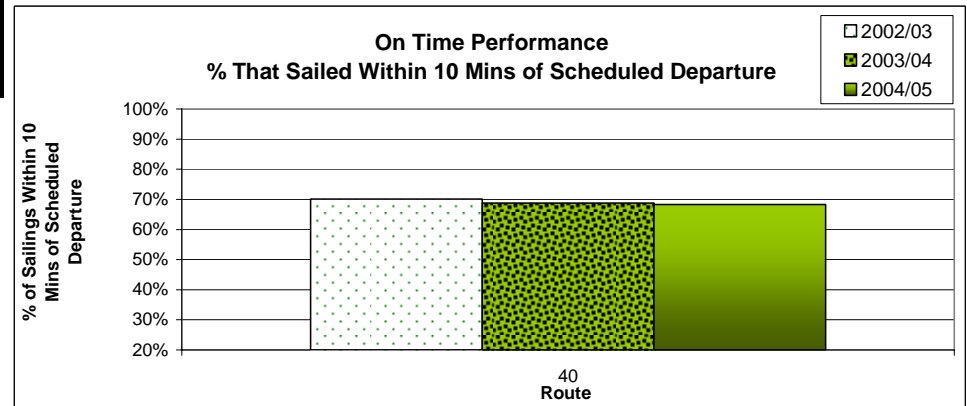
Operations Report – For the Year Ended March 31, 2005

ROUTE GROUP: Route 40



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Accumulated = Delays accumulated over the course of the day as a result of an earlier delay

Route 40	Route Description	# of Scheduled Round Trips	# of Actual Round Trips	Extra Round Trips/ (Short Round Trips)	% Sailings Overloaded
Route 40	Port Hardy - Mid Coast	39.0	39.0	0.0	0.0%



Temporary Service Disruptions Report

(Year Ended March 31, 2005)



CANCELLED ROUND TRIPS BY ROUTE AND ROUTE GROUP

(see detail for number of days allowed in contract in Appendix 1a, see detail for number of days not allowed in contract and in Appendix 1b and 1c-with applicable fee calculations as appropriate)

2004/05 Annual Report			Scheduled Round Trips	Cancels Allowed for in Schedule A, 2(a) of the Coastal Ferry Services Contract										Cancels Not Allowed for in Schedule A, 2(a) of the Coastal Ferry Services Contract					Grand Total of Round Trip Cancellations	% Scheduled Round Trips Cancelled by Route	
Route Group	Terminal 1	Terminal 2		Force Majeure		Force Majeure RT Total	Non Force Majeure Round Trip Cancels						Non Force Majeure RT Total	Other Round Trip Cancels				Other RT Total			
				Labour Disruption	Weather		Emerg. Response	Medical Emerg.	Regulatory Issue	Terminal Maint.	Vessel Maint.	Vessel Mech. Failure		Community Event	Heavy Traffic	No Traffic	Stat Holiday				
MJR	Route 01	Swartz Bay	Tsawwassen	3,879.0	1	1.0		1					3	4.0					0.0	5	0.129%
	Route 02	Horseshoe Bay	Departure Bay	3,105.0		2.0							2	2.0					0.0	4	0.129%
	Route 30	Duke Point	Tsawwassen	2,828.0		1.0						1	28	29.0					0.0	30	1.061%
MJR Total				9,812.0	1	3	4.0	0	1	0	0	1	33	35.0	0	0	0	0	0.0	39	0.397%
MNR	Route 04	Fulford Harbour	Swartz Bay	2,880.0		0.0							1	1.0			2	2.0	3	0.104%	
	Route 05	Swartz Bay	Four SGLs	3,441.0		1.0								0.0			5	5.0	6	0.174%	
	Route 06	Crofton	Vesuvius Bay	5,046.0		8.0								0.0		1		1.0	9	0.178%	
	Route 07	Earls Cove	Saltery Bay	2,880.0		0.0			1				1	2.0		1	1	2.0	4	0.139%	
	Route 08	Horseshoe Bay	Bowen Island	5,569.0		0.0		1		1				2.0		3	1	4.0	6	0.108%	
	Route 09	Tsawwassen	Long Harbour	830.0	1	1.0							7	7.0				0.0	8	0.964%	
	Route 17	Little River	Powell River	1,460.0		7.0			1					1.0			2	2.0	10	0.685%	
	Route 18	Texada	Powell River	3,650.0		13.0								0.0			2	2.0	15	0.411%	
	Route 19	Nanaimo Harbour	Gabriola Island	5,731.0		0.0	1	1					12	14.0				0.0	14	0.244%	
	Route 20	Chemainus	Thetis Island	4,013.0		1.0	1						9	10.0				0.0	11	0.274%	
	Route 21	Buckley Bay	Denman West	6,149.0		0.0				1			1	2.0				0.0	2	0.033%	
	Route 22	Denman East	Hornby Island	4,484.0		4.0							12	12.0			2	2.0	18	0.401%	
	Route 23	Campbell River	Quadra Island	6,253.0		7.0			2	1				3.0				0.0	10	0.160%	
	Route 24	Quadra Island	Cortes Island	2,138.0		7.0							1	1.0			2	2.0	10	0.468%	
Route 25	Port McNeill	Alert Bay	3,959.0		2.0							1	1.0				0.0	3	0.076%		
Route 26	Skidegate	Alliford Bay	4,380.0		35.0							4	4.0	1		2	3.0	42	0.959%		
MNR Total				62,863.0	1	85	86.0	2	2	4	3	0	49	60.0	1	5	0	19	25.0	171	0.272%
NR	Route 10	Port Hardy	Prince Rupert	123.0		0.0						3	3.0					0.0	3	2.439%	
	Route 11	Skidegate	Prince Rupert	190.0		0.0						2.5	2.5					0.0	2.5	1.316%	
NR Total				313.0	0	0	0.0	0	0	0	0	5.5	0	5.5	0	0	0	0.0	5.5	1.757%	
R03	Route 03	Langdale	Horseshoe Bay	3,006.0		0.0						3	3.0			2	2.0	5	0.166%		
R03 Total				3,006.0	0	0.0	0	0	0	0	0	0	3	3.0	0	0	0	2	2.0	5	0.166%
R12	Route 12	Mill Bay	Brentwood Bay	3,215.0		5.0		1					1.0					0.0	6	0.187%	
R12 Total				3,215.0	0	5	5.0	0	1	0	0	0	0	1.0	0	0	0	0	0.0	6	0.187%
R13	Route 13	Langdale	Gambier/Keats	4,061.0		0.0							0.0		33		33.0	33	0.813%		
R13 Total				4,061.0	0	0	0.0	0	0	0	0	0	0	0.0	0	0	33	0	33.0	33	0.813%
R40	Route 40	Port Hardy	Mid-coast	39.0		0.0							0.0					0.0	0	0.000%	
R40 Total				39.0	0	0	0.0	0	0	0	0	0	0	0.0	0	0	0	0	0.0	0	0.000%
Company Total				83,309.0	2	93	95	2	4	4	3	6.5	85	104.5	1	5	33	21	60	259.5	0.311%

% Scheduled Round Trips Cancelled by Cause 0.002% 0.112% 0.114% 0.002% 0.005% 0.005% 0.004% 0.008% 0.102% 0.125% 0.001% 0.006% 0.040% 0.025% 0.072% 0.311%

CANCELLED ROUND TRIPS (by *****Days*****) FOR ROUTE AND ROUTE GROUP

(for cancels on days for allowed reasons only)

As Per Contract, Calendar Year 2004 (Jan-Dec 2004)				Force Majeure DAYS when Round Trips Missed	Non Force Majeure DAYS when Round Trips Missed	Cumulative # Days when Round Trips Missed / CALENDAR YEAR: Jan-Dec 2004 Allowed 30 Cumulative Days per Contract	As Per Contract Highest Consecutive # of Days when Round Trips Missed / FISCAL YEAR: Apr/04 - Mar/05
Route Group	Terminal 1	Terminal 2	Allowed 20 Consecutive Days per Contract				
MJR	Route 01	Swartz Bay	Tsawwassen	1.0	4.0	5.0	1
	Route 02	Horseshoe Bay	Departure Bay	1.0	1.0	2.0	1
	Route 30	Duke Point	Tsawwassen	1.0	28.0	29.0	5
MNR	Route 04	Fulford Harbour	Swartz Bay	0.0	1.0	1.0	1
	Route 05	Swartz Bay	Four SGIs	1.0	0.0	1.0	2
	Route 06	Crofton	Vesuvius Bay	2.0	0.0	2.0	1
	Route 07	Earls Cove	Saltery Bay	0.0	2.0	2.0	1
	Route 08	Horseshoe Bay	Bowen Island	0.0	2.0	2.0	2
	Route 09	Tsawwassen	Long Harbour	0.0	1.0	1.0	1
	Route 17	Little River	Powell River	4.0	1.0	5.0	1
	Route 18	Texada	Powell River	4.0	0.0	4.0	1
	Route 19	Nanaimo Harbour	Gabriola Island	0.0	10.0	10.0	2
	Route 20	Chemainus	Thetis Island	1.0	4.0	5.0	1
	Route 21	Buckley Bay	Denman West	0.0	2.0	2.0	1
	Route 22	Denman East	Hornby Island	1.0	3.0	4.0	1
	Route 23	Campbell River	Quadra Island	2.0	3.0	5.0	1
	Route 24	Quadra Island	Cortes Island	4.0	1.0	5.0	1
Route 25	Port McNeill	Alert Bay	1.0	1.0	2.0	1	
Route 26	Skidegate	Alliford Bay	10.0	1.0	11.0	2	
NR	Route 10	Port Hardy	Prince Rupert	0.0	2.0	2.0	1
	Route 11	Skidegate	Prince Rupert	0.0	4.0	4.0	2
R03	Route 03	Langdale	Horseshoe Bay	0.0	3.0	3.0	2
R12	Route 12	Mill Bay	Brentwood Bay	3.0	1.0	4.0	3
R13	Route 13	Langdale	Gambier/Keats	0.0	0.0	0.0	0
R40	Route 40	Port Hardy	Mid-coast	0.0	0.0	0.0	0

Note: Cancellations noted under 'Other' reasons are not included in Days calculations as fees are deducted on an individual occurrence basis for these cancellations

CANCELLED & EXTRA ROUND TRIPS BY ROUTE AND ROUTE GROUP

2004/05				Scheduled Round Trips	# Round Trips Cancelled (allowed + not allowed)	Calculated Extra Round Trips	Reported Actual # Round Trips	Net Extra/Short Round Trips
4th Q. Ending Mar. 31/05 (quarter only)								
Route Group		Terminal 1	Terminal 2					
MJR	Route 01	Swartz Bay	Tsawwassen	3,879.0	5.0	252.0	4,126.0	247.0
	Route 02	Horseshoe Bay	Departure Bay	3,105.0	4.0	59.0	3,160.0	55.0
	Route 30	Duke Point	Tsawwassen	2,828.0	30.0	4.0	2,802.0	-26.0
MJR Total				9,812.0	39.0	315.0	10,088.0	276.0
MNR	Route 04	Fulford Harbour	Swartz Bay	2,880.0	3.0	4.0	2,881.0	1.0
	Route 05	Swartz Bay	Four SGIs	3,441.0	6.0	16.0	3,451.0	10.0
	Route 06	Crofton	Vesuvius Bay	5,046.0	9.0	67.0	5,104.0	58.0
	Route 07	Earls Cove	Saltery Bay	2,880.0	4.0	0.0	2,876.0	-4.0
	Route 08	Horseshoe Bay	Bowen Island	5,569.0	6.0	7.0	5,570.0	1.0
	Route 09	Tsawwassen	Long Harbour	830.0	8.0	9.0	831.0	1.0
	Route 17	Little River	Powell River	1,460.0	10.0	0.0	1,450.0	-10.0
	Route 18	Texada	Powell River	3,650.0	15.0	10.0	3,645.0	-5.0
	Route 19	Nanaimo Harbour	Gabriola Island	5,731.0	14.0	3.0	5,720.0	-11.0
	Route 20	Chemainus	Thetis Island	4,013.0	11.0	4.0	4,006.0	-7.0
	Route 21	Buckley Bay	Denman West	6,149.0	2.0	335.0	6,482.0	333.0
	Route 22	Denman East	Hornby Island	4,484.0	18.0	368.0	4,834.0	350.0
	Route 23	Campbell River	Quadra Island	6,253.0	10.0	19.0	6,262.0	9.0
	Route 24	Quadra Island	Cortes Island	2,138.0	10.0	17.0	2,145.0	7.0
Route 25	Port McNeill	Alert Bay	3,959.0	3.0	5.0	3,961.0	2.0	
Route 26	Skidegate	Alliford Bay	4,380.0	42.0	63.0	4,401.0	21.0	
MNR Total				62,863.0	171.0	927.0	63,619.0	756.0
NR	Route 10	Port Hardy	Prince Rupert	123.0	3.0	2.0	122.0	-1.0
	Route 11	Skidegate	Prince Rupert	190.0	2.5	0.5	188.0	-2.0
NR Total				313.0	5.5	2.5	310.0	-3.0
R03	Route 03	Langdale	Horseshoe Bay	3,006.0	5.0	49.0	3,050.0	44.0
R03 Total				3,006.0	5.0	49.0	3,050.0	44.0
R12	Route 12	Mill Bay	Brentwood Bay	3,215.0	6.0	1.0	3,210.0	-5.0
R12 Total				3,215.0	6.0	1.0	3,210.0	-5.0
R13	Route 13	Langdale	Gambier/Keats	4,061.0	33.0	24.0	4,052.0	-9.0
R13 Total				4,061.0	33.0	24.0	4,052.0	-9.0
R40	Route 40	Port Hardy	Mid-coast	39.0	0.0	0.0	39.0	0.0
R40 Total				39.0	0.0	0.0	39.0	0.0
Company Total				83,309.0	259.5	1,318.5	84,368.0	1,059.0

Route Statement Report
(Year Ended March 31, 2005)





British Columbia Ferry Services Inc.
Route Statement
For the Twelve Months Ended March 31, 2005
(in 000's)

	Group 1		Group 2		Group 3		Group 4			
	Corporate Total		Major Routes		03-Horseshoe Bay - Langdale		Northern Routes		40-Bear Cove - Mid-Coast	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Tariff Revenue	345,852	323,023	259,600	242,826	24,794	22,549	12,182	11,645	1,131	1,184
Ancillary Revenue (See note 1)	61,224	57,601	49,935	46,966	4,634	3,962	2,544	2,538	147	146
Social Program Reimbursements	13,412	12,317	7,258	6,674	1,455	1,336	482	493	12	12
Contracted Routes Fee	1,724	1,747	0	0	0	0	0	0	0	0
Total Operating Revenue	422,212	394,688	316,793	296,466	30,883	27,847	15,208	14,676	1,290	1,342
Total Operating Expenses	426,427	411,214	234,990	220,957	27,748	31,935	31,081	31,731	3,223	2,935
Earnings from Operations	(4,215)	(16,526)	81,803	75,509	3,135	(4,088)	(15,873)	(17,055)	(1,933)	(1,593)
Amortization	(47,490)	(47,260)	(32,247)	(28,948)	(2,834)	(3,145)	(2,891)	(1,477)	(65)	(1,419)
Financing Expense (See note 1)	(24,030)	(22,455)	(15,429)	(13,745)	(1,938)	(2,095)	(519)	(512)	(15)	(46)
Cost of Capital	(71,520)	(69,715)	(47,676)	(42,693)	(4,772)	(5,240)	(3,410)	(1,989)	(80)	(1,465)
(Loss) Gain on Disposal of Capital Assets	(628)	(1,565)	(517)	(977)	(47)	65	(11)	11	0	3
Route Earnings (Loss) Before Ferry Service Fees & Federal Contract	(76,363)	(87,806)	33,610	31,839	(1,684)	(9,263)	(19,294)	(19,033)	(2,013)	(3,055)
Ferry Service Fees	91,834	91,818	0	0	5,000	4,971	13,457	13,457	1,893	1,893
Federal Contract	24,343	23,973	0	0	1,347	1,327	3,623	3,568	510	502
Net Route Earnings (Loss)	39,814	27,985	33,610	31,839	4,663	(2,965)	(2,214)	(2,008)	390	(660)
Fuel Deferral (See note 2)	8,000		4,173		965		796		130	

Note 1: Interest income has been reclassified as ancillary revenue in comparative figures to conform to the presentation adopted for the current period (reclassified from financing expense).

Note 2: The British Columbia Ferry Commissioner has authorized the use of deferral accounts whereby differences between established set prices and the actual prices of fuel oil are recorded in the deferral accounts. Without the use of these deferral accounts, operating expenses for each route would have been higher and net earnings lower by the amounts indicated.



British Columbia Ferry Services Inc.
Route Statement
For the Twelve Months Ended March 31, 2005
(in 000's)

	Group 5		Group 6		Group 7			
	12-Mill Bay - Brentwood		Minor Routes		13-Langdale - Gambier Island - Keats Island		Unregulated Routes	
	2005	2004	2005	2004	2005	2004	2005	2004
Tariff Revenue	1,045	846	46,956	43,851	144	122	0	0
Ancillary Revenue (See note 1)	16	16	3,909	3,871	39	102	0	0
Social Program Reimbursements	13	0	4,165	3,767	27	35	0	0
Contracted Routes Fee	0	0	0	0	0	0	1,724	1,747
Total Operating Revenue	1,074	862	55,030	51,489	210	259	1,724	1,747
Total Operating Expenses	1,485	1,875	125,570	118,512	511	1,419	1,819	1,850
Earnings from Operations	(411)	(1,013)	(70,540)	(67,023)	(301)	(1,160)	(95)	(103)
Amortization	(491)	(485)	(8,959)	(11,782)	(3)	(4)	0	0
Financing Expense (See note 1)	(128)	(143)	(6,000)	(5,913)	(1)	(1)	0	0
Cost of Capital	(619)	(628)	(14,959)	(17,695)	(4)	(5)	0	0
(Loss) Gain on Disposal of Capital Assets	(1)	2	(52)	(637)	0	(32)	0	0
Route Earnings (Loss) Before Ferry Service Fees & Federal Contract	(1,031)	(1,639)	(85,551)	(85,355)	(305)	(1,197)	(95)	(103)
Ferry Service Fees	1,425	1,425	69,530	69,543	529	529	0	0
Federal Contract	0	0	18,721	18,436	142	140	0	0
Net Route Earnings (Loss)	394	(214)	2,700	2,624	366	(528)	(95)	(103)
Fuel Deferral (See note 2)	6		1,930		0		0	

Note 1: Interest income has been reclassified as ancillary revenue in comparative figures to conform to the presentation adopted for the current period (reclassified from financing expense).

Note 2: The British Columbia Ferry Commissioner has authorized the use of deferral accounts whereby differences between established set prices and the actual prices of fuel oil are recorded in the deferral accounts. Without the use of these deferral accounts, operating expenses for each route would have been higher and net earnings lower by the amounts indicated.



British Columbia Ferry Services Inc.
Route Statement
Group 1 - Major Routes
For the Twelve Months Ended March 31, 2005
(in 000's)

	01-Tsawwassen - Swartz Bay		02-Horseshoe Bay - Nanaimo		30-Nanaimo - Tsawwassen		Major Routes	
	2005	2004	2005	2004	2005	2004	2005	2004
Tariff Revenue	132,622	123,546	79,485	74,028	47,493	45,252	259,600	242,826
Ancillary Revenue (See note 1)	28,617	27,091	14,885	13,730	6,433	6,145	49,935	46,966
Social Program Reimbursements	3,177	2,849	3,034	2,849	1,047	976	7,258	6,674
Contracted Routes Fee	0	0	0	0	0	0	0	0
Total Operating Revenue	164,416	153,486	97,404	90,607	54,973	52,373	316,793	296,466
Total Operating Expenses	111,819	101,230	67,951	65,980	55,220	53,747	234,990	220,957
Earnings from Operations	52,597	52,256	29,453	24,627	(247)	(1,374)	81,803	75,509
Amortization	(17,604)	(17,070)	(8,492)	(6,125)	(6,151)	(5,753)	(32,247)	(28,948)
Financing Expense (See note 1)	(7,971)	(7,927)	(4,296)	(2,752)	(3,162)	(3,066)	(15,429)	(13,745)
Cost of Capital	(25,575)	(24,997)	(12,788)	(8,877)	(9,313)	(8,819)	(47,676)	(42,693)
(Loss) Gain on Disposal of Capital Assets	(271)	(245)	(156)	(295)	(90)	(437)	(517)	(977)
Route Earnings (Loss) Before Ferry Service Fees & Federal Contract	26,751	27,014	16,509	15,455	(9,650)	(10,630)	33,610	31,839
Ferry Service Fees	0	0	0	0	0	0	0	0
Federal Contract	0	0	0	0	0	0	0	0
Net Route Earnings (Loss)	26,751	27,014	16,509	15,455	(9,650)	(10,630)	33,610	31,839
Fuel Deferral	1,669		1,214		1,290		4,173	

Note 1: Interest income has been reclassified as ancillary revenue in comparative figures to conform to the presentation adopted for the current period (reclassified from financing expense).

Note 2: The British Columbia Ferry Commissioner has authorized the use of deferral accounts whereby differences between established set prices and the actual prices of fuel oil are recorded in the deferral accounts. Without the use of these deferral accounts, operating expenses for each route would have been higher and net earnings lower by the amounts indicated.



British Columbia Ferry Services Inc.
Route Statement
Group 6 - Minor Routes
For the Twelve Months Ended March 31, 2005
(in 000's)

	04-Swartz Bay - Fulford Harbour		05-Swartz Bay - Gulf Islands		06-Vesuvius Bay - Crofton		07-Salter Bay - Earls Cove		08-Horseshoe Bay - Snug Cove		09-Tsawwassen - Gulf Islands	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Tariff Revenue	3,756	3,559	3,263	3,118	3,109	2,915	4,092	3,712	5,484	5,007	7,808	7,480
Ancillary Revenue (See note 1)	292	305	377	392	84	80	405	379	375	368	1,457	1,445
Social Program Reimbursements	287	254	410	347	258	233	217	212	566	498	325	263
Contracted Routes Fee	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Revenue	4,335	4,118	4,050	3,857	3,451	3,228	4,714	4,303	6,425	5,873	9,590	9,188
Total Operating Expenses	7,269	7,745	14,443	15,744	5,537	4,509	12,607	12,420	10,814	10,120	15,997	18,367
Earnings from Operations	(2,934)	(3,627)	(10,393)	(11,887)	(2,086)	(1,281)	(7,893)	(8,117)	(4,389)	(4,247)	(6,407)	(9,179)
Amortization	(1,334)	(1,393)	(1,276)	(1,313)	(252)	(163)	(375)	(3,068)	(1,207)	(1,281)	(587)	(894)
Financing Expense (See note 1)	(1,155)	(1,197)	(1,024)	(1,031)	(97)	(85)	(280)	(333)	(1,137)	(1,157)	(304)	(297)
Cost of Capital	(2,489)	(2,590)	(2,300)	(2,344)	(349)	(248)	(655)	(3,401)	(2,344)	(2,438)	(891)	(1,191)
(Loss) Gain on Disposal of Capital Assets	(5)	(30)	(1)	(95)	(3)	(35)	(4)	(47)	(8)	(29)	(13)	(26)
Route Earnings (Loss) Before Ferry Service Fees & Federal Contract	(5,428)	(6,247)	(12,694)	(14,326)	(2,438)	(1,564)	(8,552)	(11,565)	(6,741)	(6,714)	(7,311)	(10,396)
Ferry Service Fees	5,046	5,049	10,930	10,932	1,443	1,444	9,381	9,381	5,173	5,175	6,880	6,880
Federal Contract	1,359	1,339	2,943	2,898	389	383	2,525	2,487	1,393	1,372	1,852	1,824
Net Route Earnings (Loss)	977	141	1,179	(496)	(606)	263	3,354	303	(175)	(167)	1,421	(1,692)
Fuel Deferral (See note 2)	71		254		60		392		98		156	

Note 1: Interest income has been reclassified as ancillary revenue in comparative figures to conform to the presentation adopted for the current period (reclassified from financing expense).

Note 2: The British Columbia Ferry Commissioner has authorized the use of deferral accounts whereby differences between established set prices and the actual prices of fuel oil are recorded in the deferral accounts. Without the use of these deferral accounts, operating expenses for each route would have been higher and net earnings lower by the amounts indicated.



British Columbia Ferry Services Inc.
Route Statement
Group 6 - Minor Routes
For the Twelve Months Ended March 31, 2005
(in 000's)

	17-Comox - Powell River		18-Texada Island - Powell River		19-Gabriola Island - Nanaimo Harbour		20-Thetis Island - Kuper Island -		21-Denman Island - Buckley Bay		22-Hornby Island - Denman Island	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Tariff Revenue	6,320	5,741	831	782	3,347	3,078	773	742	1,617	1,426	1,176	1,173
Ancillary Revenue (See note 1)	678	627	27	22	61	59	29	65	26	26	15	16
Social Program Reimbursements	623	560	115	116	393	405	107	101	208	210	109	28
Contracted Routes Fee	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Revenue	7,621	6,928	973	920	3,801	3,542	909	908	1,851	1,662	1,300	1,217
Total Operating Expenses	16,646	13,064	4,831	5,191	5,054	4,767	4,218	3,800	4,341	3,887	4,090	2,260
Earnings from Operations	(9,025)	(6,136)	(3,858)	(4,271)	(1,253)	(1,225)	(3,309)	(2,892)	(2,490)	(2,225)	(2,790)	(1,043)
Amortization	(1,308)	(1,215)	(403)	(348)	(465)	(447)	(255)	(279)	(419)	(425)	(162)	(151)
Financing Expense (See note 1)	(553)	(541)	(267)	(173)	(272)	(274)	(157)	(161)	(168)	(171)	(96)	(90)
Cost of Capital	(1,861)	(1,756)	(670)	(521)	(737)	(721)	(412)	(440)	(587)	(596)	(258)	(241)
(Loss) Gain on Disposal of Capital Assets	(10)	(28)	0	(41)	(4)	(41)	1	(54)	(2)	(38)	(1)	(27)
Route Earnings (Loss) Before Ferry Service Fees & Federal Contract	(10,896)	(7,920)	(4,528)	(4,833)	(1,994)	(1,987)	(3,720)	(3,386)	(3,079)	(2,859)	(3,049)	(1,311)
Ferry Service Fees	6,289	6,289	3,245	3,245	2,549	2,549	2,484	2,484	2,694	2,694	2,064	2,064
Federal Contract	1,693	1,667	874	860	686	676	668	658	725	714	556	547
Net Route Earnings (Loss)	(2,914)	36	(409)	(728)	1,241	1,238	(568)	(244)	340	549	(429)	1,300
Fuel Deferral (See note 2)	241		121		66		54		59		30	

Note 1: Interest income has been reclassified as ancillary revenue in comparative figures to conform to the presentation adopted for the current period (reclassified from financing expense).

Note 2: The British Columbia Ferry Commissioner has authorized the use of deferral accounts whereby differences between established set prices and the actual prices of fuel oil are recorded in the deferral accounts. Without the use of these deferral accounts, operating expenses for each route would have been higher and net earnings lower by the amounts indicated.



British Columbia Ferry Services Inc.
Route Statement
Group 6 - Minor Routes
For the Twelve Months Ended March 31, 2005
(in 000's)

	23-Quadra Island - Campbell River		24-Cortes Island - Quadra Island		25-Alert Bay - Sointula - Port		26-Skidegate - Alliford Bay		Minor Routes	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Tariff Revenue	3,226	3,025	587	569	1,053	1,044	514	480	46,956	43,851
Ancillary Revenue (See note 1)	38	43	15	16	22	20	8	8	3,909	3,871
Social Program Reimbursements	271	285	59	30	192	196	25	29	4,165	3,767
Contracted Routes Fee	0	0	0	0	0	0	0	0	0	0
Total Operating Revenue	3,535	3,353	661	615	1,267	1,260	547	517	55,030	51,489
Total Operating Expenses	7,007	5,986	2,997	3,423	6,933	4,386	2,786	2,843	125,570	118,512
Earnings from Operations	(3,472)	(2,633)	(2,336)	(2,808)	(5,666)	(3,126)	(2,239)	(2,326)	(70,540)	(67,023)
Amortization	(340)	(299)	(229)	(217)	(246)	(193)	(101)	(96)	(8,959)	(11,782)
Financing Expense (See note 1)	(149)	(134)	(142)	(136)	(161)	(92)	(38)	(41)	(6,000)	(5,913)
Cost of Capital	(489)	(433)	(371)	(353)	(407)	(285)	(139)	(137)	(14,959)	(17,695)
(Loss) Gain on Disposal of Capital Assets	(4)	(22)	1	(34)	1	(53)	0	(37)	(52)	(637)
Route Earnings (Loss) Before Ferry Service Fees & Federal Contract	(3,965)	(3,088)	(2,706)	(3,195)	(6,072)	(3,464)	(2,378)	(2,500)	(85,551)	(85,355)
Ferry Service Fees	2,894	2,894	2,643	2,647	3,167	3,168	2,648	2,648	69,530	69,543
Federal Contract	779	767	713	702	853	840	713	702	18,721	18,436
Net Route Earnings (Loss)	(292)	573	650	154	(2,052)	544	983	850	2,700	2,624
Fuel Deferral (See note 2)	141		71		54		62		1,930	

Note 1: Interest income has been reclassified as ancillary revenue in comparative figures to conform to the presentation adopted for the current period (reclassified from financing expense).

Note 2: The British Columbia Ferry Commissioner has authorized the use of deferral accounts whereby differences between established set prices and the actual prices of fuel oil are recorded in the deferral accounts. Without the use of these deferral accounts, operating expenses for each route would have been higher and net earnings lower by the amounts indicated.



British Columbia Ferry Services Inc.
Route Statement
Group 3 - Northern Routes
For the Twelve Months Ended March 31, 2005
(in 000's)

	10-Bear Cove - Bella Bella - Prince		11-Prince Rupert - Skidegate		Northern Routes	
	2005	2004	2005	2004	2005	2004
Tariff Revenue	8,825	8,490	3,357	3,155	12,182	11,645
Ancillary Revenue (See notes 1 & 3)	1,809	1,806	735	732	2,544	2,538
Social Program Reimbursements	285	292	197	201	482	493
Contracted Routes Fee	0	0	0	0	0	0
Total Operating Revenue	10,919	10,588	4,289	4,088	15,208	14,676
Total Operating Expenses (See note 3)	19,340	19,212	11,741	12,519	31,081	31,731
Earnings from Operations	(8,421)	(8,624)	(7,452)	(8,431)	(15,873)	(17,055)
Amortization	(1,826)	(1,094)	(1,065)	(383)	(2,891)	(1,477)
Financing Expense (See note 1)	(386)	(377)	(133)	(135)	(519)	(512)
Cost of Capital	(2,212)	(1,471)	(1,198)	(518)	(3,410)	(1,989)
(Loss) Gain on Disposal of Capital Assets	(6)	13	(5)	(2)	(11)	11
Route Earnings (Loss) Before Ferry Service Fees & Federal Contract	(10,639)	(10,082)	(8,655)	(8,951)	(19,294)	(19,033)
Ferry Service Fees	5,307	5,307	8,150	8,150	13,457	13,457
Federal Contract	1,429	1,407	2,194	2,161	3,623	3,568
Net Route Earnings (Loss)	(3,903)	(3,368)	1,689	1,360	(2,214)	(2,008)
Fuel Deferral (See note 2)	558		238		796	

Note 1: Interest income has been reclassified as ancillary revenue in comparative figures to conform to the presentation adopted for the current period (reclassified from financing expense).

Note 2: The British Columbia Ferry Commissioner has authorized the use of deferral accounts whereby differences between established set prices and the actual prices of fuel oil are recorded in the deferral accounts. Without the use of these deferral accounts, operating expenses for each route would have been higher and net earnings lower by the amounts indicated.

Note 3: Comparative operating expenses and ancillary revenues reported for routes 10 and 11 have been restated to adjust the allocation of certain costs between these routes. There is no change to the comparative figures shown for route group three in total, with respect to this issue.

Customer Satisfaction Tracking Annual Report 2004

British Columbia Ferry Services Inc.

Presented to:

British Columbia Ferry Services Inc.
Victoria, British Columbia



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Executive Overview

Background

British Columbia Ferry Services Inc., known as BC Ferries, conducts a Customer Satisfaction Tracking (CST) study each year. The CST study is designed to monitor customer satisfaction with various aspects of service on BC Ferries in order to determine areas that passengers believe are performing well and areas that require improvement. This study is part of a regular program of ongoing research conducted each year by BC Ferries.

The following report provides annual customer satisfaction results for the following:

- Overall ferry service
- Service prior to arriving at the terminal
- Service at the ferry terminal
- Service onboard the ferry
- Service pertaining to loading/unloading
- Overall safety of operations, and
- Value for money of fares paid

For each of the more than sixty attributes, the score for last year (2003) is shown on the graphs next to the score for this year (2004), to allow for easy comparison.

In addition to graphs showing the overall scores, this report includes detailed tables by route - in the Appendix - showing satisfaction scores for each of the 69 service attributes for 2004. The Appendix also includes detailed satisfaction scores for each of the 28 terminal-related attributes, shown separately for each of the main terminals.

Methodology

Results are based on a comprehensive two-phased research approach. First a random sample of passengers was intercepted onboard using a screener questionnaire to collect basic information about frequency of travel on BC Ferries, purpose of trip, area of residence, origin/destination, and standard demographic data. Immediately following this screener, passengers were given a separate longer questionnaire, which they were asked to complete *after* they disembarked and left the terminal.

A total of 13,748 screener interviews were conducted and 4,403 longer questionnaires were completed and returned to the research firm. Interviews were

distributed across different routes, both larger and smaller routes, during three different times of the year; peak season, shoulder season and low season. A sample of eight designated routes was included in the survey, representing 80% of the annual passenger traffic carried by BC Ferries. A more detailed explanation of the research design is included in the *Research Methodology* section, in the Appendix of this report.

Findings

Customers were asked to rate their satisfaction with 69 different aspects of the services they received from BC Ferries on a scale from 1 to 5 where 1 means Very Dissatisfied and 5 means Very Satisfied.

Satisfaction with BC Ferries Overall

A total of 88% of passengers in 2004 reported to be satisfied overall with their experience travelling on BC Ferries, higher than the satisfaction level in 2003 (82%). On the five-point satisfaction scale, an average score of 4.1 was achieved.

This overall improvement may be due to increasing satisfaction related to ferry scheduling, specifically with *on-time departures* and the *ability to get on the desired sailing*. Ratings have been increasing on these scheduling aspects and tend to drive overall passenger satisfaction.

Satisfaction Before Arriving at Terminal

- Passengers who used the Web site continue to be quite satisfied with the *usefulness* of the site, and *ease of using online reservations*, with no significant changes to report in the ratings.
- Passengers making phone contact with BC Ferries continue to be less complimentary of the *usefulness of BC Ferries phone service*, and specifically the *ease of using the automated system*, with no significant improvement in ratings since 2003.
- Highway signage receives a reasonable rating of 3.8 (similar to last year), with Duke Point and Swartz Bay terminal passengers continuing to be slightly more satisfied than others, and Horseshoe Bay and Langdale passengers being more critical.

Satisfaction at the Terminal

- In 2004, passengers provided an overall satisfaction rating of 3.9 with their terminal experience before boarding, identical to last year. Only at Duke Point do we see an increase in the rating—from 3.8 in 2003 to 4.1 in 2004.
- Satisfaction levels continue to be high with all aspects of the ticket purchase process with no significant shifts from last year.
- Passengers using food and beverage services at the terminal continue to be critical of the *food/beverage offered* and the *value for money*. *Value for money*, in fact, has dropped slightly from 2003 (most likely due to the major terminal construction underway at Tsawwassen, resulting in a temporarily reduced food service offering).
- Satisfaction levels with other retail services at the terminal are similar to those recorded in 2003.
- Overall, foot passengers continue to be dissatisfied with many of their services. In fact satisfaction has declined with *ease of using passenger drop-off/pick-up area*, *availability of parking spaces* and *parking value for money*. Dissatisfaction with the parking facilities is highest at Tsawwassen.
- Satisfaction levels with other terminal services have been quite consistent throughout the year with no significant changes to report from 2003. Passengers continue to be most positive about the *professionalism of terminal staff*, *procedures for loading*, and *availability of washrooms* at the terminal. Satisfaction levels are slightly lower for *cleanliness of washrooms* and *announcements when you need to be informed*. The *clarity of the public address system* still receives the most criticism of these terminal services. Moderate satisfaction ratings are provided on two new attributes, *overall look and décor inside the terminal* and *outside appearance of the terminal* (3.6 and 3.8 respectively).

Satisfaction Onboard

- Onboard satisfaction achieved a rating of 4.0 this year, same as in 2003.

[NOTE: For route-specific results that follow, please refer to page 8 for all the route number codes]

- A total of 85% of passengers in 2004 were satisfied with their overall experience onboard, compared to 83% in 2003. Scores are similar on each route with the following exceptions:
 - Route 3: satisfaction levels have improved from 77% in 2003 to 86% this year.
 - Route 30: satisfaction levels have dropped slightly from 85% in 2003 to 78% this year.
- Satisfaction levels continue to be highest for *staff courtesy* and *variety/selection of merchandise* in the onboard gift shop/news stand, with no movement from the 2003 levels. The rating for *ease of moving around inside the shop* has increased slightly, but it continues to be lower than the other two gift shop measures, as does *value for money*.
- Food services continue to perform well for *staff courtesy*, *cleanliness of seating area* and *availability of seating*. Satisfaction levels are lower, however, for *comfort of seating*, *length of time in line*, *food/beverages offered* and *value for money*. These tend to be areas of concern on most vessels, with no significant movement in ratings over the past year.
- Passengers continue to be relatively satisfied with the *availability of washrooms* but are more critical of the *cleanliness* on most vessels, with no changes to report year over year.
- Travellers continue to be relatively satisfied with the *comfort* and *cleanliness* of indoor lounge seating with no change in ratings from 2003.
- In terms of other onboard facilities and services, satisfaction levels continue to be reasonably high, with passengers most complimentary of the *professionalism of onboard staff* and least satisfied with the *video arcade*, *play area for children* and *ease of access for people with disabilities*, with no movement in ratings over last year.

Satisfaction with Sailing Schedules

Many aspects of the sailing schedule still are not fully meeting passengers' requirements. However, perceptions have improved over the year with respect to *on-time departures* (72% now satisfied in contrast to 61% a year ago) and *ability to get on their desired sailing* (72% satisfied in contrast to 64% a year ago). Passengers continue to be critical of *sailing frequency*, *last ferry late enough* and the *ability to make connections*.

Differences by route follow a pattern similar to last year, specifically:

- *On-time departures*: Route 1 and minor routes except 5/9 have the highest ratings, Routes 2 and 5/9 have the worst.
- *Ability to get onto desired sailing*: Route 19 passengers claim to have the most difficulty.
- *Sailing frequency*: Route 3 has the lowest rating.
- *Latest ferry late enough*: Routes 3 and 4 record the lowest ratings.

Satisfaction with Safety

- Perceptions of the *safety of the ferry operations* continue to be quite strong on all routes, with no significant change from last year. The *safety of loading/unloading* follows virtually the same pattern.

Satisfaction with Overall Value

- Satisfaction levels are low with perceived *value for money of fares*. Further analysis shows that travellers who were unable to get on the sailing they arrived for are most critical of *value for money*, perhaps understandably. Older passengers and tourists, on the other hand, are most positive about the value they receive.

Key Conclusions

Passengers on the whole are satisfied with their BC Ferries' experience.

The *professionalism of the staff* is a key contributor to overall satisfaction; this relates to staff in all areas of service, and in particular at the terminal. The customer's terminal experience, otherwise, is generally rated slightly lower than their experience onboard the ferry. *Safety of ferry operations* consistently rates high.

In summary, BC Ferries continues to perform well on the following:

- Staff in all areas - phone, ticket booth, retail, terminal, onboard, food services
- Safety of ferry operations and safety of loading/unloading
- Usefulness of the Web site
- Ease of using on-line reservations
- Efficiency of ticket purchase transaction
- Procedures for unloading
- Availability of tourist and travel info
- Availability of washrooms

However, the research identifies several opportunities to enhance the customer experience. The most significant gains in overall satisfaction will likely be achieved through the continued improvement of:

- On-time departures, and,
- Ability to get on the desired sailing

The research also suggests that improvements to the following services are required:

Pre-terminal

- Ease of using automated phone system

Terminal

- Cleanliness of washrooms
- Clarity of public address system
- Announcements when you need to be informed
- Food/beverages offered and value for money
- Variety selection and value for money of merchandise (gift shop/news stand/outdoor market area)
- Availability, comfort and cleanliness of seating in pre-boarding lounge for foot passengers
- Availability of parking spaces
- Parking value for money

Onboard

- Value for money of gift shop/news stand/food services
- Length of time in line for food services
- Food/beverages offered
- Ease of moving inside gift shop/news stand
- Cleanliness of washrooms
- Video arcade
- Ease of access for those with disabilities

Schedules

- Latest ferry late enough
- Sailing frequency
- Ability to connect

Overall

- Value for money of fares

Detailed Findings

The following section shows the detailed findings from the study. It graphically displays the satisfaction scores for each of the sixty-nine service attributes, showing both the average satisfaction score out of 5 as well as the percentage for each level of satisfaction; that is, Very Dissatisfied, Dissatisfied, Neither Satisfied/Dissatisfied, Satisfied and Very Satisfied. The ratings are shown for all surveyed BC Ferry routes combined and, where appropriate, the route-by-route scores are shown as well.

NOTE: When route numbers are shown in the graphs, please refer to the following table that explains each route number.

Ferry Routes Included in Customer Satisfaction Survey - 2004	
Route No.	Description of Route
Route 1	Tsawwassen-Swartz Bay
Route 2	Horseshoe Bay-Departure Bay
Route 3	Horseshoe Bay-Langdale
Route 30	Tsawwassen-Duke Point
Route 4	Swartz Bay-Fulford Harbour, Salt Spring Island
Route 19	Departure Bay–Descanso Bay, Gabriola Island
Route 5/9	Southern Gulf Islands (from Swartz Bay/from Tsawwassen)
Route 23	Campbell River-Quathiaski Cove, Quadra Island

Overall Satisfaction with BC Ferries

A total of 88% of passengers in 2004 reported to be satisfied overall with their experience travelling on BC Ferries, higher than satisfaction levels measured in 2003 (82%). On a five-point scale where '1' means 'very dissatisfied' and '5' means 'very satisfied' an average score of 4.1 is achieved.

[NOTE: Refer to page 8 for route number codes]

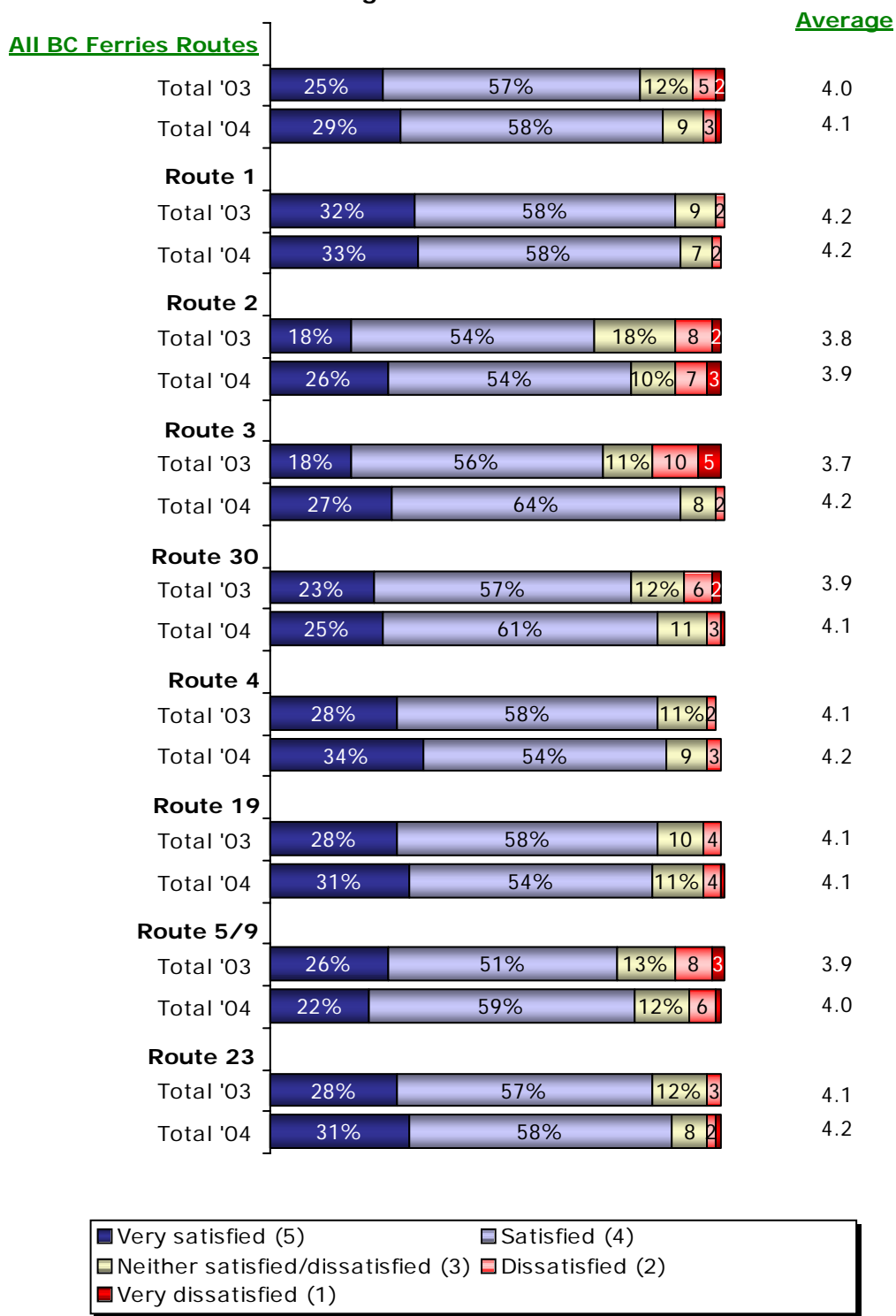
Overall satisfaction levels have strengthened on:

- Route 2 (80% satisfied compared to 72% in 2003),
- Route 3 (91% satisfied up from 72% in 2003),
- Route 30 (86% compared to 80% a year ago), and
- Route 4 (88% satisfied up slightly from 86% but the 'very' satisfied level has increased from 28% in 2003 to 34%).

Satisfaction has remained at a high level on Route 1 (91% satisfied).

This overall improvement may be due to increasing satisfaction with ferry scheduling, specifically with perceptions of on-time departures, and ability to get on their desired sailing. Ratings have been increasing on these aspects of scheduling, which are known to be key drivers of passenger satisfaction.

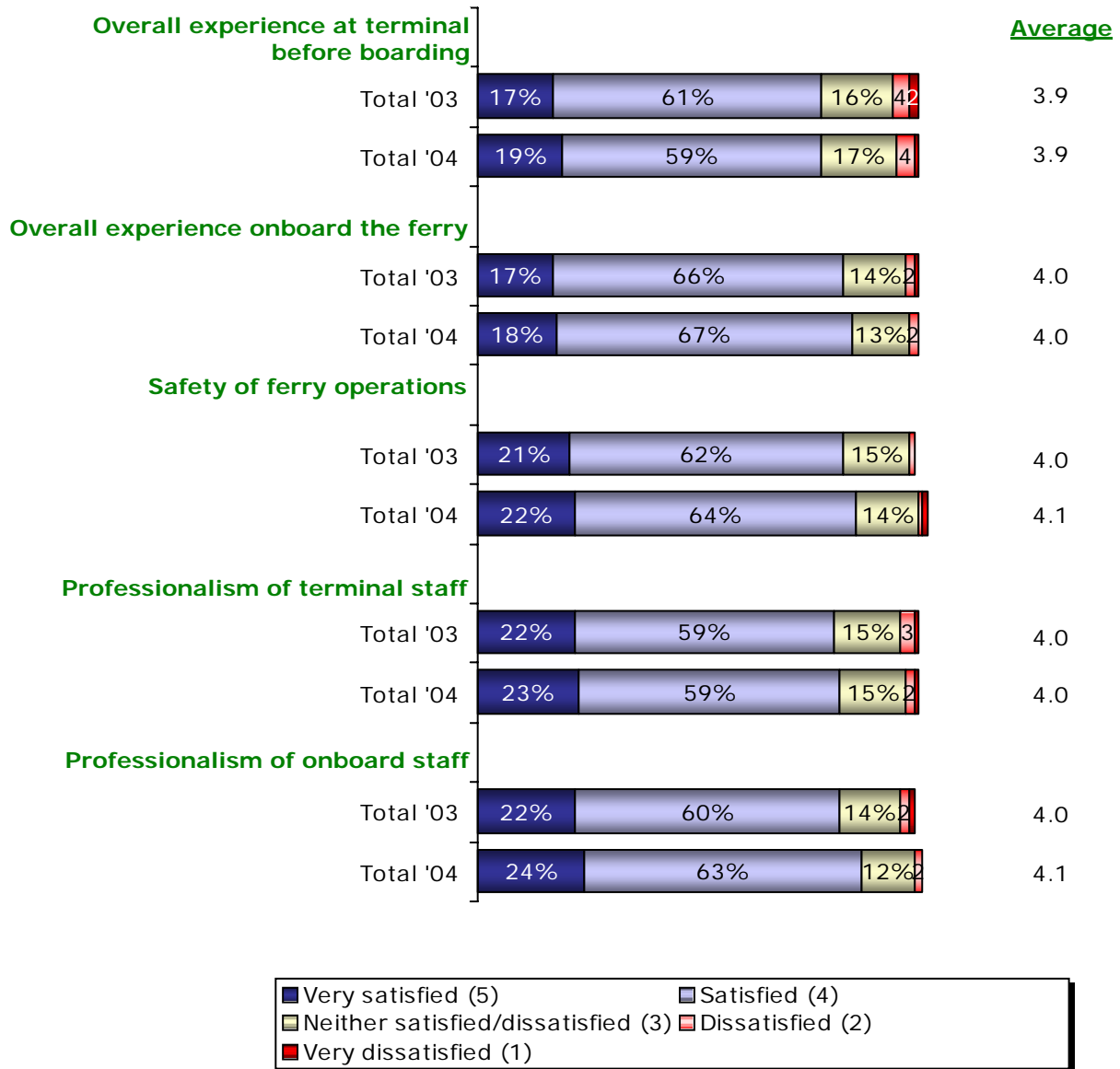
Overall Satisfaction Level with Recent Experience Travelling with BC Ferries



Q.1) How satisfied or dissatisfied were you, overall, with your recent experience travelling with BC Ferries?

The following chart summarizes the results from overall measures of each main point of contact and with BC Ferries staff specifically. Overall, results are similar to those obtained in 2003. Further analysis of each measure is provided in subsequent sections.

Summary of Main Satisfaction Scores



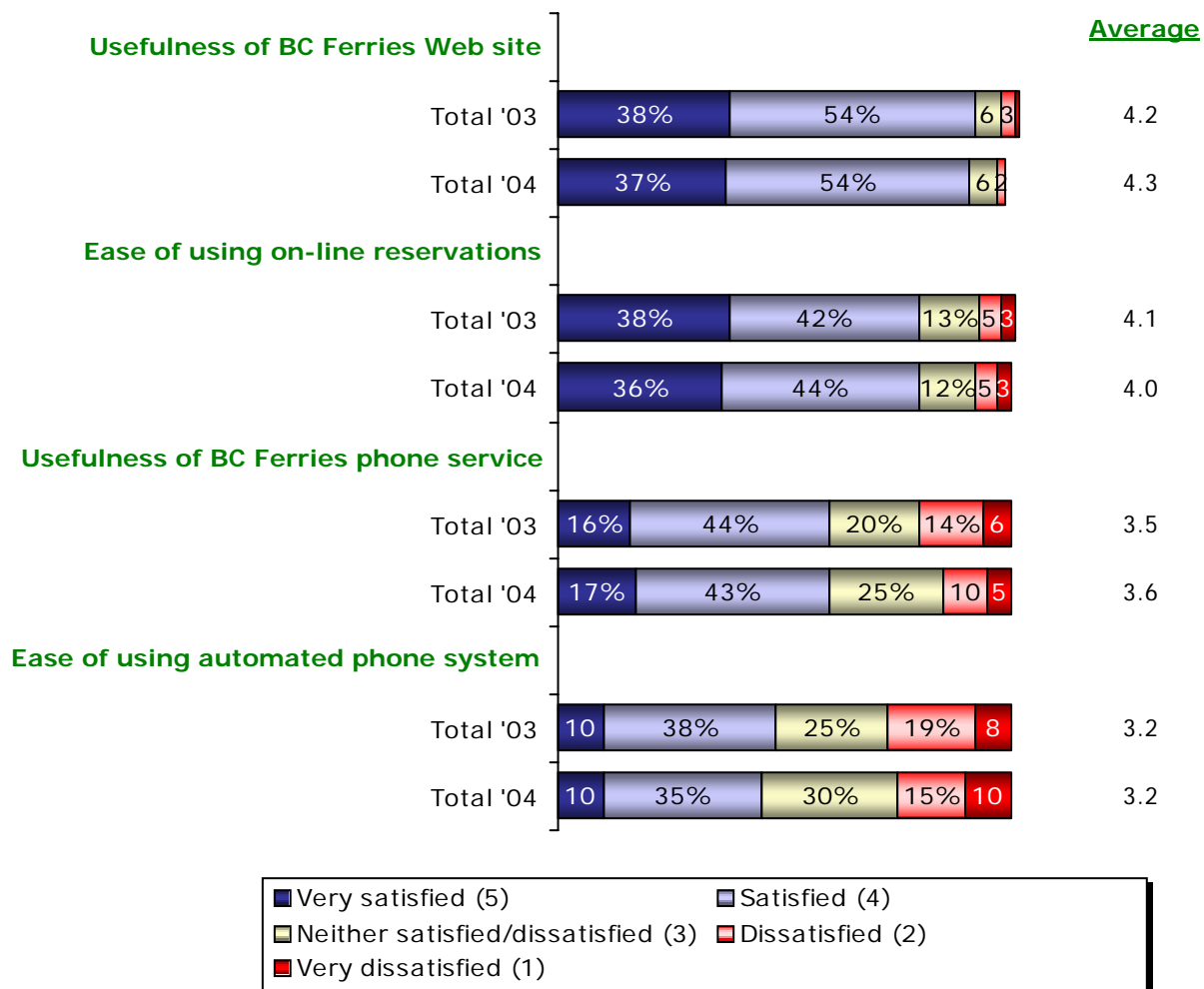
Before Arriving at Terminal

Web site and Phone Contact

Passengers who used the Web site continue to be quite satisfied with the *usefulness* of the site and *ease of using online reservations*, with no significant changes to report in the ratings.

Passengers making phone contact with BC Ferries continue to be less complimentary of the *usefulness of BC Ferries phone service* and specifically the *ease of using the automated system*, with no significant changes in ratings since 2003.

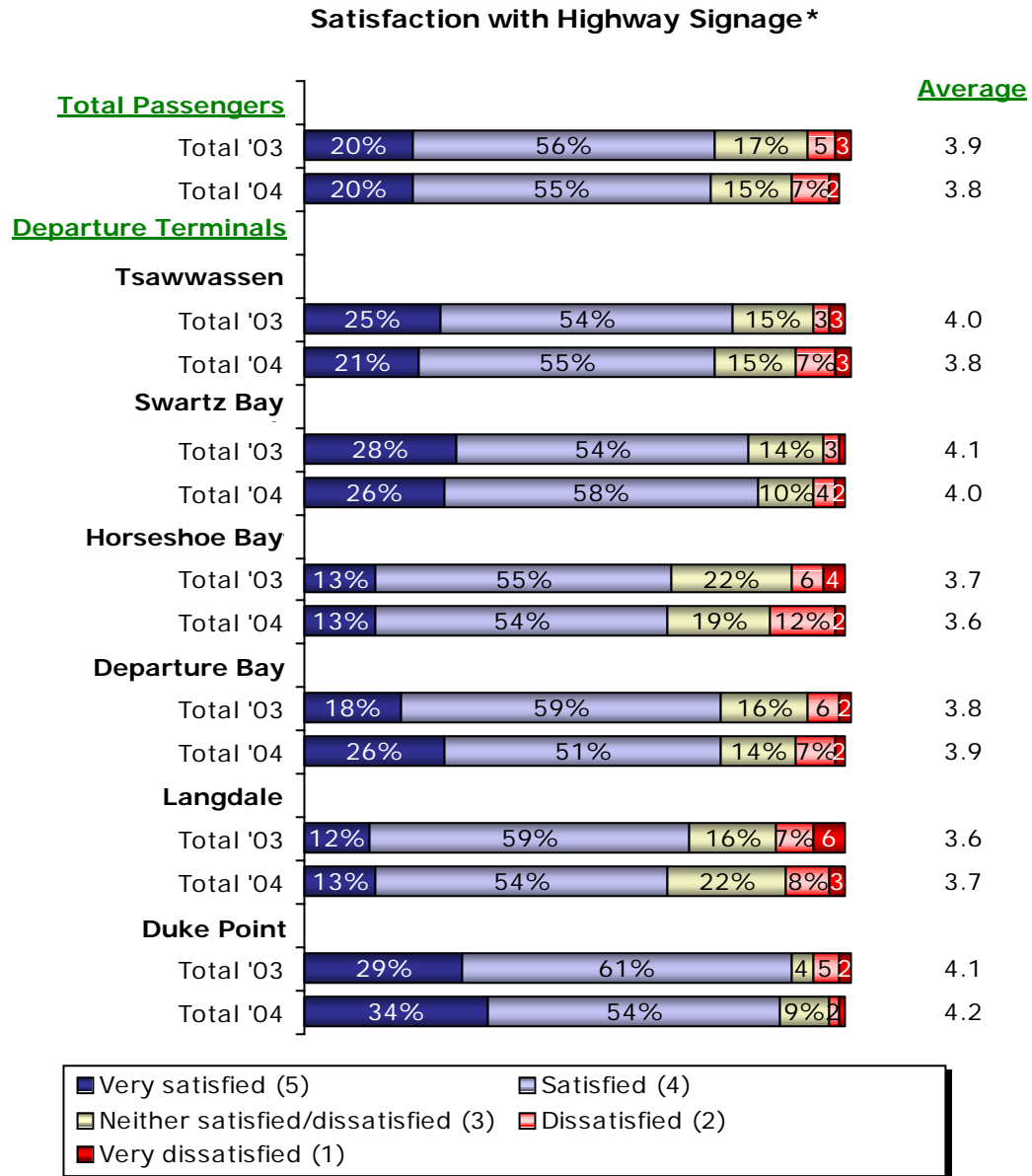
Satisfaction with Aspects of Web site* and Phone Contact**



Q.2) Please rate how satisfied or dissatisfied you were with each of the following.
 * 53% usage Web site, 24% for on-line reservations
 ** 32% usage phone service, 27% for automated system

Highway Signage

Highway signage receives a rating of 3.8 (similar to last year), with Duke Point and Swartz Bay terminal passengers continuing to be slightly more satisfied than others, and Horseshoe Bay and Langdale passengers being more critical.



Q.2) Please rate how satisfied or dissatisfied you were with each of the following.

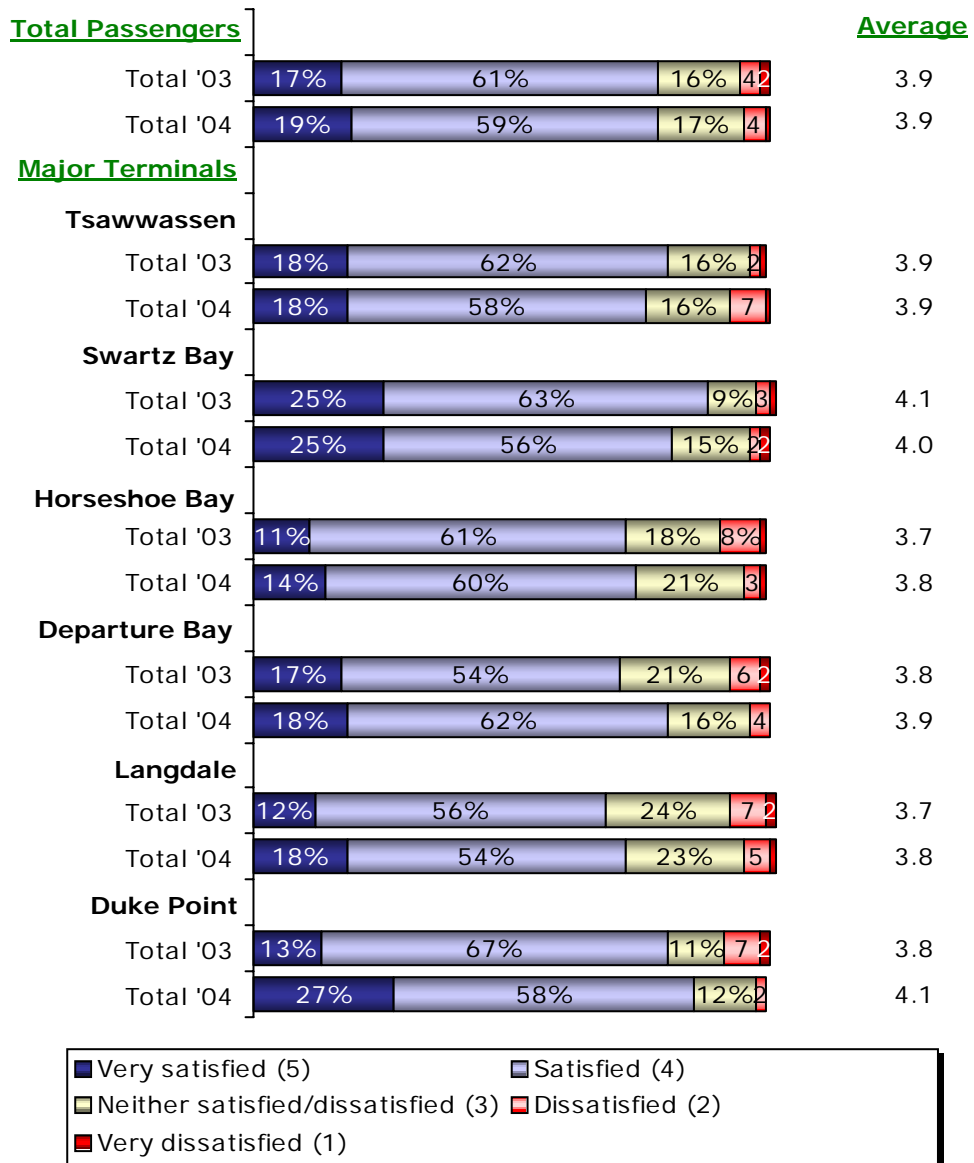
* Usage: 73%

At the Terminal

Overall Experience at the Terminal

In 2004, passengers provided an overall satisfaction rating of 3.9 with their terminal experience before boarding, identical to last year. Only at Duke Point do we see an increase in the rating—from 3.8 in 2003 to 4.1 this year.

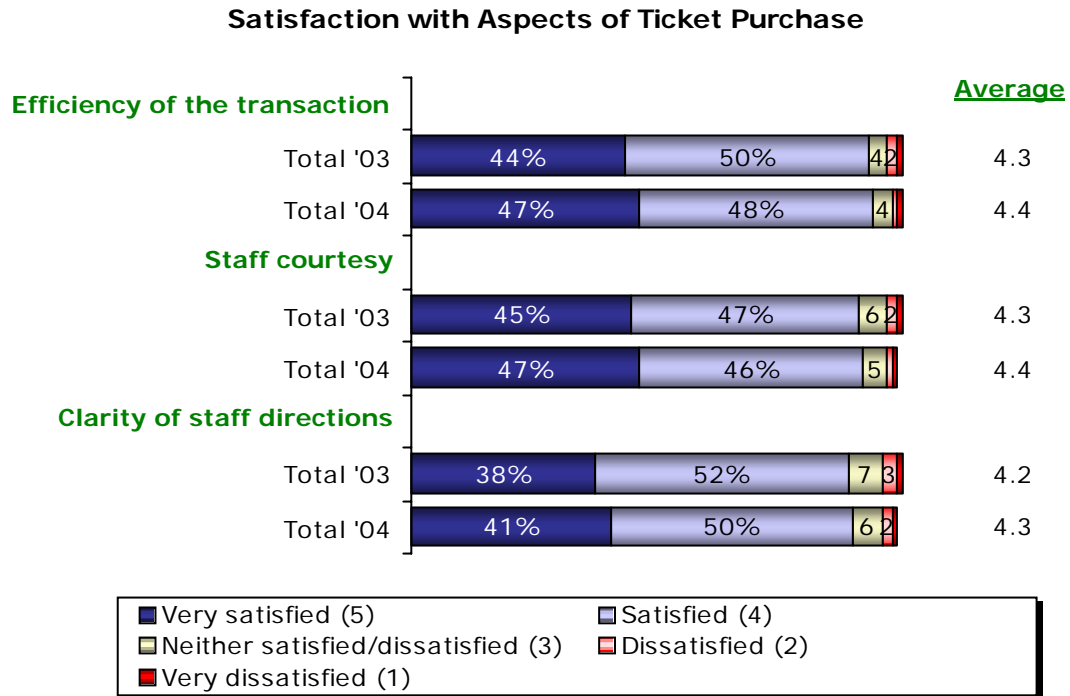
Overall Satisfaction with Experience at the Terminal Before Boarding



Q.3) Please rate how satisfied or dissatisfied you were with each of the following.

Ticket Purchase

Satisfaction levels continue to be high with all aspects of the ticket purchase process with no significant shifts from last year.

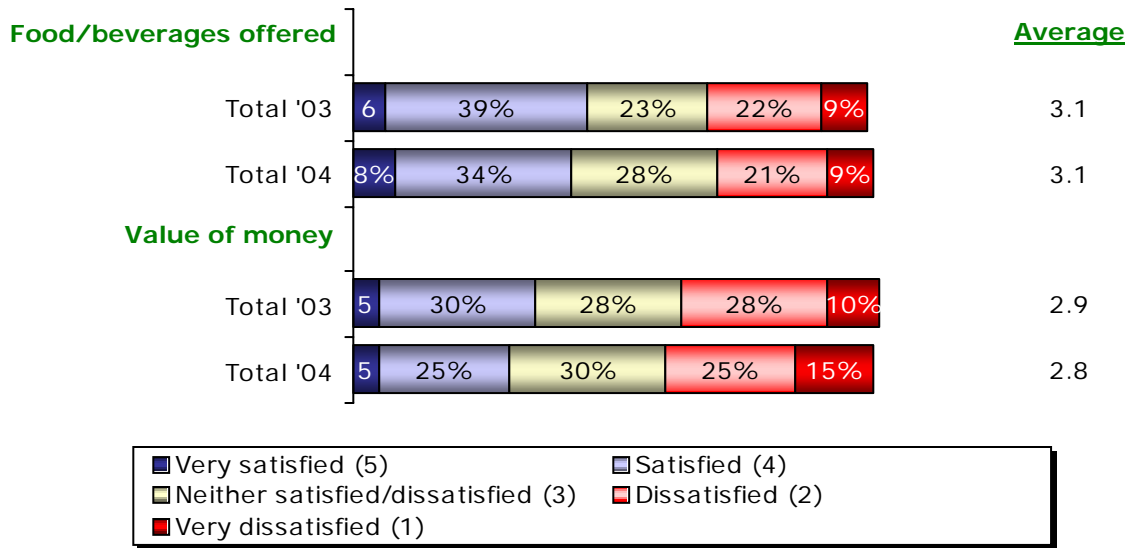


Q.3) Please rate how satisfied or dissatisfied you were with each of the following.

Food/Beverage Services at Terminal

Passengers using food and beverage services at the terminal continue to be critical of the *food/beverage offered* and *value for money*, with perception of *value* dropping very slightly from 2003.

Satisfaction with Aspects of Food and Beverage Services at Terminal*



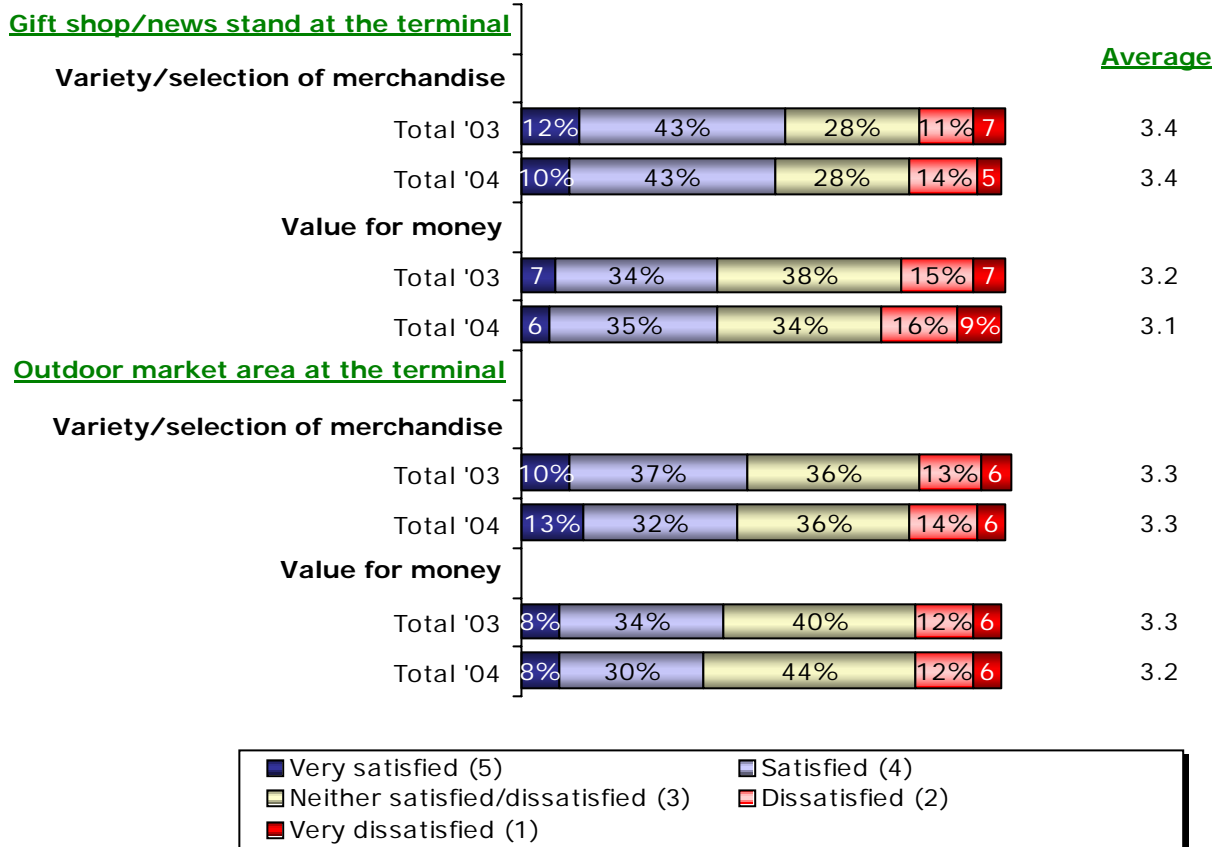
Q.3) Please rate how satisfied or dissatisfied you were with each of the following.

* 43% usage overall; excluding routes 19 and 23.

Retail Services at Terminal

Satisfaction levels with retail services at the terminal are similar to those recorded last year.

Satisfaction with Aspects of Retail Services at Terminal*



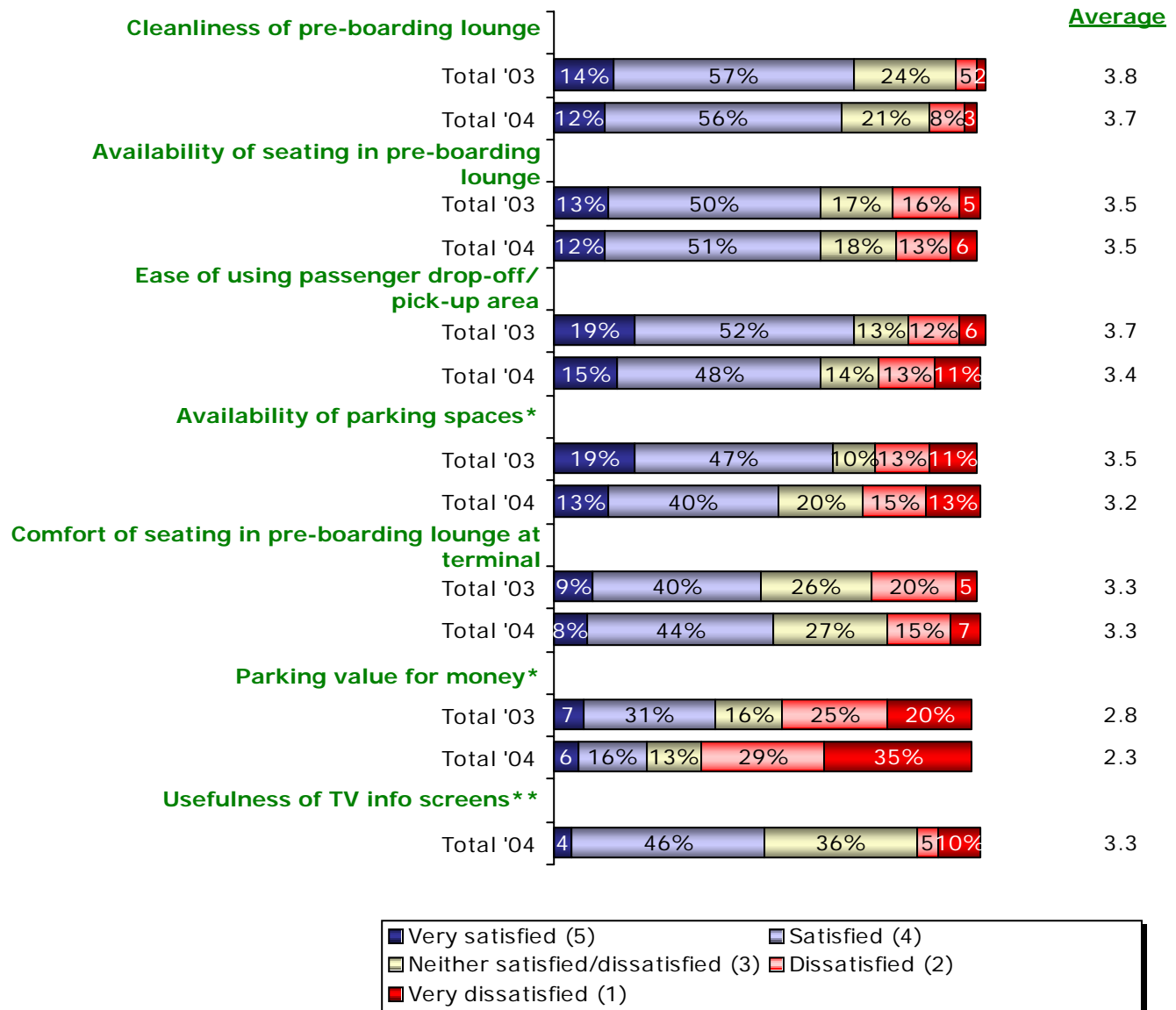
Q. 3) Please rate how satisfied or dissatisfied you were with each of the following.

** 29% usage gift shop, 26% usage outdoor market; excludes route 19, and route 23.*

Foot Passenger Services

Overall, foot passengers continue to be dissatisfied with many of their services. In fact satisfaction has declined with *ease of using passenger drop-off/pick-up area*, *availability of parking spaces* and *parking value for money*. Dissatisfaction with the parking facilities is highest at Tsawwassen.

Satisfaction with Foot Passenger Services *



Q.3) Please rate how satisfied or dissatisfied you were with each of the following.

31% are foot passengers (including bus).

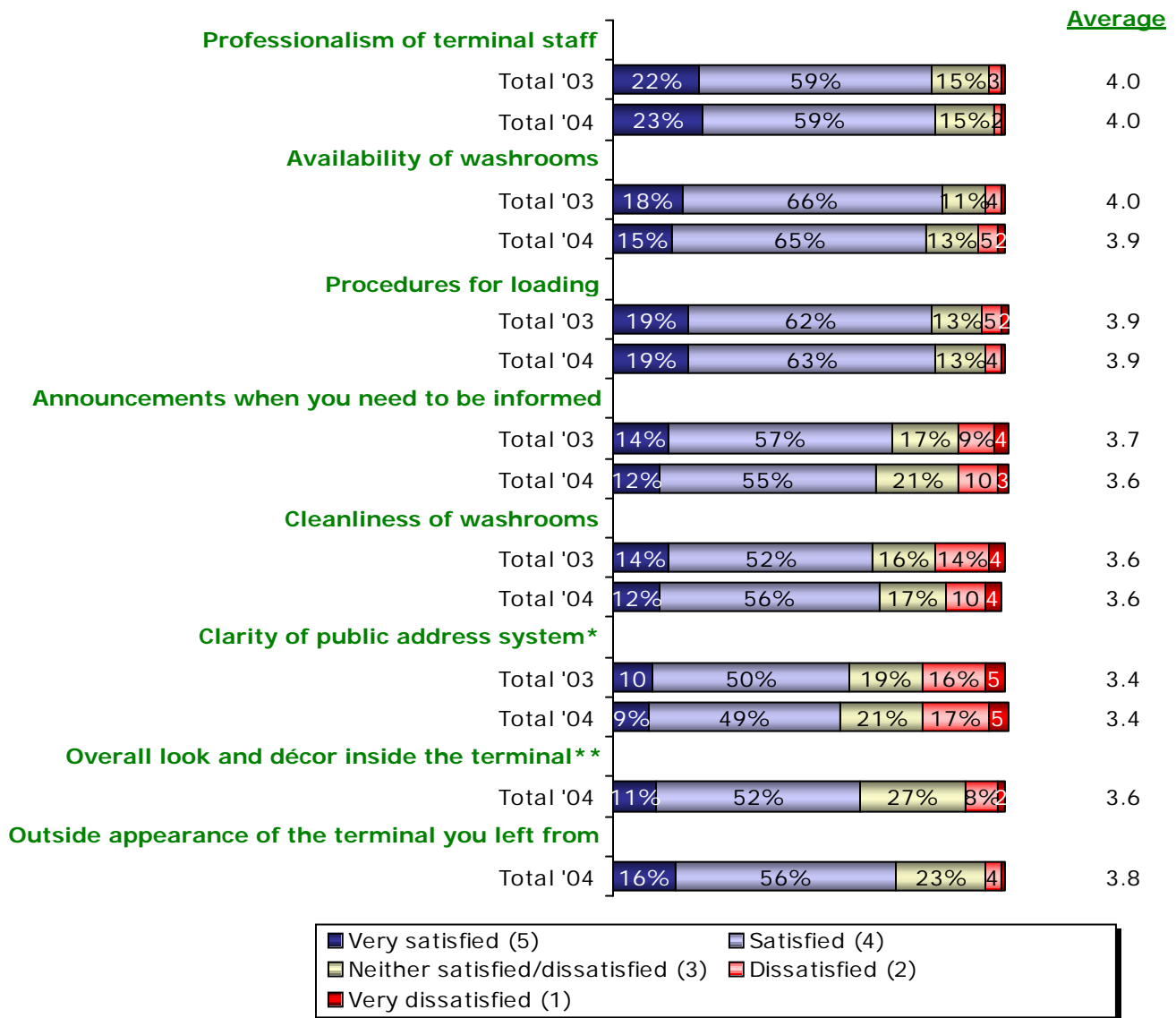
* Excludes Route 23.

** Includes Routes 1,2,3 & 30 & 4

Other Terminal Services

Satisfaction levels with other terminal services have been quite consistent with no significant changes from 2003. Passengers continue to be most positive about the *professionalism of terminal staff, procedures for loading, and availability of washrooms* at the terminal. Satisfaction levels are slightly lower for *cleanliness of washrooms* and for *announcements when you need to be informed*. The *clarity of the public address system* still receives the most criticism of these terminal services. Moderate satisfaction ratings are provided on two new attributes, *overall look and décor inside the terminal* and *outside appearance of the terminal* (3.6 and 3.8 respectively).

Satisfaction with Other Terminal Services



Q.3) Please rate how satisfied or dissatisfied you were with each of the following.

* Excluding Route 23.

** Excludes Route 19 & 23.

Onboard Experience

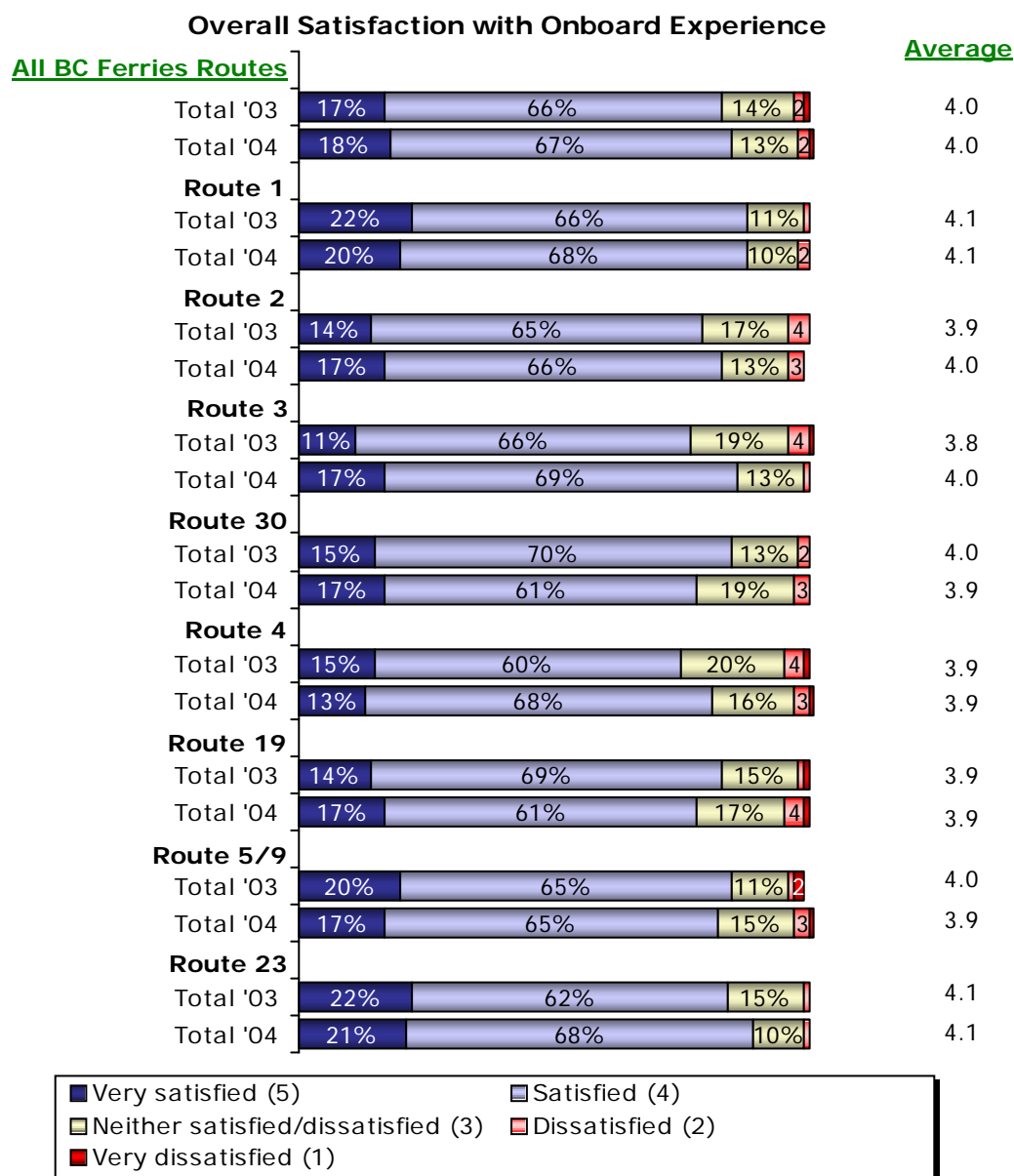
Overall Onboard Experience

Onboard satisfaction achieved a rating of 4.0 this year, same as in 2003.

A total of 85% of passengers in 2004 were satisfied with their overall experience onboard, compared to 83% in 2003. Scores are similar on each route with the following exceptions:

- Route 3: satisfaction levels have improved from 77% in 2003 to 86% this year.
- Route 30: satisfaction levels have dropped slightly from 85% in 2003 to 78% this year.

[NOTE: Refer to page 8 or page 30 for Route number codes]

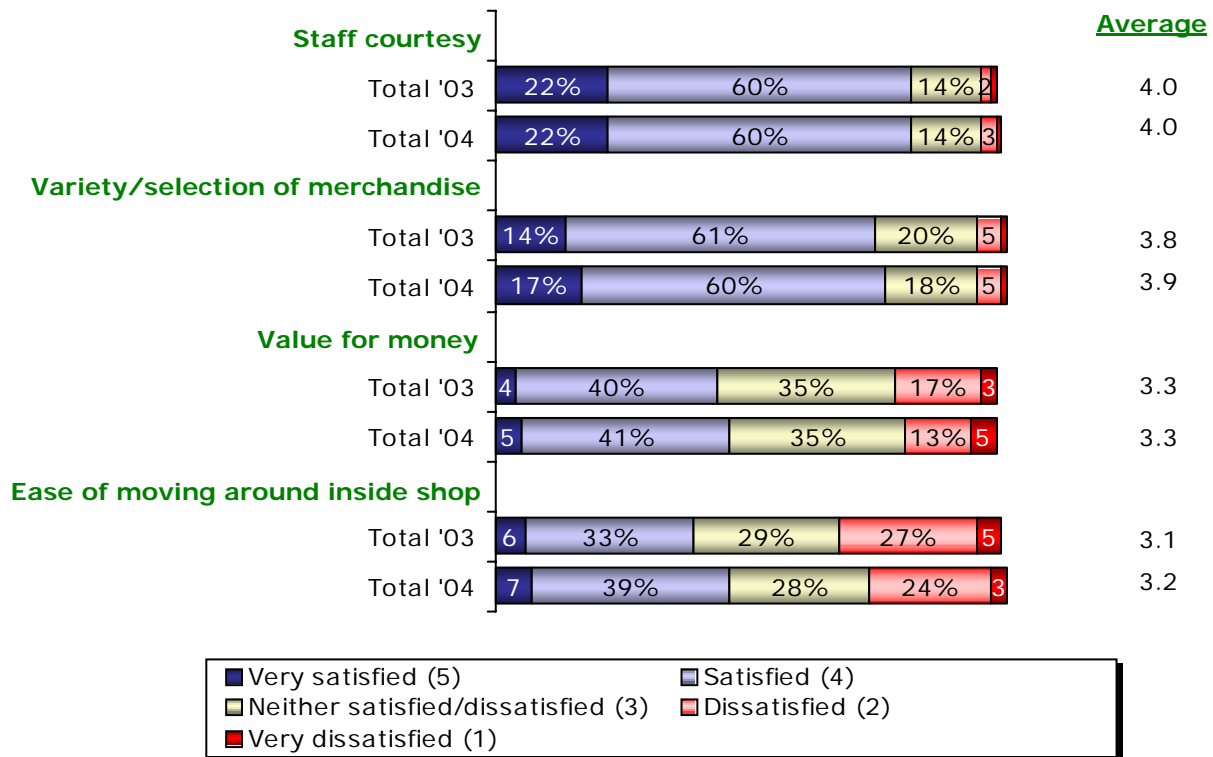


Q.4) Please rate how satisfied or dissatisfied you were with each of the following.

Onboard Gift Shop/News Stand

Satisfaction levels continue to be highest for *staff courtesy* and *variety/selection of merchandise* in the gift shop/news stand, with no changes from 2003. The rating for *ease of moving around inside the shop* has increased slightly, but it continues to be lower than the other two gift shop aspects, as does *value for money*.

Satisfaction with Aspects of Gift Shop/News Stand Onboard*



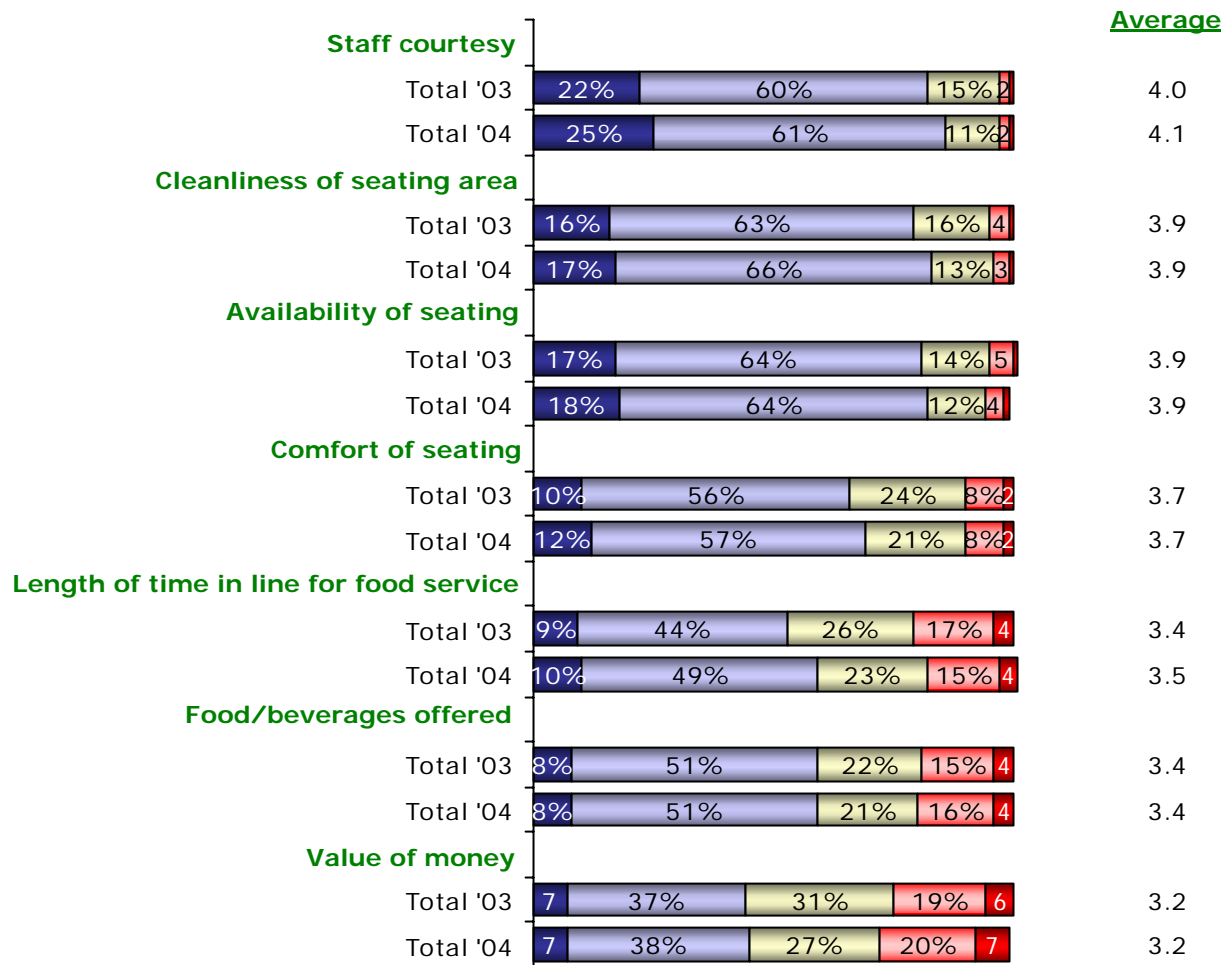
Q.4) Please rate how satisfied or dissatisfied you were with each of the following.

* Excludes Routes 4, 19 and 23. Otherwise usage is 57%.

Onboard Food Services

Food services continue to perform well for *staff courtesy, cleanliness of seating area* and *availability of seating*. Satisfaction levels are lower, however, for *comfort of seating, length of time in line, food/beverages offered* and *value for money*. These tend to be areas of concern on most vessels, with no significant movement in ratings over last year.

Satisfaction with Aspects of Food and Beverage Services Onboard*



Very satisfied (5)
 Satisfied (4)
 Neither satisfied/dissatisfied (3)
 Dissatisfied (2)
 Very dissatisfied (1)

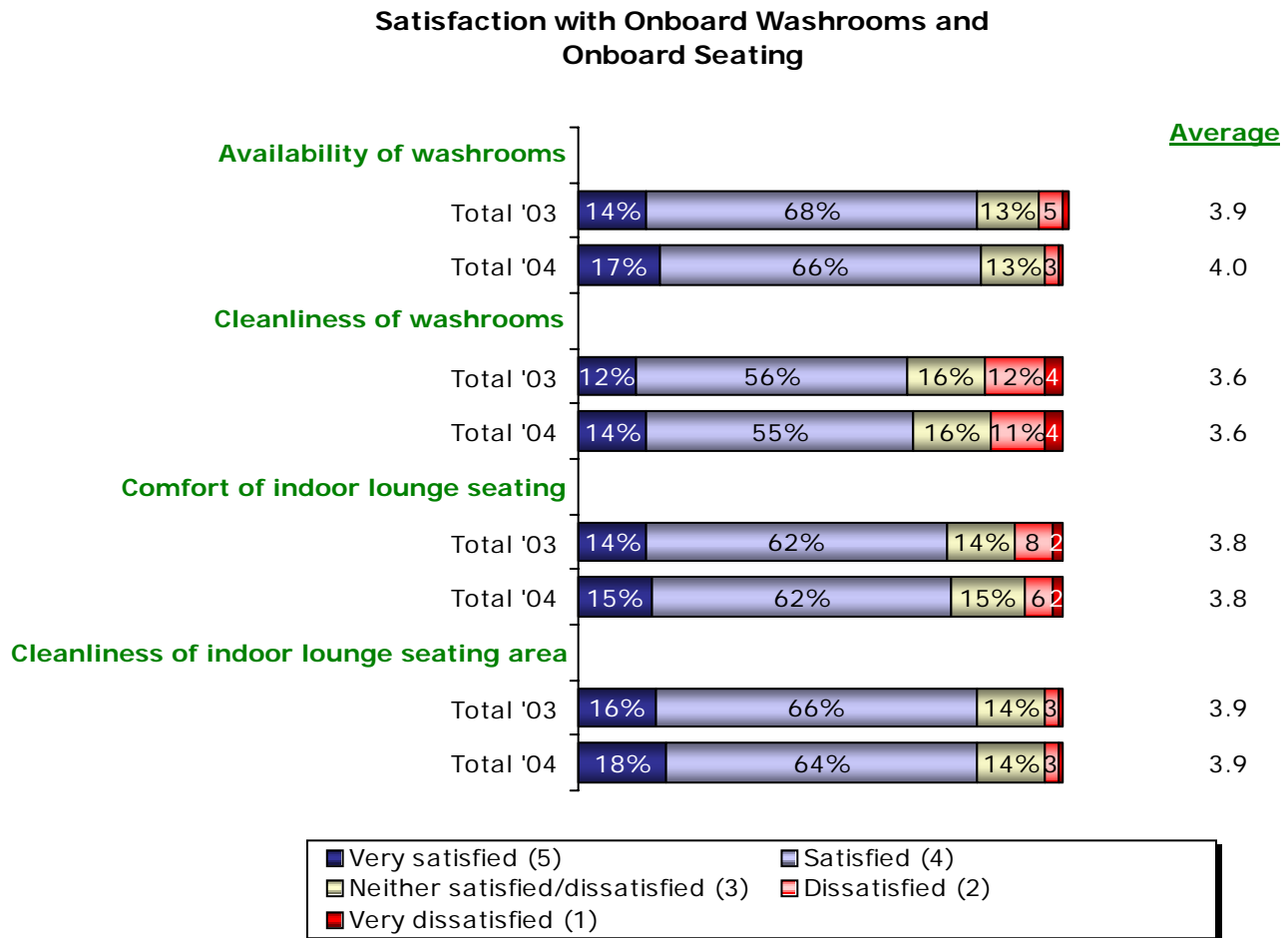
Q.4) Please rate how satisfied or dissatisfied you were with each of the following.

* Excludes Routes 4, 19 and 23. Usage 77%

Onboard Washrooms and Onboard Seating

Passengers continue to be relatively satisfied with the *availability of washrooms* but more critical of the *cleanliness* on most vessels, with no changes to report year over year.

Travellers continue to be relatively satisfied with the *comfort* and *cleanliness* of indoor lounge seating with no change in ratings from 2003.

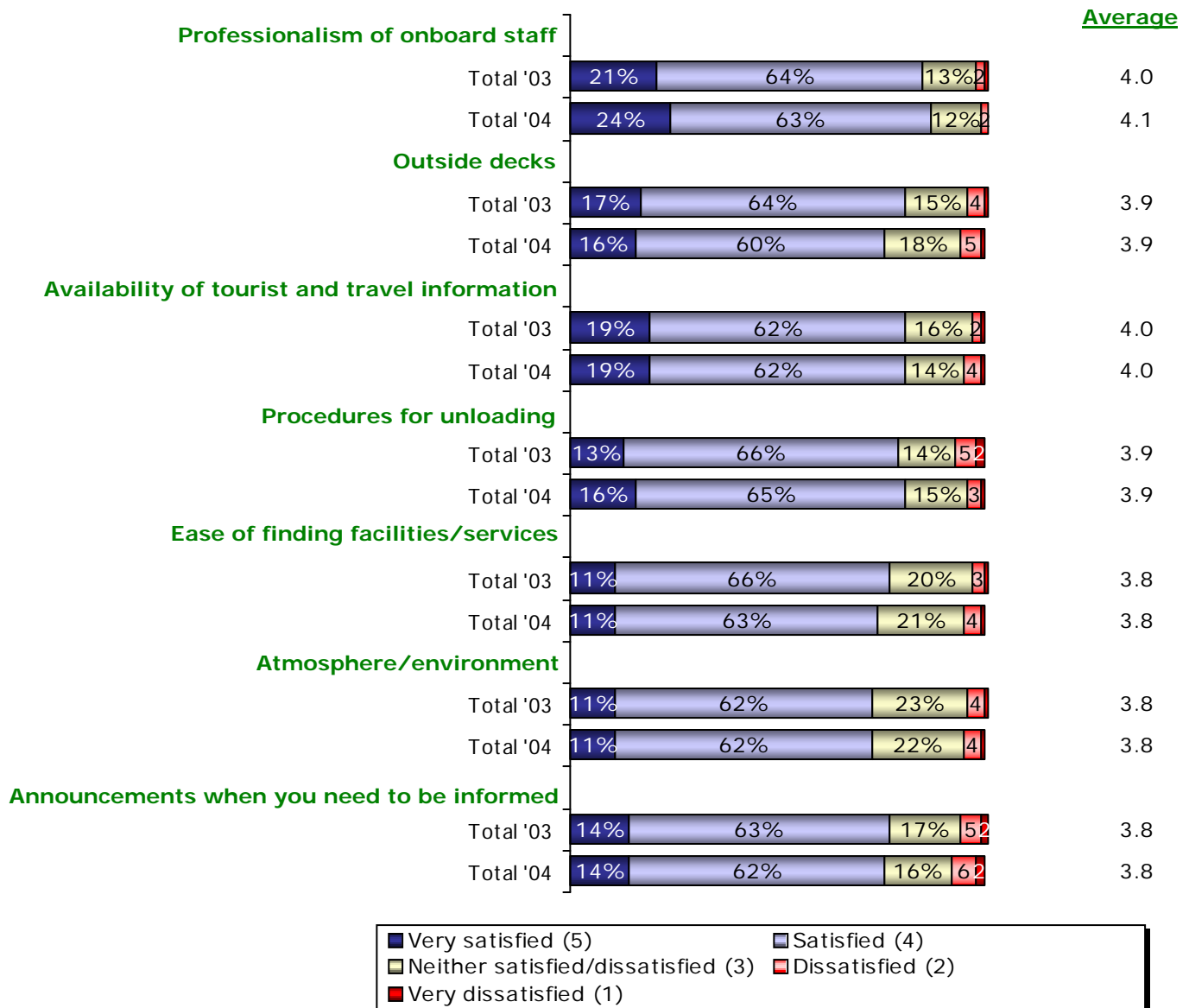


Q.4) Please rate how satisfied or dissatisfied you were with each of the following.

Other Onboard Facilities/Services

In terms of other onboard facilities and services, satisfaction levels continue to be reasonably high, with passengers most complimentary of the *professionalism of onboard staff* and least satisfied with the *video arcade, play area for children* and *ease of access for people with disabilities*, with no movement in ratings over last year (see following page also).

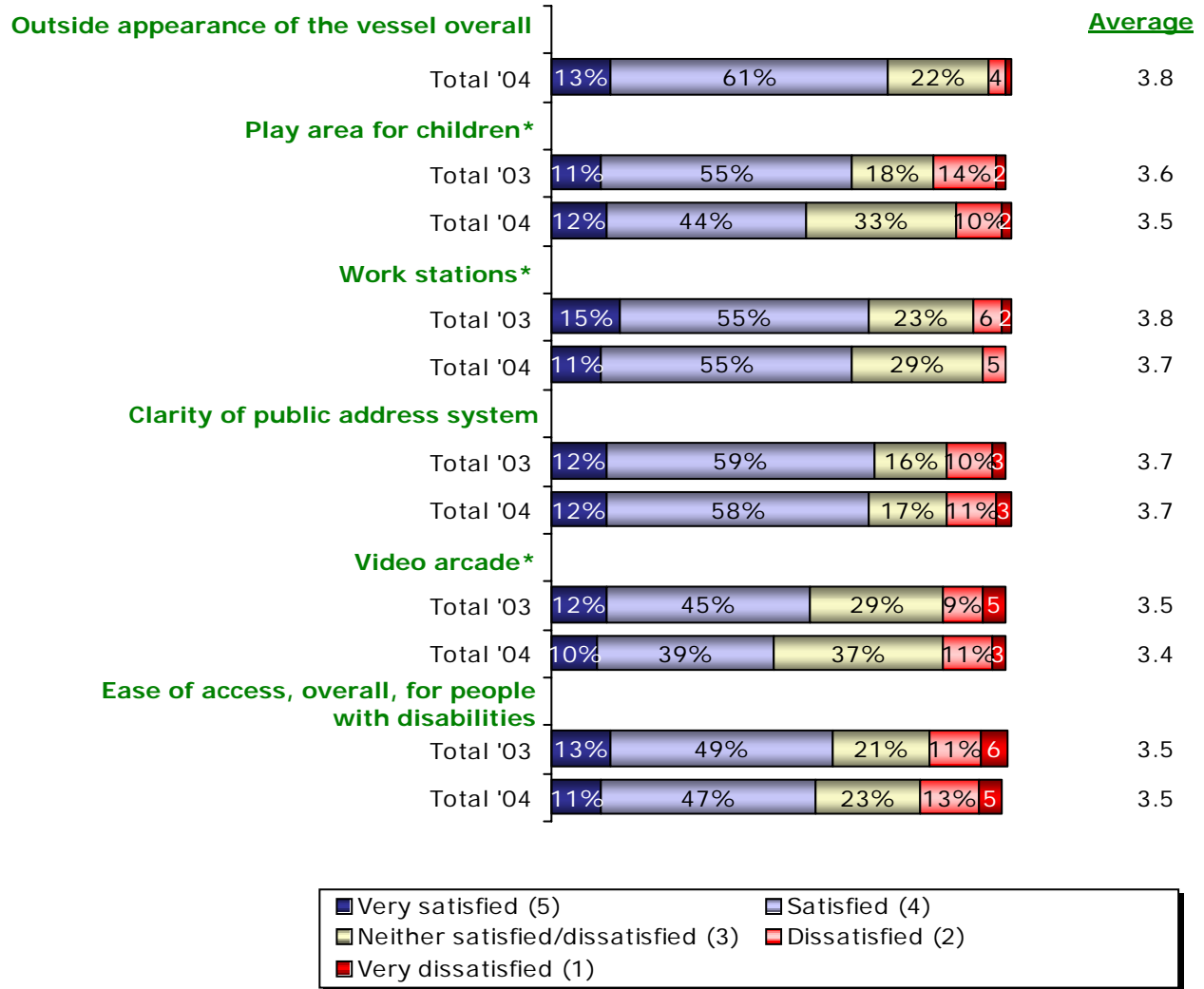
Satisfaction with Other Facilities/Services Onboard



Q. 4) Please rate how satisfied or dissatisfied you were with each of the following.

Other Onboard Facilities/Services (cont'd)

Satisfaction with Other Facilities/Services Onboard (cont'd)



Q.4) Please rate how satisfied or dissatisfied you were with each of the following.

** Excludes Routes 4, 19 and 23.*

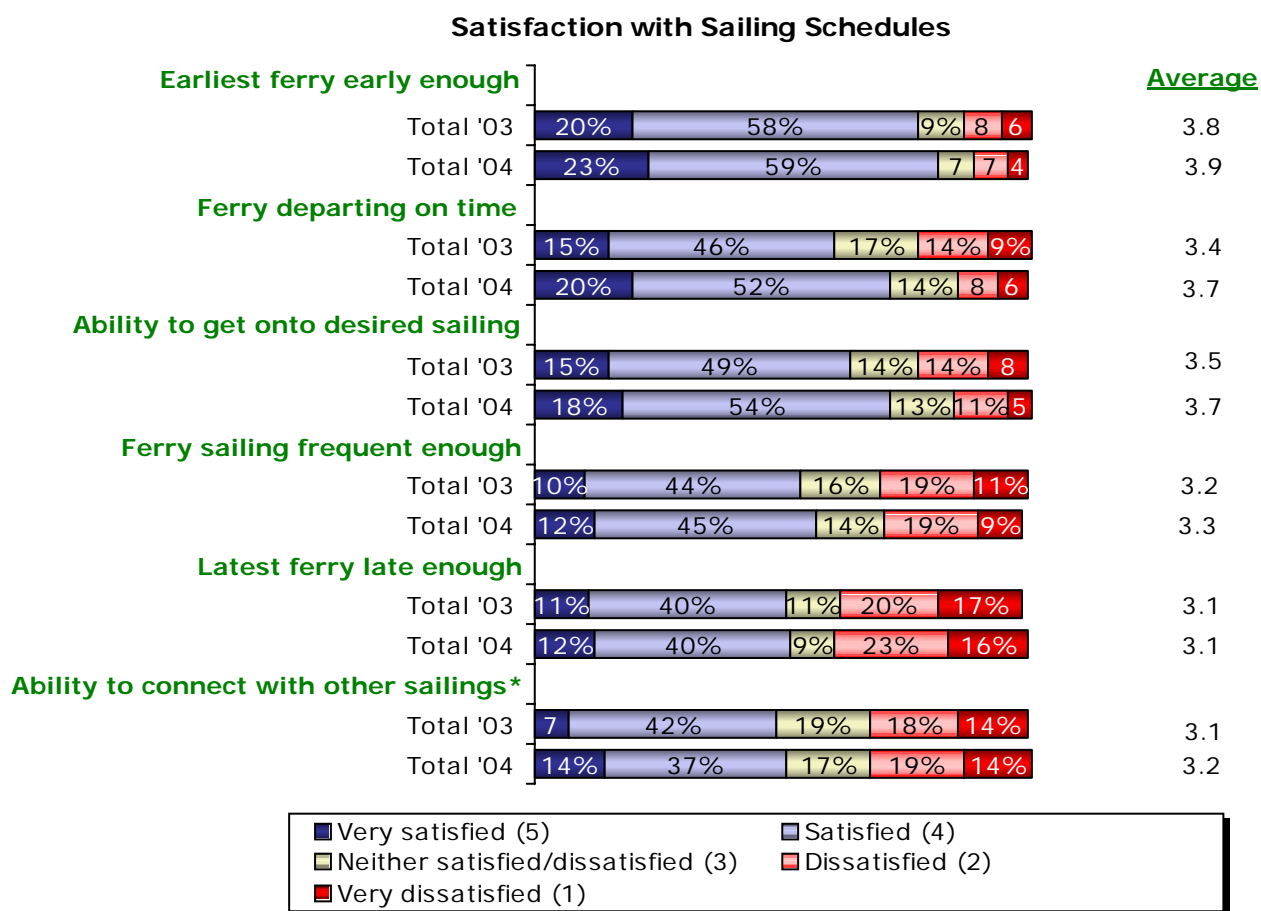
Sailing Schedules

Various Aspects of Sailing Schedules

Many aspects of the sailing schedule still are not fully meeting passengers' requirements. However, perceptions have improved over the year with respect to *on-time departures* (72% now satisfied in contrast to 61% a year ago) and *ability to get on their desired sailing* (72% satisfied in contrast to 64% a year ago). Passengers continue to be critical of *sailing frequency*, *last ferry late enough* and the *ability to make connections*.

Differences by route follow a pattern similar to last year, specifically:

- *On-time departures*: Route 1 and minor routes except 5/9 have the highest ratings, Routes 2 and 5/9 have the worst.
- *Ability to get onto desired sailing*: Route 19 passengers claim to have the most difficulty.
- *Sailing frequency*: Route 3 has the lowest rating.
- *Latest ferry late enough*: Routes 3 and 4 record the lowest ratings.



Q.5) Please rate how satisfied or dissatisfied you were with each of the following.

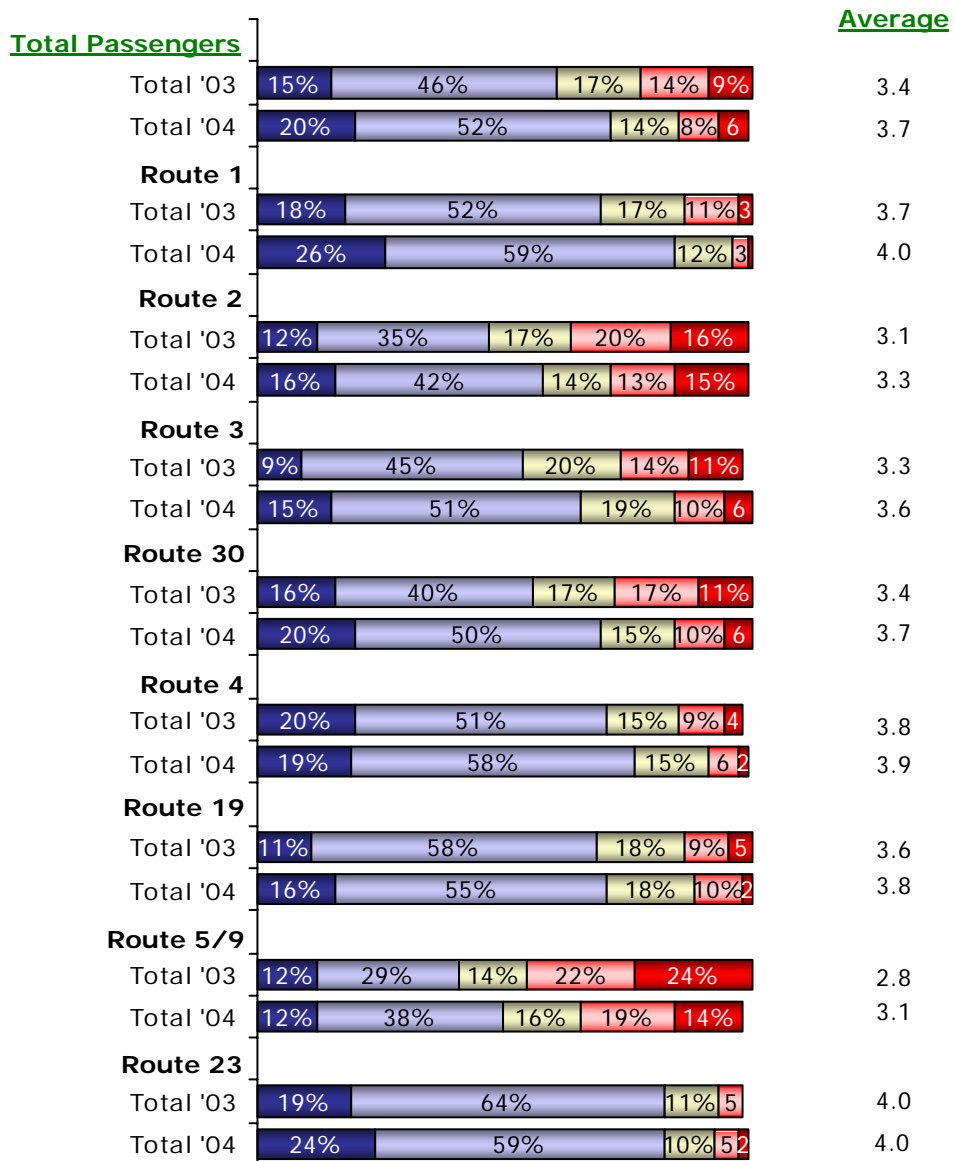
* Based on those connecting (n=275).

Departing on Time

The following graph details the ratings for “departing on time” by route. Ratings have improved on almost all routes. As noted earlier, Route 1 and the minor routes (except 5/9) have the highest ratings, and Routes 2 and 5/9 have the worst. It appears that these routes are most affected by the increase in volume during the peak season.

[NOTE: Refer to page 8 or page 30 for Route number codes]

Satisfaction with "Departing on Time"



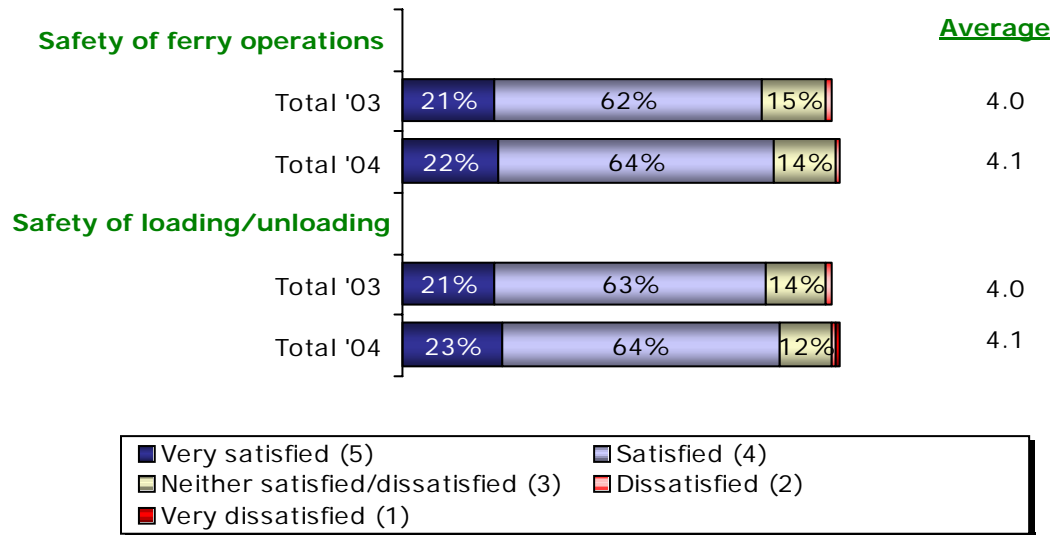
Very satisfied (5)
 Satisfied (4)
 Neither satisfied/dissatisfied (3)
 Dissatisfied (2)
 Very dissatisfied (1)

Q.5) Please rate how satisfied or dissatisfied you were with each of the following.

Safety

Perceptions of the *safety of the ferry operations* continue to be quite strong on all routes, with no significant change from last year. The safety of loading/unloading follows virtually the same pattern.

Satisfaction with Aspects of Safety

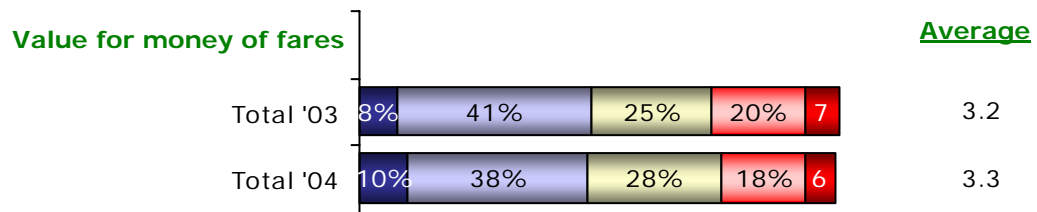


Q.5) Please rate how satisfied or dissatisfied you were with each of the following.

Overall Value

Satisfaction levels continue to be low with perceived *value for money of fares*, with no significant change in perception to report.

Satisfaction with Overall Value



Very satisfied (5)	Satisfied (4)
Neither satisfied/dissatisfied (3)	Dissatisfied (2)
Very dissatisfied (1)	

Q.5) Please rate how satisfied or dissatisfied you were with each of the following.

Appendices

Route-by-Route Satisfaction Score for Each Attribute:

Ferry Routes Included in Customer Satisfaction Survey - 2004	
Route No.	Description of Route
Route 1	Tsawwassen-Swartz Bay
Route 2	Horseshoe Bay-Departure Bay
Route 3	Horseshoe Bay-Langdale
Route 30	Tsawwassen-Duke Point
Route 4	Swartz Bay-Fulford Harbour, Salt Spring Island
Route 19	Departure Bay-Descanso Bay, Gabriola Island
Route 5/9	Southern Gulf Islands (from Swartz Bay/from Tsawwassen)
Route 23	Campbell River-Quathiaski Cove, Quadra Island

NOTE: Combined, these routes represent approximately 80% of the annual passenger traffic volume on BC Ferries.

Average Satisfaction Ratings by Route - Total 2004
(see page 30 for Route Number Codes)

	Total	Larger Routes				Route 3	Smaller Routes				
		Total	1	2	30		Total	4	19	5/9	23
OVERALL EXPERIENCE											
Trip overall	4.1	4.1	4.2	3.9	4.1	4.2	4.1	4.2	4.1	4.0	4.2
BEFORE ARRIVING AT TERMINAL											
Usefulness of BC Ferries website	4.3	4.3	4.3	4.3	4.4	4.2	4.2	4.2	4.2	4.2	4.2
Ease of using on-line reservations	4.0	4.1	4.0	4.1	4.2	4.0	4.0	3.8	4.1	4.0	4.0
Usefulness of BC Ferries phone service	3.6	3.6	3.7	3.6	3.5	3.3	3.7	3.7	3.6	3.9	3.4
Ease of using automated phone service	3.2	3.3	3.3	3.3	3.2	3.0	3.2	3.1	3.2	3.4	3.0
Highway signage	3.8	3.9	3.9	3.8	4.0	3.6	3.8	3.9	3.6	4.0	3.8
TERMINAL EXPERIENCE											
Terminal overall	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.8	3.9	3.9
Outside appearance of the terminal	3.8	3.9	3.9	3.9	3.9	3.8	3.7	3.8	3.6	3.8	3.8
Ticket Purchase											
Efficiency of the transaction	4.4	4.4	4.4	4.4	4.5	4.3	4.4	4.2	4.5	4.4	4.3
Staff courtesy	4.4	4.4	4.4	4.4	4.4	4.3	4.4	4.3	4.5	4.5	4.5
Clarity of staff directions	4.3	4.3	4.3	4.2	4.3	4.2	4.4	4.3	4.5	4.4	4.4
Food & Beverage Services at the Terminal											
Food beverages offered	3.1	3.2	3.2	3.2	3.0	2.9	3.0	3.1	-	3.0	-
Value for money	2.8	2.8	2.8	2.8	2.8	2.7	2.8	2.9	-	2.8	-
Gift Shop/News Stand at the Terminal											
Variety/selection of merchandise	3.4	3.5	3.5	3.5	3.3	3.2	3.1	3.2	-	3.1	-
Value for money	3.1	3.1	3.1	3.2	3.1	3.1	3.0	3.2	-	2.9	-
Outdoor Market Area at the Terminal											
Variety/selection of merchandise	3.3	3.4	3.4	3.5	3.2	2.9	3.5	3.7	-	3.3	-
Value for money	3.2	3.3	3.3	3.3	3.1	3.0	3.3	3.5	-	3.2	-
Other Terminal Services											
Clarity of Public address system	3.4	3.4	3.5	3.4	3.4	3.4	3.3	3.2	3.1	3.3	-
Announcements when you need to be informed	3.6	3.7	3.7	3.6	3.7	3.6	3.6	3.5	3.5	3.6	3.7
Overall look/décor inside the terminal	3.6	3.7	3.7	3.6	3.8	3.5	3.6	3.6	-	3.7	-
Availability of washrooms	3.9	3.9	3.9	3.8	3.9	3.8	3.9	4.0	3.8	4.0	4.0
Cleanliness of washrooms	3.6	3.6	3.7	3.5	3.8	3.5	3.7	3.8	3.4	3.9	3.9
Procedures for loading	3.9	4.0	4.0	3.9	4.0	3.8	4.0	3.9	4.1	3.8	4.1
Professionalism of terminal staff	4.0	4.0	4.1	3.9	4.0	3.9	4.2	4.0	4.3	4.1	4.3

continued

Average Satisfaction Ratings by Route - Total 2004 (cont'd)
(see page 30 for Route Number Codes)

	Total	Larger Routes			Route 3	Smaller Routes					
		Total	1	2		30	Total	4	19	5/9	23
Foot Passenger Services at the Terminal											
Usefulness of TV Info Screens	3.3	3.4	3.4	3.3	3.4	2.7	4.1	4.1	-	-	-
Availability of parking spaces	3.2	3.2	3.2	3.2	3.3	3.6	2.7	3.1	2.4	3.1	-
Parking value for money	2.3	2.1	2.1	2.2	1.9	3.0	2.6	2.1	2.9	2.1	-
Ease of using passenger drop-off/ pick-up area	3.4	3.4	3.3	3.7	3.2	3.7	3.5	2.9	3.3	3.5	4.1
Availability of seating in pre-boarding lounge at terminal	3.5	3.5	3.5	3.5	3.4	3.5	3.5	3.4	3.5	3.5	3.6
Comfort of seating in pre-boarding lounge at terminal	3.3	3.4	3.5	3.2	3.2	3.2	3.0	3.2	2.9	3.2	3.0
Cleanliness of pre-boarding lounge	3.6	3.7	3.6	3.7	3.7	3.4	3.6	3.7	3.6	3.6	3.5
ONBOARD EXPERIENCE											
Onboard overall	4.0	4.0	4.1	4.0	3.9	4.0	4.0	3.9	3.9	3.9	4.1
Gift Shop/ News Stand											
Variety/ selection of merchandise	3.9	3.9	3.9	3.8	3.8	3.9	3.6	-	-	3.6	-
Staff courtesy	4.0	4.0	4.0	4.0	4.0	4.0	4.1	-	-	4.1	-
Ease of moving around inside shop	3.2	3.3	3.3	3.2	3.0	3.1	3.4	-	-	3.4	-
Value for money	3.3	3.2	3.3	3.2	3.3	3.4	3.3	-	-	3.3	-
Food Services											
Length of time in line for food services	3.5	3.4	3.5	3.4	3.5	3.5	3.8	-	-	3.8	-
Food/ beverages offered	3.4	3.4	3.4	3.5	3.5	3.4	3.1	-	-	3.1	-
Staff courtesy	4.1	4.1	4.1	4.1	4.1	4.1	4.2	-	-	4.2	-
Availability of seating	3.9	3.9	3.9	3.9	3.9	4.1	4.1	-	-	4.1	-
Comfort of seating	3.7	3.7	3.7	3.8	3.5	3.8	3.4	-	-	3.4	-
Cleanliness of seating area	3.9	3.9	3.9	4.0	3.9	4.0	4.0	-	-	4.0	-
Value for money	3.2	3.2	3.2	3.1	3.2	3.2	3.1	-	-	3.1	-
Washrooms											
Availability of washrooms	4.0	4.0	4.0	3.9	4.0	4.0	3.9	3.9	3.7	4.0	4.1
Cleanliness of washrooms	3.6	3.6	3.7	3.5	3.7	3.7	3.6	3.7	3.2	3.9	3.9
Lounge Seating											
Comfort of indoor lounge seating	3.8	3.9	3.9	3.8	3.7	3.9	3.3	2.8	2.8	3.6	3.9
Cleanliness of indoor lounge seating area	3.9	4.0	4.0	4.0	4.0	4.0	3.8	3.7	3.4	4.0	4.0

continued

Average Satisfaction Ratings by Route - Total 2004 (cont'd)
(see page 30 for Route Number Codes)

	Total	Larger Routes			Route 3	Smaller Routes					
		Total	1	2		30	Total	4	19	5/9	23
Other Onboard Facilities/ Services											
Play area for children	3.5	3.6	3.8	3.4	3.5	3.4	3.4	-	-	3.4	-
Video arcade	3.4	3.6	3.8	3.4	3.3	3.0	3.1	-	-	3.1	-
Work stations	3.7	3.8	3.9	3.8	3.4	3.5	3.5	-	-	3.5	-
Outside decks	3.9	3.9	4.0	3.8	3.8	3.8	3.8	3.8	3.6	3.8	4.0
Outside appearance of the Vessel overall	3.8	3.8	3.9	3.7	3.7	3.7	3.8	3.9	3.7	3.8	3.9
Availability of tourist and travel information	4.0	4.0	4.0	4.0	4.0	4.0	3.7	3.8	3.3	3.9	3.8
Ease of access, overall, for people with disabilities	3.5	3.6	3.6	3.7	3.8	3.4	3.1	3.6	2.9	3.4	2.7
Ease of finding facilities/ services	3.8	3.8	3.8	3.8	3.8	3.8	3.7	3.7	3.4	3.9	3.8
Clarity of public address system	3.7	3.7	3.7	3.7	3.6	3.8	3.4	3.5	3.2	3.6	3.3
Announcements when you need to be informed	3.8	3.8	3.8	3.8	3.8	3.9	3.6	3.7	3.4	3.7	3.6
Atmosphere/ environment	3.8	3.8	3.9	3.8	3.6	3.8	3.6	3.6	3.4	3.8	3.8
Procedures for unloading	3.9	3.9	4.0	3.8	3.9	3.9	4.0	3.9	4.1	3.8	4.1
Professionalism with onboard staff	4.1	4.1	4.1	4.0	4.0	4.1	4.1	4.0	4.2	4.1	4.2
Experience with the Sailing Schedule											
Earliest ferry earliest enough	3.9	3.8	3.8	3.9	4.0	3.9	4.0	3.9	4.2	3.8	4.0
Latest ferry late enough	3.0	3.2	3.2	3.0	3.6	2.5	3.3	2.8	3.3	3.5	3.6
Ferry sailing frequent enough	3.3	3.4	3.5	3.1	3.1	2.8	3.6	3.5	3.7	3.1	3.8
Ability to get onto desired ferry	3.7	3.7	3.8	3.6	3.7	3.6	3.6	3.8	3.3	3.8	3.5
Ability to connect with other sailings	3.2	2.9	3.2	2.7	2.8	3.4	3.4	3.8	3.3	2.9	3.2
Ferry departing on time	3.7	3.8	4.0	3.3	3.7	3.6	3.7	3.9	3.7	2.9	4.0
Safety											
Safety of ferry operations	4.1	4.1	4.1	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.2
Safety of loading/unloading	4.1	4.1	4.1	4.0	4.0	4.1	4.2	4.2	4.1	4.1	4.2
OVERALL VALUE											
Value for money of fares	3.3	3.2	3.3	3.1	3.0	3.3	3.5	3.5	3.5	3.5	3.3

TERMINAL ATTRIBUTES ONLY - Satisfaction Ratings by Terminal - Total 2004

	<u>Total</u>	<u>Tsawwassen</u>	<u>Swartz Bay</u>	<u>Horseshoe Bay</u>	<u>Departure Bay</u>	<u>Langdale</u>	<u>Duke Point</u>
OVERALL EXPERIENCE							
Overall	4.1	4.2	4.3	4.0	4.0	4.2	4.1
TERMINAL EXPERIENCE							
Terminal overall	3.9	3.9	4.0	3.8	3.9	3.8	4.1
Outside appearance of the terminal	3.8	3.7	3.9	3.8	4.0	3.6	4.1
Ticket Purchase							
Efficiency of the transaction	4.4	4.4	4.4	4.3	4.5	4.3	4.5
Staff courtesy	4.4	4.3	4.4	4.3	4.4	4.3	4.5
Clarity of staff directions	4.3	4.3	4.4	4.2	4.3	4.1	4.3
Food & Beverage Services at the Terminal							
Food beverages offered	3.1	3.1	3.2	3.0	3.4	2.9	3.0
Value for money	2.8	2.8	2.9	2.7	3.0	2.7	2.9
Gift Shop/News Stand at the Terminal							
Variety/selection of merchandise	3.4	3.3	3.5	3.3	3.6	3.3	3.4
Value for money	3.1	3.1	3.2	2.9	3.3	3.4	3.0
Outdoor Market Area at the Terminal							
Variety/selection of merchandise	3.3	3.4	3.4	2.9	3.6	3.1	3.1
Value for money	3.2	3.5	3.1	2.9	3.4	3.2	2.9
Other Terminal Services							
Clarity of Public address system	3.4	3.5	3.4	3.4	3.4	3.3	3.4
Announcements when you need to be informed	3.6	3.7	3.7	3.6	3.6	3.5	3.7
Overall look/décor inside the terminal	3.6	3.6	3.7	3.5	3.7	3.3	3.9
Availability of washrooms	3.9	3.8	4.0	3.8	3.8	4.1	4.0
Cleanliness of washrooms	3.6	3.6	3.8	3.5	3.5	3.6	4.0
Procedures for loading	3.9	4.0	4.0	3.8	3.9	3.9	4.1
Professionalism of terminal staff	4.0	4.0	4.2	3.9	4.0	4.0	4.1
Foot Passenger Services at the Terminal							
Usefulness of TV info screens	3.3	3.3	3.5	2.8	3.3	3.1	3.8
Availability of parking spaces	3.2	3.1	3.3	3.1	3.5	3.9	3.4
Parking value for money	2.3	2.0	2.2	2.4	2.3	3.1	2.0
Ease of using passenger drop-off/ pick-up area	3.4	3.2	3.3	3.5	3.9	3.6	3.5
Availability of seating in pre-boarding lounge at terminal	3.5	3.3	3.7	3.5	3.5	3.4	3.5
Comfort of seating in pre-boarding lounge at terminal	3.3	3.3	3.6	3.2	3.3	3.1	3.5
Cleanliness of pre-boarding lounge	3.6	3.6	3.6	3.6	3.6	3.2	4.0
Overall Value							
Value for money of fares	3.3	3.2	3.4	3.2	3.2	3.3	3.2

Research Methodology

Background

British Columbia Ferry Services Inc. (BC Ferries) commissioned tracking research to gauge customer satisfaction on specific BC Ferries routes to determine and monitor areas of service that passengers believe are performing well and areas that require improvement. This study is part of a regular program of ongoing research conducted by BC Ferries.

Project Overview

The 2004 Customer Satisfaction Tracking study follows the 2003 study and is designed to track performance on satisfaction levels overall, as well as satisfaction levels with specific service attributes. The resulting satisfaction scores are published annually on the BC Ferries Web site.

Research Objectives

The specific objectives are as follows:

- Determine customer satisfaction levels with BC Ferries' service, overall,
- Determine satisfaction with specific attributes of the service, spanning the entire range of points of customer contact with BC Ferries,
- Track changes in satisfaction over time,
- Ensure that the tracking research is relevant and credible so as to pass internal and external scrutiny

Sample Selection

First, a random sample of passengers aged 18 or older was intercepted onboard to collect key "screener" data including frequency of travel on BC Ferries, purpose of trip, area of residence, origin/destination, and standard demographic questions. Each questionnaire also included coding of the route, the departure time, location of interview, the vessel name and any other information of value for internal analysis. This information was collected in the form of a "batch header", which was attached to all the "screeners" completed on each sailing.

Immediately following this "screener", passengers were asked to complete a survey *after* they disembarked and left the terminal area. The completed survey was returned in a postage pre-paid envelope. Respondents were instructed to complete the survey within 48 hours of receiving it to ensure top-of-mind experiences were recorded.

Completed questionnaires were mailed directly to the professional research firm, not to BC Ferries, in order to maintain respondent anonymity. As well, the practice is in accordance with existing federal and provincial rules related to privacy legislation.

This self-administered portion of the survey was designed to capture satisfaction and usage information from all potential points of contact. The survey related to the customer's experience on their current/last trip on BC Ferries, when they received the questionnaire, rather than to their general experience onboard a ferry at some time in the past.

Sample Size

The total sample of placements was distributed across larger and smaller routes to ensure a minimum number of interviews per route for reliability. The final results were weighted to reflect actual passenger traffic volumes.

Routes surveyed and the number of screeners and completed returned surveys from each route during 2004 are as follows:

	Screeners	Returns
Larger Routes:	6,858	2,388
Route 1: Tsawwassen-Swartz Bay	1,878	665
Route 2: Horseshoe Bay-Departure bay	2,030	628
Route 3: Horseshoe Bay-Langdale	1,250	511
Route 30: Tsawwassen-Duke Point	1,700	584
Smaller Routes:	6,890	2,015
Route 4: Swartz Bay-Fulford Harbour, Salt Spring Island	1,519	459
Route 19: Departure Bay-Descanso Bay, Gabriola Island	1,431	455
Route 5/9: Southern Gulf Islands	2,105	611
Route 23: Campbell River-Quadra Island	1,835	490
TOTAL	13,748	4,403

Sample Validation and Weighting

The data was weighted to bring them into their correct proportions, based on known statistics for the field period. Data was weighted to match actual passenger distribution:

- within each wave, by routes selected for surveying,
- within each route by daypart,

- within each route by weekday and weekend traffic, and
- within the year by known BC Ferries traffic volume by season

The weighting procedures have been professionally scrutinized and approved by a professional statistician specializing in transportation research.

The table following outlines the actual and weighted distributions of the sample.

Actual & Weighted Distribution of the Sample –2004 –				
	Screeners		Returns	
	<u>Actual</u> (13,748) %	<u>Weighted</u> (13,748) %	<u>Actual</u> (4,403) %	<u>Weighted</u> (4,658) %
Larger Routes	50	86	54	83
Weekend	14	28	16	26
30	4	2	4	3
3	2	6	4	7
2	4	6	4	5
1	4	13	5	11
Weekday	36	59	38	57
30	9	4	9	5
3	7	12	8	13
2	11	15	11	13
1	10	28	11	26
Smaller Routes	50	19	46	17
Weekend	14	5	11	4
19	2	1	2	1
4	3	1	3	1
5/9	5	1	4	1
23	4	1	3	1
Weekday	36	15	34	13
19	8	4	9	4
4	8	3	8	3
5/9	11	3	10	3
23	9	4	8	4

Data Collection

The interviewers for this study were personal intercept staff who have completed rigorous training and are experienced with general public studies as well as business-to-business studies. A detailed briefing of interviewing staff was attended by the field director, supervisory staff and the project director.

So that a proper representation of ferry travellers was interviewed, interviewers were trained in the following techniques and randomization procedures, which were strictly adhered to:

- Passengers were approached as soon as they were seated and where necessary, minimum age verified (18 years and over).
- An interview with every 5th person was attempted.
- Passengers in small as well as large groups were approached; respondents were instructed to complete the survey **individually**, not as a group.
- All areas of the vessel were covered - cafeteria, snack bar, all lounge areas, outer decks and vehicle; interviewers moved to each of these areas every 15 minutes on major routes and every 5 minutes on minor routes.
- Both foot and vehicle passengers were approached.
- To correct for inherent bias of foot to vehicle passengers (foot passengers are first on and last off), interviewing was conducted on parking decks with vehicle passengers after the announcement signaling arrival to port.
- Interviewers were instructed not to accommodate patrons requesting a survey; however, if individuals were persistent a specially marked copy was provided allowing for its removal from the total.

Interviewing and questionnaire placements for 2004 were completed during shoulder season in June, peak season in August and off-peak season in November, same as in 2003. Results were combined for an annual total and were weighted according to actual traffic volumes.

Data Analysis

The data entry system used for this study includes an internal edit program. This immediate verification during the data entry process reduces entry error. After entry of the data, a further more detailed computer edit is performed. For standard cross-tabulations, software designed expressly for marketing research was employed. Special editing and cleaning features of this database package ensure that the records are data entered and coded with accuracy. Further rigorous checks for inherent logic and consistency were performed prior to final data tabulation.

Response Rate

The following outlines the response rates achieved in 2004 tracking program.

Response Rates	
Larger Routes	Total 2004
Route 1	35%
Route 2	31%
Route 3	41%
Route 30	34%
Smaller Routes	
Route 4	30%
Route 19	32%
Route 5/9	29%
Route 23	27%
Overall response	32%

Margin of Error

Overall, the tolerance limits at the 95% level of confidence, based on the most conservative case (i.e., a statistic of 50%) are as follows:

Tolerance Limits – 2004		
	Actual Sample Size	Approximate Tolerance Limits % Points
Total Screeners	13,748	+/-0.8%
Total Returns	4,403	+/-1.5%
Total Larger Route Returns	2,388	+/-2.0%
Total Smaller Route Returns	2,015	+/-2.2%

These tolerance limits apply to a true random sample typically achieved through a general population telephone survey. However, in similar studies, we have found that our sampling rigors have consistently produced an accuracy level well within the tolerance limits described here.

Part 3: Additional or Alternative Service Providers

Overview

This section responds to the requirement under section 66 of the Act, for BC Ferries to submit a review, in summary form, of the proposals received or other actions it has taken in accordance with section 69 of the Act.

Additional or Alternative Service Providers Plan

Consistent with the requirements under section 69 of the Act, BC Ferries submitted its *Additional or Alternative Service Providers Plan* (the “Plan”) for the first (5 year) performance term to the British Columbia Ferry Commissioner, on March 31, 2004.

BC Ferries used a business case as the key decision tool in the process of assessing service delivery opportunities. For the first performance term, consideration of all general and major capital expenditures by BC Ferries included an assessment of alternative service delivery opportunities which may complement, augment, defer and/or eliminate the need for the expenditure.

The Plan presented a flexible and dynamic process for the achievement of desired outcomes of the Act with respect to alternative service delivery of ferry services. BC Ferries identified three specific Designated Ferry Service Areas where it will assess alternative service providers. The three areas are:

1. **The Northern Routes (Route Group 3 and 4)** which includes three routes: Port Hardy to Prince Rupert (Route 10), Queen Charlotte Islands to Prince Rupert (Route 11), and the Discovery Coast Passage route from Port Hardy to the Mid-Coast (Route 40)
2. **Route Group 6** which includes two routes: Comox to Powell River (Route 17) and Powell River to Texada Island (Route 18)
3. **Route Group 5** which includes one route: Mill Bay to Brentwood Bay (Route 12)

At the time of submitting the original Plan, BC Ferries and the BC Ferry and Marine Workers’ Union (“Union”) were involved in a binding arbitration process to reach a new collective agreement. Without a collective agreement it was difficult to develop and implement a plan. The arbitrator of the binding arbitration published his interim award on October 15, 2004.

After the interim award, BC Ferries worked to develop the alternative service provider process more fully. In December 2004 BC Ferries hired a newly created Director,

Business Development to further refine the Plan by integrating and more fully developing the timeline and scope of the process. Over the remaining fiscal year, the result was the development of a supplement to the inaugural Plan. The supplement does not supplant the original Plan, but rather augments it with one exception: the scope of the Northern Routes was expanded to include Route 26 (Queen Charlotte Islands). The principles espoused in the first plan remain in effect.

BC Ferries understands that to be successful and to attract alternative service providers, the assessment and implementation processes must be legitimate and perceived as such by the market. The process BC Ferries will use to assess service delivery alternatives is based on best practices from other jurisdictions and from the experience it has attained in exploring and implementing alternative service delivery options over the past few years.

BC Ferries will retain the services of a Fairness Auditor for all transactions. The Fairness Auditor will act as an independent observer and will provide arms length advice to the project team and independent assurance to the BC Ferries' Board of Directors, bidders and the BC Ferry Commissioner as to the fairness and appropriateness of project management activities related to the procurement process. At the end of the procurement process, s/he will provide an independent opinion as to whether the project team faithfully and fairly carried out this process.

The process has been designed to be comprehensive and ensure that all alternative service delivery options and suppliers are properly assessed and, where supported, properly implemented. The assessment process includes consideration of the market for the proposed service (eg. does one exist, is there more than one provider) through a Request for Expression of Interest ("RFEOI") (the Fairness Auditor will officially begin his/her duties at the commencement of the RFEOI phase). Then a Request for Qualifications will be issued to determine which bidders can meet defined standards. Finally a Request for Proposal ("RFP") will be issued to test the ability of the bidders to meet and/or improve on current levels of safety, reliability, and customer service and to do so in a manner that is more cost effective than the status quo. BC Ferries will evaluate the RFPs and decide if it is appropriate to subcontract the delivery of ferry services on one or more routes or continue to deliver the service itself.

To explore The Plan in an informal discussion, the Ferry Commissioner sponsored a one day session in June that was hosted by WESTAC. The purpose of the session was to exchange information and views on the potential opportunities and challenges in coastal BC for ferry service providers as subcontractors, franchisees and competitors to BC Ferries. Comments received from the Workshop were taken into consideration prior to the final Plan being released in the summer 2005.

BC Ferries also recognizes that in order to attract interest from qualified world-wide ferry operators in service delivery opportunities, it must promote and educate these operators on the new model under which BC Ferries operates. To assist in this exercise, BC Ferries was a keynote speaker at the INTERFERRY conference in the fall of 2004. This conference was attended by the major ferry operators in the world.

Finally, unsolicited proposals from ASP's to operate on regulated routes are not accepted. Management has limited resources and those available will be required to carry out the activities in the ASP Plan.

2004/05 Alternative Service Provider Initiatives

During 2004/05, BC Ferries received a number of informal inquiries from parties interested in providing core ferry services on the Designated Ferry Routes, but did not receive any formal unsolicited proposals. During the year, BC Ferries did not pursue any Alternative Service Providers, but instead was focused on refining the Plan.