



3614

APPROVED AND ORDERED 16. DEC. 1976

W. S. Quinn
Lieutenant-Governor

RFP 101/363/82
~~2360/81~~
2360/81
2572/77
and 1916/77

EXECUTIVE COUNCIL CHAMBERS, VICTORIA 16. DEC. 1976

RM Pursuant to the British Columbia Ferry Corporation Act, and upon the recommendation of the undersigned, the Lieutenant-Governor, by and with the advice and consent of the Executive Council, orders that

WHEREAS the Minister of Finance recommends that he be authorized to pay to the corporation in its 1977 fiscal year and in each subsequent fiscal year a sum of money, to be known as the Annual Highway Equivalent Subsidy (hereinafter referred to as the "Subsidy"), that is, in the opinion of the Lieutenant-Governor in Council, substantially equivalent to the aggregate of the annual cost of maintaining, and the annual amortization of the capital cost, of lengths and classes of highways in the Province which, in the opinion of the Lieutenant-Governor in Council, are substantially equivalent to the ferry routes operated by the corporation, the sum to be calculated in accordance with a formula to be approved by the Lieutenant-Governor in Council;

AND WHEREAS, in the opinion of the Lieutenant-Governor in Council, the Subsidy as calculated herein is substantially equivalent to the aggregate of the annual cost of maintaining, and the annual amortization of the capital cost, of lengths and classes of highways in the Province which are substantially equivalent to the ferry routes operated by the corporation.

ORDERS THAT the Minister of Finance be and is hereby authorized to pay and shall pay the Subsidy to the corporation on a quarterly basis in its 1977 fiscal year and in each subsequent fiscal year which Subsidy is to be calculated in accordance with the following formula which is hereby approved:

For the purposes of the Subsidy, the ferry routes operated by the corporation shall be considered as substantially equivalent to a two-lane highway built through difficult terrain in the coastal region.

The following highway costs are used to calculate the Subsidy:

- (a) Construction and initial repavement \$975,000/mile
- (b) Repaving costs \$52,500/mile
- (c) Annual maintenance \$6,300/mile

Applying these costs to the 546.18 miles of ferry routes to be operated by the corporation and amortizing the construction and repaving costs on a straight-line basis over 25 years, results in a total of \$25,889,000. This sum shall constitute the Subsidy except that in each subsequent fiscal year the amount of the Subsidy shall be increased or decreased by a percentage equal to the annual percentage change in Consumer Price Index as reported by Statistics Canada for Vancouver, British Columbia.

The amount of the Subsidy shall be increased in addition to the Consumer Price Index adjustment in the event that any route is added to the operations of the corporation or shall be decreased in the event that any route is deleted from the operations of the corporation. The actual amount of the increase or decrease in the Subsidy shall be based on the equivalent highway costs at that time.

W. R. Bennett
Minister of Energy, Transport and Communications.

W. R. Bennett
Presiding Member of the Executive Council.

DM

The Minister of Finance hereby certifies that he recommends that he be authorized pursuant to subsection (2) of section 18 of the British Columbia Ferry Corporation Act to pay to the corporation in its 1977 fiscal year and in each subsequent fiscal year a sum of money, to be known as the Annual Highway Equivalent Subsidy, that is, in the opinion of the Lieutenant-Governor in Council, substantially equivalent to the aggregate of the annual cost of maintaining, and the annual amortization of the capital cost, of lengths and classes of highways in the Province which, in the opinion of the Lieutenant-Governor in Council, are substantially equivalent to the ferry routes operated by the corporation, the sum to be calculated in accordance with a formula to be approved by the Lieutenant-Governor in Council.

The 3/ day of

December, 1976



ACMG Minister of Finance