**How building BC Ferries’ new ships locally could result in less cancellations and stable fares.**

BC Ferries’ engagement report ‘Charting the Course’ affirmed the publics’ top three priorities are reliability (33%), affordability (30%), and better integration with transit and active transportation (17%). These are improvements to the service, and we can usually count on needing more funds to implement improvements. So, if keeping shipbuilding local can address all these priorities AND bring in money, then why has there been such a pushback?

The main argument (or myth) against building the new ferries here in BC is that it will cost millions of dollars more than building them in Romania or Poland due to skilled trades workers’ higher wages. However, this argument is too simplistic and untrue as it lacks consideration of many other elements. When we send manufacturing overseas, we leave our supply chain vulnerable to international and external factors, one of them being quality control. It’s old news that BC Ferries constantly cancels sailings due to mechanical issues, which then results in vessels being out of service for days, or even weeks. British Columbian’s told us your time is valuable, and that cancelled sailings also means lost revenue for BC Ferries. By keeping shipbuilding in BC, we will have control over quality, knowledge, and expertise; meaning, skilled Canadians will perform the work properly, and materials and equipment can be sourced in Canada. This will streamline repairs, keeping shipbuilding shielded from global shocks and put the ferry back in the water faster. That is how you build reliability.

When we fixate on fair ferry construction wages as being the reason why fares go up, we ignore the real contributors, which are fuel and shipping and other corporate overhead costs. The fluctuation in oil and diesel prices are major contributors to fare increases, and then there’s all the expenses associated with international building such as carrier rates, transportation of parts, packing costs, warehousing/storage, and customs/duties/tariffs. Building overseas can easily be more expensive in the long run and customers bear the brunt. Moreover, there’s the opportunity cost, which is the amount of potential benefits we give up by outsourcing. Potentially $2.5 billion in municipal and provincial government taxes, $4.3 billion in contributions to BC’s GDP, and $3.1 billion in labour income over the years. The higher cost of building at home doesn’t factor shipyard workers’ income taxes, corporate taxes the government would receive back, or the spin-off jobs created by sourcing the materials and equipment here at home. If BC Ferries uses the current procurement model brought in by David Hahn in the early 2000’s, we could actually be opting for the more expensive version of the same vessel. These are taxes that would historically be used to keep ferry fares affordable.

And thirdly, priority number three – better integration. Revitalizing and strengthening shipbuilding in BC would bring more density to coastal communities and this would spur innovation, green technology, investments in real estate and spin-off benefits to education, retail, and beyond. It would result in more apprenticeship opportunities for our youth, and good mortgage paying, family raising jobs in BC communities. Workers would bring their families, and with increased population, comes a greater need to improve BC’s coastal transit hubs.

When BC Ferries fixates on the price tag of a new ferry, they ignore the true costs, and benefits to all British Columbians.

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