

For Immediate Release  
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## **BC FERRIES' BOARD DEFENDS CEO PACKAGE**

VICTORIA – BC Ferries' Board Chair Donald Hayes issued a statement today on behalf of the Board of Directors in response to recent media stories concerning the compensation and pension arrangements of company President and CEO David Hahn.

“Our Board fully supports the decision that was made many years ago to compensate David Hahn and other senior executives at private sector rates, reflecting government's expectation that BC Ferries would achieve private sector standards of performance.”

“In 2006, the Board re-negotiated Mr. Hahn's employment contract to 2013 including increases to performance based compensation and pension entitlements to reflect his progress to date in renewing and re-structuring the corporation and to protect the corporation from ongoing recruiting efforts of Mr. Hahn from large private sector corporations in Canada and the United States. Mr. Hahn's pension entitlement has not changed since then. His compensation arrangements, including his pension entitlement were confirmed by the B.C. Legislature when it enacted amendments to the Coastal Ferry Act in 2010. The compensation and pension details have been publicly posted for the last three years on both SEDAR and the BC Ferries website. Nothing that has been publicly reported in the last several days is new information.”

“Everyone needs to recall the sad state of affairs that existed just eight years ago when BC Ferries was created as an independent entity. BC Ferries was in a crisis state and the organization needed a complete overhaul by private sector leaders with a track record of success. The overhaul has been successful, thanks to the leadership of David Hahn. Since arriving in 2003, Mr. Hahn has completely revitalized the company and BC Ferries is now a world leader in ferry transportation.”

“It also needs to be remembered that the compensation and pension benefits were set with external expertise provided by the then leading human resource company, Hewitt and Associates. Through his tenure, Mr. Hahn has received Board approved compensation commensurate with the task and responsibilities given to him.”

“In the future, the Board will be following provincial government compensation guidelines, which only became applicable to BC Ferries in 2010. We are confident that the correct decision was made in 2003 to hire a private sector leader to set BC Ferries on a successful course for the future”.

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Media Contact:  
BC Ferries, Media Relations  
Victoria: (250) 978-1267

## **BACKGROUNDER**

### **OLD BC FERRIES/ PRE 2003**

- \$450 Million wasted on three Pacificats
- \$1.1 Billion in accumulated debt written off by provincial government
- Ongoing labour issues and extremely poor employee moral
- Poor customer service
- Old rusty ships and numerous breakdowns
- Multiple sailing waits at major terminals
- Poor on-time performance

### **NEW BC FERRIES/ POST 2003**

- Seven new ships in five years
- Nine year collective agreement
- High customer satisfaction levels (89% in 2010)
- State of the art ships and terminals
- High on time performance (89.1%)
- 99.8 % operational reliability (ships and terminals)
- \$133 Million in duty remission to BC Ferries resulting in lower fares