

# **White Paper Regarding the Maine State Ferry Service**

**A starting point for future study, policymaking and improvement**

**Prepared by the  
Maine Department of Transportation  
Bruce A. Van Note, Commissioner**

**DRAFT - April 28, 2025**

# MaineDOT White Paper Regarding the Maine State Ferry Service

DRAFT: April 28, 2025

## Table of Contents

	<u>Page</u>
<b>Introduction and Overview</b>	1
<b>I. The Current Maine State Ferry Service</b>	3
A. The Served Islands	4
B. A Snapshot of Current MSFS Operations	4
C. MSFS Capital Assets: Ferries, Terminals, etc.	4
D. MSFS Staffing	6
1. The Impacts of a Global Mariner Shortage	7
2. State Efforts to Increase Staffing	8
a. Increases in Base Pay and Expense Reimbursement	9
b. Incentives: Retention Bonus and Increased Overtime Pay	9
c. More Positions and Classifications	10
d. More Training	10
e. Contract Mariners	10
E. 2024 Schedule Reliability	11
F. Operating Costs	11
G. Operating Cost Allocation	12
1. Statutory Cost Allocation and State Subsidy	12
2. Actual State Operating Subsidy: Usually More Than 50%	12
3. Costs and Cost Allocation at Other Ferry Services	14
H. MSFS Capital Investment	15
I. Total Operating and Capital Costs Over Time	16
J. Served Island Demographics	16
K. How Did We Get Here? History and the Focus on Vehicle Transport	18
L. Island Expectations	20
M. Nighttime Emergency Transport of Ambulances	21
N. The Concept of Moving Boats to the Mainland	24
O. The Need for Policy Guidance	25
<b>II. MaineDOT Suggestions for Change</b>	26
<b>APPENDICES</b>	
Appendix A - Demographics of the Served Islands	
Appendix B – “The Ferry is Our Bridge” Idea	

# **White Paper Regarding the Maine State Ferry Service**

**DRAFT - April 28, 2025**

**prepared by the**

**Maine Department of Transportation**

**Bruce A. Van Note, Commissioner<sup>1</sup>**

## **Introduction and Overview**

This white paper sets forth facts and issues surrounding the Maine State Ferry Service (MSFS), the only transit service operated by the Maine Department of Transportation (MaineDOT). It is based upon MaineDOT's preliminary research to date regarding factors relevant to MSFS-related legislative proposals submitted to the 132<sup>nd</sup> Maine Legislature and to other strategic initiatives regarding service. This paper represents a starting point for future study, policymaking and improvement, perhaps pursuant to a legislative Resolve passed this session.

This paper provide information on numerous topics related to the current MSFS including the islands served by the MSFS (Served Islands), current operations, capital assets, staffing levels including challenges from the global shortage of mariners and state efforts to increase staffing, the rising levels of operating expenses and the capital investment, how those costs are allocated and how other ferry services do so, demographics and expectations of the Served Islands, nighttime emergency transport of ambulances, and the background of consideration of moving ferries to the mainland overnight. It also acknowledges the need for policy guidance and change, and MaineDOT's suggestions if such change is pursued.

Since 1960, when the state began running a ferry service designed around vehicle transport to six certain designated island municipalities in Penobscot and Blue Hill Bays, there have been ongoing challenges and often controversy regarding operational authority, priorities, costs, and allocation of the same. These challenges have been exacerbated by the shift of residency of MSFS crews off the islands, the impacts of federally required United State Coast Guard (USCG) safety standards, a global mariner shortage, higher than normal operational and capital cost increases, and communications challenges between the State and municipal leaders of the Served Islands, sometimes caused by rumor and social media.

Despite extraordinary increases in state support for operations and capital investment, and robust engagement by top MSFS and MaineDOT officials with the statutory-created Ferry

---

<sup>1</sup> To assure proper consideration, comments and suggested revisions should be sent to the attention of the Commissioner, and not to other MSFS or MaineDOT employees, as he is responsible for this document.

Service Advisory Board (FSAB), MaineDOT has not met the expectations of the Served Islands, especially the four islands of Vinalhaven, North Haven, Islesboro, and Swan's Island. These four islands receive multiple runs per day via five state car ferries and are the only four unbridged inhabited islands of the fifteen in Maine that have a ferry and crew overnight on their islands (the Overnight Served Islands)

Municipal feedback – especially from the Overnight Served Islands - indicates dissatisfaction with MaineDOT and MSFS leadership. Generally speaking, they want more service, bigger and newer ferries, better maintained ferry related infrastructure, more parking, more control over operational and financial decisions, more state subsidy, and lower fares. The bills submitted to the 132<sup>nd</sup> Legislature are indicative of this feedback.

Based upon a preliminary review of historical challenges with the MSFS, MaineDOT's failure to meet island expectations, the structure and funding of other ferry services, and the likelihood of ongoing staff shortages and rising costs, MaineDOT has preliminarily concluded that the current governance and funding model for the MSFS is inadequate and unsustainable, and that change is necessary to achieve a sense of common purpose, collaborative problem-solving, and fairness to other inhabited islands, other transit services, and Maine taxpayers.

To test these preliminary conclusions, MaineDOT suggests that a legislative Resolve be devised and passed that directs MaineDOT to:

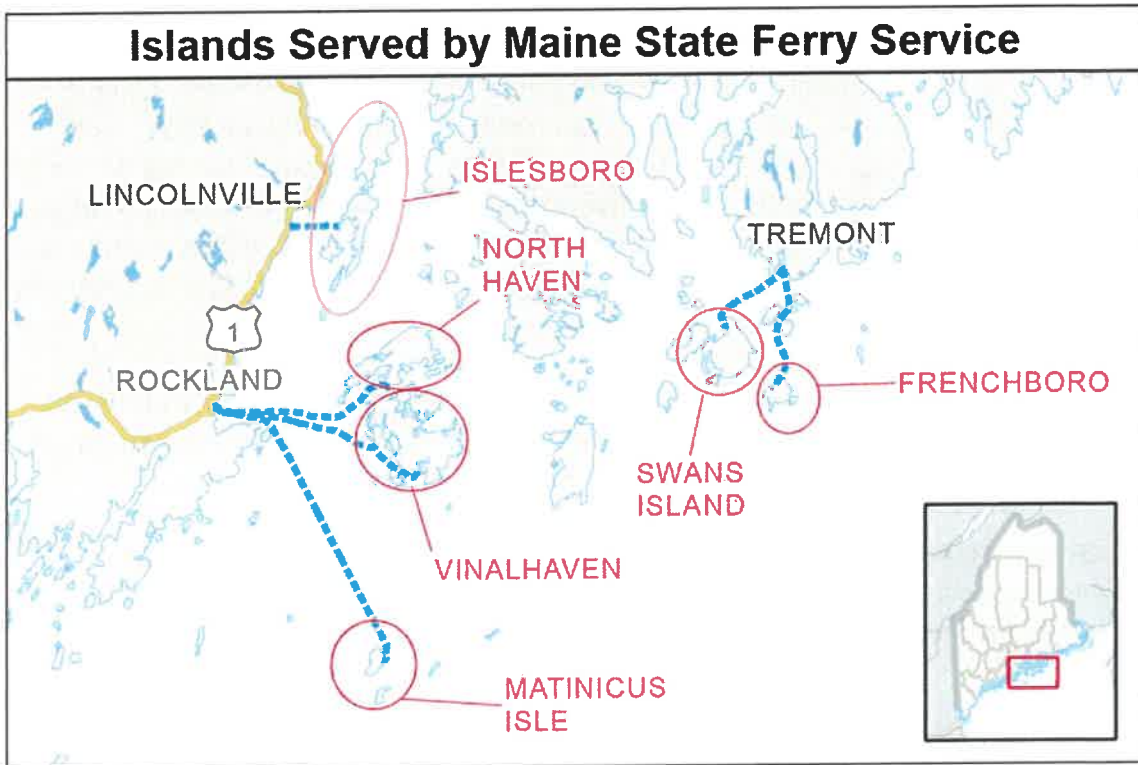
- Pause implementation of any major operational change including widespread overnighing of ferries on the mainland;
- Continue to study governance and funding changes in accordance with the policy guidance set forth in the Resolve;
- As part of the study process, receive input from an appropriate range of stakeholders including top municipal officials from the Served Islands, other ferry services, EMS officials, and policy stakeholders including legislators representing inhabited islands and other small Maine towns.
- Document the study and prepare a report back to the Committee by January 27, 2026, including findings, recommendations, and proposed legislation for new governance and funding models that give the Served Island municipalities more control and responsibility, and that fosters a future of common purpose and collaborative problem-solving, engaged and knowledgeable communication, and fairness among inhabited islands, other transit services, and Maine taxpayers.

The suggested scope and policy parameters for this study are more fully described in Section II – MaineDOT Recommendations for Change below.

## I. The Current Maine State Ferry Service

### A. The Served Islands

The six islands in Penobscot and Blue Hill Bays served by the MSFS, in descending order of population, are Vinalhaven, Islesboro, North Haven, Swan's Island, Matinicus, and Frenchboro (the Served Islands), and are shown on the map below.



The six Served Islands are a subset of the fifteen (15) unbridged islands with year-round inhabitants in Maine stretching from Casco Bay to Islesford (a.k.a. Little Cranberry Island) outside of Northeast Harbor (the Inhabited Islands). All 15 islands are listed in

The combined year-round population of the six Served Islands is just over 2,700, which is about 58% of the combined year-round populations of the almost 4,700 combined year-round population of all 15 Inhabited Islands, and 0.19% of Maine's total population of 1.4 million. See table in Section M for a list of all 15 islands.

Four of the six Served Islands - Vinalhaven, North Haven, Islesboro, and Swan's Island - receive multiple trips per day and have had a state car ferry and crew overnight on their island for decades (the Overnight Served Islands). As one would expect, the Overnight

Served Islands want this practice to continue citing, among other things, on-call ambulance transport at night, early island departure times for better access to mainland services, and a general sense of peace of mind and security.

#### B. A Snapshot of Current MSFS Operations

The MSFS is a ferry transit service for passengers and vehicles to the Served Islands, with multiple trips per day to Vinalhaven, North Haven, Islesboro and Swan's Island and with regular, but less frequent, service to Frenchboro and Matinicus.

Five ferries are in operation daily making multiple runs to their respective islands. North Haven, Islesboro, and Swan's are each served by one ferry, while Vinalhaven is served by two ferries running simultaneously in both directions. Frenchboro and Swan's Island share the same ferry on certain days of the month, while Matinicus is served less frequently (around 36 times a year) by a smaller ferry that is available as a spare when not on the run to Matinicus. MSFS also contracts with a private passenger boat to make two round trips to Frenchboro each Friday from April through November. There is also one other larger spare ferry available for service when a regular ferry needs repair or maintenance, or when the US Coast Guard (USCG) performs hull inspections.

Historically, the ferries have overnighted on the Overnight Served Islands - Vinalhaven, North Haven, Islesboro and Swan's Island. The second ferry that serves Vinalhaven (aka "the Day Boat" or "mainland boat") overnights at the terminal in Rockland.

Per USGS regulations for ferries large enough to accommodate so many vehicles, each vessel requires a crew of 4 or 5 with varying mariner credentials. Today, unlike the start of a state run ferry service decades ago, the vast majority of crew do not live on the islands they serve.

Therefore, to accommodate the overnighting of the ferry on the islands, crew quarters are necessary on each of the Overnight Served Islands during the crew's 7-day rotation. The island crew quarters buildings are owned and maintained by MSFS. Crew members that stay in the crew quarters are paid a daily per diem for meals and incidental expenditures (generally \$92/day or almost \$15,000 per year, tax free). Per USGS regulations, the unavailability of any one of the crew member means the ferry cannot run.

#### C. MSFS Capital Assets: Ferries, Terminals, etc.

Providing the current level of service to the Served Islands requires significant, high-cost capital assets.

The centerpiece of those assets are the ferry vessels. As noted above, the MSFS fleet requires seven ferry vessels, five ferries running daily operations, a larger spare ferry, and a smaller ferry that serves Matinicus, performs additional special runs, and serves as a smaller spare. A smaller boat is needed for Matinicus due to the water depth at the dock.

Each daily ferry is assigned to serve a specific island for an extended period of time, but the MSFS needs to reserve the right to reassign the ferries when operational needs or requirements dictate. Such reassignments are usually unpopular with the Overnight Served Islands.

The estimated useful life of a vessel is around 30 years, but historically MSFS ferries have been kept in service much longer with additional maintenance and repair. Spare vessels have been kept in service for 60 years or more.

The cost of a new vessel varies by size, propulsion and design. The larger vessels currently range in cost from \$20 million to \$40 million or more.

The age of the MSFS fleet is much improved due to extraordinary state and federal investment, accelerated recently by special federal grant opportunities. Of these seven vessels needed to run the service, by the end of 2025, three vessels will be less than 5 years old, one 13 years old, and another new ferry is in the design / funding phase.

More specifically, MaineDOT's accelerated ferry replacement plan has yielded mostly good results.

- The MV Richard Spear (\$11M) was delivered in 2020 to replace the 52-year-old MV Governor Curtis.
- The MV Charles Norman Shay was delivered in 2024 (\$12M) – the smaller of the vessels serving Matinicus and as a spare – which replaced the 64-year-old MV Everett Libby.
- The hybrid MV Almer Dinsmore (\$21M, delivery due in 2025) will replace the 34-year-old MV Henry Lee.
- Design and bidding were completed for the hybrid MV George Mitchell set to replace the 38-year-old MV Margaret Chase Smith. Construction bids well above available funds ranging from \$41.5M to \$43M were received in January 2025. The bids were rejected and MaineDOT is evaluating next steps.

The remaining fleet consists of the MV E. Frank Thompson built in 2012, and the MV Charles Philbrook built in 1993. (The MV Libby has been taken out of service and is currently for sale, and will yield little more than scrap value.)

The name, age, length, crew required, and vehicle and passenger capacities are summarized in the table below.

MSFS Fleet Vessel Name	Year Built	Length (ft)	Minimum Crew size	Vehicle Capacity	Passenger Capacity	Current Location
Margaret Chase Smith	1987	166	5	30	221	Islesboro
Charles Philbrook	1993	130	4	17	221	Spare
Henry Lee	1992	130	4	17	221	Swan's
Neal Burgess	1993	130	4	17	221	N. Haven
E. Frank Thompson	2012	154	5	23	250	Rockland
Richard Spear	2020	154	5	23	250	Vinalhaven
Charles Norman Shay	2024	104	4	8	149	Rockland
Almer Dinsmore	2025	154	5	23	250	under const
George Mitchell	??	207	5	35	250	under design
Everett Libby	1960	105	4	12	175	Out of service

The MSFS also maintains extensive other capital assets including three mainland ferry terminals in Rockland, Lincolnville, and Tremont (Bass Harbor), docking facilities on all six Served Islands, terminals and crew housing on the Overnight Served Islands, and various parking facilities. These other assets also represent in initial capital investment of many tens of millions of dollars and significant ongoing maintenance costs.

#### D. MSFS Staffing

The MSFS budget includes 114 full-time positions and 18 intermittent positions, for a total of 132 positions. The breakdown of the full-time positions is 11 management and administrative positions, 70 ferry crew positions, and 33 terminal-based positions. The MSFS staff report to a variety of locations - Management and Administration employees at the Rockland Headquarters, Crew members on the ferries they operate, and Terminal Staff at Rockland, North Haven, Vinalhaven, Lincolnville, Islesboro, Bass Harbor and Swan's Island, and two Accountants at MaineDOT headquarters in Augusta.

As noted above, each ferry is crewed with four to five crew members depending on the USCG's specific requirements for each ferry. The crews for each ferry work a 7-day on, 7-day off rotation, which translates to ten dedicated crews to operate the five daily ferries. The ten crews require a minimum of 46 full-time positions to operate the boats every day, and each boat requires a specific blend of differently credentialed mariners. A typical crew requires one Captain, one Engineer, two Able Bodied Seafarers and either an Ordinary Seafarer or a Deckhand.

An additional number of crew with the same variety of credentials is also necessary to fill in for the regularly assigned crew members to cover vacations, illness, family medical leave, parental leave, bereavement leave, employees out on workers compensation, etc., and to fill in when vacancies are caused by retirements or separations. These additional crew personnel are considered "Relief Crew" members. To meet the work rules and the Served Islands Expectations of 100% reliability, a full-time crew level of 61 is necessary.

The mix of classifications of positions filled can vary at any point in time depending on separations and recruitment and retention efforts. Some flexibilities exist within the



classification and credential structure that are helpful. For instance, a licensed Captain also carries the Able Bodied credentials and can cover for an Able Bodied void, however there are some Captains that are unwilling to do so.

MSFS intermittent employees are utilized only on an as needed basis. The majority of these employees are either retired mariners or active mariners currently working full-time in the maritime industry but have offered to work for the MSFS when off-duty. There is no requirement for intermittent employees to work when called and many current intermittent employees will only work on certain runs or vessels. Recently, only a handful of the 15 current intermittent employees have volunteered to work when needed. The MSFS is discussing annual work requirements for intermittent positions and renewing the roster, but relying on a cadre of intermittent employees to sustain reliable service during crew shortages has not proven successful.

### 1. The Impacts of a Global Mariner Shortage

The reliability of the MSFS operations and schedules is jeopardized by staffing challenges arising from an ongoing and long term, global mariner shortage. This shortage has had a real impact on the reliability of the MSFS and is predicted to be a long-term challenge.

The MSFS began experiencing cancellations due to crew shortages in 2022, with 101 crew related cancellations between April 30 and Sept 3, 2022.

In 2024, exacerbated by an unprecedented occurrence of three boats out of service for mechanical issues and a high number of crew out on extended leaves of absence, the MSFS had 202 crew related cancellations between January 1 and November 1, 2024. This is significant and unacceptable. Vinalhaven experienced the worst of the challenges in the spring of 2024<sup>2</sup>, because taking one of their two ferries out of service is the fairest alternative to cutting off all service to one of the other islands. Due to MaineDOT actions outlined in subsection 2 below, reliability overall for 2024 was 98.5% or more for five of the six Served Islands. Even Vinalhaven, impacted by the lion's share of cancellations, received service with almost 95% reliability for 2024, with over 97% during the peak summer months. See Section E - 2024 Schedule Reliability below.

The MSFS is not alone in feeling the impacts of a tight mariner market. Industry officials have concluded that "the pandemic had an enormous and unprecedented impact" on the

---

<sup>2</sup> In April 2024, Vinalhaven experienced the lowest monthly on-schedule performance with 83% of the scheduled runs made. However, not counting weather related cancellations, between January and July of 2024 the MSFS made 1,912 trips to and from Vinalhaven, at least one boat making multiple trips every day, which translated to 91% of all scheduled runs occurring as planned. Despite MaineDOT's extensive efforts to find solutions, Vinalhaven island officials and residents were extremely displeased. Letters, emails, and even petitions were sent to the Governor, the Commissioner, and legislators charging mismanagement and demanding immediate solutions like higher mariner pay.

shipping workforce with a large number of mariners retiring out of the industry and a reduction in people interested in seeking seafarer careers. Experts suggest this will be a long-term problem. This challenge has been the subject of both Maine and national media reports.

- *Maritime officials fear ‘catastrophic’ outcome if mariner shortage worsens*, Bangor Daily News, December 2, 2024  
<https://www.bangordailynews.com/2024/12/02/business/maine-mariner-shortage-fears-catastrophic-outcome-global-shipping/>
- *How the mariner shortage could impact maritime security*, Maine Public Radio, April 3, 2025  
<https://www.wbur.org/onpoint/2025/04/03/mariner-shortage-maritime-security-trump-ships>
- *Navy wants to avoid sidelining ships as it confronts civilian mariner shortage*, by Alison Bath, STARS AND STRIPES, October 8, 2024.
- *The shipping industry is wrestling with one of its biggest challenges — seafarer shortages*, CNBC NEWS, November 26, 2024. “Nowadays, younger people are prioritizing work-life balance and aren’t as willing to commit to a career that requires long stretches away from home.”
- *The Seafarer Shortage: A Wake-Up Call for the Maritime Industry*, “Ripple”, Heather Combs; Chief Executive Officer December 3, 2024. “The current shortage is driven by multiple factors, including geopolitical conflicts, generational shifts in career preferences, and systemic issues that have long gone unaddressed.”

The shortage of mariners, coupled with a simultaneous increase in shipping demand caused by consumers wanting more home goods during and after the pandemic, created an extremely competitive crew hiring climate in Maine and worldwide.

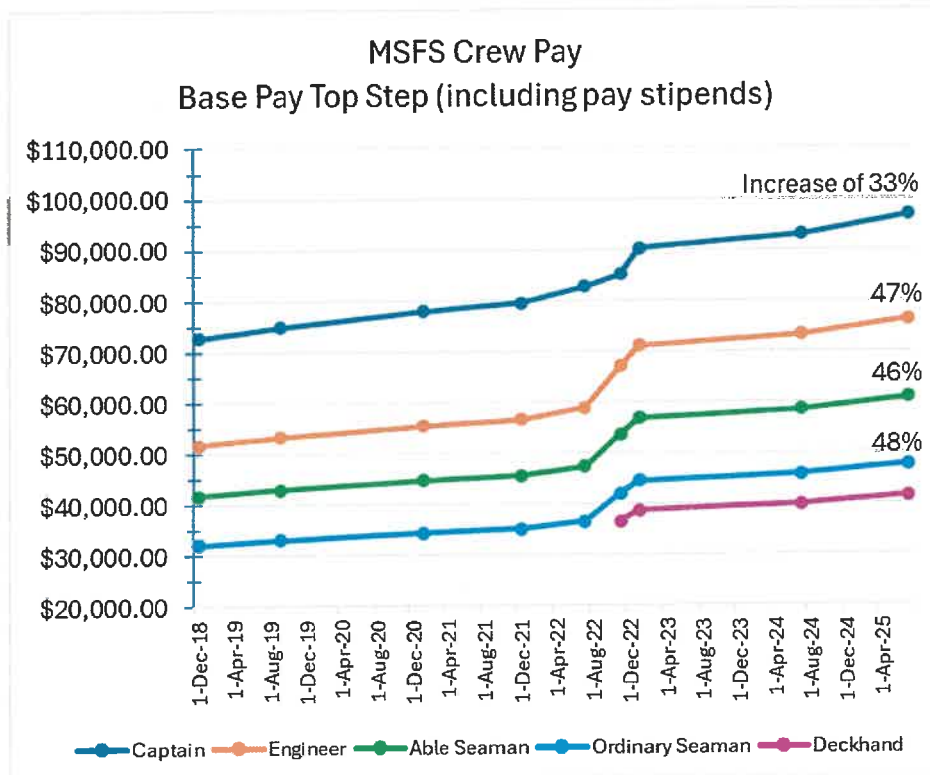
Private companies and purpose designed quasi-governmental operating entities have an advantage over a state operated MSFS when confronting such challenges. State budgetary and human resource processes and constraints, statutory requirements, and rigid pay and benefit structures all hinder nimble personnel and pay adjustment actions. Even with these limitations, MaineDOT and the MSFS responded on multiple fronts as best it could.

## 2. State Efforts to Increase Staffing

MaineDOT did everything it could to keep the boats running with more pay, incentives, positions, training, and contract staffing.

a. Increased Base Pay and Expense Reimbursement

To help combat the recruitment and retention issues, MaineDOT and the MSFS, working through the Department of Financial and Administrative Services, have increased crew compensation through higher starting salary levels, new or increased pay stipends, recruitment and retention incentives, and significant negotiated general pay increases and one-time compensation payments. Overall, base pay for the crew positions has increased by 33%-48% since early 2019.



In addition to the base salary with stipends, crew members receive additional compensation from working holidays, overtime, and other special pay situations. For instance, the base salary, including stipends, of a full-time Ferry Captain is currently \$96,700. When considering the additional pay compensation opportunities, the average total Captain pay is anticipated to be in the range from \$104,000 to \$119,000 by July 2025.

Per diem expenses were also increased to \$10,500-\$14,000 (not taxable) for all mariners when staying overnight on the islands away from home.

b. Incentives: Retention Bonus and Increased Overtime Pay

To incentivize crew employees to work 10 out of 13 of their scheduled shifts, and to encourage them to volunteer to fill in for vacancies in their off-week, a 6-month \$4000

dollar bonus payment and increased overtime compensation rates (double-time for most positions) were instituted from July through December 2024.

c. More Positions and Classifications

MaineDOT/MSFS added more positions to provide additional coverage for vacancies and leave and created new crew classifications to better meet USCG billet requirements and provide more and easier crew advancement opportunities. There are now new crew classifications (entry level Deckhand and 100-Ton Captain) which allow a progressive career ladder for both uncredentialed and credentialed employees to advance from Deckhand to Ordinary Seafarer to Able Bodied Seafarer to 100 Ton Captain to 500 Ton Captain.

d. More Training

The State also and executed a contract with Maine Maritime Academy to help existing crew members get the credentials they need for promotional opportunities.

e. Contract Mariners

MSFS has used a long-standing contract with a Maine-based temporary staffing company to hire mariners to fill in when needed. However, the number of mariners available through that contract has been very limited. As the 2024 summer peak season approached, MaineDOT responded to the ongoing crew shortage by entering a contract with a private mariner support company (Seaward) to supplement the existing crews. With the help of a handful of contracted mariners, the MSFS was able to provide regular service over the July 4<sup>th</sup> holiday and was able to achieve over 97% service to Vinalhaven and 99% on schedule service across all islands through the months of July through September. See Section E – 2024 Schedule Reliability.

MaineDOT's hiring of these contracted mariners to save the summer schedule was met with significant backlash from the employees' union and the island communities, including union complaints to the Attorney General, opposition emails and letters from the islands, union sponsored meetings on the islands without invitation of MSFS management, and threatened union legal action against MaineDOT. The mariner contract is a costly added expense but was necessary to meet Served Island expectations.

Despite all these actions, the MSFS recruitment challenges are likely to continue, and its reliability remains vulnerable to the realities of the tight mariner labor market. Operational changes or higher costs will be the result.

E. 2024 Schedule Reliability

As noted above, crew shortages in 2024 manifested primarily into cancellations impacting one of the two daily boats serving Vinalhaven. When something must give, reducing Vinalhaven service to one boat is the fairest and most logical system wide adjustment to make – rather than tying up another island’s boat resulting in no service at all to that island.

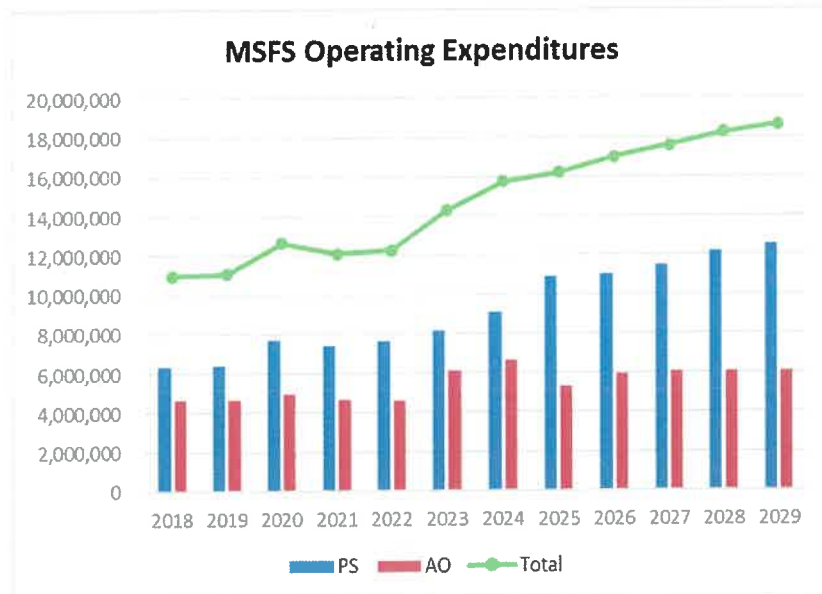
Overall, however, with all the state efforts including the addition of contract mariners, overall schedule reliability for 2024 is objectively decent, or even good, given the scope of the challenge. The Served Islands likely disagree in terms of why it happened and how it should have been addressed.

**MSFS 2024 Schedule Reliability**

	July-September	Calendar Year
<b>North Haven</b>	<b>100.0%</b>	<b>99.9%</b>
<b>Islesboro</b>	<b>99.1%</b>	<b>99.1%</b>
<b>Swan's/French</b>	<b>100.0%</b>	<b>98.5%</b>
<b>Vinalhaven</b>	<b>97.4%</b>	<b>94.7%</b>
<b>All MSFS</b>	<b>99.0%</b>	<b>98.1%</b>

F. Operating Costs

The annual *operating* budget of the MSFS for 2025 is \$16,200,000, broken down as follows: 66% for pay and benefits, 12% for fuel, 10% for repairs, and 12% for all other operational expenses. The MSFS annual operating cost has increased over 45% between 2019 and 2025, from \$11M to \$16M. This annual cost is projected to increase to \$18,400,000 by 2029



## G. Operating Cost Allocation

### 1. Statutory Cost Allocation and State Subsidy

Pursuant to existing state law, Title 23 MRS §4210-C, the operating cost of the MSFS is split between the State through Highway Fund (HF) allocation and the ferry patrons through fares, with the State being authorized to provide a Highway Fund subsidy of *up to 50%*.

If this statutory 50-50 arrangement is achieved, the total state annual operating subsidy is just under \$8,000,000 per year today and will grow to an estimated \$9,200,000 by 2029.<sup>3</sup>

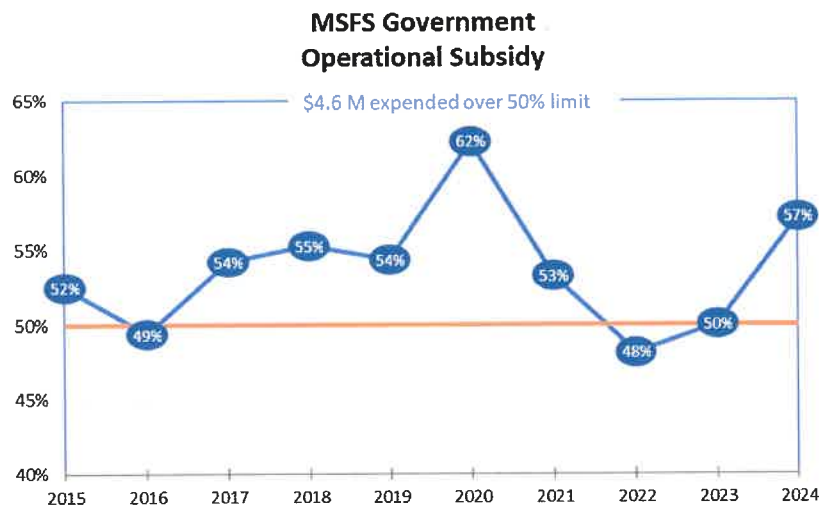
For policy comparison, the total state operational subsidy for all rubber-tired transit statewide is currently \$5.6 million per year.

On a per capita basis, the MSFS state operational subsidy for each year-round resident on the Served Islands is about \$3,000 per year now and is projected to increase to \$3,350 by 2029.

The Served Island municipalities do not contribute to the operating subsidy of the MSFS.

### 2. Actual State Operating Subsidy: Usually More Than 50%

The actual total state subsidy of operating costs of the MSFS over the last 10 years has averaged about 54.2%, with the highest subsidy being 62% in 2020 during the pandemic, the lowest being 48%. The state subsidy has been 50% or less in accordance with 23 MRS §4210-C in only three of the last ten years.



<sup>3</sup> This does not include the cost of bills pending before this Legislature that would add significant cost, including LD 1268, which would add a substantial MSFS employee compensation stipend that would cost an estimated additional \$1.1 million per year.

The two reasons the state subsidy exceeds the 50% statutory cap arise from the unpredictable nature of some operational costs and revenues, and a perceived policy imperative to meet schedule reliability and reduce unexpected impacts on the Served Islands.

First, operational costs can be unpredictable. For example, during the pandemic, ferry ridership plummeted, and fare revenue plunged accordingly. Fuel cost rise and fall. Repair costs fluctuate from unexpected mechanical failures. Staffing costs – which make up 2/3rds of the budget – grew quickly due to a worldwide mariner shortage and an unprecedented number of extended leaves of absence of MSFS crew resulting in the need to raise pay for MSFS crew and supplement staff with contract mariners.

Second, over the years, MaineDOT has perceived a policy imperative to run the boats at almost any cost. The Served Islands expect nonweather-related schedule reliability to be near 100%, especially during peak season. If that is not achieved, many islanders are not shy and communicate widely to executive and legislative officials at all levels, often at the speed of “island Facebook.” Few are filtered through local officials or the statutorily-created Ferry Advisory Board (FAB), which makes sense when local officials correctly point out that the service is not their responsibility, or they are only advisory.<sup>4</sup>

Accordingly, MaineDOT Commissioners have determined over the years that cutting service to bring operational costs in line with fare revenue is not a viable policy option. Instead, they have found ways to increase the state subsidy beyond 50% for a time - admittedly an uncomfortable act given the statutory cost allocation - and later seek future 50% farebox cost recovery as part of a formal rulemaking process.

This policy on eating overages – when combined with a relatively high 50% level of state subsidy of 50% - appears to be generous in comparison to other ferry services. Despite this, the Served Island residents often desire higher state subsidy or more fare discount programs. For example, North Haven recently requested a 75% state subsidy.<sup>5</sup>

Again, recall that the Served Island municipalities pay nothing for the operational cost of the MSFS. MaineDOT preliminary research into other ferry services done in preparation for the various legislative bills filed this session indicated this is rare on other Inhabited Islands in Maine and beyond.

---

<sup>4</sup> Some FAB members have confided that they do not explain or defend MaineDOT actions even if they know or believe MaineDOT is acting reasonably, as doing so would make living on the island awkward.

<sup>5</sup> April 2025 letters from the North Haven Select Board and Town Administrator.

### 3. Costs and Cost Allocation at Other Ferry Services

Operational costs of other ferry services are typically borne more by the patrons or municipal resources.

- a. Casco Bay Island Transit District (CBITD) – This ferry service derives about 60% of its revenue from fares and fees, and about 40% from government subsidy, mostly from the Federal Transit Administration.
- b. The Streamship Authority (Serving Martha’s Vineyard and Nantucket, Massachusetts).
  - Funded 100% from fares from customers (operations and capital).
  - Commonwealth of MA covers overages if any, but the State then assesses those costs to the Towns. This has happened only three times since 1960.
- c. Monhegan Island Ferries. Private. Funded by fares only. Passengers only. No vehicles. \$25 one-way. Round trip for a family of four is \$200.

Due to state subsidy to the MSFS, the same family can get a round trip *with their car* to Islesboro for \$50-83, or to Vinalhaven, North Haven and Swan’s Islands for \$73 to \$108, depending on the time of year.

Vehicle transport is *the* factor that drives higher costs (boat size, crew levels, fuel, etc. are all driven by vehicles) and is *the* MSFS product that is in limited supply. Accordingly, MaineDOT has argued that vehicle fares should be increased to better reflect actual costs, especially in peak summer months, which would have the effect of increasing the contribution of summer residents and reducing the impact on year-round residents. With the exception of Matinicus, the Served Islands have consistently pushed back and requested that vehicle and freight fares remain low through extraordinary subsidy during the fare setting processes. MaineDOT has largely relented with island requests and kept vehicle fares artificially lower than the proportional true cost.

A quick comparison of the cost of transporting vehicles on other ferry services confirms MSFS vehicle fees are relatively low.



**Vehicle with Driver**

	Off-Peak	Peak	
MSFS Islesboro	\$30.00	\$42.50	Proposed 6/1/2025)
MSFS SI, VI, NH	\$41.50	\$55.00	Proposed 6/1/2025)
CBITD Peaks	\$36.65	\$82.50	(Peak \$62.65 Mon-Tue, \$36.65 Wed)
CBITD Peaks Proposed 2025	\$120.00	\$190.00	(\$82.65 Off-peak Mon-Wed)
CBITD other islands	\$88.65	\$122.65	
Steam Auth Martha's Vinyard	\$161.00	\$263.00	(\$341 Fri-Sun)
Steam Auth Nantucket	\$431.00	\$651.00	(\$741 Fri-Sun)
Steam Auth Martha's Vinyard (Resident)	\$94.00	\$127.00	"Excursion" rates
Steam Auth Nantucket (Resident)	\$182.00	\$246.00	"Excursion" rates

**Family of Four with Vehicle (2 adults- 2 minors)**

	Off-Peak	Peak	
MSFS Islesboro	\$50.25	\$83.50	Proposed 6/1/2025)
MSFS SI, VI, NH	\$73.25	\$108.00	Proposed 6/1/2025)
CBITD Peaks	\$51.05	\$110.50	(\$64.64 Wed, \$90.25 Mon-Tue)
CBITD Peaks Proposed 2025	\$134.40	\$218.00	(\$82.65 Off-peak Mon-Wed)
CBITD other islands	\$191.70	\$273.30	
Steam Auth Martha's Vinyard	\$204.00	\$384.00	
Steam Auth Nantucket	\$514.00	\$824.00	
Steam Auth Martha's Vinyard (Resident)	\$94.00	\$127.00	"Excursion" rates include 2 adult & 2 child
Steam Auth Nantucket (Resident)	\$182.00	\$246.00	"Excursion" rates include 2 adult & 2 child

**H. MSFS Capital Investment**

MSFS capital investment for new ferries, terminals, parking lots, and other capital improvements has also been robust. Over the last 10 years, MSFS capital projects costs have exceeded \$70 million. Over the last five years, with an accelerated focus on vessel replacement and other capital needs, MSFS capital spending has averaged over \$12 million per year, a 500+% increase over the previous five-year average.

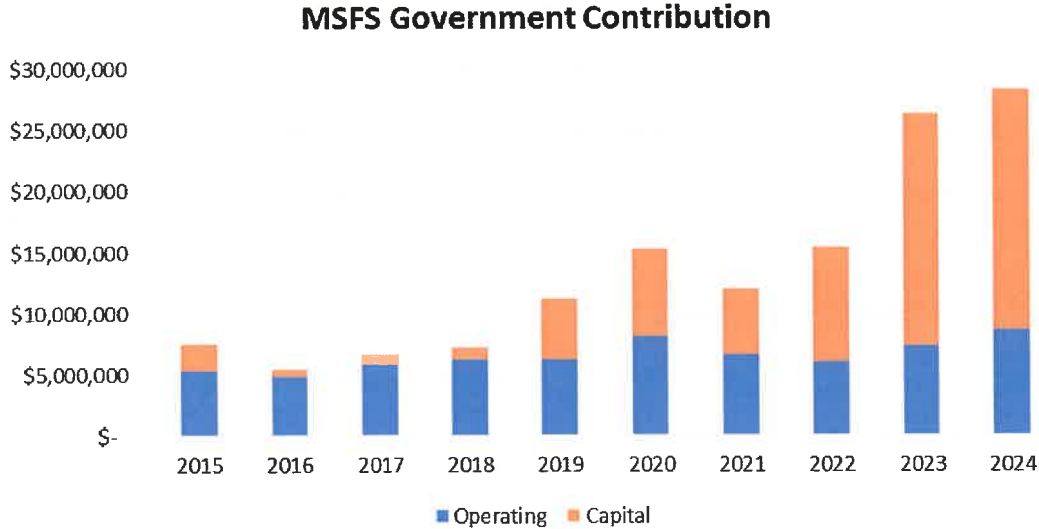
These capital costs are currently paid 100% with state and federal funds. The Served Island municipalities *and* MSFS patrons do not contribute to capital costs of the MSFS.

By way of comparison, at MaineDOT there is a local cost share for extraordinary capital projects unique to that municipality, usually in the range of 10%. For example, the usual cost share for Village Partnership Initiatives project aimed at revitalizing Maine's iconic villages and downtowns are usually 80% federal, 10%-state, and 10%-local.<sup>6</sup>

<sup>6</sup> See [MaineDOT Local Cost Share Policy](#)

### I. Total Operating and Capital Costs Over Time

The increase in operating costs (shown in blue) and capital costs (shown in orange) over the last ten years is shown in the bar graph below.



For example, in 2024 alone, state and federal taxpayers have spent about \$28,000,000 for ferry service related operating and capital costs. It is true these amounts are high given the ferry replacements, but they empirically demonstrate that MaineDOT is clearly focused on the needs of the MSFS and the Served Islands.

Despite this extraordinary level of funding, feedback from the Served Islands remains decidedly negative, likely due in large part to the discussion of mainland overnight docking of ferries and a pending, legally-required rulemaking process to increase fares to recoup collect 50% of the operating costs.

### J. Served Island Demographics

According to census data, the combined year-round population of all six Served Islands is 2,716.<sup>7</sup> Summer populations vary by island and are difficult to pin down precisely, but are reportedly 3 or 4 times higher during peak summer weeks.

The combined total number of K through 12 students for the Served Islands is 313, and ranges from a low of 1 (Matinicus) to a high of 150 (Vinalhaven).<sup>8</sup> Assuming a level

---

<sup>7</sup> Individual Served Island populations, in descending order, are as follows: Vinalhaven (1,279), Islesboro (583), North Haven (417), Swan’s Island (355), Matinicus (53), and Frenchboro (29).

<sup>8</sup> Individual Served Island K-12 student populations, in descending order, are as follows: Vinalhaven (150), Islesboro (66), North Haven (50), Swan’s Island (21), Frenchboro (5), and Matinicus (1).

distribution of students throughout school grades, the estimated number of middle and high school students that could require transport to the mainland is likely half that amount.

The combined 2023 property valuation of the six Served Islands in 2023 was 1.78 Billion,<sup>9</sup> which is very high by Maine small town standards. All of the Served Islands rank in the top 10% in Maine in terms of property valuation per capita.

Due to a high percentage of high value second homes owned mostly by people from other states, the population weighted average mil rate of all Served Islands in 2023 is a relatively low 12.4 mils.<sup>10</sup>

A spreadsheet showing the demographics of the Served Islands and representative municipalities in the legislative districts of the member of the Transportation Committee is provided as Appendix A for policy context and comparison.

This high property value effect is well illustrated by Islesboro. The 100 highest value properties on Islesboro in 2023 ranged in assessed value from \$1.47 million to \$ 5.08 million. Actual market values today are likely higher.<sup>11</sup> Based upon the tax bill address of these 100 properties, 80% are sent to people or entities located off the island, and 75% to people or entities out-of-state. A review of the entire property tax commitment on Islesboro indicates that nearly ¾ of all properties are owned by people who are not year-round residents.

This combination of high non-resident ownership and high property valuations leads to at least three policy observations.

First, as noted above, under the current cost allocation model of the MSFS, property taxpayers of the Served Islands do not contribute to the operational and capital costs of the MSFS - even though it is the “vital lifeline” for the islands. Many (most?) of these property taxpayers come from out-of-state and own relatively high value second homes.

Second, MSFS *patrons* pay about half of the operational costs of the MSFS through fares. Most of the patrons are likely year-round residents, many of whom do not own the highest value homes.

Third, the funding of the costs of other ferry services typically includes a significant municipal contribution from the islands served.

---

<sup>9</sup> Individual Served Island property valuations, in descending order, are as follows: Islesboro \$626 million, Vinalhaven \$606 million, North Haven \$339 million, Swan’s Island \$156 million, Matinicus \$35 million, and Frenchboro \$17 million.

<sup>10</sup> Individual Served Island mill rates, in ascending order, are as follows: Matinicus (9.3), Islesboro (11.0), Vinalhaven (12.3), Swan’s Island (12.7), North Haven (14.5), and Frenchboro (19.3).

<sup>11</sup> The March/April Edition of the Islesboro Island News showed a listing at \$8.5 million as under contract.

K. How Did We Get Here? Prior Ferry Services and the Transition to Car Culture

Prior to the State involvement with operating a ferry service in 1960, transportation to the islands was provided by private, municipal or island specific port authorities, much like service to the other Maine Inhabited Islands today.

Early ferry services to the four Overnight Served Islands - Vinalhaven, North Haven, Islesboro and Swan's - consisted of wooden vessels built primarily for passengers and had extremely limited capacity to carry automobiles.

For example, Swan's Island was served by a private company operating the "Sea Wind" which made one round trip per day, six days a week from Bass Harbor by way of Frenchboro and carried no cars. The Vinalhaven ferry could only accommodate two cars. The North Haven ferry only one.

These early ferry services to the Overnight Served Islands are summarized in the chart below.

Existing Service in 1957 Prior to Maine State Ferry Service

Island	Ferry Operator	Ferry name	Year Built	Length (ft)	Vehicle Capacity	Passenger Capacity
Vinalhaven	Vinalhaven Port District		1943	64	2	71
North Haven	North Haven Port District	No Haven II	1942	64	1	46
Islesboro	Town of Islesboro	Governor Brann	1936	85	10	
Swan's	Bay Ferry Corp	SeaWind	1939	44	0	35

(All wooden boats)

Like many Inhabited Islands today, reliance on automobiles crossing the ocean daily was not an expectation of island life. In fact, some early islanders actively resisted the use of the automobile on island.

For example, on Islesboro in the early 1900s, the "summer contingent" had a long-time unwritten agreement against bringing automobiles onto the island so they could enjoy the peacefulness of island life. In 1912, a long-time Islesboro native resident reportedly brought the first automobile onto the island.<sup>12</sup> In response, in 1913, the "summer colonists" successfully facilitated the passage of state legislation to prohibit the use of automobiles on public roads in Islesboro. Other island residents reportedly tried many times to end the ban but were unsuccessful until its eventual repeal in 1933.

Soon after, the Town of Islesboro issued bonds to build its own ferry that eventually accommodated 10 vehicles to serve as a public ferry service. The resulting ferry vessel

<sup>12</sup> Capt. Fields C. Pendleton, shipmaster, brought the first automobile onto Islesboro. Camden Herald dated August 12, 1912

Governor Brann started service in 1936. In less than a year, the Governor Brann was taken out of service to add 20 feet in length to accommodate two additional cars.

The origin of state-subsidized ferry service began with the 1957 passage of State legislation stimulated by proponents and their legislators interested in improving ferry service to the Overnight Ferry Islands. The Act, L.D. 1555, called for the formation of a ferry service under the responsibility of the Maine Port Authority (MPA), but was contingent upon statewide ratification of a \$2,500,000 bond referendum to build vessels and terminals. On September 9, 1957, this referendum was approved with 69% of the vote.<sup>13</sup>

By way of context, this vote occurred during the early years of the rise of the so-called “golden age” of the automobile in the United States. The Eisenhower Interstate Highway system was passed by Congress and signed into federal law in June 1956. At that time, everyone loved cars, even some ocean islands miles off the Maine coast.

After the 1957 bond referendum vote, the MPA immediately began construction of new ferries and landside terminals and facilities. The MPA procured new ferry vessels that could accommodate cars and trucks at the same maximum legal load limits as the state’s highways. As a result, the vehicle carrying capacity of the new ferries more than doubled. For most islands, vehicle capacity increased from 0-2 to 8-14 cars per trip. For Islesboro, vehicle capacity per trip went from 10 to 24.

The Maine Port Authority began ferry service operation in 1960. At that time, the vast majority of ferry employees lived on the islands they served and slept in their own homes. It then simply made sense for the ferry to overnight on the islands. That is where the staff lived, and they went home every night.

Although records are scarce, it is clear the early years of ferry service administered by the MPA had many challenges. In 1972, MaineDOT inherited the service from the MPA. In 1975, there was debate on the floor of the House that confirmed that the then Commissioner and Deputy Commissioner had put in an extraordinary amount of time trying to fix “an unbelievable amount of problems with the administration and operation of the ferry service”.<sup>14</sup>

The Transportation Committee of the 130th Legislature, by letter dated March 4, 2021, requested that MaineDOT to “evaluate practical funding policy options and potential structural operational changes to the MSFS that will reduce the overall demand of the service on state financial resources.” With apologies, MaineDOT acknowledges that this

---

<sup>13</sup> About 98,500 people, being about 10% of Maine’s population at the time, voted on the referendum question, as part of a Special Election that included one other bond issue and three constitutional amendments.

<sup>14</sup> Legislative Record, 107<sup>th</sup> Maine Legislature, Vol. II, page B1732, June 9, 1975.

review was never completed due to the need to deal with ongoing challenges of the pandemic including staffing shortages and spiraling costs. It's hard to focus on long-term financial planning in the middle of a severe operational challenge. Even if we had found the time, it is likely the challenges of 2024 would have eclipsed whatever changes MaineDOT may have recommended.

The expectation for more relatively low cost vehicle transport remains the overarching challenge of the MSFS. When Served Islands residents say that they need more service, it almost always means more vehicle or freight capacity in the peak season.

Even though most Served Island populations have declined since the state got involved, the newest generation of ferries are being built with more than double the vehicle carrying capacity of those constructed by the MPA.

For example, the next ferry slated for assignment to Swan's Island will have a 23-car vehicle capacity and will make up to six round trips per day, yielding a daily capacity of 138 vehicles, being almost 40% of the year-round population.

These increases in vehicle capacity are summarized on the following table.

Ferry Vehicle Capacity	Pre-1960	1960	1993	2025
Vinalhaven	2	12	34*	46*
North Haven	1	10	17	17
Islesboro	10	24	30	35**
Swan's	0	10	17	23***
* Vinalhaven served by two ferries ** New ferry design capacity *** Once new ferry delivered in 2025				

#### L. Island Expectations

The Overnight Served Islands have built a culture around the expectation of state subsidized, relatively low-cost automobile transport. Emergency transport of ambulances 24-7-365, school schedules, freight movement, and more convenient access to mainland services rely upon state subsidized vehicle transport. Disrupting that reality is unfathomable to most people on the Overnight Served Islands.

The rapid increase in operating and capital costs in recent years have not mitigated the expectations from the Overnight Served Islands. Overall, they seek 100% non-weather related reliability, more service, bigger and newer ferries, better maintained ferry related infrastructure, more parking, more control over operational and financial decisions, more state subsidy, and lower fares.

The idea that the Served Islands should contribute part of the costs of the MSFS is rejected out of hand, sometimes based upon the idea that the ferry is a matter of right because it represents their bridge.<sup>15</sup>

The expectation of Overnight Served Island residents to move cars over miles of ocean at a relatively low cost is the root cause of most of ongoing MSFS operational challenges and most of the ferry-related bills filed before 132<sup>nd</sup> Maine Legislature.

#### M. Nighttime Emergency Transport of Ambulances

With ferries overnighing on their islands, the Overnight Served Islands – Vinalhaven, North Haven, Islesboro, and Swan’s - are accustomed to calling on the ferry and the crew to make emergency runs to transport an ambulance after the hours of regular ferry operation. MaineDOT understands why the Overnight Served Islands have become accustomed to this arrangement, but it is concerned about the reliability and cost of the arrangement.

MaineDOT’s statutory responsibility is to operate ferry routes “for the purpose of transporting vehicles, freight and passengers to and from the islands”. Providing emergency transport is outside those statutory obligations. MaineDOT anticipates that changes in operations will be necessary to provide reliable regular ferry service to the islands, and that those changes, or possible tightening of USCG requirements, or demands of the workforce, could prevent the MSFS from performing emergency runs sooner, rather than later. MaineDOT believes the State and the islands need to take notice and respond accordingly.

It is important to distinguish that a MSFS “emergency run” only provides transport – the MSFS provides no medical treatment or services. In 2024, the MSFS performed 22 emergency runs for the Overnight Served Islands.

A condition of the MSFS providing after hours emergency runs is that the crew must overnight on the island. As of this writing, only a fraction – less than 20% - of the crew employees reside on the islands. This means that all other island-based crew members must stay away from home for the seven consecutive night rotation they are on duty. This also means that MaineDOT must provide and maintain housing on the island for the crew members and pay per diem expenses. The limited number of rooms in the crew quarters prevents the MSFS from staffing the boats with more crew than the minimum USCG requirements – thus limiting options for improving reliability through redundant assignments.

Other means of emergency transport off the islands includes Penobscot Island Air (plane service), private water taxis, private lobster or other boats, and LifeFlight of Maine.

---

<sup>15</sup> See “*The Ferry is Our Bridge*” Idea, attached as Appendix B.

USCG Rules. After hours emergency runs can only be made under special and specific exceptions to the USCG “12-hour rule”. The 12-hour rule limits the workday of mariners to a maximum of 12 hours in a day. The regular daily schedules of the MSFS boats already push up against the 12-hour maximum, therefore the MSFS can only perform nighttime emergency runs under strict adherence to USCG special considerations, specific to the MSFS, that have been developed through a series of clarifying letters over many years. Traditionally, the allowance for any mariner to work beyond the 12-hour limit is meant for emergencies on board a vessel that occur before the end of the mariner’s shift. Therefore, it is only because of the USCG’s willingness to relax the 12-hour emergency exception, under very specific requirements, that allows the ferry crews to perform emergency runs for island medical situations.

The USCG requirements only allow a Captain to make an emergency run after 12 hours of work if:

- There is a bona fide life-threatening medical issue.
- All other options have been exhausted, including helicopter transport (LifeFlight).
- The crew is available and fit for duty.
  - Crew members are not paid to be on-call or standby, and therefore may not be available.
  - If any crew member is fatigued after a 12-hour shift, or otherwise not fit for duty, the Captain cannot make the run.
- Regularly scheduled ferry trips the next day must be cancelled as necessary to provide requisite rest of the crew.

It is because of these USCG rules that the MSFS can never guarantee an emergency run will be made when requested. Note the USCG rules preempt the field of maritime safety, and state laws, rules or practices in conflict with the federal rules will be invalid and unreliable.

The Overnight Served Islands are generally unconvinced about the importance of the USCG rules and expect the ferry to make an emergency run when called. Denied requests that are not weather related often generate controversy. Representatives from some islands have readily admitted that they do not exhaust all options before calling for the ferry. A common reason cited is that LifeFlight is too expensive, which is not an allowable justification to exceed the 12-hour maximum workday under USCG’s exceptions for the MSFS. These situations put the Captains in very difficult positions because their license requires strict adherence to the USCG rules and requirements.

The Overnight Served Islands are opposed to any changes that may impact their reliance on the ferries for this purpose. They believe State ferry emergency runs are vital to their way of life on the islands. They argue it is a necessity to have a vehicle ferry at the ready so that a patient can stay in an ambulance during transport to the mainland.



These statements stand in contrast to experience on the other eleven Inhabited Islands in Maine (including the two other islands served by the MSFS). All of these other islands endure without the benefit of emergency transport of ambulances. The after-hours emergency transport to the mainland for all of the 15 Inhabited Islands in Maine is summarized in the table below.

After Hours Emergency Transport to Mainland

Maine Unbridged Inhabited Islands	Yr Round Population	Typical After Hours Option	Operator	Operating Cost Covered by	Annual Cost to Operate	Crew Size	Car Ferry Ambulance Transport?	Patient Loading
Peaks Island	907	Portland Fire Boat	Municipal Fire/EMS	Municipal taxes	\$165,000	5	No	Stretcher
Great Diamond	106	Portland Fire Boat	Municipal Fire/EMS	Municipal taxes		5	No	Stretcher
Cliff Island	53	Portland Fire Boat	Municipal Fire/EMS	Municipal taxes		5	No	Stretcher
Long Island	234	Island Emergency Boat	Municipal Fire/EMS	Municipal taxes	\$12,800	5	No	Stretcher
Chebeague Island	396	CTC Passenger Ferry	Private company	Customer rates	\$45,000	1	No	Stretcher
Great Cranberry Island	40	Local boat	Volunteer	Municipal taxes		1	No	Stretcher
Islesford	65	Local boat	Volunteer	Municipal taxes		1	No	Stretcher
Isle Au Haut	73	IAH Mailboat	Private company		\$275/hour	1	No	Stretcher
Monhegan Island	69	Local boat/ferry	Volunteer			1	No	Stretcher
Matinicus	53	Penobscot Air	Private company	Patient		2	No	Stretcher
Frenchboro	30	Local boat	Volunteer			1	No	Stretcher
Islesboro	592	Maine State Ferry Service	State - MaineDOT	50/50 State/rates	\$389,000	5	Yes	Ambulance
North Haven	425	Maine State Ferry Service	State - MaineDOT	50/50 State/rates		4	Yes	Ambulance
Swan's Island	357	Maine State Ferry Service	State - MaineDOT	50/50 State/rates		5	Yes	Ambulance
Vinalhaven	1271	Maine State Ferry Service	State - MaineDOT	50/50 State/rates		5	Yes	Ambulance

MaineDOT understands the Overnight Served Islands have come to value and expect a vessel and crew sleeping on your island every night. However, MaineDOT is compelled to point out to policymakers that other inhabited islands have found a way, that the USCS rules require that all other options be exhausted, and that there is likely a better, more reliable, and more efficient means of emergency transport.

In search of that better way, when MaineDOT began communicating with the Ferry Advisory Board expressing a need for “dependable emergency transport”. At that time, to assist with the transition, MaineDOT began suggesting it would partner with each of the four Overnight Service Islands to pay for an island-based emergency/passenger boat that the municipalities would own and operate with their own resources. In exchange for MaineDOT’s contribution of the emergency vessel, the MSFS would no longer perform emergency runs. This is an opportunity for each community to have independent control, self-management and accountability for providing emergency mainland transport for their residents. To date, none of the islands have expressed an interest in taking MaineDOT up on this offer or assuming the responsibility for emergency transport of their residents to the mainland. Instead, as several LDs filed this session indicate, the Overnight Served Islands want the State to continue to provide this service for them upon request.



It is important to clarify that MaineDOT has no role in, and does not support, a proposal put forward for a 24-7 regional island ambulance boat that would serve all islands from north of Casco Bay to the Cranberry Isles. The proposal, championed by representatives of Atlantic Partners EMS and Arcadia Alliance, is NOT sponsored by MaineDOT and is not related to our proposed partnership with the four of six MSFS islands that currently have our vehicle ferries overnighting on their islands.

Finally, from a statewide policy perspective, in addition to the other Inhabited Islands noted above, many mainland municipalities, especially in rural areas, also struggle with access to emergency services and medical care and have to find a way to serve their residents. The Overnight Served Islands have plenty of company with this challenge, and may be in a better position than many to meet it.

#### N. The Concept of Moving Boats to the Mainland

Marine industry experts have noted that the mariner shortage outlined in section D(1) above is caused in part, to changes in priorities for today's workers. "Work life fit", job flexibility, and family friendly work conditions have become more important than long-term careers and high pay. Traditional mariner work schedules that require workers to be away from home and constrained to ships or isolated work locations for extended periods of time are less attractive today. See Section D(1) above for more background on the mariner shortage.

MaineDOT believes that its chances to compete in the face of a long-term mariner shortage will be improved over time if we make the crew work requirements and conditions more attractive. The long tradition of the ferries overnighting on the islands requires a large majority of our crew members to be away from home seven consecutive nights every other week. Although this is relatively good duty compared to shipping out for months as mariners routinely did in the past, having ferries overnight on the mainland presents a potentially better way of life for a significant number of our crew members. More time with the family, attending their kids' school and sporting events, attending to issues at home, joining clubs or leagues, and caring for younger, older or sick family members are activities that are complicated by their current schedule that requires them to stay on the islands seven consecutive nights. Their evening activities on the islands are limited to the amenities available on the island, restricted by State policies regarding the crew quarters properties, and inhibited by the potential for emergency runs even though they are not paid to be on call. Less per diem expenses and housing costs represent potential long-term cost savings.

This MaineDOT began discussing the concept of moving boats to the mainland with the FSAB years ago. The idea got more traction with MaineDOT leadership after the acute staff shortages in 2024. MaineDOT believes this is in the best interest for long-term improvements to reliability, efficiency and customer service. The status quo does not appear sustainable.

This change will not happen overnight as there are several important issues to work through, from ferry schedule logistics to managing impacts to employees. Some of the recognized items are:

- Addressing housing needs for current employees that do not live withing commuting distance to the mainland terminal.
- Making mainland housing available or other creative solutions for employees that live on the islands.
- Evaluating vessel protection at the mainland berths.
- Morning schedule logistics.
- Potential partnering for island emergency boats.

The Overnight Served Islands uniformly opposed the concept for ferries overnighting on the mainland. This is understandable given the 60 years of history at little to the municipality. The Commissioner acknowledges the floating of the idea was done unartfully without a full understanding how operationally and emotionally dependent the Overnight Served Islands had become on ambulance transport at any time of night.

Accordingly, the Commissioner later communicated to the FSAB that MaineDOT has put a pause on implementation of the concept, with the possible exception of discussion Islesboro due to pending design and procurement work of a new ferry and related mainland and island capital work.

#### O. The Need for Policy Guidance

Although MaineDOT staff will continue to engage, problem solve and discharge our statutory obligations as best as we can, it appears the time is ripe we need policy guidance.

We have not asked for such guidance for many years because costs and island expectations were more manageable, labor more plentiful, and communications from dissatisfied customers were less frequent and more measured. Times have changed, and they have affected our ability to hire and keep MSFS leadership.<sup>16</sup>

As engineers and technical problem-solvers often do, MaineDOT staff thought that if we communicated with the FSAB, incorporate the reasonable and actionable components from the incoming feedback, bear down, find solutions to unprecedented operational challenges to keep the boats running, and deliver new boats, we could fix the problems and begin to build trust with the Served Islands.

Simply put, that has not happened. The history of operational challenges, the lack of common purpose and effective communication, the misalignment between island

---

<sup>16</sup> MaineDOT is now seeking its fourth MSFS Director in ten years. Other MSFS administrative positions have experienced similar turnover.

expectations and fiscal responsibility, the desire for more island control and information, mariner staffing shortages, and escalating costs have demonstrated that the challenges are long-standing, structural, and unsustainable. Fundamental change to governance, roles and responsibilities, and cost allocation is required to solve them. Not making such changes will mean continued failure to meet the expectations of the Served Islands, and will be unfair to them, ferry service leadership, other transit services in Maine in need of funding, and the taxpayers of Maine.

Such change requires consideration of perspectives in addition to those of the Served Islands. Such additional perspectives include Inhabited Islands not served by the MSFS, other towns also struggling with transportation needs and EMS service, the vast majority of Maine legislators that do not represent one of the Served Islands, and all Maine travelers and taxpayers. With those additional perspectives, we can set the stage for meaningful and effective solutions, and a better future for the state supported ferry service to the Served Islands.

## **II. MaineDOT Suggestions for Change**

With all the background and reasoning set forth above, MaineDOT makes the following suggestions for change, knowing that policymakers will decide the path forward.

The purposes behind these suggestions are to foster a future sense of common mission and teamwork, leverage the strengths of the parties involved, provide the Served Islands with the increased operational control they seek and some of the related responsibility, require seasonal island residents to contribute more to this vital lifeline, and mitigate the growth of fare increases and the state operational subsidy.

Specifically, through use of one or more of the bills pending before the 132<sup>nd</sup> Legislature – perhaps the LD 1168 Resolve bill – devise and pass an amended Resolve directing MaineDOT to pause any widespread operational changes and instead continue to study public and quasi-public governance and funding models with input from the Served Islands and other stakeholders in accordance with policy guidance contained in the Resolve.

MaineDOT suggests that such policy guidance could include the following elements.

- 1) Pause overnighting vessels on mainland. Put a legislative pause on widespread consideration of moving vessels to the mainland overnight for at least three years, but allow analysis and discussion on Islesboro to continue in conjunction with the procurement of a new ferry and other capital improvements under development in Lincolnville and Islesboro.
- 2) Strengthen communication. Augment and amend Ferry Service Advisory Board (FSAB) to include the top administrative officials (Town Manager or Administrator) or a Select Board member from each Served Islands - with compensation if needed -

and representation of at least one mainland port municipality. Encourage FSAB meetings to be held occasionally on Served Islands.

- 3) Study and provide a report back with suggested legislation of governance models that would increase local control. that would replace MaineDOT with a new, locally controlled island transit authority. Order MaineDOT to work with designated stakeholders to further study and deliver to the Transportation Committee by January 27, 2026, a report back including findings on feasibility and proposed legislation needed to create a quasi-public, locally controlled island transit authority to take over MSFS operations and assets at a future reasonable date certain – say January 1, 2028.<sup>17</sup>

Such island transit authority would be controlled by a Board of Directors from the Served Islands. Board membership would also include a member from the mainland port municipalities and the MaineDOT Commissioner or designee as an ex-officio member.

The new island transit authority would be funded by a defined, large ongoing operational subsidy from the State, fares, and a subsidy contribution from the Served Island municipalities. See item 4 below for more detail.

Provisions to protect current MSFS staff will also be provided.

Capital planning and development roles are to be determined, but could also be under the control of the island transit authority with the assistance of MaineDOT if desired by the Board.

The Resolve should require thoughtful consideration of input from an appropriate range of stakeholders to be determined by the Committee including top municipal officials from the Served Islands, mainland port municipalities, other ferry services, EMS officials, and policymakers including legislators representing inhabited islands and other small Maine towns.

MaineDOT, with humility, must admit that a change in governance structure may what is needed to take the service where it needs to go. The MSFS is the only state operated transit service. Other transit services are operated by more local, more agile, modally focused entities closer to the customers. The authority of Served Islands should increase, and the authority of MaineDOT should decrease in a way that leverages its core competencies: providing operating assistance to operators in accordance with law, and – if desired by the

---

<sup>17</sup> Current statutory models in Maine from which to draw inspiration include the Northern New England Passenger Rail Authority, the Casco Bay Island Transit District, and the Maine Turnpike Authority.

new island transit authority board - capital project development including grant funding, design, and construction.

MaineDOT also suggests that the Committee consider the following policy guidance items regardless of whether a new island transit authority is established or the State continues to operate the service.

4) Study the establishment of a new operational cost sharing formula.

At the future reasonable date certain – say January 1, 2028 - establish a defined state subsidy dollar funding level to be determined, estimated to be between 8 to 8.5 million per year, and to be adjusted for CPI inflation every two years at the start of each biennial state budgets thereafter.

Also on said date, update the statutory cost allocation for the *operational* costs of the MSFS to 45%-state subsidy, 45%-fares, and 10% local subsidy from the Served Island municipalities prorated according to property valuation.<sup>18</sup>

Annual operational costs in excess of the new 45-45-10 formula and the defined state subsidy will be shared equally by the State and the Served Island municipalities.

As noted above, the State would continue to provide over \$8 million every year to subsidize operations.

5. Study the establishment of a local cost share on capital projects. Consistent with MaineDOT's cost sharing policy<sup>19</sup>, equally share the non-federal share of the first \$10 million of the cost of capital projects authorized by MaineDOT and by the island transit authority if established under item 3 above. The local project cost share would be effectively capped at \$1 million and would be prorated among the Served Island municipalities according to property valuation.<sup>20</sup> The result would generally be cost shares of an 80%-Federal, 10%-State, and 10%-Local, which is consistent with MaineDOT's general cost sharing policy.

---

<sup>18</sup> Based upon 2023 property valuations, this proration would yield the following estimated shares from the Served Islands: Islesboro: 35%, Vinalhaven: 34%, North Haven: 19%, Swan's Island: 9%, Matinicus: 2%, and Frenchboro: 1%. For illustration only, assuming an \$18 million total operating budget (which would be under the control of the island transit authority under item 3 above), this proration would yield the following estimated annual dollar operational subsidy contribution from the Served Islands: Islesboro: \$632,000, Vinalhaven: \$615,000, North Haven: \$342,000, Swan's Island: \$158,000, Matinicus: \$35,000, and Frenchboro: \$17,000.

<sup>19</sup> See [MaineDOT Local Cost Share Policy](#)

<sup>20</sup> See footnote 18 above.

### **“The Ferry is Our Bridge” Idea**

Islanders often suggest that the ferries are the islands’ “bridges” or that the ferry routes are the islands’ “highways”, and that it is unfair that tolls must be paid for ferries when non-island Maine residents do not pay tolls to cross other State-owned bridges or highways.

A review of government transportation spending for island residents versus mainland residents shows that islanders are getting an extraordinary amount of State subsidy per capita. Current MSFS operating cost projections for 2025-2029 estimate the highway fund 50% contribution will average \$8.58M per year. With a combined year-round population of 2800, the state subsidy calculates to \$3,064 per resident.

Considering MaineDOT spends about \$31.2M on bridge maintenance and operations for all 2,806 bridges per year, the Highway Fund expenditures per capita (pop. 1.4M) toward statewide bridge maintenance and operations calculates to \$22 per resident, less than 1% of the MSFS operating subsidy per capita.

When considering all MaineDOT Highway Fund revenues available per year for all purposes statewide, MaineDOT will average \$350M per year, or \$250 per resident – about 8% of the annual per capita subsidy needed for MSFS operations.

MaineDOT’s annual funding from all state sources (not just Highway Fund) averages over \$609 M, and calculates to a statewide per capita cost of \$435 per resident, or only 14% of the MSFS per capita subsidy.

The island residents certainly get a fair share of transportation funding. In fact, some might conclude that it represents an extraordinary government per capita contribution required to provide the Maine State Ferry Service when compared to the transportation expenditures per capita for the rest of the state.

The ferries are, of course, not bridges or highways, and even a figurative comparison is not a good one. There is a significant difference in driving or walking across a bridge or section of road independently versus being transported (passengers and vehicles) on a large ferry operated by 4 or 5 specially certified/licensed mariners.

The Maine State Ferry Service is better described as a transit service – a transit service that transports people, cars, and trucks and that has the benefit of a 50% State operating subsidy to keep fare prices down less expensive than many other ferry services.

	Annual Cost	State funding per capita
MSFS Operations	\$8,580,000	\$3,064
All Statewide Bridges M&O	\$27,692,143	\$22
All Statewide Highway Fund	\$350,086,667	\$250
All MaineDOT State Funding	\$609,420,000	\$435





Janet T. Mills  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF TRANSPORTATION  
16 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0016

Bruce A. Van Note  
COMMISSIONER

**Testimony of  
Bruce A. Van Note, Commissioner  
Maine Department of Transportation**

**Before the  
132<sup>nd</sup> Legislature  
Joint Standing Committee on Transportation**

**April 29, 2025**

**in reference to**

**Eight Bills Relating to the Maine State Ferry Service**

(LDs 280, 447, 947, 1186, 1231, 1268, 1680, and 1731)

---

Senator Nangle, Representative Crafts, and other distinguished members of the Joint Standing Committee on Transportation, I am Bruce Van Note, Commissioner of the Maine Department of Transportation (MaineDOT). I appear before you today in reference to eight bills relating to the Maine State Ferry Service, the only transit service operated by MaineDOT.

In preparation for today and for the future study and policymaking to come, MaineDOT prepared a 28-page white paper draft dated April 28, 2025, that sets forth facts and issues surrounding the Maine State Ferry Service (MSFS), the only transit service operated by the Maine Department of Transportation (MaineDOT). A copy of the paper accompanies this testimony (the MSFS White Paper). It is based upon MaineDOT's preliminary research to date regarding factors relevant to MSFS-related legislative proposals submitted to the 132<sup>nd</sup> Maine Legislature and to other strategic initiatives regarding service. This paper represents a starting point for future study and improvements.

Since 1960, when the state began running a ferry service to six certain designated island municipalities in Penobscot and Blue Hill Bays, there have been ongoing challenges and often controversy regarding operational authority, priorities, costs, and allocation of the same. These challenges have been exacerbated by the shift of residency of MSFS crews off the islands, the impacts of federally required United State Coast Guard (USCG) safety standards, a global mariner shortage, higher than normal operational and capital cost increases, and communications challenges between the State and municipal leaders of the Served Islands, sometimes caused by rumor and social media.

Despite extraordinary increases in state funding for operations and capital investment, and robust engagement by top MSFS and MaineDOT officials with the statutory-created Ferry Service Advisory Board (FSAB), MaineDOT has not met the expectations of the Served Islands, especially the four islands of Vinalhaven, North Haven, Islesboro, and Swan's Island, being the only unbridged inhabited islands of the fifteen in Maine that have a ferry and crew overnight on their islands (the Overnight Served Islands).

Municipal feedback from the Overnight Served Islands indicates ongoing dissatisfaction with MaineDOT and MSFS leadership. In simple terms, the islands want MaineDOT to deliver more service, bigger and newer ferries, better maintained ferry related infrastructure, more parking, more control over operational and financial decisions, more state subsidy, and lower fares.

Based upon a preliminary review contained in the MSFS White Paper, including MaineDOT's continuing failure to meet island expectations, the structure and funding of other ferry services, and the likelihood of ongoing staff shortages, MaineDOT has preliminarily concluded that the current governance and funding model for the MSFS is inadequate and unsustainable.

Further, MaineDOT suggests that change is needed to remedy these deficiencies and foster a sense of common mission and teamwork, leverage the strengths of the parties involved, provide the Served Islands with the increased operational control they seek, mitigate the growth of fare increases and the state operational subsidy, and achieve fairness for other inhabited islands, other transit services, and Maine taxpayers.

To test these conclusions, MaineDOT suggests that, through use of one or more of the bills pending before the 132<sup>nd</sup> Legislature including perhaps the LD 1168 Resolve, the following policy goals be pursued.

- 1) Pause overnighting of vessels on mainland. Establish a formal legislative pause on the widespread consideration of moving vessels to the mainland overnight but allow discussion on Islesboro to continue in conjunction with the procurement of a new ferry and related other capital improvements.
- 2) Strengthen communication. Augment and amend membership of Ferry Service Advisory Board (FSAB) and encourage FSAB meetings to be held periodically on Served Islands.
- 3) Study and report back with suggested legislation options for governance models that would increase local control through quasi-public island transit authority. Such island transit authority would be controlled by a Board of Directors from the Served Islands. Provisions to protect current MSFS staff to be provided. The State would continue to provide over \$8 million every year to subsidize operations – adjusted for inflation over time.
- 4) Study the establishment of a new operational cost sharing formula. Consider revising the statutory cost allocation for the *operational* costs of the MSFS to 45%-state subsidy, 45%-

fares, and 10% local subsidy from the Served Island municipalities prorated by property valuation.

5. Study the establishment of a local cost share on capital projects consistent with existing MaineDOT policy.

These suggested policy goals are more fully described in Section II of the White Paper.

MaineDOT positions and supporting reasons for each of the eight state ferry related bill being heard by the Committee today are attached as Appendix A.

**132<sup>nd</sup> Maine Legislature**  
**State Ferry Related Bills with MaineDOT Positions**

April 29, 2025

**LD 280 - An Act to Establish Lifetime Ferry Passes for Retired Maine State Ferry Service Employees**, Sponsor: Sen. Beebe-Center

Bill Summary: This bill provides that a state employee who is retired from employment with the Maine State Ferry Service is eligible to receive a lifetime ferry pass and a waiver from any reservation fees. The bill defines "lifetime ferry pass" as a pass that provides 2 round-trip passages per month for a passenger and a vehicle on a ferry operated by the Maine State Ferry Service if the passenger gives at least 24 hours' notice of a planned round-trip passage to the Maine State Ferry Service.

**MaineDOT Position: OPPOSE and ONTP** because this bill is unnecessary, provides employee benefits and fare discount without collective bargaining or rulemaking, lacks definitional detail, and impacts the scarcest MSFS service: vehicle passage and reservations during the peak season. Employee perks and discount programs should be determined as part of overall operations by the entity charged with operational and fiscal responsibility for the service, which is now the MSFS and MaineDOT.

If the Committee rejects MaineDOT recommendation and desires to pass some version of this bill, MaineDOT would suggest limiting the damage amending to provide more passenger round trips per month year-round, less vehicle trips, specifically exclude trailers, commercial vehicles, and reservations during summer months; and specify to whom the discount applies (current or retired employees? only year-round island residents? current spouse / significant other? household dependents?).

This bill demonstrates how a seemingly simple bill calling for a targeted discount or employee perk leads to a complicated discussion requiring detailed operational knowledge and island expectations. Given the complexities, ONTP appears to be the better policy choice.

FMI, see the MSFS White Paper, section D.

\*\*\*\*\*

**LD 447 - An Act to Expand Ferry Service to Matinicus Isle, Sponsor: Rep. Geiger**

Bill Summary: This bill amends the law regulating state ferry service to Matinicus Isle to require at least 36 trips per year, with additional service authorized as agreed upon by the residents of Matinicus Isle and the Department of Transportation.

**MaineDOT Position: OPPOSE as written** because this bill mandates an increase in service, which should be determined in the context of overall MSFS operations and available funding by the entity charged with operational and fiscal responsibility for the service, which is now the MSFS and MaineDOT. MaineDOT position can become NFNA if amended to remove all references to the number of runs to Matinicus.

FMI, see the MSFS White Paper.

\*\*\*\*\*

**LD 947 - An Act to Clarify Overnight Docking at Mainland Ports for Certain Island Ferry Vessels, Sponsor: Rep. Matlack**

Bill Summary: This bill requires the Department of Transportation to allow a ferry operated by the Maine State Ferry Service to dock overnight at its island port or to dock at a mainland port when that docking is common practice, with the exception that the department may require a ferry vessel to dock at a mainland port or at an alternative island port for an emergency situation, including, but not limited to, an extreme weather event.

**MaineDOT Position: NFNA.** If the pause suggested above is implemented, this bill should not be necessary, but MaineDOT can understand why the Committee and the sponsor may want to carry over a bill such as this to assure legislative flexibility.

If the goal of this bill is to guarantee nighttime transport of ambulances, MaineDOT notes that MSFS nighttime ferry transport, including ambulances or other EMS vehicles, is only allowed by the USCG under very specific and limited conditions as a current exception to the USCG 12-hour work restriction rules. A state law suggesting the ferries must be available and utilized for nighttime EMS purposes would conflict with the federal rules and put our Captains in an untenable situation between strengthened local expectations and the requirements of their USCG licenses. Only four of Maine's 15 Inhabited Islands expect the nighttime transport of ambulances by ferry. The other eleven use flights or stretchers

and a smaller vessel. MaineDOT has offered to purchase such a vessel for all the Served Islands as part of any change in the overnight docking of vessels.

The State of Maine Highway Fund provides \$8 million of state operational subsidy per year to the 2,700+ year-round residents of the six islands served by the MSFS. This translates to about \$3,000 per year per capita. Over the last five years, MSFS capital spending from state and federal funds have averaged over \$12 million per year, a 500+% increase over the previous five-year average. The island municipalities served by the MSFS do not contribute any funding to the operational or capital costs of the MSFS.

FMI, see the MSFS White Paper, Sections M and N.

.....

**LD 1186 - Resolve, Directing the Department of Transportation to Study the Feasibility of Ferry Service to Monhegan Island, Sponsor: Rep. Crafts**

Bill Summary: This resolve directs the Department of Transportation to work with island and ferry service stakeholders to study the feasibility of adding ferry service to Monhegan Island. The department must submit a report by December 3, 2025, to the Joint Standing Committee on Transportation, which is authorized to submit legislation to the Second Regular Session of the 132nd Legislature.

**MaineDOT Position: NFNA as written, Support if amended** to direct MaineDOT to

- Pause consideration of major operational changes including widespread overnighting of ferries on the mainland;
- Continue to study governance and funding changes in accordance with general policy guidance contained in the Resolve;
- Receive input from an appropriate range of stakeholders including top municipal officials from the Served Islands, other ferry services, EMS officials, and policy stakeholders including legislators representing inhabited islands and other small Maine towns.
- Document the study and prepare a report back to the Committee by January 27, 2026, which must include recommended legislation for new governance and funding models that give the Served Island municipalities more control and responsibility and fosters a future sense of common purpose and collaborative problem-solving, engaged and knowledgeable communication, and fairness among inhabited islands, other transit services, and Maine taxpayers.

The Resolve could require input and consideration from an appropriate range of stakeholders including top municipal officials from the Served Islands, other ferry services, EMS officials, and policy stakeholders including legislators representing inhabited islands and other small Maine towns.

FMI, see testimony above and the MSFS White Paper - Introduction, Sections G, L, O and Section II.

\*\*\*\*\*

**LD 1231 - An Act Requiring Ferries to Dock Overnight on Certain Islands for Emergency Purposes, Sponsor: Rep. Faulkingham**

Bill Summary: This bill directs the Department of Transportation to require the Maine State Ferry Service to nightly dock a ferry vessel that carries vehicles overnight in the towns of Swan's Island, Vinalhaven, North Haven and Islesboro for emergency medical, fire and law enforcement needs.

**MaineDOT Position: NFNA.** If the pause suggested above is implemented, this bill should not be necessary, but MaineDOT can understand why the Committee and the sponsor may want to carry over a bill such as this to assure legislative flexibility.

If the goal of this bill is to guarantee nighttime transport of ambulances, MaineDOT notes that MSFS nighttime ferry transport, including ambulances or other EMS vehicles, is only allowed by the USCG under very specific and limited conditions as a current exception to the USCG 12-hour work restriction rules. A state law suggesting the ferries must be available and utilized for nighttime EMS purposes would conflict with the federal rules and put our Captains in an untenable situation between strengthened local expectations and the requirements of their USCG licenses. Only four of Maine's 15 Inhabited Islands expect the nighttime transport of ambulances by ferry. The other eleven use flights or stretchers and a smaller vessel. MaineDOT has offered to purchase such a vessel for all the Served Islands as part of any change in the overnight docking of vessels.

The State of Maine Highway Fund provides \$8 million of state operational subsidy per year to the 2,700+ year-round residents of the six islands served by the MSFS. This translates to about \$3,000 per year per capita. Over the last five years, MSFS capital spending from state and federal funds have averaged over \$12 million per year, a 500+% increase over the previous five-year average. The island municipalities served by the MSFS do not contribute any funding to the operational or capital costs of the MSFS.

FMI, see the MSFS White Paper, Sections M and N.

\*\*\*\*\*

**LD 1268 - An Act to Address Employee Recruitment and Retention Issues Within the Maine State Ferry Service by Providing a Yearly Stipend, Sponsor Rep. Ray**

Bill Summary: This bill directs the Department of Transportation, beginning January 1, 2026, to provide an annual stipend to all employees of the Maine State Ferry Service calculated in an amount equal to \$5.00 per hour multiplied by the total hours worked the previous year for each employee and prohibits the department from raising ferry tolls to pay for the stipend.

MaineDOT Position: OPPOSE and ONTP, because it will add another \$1.1 million per year to the already high operating cost of the MSFS, on top of the large MSFS increase already included in the HF budget already signed into law. This bill would throw the HF budget out of balance, would likely require cuts to other multimodal operations budgets (like rubber-tired transit), and is unnecessary based upon current hiring trends.

If the Committee rejects MaineDOT recommendation and desires to pass some version of this bill, MaineDOT would suggest amending it to provide, effective July 1, 2027, an annual reliability performance incentive of \$3,000 for all full-time MSFS employees for hitting 99% non-weather related reliability for all MSFS scheduled run for a year, measured from 11/1 to 10/31 each year, payable in a single lump sum just before the holidays in the last quarter of the CY. Estimated future annual cost: \$450,000.

FMI, see the MSFS White Paper, section D.

.....

**LD 1680 - An Act to Establish a Permanent Ferry Oversight Committee to Ensure Sustainable and Equitable Ferry Operations, Sponsor: Rep. Eaton**

Bill Summary: This bill establishes the Ferry Oversight Committee, which is an independent committee providing continuous oversight of ferry operations and serving as a legislative mechanism for ensuring accountability and transparency around key decisions that affect unbridged island communities.



**MaineDOT Position: OPPOSE and ONTP** because this bill is unnecessary and duplicative. It duplicates the oversight role of the Transportation Committee, as the hearings and the eleven bills filed this session demonstrate. It also provides an additional Committee designed to allow the recipients of a heavily-state subsidized service control operational and fiscal decisions of the entity charged with operational and fiscal responsibility for the service, which is now the MSFS and MaineDOT.

The State of Maine Highway Fund provides \$8 million of state operational subsidy per year to the 2,700+ year-round residents of the six islands served by the MSFS. This translates to about \$3,000 per year per capita. Over the last five years, MSFS capital spending from state and federal funds have averaged over \$12 million per year, a 500+% increase over the previous five-year average. The island municipalities served by the MSFS do not contribute any funding to the operational or capital costs of the MSFS.

FMI, see the MSFS White Paper.

\*\*\*\*\*

**LD 1731 - An Act to Increase the Influence of the Maine State Ferry Advisory Board on the Funding and Operations of the Maine State Ferry Service, Sponsor: Sen Grohoski**

Bill Summary: This bill requires the Maine State Ferry Service to consult with the Maine State Ferry Advisory Board on matters regarding budgets, strategic planning and major operational decisions. Recommendations made by the board regarding certain matters must be considered by the Maine State Ferry Service during its decision-making processes for the following fiscal year. The bill requires the Maine State Ferry Service to provide regular reports to the board and requires the board to review and provide feedback and recommendations.

**MaineDOT Position: OPPOSE as written** because this bill attempts to grant an advisory board controlled by the recipients of a state subsidized service the power over operational and fiscal decisions. The bill also duplicates the oversight role of the Transportation Committee. Finally, it inappropriately impedes the operational and fiscal decisions of the entity charged with operational and fiscal responsibility for the service, which is now the MSFS and MaineDOT.

Could Support If Amended to strengthen the Ferry Service Advisory Board (FSAB) to include the top administrative officials (Town Manager or Administrator) or a Select Board member from each Served Islands - with compensation if needed, to include a representative of the

mainland port municipalities, and to encourage FSAB meetings to be held periodically on Served Islands.

The State of Maine Highway Fund provides \$8 million of state operational subsidy per year to the 2,700+ year-round residents of the six islands served by the MSFS. This translates to about \$3,000 per year per capita. Over the last five years, MSFS capital spending from state and federal funds have averaged over \$12 million per year, a 500+% increase over the previous five-year average. The island municipalities served by the MSFS do not contribute any funding to the operational or capital costs of the MSFS.

FMI, see the MSFS White Paper.

Town:			
A	B	C	D
Population	740	1,306	609
2023 Valuation (M)	\$108	\$78	\$79
Valuation Per Capita	\$145,946	\$59,724	\$129,721
Mill Rate	20.4	18.45	18.5
E	Total Housing Units	443	848
F	K-12 Student Count	162	153
G	Total Households	326	575
H	Median Age	52.5	52.3
I	65 Years and Older %	30.2	22.6
J	Median Household Income	\$ 41,250	\$ 43,365
K	Bachelor Degree or Higher	6.6	11.4
L	Employment Rate	50.3	50.7
M	Local Subsidy EMS Budget	\$ 53,219	missing
N	EMS Activations	2	19
Giff./Sang/Mons Combined Val per Capita: \$70,056			
Giff./Sang/Mons Combined Val.: \$186			
Giff./Sang/Mons Combined Pop.: 2,655			

Town:			
A	B	C	D
Population	9,711	2,221	507
2023 Valuation (M)	\$701	\$340	\$54
Valuation Per Capita	\$72,186	\$153,084	\$106,509
Mill Rate	21.1	11.78	13.65
E	Total Housing Units	1519	1415
F	K-12 Student Count	1336	230
G	Total Households	1495	858
H	Median Age	37	51.8
I	65 Years and Older %	13.4	27.8
J	Median Household Income	\$ 72,066	\$ 82,763
K	Bachelor Degree or Higher	24.6	39
L	Employment Rate	72.6	57.6
M	Local Subsidy EMS Budget	\$466,169 *	-
N	EMS Activations	1255	-
Giff./Sang/Mons Combined Val per Capita: \$144,428			
Giff./Sang/Mons Combined Val.(M): \$394			
Giff./Sang/Mons Combined Pop.: 2,728			

Town:			
A	B	C	D
Population	507	2,221	507
2023 Valuation (M)	\$54	\$340	\$54
Valuation Per Capita	\$106,509	\$153,084	\$106,509
Mill Rate	13.65	11.78	13.65
E	Total Housing Units	1415	283
F	K-12 Student Count	230	56
G	Total Households	858	260
H	Median Age	51.8	52.8
I	65 Years and Older %	27.8	26.9
J	Median Household Income	\$ 82,763	\$ 50,625
K	Bachelor Degree or Higher	39	31
L	Employment Rate	57.6	61.9
M	Local Subsidy EMS Budget	-	-
N	EMS Activations	-	-
Giff./Sang/Mons Combined Val per Capita: \$144,428			
Giff./Sang/Mons Combined Val.(M): \$394			
Giff./Sang/Mons Combined Pop.: 2,728			

\*Lisbon Emergency Inc provides EMS for Bowdoin, Bowdoinham and Lisbon.



Transportation Committee Towns for Comparison

Legislator:	Nagle	Crafts	Crafts	Crafts	Farrin	Farrin	Parry	Pierce	Pierce	
Town:	Casco	Damariscotta	Bristol	Monhegan Is.	Canaan	Detroit	Arundel	No. Yarmouth	Long Island	
A	Population (Year-round)	3,646	2,297	2,834	64	2,193	885	4,264	4,072	234
B	2023 Valuation (Millions)	\$639	\$408	\$1,089	\$86	\$109	\$91	\$555	\$614	\$161
C	Valuation Per Capita	\$175,261	\$177,623	\$384,263	\$1,343,750	\$49,704	\$102,825	\$130,159	\$150,786	\$688,034
D	Mil Rate	16.0	15.7	8.0	8.6	19.0	15.0	17.0	19.2	8.6
E	Total Housing Units	2,989	1,338	2549	160	1078	386	1952	1,524	409
F	2023 K-12 Student Count	403	289	277	5	323	129	606	701	21
G	Total Households	1,653	931	1403	53	883	309	1567	1,502	133
H	Median Age	52	42	61	44.1	48	49	43	48	44
I	% 65 Years and Older	27%	30%	41%	18%	23%	14%	16%	15%	25%
J	Median Household Income	\$ 64,229	\$ 59,569	\$ 91,250	\$ 139,063	\$ 55,443	\$ 51,964	\$ 92,386	\$ 119,813	\$ 80,625
K	Bachelor Degree or Higher	32	40.3	51.9	62.5	22.7	8	28.3	53.4	54.1
L	Employment Rate	61	50.7	43.1	78.2	55.2	44.7	71.4	71.4	64.5
M	Local Subsidy EMS Budget	\$ 1,060,960	-	-	-	-	\$ 38,350	-	-	\$ 104,895
N	EMS Activations	456	-	310	-	61	33	429	237	23

Canaan/Detroit Combined Pop.:	3,078
Canaan/Detroit Combined Val. (M):	\$200
Canaan/Detroit Val. Per Capita	\$64,977

Maine Ave.

MSFS - The Served Islands

		1	2	3	4	5	6	7	8
		Overnight S.I.	Overnight S.I.	Overnight S.I.	Overnight S.I.			(1-6)	(1-4)
	Town:	Vinalhaven	Isleboro	North Haven	Swans Island	Matinicus	Frenchboro	6 COMBINED	4 COMBINED
A	Population	1,271	592	425	357	95	30	2,770	2,645
B	2023 Valuation (Millions)	\$ 609	\$ 626	\$ 339	\$ 156	\$ 35	\$ 17	1,782	1,730
C	Valuation Per Capita	\$ 479,150	\$ 1,057,432	\$ 797,647	\$ 436,975	\$ 368,421	\$ 566,667	\$ 643,321	\$ 654,064
D	Mil Rate	12.3	11	14.5	12.7	9.3	19.2	12.4	12.4
E	Total Housing Units	1285	830	521	472	147	72	3327	3,108
F	K-12 Student Count	150	66	50	41	1	5	313	307
G	Total Households	552	364	196	189	39	9	1349	1,301
									Maine Ave.
H	Median Age	65	57	44	59	66	80		45
I	% 65 Years and Older	51%	41%	28%	29%	60%	77%		23%
J	Median Household Income	\$ 72,262	\$ 75,625	\$ 93,667	\$ 78,125	\$ 47,292	\$ 41,750		\$73,733
K	Bachelor Degree or Higher	48%	46%	55%	36%	36%	29%		37%
L	Employment Rate	49%	48%	67%	60%	19%	29%		60%
M	Local Subsidy EMS Budget	\$ 244,460	\$ 78,761	\$ 68,863	-	-	-		
N	EMS Activations	145	68	42	48	-	-		