



STATE OF MAINE
DEPARTMENT OF TRANSPORTATION
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Janet T. Mills
GOVERNOR

Bruce A. Van Note
COMMISSIONER

January 15, 2025

Dear Islesboro Select Board,
P.O. Box 76
150 Main Road
Islesboro, ME 04848

Thank you for your recent letter concerning MaineDOT's proposal to transition our current island-based ferries to overnight berthing on the mainland. I appreciate the input in your letter, the feedback received at the October 10, 2024, special Ferry Advisory Board meeting where I introduced the proposal, and from the January 2, 2025, meeting with island and legislative representatives.

I want to assure you that no changes to the overnight location of our ferries are imminent, and that I commit to further communication with municipal officials before any final decisions are made on this matter. This is a long-term MaineDOT conceptual proposal, and there is much to consider before it could be implemented, including impacts and options for revised schedules, any necessary mainland housing for current crew members, options and cost allocation for after-hours emergency transport, mainland ferry infrastructure, ferry schedule reliability expectations and goals, and the extent of long-term cost savings. Given the variety of concerns I have heard from each island, implementation considerations would have to include phasing and opportunities to pilot concepts.

As I have relayed to your island representatives, the primary purpose of the proposal is to improve the reliability of the ferry service schedules as we face an ongoing and projected long term global mariner shortage that is the root cause of over 300 cancellations since 2022. It is quite evident that our Maine State Ferry Service (MSFS) will continue to be challenged in competing for mariners with private industry in the years ahead. Numerous industry experts suggest a major contributor to the shortage of mariners is the nature and schedule of the work, and that "work life fit", job flexibility, and family friendly work conditions have become high priorities for the new workforce, including mariners. The MSFS is in a great position to take advantage of these changes and become more competitive for prospective employees by making our crew jobs more work-life friendly with overnight ferry berthing on the mainland. If our ferry jobs were more attractive to this reduced specialized workforce, then we can better assure reliability and efficiency. This is the primary goal behind our proposal, along with limiting skyrocketing costs and their impacts on fares and state operational subsidy.

In addition to changes in workforce priorities and culture, other external influences have affected the environment in which our ferry service now functions. Increased Coast Guard crew regulations and vessel crewing requirements, climate change, telework and telehealth opportunities, and online purchasing and delivery capabilities, are a few examples of changes that have impacted ferry operations or the expectations of our customers. One of the most significant changes over the years is that most of our crew members used to live on the islands, now it is less than 20% of our crew positions. None of these changes were envisioned when the current operational structure of ferry service was established decades ago, yet little has changed to reflect these changes.

Previous communications from the islands recommended increased pay for our crew positions to help solve our staffing issues. As shown at the recent meetings, we have significantly increased compensation, but it has had limited impact on hiring. Accordingly, to best meet the islands' continued expectations/demands for near 100% schedule reliability, we fully expect we will need to continue

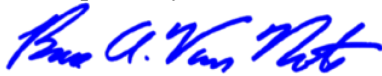
contracting for supplemental mariners, which comes at a premium cost. As previously communicated, fare increases will need to occur on June 1, 2025, to cover actions already taken to increase crew pay and expenses, add crew positions, and to cover the cost to supplement our crews with contracted mariners.

The overwhelming input I am now receiving from the four islands is that keeping the ferry on the islands is the paramount concern. Obviously, this concern needs to be considered moving forward, but I need to caution that status quo will very likely have consequences to other concerns that our islands have previously stated were paramount, schedule reliability and low ticket prices. There will be tradeoffs.

I am also compelled to remind you that we are unable to guarantee evening emergency runs due to US Coast Guard's 12-hour work limitation rule, and our ability to provide them from a regulatory interpretation standpoint could change. This regulatory constraint and the potential for it to tighten is real and should not be ignored. This is another reason why I have offered to partner in the capital cost of a transport boat for each of the four islands – so that you can provide more efficient, reliable and self-reliant EMS transport to the mainland. I completely understand that the presence of a vehicle ferry overnight on MSFS served islands provides you with peace of mind and an additional layer of safety net that other Maine inhabited islands do not enjoy. I get it. But it should also be recognized that our crews made only 22 emergency runs in 2024, which equates to less than 2% of all crew-nights that crews are required to be on the island (4 crews x 365). That's a huge cost for such small utilization.

In summary, I understand that implementation of our conceptual proposal must await further discussion and consideration, including other possible solutions that evolve from you or others. I also expect that there may be ferry service related bills before the legislature this session. That, too, will provide an opportunity for more deliberation with policy makers. Accordingly, I do not expect any final direction for strategic changes to the ferry service for many months, perhaps even into next year. We hope that time allows everyone to consider the situation, including the likelihood of more cancellations and skyrocketing fares and state subsidy if left unchanged, and that we need to problem solve together.

Respectfully,



Bruce A. Van Note

cc: Shey V. Conover, Select Board
Lauren K. Bruce, Select Board
Melissa A. Burns, Select Board
Peter H. Anderson, Select Board
Stephen P. Pendleton, Select Board
William Geary, Director Maine State Ferry Service