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### Very different ferry tales

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It was developed without significant input from Maine stakeholders, and officials disagree on what it actually says, but a consultant's report commissioned by a provincial Canadian agency could have significant influence on when — or even if — ferry service to Nova Scotia returns to Portland.

The 233-page report by CPCS Transcom Limited, a transportation consulting firm, was recently released to the scorn of Yarmouth, Canada officials who said it was already out of date. In Portland, City Manager Joe Gray said that the executive summary seemed to indicate the consultant favored an intra-Canada link. Maine officials had been told that the next steps toward new ferry service would have to wait until the study, commissioned by the provincial government, was complete. Now that it's out, the report warns that any ferry service would require millions of dollars in annual subsidies, a practice that kept boats running for years but was discontinued last year.

That scenario is disputed by Yarmouth officials who tell a different story about private operators lining up who could launch services in time for next summer's tourism season.

In the past, the ferry subsidy was paid on the Canadian side, and Maine officials declined to help out in the months before service was canceled. The primary benefit for Portland, experts said, was in overnight stays by people booking travel on the ferry and the "general amenity" of having international ferry service. It was a much larger tourism deal in Nova Scotia, where about 80 percent of the visitors to Nova Scotia are from the United



States.

The lack of a sea link combined with new passport restrictions, a strong Canadian currency and the deep recession to hurt Yarmouth-area tourism. Until last December, ferry service linked Maine to Nova Scotia for decades, most recently via a high-speed catamaran that made the trip in six hours instead of the 11 hours of the previous "cruise" ferries. Despite the speed advantage, the CAT lacked the amenities of the slower ferries and generated significantly less on-board revenue.

Where to link?

In effect, an intra-Canada link means a Digby-Saint John link from the western edge of Nova Scotia with the other Canadian city. That route, says the report, is especially important for shipping seafood because it removes hours of road time between processors and major markets like Boston. In favoring slower boats, the report points out that air travel is available for those putting a premium on speed.

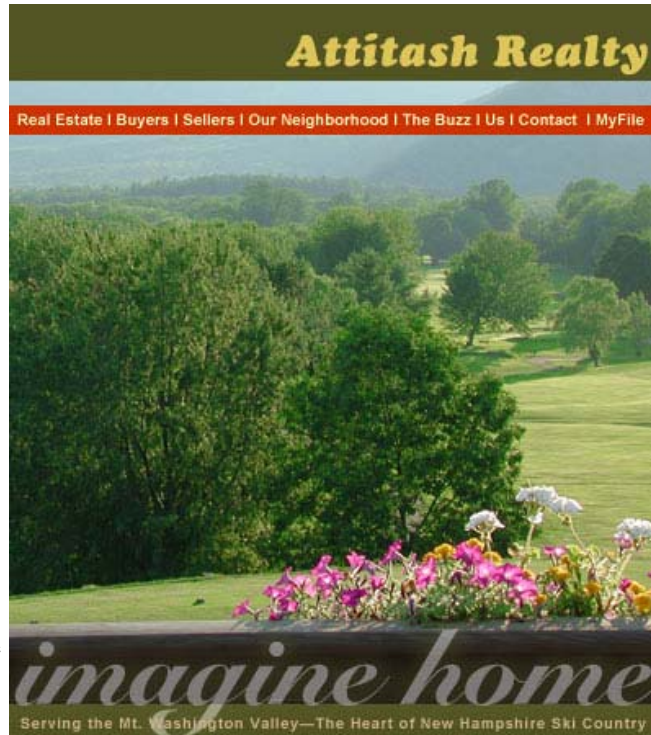
Portland's Manager Gray says it seems that, given the report's findings and the sheer logistics of re-starting service, that the 2011 season seems lost. But in an interview this week a leading Yarmouth economic official said that at least a half-dozen companies are interested in re-starting the ferry service next summer.

But Dave Whiting, a former Royal Canadian Mounted Police officer who is now general manager of the Yarmouth Area Industrial Commission, says the "real deadline" is mid-September. He predicts the CPCS report will not be a factor and the timing key is getting the Canadian government to sign off on a facilities deal for the Yarmouth port.

In dismissing the report, Whiting argued that the report is focused on high-speed ferry service "and nobody is suggesting high-speed."

But in the 16 separate scenarios examined by the report, several do include "cruise" options, and most view them favorably. Probably most telling is that the consultants felt that high-speed boats fail even to serve the seafood industry, where time is a key provision. Because they don't include lots of freight room, the report says, they are not particularly useful.

Another challenge is that high-speed service during peak tourism season misses the peak seafood season. "The high speed passenger service operated by Bay Ferries was not able to accommodate a substantial volume of commercial trucking units," says the report. "In general terms, a seasonal Yarmouth-Maine service does not provide a good level of service to the fishing industry because peak



requirements are in the months of December and January.

In further making the case for a Canada-to-Canada link for fishing interests, the report says that "virtually all commercial fish traffic moves on the Digby-Saint John year-round service.

Moreover, the operator has adjusted the afternoon sailing schedule from Digby to assist early the morning arrival of commercial fishing traffic in the Boston marketplace.

"There are substantive distance and time savings for commercial fish traffic taking the Digby-Saint John service compared to using the highway alternative. Approximately 570 kilometres of highway travel and two hours of travel time are eliminated by taking the ferry, depending upon where the shipment originates."

Looking back to move forward.

The report also says it's only a tool.

"In moving forward," the consultants say in a preface to the executive summary, "the study will be one of a number of inputs to a broad assessment of the regional transportation system and economy for consideration by decision-makers and users of the ferry services."

Key economic findings indicate that virtually any ferry service between Portland and Nova Scotia will require extensive subsidies, as they have in the past. The report says that "the Government of Nova Scotia provided contributions of \$18.9 million over a two-year period commencing in the fall of 2007. These contributions were necessary to fund operating deficits of the seasonal high speed ferry service between Yarmouth and both Bar Harbor and Portland, Maine. The vessel used for the service, the *Cat*, is owned and financed by Bay Ferries Ltd., so capital and interest charges on this vessel were included in their cost base.

Looking forward, one part of the report looks at financial projections over the next nine year and estimates that for Portland-to-Yarmouth service "... in undiscounted terms, annual deficits are projected to range from \$6.8 million to \$8.8 million over the period in question.

In accessing tourism impact, the report ignored Maine.

In the tourism impact section of the summary, consultants noted that "the question of whether the trip to Nova Scotia would be made in the absence of the Yarmouth-Maine ferry service has not been asked in Bay Ferries' annual market research reports. However, after examining trip purpose information (reduction in driving time — 62%, to experience the ferry — 17%) that was gathered, the

consulting team believes that the proportion of people not making this trip, should there be no ferry service, would be considerably higher than the 20 percent recorded for Digby-Saint John.

"As a consequence, it has been assumed that 40 percent of existing non-resident visitation using the Yarmouth-Maine service would be lost if the ferry service was to cease. The amount of tourism expenditure impact, based on Nova Scotia Tourism and Bay Ferries' market research is estimated to be \$5.0 million in 2010. This amount is assumed to increase in lock step with the projected change in passenger traffic volumes and has a present value of \$35.2 million over the study period. (Note that an estimate for the impact upon tourism in Maine has not been made).

While the individual numbers may be challenged, Yarmouth's Whiting and other ferry advocates not that the report says "should there be no ferry service," indicating that it was prepared well before service was actually canceled last December. They say such flaws indicate the report was outdated before it was even released.

But, even with its flaws, officials on both sides of the border will likely agree with the concluding tourism paragraph: "Stakeholders in both Yarmouth and Digby believe their entry point (gateway) status contributes greatly to the tourism infrastructure in their respective communities and to the SWNS region at large. Hotels and motels as well as restaurants and other attractions were built in these communities over the years to cater to this business."