

LD 1186

“LD 1186: Maine Department of Transportation Feasibility Study for Ferry Service to Monhegan Island”

REPORT TO THE LEGISLATURE’S JOINT STANDING
COMMITTEE ON TRANSPORTATION

DECEMBER 2025

MaineDOT

Prepared by:

Maine Department of Transportation
Bureau of Planning
16 State House Station
Augusta, Maine 04333-0016

Chapter 1. Introduction.....	2
Purpose of Study.....	2
Approach	3
Chapter 2. Background	5
The MSFS Overview	5
Current MSFS Operations.....	6
MSFS Capital Assets: Ferries and Terminals	7
MSFS Staffing	8
The Impacts of a Global Mariner Shortage	10
State Efforts to Increase Staffing.....	12
<i>Increased Base Pay and Expense Reimbursement</i>	<i>12</i>
<i>Incentives: Retention Bonus and Increased Overtime Pay</i>	<i>12</i>
<i>More Positions and Classifications.....</i>	<i>13</i>
<i>More Training.....</i>	<i>13</i>
<i>Contract Mariners</i>	<i>13</i>
2024 Schedule Reliability	14
Operating Costs.....	14
Operating Cost Allocation	14
<i>Statutory Cost Allocation and State Subsidy</i>	<i>14</i>
<i>Actual State Operating Subsidy: Usually More Than 50 percent</i>	<i>15</i>
<i>Costs and Cost Allocation at Other Ferry Services</i>	<i>16</i>
Chapter 3. Monhegan Route Evaluation	18
Economic and Social Benefits	18
Infrastructure Condition Assessment	20
Vessel Need.....	23
Crew Staffing and Schedule Challenges	24
Chapter 5. Findings and Recommendations	28
Key Findings	28
Recommendation	30

Chapter 1. Introduction

Purpose of Study

As directed by the Maine State Legislature, the purpose of this study is outlined in L.D. 1186, *Resolve, Directing the Department of Transportation to Study the Feasibility of Ferry Service to Monhegan Island*:

“Resolve, Directing the Department of Transportation to Study the Feasibility of Ferry Service to Monhegan Island

Sec. 1. Monhegan Island ferry service study. Resolved: That the Department of Transportation shall work with island and ferry service stakeholders to study adding ferry service to Monhegan Island. The study must include an assessment of the economic and social benefits and challenges of implementing ferry service, the infrastructure resources and needs on the island and mainland and the overall feasibility of such a service.

Sec. 2. Study stakeholders. Resolved: That the Department of Transportation may, but is not required to, invite the participation in the study under section 1 of any of the following as stakeholders:

1. A Monhegan Plantation representative, such as the First Assessor or the First Assessor's designee, appointed by the Commissioner of Transportation;
2. A year-round resident of the State with a vested interest in Monhegan Island, appointed by the Commissioner of Transportation;
3. A representative from a private transit provider that provides waterborne transportation, appointed by the Commissioner of Transportation; and

4. No more than 2 representatives from the Department of Transportation, one of whom may be a member who represents the Maine State Ferry Service, appointed by the Commissioner of Transportation.

Sec. 3. Report. Resolved: That, no later than December 3, 2025, the Department of Transportation shall submit a report that includes its findings and recommendations under section 1, including any suggested legislation, to the Joint Standing Committee on Transportation. The joint standing committee may report out a bill to the Second Regular Session of the 132nd Legislature.”

The Maine Department of Transportation (MaineDOT) is guided by the following goals outlined in the resolve in looking at the feasibility of implementing ferry service to Monhegan Island:

- Assessment of the economic benefits of ferry service to Monhegan Island;
- Assessment of the social benefits of ferry service to Monhegan Island; and
- Assessment of the challenges of implementing ferry service to Monhegan Island.

This study outlines at a planning level, the feasibility for Maine State Ferry Service (MSFS) to implement a new ferry service along with potential next steps.

Approach

This study aims to evaluate the feasibility at a planning level to provide policy makers with information on potential implementation and operating requirements. If directed to move forward, significant additional study and coordination with stakeholders will be required to obtain more detailed financial and operational data. To focus on the study goals and inform the analysis effort, the following approach was used:

- Background Review – To understand the context for MSFS potential expansion to serve additional islands.
- Community Outreach and Engagement – Conducted through meetings with key stakeholders who MaineDOT met with including:
 - A Monhegan Plantation Representative – James F. Buccheri, First Assessor
 - A year-round resident of Maine with a vested interest in Monhegan Island – Alex Zipparo, Economic and Community Development Planner, Lincoln County Regional Planning Commission
 - A representative from a private transit provider that provides waterborne transportation – Captain Scott Gleeson, Monhegan Boat Lines

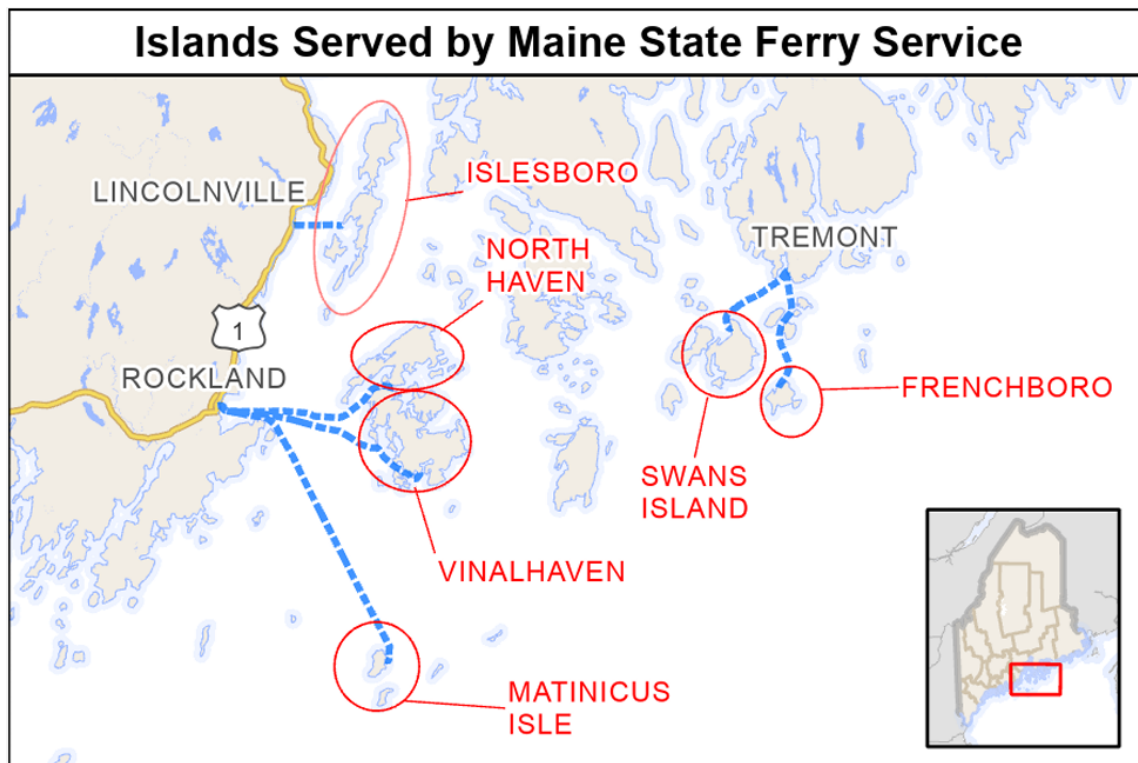
To support the evaluation of potential services that most likely would be operated by a public provider, there was review MFSF policy and planning documents related to their ferry service operations.

Potential emergency response services have not been studied or fully evaluated as part of this study. Further study of routes will be needed to properly evaluate the need for and/or the potential benefit and cost effectiveness of ferry-related emergency response capabilities.

Chapter 2. Background

The MSFS Overview

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, and are shown on the map below.



The combined year-round population of the six MSFS Served Islands is just over 2,700, which is about 58 percent of the combined year-round populations of the almost 4,700 combined year-round population of all 15 Inhabited Islands, and 0.19 percent of Maine's total population of 1.4 million.

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).

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 four or five 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.

MSFS Capital Assets: Ferries and Terminals

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.

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 (\$11 million) was delivered in 2020 to replace the 52-year-old MV Governor Curtis.
- The MV Charles Norman Shay was delivered in 2024 (\$12 million) – 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 (\$21 million 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 \$41.5 million to \$43 million 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 and the MV Neal Burgess both built in 1993.

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.

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, or other absences, 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 percent 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 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.

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 , 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 percent or more for five of the six Served Islands. Even Vinalhaven, impacted by the lion's share of cancellations, received service with almost 95 percent reliability for 2024, with over 97 percent during the peak summer months.

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 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, 2024.¹
- How the mariner shortage could impact maritime security, Maine Public Radio, April 3, 2025.²
- 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

¹ <https://www.bangordailynews.com/2024/12/02/business/maine-mariner-shortage-fears-catastrophic-outcome-global-shipping/>

² <https://www.wbur.org/onpoint/2025/04/03/mariner-shortage-maritime-security-trump-ships>

limitations, MaineDOT and the MSFS responded on multiple fronts as best it could.

State Efforts to Increase Staffing

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

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 percent-48 percent 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.

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 \$4,000 dollar bonus payment and increased overtime compensation rates (double-time for most positions) were instituted from July through December 2024.

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.

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.

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 4th holiday and was able to achieve over 97 percent service to Vinalhaven and 99 percent on schedule service across all islands through the months of July through September.

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.

2024 Schedule Reliability

As noted above, crew shortages in 2024 manifested primarily into cancellations impacting one of the two daily boats serving Vinalhaven. 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.

Operating Costs

The annual operating budget of the MSFS for 2025 is \$16.2 million, broken down as follows: 66 percent for pay and benefits, 12 percent for fuel, 10 percent for repairs, and 12 percent for all other operational expenses. The MSFS annual operating cost has increased over 45 percent between 2019 and 2025, from \$11 million to \$16 million. This annual cost is projected to increase to \$18.4 million by 2029.

Operating Cost Allocation

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 percent.

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.

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 MSFS Served Islands is about \$3,000 per year now and is projected to increase to \$3,350 by 2029.

The served MSFS island municipalities do not contribute to the operating subsidy of the MSFS.

Actual State Operating Subsidy: Usually More Than 50 percent

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

The two reasons the state subsidy exceeds the 50 percent 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 percent, 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.

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 percent for a time - admittedly an uncomfortable act given the statutory cost allocation - and later seek future 50 percent farebox cost recovery as part of a formal rulemaking process.

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 percent of its revenue from fares and fees, and about 40 percent from government subsidy, mostly from the Federal Transit Administration.
- b. The Steamship Authority (Serving Martha’s Vineyard and Nantucket, Massachusetts).
 - Funded 100 percent from fares from customers (operations and capital).
 - Commonwealth of Massachusetts 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 – This ferry is a private company funded by fares only. Unlike MSFS it transports passengers only with tickets at \$25 one-way. An island resident discount is offered. 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. It is worthy to note that the Highway Fund can only be used to support ferry operations that carry vehicles, because it is considered an extension of the highway system. Costs associated with new passenger only service element of the MSFS would have to come from other non-highway fund sources.

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.

Chapter 3. Monhegan Route Evaluation

Economic and Social Benefits

Ferry service can boost tourism-dependent island economies by increasing visitor numbers, which in turn supports local businesses like hotels and restaurants. Additional benefits include creating jobs, enhancing the travel experience, promoting sustainable tourism through a lower carbon footprint, and strengthening the island's cultural identity and connection to the mainland. Increased service also provides a benefit for island residents as it allows for greater flexibility for transportation to the mainland.

Economic benefits:

- **Increases tourism and visitor spending:** Frequent and reliable ferry service makes it easier for tourists to visit, leading to increased spending at local businesses.
- **Creates jobs:** The ferry service itself provides jobs, as do the businesses that benefit from increased tourism, such as restaurants, shops, and tour operators.

Community and infrastructure benefits:

- **Provides vital access:** Beyond tourism, reliable ferry service provides essential year-round transportation for residents, connecting them to work, services, and emergency care.
- **Supports local development:** Increased accessibility can stimulate development in areas like hotels and restaurants.
- **Improves reliability:** Investments in a robust ferry system can ensure long-term reliability, which is crucial for both local communities and the tourism industry.

Island communities are dependent on transportation to and from the mainland for very simple daily needs as well as extreme circumstances. Monhegan island residents depend on ferries to bring food, fuel, mail, and

other necessities to the island, as well as to transport waste off the island. Having year-round services is one of the key factors that allows an island to function as a year-round community. Operating a year-round ferry service can be costly and complicated. When it comes to financial stability, meeting a community's expectations, reliability and sustainability are key. Ownership models vary, but most are structured as one of the following: a state-run entity, a private corporation, a nonprofit, a transit district, or part of the municipality. Many of these services to year-round island communities in the United States require some sort of a subsidy to stay in operation. Currently there are three providers of ferry service, with only one – Monhegan Boat Lines – providing year around service.

Monhegan Boat Line operates out of Port Clyde and has been serving the island of Monhegan since 1914. In addition to serving the needs of the year-round community, Monhegan Boat Line carries many tourists to the island, as well as offering charters and cruises. As a private entity, its business model is extremely reliant on consistent summer traffic as opposed to the public funding available to a state-run MSFS, Casco Bay Lines, or other ferry operators.

Additionally, operating in the winter has to be subsidized by both the mail contract and tourists coming in the summer months. The mail contract doesn't cover the winter runs on its own but does provide an important revenue stream in the winter when tourists do not frequent the island and service is principally benefiting island residents.

The cruises that Monhegan Boat Line holds are another source of income in the summer months. All sources of income are intertwined. Each part of it supports the rest, sometimes one part of the business makes more, sometimes others make less.



In addition to the benefits to the operators, benefits of year around service are seen in Port Cyle, the base of operation for Monhegan Boat Lines. These benefits include revenue paid to the local tax base, employment opportunities, and increased customers to local businesses. These benefits


are balanced with the large increase in traffic on local roads during the summer season.

Infrastructure Condition Assessment

The scope of this study is focused on a high-level feasibility of the system and not the nuances of existing infrastructure at each location listed below as each location current has a pier that is actively in use for ferry operations. As such, the rough order of magnitude costs presented are based on several assumptions. Due to distance and resulting travel times, it was assumed that a new service would be operated out of an existing location servicing Monhegan, rather than from Rockland, Maine, the nearest existing location of MSFS facility roughly three times as far. Each existing terminal location has utilized its own local development and planning processes to determine the detail, character, and extent of the shore infrastructure needed to support its operations. Given the existence of piers that are already in use, it is assumed any new MSFS to Monhegan would use these piers through lease and agreement. Minimal future improvements may include ramps, storage, and signage. Any improvements will require the pier owners' approval and should be written into a lease or other use agreement. Additionally, if MSFS is to use these piers through lease and agreement, further evaluation of both the facility and vessel security plans as required by Title 33 of the Code of Federal Regulations (CFR) part 105 would need to be conducted and evaluated for feasibility with US Coast Guard requirements. Another cost that would factor in is the need to have a kiosk to sell tickets for passage at both the mainland and island locations. This is something that the MSFS does not currently have but are researching the options and costs associated with a kiosk. In September and October, potential landing sites within each community were visited as well as a site visit to Monhegan Island.

Table 1. Existing Locations for Passenger Ferry Terminals to Monhegan

Location	Description	Potential Site
Port Clyde	<ul style="list-style-type: none"> • Current location of Monhegan Boat Lines. • Roughly 200 parking spots available at several adjacent locations. • Plans to rehabilitate roughly 240-foot timber pier beginning in 2026. • Approx. 10 nautical miles from Monhegan wharf, 12 nautical miles from Matinicus State Ferry Dock. • Roughly 60 minute ferry ride. 	
Boothbay Harbor	<ul style="list-style-type: none"> • Current location of Balmy Days Cruises providing seasonal service to Monhegan. • Various public and private parking lots, all within .3 miles of pier. • Approx. 12 nautical miles from Monhegan wharf. • Roughly 90 minute ferry ride. 	

<p>New Harbor</p>	<ul style="list-style-type: none"> • Current location of Hardy Boat Cruises. • Approx. 150 free parking spots available at private lot nearby. • Approx. 10 nautical miles from Monhegan wharf • Roughly 60 minute ferry ride. 	
-------------------	--	---

The Monhegan plantation is currently evaluating options for improvements to the existing public wharf. Additional study is in process examining the benefits of rehabilitating and potentially expanding the existing breakwater.

Docking space at existing locations is extremely limited and would likely be a prohibitive cost to lease for the season as all piers are privately owned.

The existing facility at Monhegan Island is 180 feet long, 50 percent longer than a comparable pier on Cliff Island Pier. While the pier on Cliff Island does not have the turnaround features proposed in the report by GEI for the rehabilitation of the existing wharf, a high-level comparison of additional surface area is an increase in material of 20 percent on top of the 50 percent for length. Considering these factors, a high-level cost estimate for the wharf would range from \$8.3 million to \$12.3 million including 20 percent contingency, preliminary engineering, and construction engineering.

Regarding the mainland features, additional discussion would need to be had with the owners and operators of the parking facilities

It is recommended to revisit the capital costs required if this project moves forward and adjust according to the project objectives and future plans of Monhegan Plantation.

Vessel Need

Several lengths of vessels currently serve Monhegan Island with lengths ranging from 56 feet to 65 feet. Passenger capacity ranges from 113 to 149 depending on the operator.



Given that all ferries in the MSFS are currently in use and are vehicle ferries, not passenger only ferries, if MSFS were to add a route to Monhegan, at least one additional passenger boat would be required. A significant cost driver for ferry vessels is the consideration of vehicle capacity. Given

constraints on Monhegan, it is assumed that there would not be a need for the ability to carry vehicles, only passengers. Additionally, any new vessel will need to meeting US Coast Guard and Americans with Disabilities (ADA) guidance. An initial estimate based on the 149 passenger capacity, 65 foot length, steel hull, ADA restroom, and heated cabins that is Buy America compliant ranged from roughly \$3.5 million \$4 million. This passenger size would be able to continue to utilize existing terminal dimensions on Monhegan. Assuming two 149 passenger vessels, the total capital cost would range from \$7 million to \$8 million.

In addition to the capital cost of the vessel, additional expenses for repair and annual maintenance are estimated below:

Maintenance Activity	Estimated Cost
Hull, Deck Pain	\$15,000
Structural	\$20,000
Passenger Area	\$2,400
Propulsion	\$52,000
Haul-out/Drydock	\$18,000
Communication/Navigation System	\$4,800
Coast Guard Inspection	\$12,000
Unplanned	\$24,000
Safety Equipment	\$6,000
Total	\$154,200

Fuel expense for a 149 passenger ferry, assuming a relatively efficient vessel with average fuel consumption of 80 gallons per hour at an average speed of 20 knots.

Crew Staffing and Schedule Challenges

A typical MSFS crew requires one Captain, one Engineer, two Able Bodied Seafarers and either an Ordinary Seafarer or a Deckhand. Given the size of the passenger only vessels, the same crew staffing is not required, however

it is anticipated each vessel would be crewed with a 100 Ton licensed Captain and two Deckhands.

Based on this crew schedule the annual cost to crew one vessel for two round trips daily is estimated at \$300,000 in salary alone as two crews would be needed for daily operations and a seven day on and seven day off schedule per the collective bargaining agreement. Other personnel costs such as benefits, uniform allowance, and mileage reimbursement are estimated to be \$65,000 annually.

Based on interviews with the existing year around ferry operator, demand was found to vary significantly and, unsurprisingly, by day of week and month of year. Existing levels of service to the island vary by time of year, with significant frequency during the summer months. In the peak season ranging from May – September in 2024 there were 830 scheduled trips between the three existing ferry operators, while in 2025, Monhegan Boat Lines, scheduled 476 trips. The 2025 schedule for Monhegan Boat Lines, the only year around provider of service is noted in the table below:

Dates	Depart Port Clyde	Depart Monhegan
January – March	Monday* & Thursday 9:30 AM	Monday* & Thursday Immediately upon reloading
April	Mon, Wed, Fri 9:30 AM	Mon, Wed, Fri Immediately upon reloading
May 1 – May 15	9:30 AM (No Sunday trip)	11:30 AM (No Sunday trip)
May 16 – May 31	10:30 AM / 3:00 PM	12:30 PM / 4:30 PM
June 1 – June 30	7:00 AM (Wed – Sat) Daily 10:30 AM / 3:00 PM	9:00 AM (Wed – Sat) Daily 12:30 PM / 4:30 PM
July 1– Aug 31	7:00 AM (Tues – Sat) Daily 10:30 AM / 3:00 PM	9:00 AM (Tues – Sat) Daily 12:30 PM / 4:30 PM
Sept 1 – Sept 16	7:00 AM (Wed – Sat) Daily 10:30 AM / 3:00 PM	9:00 AM (Wed – Sat) Daily 12:30 PM / 4:30 PM
Sept 17 – Sept 30	7:00 AM (Wed & Sat) Daily 10:30 AM / 3:00 PM	9:00 AM (Wed & Sat) Daily 12:30 PM / 4:30 PM
Oct 1 – Oct 13	Daily 10:30 AM / 3:00 PM	Daily 12:30 PM / 4:30 PM
Oct 14	9:30 AM	11:30 AM
Oct 15 – Dec 31	Monday*, Wednesday, Friday 9:30 AM	Monday*, Wednesday, Friday Immediately upon reloading

*Excludes Postal Holidays. Boat will run the next business day following a postal holiday.

As noted in the table, a significant reduction of frequency occurs at the end of September as seasonal conditions change and a substantial reduction in the number of tourists visiting the island occurs. While specific dates vary, the seasonal operators typically end service in October and start back up in the shoulder season. Hardy Boat Cruises operating out of New Harbor, provides two round trips daily during the peak season. Balmy Days operates out of Boothbay Harbor providing a daily round trip during the operating season.

Given the extreme challenges in staffing, trip time, and the costs for new vessels, it is not feasible for MSFS to provide 830 scheduled trips that have been provided by the existing operators. The resources required to provide that level of service for the summer months is not consistent with the

significant amount of state funding and benefits to the public transportation system.

As noted previously, MSFS has five ferries that 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.

In discussing with residents of Monhegan, the frequency of service during the summer months was largely deemed to meet the demand. However, unlike the served MSFS island, service during the winter months, specifically January – March, posed challenges due to the reliability and frequency of service. As the only provider of service during the wintertime, Monhegan Boat Lines is limited in providing greater frequency due to the operating costs of each run and lack of revenue to cover its costs.

Chapter 5. Findings and Recommendations

Key Findings

Monhegan island is home to a historic maritime culture that has developed into a significant tourist destination in the summer months while continuing its unique winter lobstering season.

In the summer, Monhegan is served by a high frequency of service from three ferry operators from three locations: Port Clyde, New Harbor, and Boothbay Harbor.

Several residents on Monhegan indicated a desire for greater frequency in the winter months (January – March).

Beginning in October, the island is only served by one year around operator, Monhegan Boat Lines, on a limited schedule. Reliability concerns due to weather forced cancellations present issues during this time as residents may have extended stays on the mainland waiting for the next vessel back.

As year-round service is provided by a single private operator, flexibility in scheduling and fares are determined by Monhegan Boat Lines. Residents of Monhegan are provided with a discount on fares, however, have limited input into scheduling.

Preliminary start up capital cost is estimated at \$20.3 million without required security improvements, however, include wharf rehabilitation on Monhegan and purchase of two passenger only vessels.

Capital cost for a new passenger only ferry is estimated at \$3.5 million - \$4 million similar in size to the existing ferries in operation (149 passenger capacity).

Existing docking facilities at Port Clyde, New Harbor, and Boothbay Harbor could be used for a ferry service, however these locations are privately

owned and operated requiring lease and agreements. Significant coordination with local community would need to occur if a single location was determined to ensure support and adequate ADA facilities exist, such as parking and restrooms. Additional costs related to security features for vessels to comply with US Coast Guard requirements would need to be addressed.

Capital costs for a new wharf on Monhegan range from \$7 million to \$12.3 million.

Annual operating costs are estimated to total roughly \$1.4 million for crew to cover four round trips and vessel maintenance for two vessels.

Annual crew costs of a single vessel are \$365,000 annually with two round trips daily.

Annual maintenance costs of a single passenger vessel are estimated at \$154,000.

It is likely establishing a new service would result in fewer trips in the summer months as compared to the existing level of service to the island that the three existing operators have.

Highway Funding can only be used to support ferry operations that carry vehicles, because it is considered an extension of the highway system. Costs associated with new passenger only service element of the MSFS would have to come from other non-highway fund sources.

The MSFS annual operating cost has increased over 45 percent between 2019 and 2025, from \$11 million to \$16 million. This annual cost is projected to increase to \$18.4 million by 2029.

If the statutory 50-50 funding arrangement is achieved, the total state annual operating subsidy is just under \$8 million per year today and will grow to an estimated \$9.2 million by 2029.

Recommendation

Given the high level of service from May – October provided by three operators and funding constraints faced by MaineDOT, establishing a new MSFS route to Monhegan Island does not appear feasible at this time for public operation based on the significant level of public investment and potential disruption of existing frequency during the summer months. However, based on the key findings, the following recommendation is presented to address the upcoming capital needs on Monhegan to ensure adequate infrastructure in the future:

- MaineDOT should assist Monhegan Plantation with the planning and grant preparation for future efforts on wharf rehabilitation.

