

## Recommendations

### **Recommendation 1. The General Assembly should direct the Ferry Division to produce a long-range plan for the State's ferry transportation system.**

The objective of the long-range plan should be to identify alternatives and make recommendations to ensure the ferry system cost-effectively contributes to the strategic objectives of the State's transportation system. Evaluation of each potential alternative should include consideration of the associated costs and benefits including the impact on state and local tax receipts and the impact on the State's other modes of transportation.

To address the long-range funding needs of the ferry system, the long-range plan also should evaluate alternative pricing structures that maximize the contribution of fares to support the operation of each ferry route, including the fare pricing alternative presented by the Program Evaluation Division. The evaluation of alternatives to the current fare pricing structure should include consideration of the impact on residents who use routes to commute to and from work or school and the economic impact to the State and region including projected changes in state and local tax receipts as a result of associated changes in ridership for each route. In addition, the long-range plan should identify appropriate levels of operating cost recovery from vehicle and passenger fares, including plans to achieve the established targets.

In addition, the long-range plan should include consideration of various governance structures including partnerships with other government entities and the private sector. At a minimum, the long-range plan should include consideration of the most appropriate governance structure for the following activities/services:

- passenger-only and vehicle ferry operations;
- ferry boat and support vessel construction and maintenance;
- terminal construction, maintenance, and operations; and
- Manns Harbor shipyard operations.

In lieu of requesting a separate legislative appropriation, the General Assembly also should direct the Ferry Division to apply for a grant from the Golden LEAF Foundation to procure necessary support services to effectively identify and evaluate potential alternatives to enhance the cost-effectiveness of the State's ferry transportation system. In addition to providing administrative support services, these responsibilities should include procurement of appropriate technical expertise from available sources including the State's university and community college system, state agencies, and private entities with specific expertise in ferry transportation systems.

The General Assembly also should direct the establishment of an Executive Team to oversee the process, evaluate results, and provide an objective technical and economic analysis. At a minimum, the Executive Team for the long-range plan for the State's ferry transportation system should include designated representatives of the following entities:

- Department of Transportation,
- Department of Natural and Cultural Resources,
- Department of Environmental Quality,

- Visit North Carolina,
- the North Carolina ferry boat and support vessel construction industry, and
- local government(s) with direct access to applicable state waterways.

The General Assembly should direct the Ferry Division to deliver this long-range plan for the State's ferry transportation system, as approved by the designated Executive Team, to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division by December 1, 2018.

**Recommendation 2. The General Assembly should direct the Department of Transportation to evaluate the schedule of crossings for each ferry route to ensure ferry services cost-effectively meet the needs of both area residents and tourists.**

This evaluation should include alternatives presented by the Program Evaluation Division as well as input from ferry system stakeholders including local governments directly affected by ferry services. Evaluation of alternatives should include consideration of expected use and impact on the operating costs of each route.

The results of this evaluation should be included in the long-range plan.

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## Appendices

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Appendix A: Ferry Division Routes

Appendix B: Publicly-Owned Ferry Systems in North America

Appendix C: Governance Structure Alternatives

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## Agency Response

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A draft of this report was submitted to the North Carolina Department of Transportation's Ferry Division to review. Its response is provided following the appendices.

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## Program Evaluation Division Contact and Acknowledgments

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For more information on this report, please contact the lead evaluator, Chuck Hefren, at [chuck.hefren@ncleg.net](mailto:chuck.hefren@ncleg.net).

Staff members who made key contributions to this report include Pat Madej. John W. Turcotte is the director of the Program Evaluation Division.