

FY 2022 Passenger Ferry Grant Program, Electric and Low-Emitting Ferry Pilot, and Ferry Service for Rural Communities

Applicant and Proposal Profile

Is this a resubmission due to an invalid/error message from FTA? Yes No

Is this application for:

(If applying to two programs, please select both boxes)

- Passenger Ferry Grant Program (FTA-2022-006-TPM-FERRY)
- Electric or Low-Emitting Ferry Pilot Program (FTA-2022-007-TPM-FERRYPILOT)
- Ferry Service for Rural Communities Program (FTA-2022-008-TPM-FERRYRURAL)

If applying to more than one Ferry program, applicants should enter information for the applicable programs on this form but **Must** submit the application package including the Supplemental Form and attachments, to **Each** respective Opportunity ID on Grants.Gov. That is, complete one form, but submit it to each program in Grants.gov.

Section I. Applicant Information

Organization Legal Name:

FTA Recipient ID Number :

Organization Chief Executive Officer:
(Name and Direct Phone Number)

- Applicant Type:
- Designated or Eligible Direct Recipient of 5307 Urbanized Area Formula Funding
 - State or Territory
 - Local Governmental Authority
 - A Federally-Recognized Indian Tribe

- Project Location:
- Large Urbanized Area (200,000+ people)
 - Small Urbanized Area (50,000-199,999 people)
 - Rural (less than 50,000 people)

Description of services provided and areas served:

MaineDOT’s Maine State Ferry Service (MSFS), established in 1960, provides the primary link for passengers, vehicles, and freight to six unbridged island communities in mid-coast and down east Maine. The 6 islands—Frenchboro, Islesboro, Matinicus, North Haven, Swan’s Island, and Vinalhaven— are rural and residents rely on ferry service for access to services, goods, and jobs on the mainland, as well as for emergency medical transport. Service levels vary by island, from 36 round trips per year to Matinicus to multiple trips every day of the year to Islesboro. MaineDOT owns and operates four island and three mainland terminals, which include paid parking, in Bass Harbor, Lincolnville, and Rockland.

To support transportation of emergency vehicles and transport of islanders during medical emergencies, MaineDOT operates MSFS crew quarters on Vinalhaven, North Haven, Islesboro, and Swan’s Island. Crew quarters provide lodging and amenities for crews when off-duty or on-call, allowing the ferry to serve as an emergency transport option outside of scheduled service hours for those islands.

MSFS owns and operates a fleet of 7 vessels, which all carry both passengers and vehicles. In alignment with community priorities and the state’s climate change goals, several planned vessel replacement projects include implementation of hybrid-electric vessels.

Approximately 90 employees operate the MSFS, including highly-trained mariners. In 2019, MSFS carried over 452,000 passengers and 170,000 vehicles. Service demand increases in peak season (mid-May through mid-October), when the total population of the 6 islands increases from roughly 2,500 total year-round residents to over 8,300 seasonal residents and a significant number of visitors. To serve the higher demand during the peak season, four of the MSFS routes operate additional trips. To supplement vehicle ferry service to Frenchboro, MSFS contracts with a water taxi operator to provide two round trips to the island on Fridays, April through November, which offers the only option that allows island residents to travel to the mainland and return the same day.

MSFS provides a critical transportation link that supports the island communities and economies. Ferry users include island residents that commute to jobs on the mainland, as well as those that travel from the mainland to the islands to provide essential contracting, construction, and educational services year-round. MSFS is key to supporting Maine’s lobster industry, which accounts for around 80% of all lobster landed in the US according to data published by NOAA, as all lobster catches brought into the islands are transported to the mainland on trucks carried on the ferries.

The ferries also support students and teachers traveling to island schools or to classes and extracurricular activities on the mainland. The MSFS allows flexibility and expands learning options for parents and students in Penobscot Bay. Current gaps in the service schedule, limited vehicle capacity, or missed trips may require daily riders to stay overnight on the mainland or use a more expensive, private transportation option to return to their island.

The MSFS is responsible for transporting fuel, food, mail, and building materials to the rural islands. Food and energy/fuel costs are high for Maine’s rural island communities, contributing to the overall high cost of island living.

MSFS strives to meet each island’s unique needs, while maintaining a high level of reliability system wide. Challenges faced by the system in recent years have included higher operating and maintenance costs, a global maritime workforce shortage and staffing issues associated with COVID-19.

See Attachment 1 “MSFS 2019 Service Schedule” and Attachment 2 “Rockland-Matinicus Route” for evidence of MSFS’s eligibility for this funding based on operation of regularly scheduled service between 2015-2020, with a route segment of over 20 nautical miles.

Section II. Project Information

About the Project

Project Title:
(Descriptive title of this project)

Project Executive Summary:

MaineDOT is requesting assistance with operating expenses to support safe, reliable, and sustainable ferry service to the 6 island communities served by Maine State Ferry Services (MSFS). The islands are unbridged, and rely on MSFS for access to jobs, services, goods and medical treatment. The requested funding will support MaineDOT’s staffing, maintenance and customer communication in efforts to maintain and enhance service reliability in the face of increasing operating costs.

Operating costs have increased in recent years due to the spike in fuel prices, increased vessel repair and maintenance needs of an aging fleet, and increased overtime due to staffing shortages influenced by the global maritime workforce shortage and compounded by COVID-19.

Funding would support new efforts aimed at recruiting and retaining vessel crews, including training opportunities and a new bonus and stipend program. Enhancements to our customer communication and online ticketing are planned to improve customer service, including on-board Wi-Fi and electronic messaging, and expansion of online vehicle reservations. This information, paired with fleet

maintenance tracking systems will provide MSFS a full picture of needs, plan their expanded workforce and communicate early and often to their customers about service disruptions.

MaineDOT is requesting a total of \$10 million in funding assistance for net operating expenses for the MSFS over the next 5 fiscal years, as outlined in Attachment 3 "Projected FY2023-27." The project is not considered scalable as most operating costs, such as labor and fuel, cannot be reduced without impacting service levels or reliability, and added funding is needed on top of those basic costs to provide necessary enhancements to support reliability. The requested funding assistance will support the long-term sustainability and reliability of this critical transportation service.

Project Statement of Work (one sentence summarizing request):

MaineDOT is requesting \$10M in funding assistance for net operating expenses for the Maine State Ferry Service for FY2023 through FY2027 (i.e., annual funding assistance for the 5 years that funding can be obligated), to be applied across the system to support the rising costs of providing reliable service to unbridged island communities and through the implementation of programs focused on addressing staffing shortages, vessel maintenance and the enhancement of timely customer communications.

Will you need a Buy America waiver? Yes No

Propulsion Type:

- Battery electric
- CNG
- Diesel
- Diesel-electric hybrid
- Electricity (including electricity from solar energy)
- Fuels (except alcohol) derived from biological materials
- Gasoline
- Hydrogen
- Liquefied petroleum gas
- Methanol, denatured ethanol, and other alcohols
- Natural Gas
- A mixture containing at least 85% of methanol, denatured ethanol, and other alcohols by volume with gasoline or other fuels
- Any other fuel that is not substantially petroleum and that would yield substantial energy security and environmental benefits

If other fuel, specify:

Other

If Other, specify:

- Project Type:
- Facility Rehabilitation
 - Facility Replacement
 - New Facility (expansion)
 - New Vessel (expansion)
 - Number of vessels for service expansion:
 - Vessel Rehabilitation
 - Number of vessels to be rehabilitated:
 - Vessel Replacement
 - Number of vessels to be replaced:
 - Related Equipment
 - Operating (Rural Program Only)
 - Planning (Rural Program Only)
 - Other

If Other, specify:

Climate Change

Please describe the significant community benefits relating to the environment (see NOFO section E.2):

The MSFS system is a key component of the regional transportation network, providing regular and emergency services to six unbridged islands as well as bolstering the resiliency of the regional transportation system. As MaineDOT adds cleaner vessels to its fleet (e.g., hybrid-electric vessels), operating funding will support cleaner, reduced emissions transportation for our customers, the island and mainland communities, and the surrounding areas.

Environmental Justice Populations

Is there an environmental justice population(s) located within the service area? Yes No

Describe the environmental justice population(s) and the anticipated benefits resulting from the project for those population(s) (see NOFO Section E.2):

Using the EPA EJSCREEN, all 6 islands served by the MSFS are classified as medically underserved, defined by US Health Resources & Services Administration as areas or populations having too few primary care providers, high infant mortality, high poverty or a high elderly population. Limited access to healthcare and the high percentage of older adults on the islands specifically apply to this project. The percentage of population over age 64 is 38% on Islesboro, 31% on Matinicus, and 24-29% on the other islands, all of which are above the 85th percentile in the U.S.

This project will maintain ferry service levels on a critical transportation link to and from the islands not only for residents seeking healthcare or other services, but also those who reside on the mainland and provide professional services and supplies to the islands. As no hospitals exist on the islands and available medical services are limited, maintaining ferry access to medical services on the mainland is critical.

Racial Equity/Barriers to Opportunity

Does the project address racial equity or barriers to opportunity (see NOFO Section E.2)? Yes No

If yes, please describe:

This project will address barriers to opportunity by ensuring a reliable, sustainable public transportation link for 6 unbridged island communities, maintaining access to jobs, education and emergency/medical services.

While the area served by MSFS currently has limited racial diversity, MaineDOT is committed to ensuring that meaningful input from disadvantaged and underserved populations is incorporated into project planning. MSFS uses MaineDOT’s tools and policies focused on ensuring that all Maine people have access to safe, reliable transportation options, and that planning processes reach underserved populations.

Creating Good-Paying Jobs

Applicants for facility projects, please describe how the project will support creating good paying jobs (see NOFO section E.2):

The requested operating assistance will partially support the increasing costs of training and availability of the 90 employees of the MSFS. MSFS staff and vessel crew are represented by the Maine Service Employees Association, Service Employees International Union, Local 1989. Additionally, jobs on the islands and the mainland are directly and indirectly affected by regular and reliable ferry service to transport workers as well as commodities bidirectionally.

Justice40

Does the project support the Justice40 Initiative? Yes No

Describe how the project supports the Justice40 Initiative and the benefits provided (see NOFO Section E.2):

The islands served by the MSFS do not meet USDOT’s Justice40 threshold, but the project does support Justice40 by maintaining reliable access to medical and quality of life services in 6 geographically-isolated communities that USDOT lists as suffering from a health disadvantage through the interim Transportation Disadvantaged Census Tracts map, and 2 islands indicated as transportation disadvantaged. The mainland terminal area in Rockland is disadvantaged per the White House CEJST. Additional operating funding to support the continuation of affordable, reliable ferry service is critical to maintaining quality of life for island residents. The ferry is the most affordable transportation option and provides critical access for residents to medical, educational and other services on the mainland, and access for those traveling to the islands for jobs. MaineDOT garners community input in determining system priorities and improvements, by working closely with a citizen Advisory Board.

Describe the methodology used to determine the project meets the Justice40 Initiative (see NOFO Section E.2):

MaineDOT used USDOT’s interim Transportation Disadvantaged Census Tracts tool to determine that the MSFS-served islands do not meet the Justice40 Initiative threshold of 4 or more Transportation Disadvantage indicators. However, the islands are indicated as suffering from a health disadvantage, and Swan’s Island and Frenchboro are also transportation disadvantaged. The mainland terminal area in Rockland is identified as disadvantaged by the CEJST. Per the EPA EJSCREEN tool, all 6 islands served by MSFS are identified as Medically Underserved. EJSCREEN also identifies a high percentage of population over age 64 on the islands: 38% on Islesboro, 31% on Matinicus and 24-29% on the other islands, all of which are above the 85th percentile in the U.S. See Attachment

4 "EJ Maps" for maps. Lack of transportation options is an inherent challenge to these communities posed by the geographic isolation of island communities and mobility restrictions inherent to a reliance on ferry service.

Justice40 Population Impacted

Justice40 Disadvantaged Community Served as Identified in the NOFO Section E.2

Actual or Estimated Annual Ridership Count

Rockland (mainland terminal) serving Vinalhaven, North Haven, and Matinicus per CEJST

200,000

Insert Item

What is the percentage of Disadvantaged Communities within the project area? %

Was this estimate generated using the Justice40 online mapping tool? Yes No

Project Budget

Description	QTY	Federal Amount Requested	Federal Match Amount	Other Federal Funds	Other	Total Cost
Operating Support	1	10,000,000	0		31,556,745	41,556,745

Insert Item

Total: 10,000,000 0 0 31,556,745 41,556,745

Operating Support (Rural Program Only)

Rural Ferry Program applicants requesting operating assistance should complete the following based on the applicant's fiscal year.

	A. Total Operating Cost**	B. Operating Support Provided by the State	C. Fares and Other System Generated Revenues	D. Other Funding Sources*	
2017	10,521,003	5,530,748	4,990,255	0	
2018	11,000,131	5,944,260	5,055,841	0	
2019	11,080,592	5,850,497	5,230,095	0	
<i>Anticipated*</i>					Amount Eligible to Apply
2023	14,453,877	6,311,349	6,311,349	0	1,831,179
2024	15,782,993	6,311,349	6,311,349	0	3,160,295

*do not include funds anticipated through this application

** Column B+C+D=A for 2017-2019

2017-2019 Average Operating Support Provided by the State or locality: 5,775,168

75 Percent (minimum that must be provided) of 2017-2019 Average Operating Support Provided by the State or locality: 4,331,376

Matching Funds Information

Matching Funds Amount: 31,556,745

Source of Matching Funds:

Annual fair box revenue for FY2023 to FY2027 is projected to be \$6,311,349 (for a five year total of \$31,556,745). Annual operating support provided by the state for FY2023 to FY2027 is projected to be \$6,311,349 (for a five year total of \$31,556,745). We are requesting \$10M over 5 years with a non-federal match of \$31,556,745 over five years. MaineDOT identifies a 5-year need of \$14,505,280. If we received the \$10M federal request, we are committed to find additional resources to cover the difference.

Supporting Documentation of Local Match:

MaineDOT is committed to providing these matching funds to the Federal funds requested. See Attachment 5 "Matching Funds" for a letter committing to the non-federal match, which will be provided through MaineDOT's State Highway Fund.

Project Scalability

Is Project Scope scalable? Yes No

If Yes, specify minimum Federal Funds necessary:

Provide explanation of scalability with specific references to the budget line items above:

Project Timeline (Please be as specific as possible)

Timeline Item Description

Timeline Item Date

Implementation and Management of Vessel Inventory Management Software (estimated)	12/31/2023	<input type="checkbox"/>
Expansion of the new online reservation system to support vehicle reservations (estimated)	12/31/2023	<input type="checkbox"/>
Standards of Training, Certification, and Watchkeeping for Seafarers (Training (ongoing beg. 2023)	01/01/2023	<input type="checkbox"/>
Staff and Crew Bonus and Stipend Program (ongoing beginning 2023)	01/01/2023	<input type="checkbox"/>
Deckhand to AB Training – This training program is currently in effect	01/01/2023	<input type="checkbox"/>
New Communications Systems to provide customers with service updates (estimated complete by)	01/01/2024	<input type="checkbox"/>
Installation of Onboard Wi-Fi and Electronic Message Boards on each ferry (estimated complete by)	12/31/2024	<input type="checkbox"/>
Safety Management System – Completed implementation in 2024 to coincide with new USCG requirements	12/31/2024	<input type="checkbox"/>

Insert Item

Congressional Districts (Project Location)

Congressional District

ME-001	<input type="checkbox"/>
ME-002	<input type="checkbox"/>

Insert Item

Section III. Evaluation Criteria

***** Address each of the evaluation criteria as described in the Notice of Funding Opportunity. *****

Demonstration of Need

MSFS operations support the 2,500 year-round residents and thousands of additional seasonal residents and visitors of 6 rural islands that rely on ferry service for access to services, goods, and jobs on the mainland and emergency medical transport. MSFS carried over 452,000 passengers and 170,000 vehicles in 2019. Additional funding for operating expenses is needed to support MaineDOT in providing safe, reliable transportation to these communities and visitors.

MaineDOT has faced increasing operating costs over the past decade due to rising costs of personnel, fuel, and repairs. Total operating costs for the same service levels in FY 2019 were \$11,081,000, compared to \$9,049,000 in FY 2014. An additional operating expense, estimated at \$500,000, will be incurred in 2024 when MaineDOT plans to develop a Safety Management System (SMS) to ensure compliance with anticipated US Coast Guard requirements. Additional ongoing costs for SMS will result from the creation of a new full-time Safety Officer position in 2024.

The biggest challenge to service reliability currently faced by MSFS is the availability of vessel crews due to the global marine workforce shortage and COVID-19 call-outs. As of Aug. 2022, 20% of crew positions including relief crew were vacant over the previous year, and overtime use was double previous years. See Attachment 6 "Summer 2022 Missed Trips" for a summary and links to news coverage of missed trips. MaineDOT is addressing this challenge through immediate and long-term programs addressing compensation levels and additional training opportunities to help recruit and retain crew members. MaineDOT's recently implemented Deckhand to Able Bodied Seaman program encourages deckhands to become credentialed Able Seamen by covering the costs of training, at \$2,500 annually per crew member (roughly \$10,000 annual total). Further training opportunities such as Standards of Training and Certification and Watchkeeping for Seafarers (STCW) will be attractive to future and existing crew, costing an initial \$500,000 and an additional \$100,000 annually. More competitive wages are proposed through an employee bonus and stipend program, adding \$104,000 and \$500,000 respectively into the budget. The costs associated with these new staffing and training programs are estimated at over \$1.1 million for FY2023 and \$714,000 for FY2024-2027, although these costs will likely increase with rising labor costs.

Increasing vessel repair and maintenance needs have created challenges for service reliability as MaineDOT deals with unplanned vessel out of service time due to supply chain issues and labor availability. Unplanned vessel time out of service in 2021 was twice that of typical years, impacting users through missed trips and reduced capacity on routes when smaller vessels must be used to fill in. MaineDOT will take steps to improve vessel maintenance planning and tracking by implementing inventory management software to track the system's inventory of vessel consumables and parts, which will cost \$150,000 in FY2023.

Funding would also support service enhancements to improve customer communications, which has been identified in user feedback gathered from public surveys as a priority. MSFS plans to implement a new WiFi-supported communications system to provide customers with essential service updates through real-time data provided electronically and communicated on-site via electronic message boards and ADA-accessible communications. Full implementation will require 12-20 months and add \$50,000 in annual operating costs. Expansion of the recently implemented MSFS online ticketing system to include vehicle reservations will occur over the course of 8 months and cost \$50,000.

Demonstration of Benefits

Note: If applying to more than one program, be sure to select "yes" and provide a response to the applicable questions below.

Is this an application to the Passenger Ferry or Rural Program? Yes No

Please describe the benefits of the proposed project per the statutory requirements of the Ferry or Rural Programs (see NOFO Section E(1)(b)(ii)):

The requested funds will support MaineDOT’s ability to maintain current service levels and increase reliability on 6 critical transit routes by addressing challenges to staffing shortages and increased vessel maintenance requirements, as well as increasing operating costs. Funding will also be used to implement new programs aimed at workforce development, and implement new technologies focused on customer communications and fleet maintenance planning.

In 2019, 62% of MSFS passengers walked on rather than drove onto the ferry. Though that number has decreased slightly due to COVID-19, over 57% of passengers in 2021 still choose to walk-on. Planned updates to terminals and vessels will continue to support non-vehicular passengers by improving customer experience and safety.

Is this an application to the Low-Emitting Program? Yes No

Please describe the benefits of the proposed project per the statutory requirements of the Low-Emitting Program (see NOFO Section E(1)(b)(ii)):

[Empty text box for describing benefits of the proposed project per the statutory requirements of the Low-Emitting Program]

Planning and Local / Regional Prioritization

The project is consistent with MaineDOT’s Statewide Strategic Transit Plan, and Long-Range Transportation Plan 2050, which envisions a multimodal system that provides safe and efficient state-wide travel and supports a high quality of life and economic opportunity in Maine’s communities. If this project is selected, it will be added to the State Transportation Improvement Program (STIP).

Development of the existing ferry system has been a focus of the specific planning efforts on Maine's rural island communities:

Islesboro’s 2017 Comprehensive Plan emphasizes the Town’s goal of maintaining and improving access to and transportation on the island, reducing the cost of island living and promoting self-reliance for island residents. Islesboro has been actively engaging with MaineDOT and the MSFS to develop long-range planning policies to recommend regarding ferry service, ferry design, and infrastructure. Lincolnville’s 2006 Comprehensive Plan similarly aims to pursue funding for waterfront improvement projects that expand service and promote connection, notably between Lincolnville and Islesboro.

According to the 2016 Comprehensive Plan, Frenchboro relies on MSFS to sustain year-round island living and maintain public access to and from the working waterfront. The Town of Swan’s Island Comprehensive Plan (2022) recommends several goals and strategies that focus on ensuring an efficient, reliable, and affordable year-round ferry service that accommodates both day visits and work hours. Leadership and residents of Swan’s Island plan to continually participate with The Maine State Ferry Service and the Ferry Advisory Board on improvements to facilities and services.

Vinalhaven’s Comprehensive Plan for 2025 also emphasizes the importance of the State Ferry Service for residents and tourists. The plan highlights opportunities for expanded service during the summer tourist season. See Attachment 7 “Links to Planning Documents” for a links to referenced planning documents.

This request for assistance with operating expenses is supported by the Maine State Ferry Service Advisory Board and local and regional advocacy groups. Reference Attachment 8 “Letters of Support” for a full list of letters of support received and anticipated letters forthcoming.

Local Financial Commitment

Historically, by Maine State statute, the operating budget of the Maine State Ferry Service receives a 50% operating subsidy (approximately) – most recently from MaineDOT’s Highway Fund. The non-federal match for operations will be made available by the State Highway fund.

See Attachment 5 “Matching Funds” for a letter committing to the non-federal match, which will be provided through MaineDOT’s State Highway Fund.

Project Implementation Strategy

Can this project be obligated within 12 months? Yes No

MSFS operations are ongoing and assistance with operating expenses could be implemented within 12 months from the time of award. Funding assistance will also support the implementation of service enhancements, anticipated with the following timelines.

MaineDOT’s Deckhand to AB program and staff and crew bonus program have already been implemented and will be ongoing. Additional recruitment and retention stipends are currently being considered and could be in place in FY 2023. The Standards of Training, Certification and Watchkeeping for Seafarers (STCW) training will be offered starting in 2023.

Implementation of a new communications system to provide customers with essential service updates, which will require 12 months for full implementation and initial review of technology alternatives began in 2022. Alternative communications systems have been selected for evaluation and required terminal improvements are underway, including installation of video screens which were funded through a grant. Ongoing operating costs for customer communications will include monthly program subscription costs and systems maintenance.

Expansion of the recently implemented MSFS online ticketing system to include vehicle reservations is underway and will be implemented over the course of 8 months and will be complete in early 2023. Planned installation of Wi-Fi and electronic message boards to improve ferry user experience and provide real-time, ADA-accessible service communications can be anticipated within 20 months.

Vessel maintenance planning will be improved through implementation of inventory management software to track the system’s inventory of vessel consumables and parts is budgeted for 2023.

The goal of operational enhancements is to increase the reliability of MSFS service. MaineDOT will measure and communicate progress by tracking the number of missed trips and reason for cancellations.

Technical, Legal, and Financial Capacity

MaineDOT is the state agency responsible for managing and funding all transportation modes statewide. Employing approximately 1,800 people, the agency expends or disburses more than \$900 million annually, including federal, state and local funds. The Maine State Ferry service was established in 1960 and provides reliable daily service to multiple coastal Maine islands. Approximately 90 employees operate the Ferry Service, including many with required Coast Guard mariner credentials to carry passengers and vehicles. Historically, by Maine State statute, the operating budget of the Maine State Ferry Service receives a 50% operating subsidy (approximately) – most recently from MaineDOT’s Highway Fund. The agency is an experienced, thorough, and responsible recipient

of previous Bus and Bus Facilities, TIGER, FASTLANE, INFRA, CHBP, BUILD, CRISI and RAISE grant funding.

USDOT can rely on MaineDOT to execute a grant agreement for this project within 12 months of award and fully obligate awarded funds without risk. There are no other public or private parties or funders involved in delivering the Project.

Validate Form