



Bill Draft 2017-MLz-188: DOT Long-Term Plan for Ferry System/PED Study.

2017-2018 General Assembly

Committee: Joint Legislative
Program Evaluation Oversight
Committee

Date: January 29, 2018

Introduced by:

Prepared by: Luke Gillenwater
Staff Attorney

Analysis of: 2017-MLz-188

OVERVIEW: 2017-MLz-188 directs the Department of Transportation ("Department") to develop a long-term plan for the State's ferry transportation system to increase efficiencies and reduce costs.

BILL ANALYSIS: 2017-MLz-188 does the following:

- **Section 1:** Directs the Department to develop a long-term plan, based on a 20- to 30-year forecast of transportation demands and needs for the coastal region of the State, to identify and examine alternatives for cost-effectively transporting vehicles and passengers via ferries. The long-term plan shall include at least all of the following:
 - An evaluation of alternative pricing structures for fares.
 - An evaluation of the most appropriate governance structures for (i) ferry operations, (ii) ferry boat and support vessel construction and maintenance, (iii) terminal construction, maintenance, and operations, and (iv) Manns Harbor Shipyard operations.
 - An evaluation of the schedule of crossings for each ferry route, including an evaluation of alternative schedules of crossings.
- **Section 2:** Does the following:
 - Subsection (a) creates an Executive Team to oversee the development of the long-term plan and specifies the membership of the Executive Team.
 - Subsection (b) specifies the purpose of the Executive Team and provides authorization for the Executive Team to retain consultants and other persons with specialized skills to assist in achieving its purpose.
 - Subsection (c) specifies when the Executive Team will meet and directs the Department to provide space for the meetings and any necessary clerical and administrative support.
 - Subsection (d) provides that the Executive Team shall be funded from any funds received from the Department as a grant from The Golden L.E.A.F., Inc., and provides that members may receive per diem and necessary expenses in accordance with applicable State law.
- **Section 3:** Directs the Department, by October 1, 2018, to apply for a grant from The Golden L.E.A.F., Inc., and use any funds received to cover the costs of (i) developing the long-term plan and (ii) the work of the Executive Team.

Kory Goldsmith
Director



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- **Section 4:** Directs the Department, by December 1, 2019, to submit the long-term plan to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division of the General Assembly.

EFFECTIVE DATE: This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

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BILL DRAFT 2017-MLz-188 [v.5] (01/23)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
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Short Title: DOT Long-Term Plan for Ferry System/PED Study.

(Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO DIRECT THE DEPARTMENT OF TRANSPORTATION TO DEVELOP A
3 LONG-TERM PLAN FOR THE STATE'S FERRY TRANSPORTATION SYSTEM TO
4 INCREASE EFFICIENCIES AND REDUCE COSTS, AS RECOMMENDED BY A
5 PROGRAM EVALUATION DIVISION REPORT.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Long-Term Plan. – The Department of Transportation
8 ("Department") shall develop a long-term plan to identify and examine alternatives for
9 transporting vehicles and passengers via ferries that cost-effectively contributes to the strategic
10 objectives of the State's transportation system. The long-term plan shall be based on a 20- to
11 30- year forecast of transportation demands and needs for the coastal region of the State. The
12 long-term plan shall include at least all of the following:

13 (1) An evaluation of alternative pricing structures that maximize the
14 contribution of fares to support the operation of each ferry route, including
15 the fare pricing alternative presented by the Program Evaluation Division of
16 the General Assembly in the report entitled "Reducing Off-Season
17 Crossings, Adjusting Fares, and Using Partnerships Can Improve Ferry
18 Division Efficiency" (October 2017) ("Report"). The evaluation shall
19 include all of the following:

- 20 a. An evaluation of the impact from alternative pricing structures on
21 residents who use the ferry routes to commute to and from work or
22 school.
23 b. An evaluation of the economic impact from alternative pricing
24 structures to the State and coastal region of the State, including
25 projected changes in State and local tax receipts as a result of
26 associated changes in ridership for each route.
27 c. An identification of appropriate levels of operating cost recovery
28 from vehicle and passenger fares, including plans to achieve the
29 identified levels.

30 (2) An evaluation of the most appropriate governance structures, including
31 partnerships with other government entities and the private sector, for each
32 of the following activities and services:

- 33 a. Passenger-only and vehicle ferry operations.
34 b. Ferry boat and support vessel construction and maintenance.



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- c. Terminal construction, maintenance, and operations.
 - d. Manns Harbor Shipyard operations.
- (3) An evaluation of the schedule of crossings for each ferry route to ensure ferry services cost-effectively meet the needs of both local residents and tourists. The evaluation shall include an evaluation of alternative schedules of crossings, including alternatives presented (i) by the Program Evaluation Division in the Report and (ii) through input from local governments directly affected by ferry services and other ferry system stakeholders identified by the Department. The evaluation of alternatives shall include consideration of expected use and impact on the operating costs of each ferry route.

SECTION 2.(a) Creation of Executive Team. – There is created the Long-Term Plan Executive Team ("Executive Team"). The Executive Team shall consist of all of the following:

- (1) The Secretary of the Department or the Secretary's designee.
- (2) The Secretary of the Department of Natural and Cultural Resources or the Secretary's designee.
- (3) The Secretary of the Department of Environmental Quality or the Secretary's designee.
- (4) A representative from Visit North Carolina.
- (5) A representative appointed by the Department from the State ferry boat and support vessel construction industry.
- (6) A representative from each local government identified by the Department with direct access to ferry route waterways.
- (7) Any other expert or stakeholder the Executive Team determines may assist it in completing its purpose set forth in subsection (b) of this section.

The Executive Team shall select a chair and shall appoint any remaining members of the Executive Team authorized under subdivision (7) of this subsection. Any vacancy shall be filled by the Executive Team, in accordance with the criteria set forth in this subsection.

SECTION 2.(b) Executive Team Purpose. – The Executive Team shall oversee the development of the long-term plan required by Section 1 of this act, evaluate results, and provide a technical and economic analysis. The Executive Team is authorized to retain the services of consultants and other persons possessing specialized skills or knowledge necessary to assist the Executive Team in completing the purpose set forth in this subsection.

SECTION 2.(c) Executive Team Meetings. – The Executive Team shall meet at stated times established by the Executive Team. The Department shall provide (i) space for the Executive Team to meet and (ii) any necessary clerical and administrative support.

SECTION 2.(d) Executive Team Funding. – From funds available to the Department from any grant received pursuant to Section 3 of this act, the Secretary of the Department shall allocate monies to fund the work of the Executive Team. Members of the Executive Team shall receive per diem and necessary travel and subsistence expenses in accordance with G.S. 138-5 and G.S. 138-6, as applicable.

SECTION 3. Funding. – By October 1, 2018, the Department shall apply for a grant from The Golden L.E.A.F., Inc., a nonprofit corporation, to cover the costs of (i) developing the long-term plan required under Section 1 of this act and (ii) the work of the Executive Team created under Section 2 of this act.

SECTION 4. Submission of Long-Term Plan. – By December 1, 2019, the Department shall submit the long-term plan required under Section 1 of this act to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division of the General Assembly. In addition to the long-term plan, the Department may submit recommended legislation, which may include a recommendation that the Department update the long-term plan periodically to ensure the plan reflects changes in the industries, economy,

1 population, and infrastructure of the State's coastal region. The Executive Team shall terminate
2 on December 1, 2019, or submission of the report in accordance with this section, whichever
3 comes first.

4 **SECTION 5.** Effective Date. – This act is effective when it becomes law.