

# Yarmouth Ferry Backgrounder

## Where we've been

Families and businesses in south west Nova Scotia want a growing economy, stronger communities, a thriving tourism industry, and a stable ferry they can count on being there for the future. The province shares that vision.

An expert ferry panel reported that the decline of the previous ferry operation was due to decreased ridership and increased fuel costs. By 2009, Nova Scotians were covering the ferry's losses of almost \$7 million annually.

The panel indicated that a successful and profitable ferry service would be possible with an operator who has a sophisticated marketing strategy and who can leverage a strong tourist experience in southwest Nova Scotia and provide a high-quality on-board experience for passengers.

Based on the conditions outlined in the report, the province began a process to find operators for a new ferry service. An initial request for proposals (RFP) was not successful in identifying potential operators, but it did set the stage for a more flexible and effective process. Through this process, the province received submissions from three companies.

## Where we are now

The province has reached an agreement with STM Quest, Inc., a proposed joint venture between ST Marine Ltd. and Quest Navigation, to operate a cruise ferry between Yarmouth and Portland.

## The agreement

STM Quest has a plan to put a cruise ferry in the water in May, and has committed to create new jobs for Nova Scotians and purchase products and services from Nova Scotia businesses.

The province will provide STM Quest \$21 million over seven years, with a number of terms and conditions that must be met, including

- a finalized joint venture agreement between ST Marine and Quest Navigation
- all required licences and permits are in place
- that the ferry is operated in accordance with the agreed upon sailing schedule

STM Quest will operate the cruise ferry with a sailing schedule of May 1 to October 31, departing Yarmouth daily at 9 am AST and arriving in Portland at 5 pm EST. The return trip would leave Portland at 8 pm EST and arrive in Yarmouth at 7 am AST.



## Chronology of Events

- April 2012** The province appoints an expert panel to review studies on ferry service between Yarmouth and the United States and meets with various interested people to find conditions needed for a viable service.
- September 2012** Premier Dexter accepts the expert panel's report, which lays out the conditions under which a successful and profitable ferry service from Maine to Yarmouth can operate. The province indicates that it is prepared to commit as much as \$21 million over seven years to attract a new long-term cruise ferry operation in Yarmouth, run by a qualified ferry operator.
- October 2012** A draft request for proposals is issued, to be used in discussions with potential ferry operators.
- December 2012** The province issues a request for proposals with a deadline of Jan. 24, 2013 as part of its plan to attract a qualified ferry operator through a thorough, transparent, competitive process.
- January 2013** Proposals are received from two companies, Quest Navigation Inc. and Maritime Applied Physics Corporation.
- March 2013** After a thorough evaluation of the two proposals submitted to the province's request for proposals, the evaluation committee found neither met the minimum criteria.
- April 2013** The province issues another opportunity to companies with a target deadline for submissions of June 20 and acts on the expert ferry panel's recommendation to make the tourism experience even more attractive in southwest Nova Scotia. A tourism team, chaired by Yarmouth Mayor Pam Mood, is established. The province provides \$1 million to the team to make the local tourism experience even more attractive, and market Nova Scotia in the northeastern United States. Their work will continue until the end of August 2014.
- June 2013** The province extends the deadline from June 20 to July 4 to allow interested companies more time to prepare submissions.
- July 2013** The province receives business plans from three ferry companies — Balearia Caribbean, Ltd., P and O Ferries, and STM Quest, Inc. The plans are evaluated by a team of representatives from the Nova Scotia International Ferry Partnership and government departments.
- August 2013** The province enters into negotiations with STM Quest Inc., a proposed joint venture between ST Marine Ltd. and Quest Navigation.
- September 2013** The province reaches an agreement with STM Quest Inc. to operate a cruise ferry between Yarmouth and Portland, ME.