

JAN 23 2023

Don Marchand, Chief Administrative Officer
District of Shelburne
PO Box 280
Shelburne, NS B0T 1W0

Dear Don Marchand:

As you are aware, the Province is in the process of undertaking a comprehensive socio-economic study on the value and impacts of the investment in a ferry service from Maine to Nova Scotia.

The Province is committed to investing in economic development in every region, and supporting a thriving economy from coast to coast to coast, but this means understanding the return on taxpayer investment, making practical assessments of best investment opportunities and working closely with stakeholders.

In this case, that means having frank discussions about whether a ferry is the best investment or whether there are alternative investments that could generate more significant economic activity.

It is important that we identify any potential steps that can be taken to improve the economic impact on Nova Scotia, but this first means understanding the facts around the current impact of the service so that decisions about long-term economic development investment decisions can be made in a fair and open manner.

The history of the Yarmouth-Maine ferry connections is well known. Suffice it to say that between changing ports, losing time due to vessel issues, losing a season to renovations and losing entire seasons related to COVID-19 border measures, the last few years of this service have been difficult.

Much of the discussion around the impact, positive and negative accounts, have been anecdotal. It is important that the discussion moves to facts. This is the reason that the first formal economic impact analysis of the ferry service is necessary.

We are writing to seek your input on information you think would be beneficial to seek and include in this study. It will be undertaken by a highly qualified, experienced firm (identified through a competitive procurement process) but beyond that, our initial belief is that the study should include a review of:

- All data sources including, but not limited to:

- Ferry ridership information, including source market;
 - NS Visitor Exit Survey information;
 - Direct/indirect economic impacts for employment, household income and GDP generated by those expenditures for the specific industry that received the expenditure from Department of Finance; and
 - Estimated provincial tax revenues generated as a result of personal income taxes and sales taxes paid by workers from the Department of Finance.
- Targeted primary research including:
 - Consultation and interviews with individuals, small businesses and industry groups most impacted and affected; and
 - An analysis of the true impacts to the Southwestern region and the province. It will help to quantify impacts such as changes in income, employment, value-added by local and regional suppliers, government revenues, workforce planning and the travel trade industry.

The Province intends to use the study to bring needed clarity to Nova Scotians pertaining to the overall economic benefits and costs of this ferry. It will assist in answering questions such as:

- Is the Maine-NS ferry service, as currently constituted, a viable operation and worthy of continued tax-payer investment?
- Are there alternatives or complements to achieve or deepen the economic impact that government could consider?
- Can we establish a baseline for visitors taking the ferry to Nova Scotia that equates to an economic benefit and quantify that benefit?
- Are there other tangible societal and community benefits derived from the ferry service that have economic value?
- Are there other, more impactful ways of using public dollars that would achieve an increase in tourism to Southwestern Nova Scotia and the Province?

We welcome your feedback on this approach and look forward to your comments by Friday, February 17th, 2023. Please send your feedback to Derek Harvey, Director of Policy and Legislation with the Department of Public Works at derek.harvey@novascotia.ca.

Yours truly,

A handwritten signature in blue ink, appearing to read "P. Hackett", with a long horizontal flourish extending to the right.

Peter Hackett, P.Eng.
Deputy Minister



Naturally Yours

136 Hammond Street, PO Box 280 Shelburne, NS BOT 1W0, Phone: (902) 875-3544 - Fax: (902) 875-1278

October 24, 2022

Honourable Tim Houston
Premier of Nova Scotia
1700 Granville Street
P.O. Box 726
Halifax, NS B3J 2T3
premier@novascotia.ca

Re: Yarmouth International Ferry to Maine

Dear Premier Houston,

On behalf of the Municipality of Shelburne, we are writing to address the recent comments made by yourself and that of the Honourable Minister Masland calling into question the Province's support for the international ferry link between Yarmouth and Maine. With Canada and the United States having only recently normalized cross border relations after almost three years of Covid restrictions, the economy of Southwest Nova and by extension, the entire province, has only just been able to get its head above water. Recovery takes time and to contemplate cancelling the ferry service now would equate to dunking the Southwest Nova economy back under water.

If we looked in isolation at the fact that the ferry numbers were down by 25%, then there would be cause for concern; however, this telescope view would clearly not provide a wider vista of how well the ferry is actually performing in comparison to the wider context of the economy as a whole; especially in the face of ongoing Covid challenges. The reality is that although the ferry numbers are down, they are doing comparatively well when viewed alongside a number of other key statistics.

The first point to highlight is that Covid is still very much impacting cross border travel as highlighted by Destination Canada who report 64% of US travelers believe crossing the Canadian border is difficult and 46% of Americans don't feel comfortable travelling. Destination Canada is also reporting that the number of visitors arriving by air from the US is down by 24% as of the end of June. The number of visitors arriving by land from the US is down by 42%. The number of US visitors arriving by water (ferries) is down by 78%. Nationally, all modes for overnight arrivals from the US are down compared to 2019. But despite all of this, the ferry is only down 25%! Comparatively, this should be viewed as a strong indicator that the ferry is well positioned to recover quickly when the economy begins to recuperate and Covid fears begin to subside.

Warren MacLeod, CAO

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Penny Smith, Warden

warden@municipalityofshelburne.ca

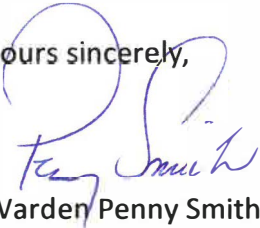
Beyond that, year over year our levy hotels have seen a 47% increase in room nights sold year to date and if that were not enough, they are even 2% above 2018 when the ferry last ran.

Transportation is the foundation upon which a thriving tourist sector is built and is necessary if we want to make Nova Scotia a destination of choice for travellers, particularly those from the United States. Investment in the ferry service is essential to supporting a key economic driver to ensure continued prosperity in our region.

Without the ferry service, there is little doubt that there would be a significant negative impact on our local economy and by extension, that of the whole Province. Now is not the time for uncertainty, but rather a time for your government to project strength and solidify its support of this valuable economic infrastructure, and by extension, the people and economy of this Province.

We look forward to receiving confirmation of your steadfast support of the Yarmouth international ferry service to Maine.

Yours sincerely,



Warden Penny Smith

C: Honourable Kim Masland, Minister of Public Works

C: Nolan Young, MLA – Shelburne