

Province investing in Yarmouth-Maine ferry service

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The province is investing in the Yarmouth to Maine ferry service to protect this important transportation link between southwestern Nova Scotia and the United States.

The province's Industrial Expansion Fund will cover financial losses for Bay Ferries Ltd. on its Yarmouth-Maine service to allow the company to maintain the operation for the 2009 season. The total amount of assistance will depend on the financial results of the service, but will not exceed \$12 million.

"Without this immediate assistance the service would not be able to continue," said Murray Scott, Minister of Economic and Rural Development. "We are supporting Bay Ferries while we work with all partners to develop a more permanent solution."

Changes in fuel costs together with economic challenges in the United States and now Canada have had an impact on the number of individuals using the ferry service, particularly in the past year. New passport requirements also take effect June 1, adding to uncertainty over Canada-U.S. travel.

A joint federal-provincial study will examine the transportation needs in southwest Nova Scotia to determine long-term decisions about the Yarmouth to Maine service. The federal government has committed \$1 million for the study.

"For the last 12 years, Bay Ferries and our employees have worked hard to continue this vital connection between southwestern Nova Scotia and the State of Maine," said Mark MacDonald, president and chief executive officer of Bay Ferries.

"For nine of those years, we proudly operated without government assistance, but now require support to continue to operate out of Yarmouth. Working with our government partners and the communities we serve, Bay Ferries is looking forward to reviewing the findings of the transportation study to put in place a long term solution."

Bay Ferries Ltd. operates the Cat high-speed ferry between Yarmouth and two ports in Maine, Bar Harbor and Portland. About 100 people are employed by the Bay Ferries service in Yarmouth. In 2008, 85,000 customers used the ferry service.

"Yarmouth continues to be an important entry point between Nova Scotia and the United States," said Scott. "Our recent investment in the Yarmouth International Airport speaks to our continued commitment to the southwest region and its importance as a gateway to Nova Scotia."

The province announced on Tuesday, Jan. 20, that it will invest \$2 million to help re-establish air service at the Yarmouth International Airport. The Yarmouth International Airport Committee recently reached an agreement with Starlink Aviation of Montreal to provide twice-daily round-trip flights connecting Halifax Stanfield International Airport, the Yarmouth airport and the Portland International Jetport. The move will create jobs in the area and help to stimulate the local economy.

The Industrial Expansion Fund is one method the government of Nova Scotia uses to support economic development in the province. It is key to helping industries involved in innovation and technology and contributing to a prosperous and sustainable business climate for Nova Scotia. There is considerable flexibility in the amount and type of funding it can provide.



Cat ferry