



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

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Reducing Off-Season Crossings, Adjusting Fares, and Using Partnerships Can Improve Ferry Division Efficiency

Summary

The North Carolina Department of Transportation's (DOT's) Ferry Division is responsible for providing safe, cost-effective, and dependable service for local residents and visitors. The Joint Legislative Program Evaluation Oversight Committee's 2015–17 Work Plan directed the Program Evaluation Division to review the ferry system with a focus on operations, savings, and fee structure optimization.

The Ferry Division can save over \$1.5 million annually by reducing the number of crossings on routes during periods of lower use. Tourist routes represent good candidates for reductions because they have greater variability in ridership than commuter routes.

Annual fare collections on currently tolled routes can be increased by \$1.7 million without adversely affecting area commuters. Vehicle fare increases would not adversely affect area residents who use ferry services to commute to and from work and school because of the availability of an annual commuter pass.

Using partnerships with other government entities and the private sector can reduce state funding requirements and improve the effectiveness of the ferry system. The current passenger-only initiative for the Hatteras-Ocracoke ferry route is an example of a partnership with a local government entity.

Development of a long-range plan provides an opportunity to take a systematic approach to identifying the most cost-effective contribution of ferry transportation services toward achievement of the mission of DOT and state strategic transportation goals. The plan should be based on a long-range forecast of the region's transportation needs and an assessment of future funding availability.

To address these findings, the General Assembly should amend state law to direct DOT to:

- produce a long-range plan for the ferry transportation system to include consideration of alternative pricing structures to achieve appropriate levels of operating cost recovery from vehicle and passenger fares;
- apply for a grant from the Golden LEAF Foundation for necessary support services; and
- evaluate the schedule of crossings for each ferry route to ensure services cost-effectively meet the needs of both area residents and tourists.