



# PROGRAM EVALUATION DIVISION

## NORTH CAROLINA GENERAL ASSEMBLY

October 2017

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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.