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Stéphane Cyr, Chief Administrative Officer
District of Clare
PO Box 458
Little Brook, NS B0W 1Z0

Dear Stéphane Cyr:

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 "Peter Hackett", with a long horizontal flourish extending to the right.

Peter Hackett, P.Eng.
Deputy Minister