

MAINE STATE LEGISLATURE

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S T A T E C O M M I T T E E
O N
T R A N S P O R T A T I O N N E E D S
I N
C A S C O B A Y

R E P O R T
TO THE
ONE HUNDRED FIRST LEGISLATURE

February 8, 1963

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S T A T E O F M A I N E

MEMBERS OF STATE COMMITTEE ON TRANSPORTATION NEEDS IN CASCO BAY

Senator Ralph D. Brooks, Jr., Chairman

Representative Norman Minsky, Secretary

Senators:

Senator E. Perrin Edmunds

Senator Sylvio J. Gilbert

Representatives:

Representative Richard N. Berry

Representative Ronald Kellam

Representative Edwin F. Maddox

Citizens of Maine:

Mr. Edward I. Bernstein

Mr. Sumner S. Clark

Mr. Seth Low

Mr. Robert L. Stevens

LETTER OF TRANSMITTAL

STATE COMMITTEE ON TRANSPORTATION NEEDS IN CASCO BAY

February 8, 1963

To the Members of the 101st. Legislature:

The State Committee on Transportation Needs in Casco Bay is pleased to submit herewith its report on its study and investigation of the present adequacy of public transportation in Casco Bay, and the extent to which improvements must be provided to meet the region's future transportation needs.

This report consists of a brief summary of the nature and scope of the investigation conducted, and recommendation agreed upon by the Committee.

STATE COMMITTEE ON TRANSPORTATION NEEDS IN CASCO BAY

By: Senator Ralph D. Brooks, Jr., Chairman.

S T A T E O F M A I N E

In the Year of our Lord Nineteen Hundred Sixty-One

S. P. 628 -- L. D. 1704

AN ACT Creating a State Committee on Transportation Needs in Casco Bay.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. STATE COMMITTEE ON TRANSPORTATION NEEDS IN CASCO BAY. A State Committee on Transportation Needs in Casco Bay is created. The committee shall consist of 3 members of the Senate to be appointed by the President of the Senate, 4 members of the House of Representatives to be appointed by the Speaker of the House and 4 citizens of Maine to be appointed by the Governor. The Governor shall designate the chairman. The members of the committee shall be reimbursed for their expenses actually and necessarily incurred by them in the performance of their duties.

Sec. 2. DUTIES OF THE COMMITTEE. The committee shall study the present adequacy of public transportation in Casco Bay, and the extent to which improvements must be provided to meet the region's present and future transportation needs.

Sec. 3. AUTHORITY OF THE COMMITTEE. In the discharge of any duty herein imposed the committee shall have the authority to administer oaths, issue subpoenas, compel the attendance of witnesses and the production of any papers, books, accounts, documents and testimony, and to cause the deposition of witnesses, either residing within or without the State, to be taken in the manner prescribed by law for taking depositions in civil actions in the Superior Court. In case of disobedience on the part of any person to comply with any subpoena issued in behalf of the committee, or on the refusal of any witnesses to testify to any matters regarding which he may be lawfully interrogated, it shall be the duty of the Superior Court of any county, or of the judge thereof, on application of a member of the committee, to compel obedience by proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued from such court or a refusal to testify therein. Each witness who appears before the committee by its order, other than a state officer or employee, shall receive for his attendance the fees and mileage provided for witnesses in civil cases in courts of record, which shall be audited and paid upon the presentation of proper vouchers sworn to by such witnesses and approved by the secretary and chairman of the committee.

Sec. 4. REPORT. The committee shall report its findings and recommendations to the 101st. Legislature.

Sec. 5. APPROPRIATION. There is appropriated from the Unappropriated Surplus of the General Fund the sum of \$2,000 to carry out the purpose of this act. Said appropriation shall not lapse but shall remain a continuing carrying account until June 30, 1963.

752-1

APPROVED

December 2, 1961

BY GOVERNOR

CHAPTER

246

P & S LAW

REPORT OF

STATE COMMITTEE ON TRANSPORTATION NEEDS IN CASCO BAY

I. The Committee held its organizational meeting in Portland, Maine, on January 25, 1962 and agreed upon a plan of operation for the conduct of its work. It was decided that the Committee should first embark upon a tour and visual inspection of the islands in Casco Bay and the existing transportation facilities consisting of the vessels owned by the Casco Bay Lines and the landing wharves utilized. The Committee further agreed to arrange for a meeting with the Public Utilities Commission in order to ascertain the conclusion arrived at by this State Commission in the course of its investigations and hearings on service and rates of the present operator, the Casco Bay Lines. The Committee also voted to hold public hearings at which any representative of the public, or interested citizens and groups of citizens would be invited to state their views concerning transportation facilities in Casco Bay. This of course will include island residents and organizations, as well as representatives of the Casco Bay Lines. Finally the Committee voted to consult with the Maine Port Authority in order to gain some knowledge of its experience in the operation of ferry service in other areas in Maine, as well as any suggestions the Authority might have concerning Casco Bay.

The foregoing undertakings were carried out during the course of the year by the Committee and there is set forth below a summary of the results of the Committee's work.

A. Tour and Visual Inspection of the
Islands and Facilities.

On the afternoon of January 25, 1962, as guests of the City of Portland, the Committee embarked upon the City of Portland fireboat and were conducted upon a thoroughgoing and extensive tour of the islands, with particular attention given to those islands presently served by the Casco Bay Lines. This visit to the islands, particularly the opportunity to observe the existing conditions of the wharf facilities and the geography of Casco Bay, was of particular benefit to several members of the Committee who, until this time, were not entirely familiar with local conditions. The Committee had an opportunity to observe improvements which had been made in the wharves, as well as what remains to be accomplished in order to complete adequate facilities for all of the islands.

At the conclusion of the trip on the Portland fireboat, the Committee visited the Portland terminal of the Casco Bay Lines and thus took advantage of the opportunity to inspect facilities of this company, consisting of its vessels and its waiting room facilities.

B. Meeting Held With State of Maine Public
Utilities Commission.

On February 14, 1962 the Committee met in Augusta with the Public Utilities Commission and members of its Staff.

The Commission Chairman reviewed for the benefit of the Committee the activities of the Commission during the past few years insofar as transportation in Casco Bay was concerned. He pointed out that the jurisdiction of the Commission was only that specifically conferred upon it by statute and

consequently it had dealt only with the adequacy of the facilities and the establishment of required rates and service. In general the conclusions of the Commission were that, although there had been many difficulties in recent years encountered by the operator of the transportation facility, the future seemed somewhat brighter.

As already noted by the Committee, new wharf facilities had been provided through a joint effort of the State and the City of Portland.

After lengthy hearings and thorough investigations the Commission has established a new schedule of rates which it feels will be beneficial to both the carrier and the travelling public. New schedules have been established providing for increased service during the summer months and adequate service during the remainder of the year.

In general it is the feeling of the Public Utilities Commission that no final determination should be made at this time on the question of private versus public ownership of a ferry service, since there has been insufficient time to give fair trial to the new rate schedule and service requirements established by the Commission. At least a full year and possibly longer would be required to provide a fair trial, on the basis of which this most important decision would be made.

The Commission was unanimous in its support of additional legislation which would provide jurisdiction of water transportation to the same extent that the Commission has jurisdiction of land based common carriers. The Commission

felt that such legislation is absolutely essential if there is to be any hope of continuation of private operation of transportation facilities in Casco Bay. Of course it would be even more essential in the event of any type of state subsidy on public operation.

The Commission pointed out that unfortunately legislation of a similar nature introduced in the 100th. Legislature improperly received classification as a "Monopoly Bill." This of course is not accurate and undoubtedly was partially responsible for its lack of success.

C. Public Hearings. The Committee met in Portland on March 15, 1962 for the purpose of providing an opportunity for all those citizens interested in the problems concerning Casco Bay transportation to state their views and furnish the Committee with their opinion as to the deficiencies existing. There were forty-one persons in attendance and all of the principal island groups and organizations were represented. In general there was almost universal complaint as to the adequacy of service provided and lack of satisfactory equipment. Although the passenger service provided by the Casco Bay Lines was criticized extensively, the bitterest complaints were directed toward the inadequacy of freight service, which resulted in hardship and an unduly high cost of living expenses on the islands. The residents of the islands were very optimistic in the forecasts for the development of the islands, provided adequate transportation facilities could be provided.

It must be reported that a majority of the

spokesmen expressed a complete lack of confidence in the present management of the Casco Bay Lines. The feeling was quite strong that little had been done to encourage patronage and that the policy of the company seemed to be directed toward abandonment of scheduled service for regular rides and retention of only the tourist business.

Those representing Chebeague Island dwelt almost entirely upon the arguments in favor of a bridge from the mainland. It is the very strong feeling of this group that such a bridge would be a very substantial tourist attraction for the entire area and, with the rapid growth of automobile travel, the only feasible solution of the transportation problem in this section of Casco Bay. With a series of connecting bridges and short distance shuttle service by water, the Chebeague Islanders are firm in their conviction that there would be a tremendous expansion of tourist business which would inevitably benefit the entire State of Maine.

At this public hearing the Committee, in addition to hearing from representatives of the travelling public, also heard a presentation by the management of the Casco Bay Lines. In general this presentation was a contradiction of many of the specific complaints made by the island residents. It pointed out that the U. S. Coast Guard maintained jurisdiction over the condition of the floating equipment and demanded the highest standards of safety and maintenance. The representatives of management felt that there was a lack of understanding on the part of their customers of present day costs and operating

difficulties; that there was undue resentment toward necessary fare increases and schedule curtailment brought on by lack of patronage. Finally the management felt strongly that the Public Utilities Commission must be given jurisdiction by the Legislature over the carriage of passengers in Casco Bay. The company presented a strong case, indicating that it was impossible to maintain adequate schedules with reasonable rates unless the carrier could be provided with protection against erosion of patronage by unauthorized operators.

D. Meeting With Maine Port Authority. The final area of exploration by the Committee in its search for background information and a basis for its conclusions was a meeting with representatives of the Maine Port Authority. As the agency of the State of Maine, the Port Authority has been in charge of the rehabilitation of the wharves in Casco Bay and thus was able to provide the Committee with a detailed account of this phase of the operation.

A complete description of what has been accomplished was presented and all of the records of the Authority pertaining to the rehabilitation of the wharf facilities were made available to the Committee.

In addition the representatives of the Authority provided a wealth of information derived from their experience in operating ferry service in Penobscot Bay. Although the two areas present different problems and the requirements of each are unique, nevertheless a great deal can be learned from the experience of the Port Authority in the operation of this ferry service.

II. Conclusions and Recommendations. At the outset the Committee is firm and unanimous in its conclusion and recommendation to the 101st. Legislature in favor of the adoption, without delay, of legislation designed to give the Public Utilities Commission jurisdiction over common carriers by water to the same extent that it presently holds over the operations of common carriers by land. The Committee does not believe it has the authority or duty to propose specific legislation of this nature, but strongly recommends that enactment of such a bill be undertaken at this session of the Legislature, utilizing the advice and counsel of the Public Utilities Commission.

There is no other conclusion so easily achieved. The remaining basic question concerns the extent, if any, of governmental subsidy or even government ownership and operation. The Committee has received suggestions and opinions on this subject, ranging all the way from complete government control and operation, to a strictly "hands off" policy in favor of private enterprise.

Perhaps the most difficult phase of this problem is the traditional resistance people in Maine have demonstrated whenever government operation of a private business is proposed. Maine people must be thoroughly convinced that private enterprise has completely exhausted every available opportunity to continue its operation. In this case at the present time there may still be a reasonable doubt that this stage has been reached. Our Public Utilities Commission, the agency of the State, which has been closest to this problem and spent a great deal of

time and effort in attempting to resolve the numerous problems of Casco Bay, believes that there has not yet been ample opportunity to test the effect of the recently inaugurated rate level and service schedule as incorporated in the latest decrees.

Certainly the management of the Casco Bay Lines feels positive of its ability to carry on a successful operation under present circumstances. Incidentally it should be borne in mind that both the Public Utilities Commission and the Casco Bay Lines representatives assume in this conclusion that protection would be afforded by adoption of legislation governing common carriers by water as previously recommended in this report.

The present operator is extremely confident that a substantial growth is available through expansion of tourist travel. Casco Bay Lines is very positive that promotional development of the islands, which it is most anxious to sponsor, would result in an increase in revenues which would provide the essential financial base necessary to support adequate service and facilities for the regular riders.

This is a pleasing prospect and one that could easily and quickly be seized upon as the future solution of all Casco Bay's problems. It would be popular, too, with all but a few of the most dedicated detractors of the present operation of ferry service in Casco Bay. Unfortunately, however, we have actually gone beyond this point at the present time. The State of Maine, together with the City of Portland, has taken over and reconstructed the wharves presently in use. This was done as an absolute necessity in order to insure continuation of

the present service. The private operator was totally unable to perform this rehabilitation, without which there could be no service today. Thus, at the present time, the service in Casco Bay rests, in part on State subsidy - namely, the provision of wharf facilities by the State and leased back to private enterprise.

The initial step has been taken and could not have been avoided. Thus the objection to the principle of State aid has been overcome by absolute necessity. It is the conclusion of this Committee that it is probable that there must be further participation by the State if adequate service is to be provided at rates which will permit the growth and development of the islands in Casco Bay.

The Public Utilities Commission has labored diligently with this problem and established rates which it sincerely hopes will provide a return to the operator sufficient to enable the continuation of service. At the same time the Commission has endeavored to hold the charges at a level which will permit full utilization of the service by the public. This is a delicate balance, for the law of diminishing returns commences to function very quickly in a situation of this nature. As labor and material costs increase in inflationary periods such as these, fares must correspondingly go up. This often results in a decline in patronage and the beginning of a vicious circle, which leads to ultimate disaster.

Now may not be the time to act in view of the considered judgment of our Public Utilities Commission of the desirability of a further trial period. An extension of time would also permit an opportunity to test the success of the

program of the Casco Bay Lines in the direction of tourist development.

The Committee believes, however, in the interim that consideration should be actively given to the development of a plan whereby an extension of the present system of State subsidy be provided to insure the type of adequate ferry service required for the development of Casco Bay. Specifically, the Committee recommends that the Maine Port Authority be given the duty of developing a plan whereby the necessary floating equipment to operate the service be acquired by the State and leased to a private operator, in much the same fashion as that which now prevails in regard to the wharves. It would be expected that the program developed would include an incentive for the operator to promote and develop a volume of traffic, as well as the necessary requirements for adequate service to the residents of the islands.

In order to implement the foregoing recommendations, this Committee recommends that this Legislature empower and charge the Maine Port Authority to prepare cost estimates for the equipment required to provide the necessary service in Casco Bay, together with a proposal containing the terms and conditions for the lease of such equipment to a private operator. It is recommended that such a proposal be embodied in legislation to be presented to the 102nd. Legislature, together with the required appropriation. At that time adequate opportunity will have been afforded to determine the success or failure of present experiments, and the

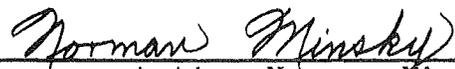
results thereof can be fairly appraised by the 102nd. Legislature in its consideration of the measure to be proposed by the Maine Port Authority.

Respectfully submitted,

STATE COMMITTEE ON TRANSPORTATION NEEDS IN CASCO BAY



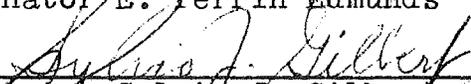
Senator Ralph D. Brooks, Jr., Chairman.



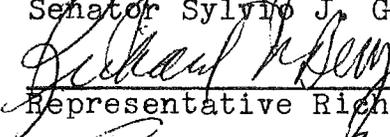
Representative Norman Minsky, Secretary.



Senator E. Perrin Edmunds



Senator Sylvio J. Gilbert



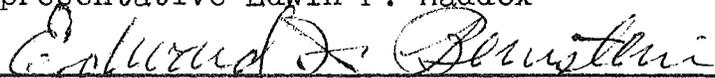
Representative Richard N. Berry



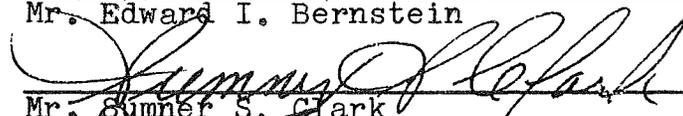
Representative Ronald Kellam



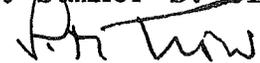
Representative Edwin F. Maddox



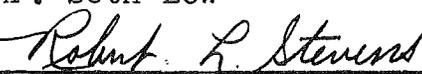
Mr. Edward I. Bernstein



Mr. Sumner S. Clark



Mr. Seth Low



Mr. Robert L. Stevens