

## CAT dead in the water

High-speed ferry service between Yarmouth and Maine to be scrapped

By MICHAEL MACDONALD The Canadian Press

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The CAT, a high-speed ferry that runs between Yarmouth and Bar Harbor, Me., won't return to the water next spring. Bay Ferries Ltd., which runs the service, said reduced passenger traffic makes the service no longer financially viable. (BRIAN MEDEL / Yarmouth Bureau)

The high-speed ferry service that links Nova Scotia to Maine was scuttled Friday, three days after the provincial government told Bay Ferries Ltd. it would stop subsidizing the money-losing operation.

Tourism operators were quick to denounce the shutdown of the ferry, known as the CAT, saying the move will hurt the province's economy well beyond the loss of 120 company jobs.

But the politician responsible for the file, Economic Development Minister Percy Paris, said the NDP government simply doesn't have the cash to keep the struggling business alive.

"The private company that was running the operation has said this is not viable, and I've agreed with them," Paris said in an interview. "That operation became more expensive over the years. ... We also recognize that we have to live within our means."

The province has invested \$20.2 million in the company since 2005, including \$12 million for the 2009 fiscal year.

Paris said he didn't know how the loss of the CAT will affect tourism.

"I don't have a crystal ball. I don't want to get hung up on numbers."

But he suggested the province won't suffer that much, noting that only one per cent of the Americans visiting Nova Scotia annually arrive on the CAT.

The 12-year-old ferry service operated seasonally from late May to October, travelling between Yarmouth, N.S., and two communities in Maine \_ Portland and Bar Harbor.

The sleek, high-tech vessel has a hull shaped like a catamaran and a stylized paint scheme that gives its bow a cat-like face, including whiskers.

Company president Mark MacDonald said the service couldn't survive without government help.

"Our company is not in a position to absorb the significant financial loss we would experience in the absence of government support," he said in a statement. "I am sorry to be sharing this news just before the Christmas holidays."

More than 76,000 people used the service this year, a 10 per cent drop since 2008. In the late 1990s and early 2000s, annual traffic ranged from 100,000 to 150,000.

MacDonald said business dropped off because of strict U.S. passport rules, a strong Canadian dollar and the weak economy in key American markets.

He said the company, a subsidiary of NFL Holdings Ltd. of Charlottetown, had successfully operated the service for nine years without government support.

In Yarmouth, the port town where the ferry is based, Mayor Phil Mooney said he was blindsided by the announcement.

“This just came out of the blue,” he said before heading to an emergency meeting with other politicians from southwestern Nova Scotia. “There was no forewarning. ... I’m still in disbelief.”

He said the town was reeling from the bad news, but he pledged to lead a fight to save the service.

“There’s going to be a groundswell, I’m not going to say a revolt,” he said. “We’re going to have a plan of attack.”

He said the general manager of two hotels in town said both businesses could be closed as early as this spring unless the CAT comes back.

That would put another 170 people out of work, said Mooney whose family has had a long association with passenger boats that have linked the province to Maine since the 1800s.

It’s the second time in as many months that Yarmouth has lost a provincially subsidized transportation link.

Last month, Starlink Aviation announced it was eliminating passenger service between Halifax and the town because a \$2-million provincial subsidy had been depleted earlier than expected.

Madonna Spinazola, general manager of the Destination Southwest Nova Association, said the wider impact of the ferry shutdown will be felt when the spring tourism season opens.

“The impact is going to be absolutely devastating for the Yarmouth area, there’s no question,” she said. “There’s a lot of ripples that are going to come off of this.”

Darlene Grant Fiander, president of the Tourism Industry Association of Nova Scotia, agreed.

“This is going to have a long-range impact on the whole province,” she said in an interview.

Those who took the CAT to Nova Scotia last year probably spent about \$40 million in the region, she said.

“It’s a lot of money coming into the province,” she said. “And it’s not just about Yarmouth.”

The winding up of the ferry service represents the end of an international access point to all of Atlantic Canada, she said.

“We’re spending millions of dollars in marketing for people to come here \_ and now some of those regions, we’ve just cut off,” Grant Fiander said. “It just doesn’t appear that it’s been well thought out.” Halifax MP Geoff Regan said the federal government must get involved.

“At a time when Ottawa is talking about economic stimulus for the economy, it seems to me that if the Harper Conservatives were serious, this would be an opportunity to step up and invest,” he said.

“It’s no wonder that numbers (of passengers) are down during a recession. The question is: is this a business that can survive in the long run?”

In Portland, Maine, city manager Joseph Gray said the community of 65,000 will miss the ferry, mainly because it offered an international gateway.

“It’s not the revenue I’m concerned about, it’s the loss of the prestige,” he said. “Having this ferry service to Canada offers another opportunity for people ... to enjoy another experience.”