

The General Court of the Commonwealth of Massachusetts Cape & Islands and New Bedford Delegations

*Senator Julian Cyr · Representative Antonio Cabral · Representative William Crocker
Representative Christopher Hendricks · Representative Randy Hunt · Representative Dylan Fernandes
Representative Christopher Markey · Representative Paul Schmid · Representative Sarah Peake
Representative David T. Vieira · Representative Timothy Whelan*



April 23, 2020

The Honorable Charles D. Baker
Governor of the Commonwealth
State House, Room 360
Boston, MA 02133

Dear Governor Baker,

Thank you for your leadership in steering our state through this unprecedented crisis.

We write to you today to request urgent financial support for the Steamship Authority (SSA). The Steamship Authority is the lifeline to the island communities of Martha's Vineyard and Nantucket. Without assistance, the SSA projects that it will no longer have the cash flow to operate through June 2020, threatening the viability of this essential transportation network for more than thirty thousand island residents and over three million passengers annually.

The Steamship Authority is a state enabled independent public authority with an operating budget of roughly \$110 million annually. Ships sail to the islands of Martha's Vineyard and Nantucket from the mainland ports in the municipalities of Barnstable, Falmouth, and New Bedford. Unique among transit entities in the Commonwealth, the SSA receives no state funding and has provided reliable service without operating at a deficit since 1962.

To fund its operation, the SSA relies upon ticket sales of passengers, vehicles, and freight. That model has served the SSA well and afforded the Authority the ability to cover its operating costs for well over half a century. However, it is exactly this reliance on fares that has made the SSA particularly vulnerable to the impacts of public health policies designed to curb the spread of this unprecedented pandemic. A steep decline in ridership and fares by 85% has led to a loss of \$1 million every week; those losses will

only increase as ridership remains low during a muted summer season. The SSA projects that it will be unable to cover its operating expenses by the end of May, and that it will have a deficit between \$40 and \$60 million (the wide range is due to the uncertainty of summer season visitor numbers) by the end of the calendar year.

Through the CARES Act, the state has received over \$1 billion from the federal government to support transportation networks in the Commonwealth. No funding was directly allocated to the boatline. The Cape Cod Regional Transit Authority received \$32 million from the CARES Act and, from a previous partnership with the SSA (through the Federal Transit Administration Urbanized Area Formula Funding program), the boatline secured \$9.8 million of that funding which, while helpful, only covered about two months of operational costs. The SSA must receive the funds necessary to cover its operating losses to shore up this critical transportation network. Due to its enabling statute, the SSA can only have cash on hand to cover up to two months of its operating expenses. We request that the Commonwealth establish a plan, consistent with the SSA enabling act, to distribute adequate funds to cover the boatline's losses.

In a letter dated April 16, 2020, the SSA requested that your office aid the SSA in applying to the Federal Reserve's Municipal Liquidity Facility program as an additional avenue to shore up cash flow for the agency. In addition to shoring up the SSA with needed financial assistance, we respectfully request that the Baker-Polito Administration work with the SSA to access this federal program.

The livelihoods of over thirty thousands island residents depend on the financial viability of the SSA. As representatives of the islands and the port communities that serve them, we respectfully and urgently request your assistance in shoring up the SSA and ensuring that the Authority's boats continue to set sail for the duration of the pandemic and subsequent recovery.

Respectfully,



Dylan Fernandes
State Representative
Barnstable, Dukes & Nantucket



Julian Cyr
State Senator
Cape & Islands



William Crocker
State Representative
2nd Barnstable



Randy Hunt
State Representative
5th Barnstable



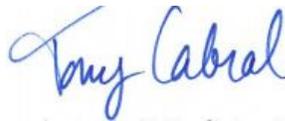
Sarah Peake
State Representative
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Timothy Whelan
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Antonio Cabral
State Representative
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Christopher Markey
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State Representative
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CC:

Lieutenant Governor Karyn Polito

House Speaker Robert DeLeo

Senate President Karen Spilka

House Ways and Means Chair Aaron Michlewitz

Senate Ways and Means Chair Michael Rodrigues

House Transportation Chair Bill Straus

Senate Transportation Chair Joe Boncore

Secretary of Administration and Finance Michael Heffernan

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