



Ministerial Statement to the House of Assembly

Charter Ferry “Millennium”

By

**The Hon. Shawn G. Crockwell, JP, MP
Minister of Tourism Development and Transport**

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Mr. Speaker, Members of the House may recall that back in March I announced that my Ministry was advancing plans to charter a ferry to supplement our existing Sea Express ferry service. The rationale of this stemmed from the planned introduction of the largest cruise ship to call Bermuda the “Norwegian Breakaway” which is scheduled to make 22 trips this season carrying over 4000 passengers. The charter vessel Millennium will provide additional lift capacity and will also provide relief to the existing fleet of ferries that are faced with increased maintenance demands associated with sustaining operations with an ageing local ferry fleet.

Mr. Speaker, as much as we strive to provide a reliable marine public transportation network, the complexity of these ferries in mechanical, electrical and electronic terms can make timely diagnostics and repair a challenge. As a result of the increased vessel age the Department has over the last 12 months sought extensive assistance from overseas vendors in order to overcome technical

challenges with onboard systems that may intermittently malfunction and ultimately threaten to cause a sustained service interruption. While an extensive work program was embarked upon by Marine and Ports staff through the 2012/2013 winter months to prepare our ferry fleet for this current cruise season it was clear that certain repair milestones could not be met.

Mr. Speaker, it should be pointed out that work on the jet propulsion systems on anyone of our four jet propelled ferries outfitted with four engines and four jet systems each requires that the boat be removed from the water at Dockyard one at a time using the only slipway cradle in Bermuda able to accommodate vessels of this size. I wish to highlight the hard work of the Department's technical personnel and all other staff members who played a supporting role with vessel slipping and maintenance functions.

Mr. Speaker, even our Dockyard facilities are proving an increasingly challenging environment to perform shipyard work given the tourism and retail developments nearby and on some occasions an onshore wind direction meant that repair work had health and safety implications and has had to be suspended.

Mr. Speaker, for certain the Ministry of Tourism Development and Transport has certain short and long term goals and this charter ferry will assist us in both time frames whereby the public transport capacity challenges of today will be overcome while the long term vision for the cruise industry at the east end of Bermuda is still being considered. Meanwhile, we must continue to transport our visitors from our cruise hub at the west end to the east end of the island if the full, beneficial impact of the cruise season is to be felt island-wide. The assignment of the Millennium with her 400 passenger capacity on the longer Dockyard to St. George's route

provides consistency in lift capacity with the opportunity for any passenger overflows to be catered for by a supplementary ferry pickup using our own fast ferry fleet as and when it is available.

Mr. Speaker, as I also previously stated, the Millennium will provide added flexibility in the Department's maintenance regime whereby our own boats can be systematically removed from service for mechanical work including potential engine replacement should this be required. Such pre-planned, preventative maintenance work may be as simple as an engine oil change but it still takes time and this is one item that we must undertake religiously if continued good engine function is to be sustained. Serious engine failures can be avoided with a proper maintenance schedule and this down time allows ancillary equipment including generator, air conditioning and Lloyds Registry classification survey work to all be undertaken in a timely and comprehensive manner.

Mr. Speaker, the demands on the Sea Express fleet are very real with early morning and evening commuter service to be fulfilled, while the remainder of the day is focused on providing cruise passenger lift between Dockyard and Hamilton and Dockyard to St. Georges. We endeavor to reach a position that the only boat out of service becomes the boat that we deliberately pull from service for scheduled maintenance.

Mr. Speaker, the contractual agreement for the ferry charter will cost the Government \$1.25 million dollars, and a portion of this cost will be offset by the projected increase of \$420,000 in revenues from the purchase of the Transportation Passes frequently used by visitors, these passes were recently increased by 25% effective 1st April 2013. Other peripheral costs relating to crew and vessel

operations and insurance were always going to be additional and they amount to approximately \$190,000 and these costs will also be potentially offset by anticipated reduction in costs to operate the existing fleet, including \$100,000 in reduced overtime and improved efficiencies with reduction in unplanned maintenance and additional shift work that currently occurs when there is disruptions in service.

Mr. Speaker, for the duration of the 6 month charter, the crew supplied by the owner in the form of a Captain and Chief Engineer will remain with the vessel assisted by four locally supplied crew. A temporary U.S. Mate will hand over his responsibilities to a Bermudian Mate over the next two weeks once a period of vessel safety familiarization has been completed. The vessel was subject to both U.S. and Bermuda safety inspections prior to commencing passenger service and with final gangway and fendering modifications completed Monday morning, the vessel commenced scheduled service around noonday. Operations to date have been going well and with the simultaneous arrival of the Norwegian Breakaway and the Celebrity Summit into port on Wednesday the Millennium reportedly carried 1,438 passengers on that day alone as part of its high speed service between Dockyard and St. Georges.

Mr. Speaker, having earlier indicated the comprehensive maintenance programme being undertaken to other Department ferries, the charter ferry's operating and fuel costs are expected to be offset to a large extent by the removal from service of other Sea Express vessels for planned maintenance. There is every reason to believe that if we provide a reliable service "the people will come" and Sea Express can regain its reputation as the best small island ferry service to be found anywhere in the world and be a highlighted feature of our destination.

Mr. Speaker, now with the announcement of cruise cancellations by the Grandeur of the Seas through July following her unfortunate fire onboard, our cruise season has been further shortened and we must make every cruise ship call now count all the more. I have confidence in the men and women of Marine & Ports to deliver this public transport service at what is a pivotal time for the tourism industry in Bermuda and I have already met with many of them in order to see firsthand some of the day to day challenges on the job that may be frustrating their efforts to sustain service levels. The investment in people and infrastructure ashore must continue to be made to the same degree as the capital equipment investment afloat and our Ministry will be undertaking to better achieve that balance going forward.

THANK YOU