

Town of Nantucket  
**NANTUCKET MEMORIAL AIRPORT**  
14 Airport Road  
Nantucket Island, Massachusetts 02554

Thomas M. Rafter, Airport Manager  
Phone: (508) 325-5300  
Fax: (508) 325-5306



*Commissioners*  
Daniel W. Drake, Chairman  
Arthur D. Gasbarro, Vice Chair  
Andrea N. Planzer  
Neil Planzer  
Jeanette D. Topham

Via Email

May 7, 2014

Board of Selectmen  
Town of Nantucket  
16 Broad Street  
Nantucket, MA 02554

Board of Governors  
Woods Hole, Martha's Vineyard  
and Nantucket Steamship Authority  
PO Box 284  
Woods Hole MA 02543

On behalf of the Nantucket Memorial Airport Commission, I am writing to express concern about the proposal to amend the license from the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") to Hyannis Harbor Tours, Inc., d/b/a Hy-Line Cruises ("Hy-Line") to permit Hy-Line to build a new high-speed ferry with increased passenger capacity and to operate the new vessel and the existing *Grey Lady* high-speed ferry on an increased schedule between Hyannis and Nantucket during shoulder and peak months. For the reasons explained below, the Airport Commission believes that the SSA's decision requires a dialogue within the communities potentially affected by the Hy-Line's proposed action to determine an appropriate transportation policy which balances the communities' interests between surface and air transportation options.

The Commission does not dispute that that SSA provides the "lifeline to the Islands" and does so well. There is no question but that Hy-Line also provides good service to Nantucket. The Commission does have concerns, however, about the SSA, in its regulatory role with respect to surface transportation providers to Nantucket, joining forces with Hy-Line in a way which puts existing air transport to the island from Cape Cod at serious risk.

In 1960, when SSA received its legislative mandate to provide the "lifeline" service, air taxi service from the Cape to Nantucket was in its infancy. Over time, the air taxi business was built by private enterprises without support from public authorities and reached its peak in 2000 when Nantucket Airport ("ACK") recorded 302,000 enplanements over all.

With the benefit of hindsight, the introduction in 1998 of high-speed ferries on the Hyannis-Nantucket run presaged a major change in the paradigm of travel from the mainland to the island. By 2013, ACK enplanements dropped to 173,000 or by 41 percent, virtually all relating to the Hyannis route. We believe, intuitively, that the Hy-Line's increased high-speed passenger capacity, along with the schedule increase, will further exacerbate the shift of passengers away from the air taxi operators to the high-speed ferries.

It is easy to point to the ticket cost differential between the high speed ferries and the air taxis as the reason for the shift and to use that as the rationale for increasing Hy-Lines' high-speed passenger carrying capacity under its license. However, we all know that the issue is much more complex than simply the fare differential. It is not just a matter of simple competition.

From the standpoint of SSA, the "head tax" that it receives for every passenger Hy-Line carries helps defer the cost of running its "traditional" freight and passenger service, without requiring any further investment in the high-speed service. That is all well and good, but there are also downsides. One is that the increased traffic on the high-speed ferry has left the downtown of Nantucket clogged with commercial vehicles parked on the streets overnight by commuting tradesmen. The crowding is now at the point where the Town has been compelled to seek a solution of remote parking. Both the problem and the solution are free to ferry customers, increasing the ferry advantage over those who might use an air taxi in lieu of the ferry. However, the remote parking solution has not come without cost to the Town.

The other side of the coin is that ACK is compelled to maintain an expensive and money-losing facility for commercial traffic (the air taxis and scheduled airlines) which is currently subsidized by ancillary services for commercial travelers (e.g. car rentals and parking) and by heavy fees on general aviation. Already, because of the drop in enplanements ACK has seen its FAA annual entitlement grant for safety maintenance and improvement fall by more than \$400,000 since 2008. That entitlement is based solely on commercial enplanements. The risk of further reductions in commercial traffic does not bode well for the airport's already precarious financial health; the reduced revenue could result in a structural deficit which would require an annual subsidy from local taxpayers.

At the worst extreme, the Airport Commission believes that the Hy-Line proposal, if permitted, could cause Nantucket to lose its air taxi service to Hyannis, essentially removing any freedom of choice for travelers to and from Hyannis. .

It should be noted that ACK, unlike SSA, has no authority to regulate or economically encourage third party service providers.

These are a few examples of the complexity of the transportation issue, including the relationship and the awkward interdependency between two public bodies that are both attempting to serve the best interests the Nantucket community, but have no formal method of coordination. The solution at this juncture is not unilateral action but the determination of a course of action by the governing bodies with over-all responsibility for the well-being of the affected communities. Broad-based community input is also essential to a decision which has such far reaching implications.

The action in 1960 to create the SSA incorporated public policy based on then current needs. Forty-five years later, the Airport Commission believes that policy needs to be revisited, either to be confirmed or to be adjusted to reflect current realities of the transportation requirements of the Town of Nantucket before additional actions, with potentially far-reaching consequences are undertaken. To that end, the Airport Commission, at its special meeting on May 6, 2014, considered and passed the following resolutions:

**RESOLVED to ask the Board of Selectmen of the Town of Nantucket to initiate as soon as practicable, acting alone or in coordination with the Town of Barnstable and others, the process of determining the public's reasonably foreseeable surface and air transportation requirements between Hyannis and Nantucket; to determine the infrastructure and financial impact to the Town of providing for those requirements; and, based on those determinations, to adopt a passenger transportation policy for the Town of Nantucket which shall be provided by no later than May 1, 2015 to the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority and the Nantucket Memorial Airport Commission for their guidance in providing (for) and/or facilitating appropriate passenger surface and/or air transportation between Hyannis and Nantucket; and**

**RESOLVED to ask the Board of Governors of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority to postpone any decision to change the license of Hyannis Harbor Tours, Inc., d/b/a Hy-Line Cruises to increase passenger capacity or increase the scheduling of high-speed ferry service operating between Hyannis and Nantucket until it shall have received the passenger transportation policy adopted by the Board of Selectmen of the Town of Nantucket and any similar submission that the Town of Barnstable indicates that it wishes to provide; provided however, that it is reasonable for the Board of Governors to set a deadline of not prior to May 1, 2015 for the receipt of such documents.**

The Commission also respectfully requests that the SSA hold the meeting at which the Hy-Line request is considered in either the Town of Nantucket or the Town of Barnstable, both of which would be economically impacted by the decision.

If you have any questions, please do not hesitate to contact the Airport Commission through the Airport Manager, Tom Rafter. (508-325-5304; [trafter@nantucketairport.com](mailto:trafter@nantucketairport.com)).

Thank you for your consideration.

Sincerely,

Daniel W. Drake  
Chair, Nantucket Memorial Airport Commission

Handout

**Third notice to all Tenants at Bunker Road:**

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

May     , 2014

Re:    Re:    Nantucket Memorial Airport, Bunker Road, Parcel       
          Notice of Discovery of Unexploded Ordinance

Dear \_\_\_\_\_:

In follow-up to our January 29 and February, 2014 notices regarding the discovery of unexploded ordinance at the Airport, please be advised that results from a test of soil samples originating from a leased parcel at Bunker Road indicate a concentration of arsenic in excess of the reportable limits for arsenic as allowable under the Massachusetts Contingency Plan as promulgated by the Massachusetts Department of Environmental Protection. The soil samples were taken from a soil stockpile on Airport property, which (soil) had been previously removed from the Bunker Road parcel. Given that the soil stockpile originated from a parcel on Bunker Road, we are providing this notice to inform you of the results of the soil tests, as well as to remind you of your obligations under Section 7.7 of the lease agreement (entitled, Hazardous Materials), which requires, among other things, that you indemnify the Airport for any claims, liabilities or damages resulting from the presence or release of hazardous materials caused or exacerbated by you, your agents, employees, contractors, etc. Please be advised that, except as may be performed by the U.S. Army Corps of Engineers (discussed below), the Airport does not intend, at this time, to perform soil testing at your premises.

In addition, we have received information from the U.S. Army Corps of Engineers indicating that the Corps intends, funds permitting and in consultation with the Airport and the Massachusetts Department of Environmental Protection, to commence, within the next 12 months, a remedial investigation of the area within the bounds of the Formerly Used Defense Site at the Airport (the FUDS site), which we understand includes your parcel. This investigation may include, among other things, soil testing, surveying, mechanical inspection, and excavation. It may also result in the need for additional investigations or remediation, the need or extent of which may not be known for some time. As we understand, these efforts are directed at discerning whether unexploded ordinance exists at the FUDS site, and to remove any such ordinance. It is not intended, however, to remediate any reportable conditions of any hazardous materials that, in the Corps' opinion, are not the byproduct of any ordinance at the FUDS site. Although the Corps has reported to the Airport that there is a low or moderate risk of unexploded ordinance existing at the FUDS site, these efforts are necessary, prudent and appropriate. We expect, therefore, your full cooperation with these efforts, and will keep you

## Janine Torres

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**From:** Geoffrey Smith <nantucketgeoff@yahoo.com>  
**Sent:** Wednesday, May 07, 2014 10:05 AM  
**To:** ddrake@ackquack.com; Janine Torres; Steven Cohen  
**Cc:** Heather L NAE Sullivan  
**Subject:** Fwd: [EXTERNAL] Bunker Road Nantucket (UNCLASSIFIED)

Commissioner Drake,

As requested at yesterday's meeting, below are the correspondences that I have had with Heather Sullivan, the airport's point person at the Army Corps. Heather has been very helpful in making me understand what happens with testing in a FUDS site. She mentioned that outside of the 2 acre testing site, the 500 acre FUDS site should be business as normal.

If there is another issue in regard to the finalization of my lease, I would respectfully ask that it come out into the open. I have taken enough of the airport staff and commission's time and would like to move forward with this lease as soon as possible.

Best regards,  
Geoff Smith

Sent from my iPhone

Begin forwarded message:

> Classification: UNCLASSIFIED  
> Caveats: NONE  
>  
> Hi Geoff,

*read aloud @  
5.6.14 meeting*

> I wanted to summarize our discussion earlier today. Although the FUDS "property" is over 500 acres, the only "project" that we currently have is the 2 acre MRS. That 2 acres site will be the focus of our Remedial Investigation. We do not anticipate our project going beyond the 2 acres. The funding has been secured for the investigation and any additional testing done by private parties would not affect the future funding or work at the site. If testing is done privately, we ask that results be provided to us to incorporate into our investigation. We do not see an issue with the use of the 2 acre site while we are doing our investigation as long as we have access when we need to do our field work. Excavation activities should be limited on the 2 acre MRS to the extent possible until we are done with our investigation. Our investigation will be limited to the 2 acre site, therefore activities on other portions of the property can continue without impacting our funding or project.

>  
> Please let me know if you need any additional information.

>  
> Heather

>  
> -----Original Message-----

> From: Geoffrey Smith [mailto:nantucketgeoff@yahoo.com]  
> Sent: Saturday, May 03, 2014 2:06 PM  
> To: Sullivan, Heather L NAE