

Chappaquiddick Ferry License — Comparison of Terms

1993 Current License (Edgartown Ferry, Inc.) vs. 2023 Draft 5 (Chappaquiddick Ferry Inc.)

Key to status indicators:

■ **New** Provision added in 2023 Draft ■ **Changed** Materially different from 1993 ■ **Same** Substantially identical in both versions

Provision	1993 License — Edgartown Ferry, Inc. (EFI)	2023 Draft 5 — Chappaquiddick Ferry Inc. (CFI)
Licensee ● Changed	Edgartown Ferry, Inc. (EFI)	Chappaquiddick Ferry Inc. (CFI)
Purpose ● New	Not stated.	Explicitly states the license seeks to fill the compelling needs of the Chappaquiddick Island community, ensure reliable public transportation, and allow a profitable, sustainable operation for CFI. Describes the ferry as a "lifeline" to Chappaquiddick residents.
Term ● Changed	Five-year term with automatic renewal for successive five-year periods, except for just cause.	No fixed term. The Board may revoke at any time; CFI may surrender after 120 days' written notice. Every five years the Board conducts a public review of license terms.
Annual fee ● Same	\$50.00 per year (for the first five years).	\$50.00 per year.
Schedules ● Changed	Board approves all schedules after public process with hearing.	Emergency (on-call) passage available 24 hours/day. Board must approve all hours of attended operation after public process and hearing before any change.
Rate-setting process ● Changed	Board approves all maximum rates after public process, hearing, and confidential review of EFI's financial records when a change is requested.	Two-method regime. Method One: petition with certified audited financials (two years), balance sheets, P&L, accountant peer-review. Board may issue report within 45 days; no hearing until 15 days after report. Method Two (emergency alternative, once per 5-year period): increase limited to 1/2 of CPI since last increase; no full financial disclosure required.
Operating ratio standard ● New	Not addressed.	Board targets an Operating Ratio (expenses as % of revenue) of 90-100%. If OR exceeds 100% in any year, CFI must apply to the Board for relief under MGL Ch. 88 §6.
Financial record requirements ● New	Not specified beyond confidential review.	CFI must maintain inventory controls, passenger fare reconciliation forms, monthly cash receipts journals, and periodic summary sales reports. Board may inspect all financial records. Financial information deemed privileged and not publicly disclosed except as required by law.
Free / discounted passage ● Changed	All town vehicles bearing State Plates travel free of charge.	No free passage except for bona fide CFI employees during scheduled, on-clock employment. All discounts or free passage counted as full-fare revenue for OR calculation. Town vehicle free passage is eliminated.

Year-round residency qualification <ul style="list-style-type: none"> • New 	Not addressed.	Defines "Year Round Resident": notarized affidavit required; primary/permanent domicile on Chappaquiddick per MA DOR definition; physically present ≥183 days/year; MA driver's license or ID showing Chappaquiddick address; no intent to return to prior domicile.
Cut line policy <ul style="list-style-type: none"> • New 	Not addressed.	Board determines the cut line policy and rates after public process and hearing.
Transfer of license <ul style="list-style-type: none"> • Same 	Not transferable without Board permission, which shall not be unreasonably withheld.	Identical: not transferable without Board permission after public process with hearing; permission not unreasonably withheld.
Ready service / performance standard <ul style="list-style-type: none"> • New 	Not addressed.	Within six months, Town and CFI must jointly develop real-time measures of vehicle wait time and hourly throughput, and agree on acceptable/optimal standards. CFI is in default if actual wait time exceeds the agreed standard and throughput falls below the agreed standard, absent defined extenuating circumstances (extreme weather, emergency vehicles, emergency repairs, seaweed/flooding).
Emergency takeover (short-term) <ul style="list-style-type: none"> • Same 	If public safety requires it, Board may vote to take over operations for up to 10 days by providing written notice to EFI or posting notice at ferry run.	Substantially identical: Board may vote immediate takeover for up to 10 days by written notice to CFI or posting at ferry run.
License suspension/revocation takeover (long-term) <ul style="list-style-type: none"> • Same 	If Board suspends, revokes, or does not renew, Board holds public hearing (10 days' notice), then may operate ferries for up to 90 days.	Substantially identical structure and timeline.
Takeover escrow & expenses <ul style="list-style-type: none"> • Same 	Revenues placed in separate fund; Town may spend only on normal operations (wages, fuel, repairs, insurance, mortgage). No Town overhead paid from fund.	Identical provisions.
Option to purchase — valuation process <ul style="list-style-type: none"> • Same 	CFI/EFI submits FMV opinion within 10 days; Board has 10 days to accept or counter; CFI/EFI has 5 days to accept/reject; if rejected, arbitrators designate third appraiser within 5 days; third appraiser renders value within 10 days; Board has 5 days to accept/reject.	Identical timeline and process.
Option to purchase — town meeting & closing <ul style="list-style-type: none"> • Same 	Town meeting scheduled within 30 days of agreement; closing within 20 days of vote. CFI/EFI delays extend Town's operating window by equal days.	Identical provisions.
Title warranty & closing mechanics <ul style="list-style-type: none"> • Same 	EFI warrants good and clear marketable title; must disclose encumbrances; remaining escrow returned to EFI at end of takeover period; at closing, full transfer of assets against certified check.	Identical provisions for CFI.

Prepared June 2023. This document summarizes the principal differences between the 1993 license (signed August 17, 1993, Edgartown Board of Selectmen) and the 2023 Draft 5 (dated June 14, 2023). It is not a legal opinion.