

**MICHIGAN DEPARTMENT OF TRANSPORTATION  
CONSTRUCTION OF FERRY BOATS AND FERRY TERMINAL FACILITIES FORMULA  
PROGRAM APPLICATION INSTRUCTIONS**

**I. PROGRAM DESCRIPTION**

The Michigan Department of Transportation's (MDOT's) Office of Passenger Transportation (OPT) is administering the Construction of Ferry Boats and Ferry Terminal Facilities Formula Program (FBP) to fund the construction of ferry boats and ferry terminal facilities. The program provides Federal Highway Administration (FHWA) FBP funding for these capital projects. A grantee may submit an application for all or a portion of their allocated funds. Apportionments can be found on the FHWA Construction of Ferry Boats and Ferry Terminal Facilities Formula Program (FBP) website at [FBP Funding Available for Allocation - FBP - Federal-aid Programs - Federal-aid Programs and Special Funding - Federal Highway Administration \(dot.gov\)](https://www.fhwa.dot.gov/programs/transportation/ferryboat/).

**FBP Guidance and Additional Information**

- [FBP - Federal-aid Programs - Federal-aid Programs and Special Funding - Federal Highway Administration \(dot.gov\)](https://www.fhwa.dot.gov/programs/transportation/ferryboat/)
- [Ferry Boat Program \(FBP\) FY 2023 Full Year Distribution of Funds \(05/17/2023\)](https://www.fhwa.dot.gov/programs/transportation/ferryboat/)
- [Implementation Guidance for the Ferry Boat Program \(FBP\) as Revised by the Bipartisan Infrastructure Law \(04/21/2023\)](https://www.fhwa.dot.gov/programs/transportation/ferryboat/)
- [Bipartisan Infrastructure Law - Ferry Boat Program \(FBP\) Fact Sheet | Federal Highway Administration \(dot.gov\)](https://www.fhwa.dot.gov/programs/transportation/ferryboat/)

If you need assistance with your application, please contact the applicable MDOT Project Manager as listed on Appendix 1.

If needed, this application instruction document may be made available in alternative formats such as Braille, large print, audio tape, or compact disc.

**Communication Protocol**

All communication from the eligible ferry boat entities and cooperating agencies will pass through the MDOT designated Project Manager (PM).

MDOT OPT is the lead agency for the FBP. FHWA Michigan Division Office is responsible for coordination efforts between the FHWA Headquarters and any support personnel.

**Eligible Projects and Activities**

ELIGIBILITY: FBP funds may be used for the construction of ferry boats, ferry terminals, and ferry maintenance facilities in accordance with 23 U.S.C. 129(c) and 147(g).

- a. An eligible project and entity must meet all the following conditions:

1. It is not feasible to build a bridge, tunnel, combination thereof, or other normal highway structure in lieu of the use of such ferry (23 U.S.C. 129(c)(1)).
  2. The operation of the ferry shall be 1) on a route classified as a public road within the State, and 2) that has not been designated as a route on the Interstate System, or 3) on a public transit ferry eligible under chapter 53 of title 49. Projects under this subsection may be eligible for both ferry boats carrying cars and passengers and ferry boats carrying passengers only (See 23 U.S.C. 129(c)(2)).
  3. The ferry boat or ferry terminal facility shall be publicly owned or operated or majority publicly owned if the Secretary determines with respect to a majority publicly owned ferry or ferry terminal facility that such ferry boat or ferry terminal facility provides substantial public benefits (23 U.S.C. 129(c)(3)(A)). Any Federal participation shall not involve the construction or purchase, for private ownership, of a ferry boat, ferry terminal facility, or other eligible project under this section (23 U.S.C. 129(c)(3)(B)).
  4. The operating authority and the amount of fares charged for passage on such ferry shall be under the control of the State or other public entity, and all revenues derived therefrom shall be applied to actual and necessary costs of operation, maintenance, repair, debt service, negotiated management fees, and, in the case of a privately operated toll ferry, for a reasonable rate of return (23 U.S.C. 129(c)(4)).
  5. The ferry may be operated only within Michigan (including the islands which comprise any territory of Michigan) or between adjoining States or between a point in Michigan and a point in the Dominion of Canada. Except with respect to operations between the islands which comprise any territory of Michigan, operations between a point in Michigan and a point in the Dominion of Canada, including stops at appropriate points in the Dominion of Canada, no part of such ferry operation shall be in any foreign or international waters.
  6. The ferry service shall be maintained in accordance with 23 U.S.C. 116 (23 U.S.C. 129(c)(6)).
  7. Data contained in the most recent NCFO database will be used to determine eligibility (23 U.S.C. 147(g)).
- b. Eligible Activities: For activities to be considered eligible, eligibility as described in Section F1 through F4 of the [Ferry Boat Program Implementation Guidance \(April 21, 2023\) \(dot.gov\)](#) must first be met. Eligible activities include:
1. Construction, as defined in 23 U.S.C. 101(a)(4), or purchase of ferry boat and ferry terminal facilities, including ferry maintenance facilities, whether toll or free, and the procurement of transit vehicles used exclusively as an integral part of an intermodal ferry trip (23 U.S.C. 147(a) and 23 U.S.C.

129(c)). b) Operating cost of an eligible entity as defined in Section E.8. (See 23 U.S.C. 147(k)). c) The capital and operation (see 23 U.S.C. 147(k)) portion of the cost of leasing a vessel or facility. Operations cost eligibility is described in Section F.2. Only public entity operations costs are eligible for FBP funding. The costs of participation should equal the annual lease costs and Federal-aid may not pay for the entire lease period costs up front.

2. Construction, as defined in 23 U.S.C. 101(a)(4), or purchase of ferry boat and ferry terminal facilities, including ferry maintenance facilities, whether toll or free, and the procurement of transit vehicles used exclusively as an integral part of an intermodal ferry trip (23 U.S.C. 147(a) and 23 U.S.C. 129(c)). Operating cost of an eligible entity as defined in Section E.8. (See 23 U.S.C. 147(k)).
  3. The capital and operation (see 23 U.S.C. 147(k)) portion of the cost of leasing a vessel or facility. Operations cost eligibility is described in Section F.2. Only public entity operations costs are eligible for FBP funding. The costs of participation should equal the annual lease costs and Federal-aid may not pay for the entire lease period costs up front.
- c. Applicability of Planning Requirements: Projects must be identified in the Statewide Transportation Improvement Program (STIP)/Transportation Improvement Program (TIP) and be consistent with the Statewide and Long-Range Transportation Plan and the Metropolitan Transportation Plan(s) pursuant to 23 U.S.C. 135.
- d. Ferries which serve the National Highway System (NHS): Pursuant to 23 U.S.C. 147(j), projects for ferries that serve as a highway link between two points of the NHS must be designed and constructed under all provisions applicable to the NHS.

### **Local Match**

This program requires a state or local match of 20 percent. The Federal Highway Administration funds will provide 80 percent up to the allocation amount.

In the case of a project to replace or retrofit a diesel fuel ferry vessel that provides substantial emissions reductions, the Federal share of the cost of the project may be up to 85 percent, as determined by the State (BIL Section 11117(b)(1)). The provision for increased Federal share to replace or retrofit a diesel fuel ferry vessel terminates on September 30, 2025 (BIL Section 11117(b)(2)). The sliding scale Federal share does not apply to this program. Other matching flexibilities such as donations and “soft match” may be considered. Guidance can be found at [Matching or Cost Sharing Requirements - Finance- Federal-aid Essentials for Local Public Agencies \(dot.gov\)](#).

## **Federal Requirements**

All ferry boat projects are to be constructed in accordance with Title 23 of the United State Code and Title 23 of the Code of Federal Regulations. This includes all planning, environmental, design, authorization, advertising, and construction requirements. For projects obligated by MDOT Local Agency Program (LAP), LAP will provide oversight for these projects.

## **Flex Funds**

If at the discretion of OPT project funds are to be flexed, or transferred, to the Federal Transit Administration (FTA), OPT will work with the applicable entity and FHWA/FTA to transfer the funds. Once the funds are transferred to FTA, projects will follow the FTA requirements and regulations. OPT will be responsible for oversight of these projects.

If at the discretion of MDOT funds are flexed or transferred to the National Park Service, LAP will work with the applicable entity through the Volpe Center and with FHWA and NPS to transfer the funds. A Memorandum of Agreement will need to be signed between FHWA, MDOT, the Volpe Center and the National Park Service.

## **II. APPLICATION REQUIREMENTS**

Please follow the instructions as provided in Section E. Marine Passenger Program and Ferry Boat Formula Program of the [FY 2025 Annual Application Instructions for Public Transit Programs](#).

### **A. Required Application Form**

The following application form will need to be submitted by **Feb. 1, 2024**, to your OPT Project Manager

#### **Project Summary – Ferry Boat Application Form**

This form requires specific project information, see Appendix 2. Please be specific with your project description so eligibility determination can be made by MDOT and FHWA.

## Appendix 1

### Ferry Boat Formula Program Project Managers

#### **Agency**

Beaver Island Boat Co.  
Charlevoix County Transportation Authority  
(Ironton Ferry)  
Eastern U.P. Transportation Authority  
Grand Island Ferry Service  
Isle Royale National Park Service  
    Operated Ferry – Ranger III  
Mackinac Island Transportation Authority  
Manitou Island Transit  
\*Plaunt Transportation Company Inc  
The Isle Royale Line

*\*currently ineligible to receive funds*

Project Manager contact information:

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#### **MDOT Project Manager**

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## Appendix 2

### Ferry Boat Formula Program Application Form

Link: [Project Summary Ferry Boat Formula Program Form](#)