

**QUESTIONS TO BE ASKED OF THE PRESIDENT OF THE HARBOURS AND AIRPORT
COMMITTEE ON TUESDAY 21st OCTOBER 2003, BY THE DEPUTY OF ST. JOHN**

Question 1

With regard to harbour dues, would the President inform members –

- (a) whether the Committee is considering reducing harbour landing dues for this winter, and, if so, by how much? and,
- (b) whether the Committee intends to approach the Tourism Development Fund to assist in reducing landing dues at the harbour, and, if not, the reasons for this?

Answer

- (a) The Committee has already considered and agreed to discount harbour dues at 50 per cent on passengers and private cars for the winter period, 7th November 2003 - 27th March 2004.
- (b) No. It would, in my view, be more appropriate for ferry operators to seek such funding for marketing activity.

Question 2

With regard to the current situation regarding Emeraude Lines' financial difficulties, will the President inform members –

- (a) whether the Committee will be working closely with the French Court representative in a manner that will benefit all the Emeraude employees, travelling public and Harbours Department? and,
- (b) following receipt by all members of an open letter from a member of the public with reference to harbour dues, would the President advise whether he has responded to that letter, and, if so, whether he will be copying the response to members and if not, why not?

Answer

- (a) Yes, and as part of that process, the Committee expect to be meeting with the Administrateur Judiciare in the next few days.
- (b) Yes, I have responded to that letter and copies have been distributed to Members.

Question 3

With regard to the Jersey-St. Malo ferry route, would the President inform members –

- (a) of the Committee's reasons for opening up the route to two operators earlier this year?
- (b) whether it is the Committee's intention of re-instating the Jersey-St. Malo route to a single operator, and, if not, the reasons for this? and,
- (c) whether a service level agreement is to be put in place for all commercial operators who service the Jersey-St. Malo route, and, if not, the reasons for this?

Answer

- (a) I have already effectively answered this question in my response to Senator Edward Vibert.
- (b) The ramp permits for both Condor and Emeraude expire at the end of 2004.

During the next twelve months, we shall be consulting with the Economic Development Committee regarding as to how the ramp permits should be allocated from 1st January 2005.

- (c) As part of our consultation with the Economic Development Committee, we shall be considering the desirability of negotiating service level agreements.

Question 4

Will the President inform members –

- (a) whether the Harbour Authorities, at the time of the seizure of Solidor V, had been holding meaningful talks with the French Administrator appointed by the Tribunal de Commerce in France to run Emeraude Lines' affairs, and, if not, the reasons why? and,
- (b) whether the French Administrator was present at discussions with the management of Emeraude Lines immediately following the seizure of Solidor V, and, if not, at what time during negotiations was the Administrator brought into the discussions and the reasons for this delay?

Answer

- (a) At the time of the arrest of Solidor 5, we were not in any talks with the French Administrateur.

Additionally, and I quote from the legal advice received by the Committee at the time, "in the absence of a charge or any other form of security, as a practical matter we are unlikely to find relief from an administrateur in France. There would seem to be little benefit in negotiating directly since any claim would be inferior to the principal secured creditors of Emeraude."

The Committee had three reasons to effect the Ordre Provisoire and then negotiate:

1. It was made clear to me by the Deputy Bailiff that the Ordre Provisoire could not be mentioned in discussions and that any suggestion of undue influence or duress was to be avoided;
2. It was clear that the Committee ranked as an unsecured creditor under French insolvency law and could expect a polite dismissal if it raised a letter of enquiry. The Committee was not seeking to ride roughshod over the interests of French creditors, but rather to protect Jersey's interests; and,
3. It was important that the Committee conducted any discussion when it was in the best possible position to achieve a result. The procedure followed was consistent with advice by specialist French avocats acting on our behalf.

The onus was properly placed upon Emeraude and the Administrateur to enter into talks with the Committee, as would be the case in any other procedure of this nature.

Following the Committee's actions and subsequent discussions, it now has the recognition it required, and guarantees regarding ongoing dues and comfort in connection with outstanding dues.

- (b) I have no way of knowing when the Administrateur started any discussions with the management of Emeraude.

For our part, communications commenced on Tuesday 7th October 2003, and negotiations were completed on Wednesday 8th October 2003, after eight hours of talks directly between the Administrateur and myself. On Thursday 9th October 2003, I received a letter from the Administrateur thanking me for the

time, attention and understanding that I had shown.