

**QUESTIONS TO BE ASKED OF THE PRESIDENT OF THE HARBOURS AND AIRPORT
COMMITTEE ON TUESDAY 2nd DECEMBER 2003, BY SENATOR E.P. VIBERT**

Question 1

Will the President give a full report of his discussions with the Tribunal de Commerce in St. Malo in relation to the takeover of Emeraude Lines?

Answer

On the evening of Monday 10th November 2003, I was advised by the Administrateur Judiciaire that the Tribunal de Commerce was to sit on the following Wednesday and would be considering one bid only for the assets of Emeraude Lines SA, that from the French Compagnie Nationale de Navigation. I was further informed that that company had no intention of making any payment to Channel Island creditors. This was in direct contrast to at least one of the other bids which had been made to the Tribunal.

I, therefore, made arrangements to appear before the Tribunal and travelled to St. Malo on the Wednesday, supported by the Chief Executive of the Harbours Department, our legal adviser and the Chairman of the Save Emeraude Group.

My aim was threefold. Firstly, to ensure that the Tribunal, and any bidders for the assets of Emeraude Lines SA were aware of our ramp permit regulations; secondly, to persuade the Tribunal to consider the other bids which had been made; and thirdly, at the request of the President of the Jersey Hospitality Association, to represent the interests of Jersey creditors from the tourism and related industries. I believe that I was successful on all three counts.

I was at pains to assure the Tribunal that the Jersey authorities recognised that the decision regarding the future of Emeraude Lines SA and its assets was solely in the jurisdiction of the Tribunal.

The Tribunal also recognised that the process and eventual granting or otherwise of a ramp permit for St Helier Harbour was exclusively a matter for the Jersey authorities.

I advised the Tribunal de Commerce that when considering an application for a ramp permit the Committee would take into account operational, safety and solvency issues as well as the social and economic benefits to the Island, and, in the current circumstances, how the bona fide Jersey creditors would be treated. I also advised the Tribunal that I would expect any application to be dealt within a period of three to four weeks from receipt.

During the course of my discussions with the Tribunal, to which I gave evidence for about an hour, it was suggested to me that by not automatically granting a ramp permit to any successful bidder for Emeraude Lines SA's assets the Harbours and Airport Committee could be blamed for the liquidation of Emeraude Lines. My response was, as I recall, "such is life", and added that I was aware that the Committee was not responsible for Emeraude's financial difficulties.

When pressed by the President of the Tribunal to explain the reasons for Emeraude's financial failure, I declined to speculate as this was not the purpose of my attending and my opinion on this issue was not relevant to the proceedings. The President of the Tribunal accepted this position.

As a matter of interest, I have been advised at an official level of the possibility of investigations in France into the financial affairs of the company and its former management.

The Tribunal did attempt to persuade me that we should agree to transfer the existing ramp permit issued to Emeraude Lines SA to the purchaser of the assets. I explained that although there was no provision in the regulations for such a transfer, such a transfer could be attractive to the Jersey authorities as one of the conditions

to the permit requires the harbour dues to be paid in full within seven days. The Tribunal recognised the difficulties this could cause to a potential purchaser.

As a result of my submissions and, doubtless, those of others, the Tribunal decided that it would, after all, consider the bids made by the other parties who had indicated an interest in purchasing the assets of Emeraude Lines SA, which, as I said earlier, was one of our objectives. There is no doubt that we were at the end of that day in a much better position than we were at the beginning.

This can only be a précis of the events at the Tribunal, but I would wish to add that at all times the Jersey delegation was treated with respect and courtesy, and I believe that this treatment was reciprocated.

I have written to the President of the Tribunal to express my thanks for her consideration and understanding.

Question 2

Would the President confirm whether the Committee will do everything possible to ensure that no obstacle is put in the way of the new owners of Emeraude to continue the tradition of service to the Island established by Emeraude Lines in providing a reliable, all year-round service between St. Helier and St. Malo.

Answer

The Harbours and Airport Committee continues to work closely with the new owners of Emeraude Lines SA's assets with the ambition of securing a seamless transfer of service, and a secure, year-round, affordable ferry link provided by companies properly and securely financed and with management of probity.