

**QUESTION TO BE ASKED OF THE PRESIDENT OF THE HARBOURS AND AIRPORT
COMMITTEE ON TUESDAY, 4th NOVEMBER 2003 BY SENATOR P.V.F. LE CLAIRE**

Question

Would the President –

- (a) advise members what type of viability study the Committee envisages holding into whether the St. Malo-Jersey route is a ‘natural monopoly’ and whether the Committee believes that the Administrateur Judiciaire of Emeraude Lines’, Madame Sophie Gautier, is able to help in this process?
- (b) confirm that the Committee considers that such a study cannot be undertaken by the Jersey Competition Regulatory Authority?
- (c) inform members what he meant when he stated that he wanted to make sure such a study would be ‘truly independent and the further away from government the better’ and was this statement an indication that he does not believe that the Jersey Competition Regulatory Authority is truly independent?

Answer

- (a) The type of viability study is best indicated in the following draft terms of reference:

- ‘1. To carry out an in depth review of the economics and future viability, of passenger and car carrying ferry services between the Island and France and the Island and the United Kingdom operating year round with capacity to meet the demands of all categories of user (island residents, tourists, day trippers, commercial) and at the best value; and
- 2. To recommend action that could be taken to enhance the viability and security of the services; and whether or not the long term interests of the Island would be served by encouraging open competition’.

I shall expect the study to take full account of the work already done and to build on it so that we are not paying for old ground to be re-worked.

Members may want to consider these draft terms and I am more than happy to receive input, which might improve the specific nature of them.

It is my opinion that those selected to carry out the study will wish to meet with a wide range of people. The study will need to concentrate on economic and commercial facts, rather than opinion. In this regard, the Administrateur Judiciaire of Emeraude Lines may well be a key person.

- (b) The Jersey Competition Regulatory Authority made it clear in its car ferry study (page 6, 3rd bullet point) that consultants would be needed.

It is also explicit in article 6(3) and 6(4) of the Competition Regulatory Authority (Jersey) Law 2001, that external bodies with their own expertise should advise the Authority and that such advice can then be provided to the Economic Development Committee.

The study cannot therefore be undertaken by the JCRA itself.

- (c) By making this statement I meant that we need commercial facts to progress matters. Opinions or personal loyalties to one company or another can obscure the facts. I think that a study carried out independently of Government will help to reassure the public that they are getting the facts.

- (d) As to the extent of the Authority's independence, its functions under article 6(2) and 6(4) are quite independent of government as is made explicit under article 10(2) and I certainly do not dispute that.