

**WRITTEN QUESTION TO THE PRESIDENT OF THE
HARBOURS AND AIRPORT COMMITTEE
BY THE DEPUTY OF ST. JOHN**

ANSWER TO BE TABLED ON TUESDAY 14th SEPTEMBER 2004

Question

- (a) Following the publication of the report by consultants OXERA into sea transport links between Jersey and both the United Kingdom and France, would the President explain why he questioned the conclusion of the report on the basis that the Consultants had “underestimated” the amount of competition on the Jersey to St. Malo sea route?
- (b) Does the Committee accept that the OXERA conclusions are very similar to those of the initial report published by the Jersey Competition Regulatory Authority (JCRA) in that they both highlight that too much capacity could affect the long-term viability of sea transport operators?
- (c) Would the President confirm whether the Committee accepts the overall conclusion of the report to be that it would be more beneficial to the future viability of the routes for a single operator, governed by an appropriate Service Level Agreement, to be licensed? If so, will the Committee undertake to study the report’s contents carefully and to take steps, with the Committee’s officers where appropriate, to ensure that the conclusions of the report are implemented as a matter of urgency?

Answer

I answered a similar oral question from Deputy Baudains on 20th July this year.

At that time I confirmed that the JCRA reports of 2002 and 2003 concluded that new services and routes need to be encouraged for the benefit of the Jersey consumer.

To the end of July this year private vehicle movements on the St. Malô route were up 32% over the same period in 2002. This is in despite of the problems, mainly not of their own making, experienced by the newest operator on the route. Members will recall that they were unable to utilize the Solidor V, the much smaller Aline suffered with engine failure and the replacement Seacat was not in service until after Easter.

For July alone private vehicle movements between Jersey and St Malô reached a record high of 7,788. This is 338 more than in July 2003 and 2,238 above the corresponding number in July 2002 – a 40.2% increase.

On the U.K. route, where there is a solus operator, vehicle movements have continued to decline.

This indicates, initially at least, that competition has had a positive effect.

As to the recommendations contained in the OXERA report, the Economic Development Committee will be considering these and the responses to them by all interested parties, including the ferry operators, before deciding on how best to proceed and which recommendations to bring to the States.

Should the decision be to move from regulation by ramp permit to regulation by route, as suggested by OXERA, Jersey cannot act in isolation. It will be essential to have the agreement and co-operation of the Guernsey authorities. Consultation will, therefore, need to take place with that Island’s representatives. In any event, change cannot be imposed until the ramp permit for the northern operator expires in 2006.