

## **9.2. The Minister for Economic Development regarding the Northern and Southern Ferry Routes:**

### **The Bailiff:**

That completes the 10 minutes allowed for the questioning the Chief Minister. The Minister for Economic Development will make a statement regarding the northern and southern ferry routes.

### **9.2.1 Senator P.F.C. Ozouf (The Minister for Economic Development):**

Members will recall that earlier this year, it was reported that the current Service Level Agreement (S.L.A.) and ramp permit for the northern route would expire on 31st December 2006. I published a new Air and Sea Transport Policy which, *inter alia*, set out our approach for securing the Island's sea routes. In addition, the Assembly considered a proposition from Deputy Fox on the same subject. Since then Members will be aware that I have requested a full investigation of port and ferry services under Article 6.4 of the Competition (Jersey) Law. This report is due before the end of the year. I can inform Members that negotiations are ongoing with Condor Ferries to agree the new S.L.A. in respect of the period 1st January 2007 to 31st December 2008 for car and passenger ferries on the northern and southern ferry routes. I am happy to report that Condor has shown a positive and constructive approach to the negotiations. However, I believe it would be inappropriate to conclude those S.L.A. negotiations until the J.C.R.A. has completed their work, as their findings may have a bearing on the terms and conditions in any S.L.A. In order to give Condor operational certainty I have asked Jersey Harbours to issue Condor a ramp permit for the period 1st January to 31st December 2007 to allow ferry services to continue to operate within the law.

### **9.2.2 Deputy J.B. Fox:**

My concern is obviously the safeguards for the public and also for any company operating on the northern and southern routes. If a ramp permit is to be given for the next 12 months without the S.L.A. agreement - I understand that sometimes there is a need to have a slight delay - can the Minister give me an assurance and preferably a timescale when the Service Level Agreements will be signed by whichever company or companies operate on both the southern and the northern route? I should declare I am a regular traveller.

### **Senator P.F.C. Ozouf:**

I think Deputy Fox and Economic Development are as one in terms of the objectives of what we are trying to do. Signing S.L.A.s is in the interest of the States, it is in the interests of the travelling public. It is also in the interests of Condor. We expect to be able to conclude the S.L.A. agreements, certainly I would hope in the first 3 months of next year, at the very latest.

### **9.2.3 Deputy K.C Lewis:**

The Minister and, indeed, the Chief Minister are well aware of my sharing their desire to forge greater links between Jersey and Guernsey, but can the Minister assure the House that he will ensure that all talks take place with Guernsey prior to signing any new agreements, to ensure that we do not have a repetition of the past where Guernsey go it alone?

### **Senator P.F.C. Ozouf:**

I very much can give the assurance to Deputy Lewis. Deputy Lewis will be aware that this is an interregnum period for 2007 and 2008 until all our Service Level Agreements expire coterminously at the end of 2008. It is that objective that we are really focusing our long-term attention on and, indeed, will be the subject, I hope, of discussions between the Council of Ministers and the Policy Council of Jersey and Guernsey on Friday.

### **9.2.4 Deputy A. Breckon:**

I wonder if the Minister could confirm to the House that he has also received a report from the Consumer Council that hopefully will inform the formulation of the Service Level Agreement and consultation will come back from that report during his deliberations?

**Senator P.F.C. Ozouf:**

Yes, Sir, I can confirm that I have received the Consumer Council report for which we asked and have paid for, and I am grateful for the Consumer Council's independent work on that. Indeed, it will be helpful in terms of understanding what the public view of ferry services is and will be part of the ongoing deliberations concerning the S.L.A.. I thank the Consumer Council for their assistance.

**9.2.5 Deputy S Power:**

Could I ask the Minister to assure this Assembly that any new Service Level Agreement that is being constructed by his department is constructed in such a way so as not to prohibit any new entrant into our sea routes on the northern and southern route?

**Senator P.F.C. Ozouf:**

The first thing I would say is that there is not currently an S.L.A. on the southern route. There is a Service Level Agreement on the northern route. The one we are talking about exists in Jersey until the end of the year and does give a measure of a barrier to entry because there are certainly the back-up services. The ongoing discussions with Condor concerning the S.L.A. are ongoing and I bear the Deputy's comments in mind. Certainly, he will be as aware as I am of other expressions of interest in relation to other potential operators on the southern route. Whether or not anything comes of that and whether or not the Service Level Agreement is relevant to that I am not sure, but certainly I am aware of the Deputy's and other people's concerns on that matter.

**9.2.6 Senator L Norman:**

It is clear that the Minister is acting in good faith and in the best interests of the Island, but I wonder if he could tell us what conditions, if any, will be attached to the ramp permit which will become effective from 1st January?

**Senator P.F.C. Ozouf:**

I did not answer a question in the last statement and I would have said that I wanted to say that I regret and apologise if any errors occurred, notwithstanding the good faith that they were made in, in respect of the Battle of Flowers issue and I wish to say that publicly. In respect of the particular ramp permit, I have the ramp permit licence here and it has been issued, and there is a clause in it which effectively reserves the Minister's right to vary and remove any of the conditions. Indeed, the letter associating with the issue of the ramp permit which has been issued by the Assistant Minister specifically recounts the fact that we are engaging in discussions with the S.L.A. Indeed, in the event of an S.L.A. not being effectively signed I think that there would be grounds for us - and I say that without prejudice or any further decisions we may make - to withdraw the ramp permit. We are, I hope, in a fairly strong position, but there is a desire on both sides. I must say I recognise the fact that Condor are working very hard and I am grateful for their hard work and my officers' work in terms of concluding something which is appropriate to all parties.

**9.2.7 Deputy J.A. Martin:**

This is a question about the involvement of the J.C.R.A.. The statement states that a report is due before the end of the year. In my working with the J.C.R.A., although they may be very good, they seem to not work very well to their timetable, because of lots of pressures that have been put on, not only in this review but also Telecom and others. Lastly, could the Minister inform the cost that this review into the harbours alone is costing the States?

**Senator P.F.C. Ozouf:**

I will happily circulate the exact cost that has been agreed with the J.C.R.A.. In respect of their timeliness of any work that the J.C.R.A. does, the J.C.R.A. is, indeed, undertaking a great deal of work on a number of different fronts for us, but the J.C.R.A. has confirmed in the last couple of days that they will be preparing an interim report on the specific issues of ferries within the next couple of weeks, with their final report by the end of the year. I am confident that we are going to have all the information available to us in order to deal with the conclusion of the S.L.A.s. I would say that this review by the J.C.R.A. is of fundamental importance to the whole issue of our sea routes and the operation of the ports and is likely to have, and I expect it to have, quite large implications to the way we operate and license our ferry services in future.

**9.2.8 Deputy J.B. Fox:**

I wonder if the Minister would just advise us - when it is published, the final document - will he be publishing it for all of us to see or is it something that is going to need more work after that?

**Senator P.F.C. Ozouf:**

No, it will be published in its final form after it has been agreed by the relevant parties and it will be published in the normal way just as the last one has been. It would be inappropriate, I think, for me to publish and put into the public domain any working documents in relation to what is clearly a negotiating position between the States, the Harbours Department, specifically Economic Development and Condor. There are strong negotiations going on in relation to it, but I am happy to publish it when it has been concluded.

**Deputy J.B. Fox:**

Do you have any timescale in which we might be seeing this document?

**Senator P.F.C. Ozouf:**

I just repeat the comments that I made a few moments ago. We will be receiving the J.C.R.A. advice, engaging in intensive ongoing negotiations with Condor to deal with it, and I hope very much that it will be done in certainly the early part of next year, at the very latest by the end of the third month of next year. That is certainly the undertaking I am prepared to give.

**9.2.9 Senator S Syvret:**

Would the Minister agree with me that the great difficulty he and his department faces in sorting out the whole issue of the ferry services to and from Jersey would perhaps have been somewhat easier if it were not for some of the errors made by the previous authority - the Harbours and Airport Committee - although of course they would have been acting in the best faith and best interests of people, as they thought at the time?

**Senator P.F.C. Ozouf:**

Nobody who has ever made a decision has ever made a mistake... and certainly I have to say that in my stewardship of Economic Development and Harbours with my Assistant Minister over the last few months, I think we have appreciated quite the full depth and breadth of problems that arise. I am not sure in all these cases I would have made very different decisions given the facts - some of which are in the public domain and some of which are not - to those that the previous Committee had made. Nevertheless, we are engaging in a root and branch review of port and ferry services - root and branch of the Harbour Authority - and there is change underway. We are hoping to make decisions in an informed way and certainly with the benefit of the input of the J.C.R.A. which the previous Committee never had the benefit of.

**9.2.10 The Deputy of St. Martin:**

There has been a considerable amount of point-scoring this afternoon and I have become a little lost. Have you been able to keep up with the score?