

STATES OF JERSEY



SEA TRANSPORT: REVISED POLICY

**Lodged au Greffe on 28th February 2006
by Deputy J.B. Fox of St. Helier**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to request the Minister for Economic Development, after consultation with the Council of Ministers and any other appropriate bodies, to take the necessary steps to implement without delay a revised policy for the management and development of sea routes to and from the Island, and that –

- (a) each route, namely the northern and southern car ferry roll on/roll off sea routes, should be controlled by a separate Service Level Agreement with the operator or operators in order to protect the operators and ensure that the Island receives a sustainable all year round service;
- (b) each Service Level Agreement should set out –
 - (i) the price structure for the route, which must be approved by the Minister and subsequently made publicly available;
 - (ii) the required schedules for winter and summer services;
 - (iii) the type and capacity of vessel(s) that must be used on the route;
 - (iv) the appropriate level of reserve capacity which must be available for peak season and in case of breakdown;
 - (v) an indication of how quickly normal services will be resumed by the operator after a period of inclement weather or a breakdown;
 - (vi) a realistic financial penalty on each route should the operator fail to comply with the conditions laid down in the Agreement;
- (c) the Minister for Economic Development take steps to identify and license additional operators on the routes to ensure that the Island does not remain wholly dependent on a single operating company.

DEPUTY J.B. FOX OF ST. HELIER

REPORT

The States of Jersey, like any other national government, is duty bound to ensure that its citizens are protected from serious impact on the Island's economy and to ensure that appropriate risk assessments have been taken to prevent any grave social consequences for the community.

The recent events, particularly on the southern sea route, with the withdrawal of one ferry operator, namely Sogestran, Emeraude Ferries, has caused considerable disruption to that sea route for individuals, families and commerce, but also especially for the fishing industry and tourism.

Although the estimated loss to the Island's economic GDP is limited at this time of the year, the long-term damage to the Island is far more potentially devastating, and therefore I bring this proposition to the States with the support of some other equally concerned States' members to ensure that the States has the earliest opportunity to debate the current serious shortcomings that are being felt by our community.

The current sole operator remaining on the route at this time, namely Condor Ferries, in the summer of 2005 managed to sustain what appeared to be an aggressive competitive price of £99.00 return for a car and 2 passengers return to St. Malo for a weekend break. This price structure has now more than doubled in many cases due clearly, I would suggest, to the lack of competition or safeguards such as a Service Level Agreement.

This has resulted in a considerable disruption to the normal fare-paying passengers, many of whom are not prepared to pay the current prices and are boycotting the service pending the outcome of negotiations between the Minister for Economic Development and the management of Sogestran. There is an urgent necessity that the Minister resolves some of the current issues without any further delay.

The complaints from members of the public, companies such as the offshore shellfish industry and sporting groups as reported in the local media highlight the present concerns and difficulties that are being experienced at this time. Clearly the existing arrangements with the remaining single operator need to be resolved forthwith.

It is now essential that the Minister recognizes that both the southern and northern routes require an urgent review now, by way of re-examining the risk assessment of relying on one operator to operate two routes. If that operator fails for whatever reason, the Island will be left with grave social consequences to the community, or alternatively the States will run the risk of predatory demands or could be subject to commercial blackmail.

When the original Service Level Agreements were being considered on the northern route there were a number of operators that showed interest. If Sogestran indicates by the end of February 2006 that it will not be returning to the Island to provide a Car Ferry Ro-Ro service I believe that the Minister should take immediate steps to identify an additional operator on the route as suggested by paragraph (c) of this proposition.

Financial and manpower implications

There are no financial or manpower implications arising from this proposition other than those arising from the setting-up and administration of the necessary Agreements, which is already part of the existing mandate of the Economic Development Department.