

Submission re Proposed Review of the Jersey Harbours – Trust Port Proposal

In October 2002 I was asked by Jersey Harbours to make a presentation to States Members on the advantages of Trust Port Status for Jersey Harbours. A copy of my presentation is enclosed and I would not change any of my remarks except to emphasise further the benefits of Trust Port status for Jersey Harbours.

My reasoning is as follows:

- The Port is in a monopolist situation and economically the States are heavily dependant on it.
- It is or was necessary to change status to satisfy EU Regulations.
- A Trust would change the status without the States of Jersey losing overall control as the States would remain the owner of last resort. In the event of problems further legislation would be required to change the status if required.
- The accounting and management of the Trust would be as a Public Limited Company with full corporate governance ie. tax would be paid on profits providing revenue for the States.
- Surplus funds could only be used for the benefit of the Port users and the States. This would provide for economic generation and development
- Profit levels could be set at minimum and maximum by the Act.
- The Chairman of the Trust Port would be appointed by the State; Board Members by the States and Chairman; Executives by the Board. Although independent, the Board should be required to work closely with the States and in line with States' economic policy.
- In the event of problems the States could change the Board or override the Board's authority should this be necessary.

I am not aware of the current position but from the papers I have received it would appear that a Jersey Limited Company (JLC) is the chosen option. I cannot comment on this because I do not know the legal framework of a JLC. I would assume that unless the States holds 100% of the equity or at least a majority holding then control of a valuable asset will be lost. Even if the States does have control through its equity holding, it will always be an easy option to dispose of the "Golden Share" and lose control, a situation which could not occur with Trust Port status.

I can only conclude that based on a career working in private and public companies as well as a Trust Port, I can assure you that my experience leads me strongly to recommend the Trust Port option for such an important States' utility.

David Clifford

6th June 2006