



The Jersey Chamber of Commerce

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Response of the Transport & Links and Tourism Committees to: The Pan-Island Consultation on C.I. Ferry Routes

The Jersey Chamber of Commerce represents a diverse spread of businesses in the Island both in and out of the Finance Sector although as a group we all recognise the substantial proportion that the Finance Industry contributes to the overall success of other businesses.

This response has been compiled by the two Committees of Chamber most closely connected with the ferry service providers, namely Transport Links and Tourism. This response mirrors the questions laid out in the consultation document.

The current level, quality and prices of services being provided

The representatives of Chamber who have contributed this response on behalf of Chamber believe that the present services being operated by Condor are a high standard. Chamber is well aware that Condor, as a local company, is looking to introduce new ideas which will benefit the Islands in the long term. The tremendous amount of advertising carried out by the company and the incentives offered both to passengers and also to trade representatives encourages tourists to come to the Islands. This may not necessarily be the case if Condor were to cease operating and another large operator were to take over on the UK route, such is the close relationship that Condor has with its UK Tour operators who promote the Channel Islands. There is no doubt that there would be a tremendous drop in the number of visitors if this advertising program was to cease. In particular, the links with the tour operators and trade partners are vital to the tourism industry – Condor has those links and uses them to promote the Islands. Therefore Chamber agrees that the current level of fares charged can be justified by the level of services and availability of back-up vessels provided under the current licensing arrangements.

Would it be acceptable to reduce the level or quality of services in order to achieve lower fares?

Chamber does not believe that it would be acceptable to compromise the quality of the services offered in order to achieve lower prices. Quality and reliability of the service is paramount. Recent history has shown that cheaper providers fall down significantly with regard to these two key elements.

The security of services desired and how this may best be achieved through competition or licensing or a combination of both

The representatives of The Jersey Chamber of Commerce believe that the existing ferry arrangements are working very well. The licences issued set out the rules relating to the ferry company thereby ensuring that carriers are properly regulated. Any more formalised process of licensing would be costly and would inevitably cause problems for the carriers. The non-exclusivity approach should be maintained as competition should not be feared, provided that there is a level playing field. Exclusivity of licences might also lead to increased cost to the carrier which would then have repercussions on the prices. It would also lead to “complaints” or discussions about monopolies. However it would be



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disastrous for the tourism industries of the Islands if the benefits presently received by the services offered by Condor, detailed above, were lost or damaged by competition simply for competition's sake. The licensing authorities need to be very careful when considering any new applications for a licence and must ensure that all operators provide the same minimum level of services. Chamber strongly believes that no applicants should be allowed to operate services only in the summer season as this is not satisfactory and might undermine the main service provider.

The option to make a formal request to the JCRA to carry out an operator efficiency review using existing powers.

Chamber is totally opposed to any interference from JCRA with the ferry services offered. The current approach works well.

The possible benefits and costs of increasing the degree of regulation of services involving the Jersey Competition Regulatory Authority (JCRA), the Guernsey Office of Utility Regulation (OUR) or other similar body

Chamber does not believe that there would be any significant benefits from such regulation and would go so far as to say that such regulatory interference is likely to have a detrimental impact on the future services provided and result in an increase in costs and prices to customers.

Yours sincerely

P.P

DAVID WARR
VICE PRESIDENT