



Mr Kevin Le Masney
Director of Strategic Development
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Dear Mr Le Masney

Ferries Fare Regulation Response

Since it was established in 1995, the Jersey Consumer Council has had a great deal of involvement and feedback from the general public regarding the operation of ferries between Jersey, the UK and France.

The operation of ferries between the Islands, UK and France has been, and continues to be, a very emotive issue and many meetings have been held in public and private as well as reports produced over the years, including one in 2006 by the Council.

Also the Council held a very well attended public meeting in 1998 in order that Condor, Peninsular and Oriental (P&O) and Sea Containers could make presentations on the type of service they could provide for the Channel Islands, prior to the States decision. The States of Guernsey and Jersey differed as to who the operator should be. Eventually this was resolved in favour of Condor.

The Jersey Consumer Council wishes to make the following points:

1. The Jersey Consumer Council supports the joint Channel Island approach as the 'Ramp Permits' (Jersey) and 'Memorandum of Understanding' (Guernsey) expire in 2013 and the regularization of other matters e.g. Competition Laws.
2. The Jersey Consumer Council gives qualified support to the status quo, with the following suggestions:
 - (a) that a non-exclusive 10 year agreement is considered based on financial and operational capability to run year round services.
 - (b) that the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Office of Utilities Regulation, being regulators of a last resort, should not be responsible for direct oversight on the grounds that:
 - (i) the estimated cost of £250,000 per annum is disproportionate;
 - (ii) it would also generate extra staff costs for both the States Departments and the operator;
 - (iii) the Minister/JCRA already have 'vires' under the Competition Law;
 - (iv) an efficiency review could be conducted if necessary (although costly);
 - (v) the cost/benefit to the consumer of the above is not obvious.

- (c) that an Independent Oversight Group funded by the operators should be set up across the Channel Islands to:
 - (i) meet at least quarterly;
 - (ii) produce and publish reports and statistical information;
 - (iii) monitor Service Level Agreements and Memorandum of Understandings;
 - (iv) conduct 'mystery shopping' on port facilities, vessels, staff, shopping, catering, accommodation, fares, website etc
 - (v) act as a conduit between:
 - (a) operators;
 - (b) the authorities and;
 - (c) the public.
 - (vi) review any other matters that it may consider relevant
- (d) port taxes and harbour charges need to show some restraint over the longer term and be transparent and proportionate;
- (e) the 'frequent traveller' system needs revamping so that it is:
 - (i) free to join;
 - (ii) offers significant discounts to regular Channel Island residents, especially those making multiple bookings;
 - (iii) offers other rewards and discounts for loyalty.
- (f) the operator should make regular discounted deals – widely publicised – to Channel Island residents for a car and 2 passengers to the UK and France.
- (g) the Jersey Consumer Council has for some time believed that there should be a Focus Group that looks at traffic and transport, and the Independent Oversight Group suggested in (c) above could be part of this.

In conclusion, the sea routes and services needed by the Islands are essential for both freight and passengers.

This is particularly evident during difficult times, such as during the recent volcanic ash saga and if the Islands are blanketed in fog. Therefore it is appreciated that there has to be a price to pay for the availability of this service to keep the Islands functional.

Should the issues raised generate any further points that require clarification, please get in touch.

Yours sincerely



Senator Alan Breckon
Chairman
Jersey Consumer Council