



Dear Sir

Flybe welcomes the opportunity of commenting on Ferry Consultation. We have divided our response into the various areas outlined in the Executive summary on the first 2 pages of the document.

We would call of the States of Jersey and Guernsey to adopt a joint coherent Transport Strategy that encompasses both sea and air travel. We acknowledge the benefits of this joint consultation provides by including both islands. To illustrate this;

## CURRENT POSITION

### JERSEY

The Aviation Policy advocates an Open Skies Policy, with little or no on island regulation-this being effectively carried out by the CAA and the Airline having the requisite operating licences.

### GUERNSEY

The Aviation Policy in Guernsey advocates a strict route licensing policy and all that is entailed. Furthermore where there is a joint service between the Islands it is possible (and exists) that both Islands have adopted a different stance on the same service by the same operator.

Given that the situation of Open Skies exists in Jersey in the Aviation Policy it would be logical and philosophically sound to adapt the same and introduce an Open Seas policy for all routes. The licensing body being in this case the national registry of the ship and the accepted relationship that is required under international obligations. This is however not the case, significant barriers to entry for any new operator exist. These include the new entrant having to replicate structures offered by the incumbent. Over and above the licensing or regulatory requirement.

Flybe applauds the States for carrying out a joint Ferry Consultation as it strengthens the argument to provide a joint transport strategy for commercial transport sea and air operators. It will encourage new sea operators to enter the market.

Therefore we would have to urge both Jersey and Guernsey to re-state both clearly and concisely the Transport policies that they plan to follow before it is really possible to comment further on this consultation document.

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## CUSTOMER VIEWS

It would be fair to say that on Island transport expectations far exceed both realistic targets and usage. Whilst 99% of respondents claimed that the conventional ferry was seen as "vital" no evidence is presented as to the usage of this by any percentage of users only that a small percentage of the Islands population actually use the ferry services.

Also the requirement that "winter services and reliability were seen as very important" are not supported by any evidence.

Indeed in item 4.2 it is stated that only 26% of the adult Island population used the ferry in the proceeding 12 months.

Not having seen the questionnaire on which these results are based it is little surprise that 61% of all respondents considered the vehicle fares too high.

## COMPETITION

Competition is healthy and welcomed by Flybe. It provides an environment where commercial enterprise must constantly ensure their offerings are attractive and affordable to the customer. A thriving economy relies on consumer confidence and an expanding market.

Again this comes back to the need for a clear policy statement. Furthermore the views of the JCRA should be sought on the issue of the desirability or not of competition on the sea routes. This would strengthen the argument to encourage viable and popular sea transport to be provided.

## REGULATION

The establishment of an independent regular and the associated on costs of over £250,000 cannot be defended in these difficult economic times. The costs of running the independent regular would either be borne by the tax payer via the States or directly through inflated passenger fares.

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## Conclusions

1. A complete Statement of Transport Policy should be formulated and published by both Islands.
2. This should be a logical and consistent policy document
3. Competition should have the ability to be re-introduced on all sea routes operating to/from the Islands.
4. Barriers to entry and artificial mechanisms which are designed to guarantee services but act as a deterrent to a new entrant should be removed
5. Services to the Island will be undertaken by a carrier according to market conditions.
6. The JCRA should not be requested to carry out an operator review unless there is a clear demonstration of abuse of a dominant position. This investigation can occur at any time.
7. The burden of unnecessary additional regulation and indeed its ever increasing cost should not be introduced.