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CICRA closes investigation into airlines on administrative priority grounds

The Channel Islands Competition & Regulatory Authorities (CICRA) has closed its current investigation into the franchising arrangements between Blue Islands and Flybe. It has taken this decision following a careful assessment of the meaningful benefit to Channel Islanders that CICRA can achieve, taking into account costs, timescales and changed circumstances since the initial investigation was launched – in particular the entry of Waves to the inter-island market.

CICRA used first informal and then formal procedures to give the parties the fullest opportunity to explain their position and to provide CICRA with evidence. Following a period of informal engagement, CICRA opened a formal investigation into the franchising arrangements in December 2016. This focussed on whether the arrangements restricted competition between Blue Islands and Flybe, either in terms of the prices each charged or in terms of the routes on which Blue Islands was permitted to fly.

Michael Byrne, CICRA CEO, said: “CICRA has to prioritise projects that appear likely to have the greatest impact on consumer welfare. We have decided that, with a new operator now offering flights on the inter-Island route, we should step back from this review for the time being and monitor the impact of this increased competition. This will also allow us to focus our resources on other matters that have a higher priority at the present time.

“This decision does not amount to a statement as to whether any party to the franchise arrangements infringed competition law and no inference to that effect should be made.”

ENDS

NOTES TO EDITORS:

All enquiries should be directed in writing to CICRA chief executive, Michael Byrne, in Guernsey at Suite 4, 1st Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey, GY1 1WG or in Jersey at the Jersey Competition Regulatory Authority, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF. Alternatively email info@cicra.gg.

About CICRA:

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under The Guernsey Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.