



Case P-008 - Regulatory Review of Air and Sea Port Operations

Project Update Information Note

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1. Overview

- 1.1 This document is an Information Note on the Jersey Competition Regulatory Authority's (**the Authority**) regulatory review of port operations and services (**regulatory review**). It provides stakeholders with an update on recent developments and the project timeline. A revised view of timescales and next steps are set out below.
- 1.2 This Information Note is structured as follows:
 - Section 2 briefly recaps the background to the regulatory review;
 - Section 3 describes recent developments; and
 - Section 4 sets out next steps.

2. Background

- 2.1 Port operations and services play a critical role in our society and almost everyone in Jersey is reliant upon these services in some way. To that end, the Air and Sea Ports (Incorporation) (Jersey) Law 2015 (**the Law**) enables the Authority to license port operations in Jersey.
- 2.2 The Authority's primary duty under the Law is to best protect and further the interests of users of port operations, where appropriate, by promoting competition in the provision of port operations. In addition, the Authority is required to ensure provision is made to satisfy all reasonable demands, both current and prospective, for port operations and services, and that they are provided efficiently and effectively.
- 2.3 The Authority is undertaking a review to give effect to a revised regulatory framework (from 1 January 2025). The regulatory review was formally launched in February 2023 with the publication of a Call for Information¹, and the Authority has since engaged closely with Ports of Jersey Limited (**PoJL**) and other stakeholders in developing a revised regulatory framework.

3. Recent developments

- 3.1 Following launch of the regulatory review in February 2023 significant progress has been made over the course of the year against each of the project milestones:
 - The call for information process was successfully completed in April (following initial Authority engagement meetings with PoJL in March).
 - Following a competitive tender in April, the Authority commissioned a delivery partner (**EY**) to assist with key workstreams underpinning the regulatory review.
 - Throughout May and June, work was completed alongside EY, and PoJL, to develop a comprehensive set of data and information to help inform the necessary financial analysis and the wider policy framework.
 - In July, engagement sessions were held with wider key stakeholders in the sector.
 - In August and September, the Authority finalised a financial template and a draft model - used to review the financial data - and developed a draft regulatory and policy

¹ All case documents can be found here: [Regulatory Review of Air and Sea Port Operations](#)

framework (to be tested through the review consultation process). This proposed framework was trailed in an Information Note issued in August.

- 3.2 As stated in the previous Information Note, the Authority planned to release a Draft Decision - for consultation - in October 2023, with range of policy proposals on the future pricing framework. However, on 9 October PoJL informed the Authority that capital investment figures - and other cost variables - used in the financial model required an update. In particular, PoJL stated that capital investment and other elements associated with the Harbour masterplan required a material uplift.²
- 3.3 As a result, the Authority took the decision to postpone publication of the Draft Decision until receipt of an updated PoJL strategic business plan (**SBP**), and also the opportunity to properly consider and review the proposed updates and revisions.

4. Next steps

- 4.1 The next stage in the review remains publication of a Draft Decision, which will include a comprehensive discussion of the regulatory framework and all financial issues. This will now be issued in early 2024 for Consultation.
- 4.2 A separate Draft Decision will also be issued in early 2024 on proposed refinements to the regulatory framework relating to the quality of service regime. These two strands of work; pricing and quality of service, will then be brought together in a Final Decision. This will also provide an outline of the responses to the Consultations (on each Draft Decision) and how the Authority has taken them into account in its decision making. It is envisaged the Final Decision will now be published in Autumn 2024.
- 4.3 The Final Decision will be accompanied by an Initial Notice. This represents the statutory process, which is required when carrying out certain specified regulatory functions. A decision to give direction to PoJL, with respect to the prices it can charge and the quality of service regime it must follow, is the exercise of a specified regulatory functions pursuant to the Law. It is envisaged that the statutory process will be completed in Winter 2024, and the new framework, both pricing and quality of service, will come into effect from 1 January 2025.

² The Authority understands that revisions to the level of capital investment - and other costs - was based primarily on the outcome of a recent PoJL tender exercise (and the information contained in related submissions).