



CONDOR LTD > NEW JETTY OFFICES
WHITE ROCK > ST. PETER PORT
GUERNSEY > GY1 2LL
TEL > +44 (0) 1481 729666

**Jersey Competition Regulation Authority 2nd Floor Salisbury House
1-9 Union Street
St Helier
JE2 3RF
Via email - info@jcra.je**

–
2 August 2024

Dear Sir or Madam

Ports Regulatory Review - Pricing Framework Draft Decision

Condor Limited ('Condor') welcomes the opportunity to respond to the consultation.

The company is supportive of transformational capital investment in harbour infrastructure provided it benefits the operator, supply chain and wider community.

We are unaware of any transformational infrastructure development that has benefited lifeline ferry services for freight or passenger to date and assume capital has been accruing for years in anticipation. Referring specifically to section 2.13 of the document which states that the primary objective of Ports of Jersey is to '*...avoid a significant capital shortfall that could incur additional taxation*'. Whilst the increases proposed are not direct taxation the cost to the supply chain – and ultimately its residents – is an additional £240,000 for our operation alone. To be clear this is provided the consultation relates to dues only and does not include other services provided by or delegated on license by the Port. As the amount of capital currently accrued from port dues for the foreseeable investment is unknown and the cost of the project is unknown we are unable to comment specifically on the appropriate level of RPI + %. We also assume that the passthrough to end customers will be in addition to any pricing framework within the new Operating Concession for the Provision of Freight and Passenger Ferry Services in the Channel Islands.

For contextual importance and given the rationale for the increase is to support transformational development our views – articulated during the Masterplan consultation – is that the Port Masterplan does not address several fundamentals notably;

- There is no plan to replace the East Berth ramp; one of two ramps essential for the delivery of lifeline freight and vehicles to the island.

- We are advised that the trailer space will be at least what is in place now; the space available now is and accepted by all as being at capacity, and indeed included in 2.19 of your review. It is accepted that more ground surface area is created under the Masterplan however we understand this is to be utilised by cranes and the associated workspace required for the relocation of Lift On-Lift Off (LoLo) from New North Quay.
- We have suggested that there is at least spatial planning to accommodate a ‘double deck’ linkspan. This has the benefit of giving two access points to a ship thus enabling higher throughput in the same timeframe. Efficiency of loading is necessary to maintain the rotational need of the Just in Time (JiT) supply chain.

In response to questions 1-4 in section 7.1 we can respond as follows;

1. Without knowing the full proposal it is difficult to answer the specific questions on the single till approach and the term so we would not be able to provide analysis to the contrary.

Reference 3.8 which states there have been no material changes in the operation we would draw your attention to the following;

- Reduced Lo-lo activity since withdrawal of a frequent service from the market and two failed services. As a result this traffic has transferred to Roll-On Roll-Off ferry services.
 - Demise of on-island warehousing resulting in increased JiT supply requirement.
 - Impact of Brexit including imminent implementation of enhanced border controls and new visa requirements.
 - Reduced bed-stock on the Island following hotel sell-offs
 - No infrastructure development to improve aspects of the operation or experience. For example, the passenger gangway - standard port infrastructure - failed circa 5 years ago and has not been repaired or replaced. Additionally here is no provision of a gangway[s] in the Masterplan
2. The pricing framework parameters appear to be standard.
 3. As the amount of capital currently accrued from port dues for the foreseeable investment is unknown and the cost of the project is unknown we are unable to comment specifically on the appropriate level of RPI + %. However we trust any operator pricing control will exclude this passthrough.



CONDOR LTD > NEW JETTY OFFICES
WHITE ROCK > ST. PETER PORT
GUERNSEY > GY1 2LL
TEL > +44 (0) 1481 729666

4. See below;

- [1.3] reference the statement 'of heightened economic uncertainty' which we understand is being used to justify an extra allowance for price fluctuation and allow POJ to cope with 'uncertainty'. Could it be clarified *what* uncertainty and what this statement is based on? Additionally, in 1.4 again it is stated 'level of uncertainty of scale of POJ assets'. We are unclear as to this reference and the correlation to justify a wider range on pricing to deal with this uncertainty.

Once again, thank you for the opportunity to respond.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Elwyn Dop". The signature is fluid and cursive, with a prominent initial "E".

Elwyn Dop

Executive Director Operations