

TravelWatch- **ISLE OF MAN**

Arrey Troait – Ellan Vannin

Representing and promoting the interests of Isle of Man Passengers

PRESS RELEASE: Tuesday 26 August 2008.

TravelWatch calls for talks on the handling of fuel surcharges

TravelWatch – the Isle of Man Passenger Watchdog – naturally regrets the increased levels of fuel surcharge which the Steam Packet will be applying from 1st September. We recognise that high fuel costs are a major problem, but we are disappointed that the announcement does not give any indication of steps being taken by the Steam Packet Company to mitigate the effect of these increased costs, as other ferry operators have done, although we are pleased to see that the lowest foot passenger fare of £17.50 (inclusive of surcharge) will not increase. We also note that these increases fall within the terms of a “Fuel Surcharge Agreement” between the Department of Transport and the Company signed in August 2005, and that this agreement appears to be outside the User Agreements approved by Tynwald which already contain pricing review mechanisms.

In our August 2007 submission to the Tynwald Select Committee on the Steam Packet, we indicated that TravelWatch Isle of Man did not believe that a surcharge mechanism was an appropriate way of dealing with the very real problem of high fuel prices on an on-going basis. There is provision for fare fluctuations in the User Agreement based on changes in Manx RPI, which itself is substantially influenced by fuel and transportation costs. The lack of transparency arising from the unpublished formula covering the fuel surcharge element gives rise to the suspicion that the same increases in fuel costs could potentially be recovered both in fares and surcharges. This concern needs to be addressed before 2009 fares are fixed and it remains our view that the fares for 2009 should be established on an all-in basis without recourse to surcharges.

The 2005 extension to the User Agreement requires the Company to maintain its offices on the Isle of Man where the majority of its Executive Directors are required to be based “ensuring local contribution, input, and consultation with the Department (of Transport), other Government Departments, Isle of Man businesses and residents”.

TravelWatch Isle of Man believes that such consultation is a clear requirement of the User Agreement and must be fully taken into account as part of the process for agreeing the 2009 timetables and fares. We therefore invite both the Department of Transport and the Steam Packet Company to discuss these matters with us before finalising timetables and fares for 2009.

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Notes for Editors:

TravelWatch ISLE OF MAN was founded in January 2007 in order "To represent and promote the interests of Isle of Man passengers"

Our key objectives are:

- To provide opportunities for passengers to express their concerns and needs
- To influence Public Transport Authorities and Operators to improve services for passengers
- To provide Public Transport Authorities and Operators with a passenger organisation to consult
- To encourage integrated public transport provision both on and off the Island.
- To co-operate with other bodies in the interests of passengers.