

TravelWatch- *ISLE OF MAN*

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Representing and promoting the interests of Isle of Man Passengers

TravelWatch Briefing – Sea Passenger Services – December 2010

TravelWatch views with concern the suggestion that IOMSPC Passenger Services might be reduced in the light of the freight service competition which the Company is now experiencing. Clearly this situation gives rise to a wide range of concerns amongst a number of interested parties which are now being publicly expressed. Our purpose in preparing this briefing is to ensure that the interests of passengers are fully considered in any changes which may be proposed.

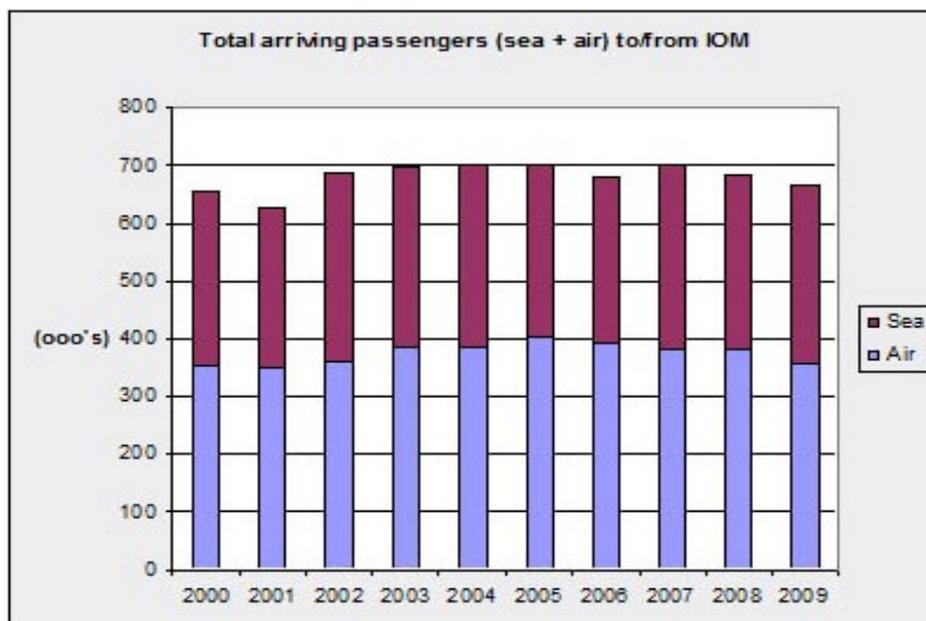
Whatever the mode of transport, passengers want regular, punctual, safe and reliable services at affordable prices.

Any reduction in the number of sailings would be a matter of regret – although there is clearly scope within the User Agreement which allows this to happen down to minimum specified levels. The impact on passengers of any such reduction would clearly depend on which specific services were cut and the availability of public transport connections for the remaining sailings. It should be remembered that it is a User Agreement requirement that the ports served by the Company should have public transport access. As there are no rail connections to evening/night services, any reduction in winter daytime services to Heysham would be detrimental to foot passengers.

We are concerned at the possible impact of this situation on “special fares” from which as many as 80%* of passengers benefit.

The regulation of the levels and availability of “Special Fares”, although included in a “basket of fares” which are subject to scrutiny, is less than transparent – unlike “Standard fares” which are governed by a clear formula based on the annual increase in Manx RPI. We are concerned that “Special Fare” offers might be adjusted in ways which would increase travel costs substantially for some passengers.

Those travelling with their own vehicles have no direct means of avoiding paying whatever fare the company may wish to charge – foot passengers have the choice of flying or going by sea, according to the fares being offered at the time they wish to travel. In the period 2000 - 2009 there has been little growth in total passenger arrivals, although there have been noticeable swings from year to year in the proportion travelling by air and sea.



[* figure claimed by IOMSPC].

The volatility of passenger choice between air and sea transport is particularly clear in September 2010 figures where the IOM/Liverpool air route carried 2,430 more passengers than in the previous year, whilst the Steam Packet numbers (Liverpool and Heysham) were 2,308 down. It should however be noted that some of the air increase was at the expense of Manchester and Blackpool traffic, and was undoubtedly influenced by the pricing policies pursued by easyJet who started to serve the Isle of Man at the end of May. At this stage it is unclear whether easyJet will maintain their IOM services long-term and, if so, at what fare levels.

We are concerned that whilst short term pricing strategies might suggest that airlines could fill some of the gap caused by any reduction in Steam Packet passenger services, there would be no commitment by the carriers to continue such fares.

The lack of regulation of air fares – in contrast to ferry fares – is something that would need to be taken into account in forming a view as to how far air travel could substitute for foot passenger services. Clearly if fares rise too much and there is no alternative, passengers will sometimes elect not to travel. Any reduction in affordable fares, whether by sea or air, will be detrimental to passengers and make the Isle of Man a less attractive place to live in or visit – with according knock-on effects for the Manx economy.

Increased fares and/or reduced frequencies would impact most on passengers travelling with their cars- because they have no alternatives. This traffic is a major stream of revenue for IOMSPC and we would suggest that any significant increase in fares could be counter-productive if it discouraged visitors and reduced residents' travel frequencies.

We believe that any changes in service levels – even within the tolerances allowed by the User Agreement – should be subject to consultation with all interested parties including TravelWatch (or the new Transport Consultative Group – once established) to ensure that decisions are only taken after full consideration of the implications for passengers. It is unclear precisely what proposals are under discussion – the Steam Packet on-line booking system suggests a reduction in summer services to England from 28 to 25 round trips a week (with mid-week and Sunday morning fast craft sailings being to Ireland rather than Liverpool – presumably based on only operating one, rather than two, fast craft). The Minister for Infrastructure has commented recently that the Company had put forward proposals which, while not revealing the details, he said he did not like. He also said that he would not wish to see reduced services. If services have to be changed, and we recognise that possibility, then we also recommend that the statistical basis for any reductions should be available for scrutiny as part of that consultation.

In the event that any changes in the User Agreement are contemplated it is vital that full and transparent consultation takes place with all interested parties. The current User Agreement might be regarded as a contract between two parties for the use of a piece of equipment (a linkspan). In the event of any changes, the implications of that agreement for the Company's customers (freight and passenger), as well as the wider Manx economy, needs to be fully taken into account by calling for direct input from those who provide the Steam Packet with its income. Different options need to be developed for consideration and evaluation before any final decisions are made.

Conclusion:

- For passengers, any long term solution to the current and complex situation needs to go beyond resolving the unintended consequences which may evolve from it.
- Consequently we would support and wish to play a part in the development of a long term integrated transport strategy for the Island.
- We do not believe that subsidies for operators have any long term part to play in solving these problems, nor do we believe that Government Involvement/IOM taxpayer funds should go beyond facilitating the establishment of improved arrangements which will ensure regular, punctual, safe and reliable services at affordable prices, whatever mode of transport is used.
- We believe that the long-term resolution of current difficulties can only be satisfactorily achieved by full consultation with all parties who use the Island's ferry services.