

Positive Action Group - 26 Jan 2015



EU Passenger Rights



The Future of the User Agreement



a presentation by Dick Clague

EU Passenger Rights



- Apply to IOM for services to/from EU air/ ports
- Ferry Passenger rights EU Regulation 1177/2010
- Air Passenger rights Regulation (EC) No.1107/2006

SCOPE:

- Assistance for Disabled and Reduced Mobility Passengers (PRM)
- Disrupted travel – information, care and compensation

EU Passenger Rights



- Passenger Obligations
- Complaints procedures
- Exceptions = events outside carrier control (sea)
- Air Passenger Rights - see CAA website:
www.caa.co.uk/passengers
- Ferry Passenger Rights - IOMSPC Passenger Charter:
www.steam-packet.com/passengercharter

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EU Passenger Rights

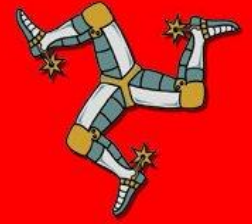


**The Future of the
User Agreement**



a presentation by Dick Clague

The future of the User Agreement



- A quick gallop through History
- Why we had a User Agreement
- How it has evolved
- What are the problems now
- What do we need for the future

A quick gallop through History

The first 100 years

- plenty of mainly seasonal competition

1830 - ?	IOMSPC
1868 -1908	Barrow Steam Navigation Co
1887- 1888	Manx Line (IOM Lpool & Mcr SCo)
1888	IOMSPC merger with Manx Line
1893- 1943	Sloan / Palgrave Murphy Silloth/IOM/Dub
1896 -1961	L&NWSS Llandudno-IOM
1899 -1902	Liverpool & Douglas Steamers
1905 -1927	Midland Railway (then LMS)

DUBLIN and ISLE OF MAN,
SILLOTH ROUTE

(VIA CARLISLE),

IN CONNECTION WITH

NORTH BRITISH RAILWAY COMPANY.

GLASGOW, EDINBURGH, and Stations on North British Railway
with ISLE OF MAN and DUBLIN, via Silloth.

WILLIAM SLOAN & CO.'S FIRST-CLASS STEAMER

“YARROW,”

(Electric Light)

(OR OTHER STEAMER),

Having superior Passenger accommodation, sails as under:—

From SILLOTH to DOUGLAS (Isle of Man) and
DUBLIN every TUESDAY and SATURDAY.

Yarrow

Later

Assaroe

1893-1943



☰ **A quick gallop through History (2)**

fast forward 50 years.....

- 1978 Manx Line - rescued by James Fisher / Sealink**
- 1984 Sealink UK sold to Sea Containers**
- 1985 IOMSPC/ Sealink merger (SeaCo holding 40%)**
- 1988 IOM Govt charters BOLETTE to save TT**
- 1995 IOM Govt linkspan in Douglas**





Why we had a User Agreement

- After 1985 merger IOMSPC owned both link-spans
- Government wanted control so built another one and IOMSPC one was required to be removed
- 1995 new linkspan commissioned & User Agreement signed **because Government needed a customer for it!**

- **Edward Pier linkspan** is Government owned and is covered by User Agreement
- **Victoria Pier linkspan** is owned by IOMSPC who are licensed to have it in the Harbour.
- Marshalling area and approach viaduct for Victoria Pier are owned by Government



How the User Agreement has evolved (1)

- 1995 UA signed - (1995/2005) Sea Containers take full control of IOMSPC
- 2002 UA extended (to 2010) - Sea Containers sell to Montagu Private Equity (MPE) *for £142m*
- 2004 UA extended (to 2020/26) - MPE sell to Macquarie *for £225 m.* who asset strip, unload onto Pension Funds and borrow from other banks led by Banco Espirito Santo (BES)
- 2011 BES realise they have no security and take direct ownership from Macquarie.
- 2013 BES take haircut on approx half of debt
- 2014 Looking for further UA extension to 2036/41 (*IOMSPC plan to have cleared current debts by 2026*)
... when/will this lead to another change in ownership?



How the User Agreement has evolved (2)

- Requirement for fast craft
- Capacity adjustments - more sailings
- Fleet investment - *Ben-my-Chree* - *Manannan*
- Special offer fares included in agreement
- Maximum fares still regulated
- Off island marketing expenditure by IOMSPC
- Admin of company must be Island based
- 50% board to be IOM resident
- Company name and logo to be maintained

BUT

- **Agreement has become IOMSPC's major asset**

What are the problems now?



- Ageing fleet - investment needed soon
- Liverpool landing stage needs replacement
- IOMSPC still has significant debt
- Lead bank BES has its own problems
- IOM Govt unlikely to invest in solutions
- UA still has over 5 (maybe 10) years to run

What do we need for the future?



What does IOM need from its ferry services?

Meets the needs of the whole Island, business and commerce, residents and visitors, both now and on an on-going basis.

Periodic scrutiny of the agreement because of
(a) the protection it provides for the ferry operator over such a long period and
(b) to ensuring the changing needs of the Island can be accommodated within it

What do we need for the future?



Public confidence in any new agreement through more transparent systems of public accountability from both Government and IOMSPC.

Performance monitoring and public reporting - including quality of service.

Stability to encourage investment to develop the business with flexibility to pursue appropriate investment, marketing and pricing opportunities. Possibly via a linked shorter-term agreement reviewed (say) at least every 5 years.

Reasonable aspirations of passengers, the ferry operator, the IOM Government, and IOM businesses need to be met.

Minister Gawne – Tynwald Court – 20 Jan 2015

I think

- it would make a lot of sense to have a policy debate on what transport links we need to the Island.**
- it is absolutely clear that whatever we do in relation to the Steam Packet, we do need to to have full political engagement from Tynwald Court.**
- it is absolutely essential as well that the public have an opportunity to engage in the process.**

Minister Gawne – Tynwald Court – 20 Jan 2015

- Clearly debt is a very important issue**
- We need to make sure that when we – or indeed if we - renew some sort of User Agreement in the future, it delivers everything that we need for the Isle of Man.**
- We have to have something which is far more robust in place which actually allows us to get what we need as an Island Nation.**