

5 Views of other parties

5.1. This chapter summarises the views of DTp, local and other public authorities, the Post Office, Sally (a cross-Channel ferry operator), trade unions, hoteliers and other businesses, HavenWarner (a holiday and leisure centre business), associations representing ferry users, Mr Barry Field MP and members of the public.

Department of Transport

5.2. As we explained earlier (paragraph 2.93), part of the law concerning the resolution of disputes about harbour dues consists of section 31 of the 1964 Harbours Act. DTp has Government responsibility for this Act, and it gave us information and views on the application of section 31. It is the Department's policy to encourage discussions between objectors and the harbour authority concerned in the hope that disputes about harbour dues can be resolved without the use of the procedures laid down by the section. DTp told us that several recent objections have been dropped after successful informal negotiations. Limited experience of the application of the section did not lead DTp to suppose that the procedure worked unreasonably against either party at present. DTp recognised that the Chamber of Shipping considered that the procedure could be improved in the interests of port users.

British Railways Board

5.3. BRB described its policy on the inclusion of information about the Solent ferry services in its own timetables and other information and on arrangements for through tickets for travel to and from the Isle of Wight. The policy did not favour any one ferry operator, but ferry routes connecting with the trains could be given marketing priority, as would be the case with any other commercial operator. BRB timetables included the times of the services of all of the ferry operators, although those of Cowes Express appeared only in the telephone enquiry bureau timetable and local derivative timetables. There was a possibility that the Cowes Express timetable would eventually also appear in the published timetables. It was also possible that Cowes Express would be given the facility to sell through tickets connecting with its own services, as the other cross-Solent operators did.

Local authorities

5.4. The Isle of Wight County Council told us that the cross-Solent routes served distinctly different purposes, and for this reason the sole ferry operator on each route had until recently held a monopoly on that route. The advent of Cowes Express on Red Funnel's fast ferry route to Southampton was welcome. The council recognised a need for competition on the different routes, and particularly on the main routes, which were Red Funnel's two routes to Southampton and Wightlink's route to Portsmouth, in order to provide competition in fares and the prospect of increased sailings and better shore facilities.

5.5. The council raised the question whether to promote competition there should be a requirement for Wightlink and Red Funnel to make their port facilities available to other operators. In encouraging additional ferry routes and more economical services, the council itself faced a dilemma. This was that large vessels would bring environmental disadvantages and the greater traffic would cause congestion on rural roads. The link roads from the ferry terminals would be inadequate, particularly at Fishbourne.

5.6. The council described the assistance it had given to the ferry infrastructure on the Island; it had provided nearly £1 million recently for improvements to terminals or roads at East Cowes, Yarmouth and Fishbourne. However, the council saw its main role in relation to the ferries as an honest broker in negotiations on fares with the ferry operators, and described the influence it had brought to bear on occasion in moderating fare increases or fare structures, by the introduction of concessions for Islanders for example. The council told us it was desirable that it should continue to take part in these fare negotiations.

5.7. The council told us that the Isle of Wight was the only inhabited island in the United Kingdom with no financial assistance for the costs of severance by sea from the mainland. We were referred to its case for assistance, supported by the Island borough councils.¹ In particular there was no subsidy for ferry fares. Island residents both as individuals and as a community took a great interest in the ferries and perceived the ferry services as very expensive. The council expressed to us its continuing concern about the cost of the ferry services, not only for Island residents but also for the many businesses which needed to use the services.

5.8. The council was reasonably satisfied with the level of service currently provided by the different ferry operators. The adequacy of Wightlink's Lymington-Yarmouth services and its Saturday evening services between Portsmouth and Ryde was questionable, as was the adequacy of Red Funnel's evening services from Southampton. Except for the summer, when payment in full for bookings more than a short time ahead was needed for bookings to be held, the current booking system allowed customers with vehicles to book but not show up. Moreover commercial ferry users occasionally made block bookings but did not take the bookings up for operational reasons. The system could therefore produce erroneous information on the capacity available on individual sailings. Improvements were possible to the timing of connections with trains, for example on the Ryde- Portsmouth route. Generally it should be possible for the ferry operators to improve their facilities ashore.

5.9. Two other local authorities on the Island gave us their views. South Wight Borough Council gave its general support to the views of the county council. This council cited independent research undertaken for the Isle of Wight Tourist Office in the spring of 1991 on the attitudes of visitors and potential visitors to the Island. According to this, people who had visited the Island did not think that the cross-Solent crossings were expensive, but those who had never done so perceived them to be so. The crossings were viewed as expensive for short breaks. Gurnard Parish Council expressed concern about the ending of the Red Funnel car ferry service to West Cowes.

5.10. Hampshire County Council told us that its concern with the ferries was primarily with the associated transport and road traffic aspects. The council would be concerned if there were significant public complaints about fares and frequencies, but was not aware of any in recent years.

5.11. A variety of ferry operators appeared essential to the council in a market of such size and potential to provide an element of competition, to offset any risk of overpricing and to encourage a reasonable level of service. An element of competition might prove to exist already, but it could be argued that the wide geographical separation of ferry terminals, especially on the mainland, meant that a particular operator served quite a large catchment area, although this depended on such factors as mode of travel and the purpose of the journey. Competition would be enhanced by the prospect of new entry, which presumed ready access to port facilities. The council would be concerned if harbour authorities favoured an established operator and so stifled potential competition.

¹*An island apart, the cost of severance by sea for the Isle of Wight*, January 1989.

Isle of Wight Health Authority

5.12. The Isle of Wight Health Authority gave its support to the views of the Isle of Wight County Council. The health authority told us that Wightlink discontinued negotiations for half-price fares for hospital patients for whom treatment on the mainland was necessary, as the company was reluctant to subsidise a service when it was the Government's responsibility to do so. Red Funnel offered no concession. Cowes Express offered a discount of one-third.

5.13. Under National Health Service regulations, people on low incomes, in receipt of income support or family credit, may reclaim the expenses of travelling to see a hospital consultant or to visit a disablement service centre. The regulations also allow reimbursement of the expenses of a travelling companion if it is essential on medical grounds for the patient to be accompanied. The health authority confirmed that these regulations are applied in practice to patients and their companions travelling to the mainland by ferry.

Isle of Wight Development Board

5.14. The Isle of Wight Development Board is controlled by the county council. The object of its activities is to improve the economy of the Island, and it concentrates on marketing the Island as an attractive place for business, relocation and inward investment. The board told us that only a handful of very small firms had moved to the Island recently. No financial inducements were offered by the board or the local authorities, nor did the Island have Assisted Area Status (which could mean advantages for newcomers). The board thought that the determining factor for a firm in deciding whether to move to the Island was the cost and convenience of the Solent crossing. The board provided us with copies of 18 letters from Island businesses elicited by the board and describing the effect of the ferry services on their businesses. The main points from these letters are included in paragraphs 5.37 to 5.47.

Rural Development Commission

5.15. The Rural Development Commission (RDC) is an official body which advises the Government on matters affecting rural areas and helps to strengthen their economy by stimulating job creation in various ways. These include the provision of small workshops and advice, training and finance. Over 35 small businesses asked the RDC to put forward to us their representations on freight negotiations and charges, and a few individuals and hoteliers their representations on fares for short-term holiday bookings. The main points from these representations are included in paragraphs 5.32 to 5.33 and 5.37 to 5.47.

The Post Office

5.16. The Post Office uses Wightlink, Red Funnel and Hovertravel to carry letters and parcels. The Post Office made no criticism of the cross-Solent ferry services.

Sally UK Holdings plc

5.17. Through subsidiaries, Sally owns the port of Ramsgate, it operates passenger and cargo ferries between Ramsgate and Dunkirk and cargo ferries between Ramsgate and Ostend. Sally also provides travel agency services, particularly for self-drive holidays. In addition to these interests, Effjohn Oy Ab, Sally's Finnish parent, owns cruise and ferry ship operations in the Baltic, North America and the Caribbean. Sally gave us the following information and views.

Entry to the cross-Channel ferry market

5.18. Sally believed that its experience in entering the cross-Channel ferry market gave it more knowledge than most of the effects of the monopoly power exercised from English and continental ports by ferry operators. Sally told us that it had entered this market in 1981, against a background of extremely restricted competition, in the belief that introducing Scandinavian standards of amenity and service would enable Sally to compete effectively.

Bid for Red Funnel

5.19. Sally bid for Red Funnel in 1989 but was outbid by ABPH. Sally's main reason for the bid was that it formed part of a group with the necessary resources and experience to exploit the Isle of Wight holiday and travel markets which Red Funnel had not exploited properly either for its own benefit or for the benefit of the consumer. Historically Red Funnel did not use the travel trade for marketing, and as a general rule refused to carry coaches. Sally saw great opportunities for serving the growing holiday and leisure markets on the Island by better marketing and through collaboration with Island leisure centres and hoteliers. Furthermore Sally saw ample scope for better use of Red Funnel's business. This could be done by disposing of its non-shipping interests; introducing suitable vessels in place of an outdated fleet; introducing on-ship and on-shore services to Sally's own standards; and using a more flexible fare structure better suited to the actual and potential markets for Red Funnel's services.

5.20. Sally did not pursue its bid because it did not feel justified in entering an auction in which it believed that the counter-bidder may have valued Red Funnel as much for the property development value of its existing leases as for its worth as a ferry operator. Sally had been prepared to buy Red Funnel and to incur the substantial costs of improving the overall operation of Red Funnel's fleet, including the necessary replacements to it. Sally had not been prepared to pay a price which, in Sally's opinion, may have reflected a benefit peculiar to ABPH of consolidating for redevelopment the property covered by Red Funnel's leases with the Southampton property already under its control.

Competition

5.21. In Sally's view, none of the main routes to the Island constituted a separate market. Nevertheless Wightlink held a dominant position in the ferry route market as a whole and the conditions of competition between Wightlink and Red Funnel were strictly limited. One effect of Red Funnel's historic neglect of the mass holiday market was virtually to deliver this market segment to Wightlink, so helping to maintain very high fares and excessively rigid fare structures. There was a lack of flexibility in pricing outside peak hours and in sailing frequencies during spring and autumn. If the services were truly competitive, sailing frequencies would be more closely related to the seasonal fluctuations and fares more closely related to demand not only at different periods of the summer peak and winter off-peak but also on different days of the week and at different times of day. Finally, the provision of such services as reservation and ticketing, reception and passenger handling fell below the standards of quality and efficiency which would obtain in a truly competitive market.

5.22. Sally said that the high level of cross-Solent fares would not necessarily be reflected in a crude comparison on the basis of cost per kilometre between cross-Solent fares and the cost of ferries elsewhere. Such a comparison would not reflect the considerable costs of meeting the higher safety standards and manning levels required on the cross-Channel and Scandinavian services. These costs were only partly offset by the scale economies of larger ships and the profits of fuller cruise catering on the longer routes. Nor would a comparison with fares on some of the Scottish routes adequately reflect the growing importance of Government subsidies. Sally did, however, give us figures for the cost per kilometre of representative standard fares for a family saloon car, accompanied by the average number of passengers, for the cross-Solent routes and a selection of Scottish, Irish Sea, English Channel and Scandinavian routes. The comparison is at Appendix 5.1.

Entry to the cross-Solent ferry market

5.23. Sally considered that the conditions of restricted competition which it had described could best be improved by a new entrant or entrants willing to offer improved services and standards. However, there were formidable barriers to entry. Successful entry to any new vehicle ferry market required considerable start-up costs, covering not only capital expenditure on ships and port facilities but also expenditure on marketing. Sally said that a new entrant would normally make losses for up to three years because of these costs alone, and they were a powerful barrier to entry. An even greater disincentive was the existence of a monopoly or duopoly (as on the cross-Solent routes). Sally said that it had the necessary financial strength to incur and absorb start-up costs and the necessary experience to overcome the other barriers mentioned. It had shown its willingness to enter the cross-Solent market through its bid for Red Funnel in 1989, and remained interested in doing so. But, in Sally's experience, an overriding and near insuperable barrier for any would-be entrant into the cross-Solent vehicle ferry market, in the absence of intervention by the authorities, was the problem of access to suitable ports.

5.24. In Sally's view, the mainland and Island terminals from which Wightlink and Red Funnel operated afforded the only suitable facilities for a full cross-Solent ferry service. With the possible exception of Southampton, all existing berths in these terminals were fully utilised by Wightlink and Red Funnel, which moreover either owned the facilities or held long-term rights of occupancy. What was peculiar to the Solent crossings among English ferry routes was that for one physical reason or another there was no alternative site which, albeit at great expense, as at Ramsgate, could be developed as a vehicle ferry port.

5.25. There would be fewer difficulties with terminals for a new foot passenger ferry operator, as indeed the example of Cowes Express showed. Except for Thetis Wharf at West Cowes, now used by Cowes Express, Sally believed that each of the existing passenger-only terminals had capacity for additional services.

5.26. Sally told us that the difficulty for car ferries would not be removed even if the port authorities were compelled to reserve berthing slots for a new entrant. The owners or occupiers of the only suitable port facilities would still be able to give preference to their own ferries, particularly in making berthing slots available at peak times and in convenient location of berths, both matters essential for commercial success in ferry operation.

Remedies

5.27. Sally gave us its views on the possible remedies for any detriments to the public interest that we might find arising from restricted competition on the Solent crossings. In Sally's view the root cause of any such detriments lay in the high entry barrier through control of port facilities by the existing car ferry operators; the most effective remedy would be concerned with lessening this barrier. It would consist of the exclusion of owners or operators of car ferry services (and their subsidiaries or associates) from ownership or any form of control of port facilities, in particular berthing slots at peak sailing times. The exclusion should apply to ports on the Isle of Wight and on the mainland east of Poole and west of Chichester. Price control or the monitoring of performance would be an inadequate substitute for the effective competition which could be introduced by a new ferry operator able to operate without artificially imposed port restrictions.

Trade unions

5.28. We received evidence from the Transport and General Workers Union (TGWU), the National Union of Rail, Maritime and Transport Workers (RMT) and the Transport Salaried Staffs' Association (TSSA). Almost all of Red Funnel's employees belong to the TGWU. RMT and TSSA represent most of Wightlink's employees. There is a single TGWU union agreement with Red Funnel. There is a separate RMT/TSSA agreement with Wightlink, providing among other things for some different rates of pay on the different Wightlink routes.

5.29. The views of the three unions were similar. They considered competition on the cross-Solent routes to be sufficient. Their various concerns about the introduction of new competition were that it would increase operational costs, and in consequence quality of service, efficiency and sailing frequencies would decline. The less profitable sailings (early morning, late night, mid-week and during the winter) would be the first to suffer, while new entrants would be likely to concentrate their services on the high summer and peak times of day. It

was true that fares might drop, but a price war would lead to payroll costs being cut and jeopardise employment and the quality of manpower. The extra congestion in the Solent which new services would cause would adversely affect safety standards.

5.30. RMT regarded Wightlink's investment plan, predicated on the present state of competition, as vital to the job security of its members. Divestment of either of the two Wightlink routes from Portsmouth would destroy the Wightlink back-up system. While this objection would not apply to the route from Lymington, there was no room at either terminal for another operator.

5.31. The TGWU said that a watchdog body such as the Isle of Wight County Council could ensure the provision of services of the proper standard and reasonable levels of fares. Operators would need to be licensed by this authority and licences should be granted only to applicants with adequate finance and ships, properly qualified personnel and a commitment to provide services of the proper standard throughout the year.

Hoteliers and guesthouses

5.32. Some 50 hoteliers, guesthouses or hoteliers' associations wrote to us. All complained about the level of fares. Many maintained that tourism on the Island, and business generally, would be badly affected or destroyed if fares were not lowered. Many said that potential guests were put off when they discovered the fares. Guests were said to talk about the high charges or say that they made an Island holiday bad value for money. Comparisons were made with the lower cost of other ferries, including the Puget Sound crossing from Seattle for less than \$10 return for a car and three passengers. The following figures were given for two cross-Channel routes:

Truckline	Poole-Cherbourg	85 miles	£80 = 47p per passenger mile
P&O Ferries	Portsmouth-Le Havre	100 miles	£100 = £1 per passenger mile

5.33. There was a suspicion of price rigging because of the lack of competition. Some complained of high-handedness, shown in increasing fares, altering timetables and cutting out services. There were a few complaints about particular aspects of the services. One hotelier said that return fares should not vary with the period before the return journey. There was also complaint of lack of capacity when most needed at the high season. We were told that large hotels and other commercial concerns can block book, and commercial block bookings can fill the ferry but are often not taken up. Information given on the available car space was often unreliable.

HavenWarner

5.34. HavenWarner, part of The Rank Organisation, is a caravan park and holiday village business and runs six holiday centres on the Isle of Wight. HavenWarner said that historically Wightlink had held a virtual monopoly of mass holiday traffic. Red Funnel did not operate through travel agents or accept bookings for coach traffic. HavenWarner said that Wightlink and Red Funnel had recently accepted HavenWarner's argument for a more flexible seasonal fare structure, in that the main summer season was now split into two parts. Nevertheless the ferry operators still had some way to go in differentiating fares to reflect fluctuations in demand through the seasons and the day of the week or time of day to serve the needs of the market and particularly to develop mass tourism on the Island. More effort was also needed to reduce congestion through increased frequencies during the peaks. HavenWarner believed that arrangements for the 1992 and 1993 seasons were likely to show further improvement through the much improved information which would be available to the company and the ferry operators by the beginning of the year.

5.35. In comparison with fares elsewhere for similar or longer routes, fares appeared very expensive to customers. An example was the cost of a two-week holiday for a family in France in July at a HavenWarner caravan camping site. Typically this cost £1,200, of which the ferry cost was between £69 and £143. A comparable HavenWarner holiday for one week on the Isle of Wight cost £200, of which the ferry cost was some £40 to £50, a far higher proportion.

5.36. Car passengers paid the same rate throughout the year. Fares for HavenWarner customers were calculated on a standard car length of up to 5.5m and load of six passengers; in fact most cars carried only four. Occasionally places were not available on a sailing if booked through HavenWarner but available direct with Wightlink. Moreover, some bookings had been cancelled by Wightlink without previous consultation with HavenWarner.

Other businesses

5.37. We heard direct from some 50 other businesses, and their evidence is summarised below, together with the evidence from businesses which reached us through the Isle of Wight Development Board and the RDC.

5.38. One business from the Island said that except for Wightlink's recent fleet renewal on the Portsmouth-Fishbourne route, almost all of the improvements made by the incumbent companies were a direct result of the threat of or actual competition. This company also said that the terminals were the single factor guaranteeing the total lack of genuine competition; Red Funnel and Wightlink were impregnable because no other operator could obtain equal facilities at either end of any of the three main routes. Several other businesses from the Island made similar points. One Island business said that the Fishbourne and Cowes services were not in direct competition with each other on the same route. Wightlink and Red Funnel were able to determine their prices and timetables without reference to competitors.

Fares

5.39. Nearly all of the businesses complained about the general level of fares, and a number about one or another feature of the fare structures. The main criticism was the substantial effect of the fares on the costs of a manufacturer or supplier. The complaints about fare structures are given below:

- (a) An association of hauliers said that it was difficult to isolate the sea element in haulage charges, but charges on the cross-Solent routes had risen over a period of six or seven years faster than the general level of haulage charges for inland movements. A rigging manufacturer said that Red Funnel's freight charges between the years 1988 and 1989 had risen much above the rate of inflation.
- (b) Unlike the mainland coach companies, an Island football club has to pay Wightlink the standard rate for coaches to the mainland for 40 to 50 journeys a year.
- (c) Wightlink gives no concession for Island commercial vehicle users when using their vehicles as private transport.
- (d) The Island foot passenger concession given by Red Funnel should apply to businesses.
- (e) There are no commercial day returns, eg for samples or for goods sent to the mainland for processing.
- (f) The reduction for livestock on lorries up to 7m should apply to horse trailers.
- (g) Animal feed deliveries to the Island are at a rate about 40 per cent above that charged to Island hauliers. Rates for livestock collections from the Island are also about 40 per cent higher than for a mainland haulier. Trade to the Island is therefore damaged.
- (h) There should be greater discounts for regular users. Alternatively there should be transferable company season tickets.

Quality of service and reliability

5.40. One Island business congratulated Wightlink on standards of staffing, punctuality, cleanliness and operating quality, apart from booking which could be more efficient. This firm commented on the obvious considerable investment and also said that criticism of the Solent services always tended to be of price: 'we would all like to find life cheaper, but a quality service costs'.

5.41. There were several complaints about the inefficiency of Red Funnel's service. The hydrofoils were stopped by fog, bad weather, low tide and lack of crew. The car ferries were also affected by bad weather and fog, although with the use of modern technology (eg Global Positioning System) it was possible to establish location exactly, and radar could show other traffic. The car ferries were too slow, wasting the time of business travellers. They were not reliable enough since the company's policy was apparently 'to make do with outdated older vessels, which over the years have been lengthened and otherwise rebuilt'. There were no reserve vessels to act as back-up.

5.42. Red Funnel's freight and parcel service was said to be the most expensive and poorly organised of any cross-Solent ferry. At the West Cowes terminal there was no car parking and no effective drop-off or pick-up point for cars.

Service provision

5.43. As regards Wightlink, it was said that the Ryde-Portsmouth frequencies were inadequate on Saturdays and sailings on the Lymington route had declined. The winter frequencies and first and last sailings were inadequate. The single one-way-only Portsmouth-Fishbourne dangerous goods ferry at 05.00 hours was very inconvenient.

5.44. As regards Red Funnel, it was said that there was no early morning car service to Southampton, restricting business travel or forcing travellers to use the Wightlink service. Some businesses criticised the termination of the car ferry stop for passengers at West Cowes.

5.45. There was said to be a need for freight-only services.

Connections, booking and boarding

5.46. It was said that Wightlink's catamaran services were no longer linked to the trains so passengers suffered delays when trains were late and the catamaran did not wait. On the Yarmouth- Lymington route, there was no guarantee of the ferry meeting the trains at Lymington, and ferry passengers were not advised of the non-availability of trains from Lymington in sufficient time. The Red Funnel timetable from East Cowes was inconvenient for trains, and bus connections from Southampton station to the dock were only for the hydrofoils to West Cowes.

5.47. Several businesses also made one of HavenWarner's points about bookings. The block bookings not taken up could lead to unfairness to individuals and were the cause of inefficiency and erroneous notifications of lack of capacity, including inability to cross at the summer peak without giving pre-notification. Full prepayment was required for bookings. It was suggested that those travelling without a booking should be accepted in queuing order at a lower fare.

Associations representing ferry users

National Farmers' Union

5.48. The Isle of Wight County Branch of the National Farmers' Union (NFU) complained about high charges and their consequences for the prosperity of the Island. Although discounts of up to 70 per cent on the published tariff for lorries were defended upon the basis of the quantity carried, they distorted competition. They were so far below tariff that it could be argued that either the tariff was excessive or that some users were subsidising others. The NFU also said that many agricultural requirements and much agricultural produce were bulky and of relatively low value. It was clear that the ferry charges distorted the end price of the product far more than, for example, an electronic part from Siemens Plessey. This made it difficult for agricultural producers to compete in the United Kingdom. The NFU noted a knock-on effect for cargoes suitable for wharfside loading into barges or seagoing ships. Wharf landing charges on the Solent were higher than at Shoreham, for example.

Automobile Association

5.49. The Automobile Association (AA) told us that it became a sales agent for Wightlink during 1991, and that it had operational experience of using the cross-Solent ferry services when transporting members' vehicles under the AA Relay Service. The AA told us that it had received no correspondence from its members about the ferry services.

RAC Enterprises Ltd

5.50. The RAC is also a ferry sales agent, although little of this business arises from the Solent crossings. The RAC said that it always tried to see that the motorist obtained a fair and equitable service; this was the basis of its policy in offering a wide range of options from the different ferry operators. The RAC certainly had no evidence to suggest that the consumer was penalised by the existence of only one significant carrier on the cross-Solent routes. If consumers had been penalised, the RAC would normally expect to receive increasing numbers of enquiries and complaints from its 5.2 million members. Moreover, the RAC's knowledge of the cross-Solent ferry services did not lead it to believe that alternative ferry operators could provide a better service, given the need to make a reasonable commercial return.

Caravan Club Ltd

5.51. The Caravan Club Travel Service said that it had a number of members living on the Isle of Wight, and many members living on the mainland who would like to take their cars and caravans to the Island for their holidays. Many were dissuaded from doing so because of the high ferry charges. Because of the competition existing in the ferry services to France, it was actually cheaper to book a caravan on a similar crossing on a long sea route from, say, Portsmouth to Cherbourg than to make a similar crossing to the Isle of Wight. The Caravan Club would welcome any measures to ensure a fairer pricing policy.

Mr Barry Field MP

5.52. Mr Barry Field who is the Member of Parliament for the Isle of Wight gave us his views. He said that considerable misgivings existed about the level of charges for Island businesses and passengers. The concessions for Islanders seemed to have no foundation in terms of financial sense or marketing strategy. He thought that there was 'an element of cross-subsidy or indifference' on the fast Portsmouth-Ryde and Southampton-West Cowes routes on the basis that passengers could travel on the alternative routes.

5.53. Mr Field welcomed the competition which Cowes Express was now providing to Red Funnel on the Southampton-West Cowes route. However, he said that a common user berth for small fast passenger craft should be provided at all Wightlink and Red Funnel termini. Wightlink's exclusive monopoly of connection with trains at Lyminster and Portsmouth also made it difficult for any other operator to compete.

5.54. Mr Field had received many complaints that the ferries were in a hurry to leave the mainland, often stranding passengers. On the other hand ferries to the mainland were often late, so missing the train connections. He also said that Ryde Pier in particular should offer better facilities to those wishing to book. Many of the letters we received from members of the public on the Island were the result of a written invitation sent by Mr Field to many of his constituents to write to us if they shared his concern at the level of ferry charges to and from the mainland.

Members of the public

5.55. We received almost 500 letters from members of the public, all but 25 letters coming from the Island. Some of the letters were signed by or on behalf of numbers of people, eg 37 residents in sheltered accommodation in Ventnor, Sandown and District Age Concern and the Isle of Wight Kidney Patients Association.

Monopoly

5.56. Several people expressed suspicion that a cartel might exist as similar fares were charged on all routes in spite of quite different mileages, or because of the almost simultaneous fare rises. One person said that Wightlink's fares should be much lower than Red Funnel's because of the smaller distances and much greater volume of vehicles carried. Another person said that the ferry operators were apparently not in competition with each other but more in unofficial co-operation, as witness the use of Wightlink tickets on Red Funnel routes. Another said that a consequence of the monopoly was that the ferry operators took no responsibility for timekeeping or cancellations and people were left stranded in inadequate shelters without facilities.

5.57. One person said that there was no opportunity for any competition on the Lymington- Yarmouth route as Wightlink owned the only available shoreline at Lymington. Another said that ownership of the Fishbourne slipway and Ryde pier had blocked competitors on both Wightlink's routes to Portsmouth. Another said that Wightlink and Hovertravel served different markets on the Portsmouth-Ryde route in reality as unlike Wightlink Hovertravel did not provide convenient connections with the trains.

5.58. One comment (made before the resumption of the Cowes Express service in 1991) was that Islanders travelling to work on the mainland from East or West Cowes to Southampton faced a Red Funnel monopoly. The company could afford to ignore the wishes of many people by discontinuing the car ferry stop at West Cowes. Several people said that Red Funnel took advantage of the situation by charging exorbitant fares for little service.

Fares

5.59. The tenor of the evidence of members of the public was that fares were too high. All but a few complained of this. The complaints were more about car ferry fares than foot passenger fares. Many of the complaints were from old age pensioners, and many about the effect on visits to friends and relatives. The following is typical of such complaints:

Charges you will know so I will not list them here but would point out that for an Island registered car with driver, and 1 passenger (how do they expect a car to get on and off the ferry without a driver) the total service for a medium-sized car amounts to half a week's OAP pension. For a family with children visiting family or friends on the Island the cost is astronomical.

High fares were also said to have adverse effects on tourism, employment, business costs and the cost of living and, as regards fares to the mainland, on commuting, medical costs, shopping and educational, cultural and sporting visits.

5.60. It was the impression of many people that the cross-Solent fares were very high in comparison with those of other crossings; indeed many called the Solent crossings 'the most expensive stretch of water in the

world'. Comparisons were mainly with the cross-Channel and Caledonian MacBrayne ferries, but also with the Danish Helsingor-Helsingborg ferry and the Sydney, New York and Hong Kong ferries.

5.61. The following points were made about particular elements of the fares structures:

- (a) Wightlink's concessionary rate does not allow for a motor caravan 8'2" high. There is no concession for the Renault Trafic or caravanettes. The Island concession for cars is only available for one month, not three. Mid-week car returns have been abolished. There should be at least three especially cheap crossings annually for cars. Monthly return promotional bargains are no longer available to Islanders, except for the pre-Christmas £25 day return. The lowest rate for cars (11'3") has been withdrawn. The driver at least should be included in the car fare. Among other complaints were that the car alone should be charged for, that the fares for passengers are too high, and that the Island concession should apply to passengers as well as the car.
- (b) There is no season or Island concession for parking. Wightlink's car park fees at Lymington are too high.
- (c) There should be a Wightlink Island concession for foot passengers. Island old age pensioners should have an additional concession. Sea Containers stopped the British Rail (BR) students concession. BR Rover tickets including the ferry trips are no longer available. With Red Funnel, there is no student concession except for a term ticket for set journeys.
- (d) The off-peak concessions for pensioners on the hydrofoils were introduced only in the summer of 1991 and suffice to cover only the time for shopping and not for an extra journey such as a hospital appointment. Both for Wightlink and Red Funnel, the existing Island concessions are insufficient. Island concessionary fares should be flat and not variable.
- (e) A youth football league receives no group discount from Wightlink.
- (f) Wightlink gives no Island concessionary fare for working people who do not need a seven-day fare.
- (g) The non-day return fare is much greater than for a day return. Return fares should not vary with the period before a return journey. Alternatively there should be a graduated scale according to the period.
- (h) An association of pensioners says that the summer season does not start until May and finishes in September but summer rates extend from March until October. Members are compelled to take organised day coach outings outside the summer rate period because of the prohibitive summer surcharge.
- (i) People are put to much expense when attending mainland hospitals for treatment not available on the Island.
- (j) When the hydrofoils are not running the refund given on the car ferry is only 20p. A charge of £6 on the hydrofoil for two Yorkshire terriers is excessive.
- (k) Fare promotions are welcome but special offers are introduced without publicity so that anyone arranging a journey cannot take advantage of them.

Quality of service

5.62. There were several tributes to the quality of Wightlink's service and the results of recent investment. A few felt that the service and amenities provided were too good, leading to fares that were too high. There were also a few complaints about various aspects of Wightlink's service. Red Funnel's service also attracted a little comment, both favourable and unfavourable. The reliability of Wightlink's catamarans and Red Funnel's hydrofoils came in for criticism. Complaints about frequency, train connections, booking and boarding are given below.

Service provision

5.63. Wightlink's Ryde-Portsmouth frequencies at peak times, especially summer Saturdays, were said to be inadequate; last sailings on Saturdays and in winter did not allow Islanders an evening's entertainment in Portsmouth. In Lymington sailings had declined; the last ferry was too early, and in winter the first and last sailings were inadequate for a day on the mainland.

5.64. There was a volume of complaint about the recent termination by Red Funnel of its car ferry stop at West Cowes. This was said to leave West Cowes with a high-speed service which was more expensive, and inconvenient for passengers from East Cowes.

Train connections

5.65. There was criticism that connections were not maintained by Wightlink and BR on the different Wightlink routes. Notification by Wightlink of the non-availability of trains from Lymington was said to be inefficient.

Booking and boarding

5.66. Full prepayment was required when booking, and in the summer it was necessary to book far in advance. The private car owner was put at the bottom of the ferry operators' priorities because of block bookings by freight operators and hotels. Telephone advice on free car space was unreliable. A few people said that car ferries should accept vehicles in queue order without booking and sail whenever full.

Remedies

5.67. One remedy suggested for higher charges was increased competition. Some said that ferry operators should not own port facilities. A number were attracted by the ideas of subsidy or charge capping or a set toll. Others were attracted by the idea of a bridge or tunnel.