



CICRA media release

10 January 2014

CICRA agrees to Aurigny and Blue Islands codeshare between the islands

CICRA (the Channel Islands Competition and Regulatory Authorities) has agreed to allow Aurigny and Blue Islands to codeshare on the Guernsey-Jersey route after the airlines applied for an exemption under the islands' competition laws.

Having taken into account responses to CICRA's consultation on the issue, the competition authority has granted the exemption providing certain conditions are observed by the airlines.

Under the codeshare agreement, which will run initially for two years, Aurigny will take a fixed block of seats on flights operated by Blue Islands between Guernsey and Jersey using the 46-seat ATR42 aircraft, with ground support at the airports in both islands for those flights provided by Aurigny. Aurigny will pay Blue Islands a fixed charge for the seats.

CICRA chief executive, Andrew Riseley, said that the authority had ultimately concluded that the interests of customers would be best-served by allowing the airlines to codeshare.

"In the absence of the codeshare agreement both airlines contended that competition on the Jersey-Guernsey would shortly disappear. On balance our judgement is that the best means of protecting customers is to ensure that competition on the route remains as vigorous as possible and the conditions we have set for agreeing this exemption should achieve this."

As well as stipulating that any changes to Aurigny's obligation to take a fixed block of seats for each flight must be approved separately by CICRA, the conditions imposed by CICRA include:

- Each airline must market its seats on the route independently of the other, applying its own fares and conditions
- Aurigny must disclose clearly to its customers (on its timetables and website) that Blue Islands is the carrier on all flights on the route

Following concerns that the proposals could adversely affect consumers through inadequate capacity, the decision also requires the airlines to make reasonable efforts to ensure that extra capacity is provided on the route where required to meet levels of demand.

The airlines will fly six or seven flights in each direction on weekdays, four flights in each direction on Saturdays and three flights in each direction on Sundays. Tickets will still display the Blue Islands SI and Aurigny GR code, respectively, and the airlines' respective frequent flyer and corporate discount schemes will continue to apply.

Mr Riseley said many of the responses to the consultation dealt with quality of service issues rather than fare structures.

“We believe that this is the best solution possible under the circumstances; that this is the best level of competition which can be achieved.

“The airlines have provided future forecasts under the joint operation which show financial improvements for both parties. CICRA is of the view that, without this financial improvement, one of the parties would exit the route altogether.”

ENDS

NOTES TO EDITORS:

All enquiries should be directed in writing to CICRA Chief Executive, Andrew Riseley, in Guernsey at the Guernsey Competition and Regulatory Authority, Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH or in Jersey at the Jersey Competition Regulatory Authority, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF. Alternatively email info@bicra.gg.

About CICRA:

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under The Guernsey Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.