

17 February 2012: Maritime services to Corsica

Published on March 05, 2012

The *Autorité de la concurrence* recommends the Corsica regional council to specify precisely the island's maritime service requirements with a view to avoiding public intervention and expenditure that would be both superfluous and detrimental to competition.

> *Version française* 

Referred to by the Chamber of Commerce and Industry of the Var département (CCIV), the *Autorité de la concurrence* has just issued an opinion concerning maritime services to Corsica. The *Autorité* recommends the Collectivité territoriale de Corse (CTC, Corsica regional council) to assess precisely the island's maritime service needs in order to confine the scope of public intervention to what is strictly necessary.

Organization of the public maritime service to Corsica

Maritime services to Corsica from Marseille are operated under a public service delegation contract by a consortium comprising companies SNCM and CMN. The contract¹ provides for a basic annual passenger and goods transport service and a peak service solely for passenger transport during the summer and school holidays. In order to offset the operating losses generated by the provision of all these services, the CTC provides financial compensation to SNCM and CMN².

In parallel to this public service delegation contract, a social aid system has been introduced for services departing from Nice and Toulon. This system enables the CTC to reimburse companies that offer reduced-fare tickets to certain groups of

passengers (the young, the elderly, families and island residents)³.

It was further to the announcement of a possible extension of the public service delegation contract to include Toulon/Corsica services that the CCIV referred the matter to the Autorité de la concurrence.

The *Autorité* recommends the *Collectivité territoriale de Corse* to specify precisely the island's maritime service requirements

Before the CTC makes any decision, the Autorité de la concurrence recommends that actual public service requirements be assessed, shipping line by shipping line, in terms of transport capacity (passengers and freight), frequency of crossings, ports of departure and arrival, and types of boat. This assessment in legal, financial and technical terms will enable it to make an informed decision.

In view of the low occupancy rate of boats on the Marseille to Corsica crossing, the Autorité recommends the Office des Transports Corses (OTC) to consider the possibility of abandoning, at least temporarily, the public service delegation contract regime from 1st September 2012 (the deadline imposed by the Marseille administrative court of appeal to terminate the current agreements), and of putting in place a system of general public service obligations (number of weekly services, capacities, port of departure and arrival, etc.) that would be binding on all shipowners providing services departing from each of these ports, Marseille included.

This needs assessment will enable the *Collectivité territoriale de Corse* to choose the most suitable form of public service organization for services to and from the island

The Autorité points out that before considering recourse to a public service delegation contract, the CTC should ascertain that a system of "general public service obligations" does not suffice and that the market alone is not in a position to meet the island's needs.

If after examination a public service delegation contract proves to be necessary, the Autorité recommends the CTC to confine the scope of such a public service

delegation contract to what is strictly necessary. Indeed, with regard to the supplementary service (during the summer and school holidays), private-sector passenger services from Toulon, Marseille or Nice appear to be quite adequate.

Lastly, as far as the basic (off-peak) service from Toulon, Marseille or Nice is concerned, only a precise and detailed inventory of the real needs of the general public and businesses will enable the regional council to reach a decision on whether or not to resort to the public service delegation contract and thereby safeguard its intervention in the eyes of the law.

(1) On 7 November last, the Marseille administrative court of appeal questioned the validity of the PSC organizing maritime services between Marseille and Corsica and imposed new restrictions and new deadlines on the CTC.

(2) The compensation amounted to more than 113 million euros in 2010.

(3) In 2010, social aid totalled more than 17 million euros.

> Full text of opinion 12-A-05 of 17 February 2012 on sea transport between Corsica and the continent (in French)

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