

PE1421/C

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Stuart Todd
Assistant Clerk to the Public Petitions Committee
The Scottish Parliament
Edinburgh
EH99 1SP

Your ref:

Our ref:

30 August 2012

Dear Mr Todd

Public Petition – Ferry Fares – PE1421

I refer to the Committee's letter to me of 4 July 2012 regarding Consideration of Petition PE1421 in relation to Ferry Fares. I am responding as the Policy lead for ferries issues. In that letter, the Committee drew my attention to the two issues raised by Rhoda Grant MSP at the meeting of the Committee on 26 June 2012 regarding the retender of haulier contracts and the Traders Rebate Scheme (*Official Report, cols. 698 – 699*). That letter sought the Scottish Government's views on these two points and to set out what action it proposes to take. I will take each of these points in turn.

In response to the first point raised by Ms Grant, the arrangements between hauliers and their customers regarding the retendering of haulier contracts are a commercial matter between them. However, the Minister for Housing and Transport, and officials from Transport Scotland, continue to regularly engage with hauliers, and their representative bodies, on these and other matters. That is to ensure that the hauliers operating to the Western Isles, Coll and Tiree are as informed as they can be in relation to current and future plans for commercial vehicle ferry fares. That engagement should allow hauliers to factor that into their future tendering of their haulier contracts.

The Government's response to the second point raised by Ms Grant is as set out in the reply from Keith Brown MSP to Parliamentary Question S4W-07640. In his response, Mr Brown made clear that all hauliers using CalMac and Serco NorthLink ferry services pay reduced fares due to the substantial subsidies paid to those companies under the terms of their contracts with the Scottish Ministers. In addition, certain further tariff reductions are available on a non-discriminatory basis.

CalMac Ferries Ltd provides a Traders Rebate Scheme which offers hauliers a rebate of up to 15% based on their utilisation of capacity aboard CalMac ferries, other than on the current RET

routes (Western Isles, Coll and Tiree). Eligibility is based on frequency and volume of use on a route by route basis.

Discounts are also available for lorries carrying hay, straw or livestock, provided that the lorry is returning empty.

Significant additional financial support made available to all commercial vehicles, regardless of size, using routes to the Western Isles, Coll and Tiree means that they receive between 25% and 45% discount, compared to the level of fares that would apply if RET had not been introduced. We have also extended RET to small commercial vehicles up to 6 metres in length for services to the Western Isles, Coll and Tiree.

NorthLink Ferries Ltd operates a reduced freight rate for the weekend sailing from Aberdeen to Kirkwall. There are no haulier discounts, although all empty trailers are carried at a lower rate.

Increasing fuel prices clearly have had a significant impact on the costs facing hauliers serving our remote and island communities. This is an issue we have raised, and continue to raise, with the UK Government.

Finally, I can confirm that Scottish Government/Transport Scotland is continuing to work closely with all key partners on the study to consider the impact of the removal of RET fares from commercial vehicles on the economies of the Western Isles, Coll and Tiree. The Scottish Government's partners in this study are Comhairlie nan Eilean Siar, Argyll and Bute Council, HITRANS, Highlands and Islands Enterprise, Outer Hebrides Commerce Group, Road Haulage Association and Freight Transport Association. The most recent meeting of that grouping was held in Stornoway on Tuesday 21 August and follows on from a visit to the Western Isles by the Minister for Housing and Transport on Tuesday 17 July when Mr Brown met with the Outer Hebrides Commerce Group. Within the past week, experienced consultants have been appointed to undertake the study and the plan is to complete this work as soon as possible to inform future policy considerations in relation to commercial vehicle ferry fares. The consultants also attended the recent meeting in Stornoway. The aim of the study is to gather evidence to understand the impact of the fare changes on businesses and the local economies of the islands.

I trust this is helpful.

Yours faithfully

GRAHAM M LAIDLAW
Head of Unit