

# **A Proposal to Secure Aurigny Air Services for the Future.**

## **1. Introduction.**

This brief document has been created to investigate retaining Aurigny Air Services (AAS) as a unique Channel Island brand for the continuation of providing an air link to Alderney, Southampton, other Channel Islands and France. The abbreviation for the new AAS structure for the purposes of this document will be AAS+.

AAS+ has available the expertise in situ to continue a successful service in a slimmed-down lean environment utilising the existing fleet of Trislander aircraft into the years ahead. It is however recognised that a more sophisticated aircraft type may be required on existing and proposed new routes in the future.

It is the intention of the author to demonstrate that a bright future lies ahead for AAS+. This would require the political initiative to release the Trislander fleet of AAS from the Blue Islands (BI) take over bid.

The author proposes that AAS+ be realigned using most existing Trislander aircraft, crews, handling and operational staff away from the constraint of operating within the top heavy management organisation of AAS.

With emphasis removed from the overweight AAS organisational machine, AAS+ will be flexible to review the fares structure, look at operating to new destinations and be able to offer a permanent flight solution for the people of Alderney.

The author expects that the Company will achieve profitable activity in a relatively short period of time.

## **2. History**

Created in 1968, AAS was formed to keep vital air links alive to Alderney. The Islander fleet was replaced by the Trislander in the early seventies and continues flying to this day. This aircraft has proven safe, reliable and efficient in service and with the support of skilled engineers at AngloNormandy is able to continue in service indefinitely, although limitations of the Trislander are accepted.

Other operators have dabbled with services from Alderney without success, including Air Sarnia and more recently BI, which carries only a fraction of the passengers from Alderney than that of AAS.

BI's dramatic rise from the ashes of Rockhopper offered competition to the existing carriers and injected much needed focus on customer expectations. AAS were unwilling to react to the threat by changing their operating style and as a result have lost the majority of their Guernsey-Jersey passengers to BI.

AAS was created for the Alderney market which expanded into and then became focused mainly on the Guernsey-Jersey route, and later on refocused on flying into the UK. The needs of Alderney were pushed very much to the back burner. It is significant to note that only one of the current AAS senior management team lives in Alderney, and that many live in England.

Some caution should be noted at this juncture as AAS gives way to BI. BI management pledged to keep its operational base in Alderney. This did not happen. BI also promised to retain the Bournemouth air link. This was short-lived. The direct Jersey and Shoreham links were equally as short-lived.

With AAS+ as the permanent Alderney based airline, the whims of the business requirements of BI need not affect the Alderney way of life.

AAS+ will get back to basics. An Alderney-based AAS+ management, in touch and living amongst the people of Alderney, realising their needs, is essential.

### **3. Expectation**

AAS+ considers that BI is focused on developing and expanding the existing AAS and BI route structure as it has done over the last few years. AAS+ maintains that this will not apply to BI's Trislander fleet. Indeed continuing with the Trislander alongside modern turboprop aircraft would dilute the brand and create training and operational obstacles that may divert attention from BI's core business.

AAS+ would only initially operate one type, i.e. the Trislander, releasing the Company from the ties of multi-type training and other Air Operators Certificate (AOC) obligations. It is further expected that BI would shift to a single type operation also, utilising the ATR 42/72 series allowing the same AOC convenience and efficiencies as previously mentioned.

### **4. Co-operation**

With the control of the Trislander fleet retained by AAS+, operations will to all intents and purposes remain unaltered for the Alderney market. However for the sake of efficiency, AAS would like to propose certain co-operation with BI.

The booking system currently utilised by AAS is unnecessarily unwieldy and complicated. If the present system is not able to be improved to a standard similar to the BI booking system then it should be scrapped and replaced.

Flights to Jersey from Guernsey will be suspended as AAS+ will not compete on routes operated by BI, however flight timings to link with BI flights can be adopted. AAS+ flights to Guernsey and Dinard could, with the agreement of BI, be handled by BI ground handling crew.

The AAS+ Southampton base may offer benefits to BI. Existing AAS employees can handle BI flights to and from Southampton at competitive rates compared to that of the current handling providers, perhaps at a rate similar to that charged by BI to AAS+ passengers travelling through Guernsey.

Engineering support would be sourced from AngloNormandy, which is expected to be absorbed by BI, as has been the case for many years and is considered key to the success of the AAS+ operation.

## **5. Growth.**

With overall AAS+ staff numbers reduced to the 1996/7 level, and without major outlay on engineering a mixed fleet, a more efficient operation will allow reconsideration of the fare structure. It should be remembered that AAS made good profit in the middle nineties, in the region of £600,000 p.a. with what appeared at the time to be a reasonable fare tariff.

With tight fiscal control over a leaner organisation bereft of higher and middle management, there is no reason that similar rates of fare could not return and place AAS+ back into regular profitable activity for the first time in many years.

Ayline house in Alderney would become the Operations Centre for AAS+ employing many existing staff to continue in their present roles or be retrained to operate in different areas, such as payroll. AAS+ recognises that success is due solely to the people working within the company. It is anticipated that all of the required personnel already work for AAS or reside in Alderney and Guernsey.

Office space at Guernsey airport has already been secured for much reduced day to day activity.

Aircrew in Alderney will be retained. Some restructuring may be required in Guernsey due to suspension on the Guernsey-Jersey route, but many existing Trislander crew based in Guernsey will be retained.

The Alderney H24 ambulance service would be secure and unaffected.

New routes connecting AAS+ to France and Southern England have been identified but will not be furthered in detail for the purposes of this document; however a review of the direct Alderney-Jersey and Alderney-Cherbourg routes will take place immediately.

## **6. Aim.**

AAS+ recognises the importance of an air link to Alderney and, mindful of that, the directors of AAS+ would be willing to discuss a share agreement with the States of Alderney, or some other form of co-operation, in order to secure a lasting and meaningful long term relationship between AAS+ and the States of Alderney.

Although it is fully understood that the States would not necessarily want any part in actively running an Airline, it is recognised that the success of the Island are inextricably linked to the quality of the transport links to and from it. With that in mind, there would be room for a representative political voice on the board if this was felt appropriate.

## **7. Funding.**

A clear financial situation pertaining to the AAS sell off to BI, should it indeed happen, is yet to materialise from the States of Guernsey. However the author has assurances that a funding solution is in place to cover any incurred costs of start-up and continuation of operation of AAS+, given that all due diligence checks are found satisfactory.

## **8. The Future.**

Having witnessed the public meeting in Alderney with the owner of Blue Islands fielding questions from the public, it has become abundantly clear that the people of Alderney are wholly against losing the Aurigny brand name and also have deep suspicion of any new owner of their airline.

Naturally the investor of AAS+ would expect to see a return on their investment and will also want to create a stronger more secure company by further investment into the infrastructure of AAS+.

However it is envisaged that by 2020, possibly before, AAS+ will be offered to its work-force for them to control in the form of a Co-Operative company. The employees will choose their pay scales, their management and the routes to operate and will take the profits made either as a dividend annually or to re-invest in AAS+. The choice will be theirs to react to the local circumstances as they develop.

It is expected that as most of the AAS+ co-operative members will live in Alderney that this will act as a self-regulating, self-preserving alternative to a single investment group choosing the direction that the Company takes. A legally binding framework to this effect would be in place as part of the agreement between AAS+, the workforce and the States of Guernsey/Alderney. It is expected that the Co-Op system will secure AAS+ for many years ahead for the people of Alderney.

## **9. Conclusion.**

Having worked within AAS for ten years, the author has had invaluable insight of the workings from within and has witnessed the slow but steady decline of what was once a positive and vibrant company. He has also been based in Alderney for four years and Guernsey for six and understands the operation from both islands.

It is the firm belief of the author that control of the destiny of AAS+ should be placed in the hands of management that understand the needs of Alderney's unique requirements, and ultimately returned to the people for whom Aurigny Air Services was created. With steady and structured development, AAS+ will return to profit and make a contribution to the Bailiwick coffers.

Stability is vitally important to Alderney with an already fragile visitor market under strain from relatively expensive air links. AAS+ will offer that security.

Without a viable air link, Alderney will suffer significant decline, possibly turning an already difficult financial situation into collapse.

Capt. Ray Bowyer.  
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