

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

14<sup>th</sup> December, 2022

Proposition No. P.2022/90

**Policy & Resources Committee and the States' Trading & Supervisory Board**

**Alderney Airport Runway Rehabilitation**

**AMENDMENT**

Proposed by: Deputy M A J Helyar

Seconded by: Alderney Representative A Snowdon

1. In proposition 5 (as inserted by amendment no. 3), for "60%" substitute "50%".
2. Insert the following additional proposition:

"To direct the Policy & Resources Committee to seek to renegotiate the current Alderney Public Service Obligation contract with Aurigny with a view to reducing the current level of subsidy payable under the contract by the States of Guernsey with effect from 1<sup>st</sup> January 2024."

**Rule 4(1) Information**

- a) The propositions contribute to the States' objectives in that they seek to reduce States' expenditure
- b) In preparing the propositions, no consultation has been undertaken with other Committees or relevant stakeholders.
- c) The propositions have been submitted to His Majesty's Comptroller for advice on any legal or constitutional implications.
- d) The propositions would reduce the cost to the States of the subsidy required to deliver the Alderney air service.

### **Explanatory Note**

This amendment seeks to give assurance to those States' Members who have expressed concerns over there being no guarantee of realising the future revenue savings outlined in the policy letter and more general discussion over a desire to reduce the costs of the existing Public Service Obligation (PSO) payments as outlined in Amendment 8, as lodged as part of the debate on the Alderney Airport Runway Rehabilitation.

This amendment provides an opportunity for a reduction in the PSO payments with effect from 1 January 2024, on the basis of a commercial renegotiation of the exiting PSO agreement with Aurigny.

In addition, this amendment will formalise a reduction in the existing PSO payments upon completion of Option C+, to a level not exceeding £1m (index linked) per annum.