

Anne Jolly
Inquiry Secretary (Scottish Citylink)
Competition Commission
Victoria House
Southampton Row
London
WC1B 4AD

14th February 2007

Dear Ms Jolly,

Scottish Citylink Inquiry - Notice of Proposal to Accept Undertakings

I write in connection with the Competition Commission's invitation to comment on undertakings which the Commission proposes to reach agreement on with Stagecoach, Braddell PLC and Citylink Coaches, as a result of the earlier Inquiry into the Joint Venture of September 2005.

Whilst TACTRAN was not involved in the Competition Commission's earlier Inquiry, as the Regional Transport Partnership covering the Angus, Dundee City, Perth & Kinross and Stirling Council areas, all of which are served by the Saltire Cross group of services, we have a direct interest in the proposals which are now the subject of consultation.

The current consultation is based upon a requirement that the Stagecoach Group must divest itself of Scottish Citylink branded services and/or Megabus branded services on the Saltire Cross routes, between Glasgow, Edinburgh, Stirling, Perth, Dundee, Inverness, Aberdeen and intermediate points. These services are important elements of the public transport network through and within the TACTRAN area, many of which have been developed over a number of years, in consultation and cooperation with our constituent local authorities. They serve important strategic facilities such as the existing, successful Broxden Park & Ride site on the western edge of Perth, currently being expanded with funding from TACTRAN, and the new Kinross Park & Ride site and Killin and Crianlarich/Tyndrum coach interchanges, which are also being delivered with TACTRAN funding.

The proposed divestment arrangements appear to apply conditions requiring the vendors to honour existing arrangements such as through and integrated ticketing for a period of only 12 months "at the election of the purchaser", but there appears to be no similar requirement on any purchaser to honour such arrangements if they do not wish to do so, potentially jeopardising existing service, timetable and fares integration benefits. There also appears to be no requirement on purchasers to protect existing services, including journey and stopping patterns at intermediate points. Many of the services concerned fulfil important local public transport functions within the TACTRAN area and there appears to be no guarantee that these will be protected under the current divestment proposals.

I am aware that, in responding to earlier stages of the Inquiry process, a number of parties, including constituent Councils, have raised concerns that divestment is not an appropriate remedy for any adverse effects of the Joint Venture. There has been strong and widespread support for the alternative of applying Behavioural Undertakings, whereby conditions governing service levels, journey and stopping patterns, duplication, maximum fare levels, continuation of £1 fare quotas and vehicle quality could all be applied, and I understand that the Stagecoach Group has indicated a willingness to enter into such undertakings. This approach would appear to offer better protection for existing service users, whilst at the same time preserving the many operational and integration benefits offered under the current arrangements.

As outlined above, these services are viewed as important elements of the strategic transport network within the TACTRAN region. Consequently I would urge the Commission to reconsider its position and abandon the current divestment proposals in favour of adopting an approach based upon the application of Behavioural Undertakings, these to be determined in consultation with interested parties, including Regional Transport Partnerships and local authorities.

I confirm that I am content for this response to be included on your website. If you have any queries or require any clarification of any of the issues raised in this response please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'E. Guthrie', with a small flourish at the end.

Eric Guthrie
Director
TACTRAN