

Glasgow

06 February 2007

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

**Consultation on Possible Remedies Re the Stagecoach/Scottish Citylink Coaches
Joint Venture.**

Dear Ms Jolly,

I am Chief Executive of Traveline Scotland, Chairman of One Ticket Limited and have just been appointed by our Minister of Transport as Convenor of the Public Transport Users Committee (Scotland).

I have 42 years experience working in and for Public Transport in Scotland and I am also a Fellow of the Chartered Institute of Logistics & Transport. I would also like to think that I have earned the right to be regarded as an “expert” in Public Transport matters relevant to Scotland although I very rarely claim that status.

I must also make clear that this response is in a personal capacity as I have not had the opportunity to raise this matter with either the Traveline Scotland Board or the One Ticket Board and we have just embarked on the process of selecting the other eleven members of the Public Transport Users Committee, clearly, I have no fellow committee members as yet to consult.

This “personal” response will be provided to members of each Board and Committee in due course so that they are aware of my strongly held personal views on this particular matter.

Looking at Stagecoach Group in the context of my own particular remit reveals some interesting facts that you may not be aware of. and I think it is time that someone described things as they really are as opposed to the economic theory of how they might be.

Traveline Scotland

This Public Transport Information service is part funded by the Public Transport Operators on a collective and voluntary basis and part funded by the Scottish Executive through their agency, Transport Scotland.

In 2006 Stagecoach in Scotland contributed £249,000 towards the running costs of Traveline Scotland. This contribution was made in the knowledge that our systems are designed to give absolutely impartial journey solutions to customers and in some cases these may mean advising customers to take services that are in competition with Stagecoach or even services where the operator makes no financial contribution towards the provision of the information.

Stagecoach understand this and accept that it is better for a customer to be given advice on competing services than use a car. In the interests of balance it has to be said that the same philosophy is adopted by First Group, Arriva, Lothian Buses, Travel Dundee, Rapsons and a few smaller operators also, this is evidence of a mature and responsible operator where customer interest is a high priority.

One Ticket

One ticket is an integrated ticket valid with most bus operators in South East Scotland, it will soon be extended to include all rail stations and services in South East Scotland.

This ticket is valid on many services that compete with Stagecoach and although Stagecoach have their own products they have always worked hard to promote our integrated ticket, this is evidence of a mature and responsible operator where customer interest is a high priority. In the interests of balance a similar approach to One Ticket is taken by Lothian Buses and First Edinburgh.

Reputation

Stagecoach have a very good reputation in Scotland and work in co-operation with Local Authorities to grow the overall market for public transport. Modal shift is absolutely vital as a contribution to reduction of carbon emissions and can only really be achieved by this type of partnership approach.

Likely Effects of Divestment

At present the service frequencies on the Saltire Cross routes are regular and maintained throughout the day, irrespective of demand. Demand in itself is growing and there is every possibility that these frequencies may be enhanced if present trends continue. The present operational structure allows services to be provided to more remote communities at the expense of journey times.

It is highly likely that a consequence of divestment would be a concentration of resources around the times of highest demand and the services to the communities off the main A9/A90 trunk roads would suffer as overall journey times would become the dominant factor to capture/retain market share.

Behavioural undertakings would remove this risk, would ensure that any fears held by the Commission were accounted for and would prevent the disintegration of a very effective express coach network. In any case, if the incumbent were to abuse a dominant position in this market it is highly likely that another operator would exploit the opportunity so created.

It is somewhat ironic that over twenty years ago when Scottish Bus Group held dominance on these routes and did exploit that position that this created the very opportunity that led to the birth of Stagecoach and gave the fledgling Stagecoach the opportunity to gain market share and grow.

I would urge the Commission to decide that behavioural undertakings are the best way forward in this matter and act in the best interests of the present and prospective customers using these services and particularly those in the communities off the beaten track.

I would also confirm that I agree to this letter being made public via your website or in any appropriate form that such responses will be publicised.

Your Sincerely

John Elliot