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**On Behalf Of** Renilson, Neil  
**Sent:** 13 February 2007 10:01  
**To:** Anne Jolly  
**Subject:** Scottish Citylink Inquiry: Notice of proposal to accept undertakings

Dear Ms Jolly,

Scottish Citylink Inquiry: notice of proposal to accept undertakings

I have noticed your current consultation on proposed undertakings.

I am Chief Executive of Transport Edinburgh Limited, the company responsible for provision of the City of Edinburgh integrated public transport system including Lothian Buses and the forthcoming Edinburgh Tram system.

My company is not involved in the provision of long distance coach services (and has no ambitions to be involved in that market), but as we were asked to give evidence earlier in your Inquiry, I have been watching it with interest, and I must admit to being astonished at the decision published in your Final Report.

In my professional opinion, the Inquiry has failed to take into account some key factors:

1. The key competitors to coach services are not other coach services, but the private car and train.
2. There is no history of sustainable competition on the Saltire Cross network. Despite there having been a significant number of competitive operations on the network over the past 20 or so years, none has lasted for any significant length of time.
3. The Joint Venture timetable provided frequent services with customer friendly frequencies of every hour or every half hour on all key flows – in my experience precisely what the customers want, and what leads to organic growth.
4. The low fares were only introduced following the introduction of Megabus, and they have been maintained following the Joint Venture.
5. Megabus was a relatively recent initiative, and so was not a mature service in a mature market position, accordingly, standard economic theory would appear inappropriate.

In my position, I am keen to foster integrated travel and achieve modal shift from car to public transport. From my observations, the Joint Venture has been successful in achieving this, and has successfully grown the market for coach travel. Through initiatives like Perth Park and Ride and the simple timetable, it appears that a significant proportion of these new trips previously took place by car.

Tourism is vital to the Scottish economy, and the Joint Venture operations provide affordable links to popular tourist destinations such as Inverness. This can only benefit rural and peripheral parts of Scotland.

As you are undoubtedly aware, undertakings were imposed following the award of the Scotrail franchise to First. It is clear from your Final Report that a series of acceptable undertakings were offered by Scottish Citylink and Stagecoach, but it appears that these were disregarded because a divestment is seen by the Competition Commission as a better option as it avoids ongoing monitoring. I feel that such an approach is flawed, and I strongly feel that you need to revisit this decision and allow the Joint Venture services to remain, but with undertakings covering issues like fares and service levels.

As with our previous submission, I have no problem with this being published on your website.

Neil Renilson.

