

12 February 2007

Our Ref Chair/BK/N13/4  
Your Ref

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

Dear Ms Jolly

### **Scottish Citylink Inquiry: Notice of Proposal to Accept Undertakings**

I refer to the consultation on the draft undertakings that forms part of your inquiry into the Stagecoach Megabus/Citylink Joint Venture.

As the Regional Transport Partnership for the North East of Scotland, Nestrans is concerned at the Competition Commission's proposal for divestment of services operated by either Scottish Citylink or Stagecoach Megabus on the 'Saltire Cross' network.

Nestrans regards the services currently operated by Megabus and Citylink between Aberdeen and central Scotland as a key component of our long-distance transport network, offering fast, direct links to Scottish cities and onward connections to other towns in Scotland. The consolidated timetable developed by Megabus and Citylink as part of the Joint Venture facilitates these connections on regular frequencies which we believe offers considerable benefits to passengers. A key element of this consolidated timetable is the connectivity it enables between 'fast' inter-city services and 'slower' services calling at smaller towns. An end to the Joint Venture would put this connectivity at risk and may lead to duplication of services on the most popular routes at the expense of the current regular timetable and comprehensive route network. We are also concerned that the uncertainty involved in breaking up the Joint Venture would inhibit further investment by the operators in new vehicles and service enhancements.

Nestrans notes that Megabus and Citylink have offered behavioural undertakings to address concerns that the Competition Commission may have with regard to ensuring that the interest of the travelling public is protected. We are concerned that these have not been accepted by Competition Commission as the preferred way forward. The Commission's final report (paragraph 8.62) details the passenger benefits arising from the Joint Venture, however we consider that these were not afforded sufficient weight in arriving at the final conclusion in paragraph 8.67. We consider that behavioural undertakings would have provided a means of retaining the benefits to passengers arising from the Joint Venture while at the same time ensuring that anti-competitive concerns are addressed. We would encourage the Commission to re-consider this option.

Achieving an integrated transport system is a key objective of the Scottish Executive's National Transport Strategy and our own regional transport strategy. We are concerned that the Commission's proposals for divestment would weaken integration of coach transport services in Scotland and diminish benefits to passengers.

Nestrans requests that the Competition Commission re-considers its decision relating to this matter and ensures that the final outcome represents the best interests of public transport users.

Yours sincerely

A handwritten signature in black ink that reads "Alison McInnes". The signature is written in a cursive, flowing style.

Councillor Alison McInnes  
Chair of Nestrans