

## LOCAL BUS SERVICES MARKET INVESTIGATION

### Consultation on the CC's performance concentration analysis

As part of its investigation, the Competition Commission (CC) has undertaken a detailed performance concentration analysis using econometric modelling techniques. Broadly speaking, this analysis seeks to relate fare levels, or the frequency and number of local bus services, to the level of competition faced in different areas, while controlling for a wide variety of other factors which might also influence fares or frequency. The CC analysis is partly based on data provided by a number of large bus operators. The CC aims to publish the details of this analysis in the first week of January 2011.

As well as inviting the usual written representations on this analysis after it is published, the CC also proposes to consult with parties who have a particular interest in this technical analysis in the ways set out below.

The CC intends to hold a Round Table on the morning of Wednesday 19 January at Victoria House starting at 9am. We would expect attendees to be the parties and their specialist advisers, but we may need to limit numbers of representatives from each party. The event will be chaired by Robin Finer, Director of Economic Analysis, and will be attended by some members of the Inquiry Group, along with members of the staff team. Broadly speaking, the CC staff team would expect to explain the methodology of the analysis they have undertaken and then open the floor to invite the parties to make their own observations on particular aspects of that methodology. A transcript will be taken of the discussion.

Following the Round Table, the CC intends to make available to the parties' specialist advisers the underlying data (some of which is confidential), and the 'do files' for the performance concentration analysis in a data room, which will be open from 20–26 January, 9am–5 pm (although not at the weekend). A detailed protocol for using the data room will be sent to those who express interest. Due to the sensitivity of the data, the data room will not be open to the staff of the bus operators themselves; rather, it will be open only to parties' specialist advisers, such as economic consultants. Numbers are likely to have to be limited at any one time.

It would be helpful if expressions of interest could be sent by 10 January to the bus market team at [buses@cc.gsi.gov.uk](mailto:buses@cc.gsi.gov.uk).