

LOCAL BUS SERVICES MARKET INVESTIGATION

Notice of provisional findings made under Rule 10.3 of the Competition Commission Rules of Procedure

1. On 7 January 2010 the Office of Fair Trading (OFT), in exercise of its duty under section 131 of the Enterprise Act 2002 (the Act), referred to the Competition Commission (CC) an investigation into the supply of local bus services.¹ In accordance with section 133(2) and (3)(a) of the Act, the OFT required the CC to confine its investigation to the effects of features of such market or markets for local bus services as exist in connection with the supply of such services in the UK excluding Northern Ireland and London.²

Provisional findings

2. The CC inquiry group (the Group) appointed to consider this reference has provisionally found, on the statutory questions it has to decide pursuant to section 134(1) of the Act, that there are features of the relevant markets, either alone or in combination with each other, that prevent, restrict or distort competition and hence that there is an adverse effect on competition within the meaning of section 134(2).
3. The Group's reasons are set out in full in the provisional findings report. The summary of the report is attached to this notice. A full copy of the provisional findings report will be published on the CC website (see note below).

The next steps

4. The Group now invites interested parties to submit reasons in writing as to why these provisional findings should not become final (or, as the case may be, should be varied).
5. These reasons should be received in writing by the Group no later than Wednesday 1 June 2011.
6. The Group will have regard to any such reasons in making its final decision on the statutory questions and actions.
7. The Group is also publishing a Notice of Possible Remedies which it considers might be taken by the CC to remedy the adverse effects provisionally identified, comments upon which should also be received in writing by no later than Friday 27 May 2011.

(signed) JEREMY PEAT
Group Chairman
6 May 2011

¹For the purposes of this reference, 'local bus services' means all bus services, both commercial (whether or not a grant is received in relation to any part of the service) and tendered (ie made under agreements pursuant to any of section 9A of the Transport Act 1968, section 63 of the Transport Act 1985 and section 7 of the Transport (Wales) Act 2006), which fall within the definition of a local service in section 2 of the Transport Act 1985.

²Defined by section 137 of the Transport Act 1985 as the administrative area of Greater London as for the time being constituted.

Note: A copy of this notice and the summary of the provisional findings report will be placed on the CC website on 6 May 2011. The CC proposes to publish the provisional findings report on its website on 10 May 2011. The published version of the provisional findings report will not contain any information which the Group considers should be excluded from the report, having regard to the three considerations set out in section 244 of the Act.