



## News Release

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### **COMPETITION COMMISSION PROVISIONALLY CLEARS NATIONAL EXPRESS GROUP BID FOR THAMESLINK AND GREAT NORTHERN RAIL FRANCHISE**

The Competition Commission (CC) has provisionally cleared the franchise bid by National Express Group plc (NEG) of the Thameslink and Great Northern (TGN) rail franchise.

The CC had been asked to consider whether NEG's franchise bid may be expected to result in a substantial lessening of competition in the supply of passenger transport services.

NEG currently operates the Gatwick Express, Greater Anglia, Midland Mainline and Silverlink train franchises as well as a network of coach services. NEG is one of five shortlisted bidders for the TGN franchise. The preferred bidder for the franchise is expected to be announced next month by the Department for Transport (DfT).

The group concentrated principally on the effect of the merger on overlapping rail and coach services between London and Luton, Luton Airport and Bedford; London and Gatwick Airport and London and Cambridge.

Chairman of the Inquiry Group, Diane Coyle said:

After analysing these routes, we've provisionally concluded that we would not expect NEG to raise fares or reduce services on these routes as a result of the acquisition.

On some of the routes prior competition is in any case fairly limited. Moreover, NEG would be constrained by such factors as inter-availability and regulation of fares and of services, limited capacity, and the effects that fare changes on one part of a route can have on other fares, and on the profitability of the route as a whole. We have therefore provisionally concluded that the franchise bid by NEG would not lead to a substantial lessening of competition.

A summary of the provisional findings report is available on the CC web site at <http://www.competition-commission.org.uk/inquiries/ref2005/neg/index.htm> The full report will be published shortly.

A map of rail services serving London and the South-East including the routes in question is available at:

[www.nationalrail.co.uk/system/galleries/download/print\\_maps/LxSE\\_May\\_x05.pdf](http://www.nationalrail.co.uk/system/galleries/download/print_maps/LxSE_May_x05.pdf)

The CC now invites responses to the provisional findings report from all interested parties, in writing, by 12 December 2005. To submit evidence, please write to:

Nigel Dorling  
Inquiry Secretary (National Express/Thameslink)  
Competition Commission  
Victoria House  
Southampton Row  
LONDON WC1B 4AD

or email: [nigel.dorling@competition-commission.gsi.gov.uk](mailto:nigel.dorling@competition-commission.gsi.gov.uk).

#### **Notes for editors**

1. The acquisition of a rail franchise is treated as a merger under the Railways Act 1993.
2. The inquiry was referred to the CC by the Office of Fair Trading (OFT) on 3 August 2005. The CC is required to publish its final report by 17 January 2006.
3. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.
4. The NEG/Thameslink Inquiry Group consists of four members: Diane Coyle (Group Chairman), Ivar Grey, Jeremy Peat and Peter Stoddart.
5. Enquiries should be directed to Rory Taylor on 020 7271 0242 or [rory.taylor@competition-commission.gsi.gov.uk](mailto:rory.taylor@competition-commission.gsi.gov.uk)