

**ANTICIPATED ACQUISITION BY ARRIVA PLC OF THE ASSETS OF THE
HERTFORDSHIRE BUS OPERATIONS OF SOVEREIGN BUS AND COACH
COMPANY LTD**

Terms of reference

1. Whereas in exercise of its duty under section 33(1) of the Enterprise Act 2002 (the “Act”) to make a reference to the Competition Commission (the “Commission”) the Office of Fair Trading (the “OFT”) believes that it may be the case that –
 - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation in that:
 - (i) enterprises carried on by or under the control of Arriva Plc will cease to be distinct from enterprises carried on by or under the control of Sovereign Bus and Coach Company Ltd; and
 - (ii) as a result, the condition specified in section 23(4) of the Act will prevail or will prevail to a greater extent, with respect to the supply of bus services in Hertfordshire; and
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods and services, including within the market for the supply of bus services in Hertfordshire.
2. Now, therefore, the OFT, in exercise of its duty under section 33 of the Act, hereby refers to the Commission, for investigation and report within a period ending on 17 January 2005, the following questions in accordance with section 36 of the Act –
 - (a) whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
 - (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.
3. In relation to the question whether a relevant merger situation will be created, the Commission shall exclude from consideration one of the subsections (1) and (2) of section 23 of the Act if they find that the other is satisfied.

3 August 2004