

c/o Perth & Kinross Council
2 High Street
Perth

14 February 2007

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 am Chair of the Tayside and Central Regional Transport Partnership (Tactran), which comprises Stirling, Perth and Kinross, City of Dundee and Angus Councils). I am also Councillor for the Western Edge of Perth and Convener of the Enterprise and Infrastructure Committee of Perth and Kinross Council.

Andrew Warrington, Public Transport Manager of Perth and Kinross Council, has made a submission on behalf of the Council, which I endorse fully, but this response is being submitted on a personal basis.

Through my Council and Tactran roles, I have a significant involvement in public transport matters, and I am aware of the policies of central and local Government, which are aimed at increasing the modal share of public transport.

I do not see the competitor to Scottish Citylink to be other coach services, but the overall market for travel. The real competitors are the private car and rail, and the significance of this competition has been overlooked in your Final Report.

When Megabus was introduced in Autumn 2003, it introduced the concept of long distance Park and Ride. Using the Park and Ride facility in Perth (which until then was only envisaged as a local Park and Ride site for Perth itself), Megabus resulted in many car based commuter and leisure journeys to Glasgow, Edinburgh and Dundee being replaced by coach journeys.

This has been so successful that a new facility is being opened this year on the M90 at Kinross, to encourage modal shift away from car use on journeys from Kinrossshire and parts of Fife to Edinburgh and Perth. The enthusiasm and commitment of Stagecoach gave us the confidence to invest in this facility, and I am certain it will prove popular and successful.

From a local perspective, Stagecoach has used Perth to test new products and innovative thinking. One example was the Service 7 "Kick Start Scheme", which saw a 70% increase in patronage in the initial three years, converting occupiers of two car households in affluent areas of Perth, including my ward, to bus users. The success of this scheme resulted in its adoption by central Government in both Scotland and England, through the Bus Route Development Grant in Scotland and its English equivalent. Such schemes are increasing the use of buses.

Megabus was such an innovation, and again Perth was the hub of the pilot, with connectivity through the Park and Ride site. Megabus only extended services to Aberdeen and Inverness

in Autumn 2004, only a year before the Joint Venture came in to being. As a result, it was very much a new, innovative product, and should not therefore have had standard economic principles applied to it.

Whilst not related to the Saltire Cross, Scottish Citylink enhanced services in the Perth area in Summer 2006, by operating the Dundee – Perth - Crieff - Oban service every day during the summer, and cleverly introducing connections at Tyndrum to allow travel to Fort William and onward connections to the Isle of Skye. The timetable was designed to allow day trip facilities, and was popular with locals and visitors alike, and was an important contribution to tourism in this area.

As you will have seen from the letter from Andrew Warrington, the Council believes that the appropriate remedy is behavioural undertakings, covering issues like fares and service levels, and this is my opinion also. Such undertakings will help to preserve service levels to communities in my area like Pitlochry, Milnathort and Kinross, which may otherwise suffer over time should a divestment remedy be pursued.

Being the hub of the network, there has been considerable employment generated in Perth due to the introduction of Megabus and also the Scottish Citylink Joint Venture. Whilst unemployment is low in this area, the average income is also low, so the supervisory and skilled engineering positions created in Perth (along with a significant number of driving positions) are important to the local economy.

In summary, I believe you are wrong to require part of the Scottish Citylink business to be divested, and I urge you to require Scottish Citylink to give undertakings on fares and service levels.

Yours sincerely

Alan Livingstone