

ANGUS TRANSPORT FORUM

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Anne Jolly
Inquiry Secretary (Scottish Citylink)
Competition Commission
Victoria House
Southampton Row
London WC1B 4AD

11 February 2007

Dear Anne

Scottish Citylink Inquiry: notice of proposal to accept undertakings

I wish to make the following comments regarding the inquiry into the Stagecoach Megabus, Citylink Merger.

I am currently a member of sustainable transport advisory groups for the EU Commission, UK Government, Scottish Executive and World Transport Research Board. In my 33 years in transport operations I have been responsible for the management of transport operation involving over 30 organisations in 15 countries.

The essential party of any enquiry into the effect of a monopoly situation must take into account the needs of the consumer and protect them from exploitation. Whilst the strength of the Megabus Citylink merger may be seen as restrictive to competition there has to be an understanding of the UK market.

Scottish Citylink is only a name with services provided by commercial operators operating under contract to the company. Given that the Scottish Transport Market is composed of Stagecoach, First Group, National Express, Arriva, Lothian Transport and a number of small operators it is difficult to see who would want to buy Citylink should a sale be forced. First Group would be in the same position as National Express were when they operated Citylink. As Scotrail franchise holders they would be restricted for bidding. However the irony of the situation is that both First and Stagecoach could quote to provide services for any owner of Citylink. Stagecoach already know the full costs for operating the Citylink network and would be at an unfair advantage when designing Megabus services to compete with these services.

The consumer requires access to a quality network of services utilising high quality vehicles, integrated ticketing and easily understood timetabling. Stagecoach has developed an improved coordinated network throughout Scotland. It would be madness to think of diluting the market to give a perception of competition. It would be far easier to work with Stagecoach to further develop the network working in partnership with Regional Transport Partnerships Transport Scotland and user groups.

I note from previous submissions published on your website that there is widespread support for the retention of the business without any part being divested. I note also that criticism was made early in your process about the number of journeys serving several small communities in this area. I would like to share my vision, which is that Scottish Citylink are doing the correct thing, but feeder services should operate to link with the main line services. This has already been implemented at Forfar, which in my opinion overcomes the concerns voiced by Angus Council. Small "Park and Ride" interchanges on the A90 at points like Stonehaven, Laurencekirk and Brechin would be the next logical developments, and I believe that, if you conclude that undertakings are the appropriate remedy, once this inquiry is complete that Stagecoach will be actively pursuing such options. I know they have already raised this with Regional Transport Partnerships and Local Authorities. Further, the bulk of journey reductions from such communities actually occurred prior to the Joint Venture.

If you require further information, please contact me at the above. I also confirm I am happy for you to publish this letter on your website.

Yours Sincerely

Brian Masson MCILT
Projects Manager