

From: David Reid (RO) [mailto:ro-scotland@ciltuk.org.uk]
Sent: 13 February 2007 12:37
To: Anne Jolly
Subject: Scottish Citylink Inquiry - Notice of Proposal to Accept Undertakings

Dear Ms Jolly

Scottish Citylink Inquiry: notice of proposal to accept undertakings

Response from the Policy Group Members

Your current consultation on undertakings has come to our attention.

The Chartered Institute of Logistics and Transport is an organisation for transport professionals, be they in the passenger or freight sectors, or employed by transport operators, local authorities, consultants or academic organisations. As a result, we cover a broad spectrum, and have a number of specialist groups that can take an informed and considered opinion of current transport matters. One of these groups is our Scottish Policy Group, which has been watching your Inquiry into the Scottish Citylink/Megabus Joint Venture with great interest and discussed your Final Report and consultation at our recent meeting on 8 February 2007. The following comments reflect the views of this Group.

We have considered in particular the long distance network which has resulted from the joint services and consolidated timetable. This includes the interchange arrangements at Perth and the through ticketing which has been afforded between different services. We have also noted the significant increases in patronage, arising at least in part from the new journey opportunities on the 'slow' services. We would be concerned if the synergy of the present operations and the consequential benefits were to be lost.

There is increasing emphasis in Scotland on the need for integration of transport and the Scottish Executive places the need for convenient and easy interchange at the heart of its policies. This has been adopted as a fundamental aim by Transport Scotland and the same approach is being followed by all seven Regional Transport Partnerships, as set out in their draft transport strategies.

The approach being followed reflects the increasing recognition that competition for bus operators is not primarily with each other, or indeed other public transport operators. The real competition is with the private car and bus operators have no alternative but to compete with the private car because their core markets are shrinking.

The need for competition to be assessed in the context of all transport modes, including walking and cycling is explained at length in a report by the TAS Partnership for the Commission for Integrated Transport in 2005. That report makes clear that maximum benefit to the public interest arises through the minimisation of generalised cost, and that improved co-ordination between operators reduces the generalised cost of public passenger transport journeys.

We share the view that the market comprises all transport modes and that consideration of competition solely between bus services undermines the ability of bus operators to provide services which best meet public needs. Furthermore consideration of bus services should not be driven simply by price but should also

have regard to wider community benefits. It should also be borne in mind that if operators have confidence in continuity of services they are more likely to invest in better quality vehicles and ancillary facilities.

We suggest that all of the above is taken into account in your deliberations. This is on the basis of an assumed shared view that action should not be taken which damages the market for buses. In particular we strongly emphasise our view that the market to be considered for competition purposes should embrace all transport modes. In addition the geographic area under consideration should not be confined to the narrow routes used by the services.

I hope you find these comments helpful. We will be pleased to provide elaboration if you feel this would assist you.

Regards

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