



News Release

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ORR REFERS ROLLING STOCK MARKET TO COMPETITION COMMISSION

Competition Commission invites evidence

Following the Office of Rail Regulation's (ORR) decision to refer the leasing of rolling stock for franchised passenger services and the supply of related maintenance services in Great Britain to the Competition Commission (CC) for a market investigation, the CC is inviting evidence from all interested parties.

This market reference follows an initial ORR study into the sector. The CC will now carry out its own comprehensive investigation, to see if any features of the relevant markets prevent, restrict or distort competition and, if so, what action should be taken to remedy the adverse effects on competition.

The CC will appoint members to its inquiry group and will then publish a draft timetable for the inquiry. The first task for the group will be to gather evidence by contacting all involved parties and by advertising for submissions from any other interested groups or individuals.

The CC is required to publish its final report by 25 April 2009.

The CC would like to hear from all interested parties, in writing, by 25 May 2007. To submit evidence, please write to:

The Inquiry Secretary (Roscos market inquiry)
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Or email: rosocos@cc.gsi.gov.uk

Notes for editors

1. The CC is an independent public body, which carries out investigations into mergers, markets and the regulated industries.

2. Enquiries should be directed to Rory Taylor on 020 7271 0242 or rory.taylor@cc.gsi.gov.uk.
3. Under the Enterprise Act 2002 sector regulators such as the ORR can make a market investigation reference to the CC if it has reasonable grounds for suspecting that competition is not working effectively.
4. In its inquiry, the CC is required to decide whether 'any feature, or combination of features, of each relevant market prevents, restricts or distorts competition in connection with the supply or acquisition of any goods or services in the United Kingdom or a part of the United Kingdom'. If so, then there is an adverse effect on competition and the CC will also consider whether this is resulting in a detrimental effect on customers such as higher prices, lower quality or less choice of goods or services. The CC will then decide whether the CC should introduce remedies to tackle the adverse effect on competition or detrimental effect on customers or whether the CC should recommend that action be taken by other bodies to remedy the adverse effects on competition and, if so, what actions or remedies should be taken. If the CC finds that there is no adverse effect on competition, the question of remedies will not arise.
5. The Enterprise Act 2002 requires the CC to consult the main parties on its proposed decisions and it will also publish notice of its provisional findings on the CC website as required by its rules. Full details on the CC's guidelines for Market Investigation References are available on the CC website www.competition-commission.org.uk.
6. Market investigation references are intended to focus upon the function of a market as a whole rather than the conduct of a single firm in a market.
7. The ORR's reasons for making the reference are available at: www.rail-reg.gov.uk/upload/pdf/325.pdf.