



News Release

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COMPETITION COMMISSION LOCAL BUS INVESTIGATION

Issues statement and timetable

The Competition Commission (CC) has today published an issues statement and a timetable for its investigation into the local bus market. These can be found at: www.competition-commission.org.uk/inquiries/ref2010/localbus/index.htm

The Office of Fair Trading (OFT) referred the market to the CC last month, following its initial study into the sector and public consultation. The CC is now carrying out its own comprehensive investigation to see if any features of this market prevent, restrict or distort competition and, if so, what action might be taken to remedy the resulting adverse effects on competition.

The issues statement identifies the key questions being addressed in the investigation; it does not imply that the Group has yet identified any competition concerns. The purpose of the issues statement is to inform all interested parties about the key questions the CC will be examining so that they can focus their arguments on those key questions.

Although the CC is required to issue its final report by 6 January 2012, the timetable outlines its aim to complete its investigation in 18 months, in line with the CC's stated intention to carry out its market inquiries as quickly as possible. In order to ensure that there is sufficient time to examine potential remedies (should any be needed) the timetable envisages publication of the CC's provisional findings in October, leaving eight months for the remedies process.

Chairman of the buses inquiry group and CC Deputy Chairman Diana Guy said:

We are very conscious that the timetable we are publishing today is an ambitious one, but we are committed to doing our utmost to achieve it. Over the last year or so we have spent a lot of time analysing how our procedures in market inquiries can be improved and streamlined, without, of course, jeopardizing the depth and quality of our analysis.

We look forward to engaging constructively with all parties to this important market investigation with a view to reaching a speedy and effective process and outcome. Clearly to achieve the target of publishing our final report in 18

months we will be relying on parties to cooperate fully with us in meeting our deadlines and focusing their arguments on the key issues. I am confident that they will do so. We are, however, fully prepared to use our statutory powers to ensure that the information we need is provided to us in a timely fashion if this cooperation is not forthcoming.

The CC would like to hear from all interested parties about the issues statement in writing, by 4 March 2010. To submit evidence, please email buses@cc.gsi.gov.uk or write to:

David Fowles
Inquiry Manager
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Notes for editors

1. The CC is an independent public body, which carries out investigations into mergers, markets and the regulated industries.
2. Under the Enterprise Act 2002 the OFT can make a market investigation reference to the CC if it has reasonable grounds for suspecting that competition is not working effectively in that market.
3. The members of the local bus inquiry group are Diana Guy (Chairman), Ivar Grey, Thomas Hoehn, Katherine Holmes, Jeremy Peat and Michael Waterson.
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 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. If the OFT has concerns about the conduct of a single firm or firms that have engaged in anti-competitive agreements, it will first consider whether those actions infringe the Competition Act 1998.
7. Enquiries should be directed to [Rory Taylor](#) or [John Park](#) or by ringing 020 7271 0242.