



News Release

01/10

7 January 2010

OFT REFERS BUSES MARKET TO COMPETITION COMMISSION

Competition Commission invites evidence

Following the Office of Fair Trading's (OFT) decision to refer the UK local bus market (excluding London and Northern Ireland) to the Competition Commission (CC) for investigation, the CC is inviting evidence from all interested parties.

This market reference follows an initial OFT study into the sector and public consultation. The CC will now carry 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 these.

The CC will now 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 report by 6 January 2012.

The CC would like to hear from all interested parties, in writing, by 18 February 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. 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.
4. 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.
5. 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.
6. Enquiries should be directed to Rory Taylor or John Park on 020 7271 0242 (email rory.taylor@cc.gsi.gov.uk or john.park@cc.gsi.gov.uk).