

Consent to certain actions for the purposes of the Interim Order made by the Competition and Markets Authority (CMA) on 1 July 2016

Completed acquisition by Arriva Rail North Limited (Arriva) of the Northern Rail Franchise

We refer to your emails of September 2016 requesting that the CMA consents to derogations to the Interim Order of 1 July 2016 (the '**Interim Order**'), as listed below. The terms defined in the Interim Order have the same meaning in this letter.

Under the Interim Order, save for written consent by the CMA, provision was made that Arriva will hold separate the Northern Franchise Business from any Arriva Business and refrain from taking any action which might prejudice the Reference or impede the taking of any remedial action following such a Reference.

After due consideration based on the information received from Arriva and in the particular circumstances of this case, Arriva may carry out the following actions, in respect of the specific paragraphs:

Derogation from paragraph 5(g)(ii) of the Interim Order: Changes in nature, description, range and/or quality of services provided by Northern Franchise Business/Arriva

By email dated 19 September 2016, Arriva requested permission to adjust the timetables for its Yorkshire Tiger bus services [REDACTED].

The [REDACTED] proposed timetable which Arriva submitted to the Traffic Commissioner includes no changes, and so would not degrade services for passengers.

The [REDACTED] proposed timetable makes some relatively small changes to the time of specific buses which would not appear to degrade these services. It also proposes to reduce the number of services per day (combined for both directions: three per day Mon-Fri, four per day Sat, three per day Sun). However, these changes were accepted by the local transport authorities (LTAs) ([REDACTED]) as part of a competitive tender process for the fully tendered route which Arriva won, and therefore would appear to represent the most attractive offer available to fulfil the LTAs' requirements for this service.

The [X] proposed timetable removes six services per day. Arriva states that this is due to [X]. All of the services which are proposed to be removed begin between 1:00am and 4:30am. This is therefore consistent with Arriva's submission [X], and so is not merger-specific.

Arriva also proposed to slightly alter the route of the [X] and [X] services to serve two additional Northern railway stations, which was included as part of its tender. This approach would improve the connections between transport modes in the area, and could serve to increase the level of competition between bus and rail on any affected flows.

Arriva is, accordingly, permitted to make the proposed changes to the timetables for Yorkshire Tiger bus services [X].

Derogation from paragraph 5(g)(ii) of the Interim Order: Changes in nature, description, range and/or quality of services provided by Northern Rail Franchise/Arriva

By email dated 19 September 2016, Arriva requested permission to adjust its Yorkshire Tiger bus services [X] to remove a number of timing points from each of these services. These are [X] services on which the CMA provisionally concluded that the merger has resulted in or may be expected to result in an SLC.

Arriva stated that the removal of these timing points would stop the service being unnecessarily held back, and noted that the buses would continue to serve all of the bus stops which were previously timing points.

The proposed changes would not result in a degradation of customer services, and may help improve punctuality.

Arriva is, accordingly, permitted to make the proposed changes to its Yorkshire Tiger bus services [X].

Derogation from paragraph 5(g)(ii) of the Interim Order: Changes in nature, description, range and/or quality of services provided by Northern Rail Franchise/Arriva

By email dated 19 September 2016, Arriva requested permission to adjust the timetable for its Yorkshire Tiger bus service [X]. This consists of two types of change:

1. Minor adjustments to the timetable (generally less than five minutes) which do impact frequency of services; and

2. Removal of shorter services (ie which only run part of the route length) which run from [redacted] on Monday to Friday.

The timetable adjustments are being made to redistribute stopping times across the route, and do not degrade customer service.

Arriva states that the removal of the shorter services is due to [redacted]. Arriva provided evidence to support its comments that the [redacted]. Accordingly, these changes are being made as a commercial decision based on the local circumstances, and are not related to the merger.

Arriva is, accordingly, permitted to make the proposed changes to its Yorkshire Tiger [redacted] bus service.

The CMA's consent to the aforementioned actions does not, under any circumstances, permit Arriva to take any other action prohibited under the Interim Order.