

## Public Transport Ticketing Scheme Block Exemption (PTTSBE)

Call for Inputs [Public Transport Ticketing Schemes Block Exemption: Call for inputs](https://publishing.service.gov.uk)  
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1. Please confirm the capacity in which you are responding to this Call for Inputs
  - a. Please confirm which industry you operate in  
**Public Transport**
  - b. Please indicate which nation of the UK you operate  
**England**
  - c. Please indicate whether you are a small, medium or large business  
**N/A**
  
2. Whether you are making a submission as a business in industry, an advisor, or otherwise, please provide any observations you have on the size of business that, in your experience, typically makes use of the PTTSBE

**Network One Ticketing Limited (NTL) is a small business made up of board members representing large businesses, including private businesses (bus operators Arriva North East, Go North East, Stagecoach North East) and the areas Passenger Transport Executive (Nexus).**

3. Have you entered into or are you aware of a public transport operator entering into ticketing schemes which have benefitted from the PTTSBE? If so:
  - a. Do the ticketing schemes cover a single mode of transport or multiple modes of transport. If possible, please provide examples.

**In the North East Combined Authority area, Network One Ticketing Limited (NTL) operates covering all buses (including buses that are operated by small and medium sized bus businesses), Metro (light rail), Ferry and limited heavy rail services. The shareholders of NTL are local bus, light rail and ferry operator, with a board comprised of representatives from those operators including bus operators and Nexus as owner and operator of the Tyne and Wear Metro network and the Shields Ferry. NTL additionally also administers the long-established leisure 'Explorer' day ticket, which is valid across the North East Combined Authority area, the Tees Valley Combined Authority area, and with a limited extension into Cumbria.**

- b. If there were no PTTSBE, and the operators involved needed to carry out a self-assessment of the application of the Chapter I prohibition to ticketing schemes, to what extent would they be discouraged from entering into such ticketing schemes?

In such circumstances, it is anticipated that parties may have less incentive to enter into such a scheme due to concerns in relation to potential breaches of competition law and the potential financial remedies flowing from such a breach.

- c. Please provide estimates for any additional costs operators would incur, in the absence of the PTTSBE, to carry out the relevant competition law self-assessment. If it is not possible to provide a quantified estimate of additional costs, please estimate the cost in terms of time and/or estimate the increased complexity of carrying out the relevant competition law self-assessment (including, for example, whether external advice might be needed)

We do not have any relevant information in order to respond to this question.

4. Have developments since 2015 in the involvement of LTAs affected the extent to which transport operators rely on the PTTSBE? If so:
  - a. Which development has affected transport operators' reliance on the PTTSBE (for example, implementation of an EP in England by an LTA)? Please specify where the development has taken place (England, Scotland, Wales or Northern Ireland).

The establishment of the North East Combined Authority Enhanced Partnership on 2<sup>nd</sup> April 2023 heralded some changes to operators involved in the PTTSBE. This has resulted in pricing changes to lower prices and make multi-operating ticketing more attractive to customers where they already existed thanks to the PTTSBE. This had a subsequent impact on single operator pricing. A reimbursement methodology exists to aid bus operators with the resultant revenue shortfalls. The reimbursement is still reliant on Network One existing processes as well a direct relationship between operators and the Combined Authority where new multi-operator products were introduced outside of Tyne & Wear.

- b. Has transport operators' reliance on the PTTSBE been affected in relation to modes of transport, other than buses?

We do not have any relevant information in order to respond to this question.

5. Do you anticipate that any other developments will affect transport operators' reliance on the PTTSBE in the coming years (for example, the introduction of new powers to LTAs in Scotland)? If so, please specify where the further development will take place (England, Scotland, Wales or Northern Ireland), what types of transport or what categories of ticketing schemes they may affect and when transport operators' reliance on the PTTSBE is expected to be affected.

The development of bus franchising would likely impact an operator's reliance on PTTSBE, as it would remove concerns in relation to potential breaches of competition law. The products which are being funded through the Combined Authorities EP will have to go back to a commercial price point when Bus Service Improvement Plan (BSIP) funding ends, this would be before bus franchising could come into effect, it would be the Combined Authorities preferred position that the products could still be offered through the reliance of the PTTSBE.

6. Does the PTTSBE continue to have a role? If so, please explain the role the PTTSBE continues to serve and, if possible, how long you think it will continue to have this role.

In the absence of Bus Franchising in the North East Combined Authority area, the PTTSBE enables the continuation of a long running and successful multi-modal, multi-operator ticketing scheme, especially following the end of the BSIP funding period. It also enables the effective continuation of the Explorer day product, which has boundaries beyond the North East Combined Authority area.

7. If, in response to question 6, you have specified that you do not think the PTTSBE continues to have a role, please explain whether this is for all modes of transport to which it applies. If the PTTSBE remains relevant for some modes of transport, please specify these.

Not applicable

8. What are the main benefits for consumers (if any) of ticketing schemes covered by the PTTSBE? If possible, please provide examples.

Integrated ticketing schemes across our region have benefited from the Block Exemption scheme over the past 20 years. Its existence has allowed the establishment of multi-operator and multi-modal ticketing schemes in the areas covered by the North East Combined Authority. In our area this has enabled the continuation of the long-established Network One Ticketing Limited organisation (NTL). The shareholders of NTL are local bus, light rail and ferry operator, with a board comprised of representatives from those operators including bus operators and Nexus as owner and operator of the Tyne and Wear Metro network and the Shields Ferry. Entry to NTL, subject to board approval, is open to all public transport operators and the vast majority of operators across the region are involved.

The Block Exemption has also allowed the establishment of inter-operator bus-to-bus products in the Newcastle, North Tyneside, South Tyneside and Sunderland areas – the North East SmartZone range allowing ticket inter-availability between services operated by Arriva, Go North East and Stagecoach within defined local areas. The exemption has also facilitated the development of public transport smartcard products; apart from SmartZone, customers have benefited from the Pop pay-as-you-go product allowing interchange between bus and Metro services with a daily fares cap (on Metro only).

Further, the PTTBE has allowed the region to be nimble in response to bespoke ticketing requirements for groups or organisations. For example, working with Gateshead Council,

multi operator tickets will be provided to underprivileged young people to support the DfEs Holiday activities and food programme. Without the present arrangements, Gateshead Council would have been required to approach each transport operator individually and have separate agreements with each. It would have also been likely that young people would need an individual ticket per operator to travel; whereas this coming summer, they will have one ticket on a mobile app.

The Block Exemption has also allowed the continuation of the Transfare ticket product which allows customers to use one ticket for a point-to-point journey comprising two stages using different modes or routes, including bus-to-bus.

The Block Exemption has also enabled the continuation of the inter-regional Explorer day leisure product, thus offering a robust and cost-effective sustainable transport alternative to private modes.

In summary, integrated ticketing schemes offer the following benefits:

- Convenience
- Simplicity
- Flexibility
- Value for money

These benefits are enjoyed by bus, ferry and Metro users to a wide extent across Tyne and Wear area, as has been the case since advent of the Block Exemption. It also allows people to use NTL products to travel by local rail services between Sunderland, Newcastle and Blaydon.

9. To what extent do ticketing schemes covered by the PTTSE restrict competition? For example, a ticketing scheme covered by the PTTSE could lower operators' incentives to compete with the same intensity for passengers to use their services, whether in terms of price or quality of service. Please provide examples in your response.

We have no evidence to suggest that this is the case. Passenger surveys undertaken by Transport Focus regularly show that bus users across the Tyne and Wear area are amongst the most satisfied in the country. Services generally operate reliably and to a high quality, and there are several examples of for-the-market competition across the local bus network.

10. If you consider that ticketing schemes restrict competition, to what extent:
- a. Do any benefits identified in response to question 8 compensate consumers for any such restriction of competition?
  - b. Are these restrictions necessary in order to achieve any benefits identified in response to question 8?

Not applicable

11. In relation to the definition of 'public transport ticketing scheme' in Article 4 of the PTTSBE:

a. Is this sufficiently clear to allow you to identify the categories of ticketing schemes that can benefit from the PTTSBE? If not, how should the definition, in your view, be clarified or amended? Please provide reasons for your answers.

i. Yes

b. Are there any other categories of ticketing schemes that are not already covered by the PTTSBE which, in your view, would be likely to meet the requirements for exemption from the Chapter I prohibition under section 9 of the CA98? If so, please describe these categories of ticketing schemes and explain why you consider that they would be likely to meet the requirements for exemption.

i. No

12. In relation to the conditions in Articles 6 to 16 of the PTTSBE (as applicable) that a ticketing scheme must satisfy in order to benefit from the PTTSBE:

a. Are the current conditions sufficiently clear?

i. Yes

b. Would any of the current conditions benefit from modification?

i. No

c. Are there any further conditions that it would be appropriate to include, in addition to those already included in the PTTSBE?

i. No

d. Are there any conditions that it would be appropriate to remove from the PTTSBE?

i. No

13. Article 3 of the PTTSBE defines 'ticket' as 'evidence of a contractual right to travel'. Have there been any developments in ticketing technology or products that would require a change to this definition? Please explain and, if possible, provide examples.

Not at present. For example, on Tyne and Wear Metro, customers can use Google Pay to purchase a ticket. This is referred to as purchasing a ticket and the ticket is evidence to travel. See more on P43 [https://www.nexus.org.uk/sites/default/files/nexus\\_tickets\\_-\\_terms\\_and\\_conditions\\_v1.10.pdf](https://www.nexus.org.uk/sites/default/files/nexus_tickets_-_terms_and_conditions_v1.10.pdf)

However, moving forward, new technological developments may present unforeseen circumstances where this may need to be reconsidered.

14. Aside from any issues covered in your response to question 13, have there been any other developments in transport technology and products that might affect the PTTSBE and might require, in your view, a change in its terms? Please explain and, if possible, provide examples.

Not applicable

15. Are there new forms of technology or new modes of public transport (e.g. public bicycle or e-scooter hire schemes) which it would be beneficial to include in integrated ticketing schemes, but which are not currently in scope of the PTTSBE? If so, would it bring benefits to amend the PTTSBE to include these new forms of technology or modes of public transport?

This very much depends on how public transport is defined. By their very nature, public bicycle and e-scooter hire schemes are forms of personal mobility, even if they are offered as a transport option to all. They do not allow for the carriage of multiple persons in or on the same vehicle. Notwithstanding, added flexibility in the legislation can provide for future opportunities, should they arise.

16. Are there, in your view, any other considerations that the CMA should consider? For example, are there variations to the scope of the PTTSBE that you consider would be appropriate that have not been considered in this Call for Inputs? Please provide any relevant evidence that you have to support your views

None