CMA Markets Strategic Review Consultation Response from ALBUM Bus

This response is submitted on behalf of ALBUM – The Association of Local Bus Managers who represent over 40 bus companies who tend to be municipal companies or SMEs in the bus sector.

The response is limited only to the following :

Local Bus Services Market Investigation Order 2012

The Order requires local bus operators (that manage bus stations) to provide rival operators with access to their bus stations on fair, reasonable and non-discriminatory terms and provides a formula for the calculation of certain charges. The Order also requires local bus operators to make and publish the conditions of use, including information about charges and the allocations of stand and layover capacity.

ALBUM believes that the original order has achieved its objective as above and whilst it dates back to 2012 it should remain in force. Undoubtedly this order protects the public who use bus services (or may use them in future) by preventing unfair competition in the market and any potential abuse from a bus operator who owns or manages a bus station. Since 2012 the amount of bus – bus competition in the market has declined but this still remains a key part of offering a fair and competing service where such bus stations exist. It could also easily become a barrier to entry to the market if the order was reduced in some way or removed. It is a widely accepted part of the bus service provision and we do not believe it takes much CMA resource to implement or investigate.

In terms of section 10 and the four specific issues:

10. The possible changes of circumstances that we consider may apply to one or more of the 33 remedies listed in Annex A are:

(a) Market developments: changes in the market and competitive landscape since the remedy was introduced. For example, the entry and expansion of competitors to the bound businesses or a change in consumer behaviour.

ALBUM believe that whilst there is currently a reduction in the competitive bus market, partly driven by bus franchising, it is important to retain these measures both for the current operators and for future potential developments. Their removal could also create as barrier to entry.

(*b) Age and impact: the age of the remedy indicates that the remedy no longer addresses the original competition problem and/or consumer detriment which it was designed to remedy. For example, a remedy which predates developments such as the internet or a remedy requiring bound businesses to provide information to consumers which is no longer used or is no longer relevant to them.*

ALBUM believe that the remedy continues to address the original competition issues and therefore should remain as it currently stands.

(c) Regulatory landscape: changes to relevant regulations or legislation affecting the appropriateness of the remedy. For example, alternative regulatory or legislative solutions have been introduced to address the original competition problem.

ALBUM does not consider that any of the changes to legislation negate the need for this remedy.

(d) Changes to the bound businesses: structural, behavioural or other changes to businesses bound by the remedies. For example, the bound businesses have exited the relevant market.

ALBUM does not believe that there have been significant structural or behavioural changes in businesses bound by the remedies to warrant changes to them. Bus franchising is happening in certain areas already and will expand further and this would put the service provision and use of bus stations within the control of the local authority. However, it is very unlikely to ever cover the whole of the UK and whilst ever there are commercially operated bus services then these remedies remain relevant.

ALBUM are strongly of the view that the remedies remain relevant and must continue unchanged.