

CMA Markets Strategic Review Consultation Response from First Bus

First Bus is now responsible for seven bus stations (Bath, Bristol, Worcester, Basildon, Fareham, Bridgwater, Yeovil) and receives very few requests for access, all of which have been accepted in recent years. In fact in the last 12 months we have only received one enquiry from a bus operator which did not materialise into a formal request. In response to the CMA's four criteria in the consultation, our responses are set out in bold.

(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. Competition generally in local bus markets across the UK is much reduced since 2012 due to increased regulation (for instance requirements for franchising or Enhanced Partnerships throughout England) and a reduction in the number of local bus operators across UK

(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. The remedy is still relevant in terms of the opportunity for a local bus operator to restrict access to a bus station which it controls.

(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. Where a competitive market still exists, local authorities in England have much greater influence over local bus markets and can exercise greater power through Enhanced Partnerships by designating bus stations as facilities open to all operators. Technically a controlling operator could object but I am not aware of any such instances.

(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. The Bus Stations Order applied to all bus operators in England Scotland and Wales. Whilst many bus stations have been disposed of, closed or contrhas passed of local authorities, the structural issues that the Order sought to address still remain.

So in summary, whilst the original issues that the Bus Stations Order sought to address still remain (unfair or discriminatory refusal of access to a bus station, or excessive charges for its us), requests for access are far less common than when the Order was made, and refusals rare. Our experience with bus stations controlled by other operators is similar to

that in respect of our own bus stations. On that basis we consider that the Order is still required, but the annual monitoring by CMA is no longer required. Any instances of anti-competitive behaviour by operators controlling bus stations can still be raised with CMA by the operator claiming unfair treatment and therefore the remedy is still effective.