General - 6b Publications and Consultations

o Purpose of Report

The purpose of this report is to inform members of recent publications and consultation papers of interest and to agree a response where appropriate.

o Block Exemption for Bus Operators on ticketing schemes

The Competition and Markets Authority (CMA) is consulting on whether the block exemption from UK competition law for multi-operator ticketing arrangements in relation to public transport should be renewed on the grounds that it benefits consumers.

The CMA is proposing to recommend to the government that the existing block exemption, which is due to expire in February 2016, should be renewed for a further ten years, because the arrangements it covers produce improvements in the quality, flexibility and ease of use of public transport.

Nestrans has been invited to comment on a number of issues raised in the consultation and to let the CMA know the views of the Board. Information about the consultation is available from the website at https://www.gov.uk/cma-cases/public-transport-ticketing-schemes-block-exemption-statutory-review

The CMA has reviewed whether developments in smart ticketing technologies and products in recent years, and those which are anticipated in the near future, justify changes to the block exemption but its provisional view is that the current exemption remains fit for purpose.

The CMA will consider responses to the consultation before it makes a final recommendation at the end of this year.

The consultation responses should be submitted by **5 pm on the 16 September 2015**.

Nestrans has a high level, strategic interest in this and a general response is suggested which reflects this overview. The detailed operation will require local authority officers to provide a more detailed, technical response to the consultation which will include responses to the more specific questions contained in the documentation.

o Recommendation

It is recommended that the Board:

a) note the content of this report and approve the attached Appendix as Nestrans' response to the consultation on extending the block exemption for bus operators on ticketing schemes.

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Appendix A

Draft Response to CMA on Block Exemption

24 August 2015 Our Ref RD/N14/5

Ticketing Block Exemption Team
Competition, Consumer and Markets Group
Competition and Markets Authority
7th Floor Victoria House
37 Southampton Row
London WC1B 4AD
Email: ticketingblockexemption@cma.gsi.gov.uk

Dear Sir
Consultation on Block Exemption for multi-operator ticketing schemes

Thank you for the opportunity to comment on the proposed extension to the block exemption from competition law for multi-operator ticketing in relation to public transport.

Nestrans is the statutory Regional Transport Partnership covering the areas of Aberdeen City and Aberdeenshire Councils. Although public transport responsibilities lie primarily with the local authorities, Nestrans is a partner in the North East Scotland Quality Bus Partnership and works closely with both Councils and bus operators towards improving public transport across the area.

A report was considered by the Nestrans Board at its meeting on 21 August 2015 and this response was approved as the Partnership's response to the consultation:

1. Nestrans welcomes and supports the proposed extension of the block exemption, on the basis that it provides an opportunity to improve ticketing options for the benefit of passengers;
2. We consider the block exemption to be necessary to deliver integrated ticketing schemes that are beneficial to consumers;
3. Consumer choice could be reduced without the exemption;
4. A recently introduced integrated ticketing scheme in the North East of Scotland is the Grasshopper scheme – it provides for through ticketing, is a multi-operator scheme and is proving to be popular and beneficial to consumers.

As a strategic transport body, we feel that it is appropriate only to respond to the general principles. Technical consideration and responses to the detailed questions in the consultation are better dealt with by local authorities and bus operators and are therefore not responded to. Thank you for the opportunity to comment on the proposals and I hope that these comments are helpful. If you would like to discuss any of the points raised in more detail, please do not hesitate to contact me.

Yours sincerely

Rab Dickson
Transport Strategy Manager