

## Disclosures of interest: Rolling Stock Leasing Market Investigation

**Anthony Stern** is a member of the Group that is conducting this investigation. Family members of Anthony Stern who currently reside with him have shares in one of the main parties. Insofar as the family members in question are dependent on Anthony Stern's family, will shortly cease to be so and will have control of these investments, the CC is satisfied that this will not affect Anthony Stern's ability to act impartially and independently as a member of the Group.

**Diana Guy** has less than £5,000 of HBOS plc shares in a portfolio managed on a discretionary basis; Ms Guy has no control over how this portfolio is managed.

**Anthony Stern's wife** has a shareholding in HBOS plc with a current value in excess of £50,000.

A subsidiary of HBOS plc owns rolling stock that it leases to Voyager Leasing Ltd, a main party to this inquiry. At this stage of the inquiry, we do not consider that HBOS plc is a main party to this inquiry. Although HBOS has an investment in the reference goods that are part of this market inquiry, we do not consider such investment is a material part of HBOS plc's business.

Accordingly, the CC does not believe that the shareholdings in HBOS plc of Diana Guy and the wife of Anthony Stern will prejudice the ability of Diana Guy, Anthony Stern and the other members of the Group to discharge their functions in an independent and impartial manner.

### Staff

**John Pigott** is the Inquiry Director on this inquiry. Mr Pigott's wife has a shareholding in HSBC Holdings plc with a current value between £50,000 and £100,000.

HSBC Holdings plc is the parent company of HSBC Rail Ltd, one of the main parties on this inquiry. However, the CC understands that HSBC Rail Ltd accounts for a very small percentage (less than 0.25%) of the assets of HSBC Holdings plc.

Mr Pigott's wife has agreed that while Mr Pigott is involved in this inquiry:

1. she will not purchase any HSBC Holdings plc shares, and
2. she will not sell any shares in HSBC Holdings plc without the prior agreement of the CC's Chief Executive.

**Carole Begent**, a Legal Director to the CC, was employed as a legal adviser to the Officer of Rail Regulation (ORR) from 1996 to February 2000. Ms Begent advised generally on competition and railway law. A specific project included providing legal advice to the ORR as a member of the Rosco inquiry team including negotiation of the Rosco Code.

**Adam Cooper**, an accountant at the CC, worked for Abbey National (which owns Porterbrook) from 2001 to March 2004. Mr Cooper worked in the group strategy department and was not involved in work advising Porterbrook.

The CC does not believe that these matters will prejudice the ability of the staff team to discharge its functions in an independent and impartial manner.

**19 October 2007**

## **Disclosure of interests for Malcolm Wilson**

### **Introduction**

The Competition Commission (CC) proposes appointing Malcolm Wilson, a consulting rail engineer and Chartered mechanical engineer, to work alongside CC staff to provide expert advice on technical issues raised by the ROSCOs market inquiry. An important task for the CC is to develop a clear understanding of the technical aspects of rolling stock operation and maintenance. The CC does not currently have this expertise in-house and therefore proposes recruiting Mr. Wilson to conduct relevant technical analysis and to share his knowledge and understanding with other staff members and the Inquiry Group. The depth and breadth of Mr. Wilson's technical experience and expertise in rolling stock and maintenance issues will complement the knowledge and skills of other members of the CC staff team, thereby adding to the overall quality of the CC's analysis.

The CC notes that Mr. Wilson directly or indirectly (for example through an intermediate consultancy company/ firm) currently advises a TOC association and has in the past 6 years advised or been employed by a number of firms including ROSCOs and TOCs. Mr. Wilson does not have any current instructions with ROSCOs, that is, any of the Main Parties to this market inquiry. We set out below a brief description of the current and recently completed work undertaken by Mr. Wilson that has involved a Main Party to this inquiry or has involved advice to third parties relating to rolling stock. This has largely related to providing technical and engineering advice.

The CC believes that the disclosed matters described below will not compromise the ability of Mr. Wilson to provide independent and impartial advice on technical issues relating to rolling stock and its related maintenance to the CC staff team and the Group conducting this inquiry. To prevent any possible future conflicts arising, the CC proposes restricting Mr. Wilson from accepting instructions from certain firms for a period of time after he has ceased to provide advice to the CC..

### **Disclosure of interests**

#### Current instructions from third parties

Mr. Wilson currently provides advice and assistance to a body that represents TOCs in relation to the development of the rail industry programme for the European Rail Traffic Management System (ERTMS). ERTMS will to some extent impact on the technical specifications for rolling stock in the future. Mr. Wilson's role is to provide technical advice to assist in the definition and scoping of the programme vision, interfaces and work packages and in the recruitment of specialists that will provide longer term technical support to the body.

#### Previous employment and independent consultancy advice given to Main Parties

Over five years ago Mr. Wilson was employed by a Main Party for approximately 4 years. Much of his employment involved managing heavy maintenance contracts or developing technical improvement plans for rolling stock fleets. He was also a customer account manager for various TOCs.

Mr. Wilson has also received several instructions as an independent consultant from another Main Party. This work included acting as a facilitator in workshops that reviewed that Main Party's technical relationship with particular TOCs. Other work included acting as a project manager to prepare the technical specifications in relation to the procurement of a new rolling stock fleet and to identify and assess the factors affecting its residual value.

Previous employment and independent consultancy advice given to third parties

Previously, Mr Wilson has provided technical advice as an independent consultant to various firms including various TOCs to whom he provided technical advice in relation to the deployment and maintenance of rolling stock and in relation to rolling stock maintenance and depot strategy as part of the preparation of bids for franchises. Mr. Wilson has also provided technical and engineering advice on rolling stock and associated maintenance to government bodies, manufacturers of rolling stock, and other consulting firms.

**Definitions**

The ROSCOs market inquiry means the current CC investigation into the leasing of rolling stock for franchised passenger services and the supply of related maintenance services in Great Britain. The expressions "franchised passenger services" and "related maintenance services" are explained in the Terms of Reference dated 26 April 2007.

Main Party means each of Angel Trains Limited, HSBC Rail (UK) Limited, Porterbrook Leasing Company Limited and Voyager Leasing Limited.

TOC means a train operating company being one of the companies which provide passengers with rail services pursuant to the terms of a franchise agreement.

**21 June 2007**