

LOCAL BUS SERVICES MARKET INVESTIGATION

Disclosures of interest

Members interests

Appointment of market investigation reference group

1. Peter Freeman, the Chairman of the Competition Commission (CC) has now appointed the group of members (the Group) which will consider the Local Bus Services Market Investigation Reference. The members of the Group are Mrs Diana Guy (Group Chairman), Ivar Grey, Thomas Hoehn, Katherine Holmes, Jeremy Peat, and Michael Waterson. Their biographies are available [here](#).
2. The Chairman of the CC had originally appointed Dr Peter Davis to chair the Group. One of the parties to the reference raised concerns about the appointment of Dr Davis, arising from his involvement in the CC merger inquiry relating to Preston Bus, which has been appealed to the Competition Appeal Tribunal.
3. The CC is satisfied that the objections raised are without foundation. The CC does not accept that Dr Davis's involvement in the Preston case would in any way compromise the ability of the Local Bus Services Market Investigation Reference group to discharge its functions in an independent and impartial manner. Nevertheless, the CC recognizes the importance of parties having confidence in the impartiality and fairness of its processes. In the interests of ensuring a speedy, efficient and uncontroversial start to this important market investigation it has been decided that Dr Davis will withdraw from the Group and the Chairman has appointed Mrs Diana Guy to chair the Group instead.
4. Please find below disclosures of interests for three of the six members appointed to the Group investigating the above case. A disclosure of interest for Ms Katherine Holmes, Professor Thomas Hoehn and Professor Michael Waterson, follows below. We have also provided a link to the CC's register of Interests, which contains further information on these members and the three remaining members of the Group: Mrs Diana Guy, Mr Ivar Grey and Mr Jeremy Peat.

Disclosure of interest for Katherine Holmes

5. Ms Katherine Holmes was a partner in Reed Smith until 31 August 2009 (and formerly in Richards Butler before those firms merged). Ms Holmes continues to have a consultancy role for Reed Smith. While she was a partner, Ms Holmes advised the holder of the Inter City East Coast (ICEC) passenger rail franchise on various competition law issues relating to the operations of that franchise by the ICEC train operating company. The franchise was held by GNER a subsidiary of Sea Containers Ltd and then in December 2007 was taken over for two years by National Express, which had other competition advisers. The last advice Ms Holmes gave (and the only advice she gave to the ICEC train operating company after National Express took over the franchise) was in September 2008 and was not relevant to competition in the bus industry. In March 2008 Reed Smith's Birmingham office gave some advice to National Express, but Ms Holmes was not involved in that advice. The Birmingham office has since been sold to its partners and is no longer a part of Reed Smith.

6. Ms Holmes has not advised on the operation of any coach or bus services and has considered those services only in the context of defining markets for ICEC rail services.

Disclosure of interest for Tom Hoehn

7. Professor Hoehn is a former partner of PwC. He retired on 6 November 2009 and no longer provides PwC with any services. Mr Hoehn receives an annuity from PwC until 2013 which is non-profit related.

Disclosure of interest for Michael Waterson

8. Professor Waterson is a member of Sustrans, a sustainable transport charity.
9. Professor Waterson was also involved as a member of an Expert Panel providing oversight to the West Midlands Congestion Management Study; the study itself was carried out by consultants. This panel published its second report (the last point of his engagement) in March 2008. The report was entitled *Tackling congestion, delivering growth* and concerned possible road pricing schemes in the West Midlands, which were not pursued.

Register of interests

10. Please also find below a link to the Register of Interests page on our website containing further information about these members.

http://webarchive.nationalarchives.gov.uk/20111207012443/http://www.competition-commission.org.uk/our_peop/members/reg_interests/index.htm

11. The members mentioned above and the CC do not believe that these matters will prejudice the ability of the Group to discharge its functions in an independent and impartial manner. We should be grateful if any party or potential party to this inquiry who has any concern arising from the participation of any of the members involved in the Group whether as a result of the matters disclosed above or in the Register of Interests or more generally would contact Tara Wheeler at the CC (tel: 020 7271 0209; email tara.wheeler@cc.gsi.gov.uk) without delay and before 5pm on 29 January 2010.

Staff interests

Mr Lukasz Grzybowski. The CC intends to appoint Lukasz Grzybowski as an Economist, starting from 14 June 2010, to support the Group in the local bus services market investigation. Mr Grzybowski previously worked at the CC, before leaving to join Ernst and Young about 2 years ago. He is about to leave Ernst & Young permanently to return to the Competition Commission for a five-week contract. Mr Grzybowski did not work on any bus industry issues while at E&Y, but knows that Ernst & Young has done some work for National Express, although he was not personally involved.

Ms Alison Oldale, Chief Economist at the CC was a Director at LECG until 2005 and Associate Director at NERA until 2004, and in both roles acted for First Group in relation to a number of competition issues, including advising in relation to competition issues relating to the bus sector. Ms Oldale also advised Cardiff Buses in relation to competition issues relating to the bus sector. Ms Oldale is not on the staff team for and has no direct role in this market investigation but in her role as Chief Economist has management and oversight

responsibilities in respect of the CC team of CC economic advisers and general responsibility for the CC's economic analysis including the development of analytical frameworks. The economic advice in the case will be handled by Robin Finer (see disclosure below) and Sara Ross.

Mr Robin Finer, Director of Economics at the CC, worked at the OFT until Nov 2007. Mr Finer was involved in various matters relating to the bus industry while at the OFT, including the First Edinburgh/Lothian Competition Act case in 2003/4 and the Cardiff Bus Competition Act case in 2006/7. Mr Finer also assisted in the preparation of the OFT's competition guidance for the Local Transport Act 2008 in relation to buses.

Mr Richard Hyder is employed by the CC for three months to be a statistician assisting with consumer research on this case. Mr Hyder previously worked for Transport for London (TFL) (previously London Transport) for over 18 years until 2009. During that time he was principally employed as a market research professional and this included design and implementation of consumer research and mystery shopping exercises, and analysis of data including patronage, fare and sales data, relating to transport services in London, including bus services. Between 2007-2009 Mr Hyder was seconded to TFL's Planning directorate, working on revisions to the Mayor's Transport Strategy, where Mr Hyder had responsibility for helping develop policies and proposals for transport services in London, including bus services. Mr Hyder had particular responsibility for the Outer London area. Mr Hyder was not involved in any strategic or policy decisions concerning individual bus operators. Mr Hyder left TFL in June 2009 and has no ongoing role with TFL. *Mr Hyder has extended his contract of employment with the CC into July 2010.*

Additional disclosure to staff interests

Samina Khan, a Legal Assistant at the CC, started working on the Bus Market Inquiry in November 2010. Miss Khan worked at the OFT until September 2010. While at the OFT, Miss Khan worked on the Cardiff Bus Competition Act case in 2006/7.

26 January 2010