



News Release

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CC CANCELS NATIONAL EXPRESS AND STAGECOACH GREATER WESTERN RAIL FRANCHISE INQUIRY REFERENCES

The Competition Commission (CC) has cancelled the inquiries into the references about the separate proposals for the acquisition of the Greater Western passenger rail franchise (GWF) by National Express Group plc (NEG) and Stagecoach Group PLC (Stagecoach). It will however continue with its inquiry into the acquisition of the franchise by FirstGroup plc (FirstGroup)

This follows the Department of Transport's announcement on 13 December that FirstGroup has won the new franchise to operate the Greater Western passenger franchise from April 2006, and assurances from NEG and Stagecoach that their proposals to acquire the franchise have accordingly been abandoned.

The references to the CC were made on 30 September 2005, at a time when all three companies were short-listed as bidders for the franchise. The CC had been asked to consider whether in each case the proposed acquisition may be expected to result in a substantial lessening of competition, particular concern being with the supply of passenger transport services on point-to-point routes within the area covered by the GWF. The three companies currently provide public transport services—through bus, coach and/or rail operations—that overlap with sections of the GWF network.

The references were made in the knowledge that it was likely that a preferred bidder would be named and the franchise awarded before the CC had completed its work.

The CC is required to publish its final report on the acquisition by FirstGroup by March 16 but intends to publish its provisional findings report by the end of January. For more information on the inquiry visit the CC's website at <http://www.competition-commission.org.uk/inquiries/ref2005/western/index.htm>

Notes for editors

1. The references were made by the OFT. They have been cancelled in accordance with the provisions of section 37(1) of the Enterprise Act 2002.

2. The CC is under a duty under section 37(1) to cancel a reference if it is satisfied that the parties have abandoned arrangements for an acquisition of the kind mentioned in the reference.
3. The new GWF franchise will run from April 2006.
4. Under section 66 (3) of the Railways Act 1993 (as amended) the acquisition of a rail franchise is treated as a merger.
5. The group of five Commission members who have been undertaking the inquiries are: Diana Guy (Group Chairman), Barbara Donoghue, Professor Mahendra Raj, Anthony Stern and Richard Taylor.
6. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report where the merger creates or enhances a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.
7. Enquiries should be directed to Rory Taylor, Press Officer on 020 7271 0242 or email rory.taylor@cc.gsi.gov.uk.