

Journey Solutions partnership

Journey Solutions response to OFT Consultation on the Ticketing Block Exemption.

Journey Solutions is a not-for-profit informal partnership of Britain's leading bus and train operating companies¹ and their respective trade associations the Association of Train Operating Companies (CPT) and the Confederation of Passenger Transport (CPT). Our remit is focused on practical improvements between train and local bus services in order to offer passengers enhancements which make door-to-door journeys by public transport easier, more convenient and better value-for-money.

On behalf of our members, we manage **PLUSBUS**, Britain's only nation-wide integrated train to bus travel ticketing scheme. **PLUSBUS** is an ATOC sponsored National Rail ticketing product, which we promote and manage the relationship with the 280 individual **PLUSBUS** scheme coordinators around the country.

Our responses to this consultation are based on eight years of managing the **PLUSBUS** ticketing scheme under the existing OFT Ticketing Block Exemption.

Answer to Question 1

Yes, integrated ticketing schemes do provide modest economic benefits (as summarised in your consultation report) upon the companies that participate in them. We are not aware of any other economic benefits over and above those that you describe.

Answer to Question 2

We are not aware that involvement in our ticketing scheme imposes any unnecessary restrictions upon participating companies in order to attain the benefits described.

In order for **PLUSBUS** ticketing to work, it is absolutely essential that we have pre-agreed ticket prices that we can supply to the ATOC Fares Services so that National Rail retail systems can be programmed with **PLUSBUS** fares for a full fares period (usually three or four months). **PLUSBUS** could not exist if bus operators were unable to discuss, agree and fix **PLUSBUS** ticket prices in advance for each fixed rail fares period.

Furthermore, the PTTS Block Exemption is also essential to **PLUSBUS** as it provides both guidance and mechanisms on how best to allocate and share **PLUSBUS** ticket revenue between all the participating bus operators in each town with a **PLUSBUS** scheme.

Answer to Question 3

One of the aspirations of our **PLUSBUS** ticketing scheme is that the rail passenger should be able to use their **PLUSBUS** ticket on all, or as near as possible, all bus operators services in the town or city that their ticket is valid. In order to achieve this

¹ Arriva, First, Go-Ahead, National Express, Stagecoach, Transdev, Wellgalde.

level of operator participation in the scheme we need bus companies to feel completely comfortable about agreeing to accept the tickets for travel on their services, safe in the knowledge that they will be paid their appropriate share of the revenue obtained from the original purchase of all *PLUSBUS* tickets for that town. Operators also need to be confident that their actions in agreeing to participate in this ticketing scheme do not bring them into conflict with competition law.

Without the PTTS Block Exemption, bus companies are highly likely to feel that agreeing to participate in the *PLUSBUS* ticketing scheme somehow leaves them open to investigation for anti-competitive practice (in setting and agreeing the ticket price in the first place and also for agreeing a revenue sharing mechanism). Therefore, the OFT Ticketing Block Exemption is vital for Britain's *PLUSBUS* ticketing scheme to continue.

Answer to Question 4

The PTTS Block Exemption allows Britain's train and bus companies to offer *PLUSBUS*, a nation-wide integrated train to bus ticketing. It would simply not be possible to offer *PLUSBUS* ticketing without the PTTS Block Exemption.

The *PLUSBUS* ticketing scheme offers the passengers the benefits of a "one-stop-shop" for buying ticketing for door-to-door journeys by train and bus. Passengers benefit from greater convenience, in that they can buy tickets for their entire journey in one simple transaction (at over a thousand National rail station ticket offices, by phone and online from nearly all rail ticket retailing websites). Passengers can buy these tickets using a wider range of payment methods (e.g. credit card, debt card, cheque) than those normally available for on-bus only tickets. Passengers also benefit in that they can obtain greater value-for-money and in the case of Railcard holders, obtain one-third discount off the price of bus travel that they would not otherwise be able to obtain.

Therefore, we agree with the OFT that a fair share of the economic benefits of our integrated ticketing scheme are passed onto consumers.

Answer to Question 5

PLUSBUS does not in any way influence or effect the ability of individual bus companies to compete with each other on-the-road or to offer alternative or competitive ticketing schemes. Indeed there are numerous examples where alternative multi-modal ticketing schemes exist in the same areas where a *PLUSBUS* scheme also exists (e.g. 'Freedom Travelpass' in greater Bristol; Greater Manchester 'System One Travelcards', 'One Ticket' in Lothian region).

Answer to Question 6

Without the PTTS Block Exemption bus companies would most definitely not wish to participate in the *PLUSBUS* ticketing scheme, as they would be unable to discuss, fix and agree ticket prices or agree local revenue sharing mechanisms without suitable protection from legal challenge under existing competition law.

Answer to Question 7

As far as we are aware, no other nation-wide alternative to *PLUSBUS* ticketing has been established since the PTTS Block Exemption was last reviewed and renewed in 2006.

Answer to Question 8

Yes, we agree that it would be premature to change the PTTS Block Exemption to accommodate new ticketing technology (such as Smartcards), as the use of such new technology is not commercially wide-spread and its application is still being developed.

Certainly, as far as we are aware there is not currently any need to amend the Block Exemption for Smart ticketing methods to be able to accommodate *PLUSBUS* ticketing in future.

Answer to Question 9

Yes, we fully agree and completely support the OFT's proposal to extend the duration of the current PTTS Block Exemption for a further five years (up to 2016).

Conclusion

In summary, **Journey Solutions fully supports the OFT's conclusion that the PTTS Block Exemption should be extended for a further five years.** We see no need to make any changes to its substance as it the Exemption has been working well and there would seem to be no reason to amend it for Smart ticketing technology.



Jonathan Radley, Commercial Director
Journey Solutions partnership
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