

Public Transport Ticketing Schemes Block Exemption Review

Introduction

TravelWatch East Midlands (TW-EM) is an independent regional body which aims both to represent the interests and concerns of public transport passengers across all forms of transport, and to assist local and regional authorities' work towards an integrated and seamless quality public transport network for the East Midlands region. Its members are local user and campaigning groups from throughout the region.

Its mission is to champion public transport so that it becomes:

- Accessible to everyone
- Affordable and socially inclusive
- Available when and where needed
- Acceptable to all
- Attractive to users

We sought views on a draft response via our Steering Group representing 90 member organisations

Response

As a consumer group, we believe that multi-operator ticketing is normally beneficial to the passenger, and we support your recommendation to extend the block exemption.

Note that multi-operator tickets are less common in the East Midlands than in regions with Integrated Transport Authorities. We are not aware of any valid for more than one day.

Question 1

In light of a further period of working with the PTTS Block Exemption since 2006, do you agree that the integrated ticketing schemes indicated above provide economic benefits? Are there any other economic benefits that such schemes provide? Please note if your answers vary according to the different types of ticket covered by the PTTS Block Exemption and explain how they vary.

MTC's do not necessarily reduce the cost of an additional journey to zero, as suggested, as they may be more expensive than an individual operator's ticket covering a regular journey. Which ticket is bought may depend on the frequency with which a passenger uses a second operator.

In our region, where day MTCs are the norm, a passenger may on one day buy a single operator ticket, on another, when making a different journey, a more expensive MTC.

In these cases an MTC provides an economic benefit to the user, but this is not as noticeable as for period tickets available in other parts of the country.

Lincolnshire serves its rural communities by demand-responsive minibuses connecting into trunk inter-urban routes, (Inter-connect). Through ticketing has been vital to the success of this system. By providing small communities with travel that is low-priced to the consumer and low-cost to the provider, the scheme has increased the viability of these communities.

Add-on tickets (e.g. PlusBus) have the advantage that the cost of travel for a complete journey is known in advance, which encourages use of a combined train and bus journey as opposed to driving in a strange town. At a more local level, a cross-city journey is more likely to be made by bus than car if a £4.00 MTC is available rather than a need for four £1.50 singles.

Question 2

In light of a further period of working with the PTTs Block Exemption since 2006, do you agree that the ticketing schemes indicated above, if they satisfy the conditions in the PTTs Block Exemption, do not impose on the undertakings concerned restrictions unnecessary for the attainment of the benefits described above? In particular, do you agree that fixing the end price for MTCs meets the indispensability condition, or are there other practical alternatives that would lead to equivalent benefits? For example, would alternative revenue sharing agreements that did not involve fixing a common end price for MTCs achieve this end? If you can envisage other practical alternatives, please describe these in detail.

The lack of a common price for an MTC would cause confusion.

Research into rail fares indicates that a common complaint is the profusion of fares that may be available for any one journey. This is less of a problem with buses, where the problem is often finding any information about fares in advance. This discourages bus use by those with an available alternative. A standard price for an MTC is usually much better publicised than the prices of single tickets.

Variable pricing in areas with little competition would cause problems. If operator A serves suburb X and charges a higher price for the same product than operator B, who serves suburb Y, people will regard operator A as abusing his monopoly in suburb X.

Question 3

Are there additional features of these ticketing schemes that should be regarded as indispensable and without which the schemes could not deliver the benefits described above? Please note if your answers vary according to the different types of ticket covered by the PTTs Block Exemption and explain how they vary.

No comment.

Question 4

In light of a further period of working with the PTTS Block Exemption since 2006, do you agree that a fair share of the economic benefits provided by the integrated ticketing schemes indicated above are passed on to consumers? If you have identified any additional economic benefits in your answer to question 1 above, do you consider that they are passed on to consumers? Please note if your answers vary according to the different types of ticket covered by the PTTS Block Exemption and explain how they vary.

We do consider that a fair share of economic benefits is passed on to consumers.

The MTCs available in our region are mostly priced at a small mark-up over the most expensive individual operator's equivalent and so provide a significant benefit to passengers compared with buying separate tickets for journeys involving more than one operator.

Question 5

In light of a further period of working with the PTTS Block Exemption since 2006, do you agree that the ticketing schemes indicated above, if they satisfy the conditions in the PTTS Block Exemption, are unlikely to allow the undertakings concerned to eliminate competition in respect of a substantial part of the services in question? Please note if your answer varies according to the different types of ticket covered by the PTTS Block Exemption and explain how it varies.

No comment.

Question 6

In light of a further period of working with the PTTS Block Exemption since 2006, do you agree that there is a risk that without the PTTS Block Exemption operators would not choose to participate in the above ticketing schemes, and especially in the establishment of new schemes? If so, do you have any evidence to support this view? Please note if your answers vary according to the different types of ticket covered by the PTTS Block Exemption and explain how they vary.

Yes, we agree that operators would not participate in new schemes without the block exemption. For any individual operator, it is always a question if participating in such a scheme will increase revenue sufficiently to offset any losses due to existing passengers using MTCs purchased from other operators. Any possibility of action being illegal would be too big a risk to take for debatable monetary gain.

Question 7

Since the PTTS Block Exemption was extended in 2006, have any alternatives to the ticketing schemes covered by the PTTS Block Exemption developed that you think would provide greater benefits to consumers (leaving aside the issue of so-called 'smart cards', which are discussed in chapter 5 below)? If so, please describe these schemes and explain why they would provide additional benefits.

We don't know of any.

Question 8

Do you agree with our assessment that it would be premature substantially to change the PTTs Block Exemption to accommodate new modalities of ticketing based on smart technologies while the way in which the commercial application of smart technologies operates is still relatively undeveloped and smart ticketing technologies are not widespread? If you disagree, please: (i) explain why you disagree; and (ii) describe the specific changes you consider should be made to the PTTs Block Exemption.

We agree that the block exemption should not be changed until smart ticketing is more widespread. Whilst some of our operators have been using smartcards for several years, as far as we are aware none issue inter-operable tickets on smartcards.

Question 9

Do you agree with our proposed recommendation to extend the duration of the PTTs Block Exemption for five more years, which takes into account the likely timescale for the developments in smart ticketing? If you disagree, what would in your view be the appropriate duration and why?

We agree.

Jim Froggatt

Chair

15.10.10

Visit our website @ www.travelwatcheastmidlands.org.uk

"TravelWatch East Midlands" is the public name of the East Midlands Passenger Transport Users Forum
Secretary: Mr Stephen Abbott. 5, Monroe Close, Market Harborough. Leics LE16 7QN
Tel: 01858 466629
E-mail: s.abbott3@btinternet.com