

News story: CMA reviews FirstGroup bus undertakings in Bristol

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The CMA is to review long-standing undertakings covering FirstGroup and local authority tendered bus services in the Greater Bristol area.

The undertakings followed the 1989 merger of local bus companies Badgerline and Midland Red West which was investigated by the Monopolies and Mergers Commission (MMC). The MMC ruled that the merger would remove competition for bus services contracted by the former Avon County Council. Local authorities tender for – and subsidise – unprofitable bus services in order to maintain important transport links for residents.

The merged company was therefore required to sign up to a number of restrictions, including a cap on the amount they could receive from the local authority for running a tendered service – and a requirement to return any excess profit from such services.

These undertakings were amended in 1996 following a subsequent bus merger where both operators became part of FirstGroup.

The Competition and Markets Authority (CMA) has now decided to review the undertakings to see if there has been a change in circumstances which justifies their removal or variation.

The CMA is seeking views in particular from local authorities, bus operators and bodies representing bus passengers in the Greater Bristol area. It wants to hear about whether the ability of local authorities to attract competitive bids has changed in the intervening years, whether the growth of other operators has increased competition for tendered bus services and the practical impact of the undertakings.

Responses are invited via the review [case page](#).

The CMA has also today published its [final advice](#) to the secretary of state recommending the removal of remedies in 2 merger cases that followed investigations carried out under the Fair Trading Act.

Today's actions result from the CMA's ongoing programme of work on remedy reviews, initially set out in the CMA's [2015/16 annual plan](#), with the aim of reducing burdens on business by assessing whether past merger and market remedies should be removed or varied when they are no longer necessary. Since its creation in 2014, the CMA has launched 96 remedy reviews, around two-

thirds of which have resulted in the removal of the remedy.

For more information see the [remedies review case page](#).