

Glossary¹

AEC	Adverse effect on competition, as set out in section 134 of the Enterprise Act 2002.
Blind auctions	Auctions where bidders do not know who else is bidding or the terms of other bids.
BSOG	Bus Service Operators Grant: a grant paid to reimburse bus operators for some of the excise duty paid on the fuel consumed in operating eligible local bus services.
Bundled contracts	Where multiple contracts for tendered services or a contract for multiple tendered services are offered as a package.
Bus prioritization measures	Measures taken on roads to facilitate faster and easier bus travel relative to other road users (such as bus lanes, or restricting road access to private cars).
Contestability	A contestable market is characterized by competitive pricing because of the existence of potential short-term entrants, even though it might only be served by a small number of companies. Its fundamental features are low barriers to entry and exit; in theory, a perfectly contestable market would have no barriers to entry or exit.
De minimis contracts	Contracts to provide supported services which are not put out to open tender. These are typically of relatively low value.
Demand-responsive services	Services characterized by flexible routing and scheduling of small/medium vehicles operating in shared-ride mode between pick-up and drop-off locations according to passengers' needs.
Essential facilities	A facility may be considered essential where a rival company needs access to the facility in order to enter or to compete in a particular market and the duplication of the facility is impossible or very difficult due to geographic, physical or legal constraints.
Head-to-head competition	Competition between bus operators offering alternative bus services over the same flows (or routes) and so are alternative ways for customers to make the same journey.
Inter-urban services	Services that run between urban centres.
Intra-urban services	Services that run within a single urban centre.
Intrinsic features	Aspects of the market, other than those arising from the conduct of operators or from regulation, which might prevent, restrict or distort competition.

¹This glossary is provided to aid understanding of the updated issues statement. These definitions may be subject to clarification as the inquiry progresses.

Leapfrogging	When one operator runs its bus service directly ahead of another operator's service on the same route, in order to collect the passengers who are waiting for the other operator's bus service.
LTA	Local Transport Authority: a council or Passenger Transport Authority. LTAs implement transport policies within their areas and can tender subsidized contracts with bus operators where commercial bus services would not be run at all or to the required standard.
Minimum cost contracts	Contracts for supported services where the operator does not retain ticket revenue, and tenders for the cost of operating the contract and so does not bear any revenue risk.
Minimum subsidy contracts	Contracts for supported services where the operator retains ticket revenue, and tenders for the cost of operating the service less the estimated revenue and so the operator bears the revenue risk.
Multi-operator tickets	Tickets which are accepted by other operators as well as by the operator that issued them.
National Travel Survey	A series of household surveys of personal travel by residents within Great Britain, designed to provide data on personal travel and monitor changes in travel behaviour over time.
Networks	Collections of interconnected routes.
Points-scoring contracts	A system for evaluating tender bids where points are awarded for different aspects of a tender bid; used systematically to evaluate tender bids which vary in multiple aspects.
Potential competition	We use the term 'potential competition' to describe a possible constraint where operators are not in head-to-head competition but are located sufficiently close together that they might be able to introduce new routes or reconfigure existing services to take advantage of profitable opportunities.
Quality contracts	Contractual agreements between LTAs and bus operators under which operators provide specified services. Quality contracts may normally be entered into only after a competitive tendering process.
Statutory quality partnership	A statutory scheme introduced by the Transport Act 2000. Quality partnership schemes are made by the LTA following consultation with bus operators provided they meet required quality standards and provide undertakings to the Traffic Commissioner about standards of service.
Sunk costs	Costs incurred in entering a market which cannot be recovered in the event of subsequent exit.
Tendered services	Services operated under contract to LTAs , which seek tenders for doing so; these supported services are not operated commercially.

Traffic Commissioners	Appointed by the Secretary of State for Transport, have responsibility in their area for the licensing of the operators of buses and coaches and the registration of local bus services.
Travelcard	Tickets covering a particular journey or a network of routes which are valid over a period of time.
Traveline	A partnership of transport operators and local authorities formed to provide information about public transport.
Unilateral exclusion-ary conduct	The provision of a retail offer (ie combination of price and frequencies) or other behaviour that is only commercially rational if it raises the barriers to entry of rival operators or excludes a rival operator.
Voluntary partnership	A voluntary agreement under which LTA s undertake to provide facilities for the purpose of bringing benefits to persons using local bus services within their areas, and local bus service operators undertake to provide services of a particular standard.
VOSA	Vehicle and Operator Services Agency. It monitors services on behalf of the Traffic Commissioners .