

Further Undertakings given to the Competition Commission by FirstGroup plc, First Edinburgh Limited, First Glasgow (No.1) Limited, First Glasgow (No.2) Limited and First ScotRail Limited which vary Competition Commission Undertakings No.6 of 2004

1. On 15 October 2004 the Competition Commission ("CC") accepted final undertakings ("the Undertakings") from First Edinburgh Limited, First Glasgow (No.1) Limited, First Glasgow (No.2) Limited and First ScotRail Limited.
2. On 22 September 2005 FirstGroup plc ("FirstGroup") submitted an application to the Office of Fair Trading ("OFT") for variations to, consents under and clarifications of the Undertakings. On 12 December 2005 the OFT made recommendations to the CC as to the steps to be taken in response to the application.
3. On 21 December 2006 the CC published a Notice of a Proposal to accept Further Undertakings varying the Undertakings.
4. FirstGroup now undertakes and agrees with the CC that the Undertakings it gave the CC on 15 October 2004 shall be varied as follows:

Interpretation

- 4.1. In paragraph 1.4
 - (a) in the definition of "Edinburgh 1 Region" delete "West Lothian"
 - (b) in the definition of "Edinburgh 2 Region" insert at the appropriate place "West Lothian"
 - (c) in the definition of "Undertakings" after "Final Report" insert "(as subsequently varied under the Act)"

Controlled Routes

- 4.2. In paragraph 4.14 before "4.15" insert "4.14a and"
- 4.3. After paragraph 4.14 insert:

"4.14a If the application of the process set out in paragraph 5.1 and paragraph 5.2 above (as appropriate) indicates that a route listed in Annex F as a Possible Route should become a Controlled Route, First may submit an application to the OFT not to designate it as Controlled Route if First can demonstrate that there have been no material changes on that Bus Route since 2 May 2004. A material change is a change which is relevant for the purpose of assessing effective competition and which reduces effective competition to First, including, for example, a reduction in the frequency of First's competitors on the Bus Route in question."

Monitor's Report

- 4.4. In paragraph 5.3 delete the words "and in Annex F".

Fares

4.5. In paragraph 6.4:

- (a) at the beginning insert "(a)"
- (b) in the third sentence:
- (i) at the beginning, for "if" substitute "Subject to (b) below, if"
- (ii) for "be free to" substitute "if it considers necessary"
- (iii) delete "is".

4.6. At the end of paragraph 6.4a insert:

"(b) In any event, if the number of fares in a Base Fare Group falls to 15 or fewer, the Fare Limit shall be the sum of the value of the Restricted Fare on 2 May 2004 and the weighted average of the change in the Fare Limit for the fare immediately above the Restricted Fare in value and the change in the Fare Limit for the fare immediately below the Restricted Fare in value (for the purposes of this paragraph 'the weighted average change').

(c) The weighted average change shall be calculated by:

- (i) calculating the change in the Fare Limit for the fare that is immediately above the Restricted Fare in value;
- (ii) calculating the weighting to apply to the change in the Fare Limit for the fare that is immediately above the Restricted Fare in value by dividing the total number of fares in the Base Fare Group to which the Restricted Fare that is immediately above the Restricted Fare in value belongs by the total number of fares in the Base Fare Groups to which this fare and the Restricted Fare immediately below the Restricted Fare belong;
- (iii) calculating the change in the Fare Limit for the fare that is immediately below the Restricted Fare in value;
- (iv) calculating the weighting to apply to the change in the Fare Limit for the Restricted Fare that is immediately below the Restricted Fare in value by dividing the total number of fares in the Base Fare Group to which the Restricted Fare that is immediately below the Restricted Fare in value belongs by the total number of fares in the Base Fare Groups to which this fare and the Restricted Fare immediately above the Restricted Fare belong;
- (v) calculating the weighted average change by multiplying the result of (i) and the result of (ii) and adding that to the result of (iii) multiplied by (iv).

(d) For the purposes of this paragraph, references to fares immediately above and immediately below the Restricted Fare refer only to those fares which are themselves in a Base Fare Group containing 15 or more fares.

Annex C

4.7. In paragraph 1 at the beginning delete "In" and substitute "Except where subsequently changed pursuant to paragraph 6.22 of the Undertakings, in"


4.8. In paragraph 2 at the beginning delete "For" and substitute "Except where subsequently changed pursuant to paragraph 6.22 of the Undertakings, for"

5. Save as varied above, the Undertakings continue in full force in accordance with their terms.

FOR AND ON BEHALF OF FIRSTGROUP PLC

Name.....
Position.....
Date.....
Signed.....


FOR AND ON BEHALF OF FIRST EDINBURGH LIMITED

Name..... DAVID STEWART
Position..... FINANCE DIRECTOR
Date..... 24.1.07
Signed..... 

FOR AND ON BEHALF OF FIRST GLASGOW (NO.1) LIMITED

Name..... MICHAEL M. MILNE
Position..... FINANCE DIRECTOR
Date..... 24.1.07
Signed..... 

FOR AND ON BEHALF OF FIRST GLASGOW (NO.2) LIMITED

Name..... MICHAEL M. MILNE
Position..... FINANCE DIRECTOR
Date..... 24.1.07
Signed..... 

FOR AND ON BEHALF OF FIRST SCOTRAIL LIMITED

Name..... MARY A. DICKSON
Position..... MANAGING DIRECTOR
Date..... 26/1/07
Signed..... 