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Inquiry Secretary (Arriva/Sovereign)
Competition Commission
Victoria House
Southampton Row
London WC1B 4AD

3rd September 2004

Anticipated Acquisition of the Sovereign Bus and Coach Company

Dear Sir or Madam,

I am writing this letter in response to your invitation to hear from all interested parties with reference to whether the proposed merger of Arriva and Sovereign will result in a substantial lessening in competition for the operation of bus services.

From the viewpoint of a bus passenger who uses local services in Stevenage (especially but not exclusively the 'SB1' service) and the 'Green Line 797' service to/from London, I believe that the proposed acquisition will have a detrimental effect as a direct consequence of a lessening and indeed an ending of competition with reference to these services.

My reasoning is as follows:

1. Arriva operate most if not all of the Green Line services from Hertfordshire and Bedfordshire with the sole exception of the 'Green Line 797' service. I am concerned that a monopoly in these services will allow Arriva to increase profits (via cost savings and possibly increased fares) while reducing the quality of services offered on the Stevenage service.
2. Arriva operate nearly all the major bus routes in Stevenage but the quality of the services operated is frequently criticised in the local press. In comparison, I find the sovereign operated service offers modern and clean vehicles, with a service that is punctual and offers value for money. Having travelled on some local Arriva services I find that the buses are dowdy and older, offering poor value for higher fares. This may well be related to the amount of investment Arriva are prepared to invest in their services (vehicles, drivers, cleaners, customer calls) compared to Sovereign.
3. I am concerned that Arriva views the acquisition of the Sovereign facilities as an opportunity to make cash gains on the disposal of surplus assets (including depot facilities) which will, in turn, make it much harder for a new entrant to compete in the offering of services – thus entrenching an uncompetitive environment.

In order to address these issues I would like to know what remedies can be put in place, should the acquisition proceed, to ensure that Arriva do not gain a stranglehold on the provision, and tendering for, the operation of bus services in the local and wider area.

I would be grateful for some confirmation of the process that will be followed in the preparation of the Report on this matter, including key dates for any further comments, on the basis that delivery of local newspapers is somewhat 'hit and miss'.

Please note that in writing this letter I have no direct or indirect connection whatsoever with Arriva or Sovereign with the sole exception of being a customer for bus services.

Yours faithfully,

Philip Coe