
EXPLANATORY NOTE

(This note is not part of the Order)

This Order is a block exemption Order under section 6 of the Competition Act 1998 ('the Act'). It gives effect to the Director General of Fair Trading's recommendation that public transport ticketing schemes (as defined in the Order) for local public transport services constitute a category of agreements which are likely to be agreements to which section 9 of the Act applies. Agreements which fall within the category specified in the block exemption Order are exempt from the prohibition in Chapter I of the Act.

The recommendation was made by the Director following consultation in accordance with section 8(1) of the Act.

The block exemption has effect subject to certain conditions and obligations and concerns particularly agreements between local public transport operators (and in one case, together with long distance public transport operators) which provide for the purchase, in a single transaction, of:

- (a) multi-operator travelcards (MTCs)
- (b) through tickets (TTs)
- (c) multi-operator individual tickets (MITs)
- (d) short distance add-ons
- (e) long distance add-ons

as defined in the Order.

The block exemption applies to such agreements to the extent that they fall within the scope of section 2 of the Act (agreements etc. preventing, restricting or distorting competition (the Chapter I prohibition)).

The Order includes provisions concerning the cancellation of the block exemption.

The block exemption is retrospective and has effect from 1st March 2000 and will cease to have effect at the end of the period of five years from the date of coming into force of the Order.

Guidance on the block exemption is available from the Director General of Fair Trading at www.offt.gov.uk.