
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Competition Act 1998 (Public Transport Ticketing Schemes Block Exemption) Order 2001 ([SI 2001/319](#)) (“the 2001 Order”). The 2001 Order is a block exemption order under section 6 of the Competition Act 1998 (“the Act”). It gives effect to the OFT’s recommendation that public transport ticketing schemes (as defined in Article 3 of the 2001 Order) for local transport services constitute a category of agreements which are likely to be agreements to which section 9 (now section 9(1)) of the Act applies. Agreements which fall within the category specified in the 2001 Order are exempt from the prohibition in Chapter 1 of the Act.

The 2001 Order would cease to have effect at the end of the period of five years from the 1st March 2001 and this Order extends the period of the 2001 Order to ten years commencing on the same date.

This Order amends the definition of “register” contained in Article 3 of the 2001 Order to refer to the register maintained by the OFT under rule 20 of the OFT’s Rules set out in the Schedule to the Competition Act 1998 (Office of Fair Trading’s Rules) Order 2004 ([SI 2004/2751](#)).

This Order substitutes a new Article 11 so that the condition requiring revenue distribution for multi-operator travelcard schemes (“MTCs”) to be on the basis of “passenger miles, as far as reasonably practicable” is replaced with a condition allowing any method provided (a) it does not create an incentive for operators to set their own fares higher than they would have been in the absence of the MTC, and (b) it does not significantly reduce the incentive for each of the operators to compete for passengers.

Article 15 is amended to remove the requirement for operators to sell their own operator tickets when they issue multi-operator individual tickets.

This Order substitutes a new Article 21(b) which sets out where the OFT is required to publish a summary of the decision or proposal, and cause to be published a reference to that summary, if it is not reasonably practicable to write to all the parties to the ticketing scheme.

Guidance on the block exemption is available from the OFT at www.of.gov.uk. A regulatory impact assessment of the effect that this Order will have on the costs of business has been prepared and is available from the Consumer and Competition Policy Directorate, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET (e-mail paul.bannister@dti.gsi.gov.uk)