

2016 No. 126

COMPETITION

**The Competition Act 1998 (Public Transport Ticketing Schemes
Block Exemption) (Amendment) Order 2016**

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|-------------------------------|---------|---------------------------|
| <i>Made</i> | - - - - | <i>4th February 2016</i> |
| <i>Laid before Parliament</i> | | <i>8th February 2016</i> |
| <i>Coming into force</i> | - - | <i>29th February 2016</i> |

In August 2015, in accordance with section 8(1) and (4) of the Competition Act 1998 (“the Act”)(a), the Competition and Markets Authority (“the CMA”) published details of its proposed recommendation to the Secretary of State that the Competition Act 1998 (Public Transport Ticketing Schemes Block Exemption) Order 2001(b) be amended. The CMA considered the representations which were made to it and, in accordance with section 8(3) of the Act, has recommended that the Secretary of State vary that Order.

The Secretary of State, in exercise of the powers conferred by section 6(2) and (7) of the Act, makes the following Order.

Citation and commencement

1. This Order may be cited as the Competition Act 1998 (Public Transport Ticketing Schemes Block Exemption) (Amendment) Order 2016 and comes into force on 29th February 2016.

Amendment of the Competition Act 1998 (Public Transport Ticketing Schemes Block Exemption) Order 2001

2.—(1) The Competition Act 1998 (Public Transport Ticketing Schemes Block Exemption) Order 2001 is amended as follows.

(2) In article 2, for “at the end of the period of fifteen years commencing on 1st March 2001” substitute “at the end of the period of twenty-five years commencing on 1st March 2001”.

(3) In article 3, in the definition of “multi-operator travelcard”—

- (a) in the opening words, omit “three or more” where it appears for the second time;
- (b) at the end of sub-paragraph (a) insert “and”;
- (c) omit paragraph (b) (together with the final “and”); and
- (d) for sub-paragraph (c) substitute—

(a) 1998 c. 41. Sections 6 and 8 were amended by paragraph 38 of Schedule 25 to the Enterprise Act 2002 (c. 40) and paragraphs 1 and 3 of Schedule 5 to the Enterprise and Regulatory Reform Act 2013 (c. 24).
(b) S.I. 2001/319, amended by S.I. 2005/3347, S.I. 2011/227 and S.I. 2014/549.

“(c) in practice, the ticket is not substantially used by passengers as a multi-operator individual ticket or a through ticket.”.

(4) In article 4(2), omit “, in a single transaction,” wherever it appears.

(5) After article 21 insert—

“**22.**—(1) The Secretary of State shall before 28th February 2021—

- (a) carry out a review of this Order;
- (b) set out the conclusions of the review in a report; and
- (c) publish the report.

(2) The report shall in particular—

- (a) set out the objectives intended to be achieved by the regulatory system established by this Order;
- (b) assess the extent to which those objectives are achieved; and
- (c) assess whether those objectives remain appropriate and, if so, the extent to which they could be achieved with a system that imposes less regulation.”.

Sajid Javid

Secretary of State for Business, Innovation and Skills
Department for Business, Innovation and Skills

4th February 2016

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 (S.I. 2001/319) (“the 2001 Order”). The 2001 Order is a block exemption order under section 6 of the Competition Act 1998 (c.41) (“the Act”), which gives effect to the recommendation originally made by the Director General of Fair Trading that public transport ticketing schemes (as defined in the 2001 Order) for local transport services constitute a category of agreements which are likely to be agreements to which 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 was amended by the Competition Act 1998 (Public Transport Ticketing Schemes Block Exemption) (Amendment) Order 2005 (S.I. 2005/3347) and the Competition Act 1998 (Public Transport Ticketing Schemes Block Exemption) (Amendment) Order 2011 (S.I. 2011/227) to extend its duration for a further 10 years in total so that it would cease to have effect at the end of the period of fifteen years from 1st March 2001. On the recommendation of the Competition and Markets Authority (CMA) this Order extends the period of the 2001 Order to twenty-five years commencing on the same date.

Article 2 makes some further amendments to the 2001 Order. It amends the definition of “multi-operator travelcard” to simplify it and to ensure that schemes with fewer than three operators can be established as long as they operate in practice as schemes for multi-operator travelcards and not multi-operator individual tickets or through tickets. In addition, article 4 of the 2001 Order is amended to remove references to tickets having to be purchased “in a single transaction” so that ticketing schemes included in the block exemption can benefit from modern ticketing sales technology and systems.

Article 2 also provides for the Secretary of State to review the operation and effect of the 2001 Order and publish a report containing the conclusions of that review before 28th February 2021.

Guidance on the block exemption is available from the CMA at www.gov.uk/government/publications/public-transport-ticketing-schemes-block-exemption. A full Impact Assessment has not been prepared for this instrument as no adverse impact on business, charities, voluntary bodies or the public sector is foreseen.

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