months after it became clear that these three operators were the shortlisted franchisees and little more than two months from the intended date of announcement of the DfT's selection of a particular franchisee. You will be aware that during this period, decisions on any significant service variations or enhancements are effectively postponed because the current franchisee has no idea whether they will be operating the service this time next year. The Commission's intervention has created a level of uncertainty which is unhelpful and is a disappointing use of public funds when there are competition abuses that could be investigated in less regulated markets – and this certainly is not such an example.

Having made my general points I will turn to the specifics of the three references and would comment as follows:

1. First Group PLC

There are no strategic competition issues in terms of the First Group operating long distance coach or rail services. The only issue is that in a number of parts of the rail franchise area, First Group is the operator of local bus services. I can only view it as beneficial that there should be some greater level of co-ordination and integration of bus and rail services for cities like Bristol and Plymouth, with the opportunity for integrated ticketing making it far easier for people to switch out of cars and to use public transport. To underline the point, the scale of competition between bus and rail for local transport is dwarfed by the comparative scale of competition between car and bus/rail public transport combined. Finally, as this is the status quo option (awarding the franchise to First Group) it is hard to see why a reference to the Commission has suddenly become necessary when First has been in this position for many years.

2. National Express Group PLC

The only area of overlap is between the new rail franchise and the long distance coach services operated by National Express. Given that the cost of entry into the long distance coach market is fairly low, there is little reason to disqualify National Express because they are an existing long distance coach operation.

3. Stagecoach Group PLC

In terms of their local bus operations in Exeter and other towns and cities in the region, the situation is much the same as above in commenting on First Group. There will be significant benefits of network co-ordination between bus and rail operations. Perhaps at most Stagecoach needs to give undertakings where there is direct parallel running (e.g. Service 57, Exeter to Exmouth; or the Service 85 group, Exeter to Newton Abbot). It is, however, possible to see some greater level of concern about the Stagecoach bid on the basis that they are the current franchisees for the Waterloo/Exeter service and that, therefore, were they to operate the rest of the Greater Western Franchise, this could establish a perceived service monopoly. In practice, I think it is fairly difficult to detect significant competition between the two services – they essentially cater for a different market. The Waterloo service is much more akin to the express coach market in terms of the journey time (some 50% longer than the route to Paddington).

You ask about public attitudes to bus, coach and train services in the Greater Western Franchise region and any market research we may have. As we are not a transport authority, we do not collect additional data covering these issues. Nevertheless we receive feedback from citizens through all sorts of channels and their most frequent comments concern service reliability, lack of co-ordination between bus and rail, poor interchange and lack of service level in the evenings and at some parts of weekends. On the more general question of what would make people change their use of public