

Guidance on the competition law block exemption for public transport ticketing

Competition and Markets Authority

Department for Business, Energy and Industrial Strategy

RPC rating: validated

Description of the measure

In September 2016, following secondary legislation earlier in the year, the CMA published a package of guidance for business explaining how the competition law block exemption applied to public transport ticketing schemes. The package consisted of two parts:

- *Guidance on the public transport ticketing schemes block exemption*: a 63-page guidance explaining the block exemption.
- *Transport ticketing schemes – what’s allowed under competition law*: a three-page version of the guidance

The guidance replaced in its entirety the former guidance from the Office of Fair Trading (OFT) on the ticketing block exemption (OFT439). There was no prior equivalent to the short guidance.

Impacts of the measure

The publication of the full guidance will have generated familiarisation costs to business. This is both one-off and ongoing, since the new guidance is longer than the previous OFT guidance. The regulator has estimated a familiarisation cost of around £6,000 (equivalent annual net direct cost to business or EANDCB) using data on labour costs, reading speeds and the number of recorded visits to the online guidance.

The publication of the shorter document is expected to have generated a benefit to business, as some businesses who read this would not have to read the longer guidance. However, since it was clear that the overall EANDCB would round to zero the CMA did not carry out such an assessment.

Quality of submission

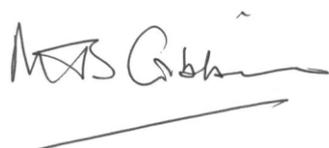
The CMA has provided a well structured and proportionate assessment. The CMA's assessment includes the familiarisation cost of the full 63-page guidance explaining the block exemption for public transport ticketing schemes.

Regulator assessment

| Classification | Qualifying regulatory provision |
|--|---------------------------------|
| Equivalent annual net direct cost to business (EANDCB) | £0.0 million |
| Business net present value | £0.0 million |

RPC assessment¹

| Classification | Qualifying regulatory provision |
|------------------------------|---------------------------------|
| EANDCB – RPC validated | £0.0 million |
| Business impact target score | £0.0 million |



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.
