

[News story: CMA set to remove bus undertakings in Bristol](#)

The undertakings had been put in place following the 1989 merger of local bus companies Badgerline and Midland Red West which was investigated by the Monopolies and Mergers Commission (MMC). The MMC ruled that the merger would remove competition for bus services contracted by the former Avon County Council. Local authorities tender for – and subsidise – unprofitable bus services to maintain important transport links for residents.

Badgerline was subsequently renamed FirstGroup Holdings Limited (a subsidiary of FirstGroup plc), which then became subject to the restrictions, including a cap on the amount they could receive from the local authority for running a tendered service – and a requirement to return any excess profit from such services.

The Competition and Markets Authority (CMA) has been [reviewing the undertakings since January](#) to see if there has been any change of circumstances which justifies their removal or variation.

The CMA has found that FirstGroup's share of tendered bus services in the region has reduced significantly since the MMC report and that in the most recent tender rounds, FirstGroup did not win any contracts at three of the four Local Transport Authorities. The CMA engaged with local stakeholders and no party that we spoke to argued that the undertakings were having a beneficial effect and should be retained.

Given these changes and the increased level of competition between operators when the relevant local authorities contract bus services, the CMA has provisionally decided that there is no longer any need for the protection given by the undertakings.

The CMA is now consulting on this provisional decision and invites responses via the review [case page](#), where all information relating to the review including the provisional decision is available.