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**Mr Gerry Murphy**  
**Chief Executive**  
**National Transport Authority**  
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**Iveagh Court**  
**Harcourt Lane**  
**Dublin 2**

**14<sup>th</sup> February 2013**

Gerry,

I refer to your letter dated 2<sup>nd</sup> January in relation to our views on what should be included in the next direct award contract. We look forward to participating in the NTA's consultation exercise in relation to the matter during the summer. You will appreciate that we already made submissions to the NTA's non-statutory consultation and the market consultation in the Summer of 2012. Our submissions would have highlighted the significant improvements since 2009 in the PSO network provided by Bus Éireann under the existing direct award contract.

The changes that have been made as part of the PT network reviews with you have attempted to get better return from the remaining resources deployed after the cost recovery programme. The outcome of this in 2012 points to improvements in revenue and passenger numbers without any increase in the peak vehicle requirement. In many cases, the network changes have involved a network simplification that is best aligned to customer requirements and available funding. Scalability has been factored into the network design of the services as part of the public transport reviews as part of the direct award contract. The network changes have been made in parallel with capex funding on Fleet, wifi, shelters, etc. As we have highlighted previously, our focus has been on getting the total package right on the **core backbone network** of city and commuter services. The outputs and outcomes that have been achieved under our direct award public service since 2009 have been significant in terms of increasing efficiencies and increasing the attractiveness of public transport, the two main pillars of EU passenger transport policy.

It is clear now that any growth in economic activity in Ireland will require an increase in frequency/capacity on the core backbone network at both peak and off peak, among other emerging requirements. Furthermore, the direct award contract will represent an intrinsic and cost effective solution to guaranteeing continuity of service in the core backbone network.

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Stiúrthóirí Directors – Mr Paul Mallee (Cathaoirleach Chairman), Mr John Moloney, Mr Bill McCamley, Mr John Griffin, Ms S Donohoe, Mr Micháel O Faoláin,  
Mr Tom Hussey, Mr Henry Minogue, Mr Kieran Fay  
Is cuideachta theoranta í seo atá cláraithe in Éirinn ag An Chloch Leathan, Baile Átha Claithe 7. Uimh.: 119570 Uimh. CBL: 4812850M

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In relation to the factors that could be taken into account when determining what should be included in the next direct award contract, the following could be considered:

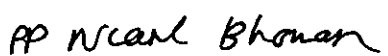
- That supply has to meet demand as the economy rehabilitates in a cost effective manner and in line with available funding.
- That standards of customer service quality and customer safety are integral parts of service provision and the contract.
- That a focus be given to the priority social and economic needs that are emerging (i.e. maximising social benefit from PT expenditure)
- That the necessary bus priority measures/traffic management measures are also planned to support the services provided under the direct award public service contract
- That the necessary customer facing technology requirements are supported in line with the services.
- That accessibility measures and requirements are fully integrated into the service offering in a cost effective and consistent manner.
- That priority should be given to service provision that optimises the VFM and return from exchequer investment for both services and support infrastructure/technology

There are three general areas that should be considered within the direct award context:

- **Core Backbone Network:** Expansion on core network of city and commuter services (Frequency, Capacity etc), supported by the necessary bus priority measures, infrastructure, technology etc. It may be the case that many of the key urban corridors can make the next step towards “BRT lite” in line with evolving demand as the economy picks up.
- **Further development** of the urban commuter belt networks (Orbitals, feeders, new commuter demand, pilot initiatives etc) that would compliment the backbone network, and would increase both integration and connectivity.
- **BE Stage Carriage - Local and rural transport connectivity to core network:** Ensuring that the core backbone network can cater for emerging rural and local transport needs (towns, villages and hinterlands) and provide connectivity to the wider national and international PT network. These services would act as an important link to other rural transport proposals and initiatives being planned.

I would welcome the opportunity to discuss the matter further with you in relation to how we would envisage the services we would provide developing over the course of the next direct award contract

Regards



Martin Nolan, Chief Executive

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