



Mr. Gerry Murphy,
Chief Executive,
National Transport Authority,
Harcourt Lane,
Dublin 2.

12th November, 2013

Dear Gerry,

Proposed combinations for Tendering

The consultation document puts forward specific combinations for tendering as part of the statutory consultation exercise including:

- Tender Waterford City and portion of Cork City services together
- Tender either the Cork city portion or Waterford city services together with a portion of the Dublin coastal commuter services
- Tender the Waterford city and South East stage carriage services

Bus Éireann contends that the loss any of these three combinations will have an impact on the scale economies achieved in its operations and activities remaining under PSC, and these will have to be taken into account in any benchmarking process. These scale economy impacts will include:

- Maintenance, Fleet and Engineering costs
- Operating and logistics costs
- Marketing and customer information

The following points relate in particular to the proposals for the Dublin Coastal Commuter Corridor (including Dundalk, Drogheda, Balbriggan, Dublin, Wicklow & Arklow).

Services operated under contract by Bus Éireann in the Greater Dublin Area, in the main operate on a radial route structure into Dublin City. A cost efficient operational structure has been put in place to deliver these services which includes a main maintenance facility in Dublin City with two other significant maintenance facilities located in the North East at Drogheda and Dundalk. These locations reflect the geographic spread of services across the

network and particularly the level of service provision in the North East and along the coastal corridor.

It is unclear what methodology was used to identify the actual proposed routes in the Greater Dublin Area, and/or the financial and operational impact of these routes in relation to the portion of the network that remains under direct award.

While any proposal will be detrimental from an operational perspective, Bus Éireann has identified that the following significant issues would be caused by tendering some services on the coastal corridor as follows:

- The proposals for coastal routes will undermine the viability of maintenance facilities for services operating on other routes that will remain in the direct award contract in the GDA particularly the facilities at Drogheda and Dundalk
- In relation to the coastal corridors, removing such high volume routes will undermine the network efficiencies of the Northern and Southern network corridors particularly in relation to vehicle and driver efficiencies
- In relation to the Northern corridor, the local operational efficiencies of routes that feed into the core corridor will be undermined.
- Scale economies achieved across the direct award contract will be undermined and these costs cannot be absorbed by Bus Éireann

After an analysis of the Greater Dublin Area network, we would propose that another radial corridor into Dublin City would be chosen on which there is no local maintenance facilities and/or significant local service networks thereby negating some of the unnecessary adverse financial aspects of the Coastal Corridor Proposal as outlined above.

The corridor that should be considered is the N7 Corridor which covers significant population locations such as Naas, Newbridge, Kildare and Portlaoise. The routes involved would be as follows:

- Route 123
- Route 124
- Route 126
- Route 130

Yours sincerely,



M. Nolan,
Chief Executive