

DÁIL ÉIREANN

AN COMHCHOISTE UM IOMPAR AGUS CUMARSÁID

JOINT COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Dé Céadaoin, 20 Eanáir 2016

Wednesday, 20 January 2016

The Joint Committee met at 9.30 a.m.

MEMBERS PRESENT:

Deputy Timmy Dooley,	Senator Terry Brennan,
Deputy Dessie Ellis,	Senator Paschal Mooney.
Deputy Michael Fitzmaurice,	
Deputy Seán Kenny,	
Deputy Helen McEntee,	
Deputy Michael Moynihan,	
Deputy Patrick O'Donovan,	

DEPUTY JOHN O'MAHONY IN THE CHAIR.

The joint committee met in private session until 10.05 a.m.

Bus Services: Bus Éireann and the National Transport Authority

Chairman: The purpose of this morning's meeting is to engage with representatives of Bus Éireann and the National Transport Authority on interurban and Expressway services and the co-ordination of rural transport services with the Expressway network. On behalf of the committee, I welcome from Bus Éireann Mr. Aidan Murphy, chairman, Mr. Martin Nolan, CEO, Mr. Stephen Kent and Ms Nicola Cooke. From the National Transport Authority I welcome Mr. Hugh Creegan, deputy CEO, and Mr. Tim Gaston, director of public transport services. The representatives from Bus Éireann will update members on the company's performance in 2015 and those from the NTA will deal with the authority's role in the co-ordination of rural transport services with Bus Éireann's interurban services.

I draw the attention of witnesses to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, they are protected by absolute privilege in respect of their evidence to the joint committee. If they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given. They are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. I advise them that any submissions or opening statements they have made to the committee may be published on the committee's website after this meeting. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official by name or in such a way as to make him or her identifiable.

I ask Mr. Martin Nolan to make his opening statement.

Mr. Martin Nolan: I thank the Chairman and committee members for the invitation to provide an update on the company's interurban and Expressway services and the dovetailing of the rural transport services with the Expressway network. I reiterate our commitment to serving rural Ireland and connecting the people in these communities with the wider network. As the biggest provider of rural transport in the country, almost 10,000 people help to deliver our services every day. We are proud to be associated with the provision of jobs in rural Ireland.

As is any service industry, we are very reliant on our employees, whose dedication and commitment is among the highest in Ireland. More than 80% of our staff are customer facing, and last year we were very proud to be recognised by the Reputation Institute as having the 42nd best reputation in the country. We had the second biggest increase in placing among the top 100 companies in Ireland. This is entirely down to the attitude, commitment and competence of our people, who went to extraordinary lengths again during recent weather events to keep the travelling public connected in most of rural Ireland.

In 2015, Bus Éireann had almost 80,000 passenger trips, including those by school-going

children. This demonstrates the critical role our organisation plays as part of the social and economic fabric of Ireland. In 2015, we successfully completed the first year of a new five year direct award contract with the NTA, and began a number of projects under that contract which will bring enhanced customer service standards and technology improvements to the business. We secured funding for 116 new vehicles, which we launched last week. These will bring higher capacity and comfort to our customers. Our network improvements and marketing helped to deliver 700,000 extra passenger journeys, and we increased our focus on the customer, setting up a new customer care facility, beginning work on Colbert station in Limerick and reinforcing our commitment to safety above all, through a new school transport campaign aimed at raising seat belt awareness among young children. All of these initiatives underpin our ambition to be recognised as progressive and deliver on our mission, which is to succeed by providing an excellent service to the public.

Bus Éireann's Expressway network is a separate commercial service that receives no State funding. Our fleet livery is familiar, as one sees the big red coaches traversing the country. The Expressway network comprises 23 inter-regional routes which operate throughout the country, linking cities and population hubs, and must generate its own funds for necessary investment in fleet, customer service, technology improvements and marketing.

The environment in which we operate these Expressway services has become increasingly competitive, comprising a significant number of other coach companies. In addition, customers from bigger population centres demand faster journey times with fewer stops, more use of the motorway network and more direct connections to larger population centres. We have seen new licences granted for routes, and this issue is a matter of utmost concern for our board and management. The NTA now performs a difficult role with regard to licence issuing and connectivity of the network. We assist it when necessary, when routes are being designed or realigned, but ultimate responsibility for ensuring connectivity among all of the public transport alternatives now rests with the NTA, and not with Bus Éireann, since our legal roles changed in 2009.

As Bus Éireann operates more than 300 city and stage carriage routes under public contract with the NTA, we connect thousands of locations and customers on a daily basis, ensuring city and rural stage carriage services are dovetailed with Expressway and other public transport services where it is possible to do so, providing a vast integrated bus and coach network throughout Ireland.

Having addressed the committee last March, we worked closely with the NTA and a solution was provided for the towns affected by our commercial decision to withdraw from Expressway route 5, from Waterford to Dublin through Wicklow, and to curtail our Expressway route 7, originally from Dublin to Cork through Clonmel. The network solution involved a redesign of our public service routes 132 in Wicklow and 245 between Cork and Mitchelstown, both of which are operated under subsidy as part of our public service contract. These routes, together with some integrated connections provided by Local Link, which is the rural transport scheme contracted by the NTA and provided under subsidy, perform a role to ensure the people in these communities remain connected. In this example, the transition from the non-commercial segments of Expressway to public service obligation, PSO, services, has been successful and the subsidisation required is now more prudently aligned with the customer demand in these smaller towns and villages, and not left to our Expressway business to shoulder.

Expressway cannot afford to endlessly provide service on routes which will never deliver a financial contribution and this is a fundamental tenet of being commercial on our inter-regional and intercity services. As part of this decision-making ethos in recent years, difficult decisions

were necessary and our Expressway services were withdrawn from approximately 20% of secondary locations where customer demand did not exist or did not cover the costs of providing the Expressway service. That said, through working with the NTA we assure the committee there has been no widespread loss of services to rural locations as a result of the decisions we have made. Bus Éireann is very much committed as a company to rural Ireland, and stands ready to provide the most relevant services for ongoing connectivity across our network.

We previously advised the committee that Bus Éireann has been in survival mode in recent years. The company worked its way out of the recession and remains committed to work with its stakeholders to deliver the best possible transport system, in an efficient and effective manner given the funds available. The pace of economic recovery requires increased public transport levels, and this will require support to foster social and economic inclusion. With regard to PSO services provided under contract to the NTA, we are pleased there is recognition emerging that the PSO subvention to operate the levels of PSO service requires more funding. In 2015, we made substantial progress on developing our services in conjunction with the NTA, and we have seen substantial growth in passenger numbers in the markets we provide. We recently received an additional allocation for 2015, which covered the cost of the services. We have been advised that the level of funding in 2016 will match our costs and we await final confirmation on the capital side. We will submit our own application for the 10% of our services being tendered as part of the PSO market opening later this year.

I shared our concerns regarding the impact of the motorways on smaller towns and villages during our visits to this forum in 2008, 2009, 2012 and 2015. I also advised that changes to a number of our commercial Expressway intercity routes were required to ensure their survival. Nothing has changed in this regard, and, in fact, competition on Expressway routes has increased. With competition increasing, we must continue to ensure the Expressway service is as cost efficient as possible. The reversal of the 18-month cost-saving agreement with our staff came to an end in 2014 and, taken together with the work stoppage in May of last year, this affected the bottom line and had a very serious impact on our profitability last year. Expressway broke even in 2014. Despite savings achieved through various changes, we will be in loss in 2015, which adds financial pressure to our concern.

The board and the management team are committed to examining ways in which to reduce costs to deliver the profitability necessary to secure a viable future for Expressway. This business requires investment in customer service, fleet, marketing and innovation, and we must create an efficient and cost-effective business model to achieve this. The matter was discussed at the recent Bus Éireann board meeting and the management team has been tasked with bringing a comprehensive strategic plan for Expressway to the board as quickly as possible and to keep the board apprised of progress. As a company, if we do not make changes and consequently lose the flexibility to respond to the licensing environment which continues to unfold, Expressway will go out of business and jobs will be lost.

I reiterate that Bus Éireann is very much committed as a company to rural Ireland and stands ready to provide the most relevant services for ongoing connectivity across our network given the financial resources available. Expressway is part of the wider national integrated network but it still operates in a small economy with a high rural constituency. Our focus as a management team is on preserving and growing Expressway which delivers a significant social dividend to the State through the provision of services not otherwise provided to many regional locations. We will continue to work in a collaborative and inclusive way with our employees to ensure Expressway is put on a sustainable footing but we must also act to protect the future

interests of all stakeholders in this business in a market which has become increasingly competitive.

Chairman: I thank Mr. Nolan for his contribution. I invite Mr. Creegan to make his opening statement on behalf of the National Transport Authority.

Mr. Hugh Creegan: I thank the Chairman for the invitation to attend this meeting. I understand the joint committee wishes to focus on two areas in particular, first, the interurban and Expressway commercial bus services and, second, the co-ordination of rural transport services with the Expressway network. To assist me in dealing with subsequent questions, I am joined by Tim Gaston who manages public transport services in the authority.

Before dealing with the specific areas of focus, I wish to set the context by providing a brief overview of the remit of the authority. The remit of the National Transport Authority is to regulate and develop the provision of integrated public transport services - bus, rail, light rail and taxi - by public and private operators in the State, to secure the development and implementation of an integrated transport system within the greater Dublin area, and to contribute to the effective integration of transport and land use planning across the State. In addition to its statutory responsibilities, the authority has various arrangements with the Department of Transport, Tourism and Sport to discharge functions on its behalf. These include the assignment of responsibility to the authority for integrated local and rural transport, including provision of the rural transport programme.

The authority is responsible for securing the provision of public bus services through two specified mechanisms: public service contracts where services cannot be provided on a commercial basis and the licensing of public bus services which are operated on a commercial basis. In licensing commercial bus services, it is important to note that the relevant legislation requires the authority to seek to achieve, in the public interest, regulated competition in the provision of such services.

On the specific areas of focus raised by the committee, bus services provided by Bus Éireann under its Expressway brand are commercial services and are licensed by the authority in exactly the same manner as all other commercial bus services. Licences set out the nature of the service and conditions under which licensed public bus passenger services must operate, such as the point of origin and destination as well as timetable and stopping place details. The majority of interurban services, including those between the regional cities and Dublin city and Dublin Airport, are provided on a commercial basis. Bus Éireann and a number of private operators provide these services which are licensed by the authority.

In exercising its functions, the authority seeks to achieve the provision of an integrated public transport system of services and networks for all users. Wherever appropriate, we seek to integrate and co-ordinate services to provide for seamless travel options where change of bus or transport mode, or both, is required. This includes the operation of rural transport services, operated as Local Link, which can facilitate connecting to mainline interurban services, irrespective of the provider of those services, and including, but not limited to, Expressway. The objective of the rural transport programme is to provide a good quality nationwide community-based public transport system in rural Ireland which responds to local needs. In 2015, funding of €10.7 million was provided through the authority for the programme.

The rural transport programme came under the aegis of the authority in April 2012. The programme was initially managed by Pobal on behalf of the authority but since January 2014

is now directly managed by the authority. A restructuring strategy was launched in July 2013. Since assuming responsibility, we have focused on restructuring the programme to provide greater efficiency and effectiveness. The restructuring programme included the establishment of 17 transport co-ordination units which replaced the 35 rural transport groups previously managing the programme. Local passenger services are managed by the relevant transport co-ordination unit in each area on the authority's behalf. This restructuring has positioned the programme to better integrate with other public transport services, and provides a solid base to expand or adapt services to meet current and future identified needs.

Now that the organisational restructuring has been completed, we are focused on optimising the services provided within the funding envelope available. A review of services is currently in progress to ensure that they are meeting user requirements and our objectives.

Transport co-ordination units work closely with the local authorities on the assessment of local transport needs, including those people who are socially excluded. With the benefit of this local collaboration, we expect to make considerable progress in 2016 on refining and expanding, where appropriate, the operation of local transport services, in addition to ensuring the optimal level of integration with the other public transport services.

That concludes my introductory presentation. I trust that we can answer any queries that arise.

Chairman: I thank Mr. Creegan for his presentation. I invite Deputy Dooley to respond.

Deputy Timmy Dooley: I thank Mr. Nolan and Mr. Creegan for their presentations and appreciate that they have come before the joint committee.

I wish to focus on the Expressway service. Mr. Nolan indicated that the service made a loss in 2015. I understand the accounts for 2015 have not been fully prepared but will he indicate the scale of the projected losses and the impact this will have in 2016? Does Mr. Nolan think that Bus Éireann will be able to bring its cost structure in line with its revenues for 2016 or is the company projecting a loss by the Expressway service for the year? In his presentation, Mr. Nolan states that the company operates in an increasingly competitive environment with ever-expanding activity on some of the routes. I would have hoped that the increase in passenger activity would have helped to address some of the increased competition but clearly that is not the case. Will he elaborate on the nature of the competitive environment in which the service operates? Has saturation point been reached on some routes? Is the competition that is required under legislation reaching a point where it is making it difficult for all concerned to survive on certain routes? Obviously, there are wider implications in a competitive environment because it could ultimately lead to a deterioration in services. We know what happens when the point of saturation is reached, namely, it effectively becomes a race to the bottom and the service is diminished. The customer is the obvious loser in the long term. My concern, based on what Mr. Nolan said, is that we may be at the start of the road to that ultimate outcome. I would like Mr. Nolan to address this matter.

I thank Mr. Creegan for his presentation. I have had the opportunity to discuss with the NTA on a number of occasions the very good work it does in attempting to put in place a national plan for the delivery of public transport services, both in terms of the licensing remit and managing the public service obligation element. What criteria are in place to ensure that the issuance of licences will not result in an over-saturation of a particular market to the point where it will not be financially viable for operators to survive? Often, one can let the market

decide and try to pick up the pieces thereafter. This is a regulated environment, after all. The witnesses do not need me to tell them about the requirement to try to ensure there is a viable market, as opposed to a predatory approach that would ultimately lead to a race to the bottom. What kinds of checks and balances are in place? What type of testing is done? What advice do the witnesses have for the Legislature? What should operators like Mr. Nolan do to ensure this eventuality does not arise?

Mr. Martin Nolan: A number of low-cost no-frills operators have entered this heavily competitive market in recent years. As we have been here many times, there is no point in going back over our history. We have made our points about what way the market will develop. The legislation and the market are in place and licences are being issued. We are now reacting to those licences and anticipating licences that will be issued in the future. We are drawing up our plan. We intend to get back on path in 2016 or early 2017. We will discuss that with our stakeholders and staff in the first instance. Bus Éireann has been competing in this market since the 1970s and 1980s. It has always been competitive to a degree and that is increasing. We will get back there. We have many advantages. We have added some new vehicles to our fleet, we have invested in new technology and passenger numbers are growing on many of our routes. New competition is posing challenges on other routes where licences have been issued.

Deputy Timmy Dooley: Is Mr. Nolan in any way concerned for the future survival of Expressway?

Mr. Martin Nolan: We can always make a range of changes to bring Expressway back into profit.

Deputy Timmy Dooley: Yes, but that could see a significant reduction in activity in certain areas. Is it likely that Bus Éireann will pull Expressway out of certain markets on the basis that it is not possible for Expressway to survive in those markets?

Mr. Martin Nolan: We always watch the market and see what is happening in the market. We make decisions on the basis of what is happening in the market and what we anticipate will happen in the market. There are no plans at this stage to come out of locations.

Mr. Aidan Murphy: I can tell Deputy Dooley that the board has asked the executive to come up with a plan to return the Expressway route to profitability. It is important to remember that 50% of Bus Éireann's revenue stream comes from the school transport services, 25% of it comes from the PSO-operated routes on behalf of the NTA and 25% of it comes from the Expressway service. All of those figures are approximate. It is clear that a commercial operation which is not in a profitable position needs to be addressed quickly. That is why we have asked the executive to come up with a very comprehensive strategic plan, which we will discuss in a collaborative fashion with our stakeholders, particularly our employees and their representatives, to ensure we have a route to continued profitability and sustainability for the Expressway network into the future. This is an important element of the matter. We have invested heavily in new coaches. We do not use second-hand coaches on our network. We have invested heavily to ensure our branding is clear and easily distinguished to attract as many consumers to our product as possible. With regard to competition, I accept that we are in a very competitive environment. We provide just 18% of the services on the Dublin-Limerick route, for example. That gives the Deputy an indication of the level of competition we face. We are facing that competition in a very positive fashion. We believe there is a strong future for Expressway.

Deputy Timmy Dooley: That is really important because people often forget the connec-

tivity provided by Bus Éireann. The backbone of its network across the State allows people to connect at various locations. Much of the competition is coming from point-to-point services. There is no doubt that competition is good. It has certainly improved the service provided by the company. If competition continues - I will not say “unabated” - to a point at which Bus Éireann’s main services are no longer competitive or are no longer able to be provided, consumers will lose their ability to interconnect with Bus Éireann’s other services. Obviously, this is something that concerns me.

Mr. Aidan Murphy: It is also important to note that many of our customers travel with Department of Social Protection passes and so on. We honour those passes and we provide services in the connecting towns and so on. That is a kind of a hidden piece. We have to be conscious that it does not come as direct revenue into our stream. In light of our background as a complete network provider across rural areas in the previous situation - that function is now with the NTA - we are conscious of and understand the market very clearly. I refer particularly to the connectivity piece. That is why our brand strapline is “making good connections”. We understand that. We wish to provide that level of service and interconnectivity. Clearly, we have to do it against the competitive background in which we find ourselves.

Mr. Hugh Creegan: We are very conscious of the need for competition. It is a requirement in the legislation that we should have a regulated competitive environment here. We are very careful with every single licence application we get. I remind the committee that applications come into us from third parties. We consider each one carefully to identify its overall impact. We consider whether it will be beneficial for all transport users along the relevant corridor. We consider whether it will affect the public service obligation, PSO, service, if that is a factor. Many balancing items have to be taken into account. Nobody can say they get it right all the time, but we believe that, on the whole, we have struck a balance that reflects where the legislation is meant to bring us. Perhaps my colleague, Mr. Gaston, would like to expand on that.

Deputy Timmy Dooley: I would like to ask another question before Mr. Gaston comes in. I assume licences are issued for particular periods rather than in perpetuity.

Mr. Hugh Creegan: They are issued for three years.

Deputy Timmy Dooley: Has the NTA ever failed to renew any of the licences it had issued on the basis that the best decision was not made on day one? We recognise that not everyone gets it right all the time.

Mr. Tim Gaston: Every application we receive for a new licence or a licence amendment is treated in the same way. Rather than failing to renew licences, we apply the same set of tests and criteria, as mentioned in a question that was asked earlier. We ascertain the level of demand or potential demand on the relevant corridor for an increase in public transport activity on the back of the relevant licence. We apply those tests to all licences that are issued to Bus Éireann, commercial operators and other operators. That is what the legislation requires us to do. We have to take account of the demand or the potential demand for services. We refuse licences from time to time. We occasionally have discussions with the operators involved to discuss whether their licences might complement services that are operating in certain corridors if they applied to different times of the day or the week. We would argue that we have the numbers to illustrate that we have been able to increase the total public transport market by means of controlled and regulated competition. There are many examples of corridors where we have chosen not to continue to grant licences or amendments because we believe they are adequately provided for. We have taken both actions.

Deputy Helen McEntee: I thank Mr. Nolan and Mr. Creegan for their presentations. I would like to begin by asking about the issue of school runs. How often are the routes reviewed? I recently met the family of a five year old boy in respect of whom an application was made in advance of his starting school. They were told he would be on the bus route and they made the relevant payment, but when they went to the private provider, they were told he would have to be picked up a kilometre up the road. Obviously, a five year old boy is not going to walk that far. His mother feels that if she has to put him into the car, she might as well drive him to school. When we did a bit of investigating, we found that a private coach operator had been hired by Bus Éireann. Obviously, this operator must take the route it has been told to take. The members of the boy's family did their own investigation and provided a new route, which is safe, is a kilometre shorter and goes past their door. They asked for this to be looked at, but their request was not even addressed. I wonder how often the routes are reviewed. If a solution is found, as it was in this instance, can it be looked at or are these matters set in stone?

Obviously, as Deputy Dooley has said, the witnesses have a very difficult job. People are happy with express routes because they want to get to or from work, but such routes often leave out people in smaller towns who want to get connected. Mr. Nolan gave an example of a case in which a solution was found by looking at other routes and rearranging them. Is that being done for all the routes that have been changed? For example, the 115 route between Dublin and Mullingar used to cover the area between Dunboyne and Summerhill in County Meath, but four locations - Moynalvey, Culmullen, Kilcloon and Baytown - are now excluded and the people in those places feel they are being left out. Do the witnesses review cases like that? Do they look to see what other services might be provided for the people of such areas?

How are the prices for the various routes decided? I would have regularly travelled from Navan to Dublin when I was younger and when I was in college. I know that a one-way ticket from Navan to Dublin now costs more than €11, whereas one could travel a lot further down the country for a lot less. Is it decided on the basis of proximity or the number of people who use the route? How is it arrived at?

If a new bus stop is being sought on a route, what are the requirements? We have a number of requests in Navan where a service is required. How can people apply for that and how is it decided?

Mr. Martin Nolan: On the Navan route, we do that under contract to the NTA so both of us will come in on that.

We review school routes constantly. We carry out a major review every summer when sixth years go out and first years come in. On the question of a five-year old child having to walk 1 km, I would probably be concerned about that myself. In general, we try to pick up primary school children as close to their homes as possible. We also have pick-up points for post-primary students. If the Deputy gives me the details, I will examine the specific case.

There have been changes on the 115 route in conjunction with the NTA. We review all of these routes constantly where there are changes on them. There are regular meetings at which we go through the routes. We have gone through that specific route with the NTA. The NTA also comes to us with its changes and Mr. Tim Gaston will come in on that. Prices are all agreed with the NTA. In general, it depends on the number of people on the route and the distance they are from the location. On the Navan route, there is a great deal of peak time travel. It is more expensive to put peak time travel in when there is a lack of business during the day. On Expressway or intercity routes, there is business all day. On the Navan route, however, the peaks

decide the level of service put in place.

Deputy Helen McEntee: Buses from Navan generally leave about every half hour or hour. The town is quite close to Dublin but the prices are a lot higher than would be the case if one was travelling to Galway or Sligo.

Mr. Martin Nolan: It has to do with the loadings on the buses in that in general we fill the Expressway buses.

Mr. Tim Gaston: I might come in on two things. The Deputy referred to network reviews. We have a group within the NTA whose sole purpose is to review the networks continually. We are taking on board comments being made in respect of the entire range of issues. As well as detailed discussion with Bus Éireann and looking at the bus loadings, we also take account of what other local provision there is in the area. With the NTA also having responsibility for rural transport, we are working increasingly to dovetail the services. As such, where a PSO operates or changes are introduced prior to that, we will discuss it with local transport co-ordination unit management to see and ensure that communities continue to be served. As such, networks are being reviewed on a regular basis and the two teams - our own and Bus Éireann's - meet on a very regular basis to see where we can bring about improvements. Improvements are not really driven by the bottom line either. They are actually about providing a better service through the day, through the week, through the time of day and in terms of the geography. Of course, we have to take account of changes in geography and the community. It is very much an ongoing process. If there are specific queries members want us to address, they should let us know and we will come back to them on those.

Fares for public service obligation services are determined by the authority. Again, we engage in detailed discussions with operators and model - in advance of a determination - the fare increases to see if they are appropriate and what will be the fare adjustment. We are in the middle of an exercise involving a number of areas of the country to see if we can move towards a more equitable fares basis nationally. It is a difficult challenge to meet, of course, and it is something that it will take a number of years to put in place. If one looks at our fares determination issued last year, one will see that in some areas there were very small increases as we are setting about rebalancing fares. It is something we look at very closely with the operators. While we look at the loadings, fares in Ireland are based, by and large, on distance. Within the eastern region, there is a zoning arrangement with Bus Éireann. Since we have rolled out the Leap card in the eastern region, significant discounts have been available to those who choose to use them to travel on Bus Éireann and other services.

Mr. Martin Nolan: The tax-saver product allows people to get the service at half the price we are talking about. As such, €11 is the upper end of the scale. Anyone who uses the bus regularly can do so much more cheaply on a monthly or yearly product basis or by using a Leap card.

Deputy Helen McEntee: I also asked about two specific requirements for bus stops in my area.

Mr. Martin Nolan: That can be put to either of us. We can talk about it between us.

Deputy Dessie Ellis: I am grateful for the presentation. It is heartening to see that the number of passengers has increased by 700,000. Do we have a target for how much we want to increase those numbers? It was stated that there was a loss in 2015 but the numbers are

increasing. Where will the 116 new vehicles be concentrated? While they are all wheelchair accessible, how does it leave the fleet in terms of wheelchair accessibility? I am not sure if we are up to 100% and I would like the witnesses to give us an idea of where we are in relation to that very important issue.

The last time the witnesses were in, we talked about routes 5 and 7 and the serious effects on the local communities. There were direct connections through private transport. The witnesses are saying now that the agreement that has been reached there has helped. Can it be explained because I was not following it too well and would just like to get my head around how much of an impact it has had? We had a lot of complaints from people in the communities along the routes.

Tendering for some of the routes was mentioned. I remember that when we argued about this before, the Government was talking about putting 10% out to tender. However 100% of Bus Éireann routes in Waterford was mentioned. If we are going to tender those and will give up 100%, what are we aiming to do in Waterford? I would like to know what we are trying to do. Is it the intention to privatise that whole section or is Bus Éireann going to tender for the service also? I would like that to be explained to me because I find it a bit contradictory.

Have there been huge savings in fuel costs? I would have thought that there would have been massive savings with the way fuel prices have gone which would have helped in terms of targets. The Minister tells us that the PSO is remaining the same. When I was reading some of this earlier, I noted that there were to be changes in the PSO for Kerry and Mayo. Those are planned to be implemented in the near future. How will that impact on those areas? Will the changes affect services and will there be cutbacks in some of the routes? Will the routes be more direct?

Can the witnesses explain how the community has an input in all of this? Do people go out to talk to the community? What way is it done? I know there were meetings on routes 5 and 7. When it is intended to do something new and areas are being considered, is there direct contact with the community?

Mr. Martin Nolan: I will take some of the questions and we might approach others jointly. Passenger numbers on the PSO side have been very good in the last number of years, but it has been patchy in some areas. There is more growth in Dublin and Cork than in rural Ireland. The provincial cities grew by 4% last year and Cork alone is up by 8% or 9% in the last couple of months. We anticipate similar growth this year. The vehicles that are coming in will be deployed across the whole network, but there are specific places that require additional capacity. We are putting additional double-deck vehicles into Cork and taking out single-deck vehicles. There will be additional capacity around the greater Dublin area given what has happened in terms of congestion. We need to put a bit of capacity in there in conjunction with the NTA.

We are 100% wheelchair accessible at this stage and well ahead of most of Europe on that, which is very pleasing. There are no losses on the public service obligation services, but Bus Éireann has made losses on the commercial services. There is a distinction between commercial and PSO services. The intercity service is commercial and must always come back to profit. We will bring it back to profit. I ask Mr. Tim Gaston to speak on routes 5 and 7.

Mr. Tim Gaston: Before I speak about the routes, will Mr. Nolan comment on fuel?

Mr. Martin Nolan: In our business we need certainty and we buy forward. We buy both the

dollar and fuel forward. At present we have bought it at about €1.20. We bought at that price when the price at the pumps was €1.50 so it was a very good deal but the cost of fuel has now gone down to €1.10 or even a little lower. We have bought all our fuel for the next 18 months. We are looking 18 months out in the market. In general, the market does not give those type of prices 12 to 18 months in advance. There will be some reduction in the cost of fuel, but the price is very low price compared to the price at the pumps. There will be some reduction in the price of fuel as time goes on.

Mr. Tim Gaston: I will respond to the Deputy's questions on routes 5 and 7. It is correct that there were a number of public consultation meetings and representations were made to us, to Bus Éireann and to others at the time. We organised a number of discussions and then reviewed the entire network requirements in those immediate areas. We came in with a package of services that would deliver to the communities that were being impacted on by the withdrawals. There were three main ways by which we delivered. We modified some of the PSO services in those areas to bring in additional communities. Through discussions with the transport co-ordination units, we also put additional funding, something of the order of €300,000, into the rural network to support additional services in that area. We also took out a couple of small services that were not being met by either of those two options. We went to the market and providers came in and those services are now up and running, all being provided by local businesses. Through a network of mechanisms and packages of solutions we had, we were able to configure things to provide services to those communities. The level of commentary back to the National Roads Authority has fallen very significantly. We would consider that to be a successful delivery.

On the question of tendering of routes, a decision was made to tender 10% of Dublin Bus and Bus Éireann services to the open market. The process of tendering really required us to put together packages of services that could be delivered by another provider coming in, so the decision was made to take 10% and split it into two specific packages on the Bus Éireann services. One of those packages is a number of the services in the Waterford area. When a new provider is coming in, it makes sense that it should have a locality in which to have a base. We have chosen two for the Bus Éireann bus market opening exercise, the Waterford area and the Kildare corridor. About 7% of the Bus Éireann activity would be the Kildare corridor services and about 3% of the Bus Éireann activity would be in Waterford. Those packages were put out to the market last year and that procurement is still continuing.

Deputy asked specifically about PSO funding. Mr. Martin Nolan has touched on this in his response. In fact, the Department and the Minister for Transport, Tourism and Sport have granted the NTA additional PSO funding for 2016. We are in the process of again working with Bus Éireann, Dublin Bus, Irish Rail and the transport co-ordination units to see where we can expand and bring in additional services. The Kerry area was reviewed last year and an additional network of services was provided in Kerry to bring about improvements. We are looking at present at a number of other geographical areas across the country, which we will bring in as quickly as can be done sensibly within the PSO and the rural transport network, using the transport co-ordination units.

On the question of community input, that comes in a number of ways. Representations come to the National Roads Authority and we regularly meet community groups, local representatives and so on. One of the strengths of the rural programme continues to be the extent to which local people are involved in the transport co-ordination units, TCUs. Each TCU has its own board, comprising people who give of their time voluntarily to contribute to the discussions as

to how best those local needs are met. We then contribute to the funding of their services and we give guidelines and get involved in network planning where it is appropriate to dovetail with other services. The vast majority of the decisions that are important to the local community are made by the management of the transport co-ordination units, TCUs, guided by their local board. We welcome the very heavy local involvement and it is a significant benefit to have that local knowledge inputting into local decisions where local services are being provided.

Deputy Dessie Ellis: In regard to the routes in the Waterford area that are being put out to tender and which are supposed to be 100% of the Bus Éireann routes, does the National Transport Authority propose to tender for some of the routes or will the tender process be confined to private operators?

Mr. Tim Gaston: We put that tender to the open market using the European procurement process. Bus Éireann is well within its rights to submit a tender through that process, as is Dublin Bus in regard to the tender for the Dublin area. I invite Mr. Martin Nolan to comment on Bus Éireann's role in that process.

Mr. Martin Nolan: Bus Éireann will be tendering for the routes in that area and for the Kildare corridor as well.

Deputy Patrick O'Donovan: I welcome the representatives from Bus Éireann and the National Roads Authority. I wish to deal with intercity services provided by both Bus Éireann and other service providers and to focus on long journey times from Dublin to Limerick, Cork and beyond. Is there a requirement that toilet facilities be provided on board these coaches, be they in public or private ownership? If there is a non-stop service from Limerick to Dublin, which probably takes about three hours, is there a requirement to have a toilet on board as part of the licensing of the service? What inspection takes places to ensure that provision is adhered to?

Will the Bus Éireann representative indicate the level of profitability of the school bus service? I am aware that this issue was discussed by the committee on a previous occasion. What percentage of the profit, if any, from the school transport service is used for other services in Bus Éireann?

Over the Christmas period I as well as a number of people noticed a brand, Transport for Ireland, advertising on mainstream broadcast media. Will the witnesses indicate why this brand is being used? Transport for Ireland comprises four different companies. It seems to me to be a complicated branding initiative. What is it trying to achieve? What is being achieved? How much is the advertising campaign costing? Who is paying for that campaign?

I have raised the issue of intercity route corridors, specifically private operators who are going through provincial towns that are not bypassed. I have raised the issue in the context of the extension of licences that are granted for services from Limerick to Dublin and down into Kerry through Tralee and Killarney, passing through the towns of Adare, Newcastle West and Abbeyfeale, with Rathkeale and Castleisland being bypassed. What progress is being made in extending these services into these provincial towns and when can we expect to see a service change?

Mr. Hugh Creegan: I will deal with the branding issue, Transport for Ireland. The legislation setting up the NTA required it to develop a uniform brand for public transport in an effort to integrate public transport. That is what we are doing in Transport for Ireland. Transport for Ireland is meant to be the customer-facing brand that unifies across all the transport modes. The

Transport for Ireland website is the place where one gets all the details of a journey planner, fares, services and so on. The purpose of doing some advertising on it is to start to get out that message that public transport is being integrated under the umbrella of Transport for Ireland and that will grow in the years ahead.

Deputy Patrick O'Donovan: I acknowledge the legislative requirement but for tourists and domestic travellers, between Leap, CIE, Iarnród Éireann, Bus Éireann, Luas, NTA, Transport for Ireland, and not to mention all the taxi companies, is it time a single name was used? Those who are not familiar with the airport when they land in Dublin encounter Aircoach, the green bus, Dublin Bus, Bus Éireann and if they look at their smartphones, they will come across Transport for Ireland. They will say to themselves, "This is a bizarre set up". When one lands in Boston or a European city, one encounters a single transport entity when one arrives.

Mr. Hugh Creegan: I do not disagree with the Deputy in the slightest. We have a challenge to develop what we started much further over the years ahead but we are dealing with the legacy of bodies that were set up decades ago and, therefore, it will take some time to change. We would like to get into the space he mentioned. That is where we would like to aim for.

Deputy Patrick O'Donovan: Is that actively in progress? If the Luas, DART, commuter rail, mainline rail, Dublin Bus and Bus Éireann are to be integrated, surely something as basic as painting them all the same colour would be a start. However, Irish Rail has rebranded over the past three years at a cost and Bus Éireann has recently rebranded at a cost. The Leap card was introduced with another new name foisted on us at a cost. Every time there is a will to inject cash into one of the public transport services, a rebranding happens and that is not in keeping with what the NTA is trying to achieve, which is a single brand entity for transport Ireland. On top of that, there are the DART, CIE International Tours, etc.

Mr. Hugh Creegan: The space we are focused on is the subsidised services the State is providing. Certain companies the Deputy mentioned provide commercial services and we are not necessarily able to bring them under the same umbrella. The objective he set out is our objective but it will not happen overnight. It will take some time to achieve but that is the direction in which we are going.

Deputy Patrick O'Donovan: I refer to the questions I asked about the NTA's requirement for toilet facilities and the extension of licences on the Limerick routes.

Mr. Tim Gaston: Toilets on board are not something we specify within the licence; they are not a licence requirement. However, a number of the providers, including Bus Éireann, provide toilet facilities on long distance coaches.

Deputy Patrick O'Donovan: The NTA allocates a licence for a non-stop bus service between Tralee and Dublin, which could take four and a half hours, depending on traffic and, there is no requirement for a toilet.

Mr. Tim Gaston: There is no licensing requirement for a toilet on board the vehicle.

Deputy Patrick O'Donovan: Is it adequate in 2016 that people could be stuck on a bus for four and a half hours potentially, with no access to a toilet?

Mr. Tim Gaston: I believe a number of the providers recognise that as a customer requirement and provide that facility.

Deputy Patrick O'Donovan: Is it good enough that a licence is being awarded without a requirement for a toilet?

Mr. Tim Gaston: The licence and the legislation require us to nominate the starting and closing points of the journey, the stopping points along it and the timetable. That is the extent of the powers we have on the licensing. We do not get into the branding of the vehicle or other aspects of commercial services that are licensed.

Deputy Patrick O'Donovan: The licence is awarded by the NTA and in many cases, vulnerable passengers are on board. Many passengers travelling from provincial locations are going to Dublin, for instance, for hospital appointments. It is not acceptable to expect passengers to travel from Killarney to Dublin without a toilet stop.

Mr. Tim Gaston: In the commercial world, that is a service that the operators will provide to their customers.

Deputy Patrick O'Donovan: Is that not a matter for the authority, as the licensing agency?

Chairman: The Deputy's point has been made.

Deputy Patrick O'Donovan: It has not been heard. The licensing agency thinks it is appropriate to expect people to sit on a bus travelling between Killarney and Dublin in the full knowledge that the bus will not stop and there is no toilet on board.

Mr. Tim Gaston: It is not a licensing condition that we impose on operators at the present time.

Deputy Patrick O'Donovan: It takes longer to travel between Killarney and Dublin than to fly between Shannon and New York. There are no toilets on these buses and there is no requirement to have a toilet on board. If Aer Lingus and Ryanair operated on that basis, there would be an outcry. I ask that this issue be reviewed. I know elderly people who have no choice but to take a particular service. Some are elderly men with bladder or bowel problems and they have no option but to plan their journey well in advance. To be fair, a passenger paying a fare or availing of the free travel initiative should at least have the courtesy of knowing that if they get on board and they need to go to the toilet without having to stop the bus on the side of the motorway, they can do that.

Chairman: I will intervene to be constructive. Could this issue be examined in future reviews of licensing criteria?

Mr. Tim Gaston: It is something at which we will look. We are required to undertake a review of the licensing regime this year in any event and this is something we will bring into that discussion on the back of----

Deputy Patrick O'Donovan: Do passengers who travel on non-stop Bus Éireann services that take in excess of three hours have access to toilet facilities?

Mr. Martin Nolan: A fleet of toileted coaches came in last year. We use them on the longer services. Most of our services are limited and include stops, so there are opportunities for passengers to go to the toilet. It is not necessarily a problem for us at this stage.

Deputy Patrick O'Donovan: The company has non-stop services.

Mr. Martin Nolan: We go from Killarney and Tralee into Limerick and from Limerick to Dublin. Ballina to Dublin is our longest service-----

Deputy Patrick O'Donovan: Does Bus Éireann provide a non-stop service between Cork and Dublin?

Mr. Martin Nolan: Our GoBé services do and there are toilets on those services.

Deputy Patrick O'Donovan: Do those using Bus Éireann non-stop services have access to toilets?

Mr. Martin Nolan: In general.

Chairman: What about Ballina to Dublin?

Mr. Martin Nolan: In general, yes. Ballina to Dublin is not a motorway service. Buses stop in various places, such as Longford, along the route and, therefore, there are opportunities for people to go to the toilet.

Deputy Patrick O'Donovan: If the bus leaves Ballina and it is full and all the passengers are heading to Busáras in Dublin, it will not stop.

Mr. Martin Nolan: The bus will stop. It does not go directly. Road conditions are a factor. It is easy to use a toilet on a motorway but when roads are bumpy and so on, there are safety concerns regarding the speeds at which the buses travel. There are opportunities for passengers to go to the toilet, where appropriate, on or off the buses.

Deputy Patrick O'Donovan: I asked about school transport.

Chairman: Others are waiting.

Deputy Patrick O'Donovan: I was waiting for the entire meeting. I did not leave and return.

Chairman: I am following the procedure that was laid out at the beginning. We are only delaying ourselves with this.

Mr. Martin Nolan: School transport is a cost-recovery operation. There is no profit and there is cross-subsidisation involved. We say that every time we appear before the committee.

Deputy Michael Fitzmaurice: I thank the witnesses for their presentations. Bus Éireann buys diesel in advance at €1.20 per litre. The price of diesel is now down to 99.8 cent a litre in places. When it falls lower than that, will the company buy enough in bulk in order that it might save a great deal of money down the road? The price of oil is expected to fall to somewhere between \$22 and \$24 dollars. When the opportunity arises, will the company make sure it buys enough diesel in advance? A group appeared before the committee recently to discuss natural gas and Ireland's move to a low-carbon economy. They said buses would move to natural gas. Is Bus Éireann buying buses with that facility? It costs €18,000 to install the relevant technology.

On school transport, why was the old school rule abolished? It is causing many problems around the country. Another problem that crops up here and there, which I am sure every Deputy has encountered, is children attending schools that are further away from them than others. I am familiar with cases of bullying and other problems which meant the children had to move

to other schools and they had to pay for their bus tickets. Is any change proposed in this regard?

The NTA is just waggling along with the Local Link service in County Leitrim and parts of County Roscommon and nothing is being done. We have been told schemes would be announced but nothing has happened. When will the service be provided? Who is making up the rules preventing buses from pulling up in different places? The approval of the local authority is needed. Who introduced that rule, which is causing problems?

I return to matters involving Bus Éireann. There are new rules for orange, yellow and red weather alerts. I understand that during the flooding, if there were three to four inches of water on the road, there was an instruction not drive. I must compliment Mr. Nolan on how Bus Éireann staff dealt with a problem in Roscommon as the bus went round about to help children. Why is it the case that in adverse weather conditions of frost, rain or storm, the Bus Éireann school bus is stopped but the private operator will pick up the children? Different rules seem to apply.

I wish to put a question on tendering to both the witnesses from Bus Éireann and the National Roads Authority. Do the witnesses think the new procurement procedures fly in the face of common sense in that the detail of the description of how one cleans the bus and so on means that one is awarded more marks and therefore secures the tender, making an ass of the procurement system?

Mr. Martin Nolan: Will Mr. Creegan respond?

Mr. Hugh Creegan: We will take some of those questions. We have heard before about the problems caused by the rules for designating a stop. The responsibility for designating stopping places at the roadside rests with the local authority. We understand they have taken a conservative view in many places and are not allowing buses to stop at historic stopping points. We have decided to produce some guidance and send it to the local authorities and this might allow them to take some comfort from that guidance and go a little further than an individual on his own might be prepared to go.

Chairman: I raised that issue before with Deputy Fitzmaurice and I am glad to see that common sense is being used. The issue I raised was in Galway city. I have been talking to some of the private bus operators in recent days and they are still meeting brick walls with regard to the renewal of licences and effectively having to provide a more limited service for the public. I am glad to see there is some movement on it.

Mr. Hugh Creegan: We hope it will assist.

Senator Paschal Mooney: Would Mr. Creegan provide the committee with a copy of those guidelines?

Mr. Hugh Creegan: We have not produced them yet but we will be happy to supply them when we have them prepared. The intention is to produce a set of guidelines in the next couple of months.

Deputy Michael Fitzmaurice: If the NTA has not produced the guidance document, how can bus operators operate? Mr. Creegan states the council is responsible and that he hopes the NTA can do this, that or the other.

Chairman: In fairness, if there is a commitment to address it, I think the message is that the

quicker that is done, the better. I welcome the fact it will be done.

Senator Paschal Mooney: I agree, but I know of a case of a private operator who picked up a girl with special needs at a traditional bus stop, a place where the bus stopped when I was at school, and the private operator has had to stop picking her up because the council said it was too dangerous, even though it was a traditional bus stop. The sooner the NTA does this-----

Mr. Hugh Creegan: We will do it, we will not sit on this. On the issue of green buses and natural gas buses, that is something we have been looking at but they are more expensive. In a time of constrained funding, the choice is between up-to-date diesel vehicles or fewer higher technology and more environmentally friendly vehicles. We prefer to have more buses on the road.

Deputy Michael Fitzmaurice: Let us be clear, as Mr. Creegan says he has to do the best with the money that is in front of him. The green vehicles cost between €18,000 to €20,000 more. Would it be fair to say the NTA decision is to remain with the diesel vehicle and not go down the route of natural gas buses?

Mr. Hugh Creegan: Not exactly. Deputy Fitzmaurice mentioned natural gas buses but the trend across Europe is towards electric buses in urban areas-----

Deputy Michael Fitzmaurice: Which cost a good bit more.

Mr. Hugh Creegan: Our understanding is that there will be a green fund set up that will allow us to supplement the funding we have with some extra funding that will allow us to go for greener technology vehicles. Whether that is this year or next year, we do not know but we will be able to react whenever that happens.

The Deputy asked if we are flying in the face of common sense on the tendering of bus routes. The short answer is no. At this stage all we have done is pre-qualification of tenders. We have adopted the approach that is adopted around Europe. The next stage is where the tenders go out and the financial considerations will be a major component of that choice.

Deputy Michael Fitzmaurice: Let us be clear, as I have seen the marks awarded to those who tendered, that many operators have lost routes where they did not elaborate - they said they were driving for 35 years whereas the person who stated they did this, that and the other course got more marks for writing a heap of palaver.

I have a background in transport. The way procurement procedures are being processed for the bus routes especially flies in the face of common sense. Common sense has gone out the window.

Mr. Hugh Creegan: I am talking about the tendering of the PSO service.

Deputy Michael Fitzmaurice: I am talking about the procurement process for school runs.

Mr. Hugh Creegan: I will have to leave that to Bus Éireann to answer, as I thought the Deputy was referring to the other tender process for PSOs. I will hand over to Mr. Nolan.

Mr. Martin Nolan: Thank you. In response to the question of fuel, we buy 12 months hence. The price of the market is now 99 cent but the price forward is much higher than that at present. We look at that all the time. If we get a reduction in our costs, we feed that into the system. With a price of 99 cent or €1, people are more inclined to use their cars. If the cost has

reduced from €1.50 to €1, the revenue potential is a little bit lower, so it is back to giving the bus an advantage over the car, so that we can all move forward.

Senator Paschal Mooney: Is Bus Éireann VAT exempt?

Mr. Martin Nolan: We are zero rated which means we cannot reclaim our VAT.

Senator Paschal Mooney: VAT is included in Bus Éireann's fuel cost.

Deputy Michael Fitzmaurice: How much fuel in money terms does Bus Éireann use in the year?

Mr. Martin Nolan: We spend about €27 million.

Senator Paschal Mooney: So the company cannot claim back the VAT.

Mr. Martin Nolan: No, but we do get a small fuel rebate.

Deputy Michael Fitzmaurice: Those with lorries get that as well.

Mr. Martin Nolan: That is the same.

Deputy Michael Fitzmaurice: There is €5 million in VAT that Bus Éireann is not allowed to claim back.

Mr. Martin Nolan: The big saving in bus transport is getting 50 people out of a car on to a bus; even if it is a 20 year old bus, it will save more. The new vehicles we have are as good as the hybrids with little or no emissions. There are no double deck gas buses. One would normally use gas buses, but we can put more people on to double deck buses which are not run on gas.

The bus is considered a short-term asset, it is not like buying a loco engine that will last 25 years. It is shorter than that as within seven years the major life is gone. The time is not right to bring something in but it is moving in that direction.

The school rules came from a Government review body. I can assure members there were as many complaints about the catchment boundary system as there are about the new system.

There is an appeals mechanism for bullying. If members want to bring an instance of bullying to me, I can perhaps sort some of them out for them.

On the issue of private bus operators picking up students during weather alerts when the Bus Éireann buses do not pick up students, some 90% of the service we provide is contracted to private operators. We have nearly 4,000 vehicles out there that we bring in from the private side.

Deputy Michael Fitzmaurice: Was I correct in saying that?

Mr. Martin Nolan: No. The drivers are all trained to a standard where they do not take chances. Our drivers are trained to that standard as well. When there is a major red event, we do not travel, but when it goes down to yellow or even further, the driver has to drive according to conditions and if he feels it is unsafe, he does not operate. As members know in rural Ireland, in some places one cannot prejudge it as on one side of a hill there is black ice and the other side of the hill is different. I do not have any evidence of that.

The result of the tendering process last year was that 3% of the people who tendered did not get their contracts renewed, but half of them got different contracts so at the end of the day 1.5%

of the people did not remain in the scheme. As the Deputy said, there were some problems around the washing of the vehicles, so we have reviewed that in the new tender documentation. We listen to what is going on.

Deputy Michael Fitzmaurice: Is it the procurement process that Bus Éireann is tied into or is it the way that it was set down that caused the problem?

Mr. Martin Nolan: No. What we wanted was to maintain the standard and the cleanliness of the school fleet. There was a problem with cleanliness which has now been fixed. We gave a few marks for cleanliness in the procurement process.

Deputy Michael Fitzmaurice: I have seen instances, as Mr. Nolan is aware, where the operator provided a cheaper service and was doing the runs for years but because he did not write a heap of palaver, did not retain the run. That is a fact.

Mr. Martin Nolan: As we have seen in many instances, procurement is a fairly heartless business. One cannot give an advantage to an incumbent over a new person.

Chairman: There have been some allegations that people who tendered did not have buses or drivers and were awarded the contract and had to go looking for them after securing the tender.

Mr. Martin Nolan: Anybody who applied for our buses had to say what bus they had and what drivers they were using.

Chairman: All I am saying is that some of those allegations were made.

Mr. Martin Nolan: It is a fairly emotive subject, but we have done it as fairly as we can.

Deputy Michael Fitzmaurice: Would I be correct in saying that people who submitted a lower cost tender than others lost out to operators who were dearer because they did not say that they had completed CPC and washed the bus every second day?

Mr. Martin Nolan: It is not just a financial operation, it is a safety operation as well. There are instances where people who were cheaper did not get a contract because their answers under certain safety criteria did not come through. It would be on very rare occasions.

Deputy Michael Fitzmaurice: It would have been a good idea with the introduction of the new system to explain to people that they needed to elaborate. If a person was doing a bus run for thirty years and never had a problem, never had an accident and the tender price was okay, and as the person did not write an essay, the person lost out because they did not write down all the different things. It would have been a good idea to give people guidelines on how to fill out the forms. There are problems in many areas over that process.

Senator Paschal Mooney: Deputy Fitzmaurice raised the issue of gas-fuelled vehicles which I raise in the context of Bus Éireann's commitment to examine ways to reduce costs.

An old chestnut is the reason for using large coaches on some routes in rural areas instead of using smaller buses. Does Bus Éireann have smaller buses than the 45 seaters? There is a service that goes from Cavan through Leitrim down to Sligo on a Saturday morning. I see it nearly every Saturday morning around 10 a.m. and there would not be any more than 15 or 20 people on this big 45 seater bus. Has Bus Éireann looked at similar routes across the country and considered introducing smaller buses?

My next question relates to the NTA and perhaps it might be better if I was to talk to the witnesses privately about Westlink Coaches, which is currently in a tangle over licensing of a route. To put it simply, they are allowed to carry university students from Leitrim through Roscommon to Galway university, where they drop them near the campus. However, they are not allowed to pick up the same passengers on a Sunday evening going through Castlerea, Ballygar, Williamstown and Dunmore. There is another operator on that route. They have lodged an appeal because it seems their last appeal was turned down on the basis that there were insufficient numbers. They have now provided further numbers coming from NUIG, GMIT and they are also being told by NTA that there is a Bus Éireann service operating on the same route. That Bus Éireann route goes all over the country, going into Ballyhaunis and into Mayo, yet as we know the students want to get home. I wish to raise this issue and I am just flagging it as I would like to talk privately to somebody about it afterwards. This operator is providing more than 20 jobs in Drumshanbo, a small town of 800 people. It would be devastating if he were to lose out. It does not make sense to me that he is allowed to bring passengers from Drumshanbo through Roscommon and Galway into NUIG and yet not allowed to bring passengers whom he picks up in Castlerea because a licence was given to another operator. This issue needs to be examined. I was with the Minister when he was in Leitrim recently. He promised the people from Westlink he would contact the witnesses about this. I would like to have this issue addressed sooner rather than later.

Chairman: The Senator can raise it privately afterwards.

Senator Paschal Mooney: What about the fleet?

Mr. Martin Nolan: On a Saturday morning one would have full loads early in the morning but in the course of the day, fewer people would travel on the bus. In regard to the unit cost of running a vehicle per kilometre, the cost of the vehicle would be a very small part of it as the labour element of the cost would be much greater. A bus could be on a different route on a Friday or on a Sunday evening.

Senator Paschal Mooney: I thank Mr. Nolan.

Chairman: On behalf of the joint committee I thank Mr. Aidan Murphy and Mr. Martin Nolan for outlining Bus Éireann's performance and its remit in 2015. I thank Mr. Hugh Creegan, and Mr. Tim Gaston for clarifying the role of the National Transport Authority, particularly in relation to the rural bus service.

The joint committee adjourned at 11.25 a.m. until 9.30 a.m. on Wednesday, 27 January 2016.