

Open Letter to Bus & Coach Operators: 27/03/2012



School Transport Scheme:

Dear Sir or Madam:

Over recent weeks you will have noticed quite some activity around the School Transport Scheme with invitations to meetings, even to America, by a consortium of Trailways, [an American association of Bus and Coach operators] and a company called STS Ltd. [formed last year to take a case against the Department of Education in its handling of the School Transport contract with the State company, Bus Eireann.]

ibus plc., the “business arm” of FOTO, was initially involved in negotiations with STS Ltd and Trailways and a number of large Irish Bus and Coach operators when there were two main areas of interest and benefit for the many small to medium individual operators that FOTO represents, namely, a court case to force the School Transport Scheme contract out to tender and a strong consortium or alliance to make a successful bid for this contract. However, as this consortium continued to add other components, it became more difficult to determine where the controls or the extent of shareholdings for ibus plc. and its stakeholders [75% owned by private bus and coach operators shareholders] would be within this expanded brief. For example, the building of buses, buying these buses, financing these buses and some stated objectives by the promoters that would see the demise of large numbers of small to medium sized operations. It was on this basis that I withdrew my personal support and that of FOTO and ibus plc.

You will have noticed many similarities of approach by STS Ltd. to the approach of ibus plc. such as networking of services, anonymity, 5 to 10 years contracts, reduction in administrative costs, increase in pupil participation, etc, all of which were published by FOTO/ibus plc. in various submissions to Government and thereby confusing operators into thinking that FOTO/ibus plc. are in fact in some way connected. I wish you to know they are not; FOTO is not, ibus plc. is not and I am not.

You may also have been asked to sign a Memorandum of Understanding [MOU] whereby independent operators agree to, quote, “not to engage in any discussions with organizations that are or may compete with STS and Trailways” and that this will be effective for 2 years!

It is a great irony that after over 70 years of working in a “non compete” environment created by the Transport Act of 1932 that you are now asked to sign away your right to compete for our School Transport contract!

There will be many other offers on the table here if the School Transport contract is put out to tender. [Remember, this has not happened yet and if it does it may not be in its present form!] ibus plc. has maintained its options to join any Joint Venture, if need be, which is based on simple basic and accepted business principles with no “non compete” clauses, fear of discussion with other parties, fear of competition or possible contractual arrangements to buy a particular bus within our School Transport System.

Many of you already have a secured deposit in ibus plc. Many of you know you have anonymity and have had so for over 4 years now. The stakeholders in ibus plc. remain free to decide their own future, join any consortium, Joint Venture or go it alone in the event that ibus plc. does or does not succeed in winning the School Transport Scheme contract.

Each and every bus and coach owner should retain that right.

The case taken by the Trailways/STS consortium against the Department of Education, if successful, merely opens the possibility that the School Transport contract will be tendered. It does not automatically convey any right to the Trailways/STS consortium for this contract. This must be won in an open tendering process. ibus plc. and many other transport entities will be bidding for this contract. The ibus plc. business model, with 75% ownership by the actual operators, will be unique, comprising a compelling crucial factor adding to the ibus plc. bid.

ibus plc. is still open for business!

Loan Notes are still available. These remain secured and guaranteed by me personally, one of the very few investments that have not lost any of their value in the last 4 years! I will be meeting the ibus plc. Loan Note holders over the next couple of months to decide upon our course of action when there is more clarity on the future of our School Transport System.

I will let you know the dates and venues should you like to meet up.

Visit www.ibus.ie for details or call me on 045 878500.

If you wish you can let me have your comments or views in strictest confidence to my personal email, jdunne@jfd.ie

Best Regards for now,

John Dunne

FOTO

ibus plc.