



Auckland Regional
Transport Authority

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12 October 2009

Dear Bruce

NZ Bus Lock-out

I refer to our recent communications on this matter.

ARTA expects all contracted services, including school services, to operate in accordance with the terms of the passenger service agreements (**PSAs**). NZ Bus' decision to suspend all contracted services means that NZ Bus is in default of all of its PSAs with ARTA.

As discussed and agreed with you, ARTA will withhold payment for all services not operated.

Generally ARTA does not involve itself in employment disputes as this is a matter best dealt with by the parties involved. However, the NZ Bus lockout has now been in place for 5 days and this is having a significant impact on Auckland bus users.

It is critical that this dispute now be resolved as soon as possible and that service levels be fully restored immediately. In addition to the impacts on customers we need to restore confidence in Auckland's public transport system.

Given this, ARTA requires NZ Bus' proposals by 5pm on Tuesday, 13 October for the immediate resumption of all contracted services.

If NZ Bus does not provide a satisfactory proposal by that time, then ARTA may in respect of the:

1. North Shore Agreement reference 1-102-7 and Schools Agreement reference 1-110-6, notify NZ Bus that it is required to remedy the default within 5 business days;
2. West/South/Isthmus Agreement, invoke clauses 28.1(A)-(C) to resolve the matter. Failing which ARTA will formally provide NZ Bus with written notice under clause 21.4(B) that it requires the default to be remedied within 5 business days in respect of this PSA.

This letter is without prejudice to any other rights and remedies ARTA may have under any PSA or at law.

ARTA remains available to discuss this matter with you or your representatives.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Fergus Gammie', written over a white background.

Fergus Gammie
Chief Executive



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Auckland Regional Transport