**Variable Definitions**

All data file (same DMU's as in I O file but some additional data)

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|---|---|
| DENSITY: | Population density |
| COUNTY: | Code for county |
| TYPE: | Binary variable to describe county ("coastal county" coded 1 "inland county" coded 2) |
| KM: | Vehicle kilometres per annum (1991) |
| PAX: | Number of passengers per annum (1991) |
| PERS_KM: | Passenger kilometres per annum (1991) |
| FUEL: | Fuel costs per annum (1991) |
| DRIVER: | Driver costs per annum (1991) |
| DR_COSTS: | Total costs per annum (1991) |
| OTHER: | Other costs per annum (1991) (calculated as total costs – driver costs and fuel costs) |
| BUSES: | Number of buses |
| SEATS: | Number seats available (total for the bus fleet) |
| ST_PLACE: | Number of standing places (total for the bus fleet) |
| BUSSIZE: | Average bus size (the average number of seats + standing places per bus) |
| SET_KM: | Seat kilometres (defined as vehicle kilometres * average bus size) |

CITY_CO: Binary variable describing whether company is located in city or not (1 if located in city, otherwise 0)

D1: Dummy variable concerning whether company is also engaged in sea transport (D1=1) or not (D1=0)

D2: Dummy variable concerning whether company operates in coastal area (D2=0) or not (D2=1)

H1: describes whether the bus company is publicly owned and faces a subsidy policy based on cost norm (H1=1) or not (H1=0)

H2: describes whether the bus company is privately owned and has the ability to negotiate with the county council over the size of the subsidy (H2=1) or not (H2=0).

H3: describes whether the company is privately owned and faces a subsidy policy based on cost norms (H3=1) or not (H3=0).