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Dear Gian Carlo

Direct Rail Services is pleased to respond to the review of PR 13 establishing Network Rail's efficient expenditure document July 2011. Direct Rail Services have no issues with this response being published on the ORR website.

We found the workshop of 21st September informative and this helped us to understand the scope of the task for NWR/ORR to achieve efficient expenditure.

DRS would like to make the following comments;

In section 4.2 BTP are classed as 'non controllable costs'. Would a bespoke treatment resulting in efficiency savings result in an even poorer level of service from BTP than what is currently perceived?

Section 4.5 and 4.14 talks about how a long term capital programme could eliminate less productive old technology / to deploy modern signalling more widely? The industry agreed timescale for ETCS/ERTMS roll out has now gone out to 2039.

Section 5.5 renewal expenditure, DRS experienced a situation whereby a life expired loop on the WCML was going to be taken out of use apparently because there was insufficient funds for the higher standard of upgrade required.

How visible to the industry will this type of scenario be?

Devolution has been mentioned widely and it is evident that this decision has been made. Will there be efficiency savings through devolution and if so will this be published?

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