

Bill Emery
Chief Executive
Telephone 020 7282 2006
Fax 020 7282 2043
E-mail bill.emery@orr.gsi.gov.uk



6 September 2007

Iain Coucher Esq
Chief Executive
Network Rail Infrastructure Limited
40 Melton Street
London
NW1 2EE

Dear Iain

PORTSMOUTH RESIGNALLING

You wrote to me on 13 August with your representations on the notice we published on 30 July.

After considering your representations, we have decided to confirm the penalty of £2.4m. As you acknowledge, the factors you refer to in your letter had already been known through previous correspondence and meetings, and we took account of them in arriving at the penalty described in our notice of 30 July and in reducing the level from £6m to £2.4m.

I would like to respond to the point you make about risk and the declaration of a breach “forcing” you to become more risk averse. As we have said before, the breach and our decision to impose a penalty are about failure to identify and assess risk properly and to mitigate its effect, and not about the level of risk you assume. We see this as a very important distinction, and I would like to discuss this with you.

I am placing a copy of this letter on our website.

Yours sincerely

A handwritten signature in blue ink that reads 'Bill Emery'. The signature is written in a cursive style with a small flourish at the end.

Bill Emery