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Network Access Manager  
First Greater Western Limited  
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Dear Sue and Robert,

## **Approval of the Track Access Contract between Network Rail Infrastructure Limited and First Greater Western Limited**

1. The Office of Rail and Road (ORR) has today directed Network Rail Infrastructure Limited (Network Rail) and First Greater Western (GWR), (jointly the parties), under section 18 of the Railways Act 1993, to enter into a Track Access Contract (TAC) as submitted to ORR on 27 November 2015. The purpose of this letter is to explain the reasons for our decision.

### **The Application**

2. The parties originally submitted a proposed new TAC on 27 November 2015. Following our comments, a revised draft was submitted to us on 26 February 2016 and our directions refer to that version of the draft contract.
3. The purpose of the contract is to provide GWR with a new TAC to commence at the Priority Date (PD) March 2016 until Principal Change Date (PCD) December 2019, co-terminus with the Great Western franchise.
4. The new contract is on the same terms as the current GWR TAC which has an expiry date of PCD December 2016 and has rights for the same train services as the May 2015 timetable. The rights support the service obligations within the franchise and are the current rights mapped to the latest template but with interval, journey time, stabling and platforming rights withdrawn.

5. Rights beyond PCD 2016 for the enhanced Melksham and Paignton service introduced in December 2013 were not sought here and will be the subject of a separate application.

### **Consultation**

6. Network Rail undertook the standard 28 day industry consultation ending on 9 November 2015. They received two responses from Chiltern Railways and Transport Focus both offering support to the application.

### **ORR review**

7. We raised a query relating to the Paddington-Greenford service shown in the draft contract and also provided some drafting. GWR replied advising the conversion of the Paddington-Hayes service to a West Ealing – Greenford shuttle would be made subject to industry consultation and ORR approval via a Supplemental Agreement in January 2017 when the infrastructure at Hayes would be finalised. The suggested drafting amendments were also agreed by the parties.

### **The revised application**

8. The parties advised the ORR on the 26 January 2016 that they would amend the effective date to start at PD 2016 from its proposed start date of PCD December 2016. This would allow for a simplified process for future amendments between the PD in March 2016 and PCD December 2016.

9. The parties also indicated that they would seek to incorporate the rights granted from the 10<sup>th</sup> and 11<sup>th</sup> Supplemental Agreements (SA) into the new contract to be valid until PCD December 2016 and to include an additional round trip Twyford-Henley into the new TAC to be valid until PCD December 2016.

### **Further Review**

10. We reviewed the latest revised draft contract and provided a number of drafting suggestions. We also pointed out to the parties that there had been recent changes made to the Model Contract that had not been captured in the draft contract and would need to be incorporated before directions could be issued.

11. The parties accepted the comments we made and submitted an amended draft on 26 February 2016.

### **ORR's conclusions and directions**

12. In considering the contract and in reaching our decision, we have had to weigh and strike the appropriate balance in discharging our statutory duties under section 4 of the

Act. We concluded that issuing directions in respect of this contract is consistent with our section 4 duties, in particular those relating to:

- a) promoting improvements in railway service performance;
- b) protecting the interests of users of railway services;
- c) promoting the use of the railway network for the carriage of passengers and goods;
- d) enabling persons providing railway services to plan their businesses with a reasonable degree of assurance.

### **Administration**

13. A copy of the Directions and the signed contract will be placed on our public register, copies of this letter and the contract will also be placed on the ORR website. I am also copying this letter to Peter Craig at Network Rail and Keith Merritt at DfT.

14. Once the agreement is signed, in accordance with section 72(5) of the Act, you must send a copy to ORR within 14 days.

Yours sincerely



**Michael Albon**