

James Carter  
Network Access Manager  
By Email

Network Rail  
6<sup>th</sup> Floor  
One Eversholt St  
London  
NW1 2DN

22<sup>nd</sup> May 2015

Dear James,

**Section 18 Application: Great North Western Railway (GNWR)**

Thank you for your response dated 27<sup>th</sup> April 2015 to the consultation on GNWR's proposed Section 18 track access application. To clarify, this application is for a reduced number of rights contained in the previous application made by GNWR in June 2014.

With regards to the specific points you make in your letter we have the following comments:

You state that London Midland has previously raised concerns about the commercial validity of the proposed GNWR calls at Trent valley stations and Milton Keynes, and that London Midland has modelled the services using MOIRA which suggests a significantly increased level of abstracted revenue from other operators.

GNWR has provided some specific comments relating to this point in Annex A. Network Rail understands that GNWR has undertaken a significant amount of modelling work, however it is very much the remit of ORR, not Network Rail to assess whether an application passes the Not Primarily abstractive test undertaken by the ORR.

We note your comments regarding London Midland's 56<sup>th</sup> Supplemental Agreement in comparison with this application. Network Rail has applied an appropriate level of scrutiny to GNWR's proposed track access contract, and is confident that GNWR's services could be accommodated without an adverse impact on performance from December 2017.

As mentioned above, this application is for a subset of the rights contained in the previous Section 18 application made by GNWR. This previous application was also approved by SOAR meaning that including Position Paper discussions, the performance impact of the rights sought has been scrutinised on some 4 separate occasions.

We note your comments regarding the new West Midlands franchise, however, it is not appropriate to assess whether the proposed services could be accommodated against potential aspirations that may or may not be intended to operate. As part of the refranchising process bidders will develop plans taking GNWR's services into account.

With regard to London Midlands own WCML service aspirations. We are aware of these, however GNWR has come to Network Rail with firm proposals for which capacity exists and has been demonstrated to exist. The enhancement scheme at Norton Bridge has been developed to deliver two fast line paths from London to the North West. In order to deliver the business benefits of this scheme Network Rail is supporting this application. We are also keen to work with London Midland on further development of your own proposals. Network Rail and GNWR are applying for quantum rights, which leaves it flexible for a timetable recast to be undertaken to realise the full capacity benefits for the route. At this stage the optimum timetable including London Midland's and other operators' rights will be planned to maximise capacity benefits.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Gilliland', written in a cursive style.

Rachel Gilliland

**Head of Commercial Freight**

Annex A – GNWR Comments

Dear James,

Thank you for your comments on the GNWR consultation.

In your response you make reference to concerns you have regarding the level of abstraction that will occur as a result of the introduction of GNWR's services.

As mentioned in our previous consultation responses, the outputs from MOIRA are relied upon only in stage 1 of the 5 stage Not Primarily Abstractive test (NPA) test undertaken by the ORR. Using MOIRA alone will not provide London Midland with the full picture with regards to generation and abstraction.

GNWR has undertaken a significant amount of revenue modelling work and we are confident that our proposal comfortably passes the NPA test. All of this evidence will be provided to the ORR as part of the application.

We note your comments regarding the new West Midlands franchise and agree that any impact of the GNWR services may have on revenue should be factored in by the bidders as part of the franchising process.

Best wishes

Jonathan Cooper