



OFFICE OF RAIL REGULATION

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PR08 timetable

Dear Paul

1. I am writing to update you on our timetable for carrying out the 2008 periodic review (PR08).
2. As you know, we formally started PR08 in August 2005, when we published our first consultation document. In that document, and also in our initial assessment of Network Rail's revenue requirement and financial issues consultation published in December 2005, we included our evolving timetable for PR08.
3. We have made two main changes to the timetable previously published. We would like to inform you of these, so that you can take the changes into account in your own planning and engagement in the review. The changes are:
 - we will bring forward our November 2006 assessment of Network Rail's initial strategic business plan (SBP) to September 2006; and
 - we will bring forward our access charges review notice from April 2007 to February 2007 and consolidate it with other material, in particular our statement on the HLOS/SOFA requirements to DfT/Transport Scotland, instructions to Network Rail for its SBP and draft determinations on the long term signalling review.

Initial SBP: options and issues

4. This document will contain our emerging assessment of the initial SBP. The document will set out key issues and questions that we want to engage stakeholders on as part of our assessment of the initial SBP. We will consult on this document (for three months) with the consultation period closing in December 2006, which will allow us to take account of responses in the February 2007 document.
5. As part of the consultation process we will hold an industry workshop in October 2006.



INVESTOR IN PEOPLE

Doc # 238705.01

Advice to Ministers and Framework for Setting Access Charges

6. We are bringing forward our formal access charges review notice required under Schedule 4A of the Railways Act 2005, originally earmarked for April 2007, to February 2007. This will give the Secretary of State for Transport and Scottish Ministers a period of notice to provide us with their high-level output specifications (HLOSs) and statements of the public funds available (SOFAs). We are not changing the previously stated date, of July 2007, for the HLOSs/SOFAs to be provided to us.

7. Alongside the notice, we also will be including in this document:

- our full assessment of Network Rail's initial SBP, taking into account Network Rail's September 2006 scenarios, responses to our consultation and outcomes from the October 2006 workshop;
- our decisions on the incentive, charges and financial framework for CP4;
- clarification of our requirements for the HLOSs/SOFAs;
- information requirements for Network Rail's October 2007 SBP submission; and
- draft determinations on the long term signalling review.

8. The revised timetable is included in Annex A to this letter.

9. I am copying this letter to Tim Wellburn/Mark Lambirth (DfT), Jonathan Pugh (Transport Scotland), Alec McTavish (ATOC), Graham Smith (Rail Freight Operators Association), Robin Shaw (Transport Wales), Richard Wallace (TfL) and Roy Wicks (PTEG). We will also be placing a copy of this letter on our website.

Yours sincerely



Paul McMahon

Annex A: PR08 high-level timetable (at May 2006)

Preparation phase	
August 2005	ORR publishes first consultation document
December 2005	ORR publishes initial assessment of Network Rail's CP4 revenue requirement and consultation on the financial framework
February 2006	ORR guidance to Network Rail on its initial strategic business plan (SBP) submission
May 2006	ORR workshop on the incentive framework
June 2006	ORR publishes consultation on structure of charges
June 2006	Network Rail submission of initial SBP (includes long term funding submission on signalling)
July 2006	ORR publishes consultation on incentive framework and 'emerging views' on the financial framework (following the December 2005 consultation)
July 2006	ORR workshop on the structure of charges
September 2006	ORR publishes 'Initial SBP: options and issues' consultation document
September 2006	Network Rail scenarios (in support of initial SBP submission)
October 2006	ORR stakeholder workshop on Network Rail's initial SBP and 'initial SBP: options and issues' consultation document
December 2006	Determinations on possessions policy (industry led)
Formal review phase	
February 2007	ORR publishes 'Advice to Ministers and Framework for Setting Access Charges' document. Including: <ul style="list-style-type: none"> - Formal ACR Notice - Statement on requirements for high level output specifications (HLOSs) and statements of public funds available (SOFAs) - Full assessment of initial SBP (inc scenarios) - Draft determination on long term signalling review

	<ul style="list-style-type: none"> - Network Rail information requirements for its SBP - Decisions on CP4 incentive, financial and charges framework
July 2007	Secretary of State for Transport and Scottish Ministers publish HLOSs/SOFAs
October 2007	Network Rail SBP submission
October 2007	ORR consults on the Network Rail SBP submission
February 2008	ORR publishes assessment of Network Rail SBP
April 2008	Network Rail revisions to SBP as necessary
April 2008	ORR statement on early start funding (for 2009-10)
June 2008	ORR publishes draft determinations
October 2008	ORR publishes final determinations
December 2008	Final levels for access charges (following audit)
March 2009	Network Rail publishes CP4 business plan