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Dear Andrew,

The Rail Delivery Group

This letter sets out TfL's response to the consultation. TfL is content for the response to be published.

TfL's understanding of its proposed role in RDG is as follows:

- London Overground and Crossrail train operators would be represented through their owning groups on the RDG board who would be Leadership Members
- London Underground would be a Licensed Member
- London Overground and Crossrail train operators would be Licensed Members
- TfL may also be a Licensed Member in its role as operator of last resort
- TfL would be an Associate Member as funder of London Overground and Crossrail

TfL believes that it should be a Leadership Member as described below in the answer to question 2.

1. Please comment on whether you consider that the purpose of RDG set out in paragraphs 2.3 to 2.5 will drive the changes and improvements envisaged by the McNulty study (paragraph 2.6).

TfL is content with the purpose of RDG as set out in the document. The group and other key industry stakeholders will need to work together to help deliver the McNulty objectives. Existing industry processes such as the Strategic Business Plan, Long Term Planning Process and Periodic Review will also be important in delivering change.

2. Are you content with the proposed structure of the RDG board set out in paragraphs 2.16 to 2.24, particularly in terms of scope of representation and the criteria for membership (paragraph 2.25)?

RDG's board will be made up of senior executives of Network Rail and TOC/FOC owning groups which are commercially focused businesses. It is important that the interests of passengers and taxpayers, whose objectives may be different from those of the operators, are taken into account if overall value for money is to be achieved. It is not clear how this will be achieved under the proposed structure. As guardians of public money, funders should form part of the board or some right of 'veto' over decisions of the Group where they are prejudicial to fare-payers and taxpayers.

TfL, through its Rail for London (RfL) subsidiary, will be the concession manager for London Overground and Crossrail during CP5. TfL operates its concessions on a gross cost contract, unlike DfT which manages net cost franchises. TfL will take revenue risk on these operations which by the end of CP5 will have combined annual turnover significantly more than the £250m threshold for Leadership Members. TfL has a more direct role in the management of the business than the traditional funder role and is directly responsible for enhancements and for revenue generative activities such as marketing, branding and customer research. RfL should therefore be a Leadership Member in its own right when its rail turnover exceeds the threshold.

3. Please comment on how you consider RDG could best engage with licensed and associate members. (paragraph 2.30).

Most Licensed Members will be represented by Leadership Members but any operators that are not part of a large owning group should not be disadvantaged.

Associate Members should be consulted on policy issues and key decisions and should have a real opportunity to influence policy through discussions and workshops. RDG will need to justify to Licensed and Associate Members

the policies that it is adopting.

4. (For licensed train operators and Network Rail) - in view of these proposals would you be content to agree to the introduction of the new condition at Annex B into your licence? If not, what changes would you wish to see which would allow you to provide that agreement (paragraph 2.41)?

TfL needs to work closely with ORR before the formal consultation to determine whether it is appropriate to change the LU and TfL licences. When passenger licences were changed to include the passenger information condition, no changes were made to the LU and TfL licences.

5. Will the proposed voting and quorum arrangements set out in paragraphs 2.45 to 2.47 provide you with assurance that decisions taken by RDG will have sufficient cross-industry support to justify implementation? (paragraph 2.50).

TfL has no comments.

6. Are there any specific commercial protections that you consider will need to be included within the competition compliance document (paragraph 2.53)?

TfL has no comments.

7. Please comment on whether you consider the funding arrangements proposed in paragraphs 2.59 and 2.60 to be appropriate (paragraph 2.61).

TfL is content with this arrangement whereby RDG is funded by Leadership Members.

Yours sincerely

Carol Smales