

29 May 2015

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Dear Ian,

Section 17 Application by East Coast Trains Ltd for Open Access services on ECML

Thank you for your letter of 8 April 2015 with respect to our application to operate services on the East Coast Mainline (ECML). Your letter raised matters in relation to our proposed timetable and the use of capacity relation to our application, which we would like to take the opportunity to respond to.

As we have already set out, the timetable that we have provided is indicative based on the proposed 2020 VTEC timetable, and takes into account the findings of the December 2014 Network Rail study into capacity on the ECML. We recognise that our planned implementation date of the timetable year commencing December 2018 is ahead of the 2020 VTEC proposals, but adopting this approach has ensured that we are able to demonstrate that our services can be accommodated.

We are confident that there is sufficient capacity on the ECML for our proposed services from 2018 alongside the current LDHS operators as well as existing operators and known aspirations for Thameslink and VTEC. Our analysis has concluded that eight LDHS paths per hour in each direction in the off-peak are available following the planned investment in the route during CP5 and coupled with the performance characteristics and capability of our rolling stock. We acknowledge that in some hours there are nine Long Distance High Speed (LDHS) paths, however these are in the hours when the proposed Lincoln service operates and is consistent with the findings of the Network Rail study. The ninth path is a feature of the nature of the service pattern on the route, which repeats over a two hour period during the off-peak.

By using the Network Rail Capacity Study (2014) as a basis we have taken account of freight paths on the same basis as Network Rail. We believe that we have therefore provided capacity on the route for freight services, recognising the vital role that they play. We have also proposed that following ORR's decision on access rights an industry Event Steering Group (ESG) is established such that all operators together with Network Rail can develop a timetable that meets the requirements of all users.

We understand that Network Rail has made available our proposed timetable, but if this is not the case please do let me know and we will be happy to forward this on to you.

Turning to performance, the NR ECML 2020 Capacity Study published in December 2014 provides an indicative view for performance on the ECML with a total of eight LDHS paths on the route. The report concludes that increasing the number of LDHS paths could lead to a reduction in PPM of 1.8 - 2.0%. However, our view is that this will be mitigated through the introduction of a more standard two hourly pattern of services plus the introduction of new highly reliable state of the art rolling stock (by both ourselves and VTEC).

Our experience of service changes has led us to conclude that the Network Rail view on performance could be overly pessimistic, particularly as it appears to be based on results in the periods directly after a major timetable change. The report cites the examples of Virgin West Coast December 2008, May 2011 ECML and May 2014 FTPE timetable changes. By basing the performance assessment on performance immediately after the change, there is a risk of overstatement because of the typical 'bedding in' period around a major timetable change. For example, in both the first two cases performance had recovered or improved a year after the change was made:

- Virgin West Coast: 83.2% (2009/10 P08) vs. 83.1% (2008/09 P08)
- East Coast: 86.5% (2012/13 P01) vs. 83.3% (2011/12 P01)

In the case of the most recent change on FTPE, the dip in performance was affected by other issues, including asset reliability, and has recovered to 91.0% in period 11/12 2014/15. The figure of a 1.8%-2.0% drop in PPM represents around a 14% increase in PPM failures, compared with current performance levels. This implies a comparable increase in delay experienced by train on the route due to congestion. This figure seems high, given the substantial investment at the critical junction points on the route. Our view is that this investment is expected to provide a capacity increase of at least 25%, offsetting the impact of additional paths on performance. For the above reasons, we assess that despite the increase in the quantum of paths performance would be at the very least maintained and it is likely that it could be improved.

Your final point identified raises a query with regard to journey time protection. I can confirm that ECTL is not seeking any journey time protection access rights for the proposed services. The reference to journey time protection in 4.3 of the Section 17 Application is therefore incorrect.

Once again thank you for taking the time to respond to the consultation on our proposals. I trust that the information contained within this letter is useful. I am copying this letter to Rob Plaskitt at ORR.

Yours Sincerely



Russell Evans
Policy & Planning Director