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Dear David,

Application for directions: proposed track access application between Alliance Rail Holdings Limited and Network Rail Infrastructure Limited

I refer to David Robertson's letter of 14 December 2011 inviting us to make written representations in respect of Alliance Rail's application, and detail below our response.

Overview

The Alliance Rail application brings together their two previous submissions that were made in respect of their West Coast and Leeds aspirations on 8 August 2011 and for which prior applications remain extant. Network Rail explained during the consultation process that accompanied these applications that we had undertaken analysis of the Alliance aspirations against the base December 2011 timetable and identified a number of workable paths that at the time indicated that the quantum of paths included in the Section 18 application should be achievable. We also expressed concerns over the remainder of the paths being sought as these could not be accommodated without a more wholesale recast of the timetable, and Alliance included these within their Section 17 application.

Since that time however we have become aware of other aspirations that have further increased the potential capacity demands on the West Coast Main Line. Network Rail has recently undertaken detailed analysis of capacity on the WCML and across the Pennines to Leeds as part of the preliminary work associated with the West Coast Event Steering Group (WCESEG). An initial report on this was issued by our Operational Planning colleagues on 21st December.

Whilst Network Rail feel that we should not be seen to pre-empt any decision that the WCESEG should be working towards we do recognise that a significant business driver for the new Section 17 application is as an enabler to permit Alliance Rail to commence procurement of new rolling stock which is fundamental to their aspirations if they are to come to fruition. As such we are committed to working with Alliance to identify those workable paths that are available.

Context.

Since the initial applications were submitted by Alliance Rail on 9 August 2011, there have been a number of new and changed circumstances that need to be taken into account in this response to their revised Section 17 application.

1. ORR published on 23 September 2011 “Proposed extensions to train operators’ current track access contracts”, which expresses the intention to be in a position to detail the revised stance on applications around the end of April 2012
2. ORR published in October 2011 the consultation document “The potential for increased on-rail competition – a consultation document” that sought views on on-rail competition and which highlighted a number of areas that required further consideration
3. Network Rail published on 22 December 2011 “Operational Planning (Strategy) – Capacity Analysis West Coast Main Line: The Timetable and Future Access Rights Report”. This document (which has been copied to ORR) being that which was issued to the industry w/c 19 December 2011 as indicated to the affected operators at the West Coast Event Steering Group preliminary workshop on 9 November 2011.
4. The Office of Rail Regulation (ORR) completed its investigation into declining punctuality on parts of the network, and has found Network Rail in breach of its licence. The ORR identified two specific areas of concern: declining long distance performance and declining freight performance. It has proposed two enforcement orders

The Section 17 application.

The application that Alliance has submitted appears to replace the original Section 17 and Section 18 submissions on which they initially consulted. We note that they have included the responses that they issued on these original consultations in relation to this combined application.

Access Rights

Network Rail wish to point out that whilst we accept that on paper a number (31) of the paths that Alliance include in this application are founded on the initial capacity work that we undertook and that in isolation they do exist on the graph, that the remainder were not proven to be achievable at the time.

Since this initial work was completed, Network Rail has undertaken a review of capacity in relation to the West Coast and the Transpennine route through to Leeds that has taken into account all of the applications and aspirations that have now been received for access over these routes. This has clearly identified that whilst paths and capacity exist in isolation the picture is less clear when all of these other requirements are overlaid.

It is apparent that decisions will need to be made as to which applications should be given primacy over others that interact and clash, and that these decisions will also need to take into account the wider impact of the rights on the overall performance capability of the West Coast and Transpennine routes. Whilst all the modelling undertaken has been using the December 2011 timetable as a base, it is likely that between now and 2016 and following the introduction of a range of planned enhancements, that additional capacity will become available but are unable to say whether this will be sufficient to accommodate all their aspirations. Currently however, we do not believe that the total quantum requested will be deliverable at the Subsidiary Change Date in May 2014.

Alliance has indicated in the application that they believe Network Rail withdrew support for their section 18 application. If that was the impression we gave it was not intended. It was explained at the WCESG preliminary workshop that we were revisiting our position in light of the analysis that we were undertaking on West Coast capacity which would be published w/c 19 December 2011. We fully intended responding based on the analysis undertaken as it would provide the most up-to-date position and should have prevented any confusion. However Alliance submitted their revised section 17 application in advance of our publication of the Capacity Study.

Network Rail remains committed to working with Alliance Rail to identify available capacity and in helping facilitate their entry onto the network.

I have copied this letter to Ian Yeowart of Alliance Rail.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Hollands', with a stylized flourish at the end.

Martin Hollands
Commercial Advisor